

Interim Report Q1 2012

Kim Ignatius, CFO

Nordea, 4 May 2012



Portfolio change well executed including strengthening balance sheet - outlook unchanged

- Q1 2012 - mixed set of figures
 - Net sales EUR 543.6 (530.2) million
 - Adjusted for structural changes -0.4%
 - EBIT excl. non-recurring items EUR 15.9 (26.3) million
 - Digital sales 24.4% of total net sales
 - Solid performance in Finnish and Belgium TV
 - Viewing share stabilised in Dutch TV
 - Increased investments in digital operations
 - Timing differences between quarters in Learning
 - Weaker performance in our main print operations, including VAT impact in Finland
- Balance sheet strengthened through non-core asset disposals
- Successful refinancing
 - Inaugural 5-year EUR 400 million bond

Heikin elämä

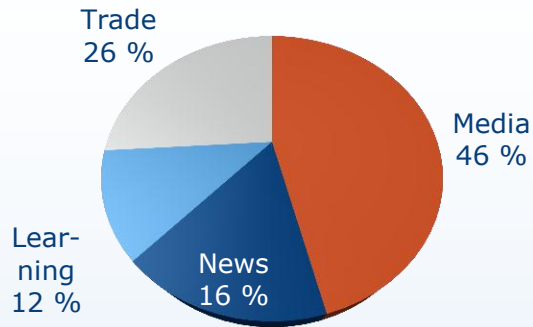
Puolet päivästä Heikki näkee tämän kasvin. Toisen puolen päivästä hän katselee oveille. Kolmen tunnin välein hänet käännetään, sillä Heikki ei pysty liikkumaan eikä edes puhumaan. Näin on ollut kohta yhdeksäntoista vuotta.

SIVUT 42-51

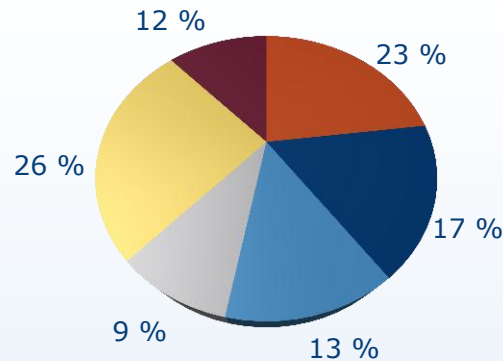
Focus on consumer media and learning

2010

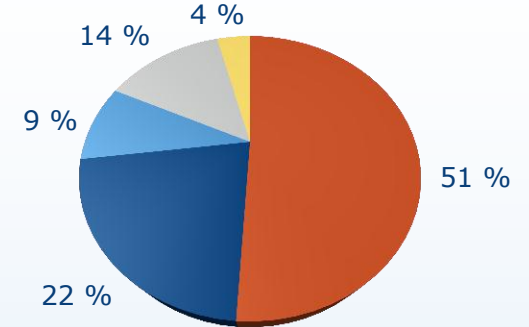
Sales by operating segment



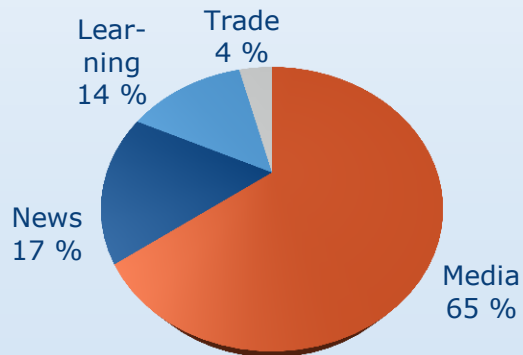
by type of sales



by geographic area

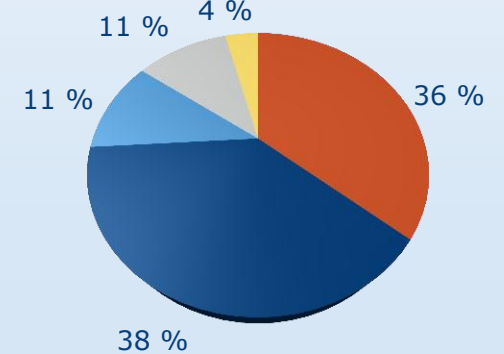
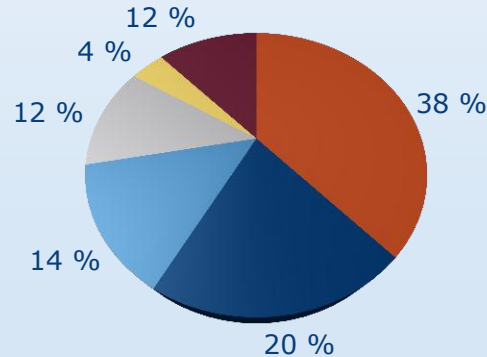


2011 restated* pro forma**



- Advertising sales
- Subscription sales
- Single copy sales
- Learning
- Retail/Press Distribution
- Other sales

- Finland
- The Netherlands
- Belgium
- Other EU
- Other countries

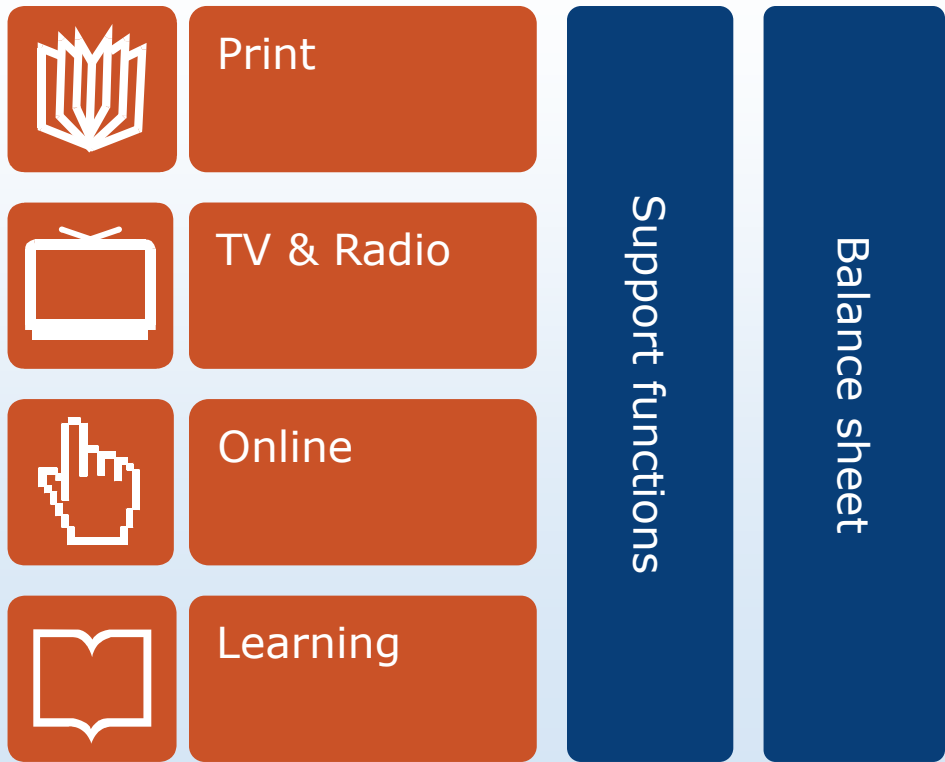


* Kiosk operations in Finland, Lithuania and Estonia, and press distribution operations in Estonia and Lithuania classified as discontinued operations.

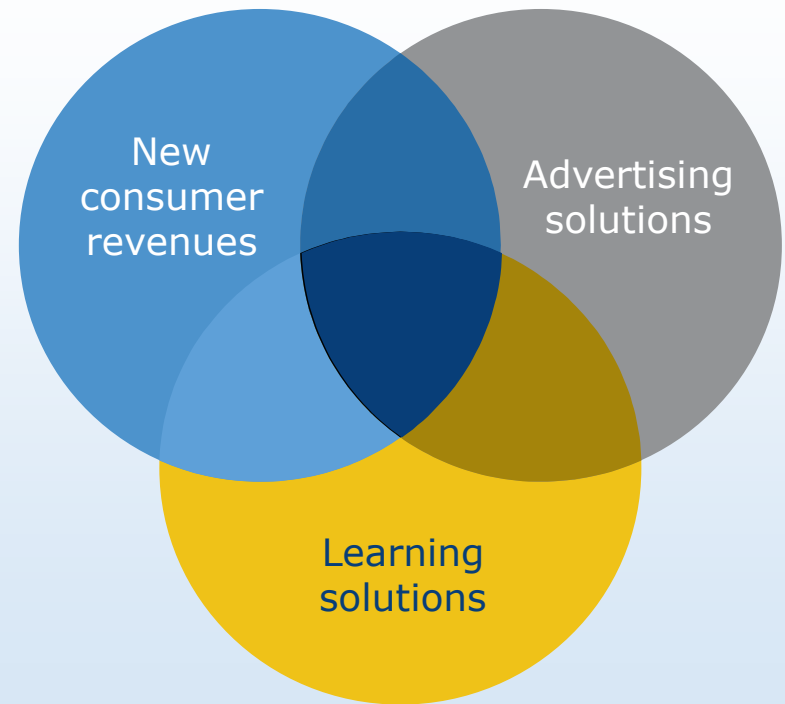
** Net sales split after the transactions of SBS, movie operations, bookstores, Trade's Romanian, Russian and Latvian operations, learning in Finland and Sweden as well as general literature.

