



Interim Report Q3 2011

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Kim Ignatius, CFO

2 November 2011

Stable sales in volatile markets

Result burdened by one-offs

Third quarter

- Net sales EUR 720.9 million (EUR 690.6 million in 2010)
 - Net sales adjusted for changes +1%
- Operating profit excl. non-recurring items EUR 79.5 million (EUR 94.9 million)
- Impairments of EUR 85.7 million
- Group's outlook 2011 unchanged
- SBS consolidated and integration started
- New priorities for the next three years

Solid operational performance, given underlying trends and environment



Technology evolution

Provides an opportunity for Sanoma

Media

- Affects customer experience requirements and consumption behaviour
- Provides foundation for structural changes towards cross-selling and digital
- Facilitates an opportunity to expand from local/regional approach to global reach
- Enables transition from traditional mass-media to personalised offerings
 - Migration from print to digital
 - Migration from broadcasted to on-demand based services
- Creates new opportunities for advertisers to reach/target their audiences
- Lowers entry barriers for new agile market players in digital

Learning

- Enables shifting focus from curricula to learning outcome

**Technology innovation
and service**

+

- **Consumer and customer relationships**
- **Content**
- **Brands**

Year of restructuring and refocusing

Towards One Sanoma

- Customer insight
- Digital transition
- Innovation
- Competitiveness

- Seven Strategic Business Units (SBUs), four corporate functions
- New executive management



- Focus on consumer media and learning
- Divest non-core assets
 - Movie operations, Finnish bookstores, general literature publishing and kiosk/press distribution in Russia, Romania and Latvia
- Acquisition of SBS and learning assets in Finland and Sweden

Adapt strategic & operational focus and organisation readiness to the changing environment

SBS TV operations

Netherlands

- Share of viewing slightly lower than in 2010
- Decline in market share mainly result of lack of management focus and underinvestment
 - New Supervisory Board
 - Organisation being strengthened – new CEO

Belgium

- Share of viewing slightly lower than in 2010
 - New Steering Committee
 - Organisation being strengthened – new management team

New approaches will be explored and current offering repaired by careful yet imaginative programming choices

- Investments and cross promotion to fuel innovation and quality to strengthen viewers interest

The logo for Vijf TV, featuring the word "vijf" in a stylized, lowercase font with a small "TV" superscript to the right.The logo for Veronica, featuring the word "VERONICA" in a blue, stylized font with a wavy underline.

New priorities

- Four operational legs
 - Maximise efficiency of print business
 - Ensure profitable organic growth in TV business
 - Ensure profitable organic growth in learning business
 - Create growth from new digital services
- Streamline OPEX and ensure financial flexibility
- Transform Sanoma's culture

Operational priorities set to promote innovation and ensure competitiveness

Q3 Financials

Kim Ignatius

CFO



Financial highlights

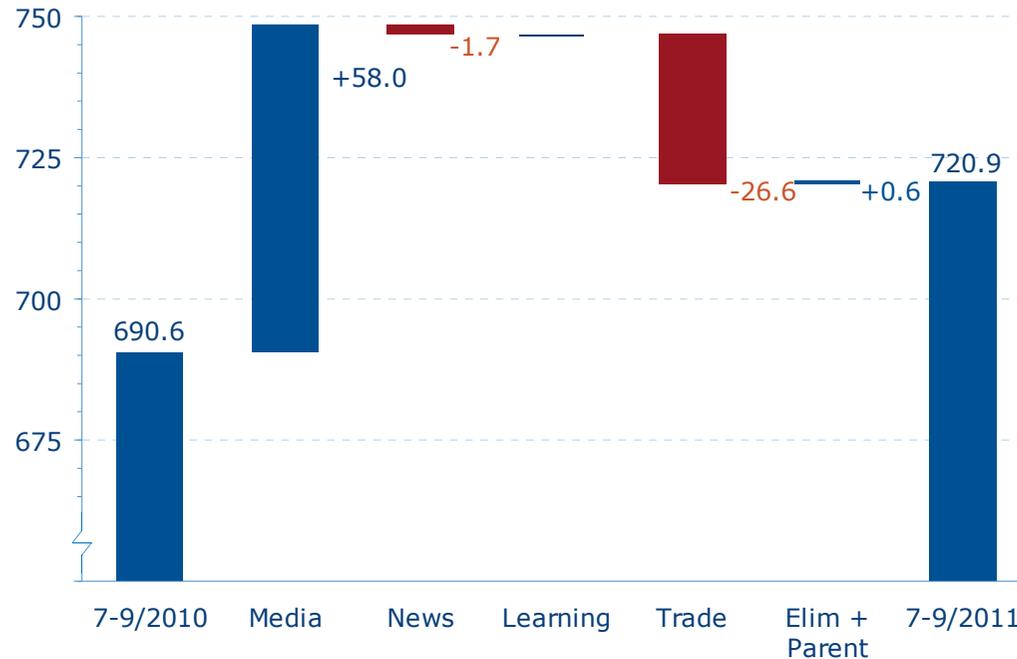
Q3 2011

EUR million	7-9/2011	7-9/2010	Change %
Net sales	720.9	690.6	+4.4
EBIT excl. non-recurring items	79.5	94.9	-16.2
% net sales	11.0	13.7	
EBIT	-17.6	63.9	n/a
EPS excl. non-recurring items, EUR	0.28	0.43	-34.3
EPS, EUR	-0.31	0.24	n/a
Cash flow from operations/share, EUR	0.68	0.71	-3.5
Number of employees (FTE)*	14,815	15,863	-6.6

