

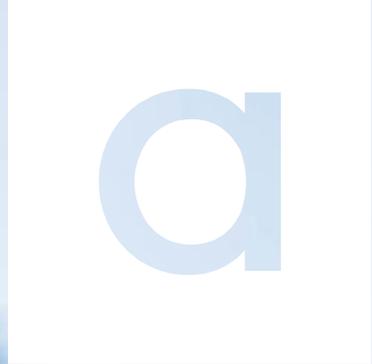
Q3 2015

Interim Report

Susan Duinhoven, President and CEO

Kim Ignatius, CFO

29 October 2015



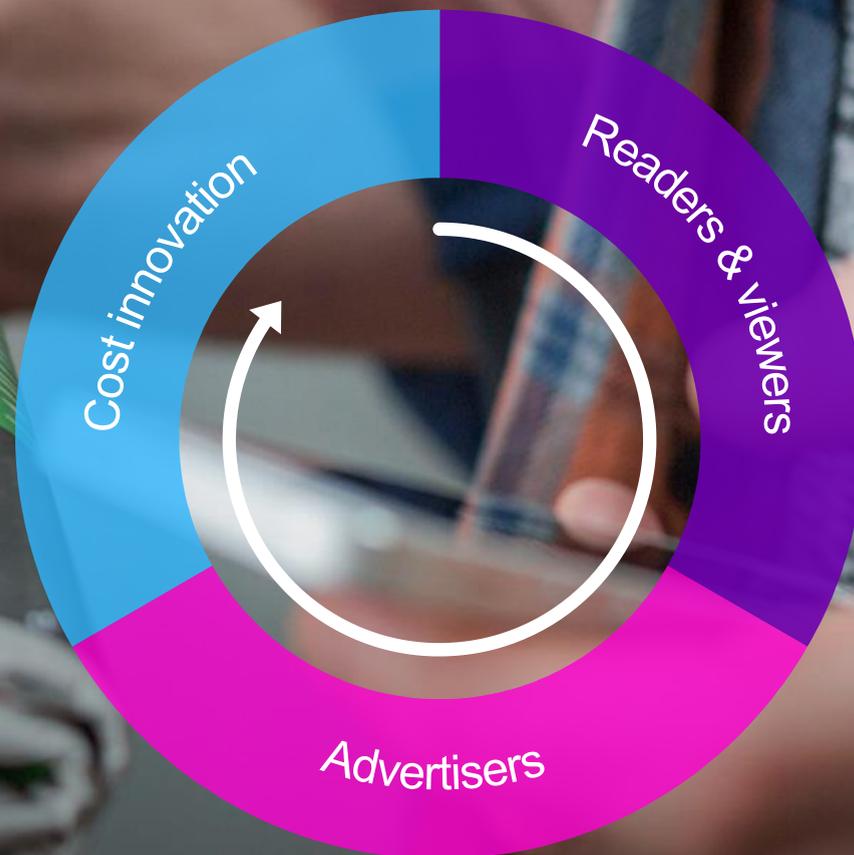
CEO's First Impressions of Sanoma

Sanoma's strengths:

- Dedicated people
- Strong local brands
- Great content
- Superior reach

Opportunities:

- Fulfil customer needs in selected brands/domains
- Data-driven advertising solutions
- Cost innovation



Challenging Advertising Markets

Good improvement in Dutch advertising market – Finland continues to be subdued



Netherlands	FY'14	Q1'15	Q2'15	Q3'15
Newspapers	-4	-4	-4	-4
Magazines	-12	-15	-18	-18
TV	+2	-4	-6	+11
Radio	+3	+1	+1	+1
Online	+11	+10	+4	+9
Total market*	+4	+2	-1	+4
Finland	FY'14	Q1'15	Q2'15	Q3'15
Newspapers	-9	-7	-7	-8
Magazines	-16	-14	-15	-18
TV	-4	-2	-1	-8
Radio	+9	-4	-4	+6
Online	+12	+6	+7	+2
Total market*	-4	-3	-3	-4

*Source: NL: Sanoma estimates, FIN: TNS Gallup, excl. online search. Total market in the countries includes other smaller categories such as cinema and outdoor advertising.