Managing the digital transformation

Drive performance of current business



Multiplatform and digital growth



Drive performance of current business

- Print
 - Additional actions taken
 - Procurement function – print and paper
 - Pricing and segmentation
 - Portfolio review
 - New launches
 - Core process improvements – editorial flows, consumer sales etc.
- TV
 - SBS Netherlands – improvement
 - TV coordination forum
- Learning
 - Pricing
 - Editorial workflow
- Support functions
 - ICT infrastructure, financial shared services, real estate
- Balance sheet and cash flow

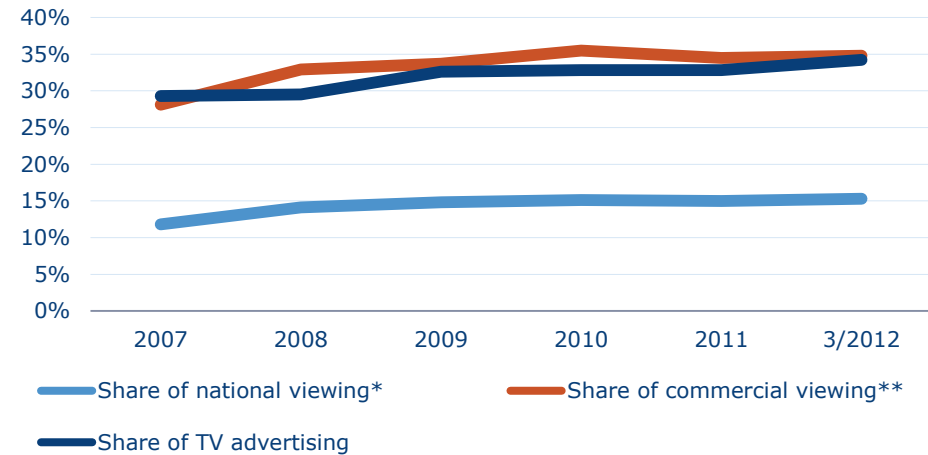
Multi-platform and digital growth

- New consumer revenues
 - All core print brands in Finland, Netherlands and Belgium will be available in digital/combo -models before year-end
 - Content device bundling - Helsingin Sanomat (FI) and Libelle (NL)
 - Digital distribution - tijdschrift (NL) and Tasku (FI)
- Advertising solutions
 - Cross-promotion
 - Multi-format solutions
 - Nelonen Media, Voice of Finland
 - Catch-up TV and second screen
 - Real-time bidding functionality (NL)
- Learning solutions supporting workflow efficiency and personalised learning
 - “Optimal Digital” –learning methods (Malmberg, NL)
 - Teacher’s Online Service (Sanoma Pro, FI)
 - Reform 2012 program (Nowa Era, PL)
 - Online homework environment (Bingel, BE)

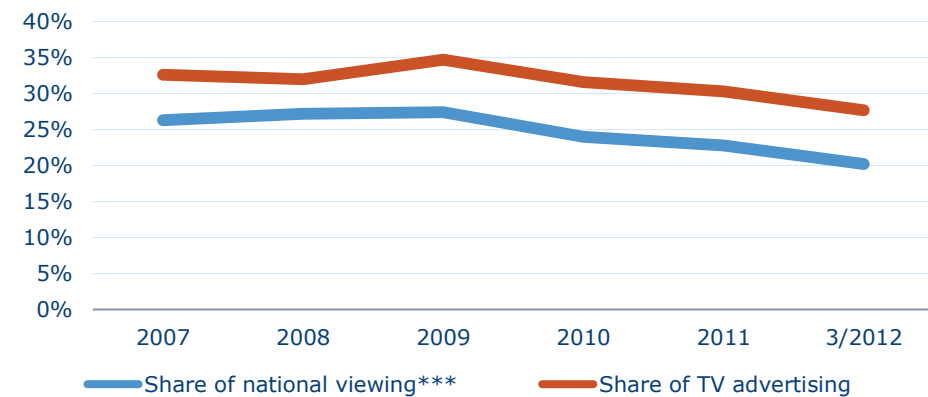
TV crucial medium in consumer media

- TV enables cross-media and multi-channel approach
- TV and online take advertising market share from print
- Catch-up and second screen still in infancy
- Solid track record in Finland for more than a decade
- Market positions strengthened in Finland and Belgium in Q1
- New management now in place in the Netherlands
- Improvement proceeding according to plan
 - Viewing share stabilised at just above 20%
 - Channel profiles set
 - Q1 net sales slightly below and profitability slightly above comparable year's level

Nelonen Media market share (average of the period)



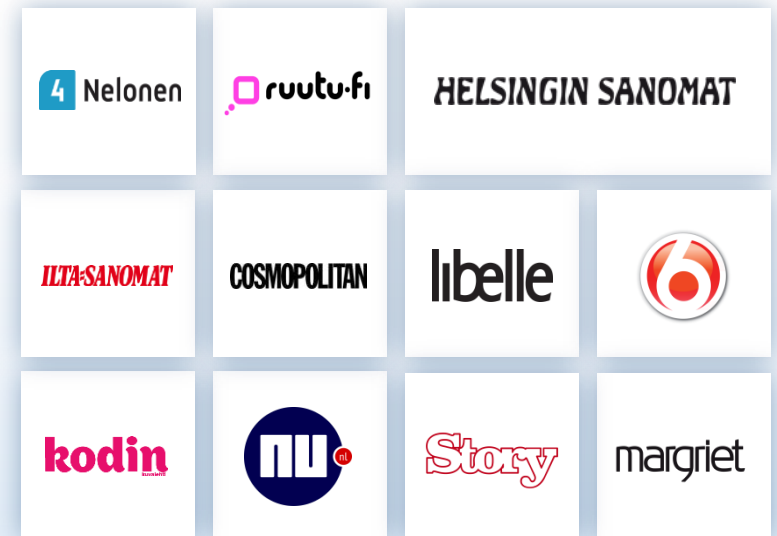
SBS market share (average of the period)



*Target group 10+ years.
 **Target group 10-44 years.
 ***Target group 20-49 years.

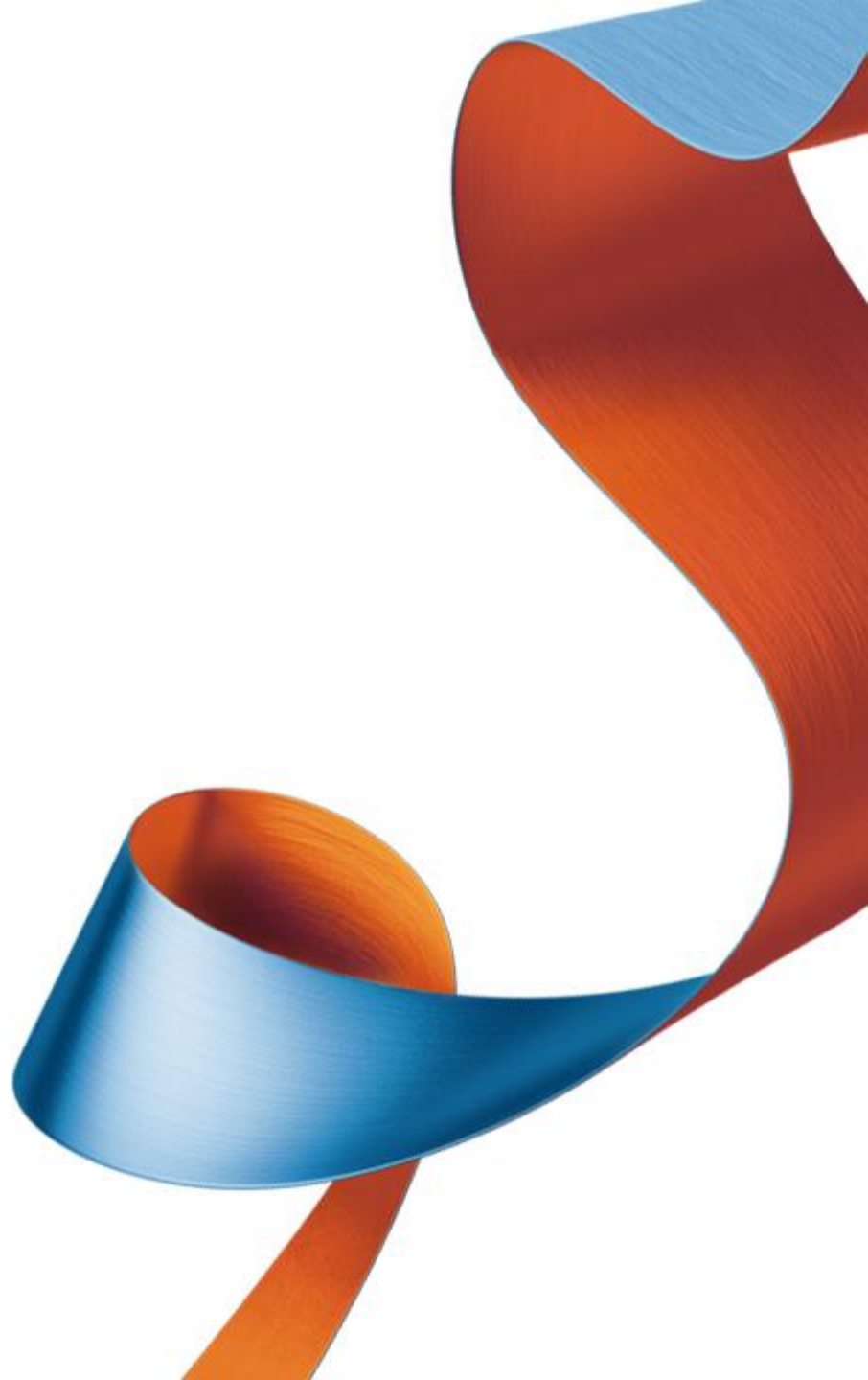
Success is built on our strong local market positions and our competencies

- Strong relationships and brands as well as concepts with inspiring content
- Leading consumer insight
- Our media, sales and distribution power based on our unique reach and strong customer relationships



We differentiate ourselves from our peers through our deeper and broader consumer media portfolio