Organic growth 1%

Net sales - Q3 2011

EUR million



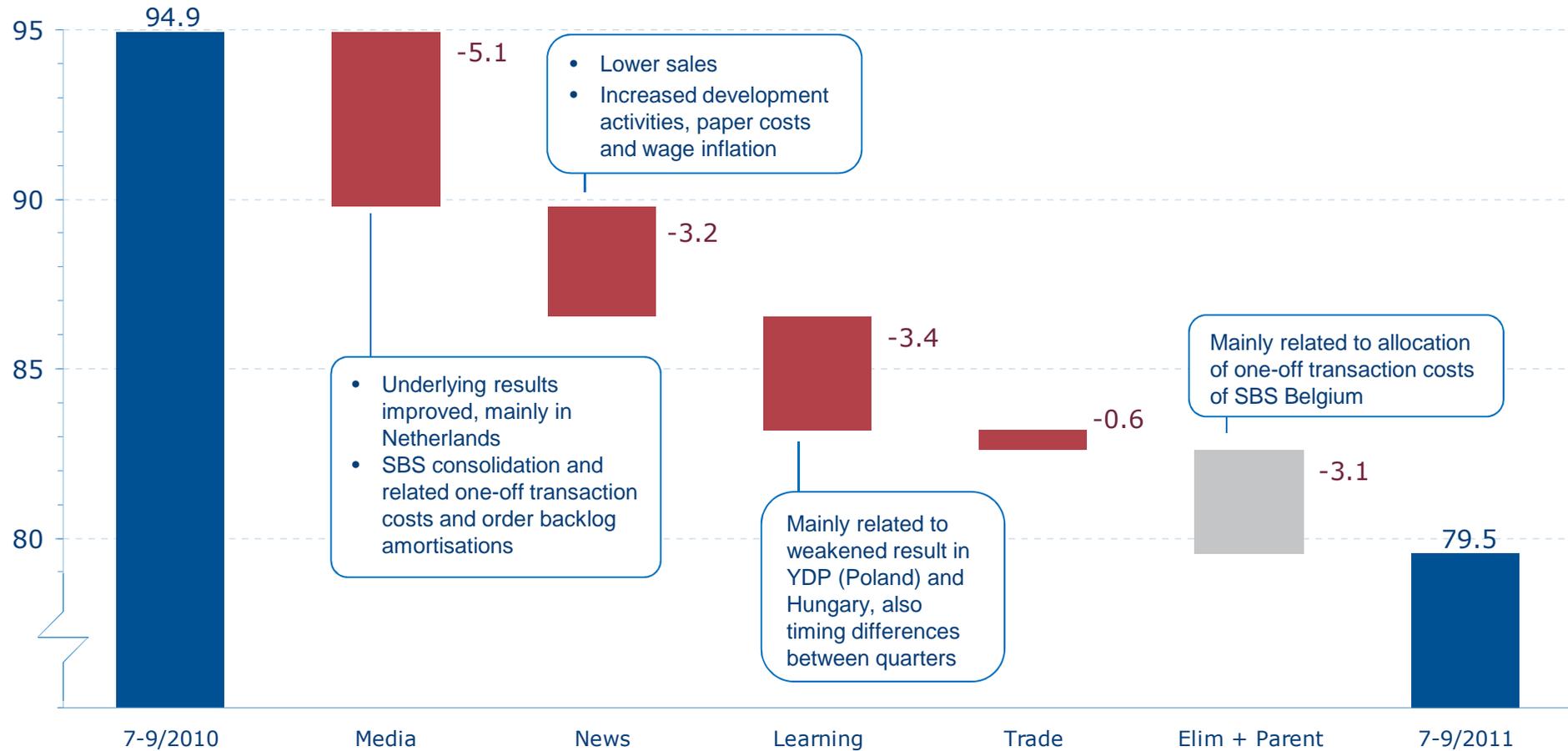
	Growth %	Organic growth %	Share of net sales %
Group	+ 4.4	+ 1.0	
Media	+19.5	+ 1.4	48.4
News	- 1.6	+2.1	14.1
Learning	0.0	- 1.2	16.5
Trade	-14.7	+ 0.9	21.0

- Media: Consolidation of acquired operations, advertising sales growth as well as good development in Finnish TV operations
- News: +2.1% organic growth stemming from advertising sales
- Learning: Lower sales in general literature and Hungary
- Trade: Divestment of operations

EBIT excl. non-recurring items

Q3 2011

EUR million

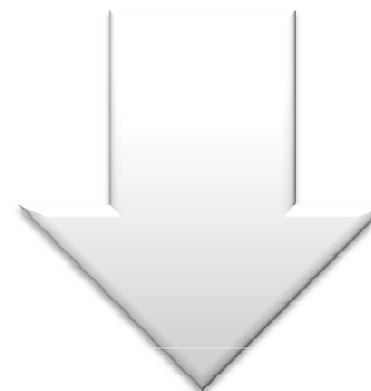


Cash flow from operations

Cash flow from operations affected by

- Sale of broadband and movie operations
- + SBS consolidation
- One-off SBS transaction costs
- Higher interest paid, related to higher leverage
- Higher other financial items, mainly due to SBS transaction financing fees and increased FX losses
- Higher taxes paid, mainly related to 2010 deferred tax payments and timing
- + Lower net working capital