Sanoma – The Big Picture

Media Finland

Turnaround
ahead

Net sales*
EUR 590 million

Media BeNe

Domain approach
gaining momentum

Net sales*
EUR 840 million

Learning

Digital
transformation
proceeding well

Net sales*
EUR 290 million

TV & radio

- FTA profitability at good level
- VOD offering to be widened

Magazines

- Domain approach successful in BeNe

Online & mobile

- Good growth in Finland

Newspapers

- B2C sales solid, B2B in focus

* Last 12 months

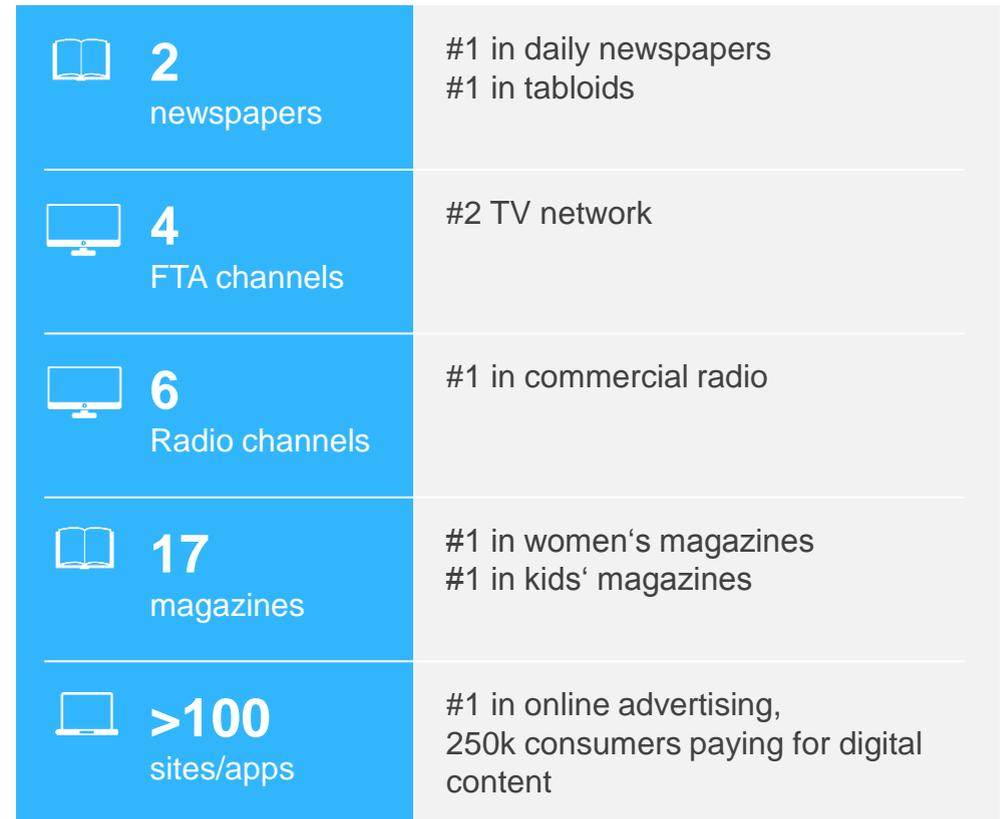
Media Finland – Unique Cross-Media Position