Financials



Discontinued operations

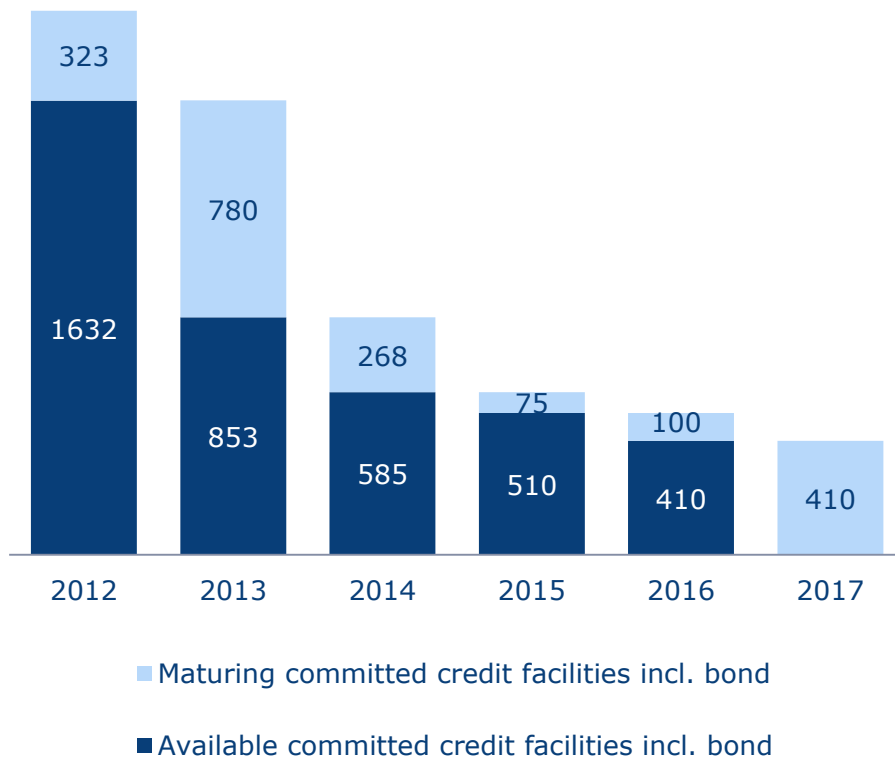
- Kiosk operations in Finland, Lithuania and Estonia, and press distribution operations in Estonia and Lithuania to be classified as discontinued operations in 2012. Accordingly, 2011 Income Statement is restated
- Balance sheet and cash flow statement for 2011 are not restated

EUR million	2011 Actual	2011 Restated	Outlook for 2012 based on restated
Net sales	2,746.2	2,387.1	"to grow slightly"
EBITDA excl. non-recurring items	469.5	446.3	
<i>of net sales</i>	<i>17.1%</i>	<i>18.8%</i>	
EBIT excl. non-recurring items	239.1	224.1	
<i>of net sales</i>	<i>8.7%</i>	<i>9.4%</i>	"around 10% of net sales"
EBIT	182.9	172.6	
EPS excl. non-recurring items, EUR	0.87	0.87	"to grow"
EPS	0.52	0.52	
of which Continuing operations		0.47	
of which Discontinued operations		0.05	

Debt portfolio

31 March 2012

Committed credit facilities profile* (EUR million)



- Gross debt EUR 1,586.1 million and net debt EUR 1,471.4 million
 - Average interest rate just above 3% p.a.
 - Interest sensitivity** has decreased to EUR 2.3 million and the duration is 29 months
- Inaugural eurobond issued in March under investment grade documentation
 - EUR 400 million 5-year fixed 5% coupon, yielding 5.136% p.a.
- EUR 800 million Finnish CP program and EUR 300 million Belgian CP program
 - Mainly used for operational cash management (fully backed)
 - Typically outstanding EUR 200–400 million

Financial highlights

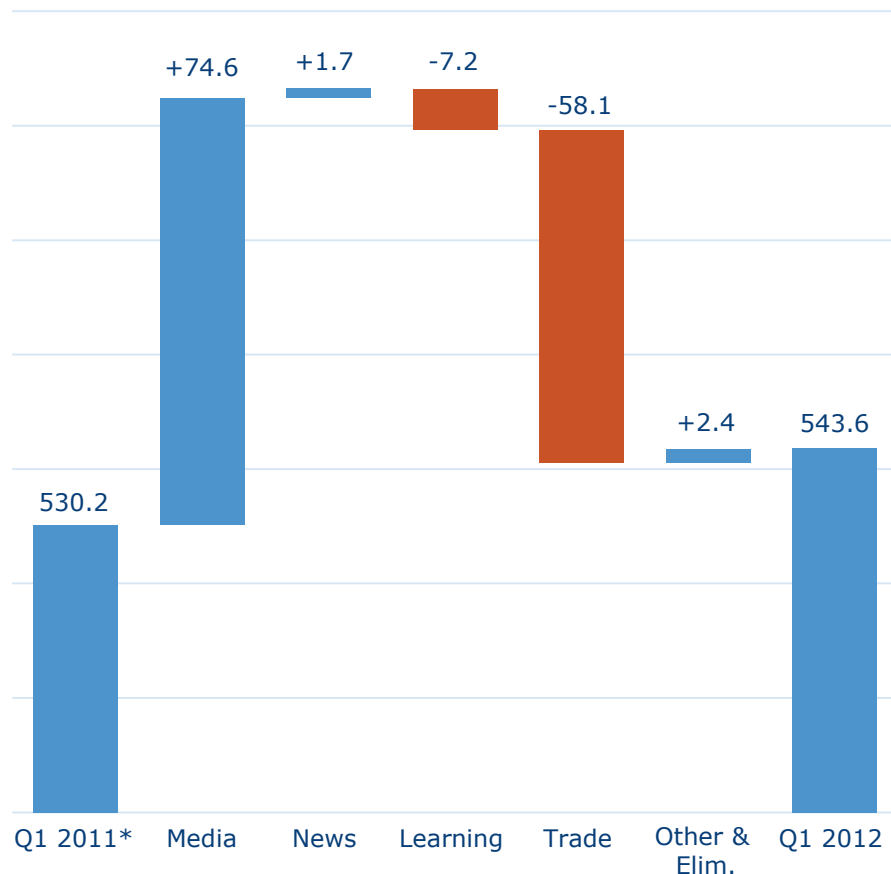
Q1 2012

EUR million	1-3/2012	1-3/2011 restated*	Change %
Net sales	543.6	530.2	+2.5
EBITDA excl. non-recurring items	83.6	64.0	+30.5
<i>of net sales</i>	15.4%	12.1%	
EBIT excl. non-recurring items	15.9	26.3	-39.4
<i>of net sales</i>	2.9%	5.0%	
EBIT	15.9	27.2	-41.4
EPS excl. non-recurring items, EUR	0.00	0.12	
EPS, EUR	-0.11	0.11	
Cash flow from operations/share, EUR	-0.13	0.12	
Number of employees (FTE)**	11,114	12,317	-9.8

Asset mix changed

Net sales – Q1 2012

EUR million



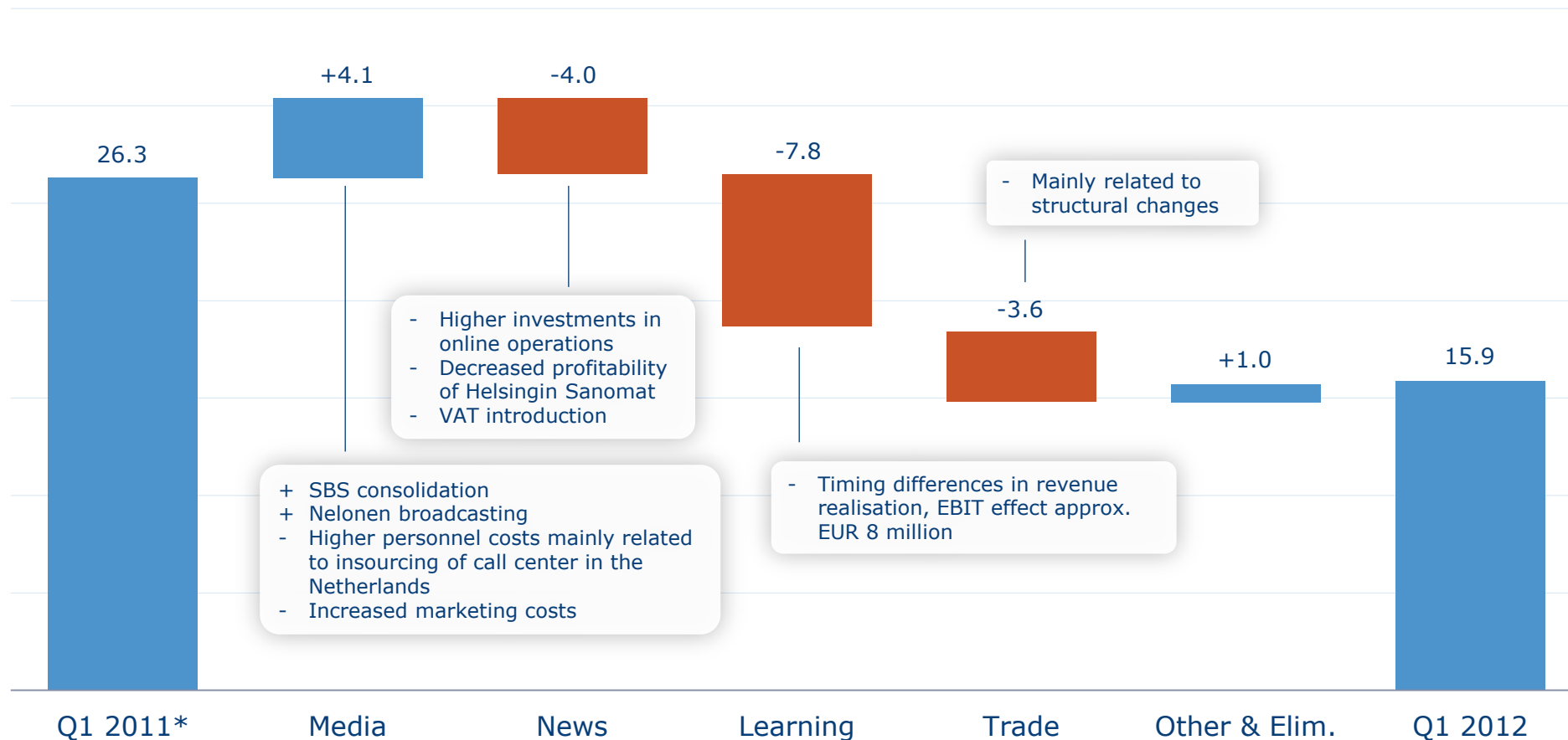
(%)	Growth	Organic growth	Share of net sales
Group	+2.5	-0.4	
Media	+25.6	-0.1	66.2
News	+1.5	+0.9	19.9
Learning	-11.9	-9.3	9.7
Trade	-71.0	-0.8	4.3