EUR 174 million (Jan–Sep 2010)



EUR 133 million (Jan–Sep 2011)

**One of our
priorities is focus
on cash flows**

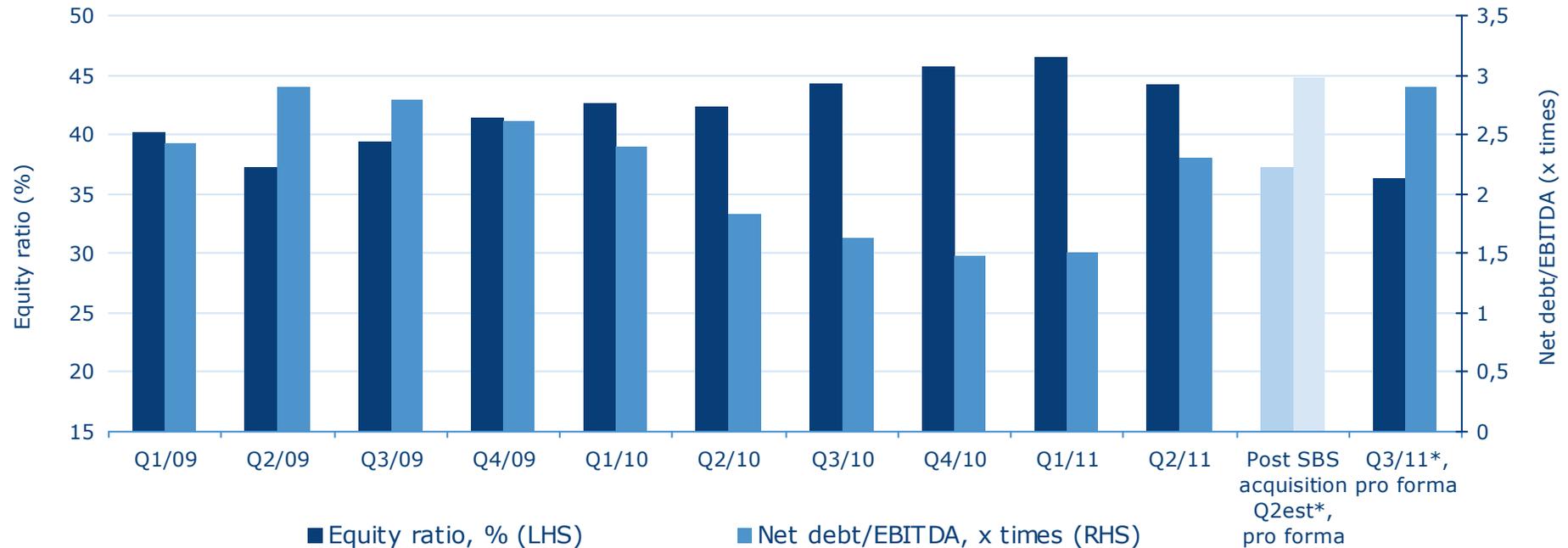
Balance sheet and impairments

EUR million	Sep 30, 2011
Non-current assets, total	3,681
of which goodwill	2,253
<i>of which related to Media Netherlands</i>	1,629
<i>of which related to Media Russia & CEE</i>	110
<i>of which related to Learning</i>	249
<i>of which related to Media Belgium</i>	124
of which other intangible assets	729
Current assets, total	641
Total assets	4,322
Shareholders' equity	1,241
Non-controlling interest	264
Interest-free liabilities	1,029
Interest-bearing liabilities	1,788
Total shareholders equity & liabilities	4,322

EUR million	Booked in Q3/11
Impairments, total	85.7
of which related to	
goodwill and intangible assets in Media Russia & CEE	53.4
goodwill in Other (language services)	24.1
intangible assets in Media Netherlands	3.4
of which related to Trade	0.8
of which related to associated companies	4.0

- All cash generating units and segments as well as all intangible assets with an indefinite useful life have been tested

Capital structure



- Within Sanoma’s long-term balance sheet targets and with headroom to financial covenants
- Programming rights treated as amortisation (IFRS) and SBS goodwill calculated based on full goodwill method (minority goodwill included in equity)

Sanoma’s medium-term ambition, to ensure financial flexibility, is to regain a capital structure corresponding to investment grade

* EBITDA calculated on 12-month rolling pro forma basis



Outlook for 2011 (unchanged)