- Media:** Consolidation of acquired TV and print operations and good development in Finnish TV operations
- News:** Macro-economic uncertainty affected recruitment advertising sales. Tabloid Ilta-Sanomat had a good quarter
- Learning:** Divestment of operations and timing difference between quarters mainly in the Netherlands impacted net sales
- Trade:** Material divestments of operations

Structural changes and timing differences

EBIT excl. non-recurring items – Q1 2012

EUR million



Income Statement

EUR million	1-3/2012	1-3/2011 restated*	Change %
Net sales	543.6	530.2	2.5
EBITDA excl. non-recurring items	83.6	64.0	30.5
<i>of net sales</i>	15.4%	12.1%	
Amortisations related to programming rights	37.7	11.1	240.4
Other amortisation	12.1	6.7	81.0
Depreciations related to prepublication rights	5.2	4.9	6.4
Other depreciations	12.6	15.0	-16.8
EBIT excl. non-recurring items	15.9	26.3	-39.4
<i>of net sales</i>	2.9%	5.0%	
Total financial items	-13.7	-2.4	
Effective tax rate	n/a	30.8%	
EPS excl. non-recurring items, EUR	0.00	0.12	

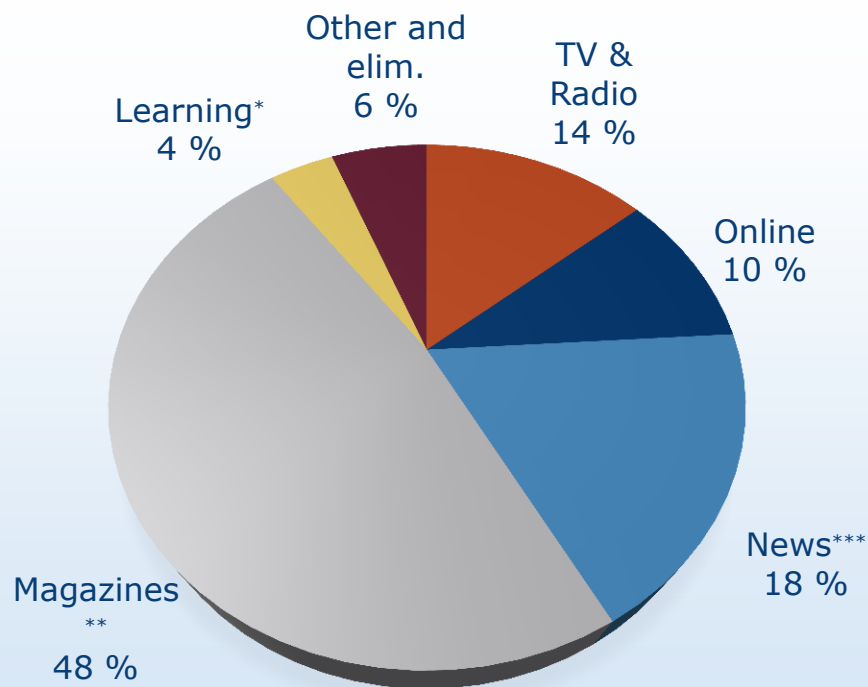
Free cash flow

Cash flow from operations less CAPEX

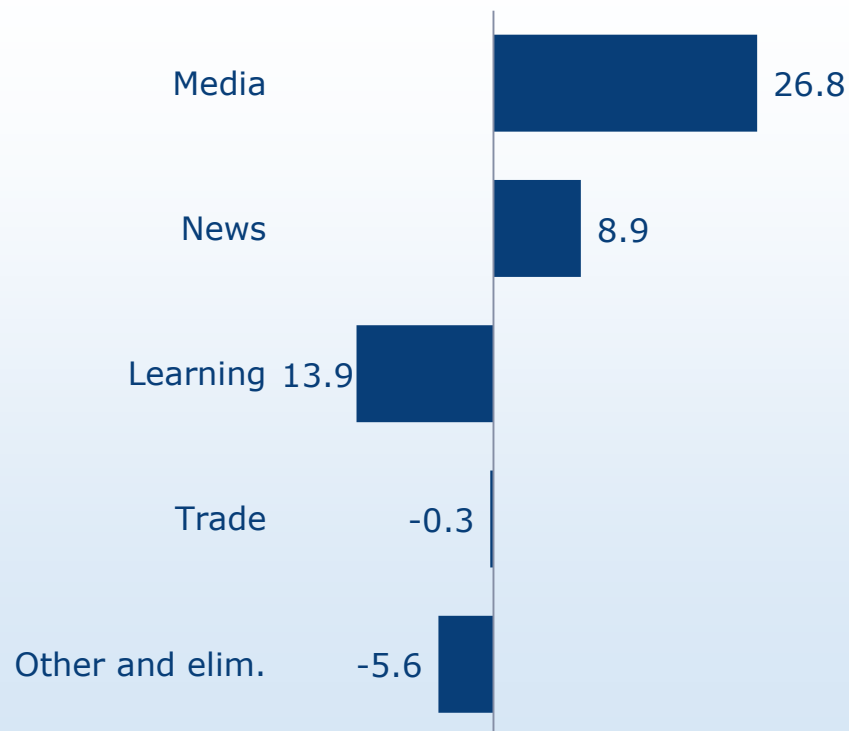
EUR million	1-3/2012 cont. operations*	1-3/2012 Group	1-3/2011 Group	Change %
EBITDA excl. non-recurring items	83.6	87.2	66.2	31.8
TV programming costs	-48.7	-48.7	-15.1	222.9
Prepublication costs	-6.2	-6.2	-5.4	14.0
Change in working capital	-17.1	-20.7	-12.6	64.5
Interest paid	-7.7	-7.7	-3.6	115.9
Other financial items	-3.4	-3.4	+0.9	
Taxes paid	-21.8	-23.2	-14.5	60.2
Other adjustments**	+0.8	+0.7	+2.8	-71.4
Cash CAPEX	-12.4	-14.2	-17.6	-19.6
Free cash flow	-32.9	-36.1	+1.1	

Strong seasonality between quarters

Group net sales
EUR 543.6 million – Q1 2012



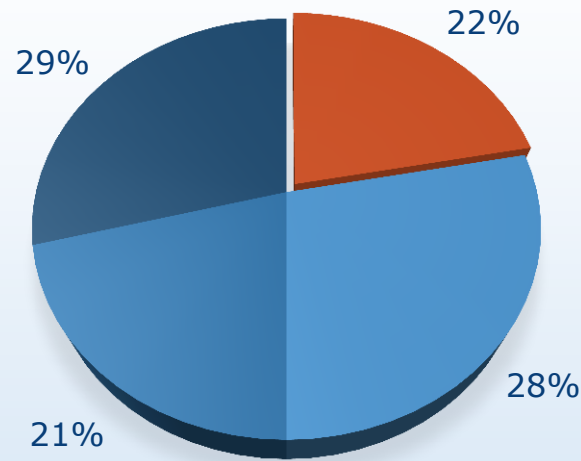
Group EBIT excl. non-recurring items
EUR 15.9 million – Q1 2012



TV – net sales and EBIT seasonality

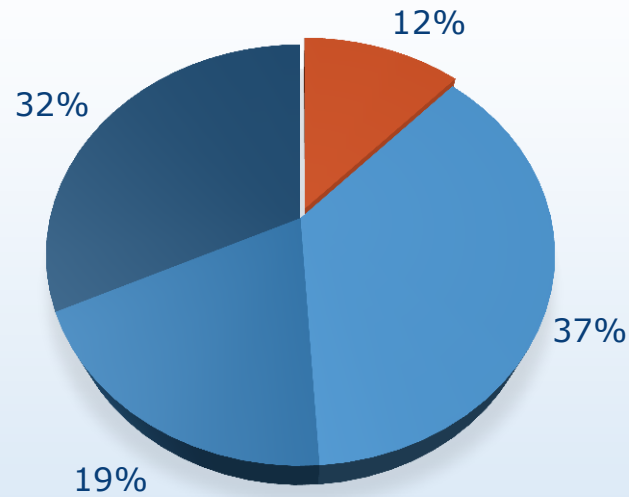
2009-2011 average for TV*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



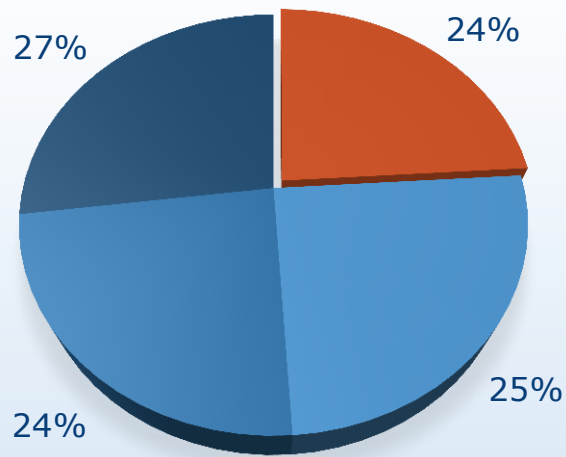
■ Q1 ■ Q2 ■ Q3 ■ Q4



Magazines – net sales and EBIT seasonality

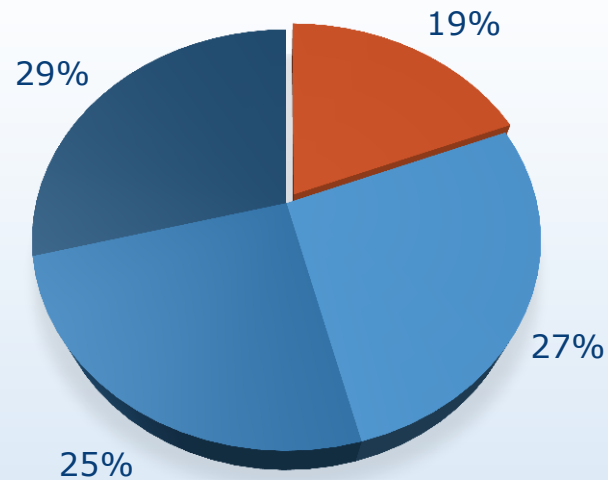
2009-2011 average for Magazines*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



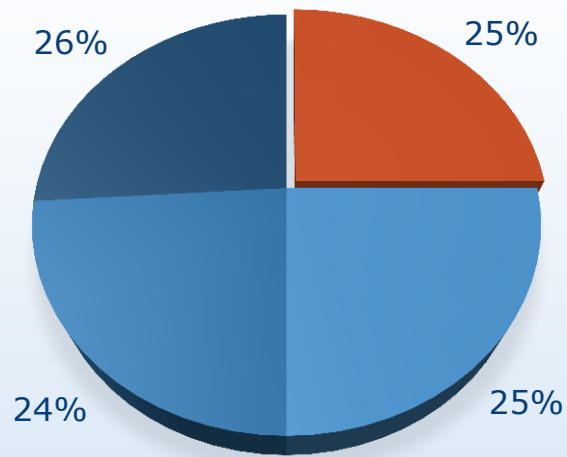
■ Q1 ■ Q2 ■ Q3 ■ Q4



News – net sales and EBIT seasonality

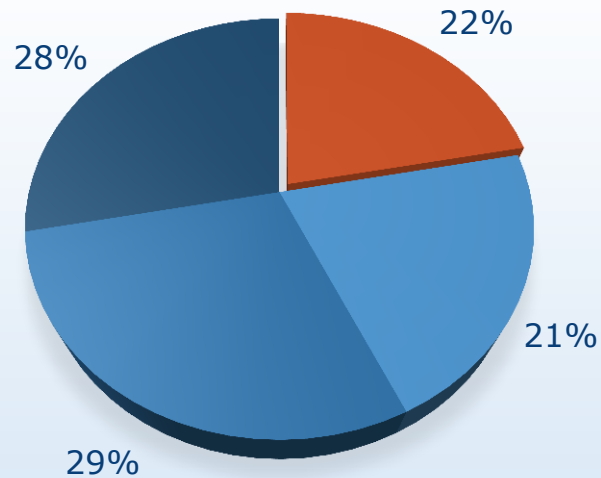
2009-2011 average for News

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT* split



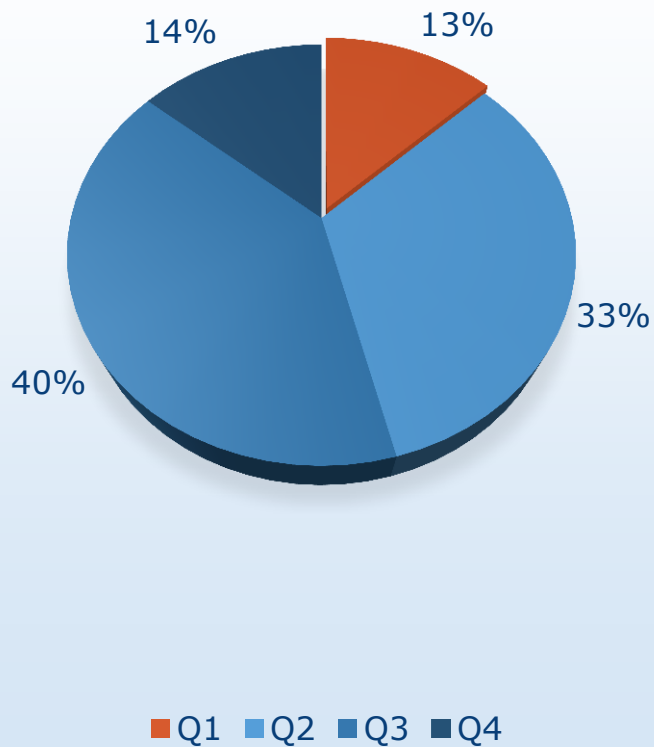
■ Q1 ■ Q2 ■ Q3 ■ Q4



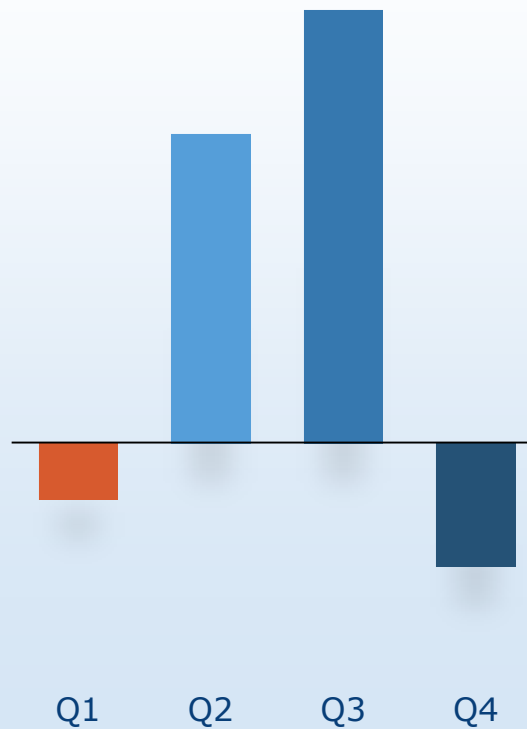
Learning – net sales and EBIT seasonality

2009-2011 average for learning*

Net sales split

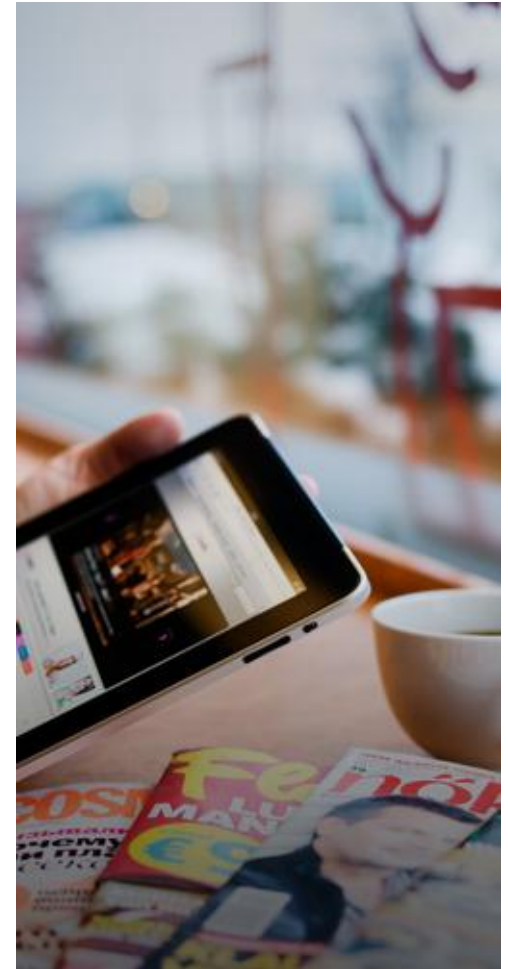


EBIT** split in relative terms



Outlook for 2012 unchanged

- Net sales to **grow slightly**, mostly due to the acquired SBS operations in the Netherlands and Belgium
 - In 2011, restated* net sales were EUR 2,378.1 million
- Operating profit margin, excluding non-recurring items, is estimated to be **around 10%** of net sales
 - In 2011, restated* operating profit margin, excluding non-recurring items, was 9.4% of net sales
- Earnings per share excluding non-recurring items are estimated to **grow**
 - In 2011, earnings per share excluding non-recurring items were EUR 0.87
- The outlook is based on the assumption that the advertising markets in the Group's main operating countries will vary **from stable to slightly decreasing**, as the economic uncertainty continues