The Sanoma Group's

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



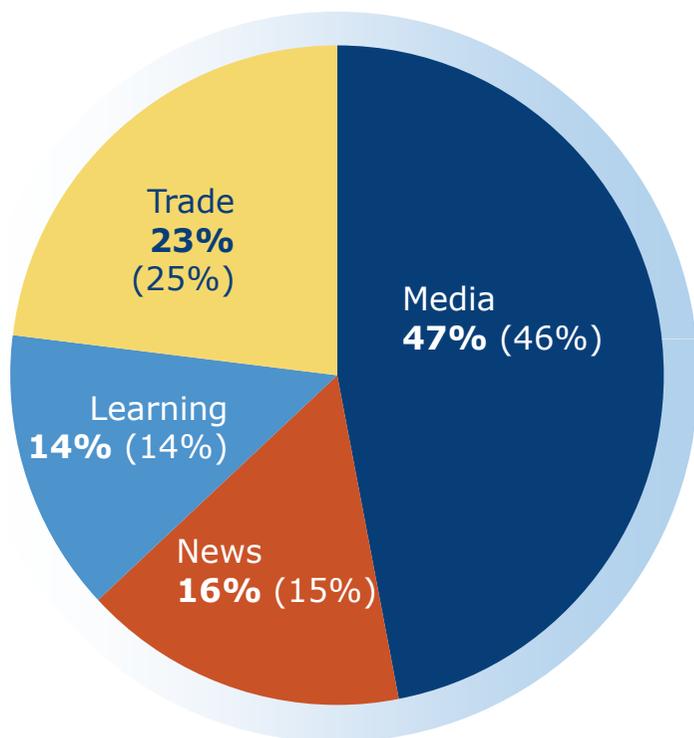
Inspires, Informs and Connects



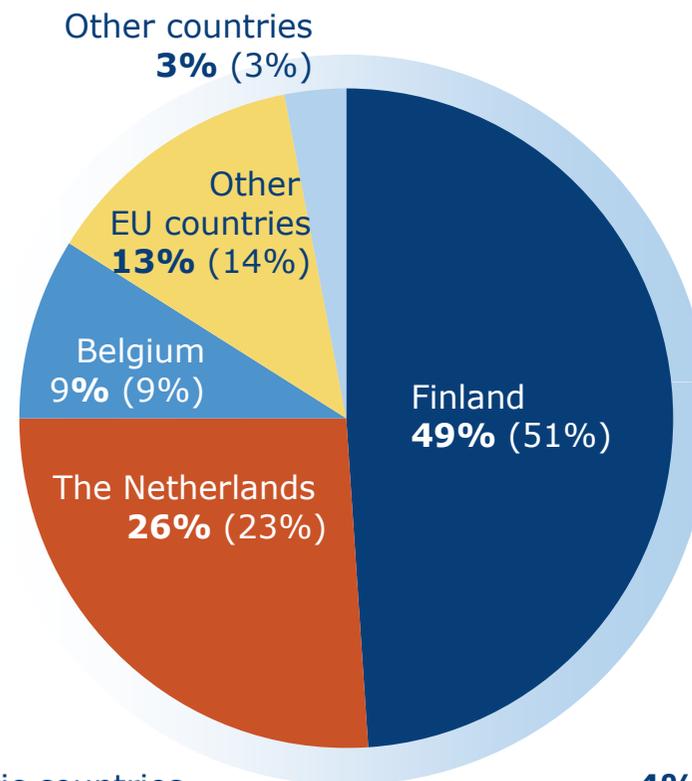
Net sales split nearly unchanged

1-9/2011 (1-9/2010)