Inspires, Informs and Connects

Appendix Interim Report Q1 2012



Focus on consumer media and learning

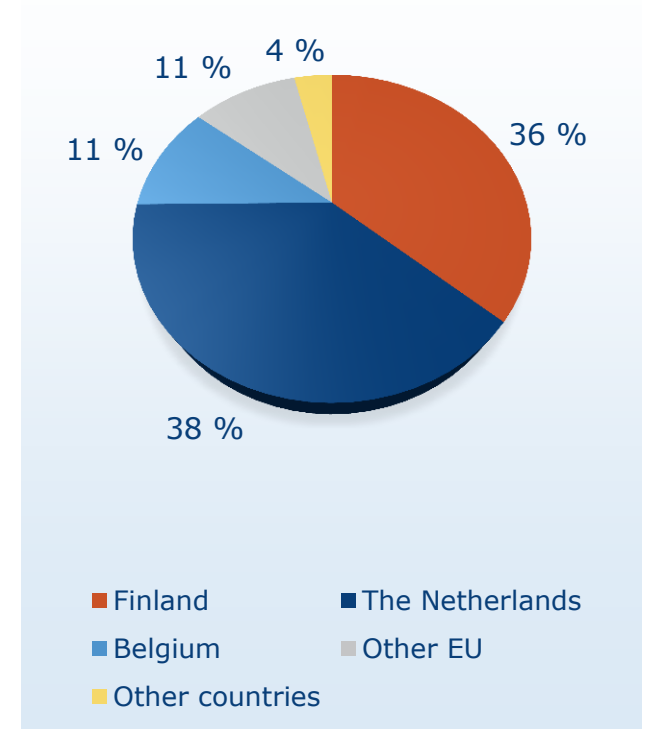
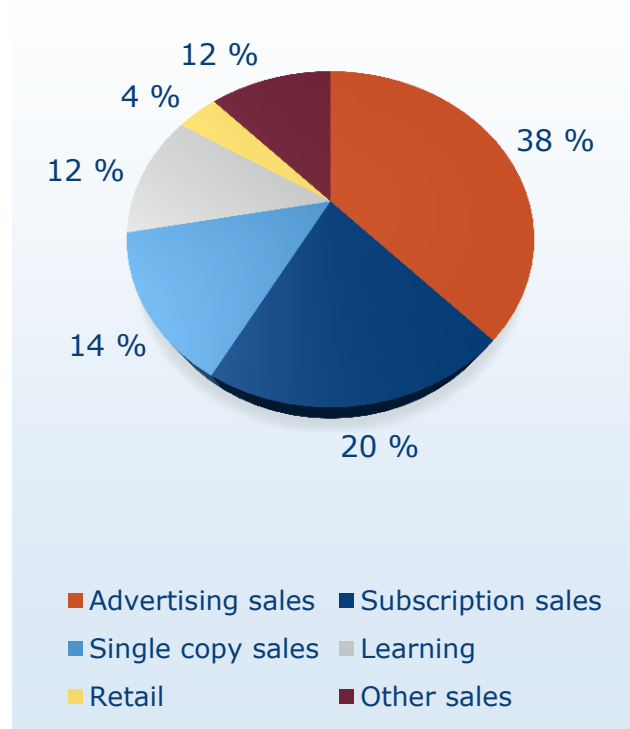
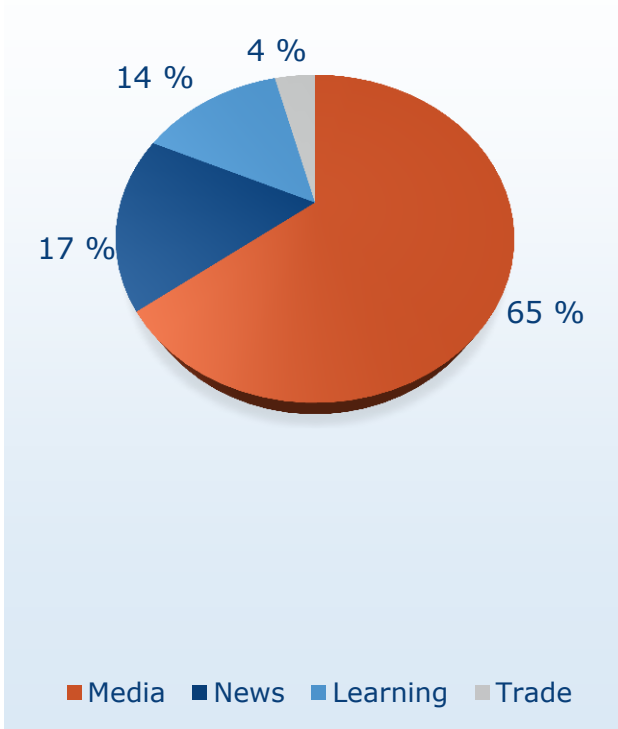
2011 restated* pro forma**

Sales

by operating segment

by type of sales

by geographic area

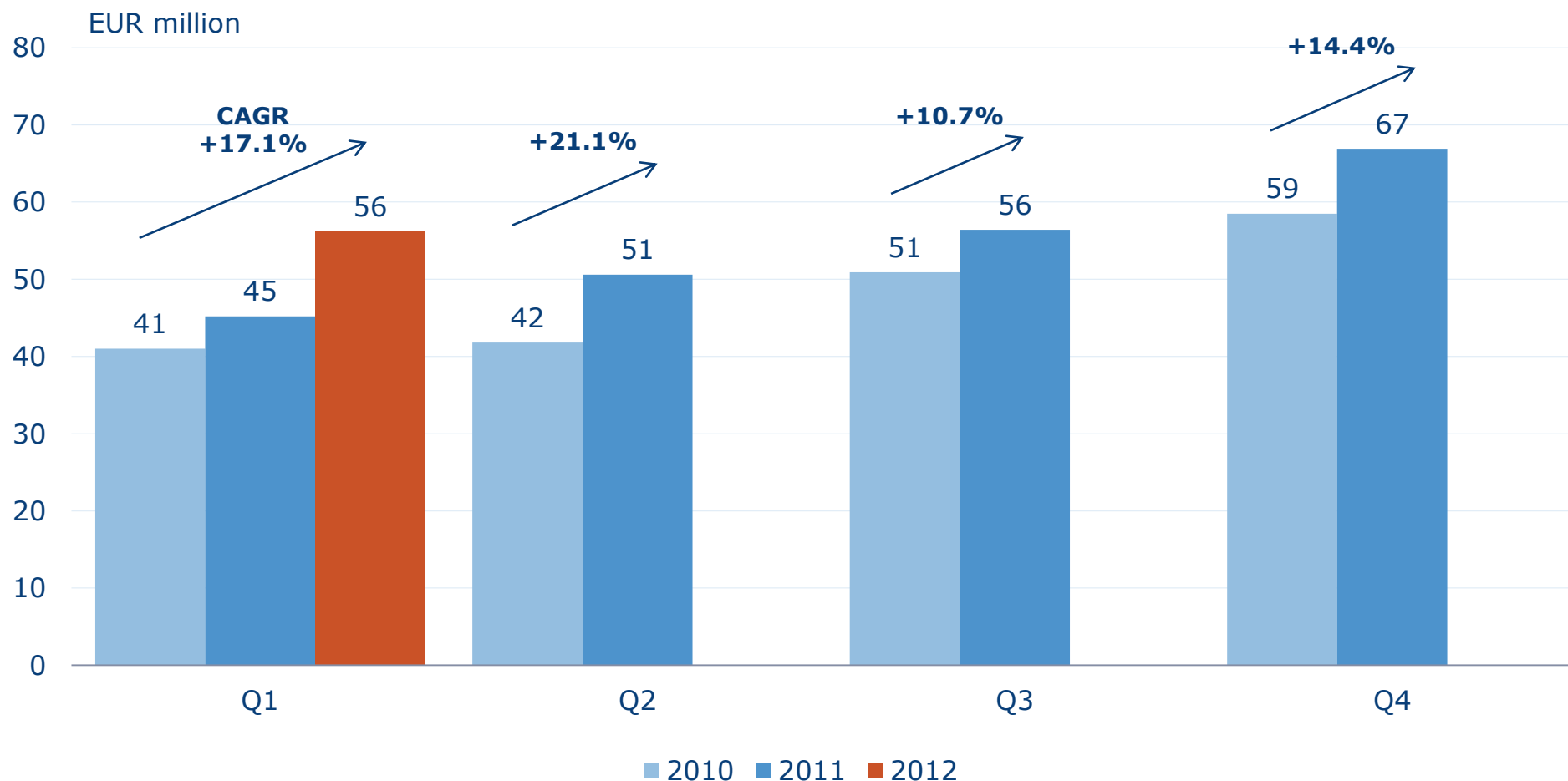


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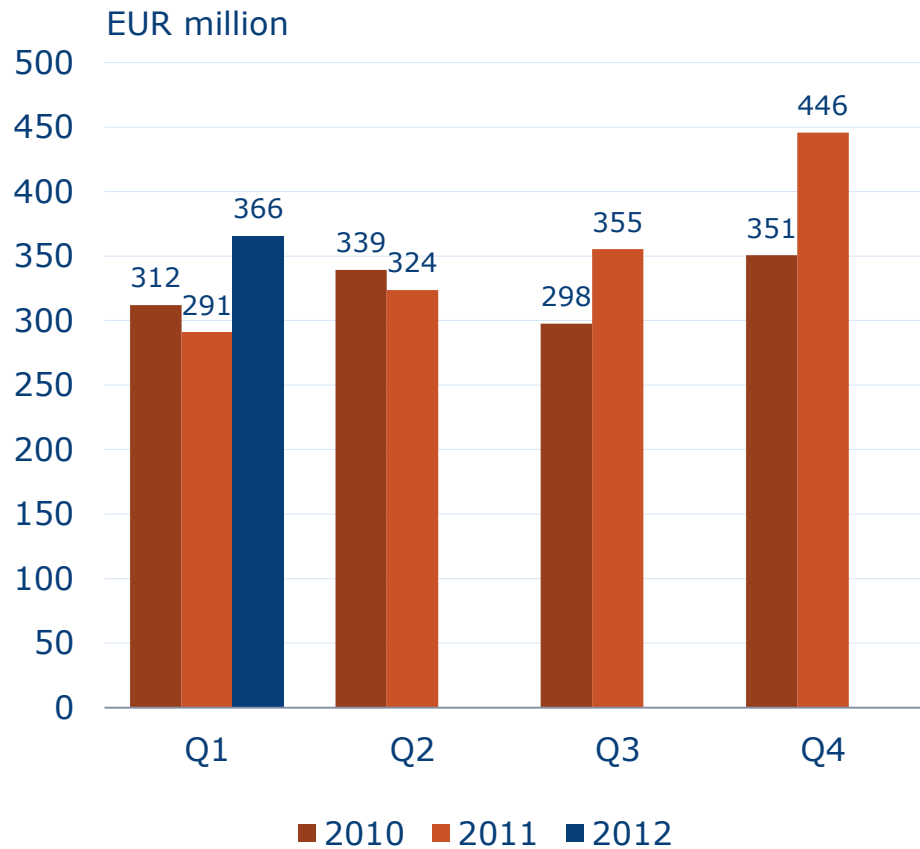
Online sales up by 24.3% in Q1

10.3% of Group's net sales in Q1

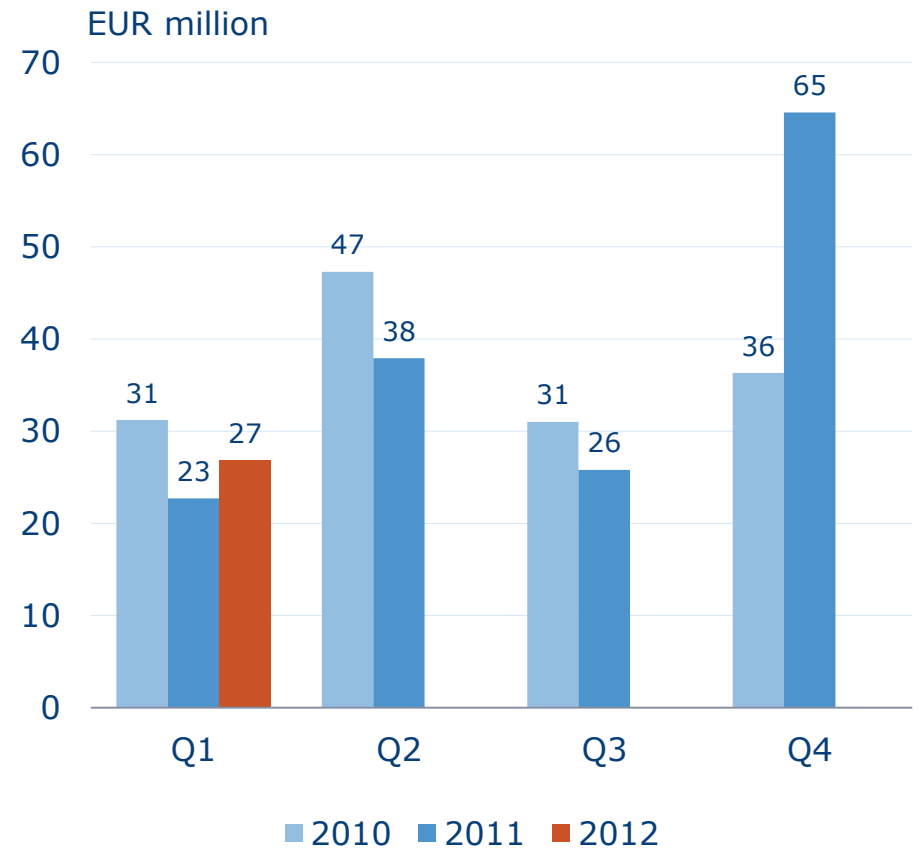


Sanoma Media

Net sales



EBIT excluding non-recurring items



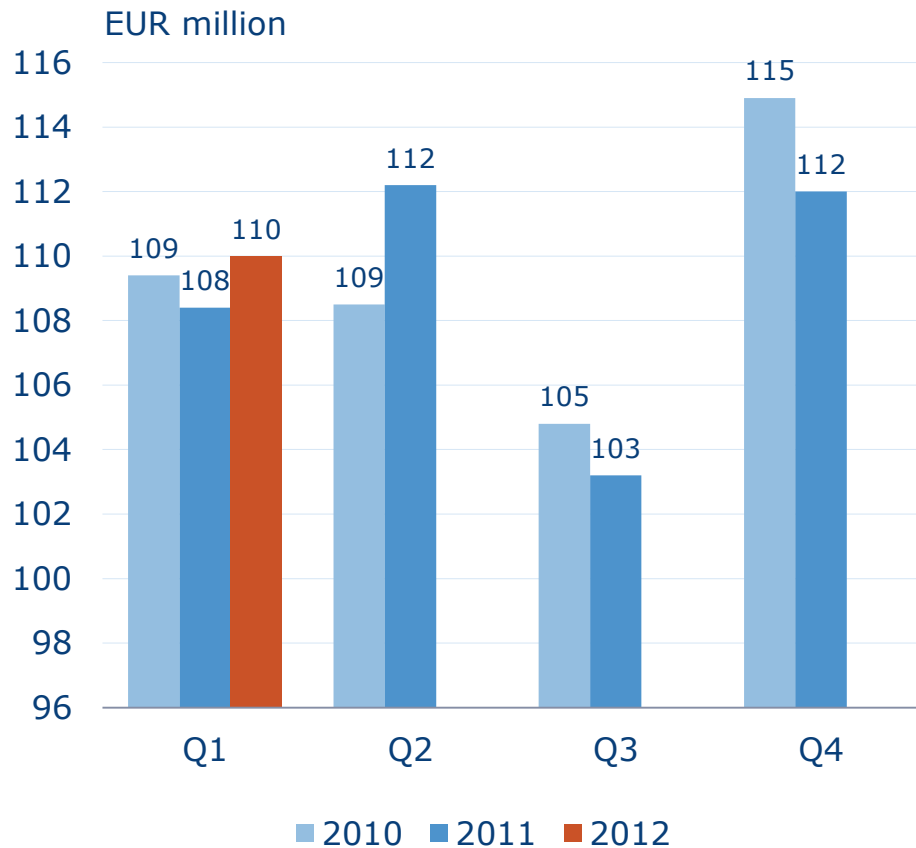
Sanoma Media

Key figures

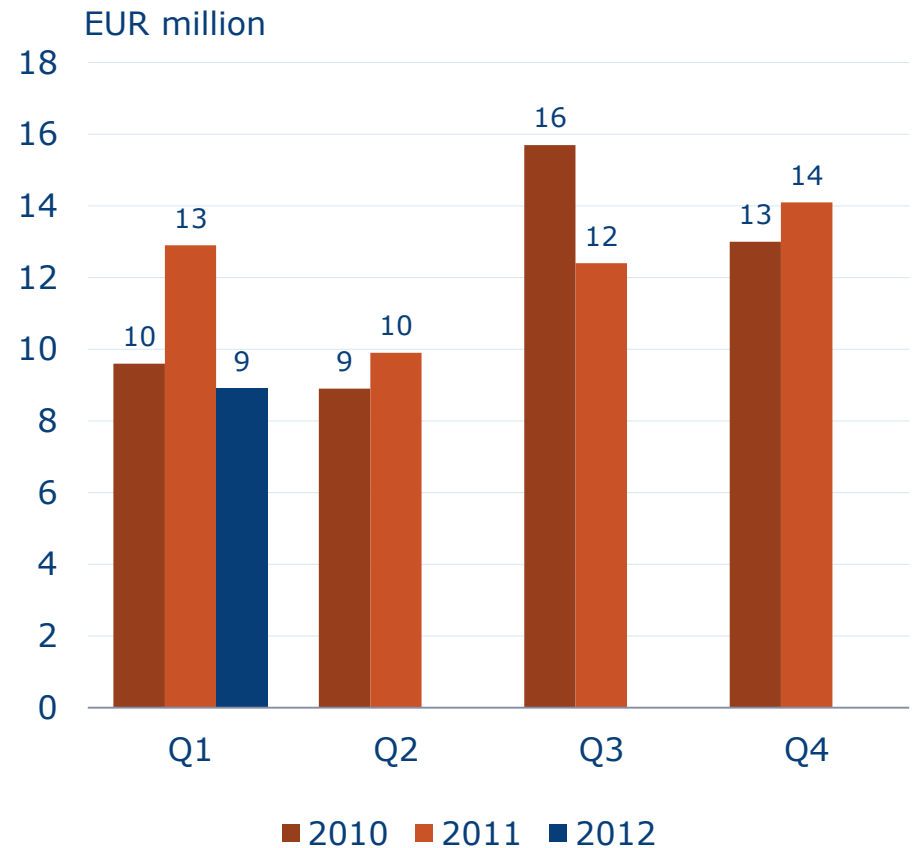
EUR million	1-3/ 2012	1-3/ 2011	Change %	1-12/ 2011
Net sales	365.8	291.1	25.6	1,415.8
The Netherlands	171.6	105.3	63.0	642.0
Finland	77.4	74.2	4.3	309.7
Russia & CEE	49.0	51.4	-4.6	213.1
Belgium	56.8	50.1	13.4	209.1
Other businesses and eliminations	11.0	10.2	7.7	41.8
EBIT excluding non-recurring items	26.8	22.7	17.8	151.1
% of net sales	7.3	7.8		10.7
Number of employees (FTE)*	5,993	5,384	11.3	5,844