By operating segment



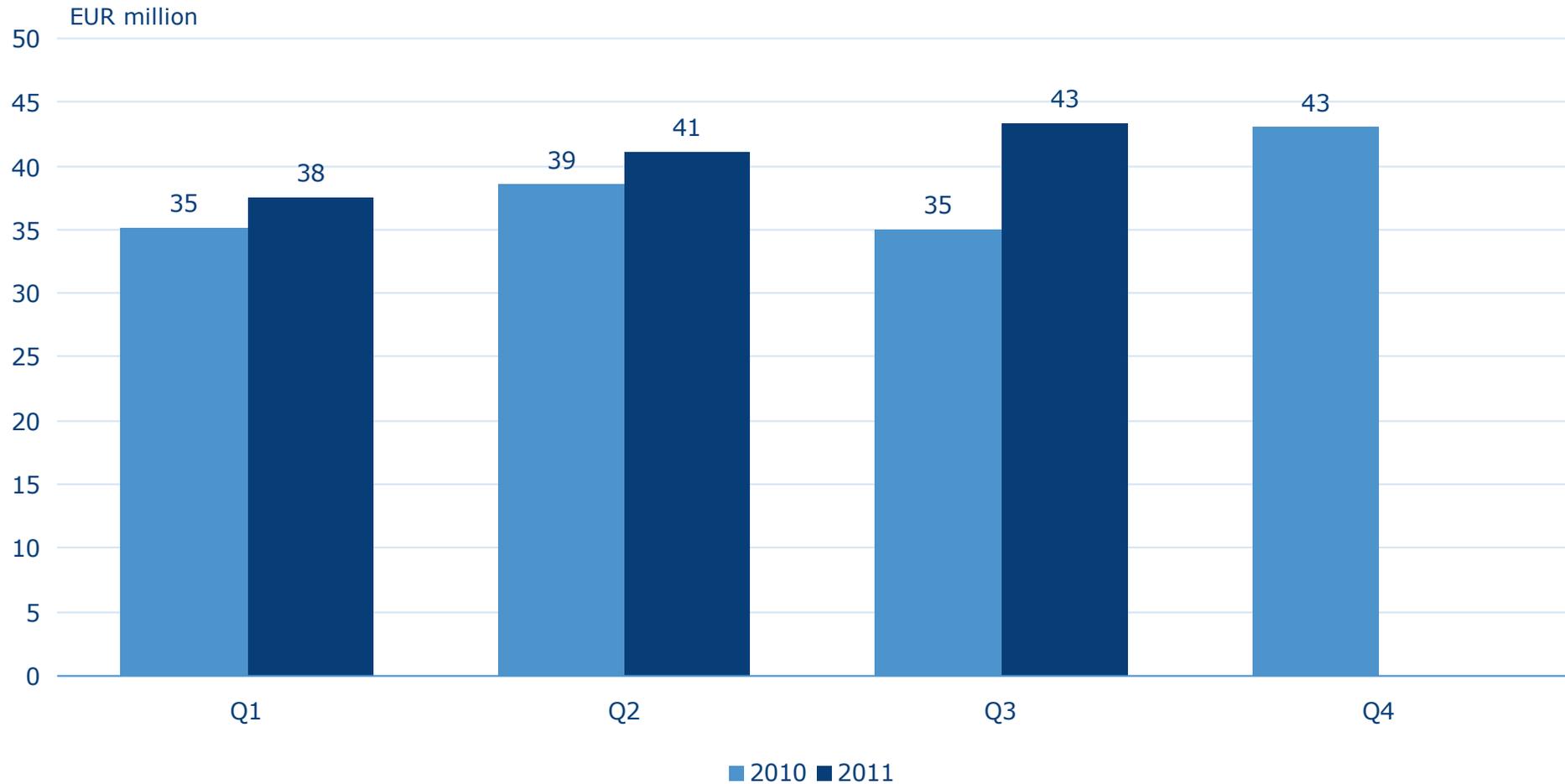
By geographic area



Net sales EUR 2,020.8 million

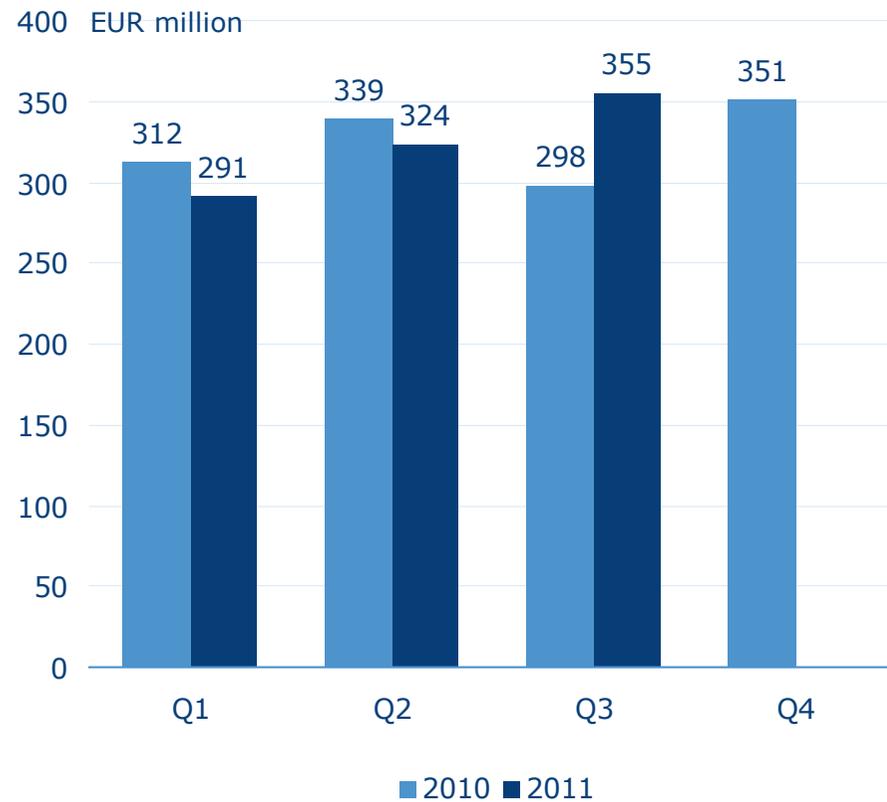


Consumer online sales up by 24% in Q3

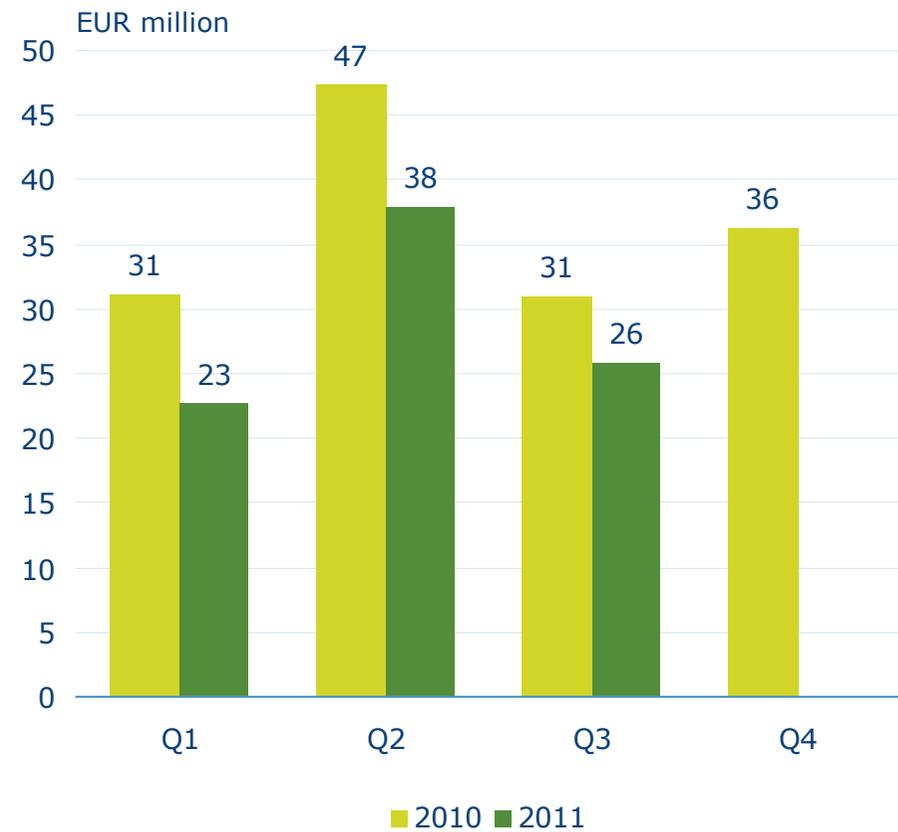


Sanoma Media

Net sales



EBIT excluding non-recurring items



Sanoma Media

Key figures

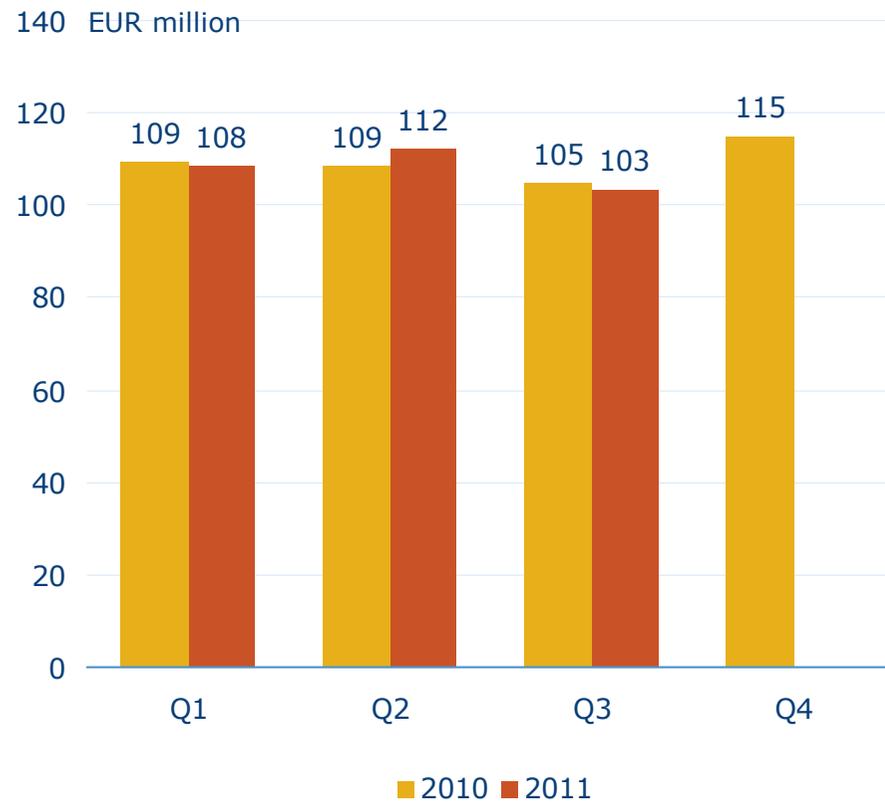
EUR million	7-9/ 2011	7-9/ 2010	Ch %	1-12/ 2010
Net sales	355.5	297.5	19.5	1,299.6
The Netherlands	174.0	118.8	46.4	490.4
Finland	70.0	67.5	3.6	339.3
Russia & CEE	50.8	51.0	-0.5	214.9
Belgium	48.4	48.7	-0.5	208.3
Other businesses and eliminations	12.3	11.5	7.3	46.7
EBIT excluding non-recurring items	25.8	31.0	-16.6	145.8
% of net sales	7.3	10.4		11.2
Number of employees (FTE)*	5,986	5,436	-10.1	5,419

Outlook for 2011

Net sales in Media will increase somewhat and operating profit excluding non-recurring items will decrease clearly.

Sanoma News

Net sales



EBIT excluding non-recurring items



Sanoma News

Key figures

EUR million	7-9/ 2011	7-9/ 2010	Ch %	1-12/ 2010
Net sales	103.2	104.8	-1.6	437.6
Helsingin Sanomat	55.3	55.5	-0.5	235.4
Ilta-Sanomat	21.6	21.1	2.2	83.3
Other publishing	22.9	23.5	-2.6	99.5
Other businesses and eliminations	3.4	4.6	-26.4	19.4
EBIT excluding non-recurring items	12.5	15.7	-20.7	47.2
% of net sales	12.1	15.0		10.8
Number of employees (FTE)*	2,002	1,977	1,3	2,016