Sanoma News

Net sales



EBIT excluding non-recurring items



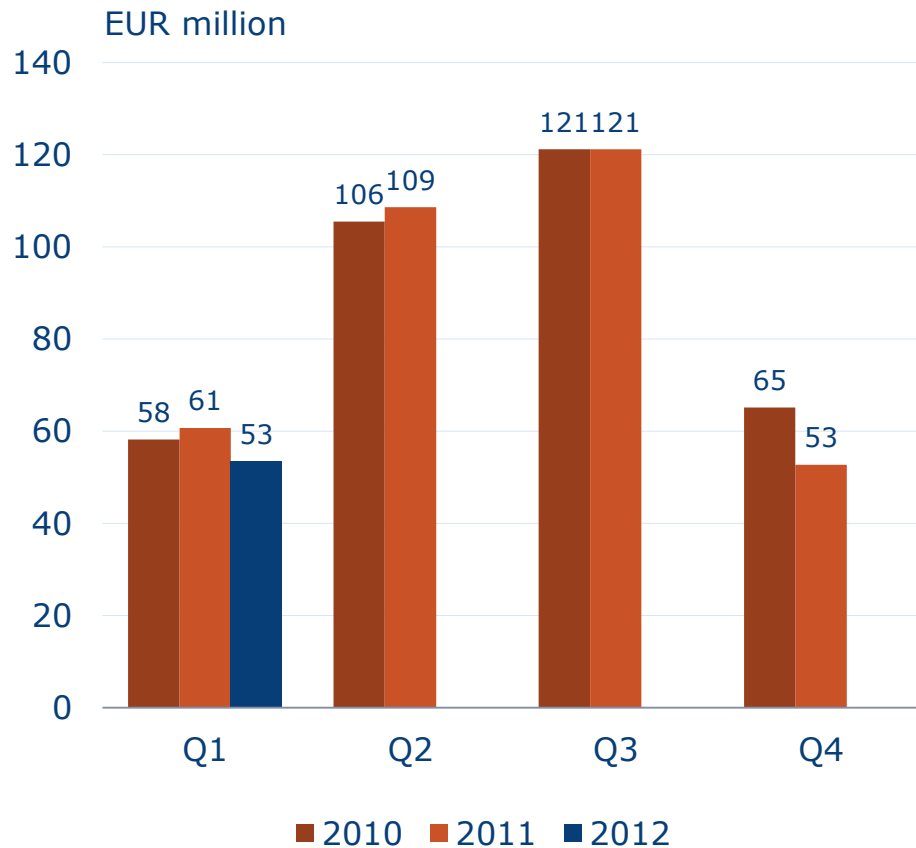
Sanoma News

Key figures

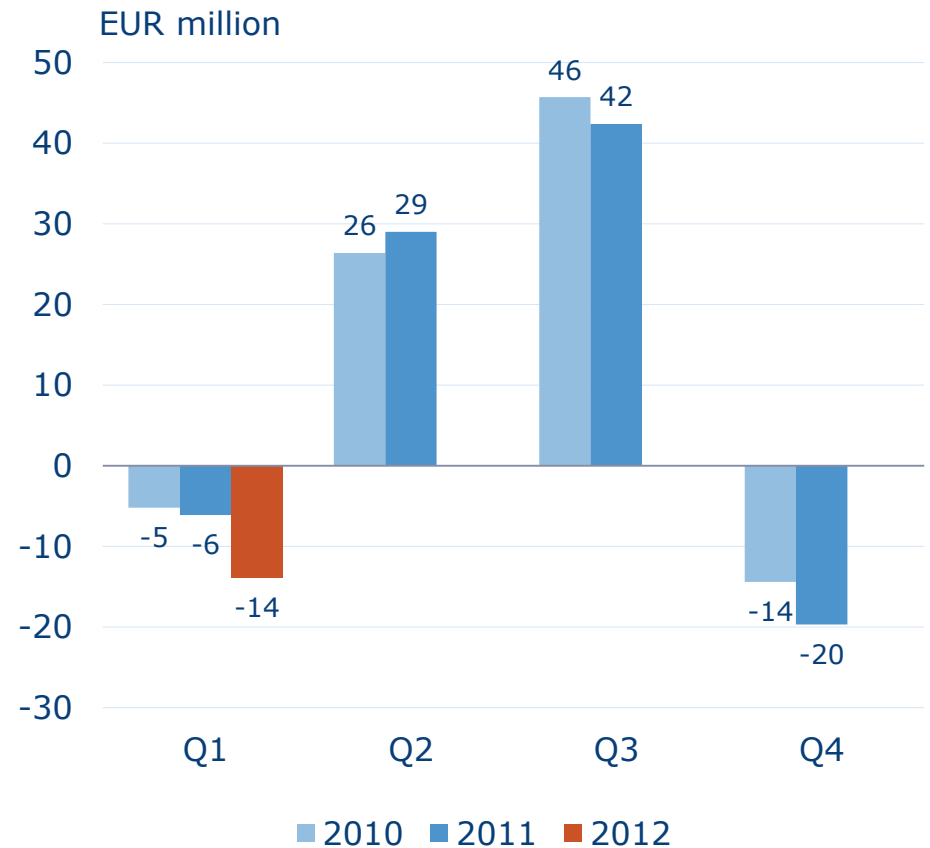
EUR million	1-3/ 2012	1-3/ 2011	Change %	1-12/ 2011
Net sales	110.0	108.4	1.5	435.8
Helsingin Sanomat	59.3	61.2	-3.0	238.5
Iltä-Sanomat	21.2	19.1	11.3	84.4
Other publishing	25.2	23.7	6.2	97.0
Other businesses and eliminations	4.3	4.4	-2.1	15.9
EBIT excluding non-recurring items	8.9	12.9	-31.0	49.4
% of net sales	8.1	11.9		11.3
Number of employees (FTE)*	2,033	2,003	1.5	2,025

Sanoma Learning

Net sales



EBIT excluding non-recurring items



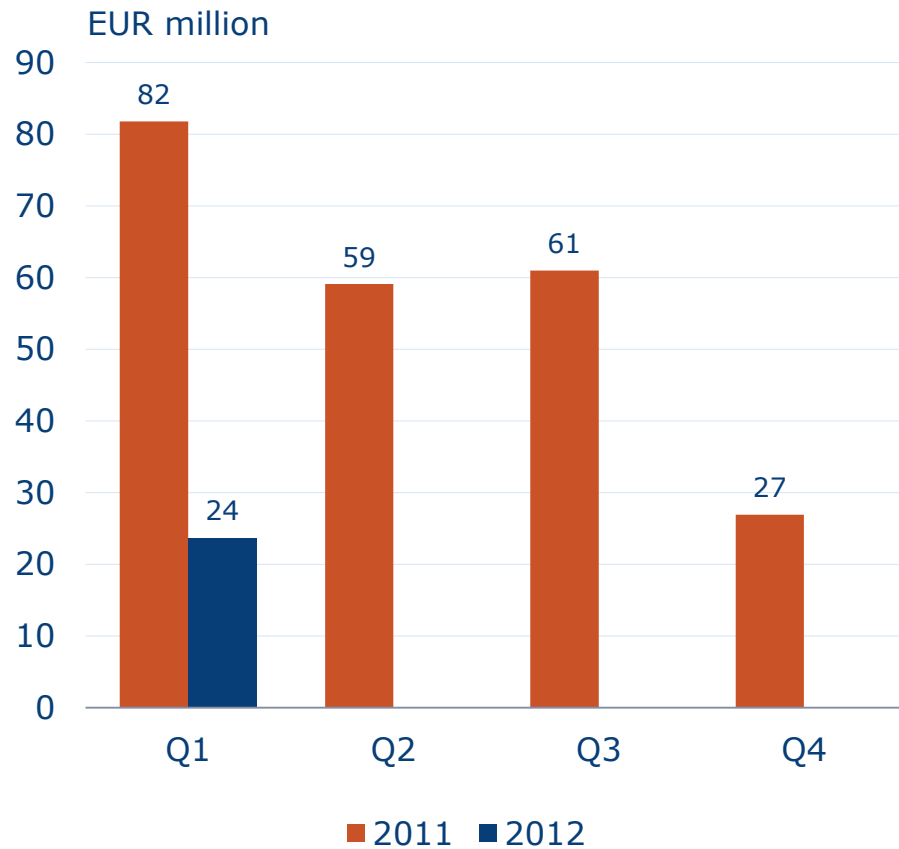
Sanoma Learning

Key figures

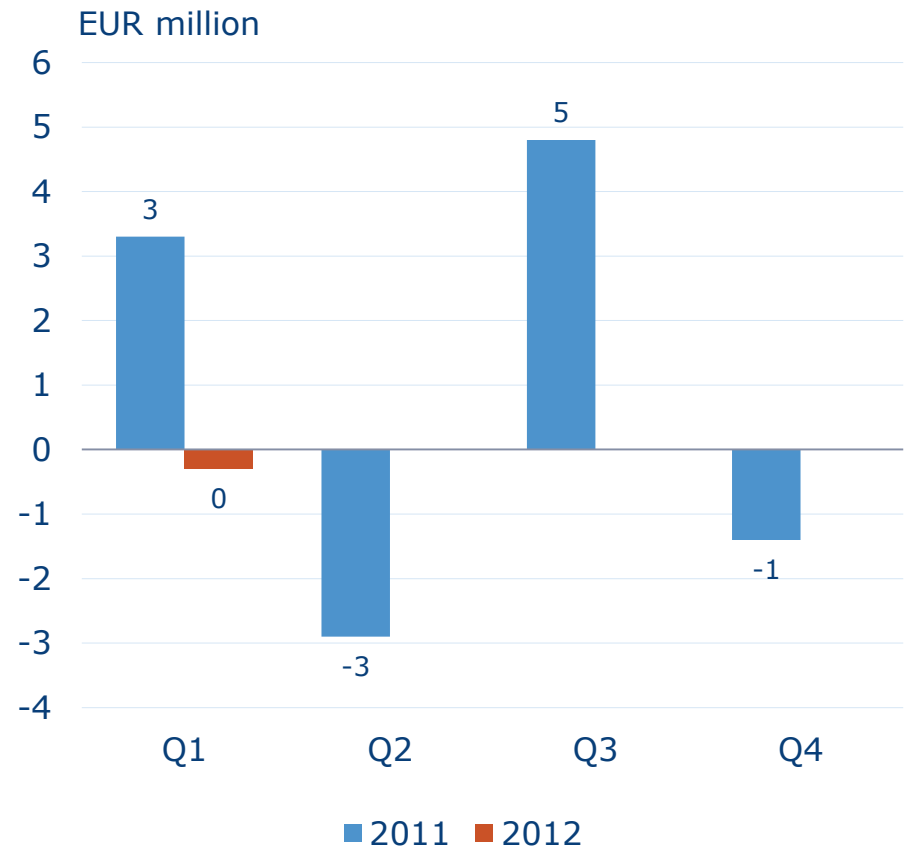
EUR million	1-3/ 2012	1-3/ 2011	Change %	1-12/ 2011
Net sales	53.4	60.7	-11.9	343.1
Learning	34.2	34.3	-0.4	256.6
Other businesses	21.0	28.0	-25.0	91.7
Eliminations	-1.7	-1.7	-4.2	-5.3
EBIT excluding non-recurring items	-13.9	-6.1		45.5
% of net sales	-26.1	-10.0		13.3
Number of employees (FTE)*	2,454	2,623	-6.5	2,489

Sanoma Trade

Net sales



EBIT excluding non-recurring items



Sanoma Trade

Key figures

EUR million	1-3/ 2012	1-3/ 2011	Change %	1-12/ 2011
Net sales	23.7	81.8	-71.0	228.7
Kiosk operations		6.7	-100.0	20.9
Trade services	21.2	28.8	-26.3	103.6
Bookstores	2.5	24.8	-90.1	77.0
Movie operations		21.9	-100.0	28.4
Eliminations	0.0	-0.3	100.2	-1.2
EBIT excluding non-recurring items	-0.3	3.3		3.8
% of net sales	-1.3	4.0	-94.0	1.7
Number of employees (FTE)*	417	2,128	-80.4	424

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