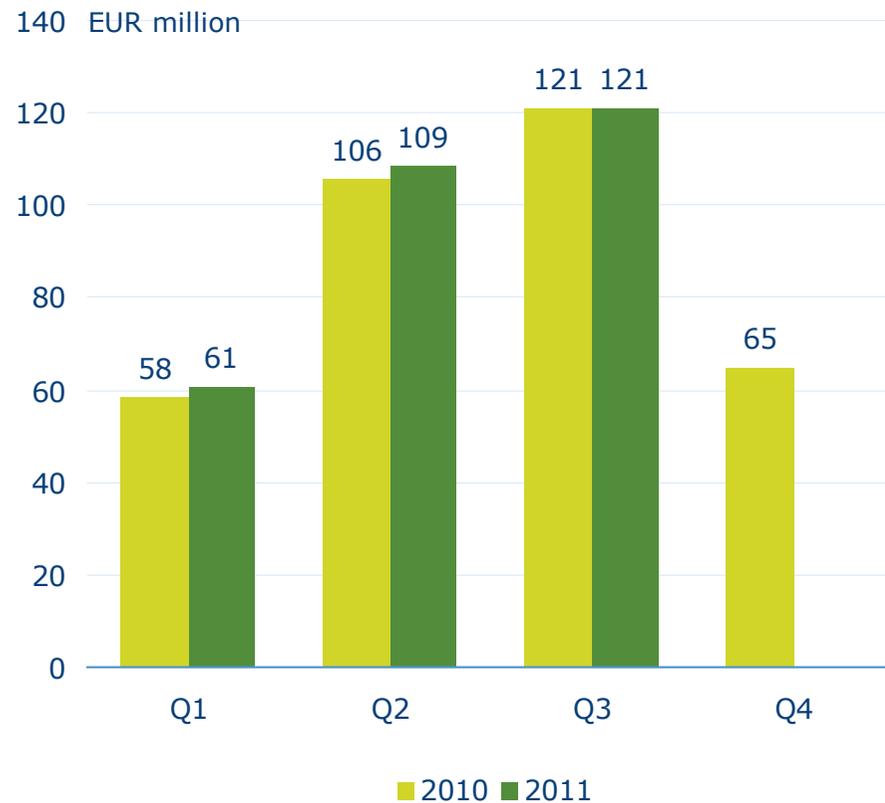
Outlook for 2011

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

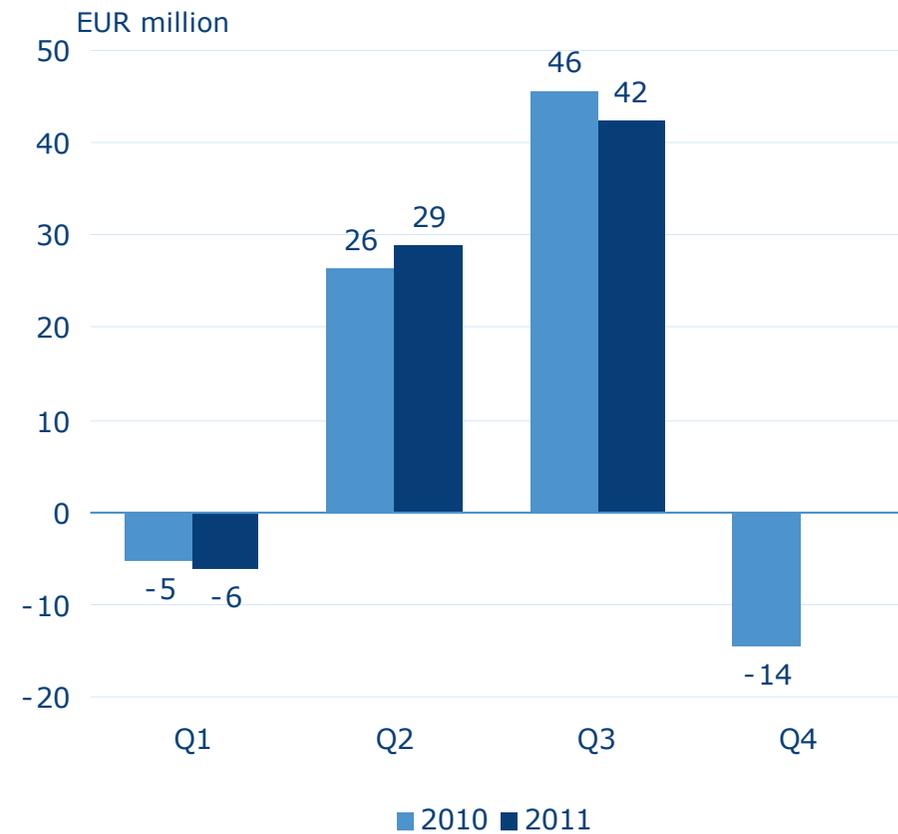
* At the end of the period

Sanoma Learning

Net sales



EBIT excluding non-recurring items



Sanoma Learning

Key figures

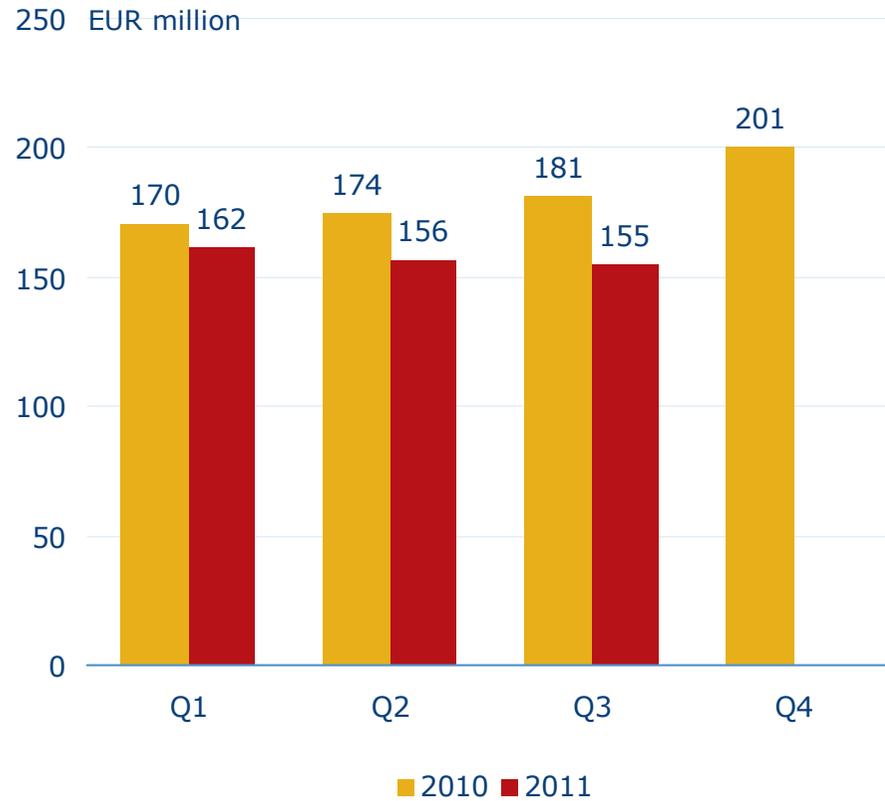
EUR million	7-9/ 2011	7-9/ 2010	Ch %	1-12/ 2010
Net sales	121.2	121.2	0.0	350.1
Learning	100.2	100.6	-0.3	249.3
Language services	7.2	5.2	39.7	27.1
Literature and other businesses	13.9	18.0	-22.9	83.6
Eliminations	-0.1	-2.5	95.5	-9.9
EBIT excluding non-recurring items	42.4	45.7	-7.4	52.6
% of net sales	35.0	37.7		15.0
Number of employees (FTE)*	2,559	2,676	-4.4	2,656

Outlook for 2011

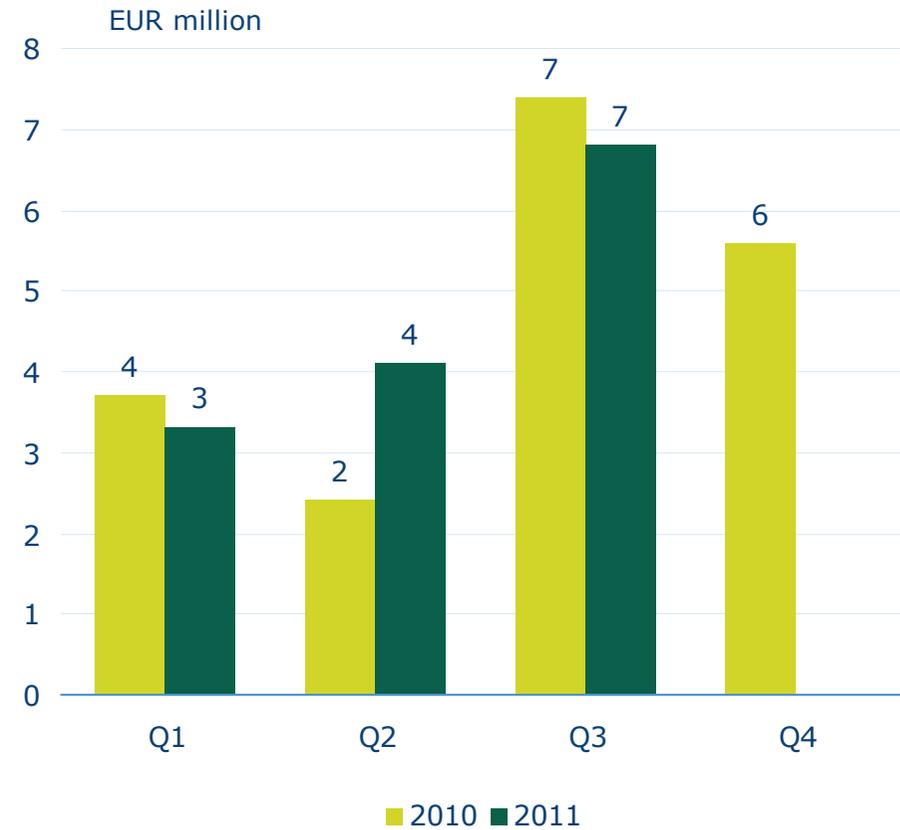
Net sales of Learning are estimated to be at the previous year's level and operating profit excluding non-recurring items will decrease clearly.

Sanoma Trade

Net sales



EBIT excluding non-recurring items



Sanoma Trade

Key figures

EUR million	7-9/ 2011	7-9/ 2010	Ch %	1-12/ 2010
Net sales	154.5	181.1	-14.7	726.3
Kiosk operations	97.6	99.2	-1.6	398.4
Trade services	29.6	32.7	-9.5	131.3
Bookstores	29.7	31.6	-6.1	120.6
Movie operations	0.0	20.7	-100.0	90.0
Eliminations	-2.3	-3.1	24.7	-14.0
EBIT excluding non-recurring items	6.8	7.4	-7.9	19.1
% of net sales	4.4	4.1		2.6
Number of employees (FTE)*	4,089	5,631	-27.4	5,149

Outlook for 2011

Net sales in Trade are estimated to decrease significantly. Operating profit excluding non-recurring items is expected to decline slightly.