Strong customer connection across media groups

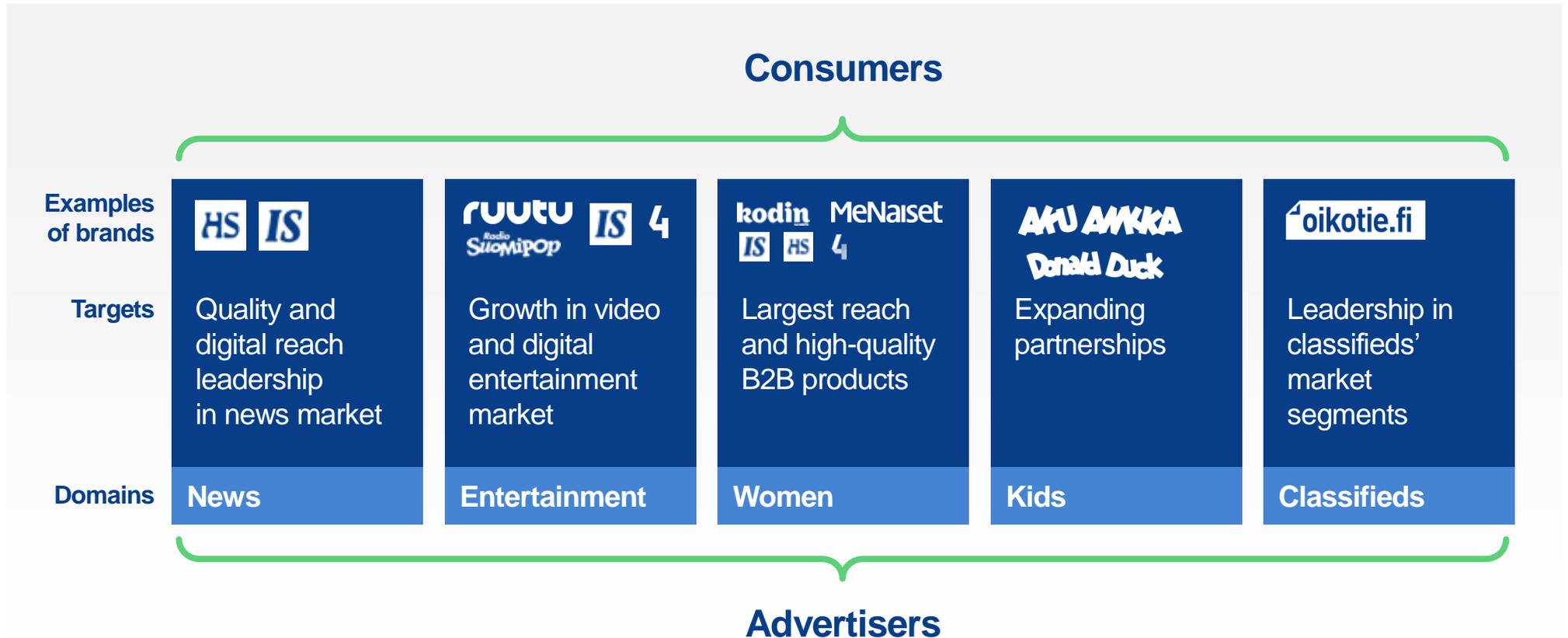
Strong customer connection



Unique cross-media position

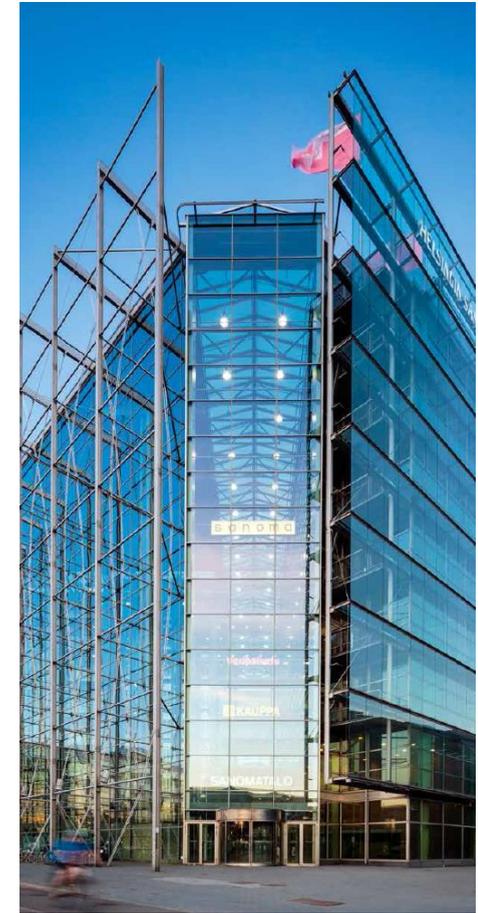


Unique Cross-Media Position – Fulfil Customer Needs in Selected Domains

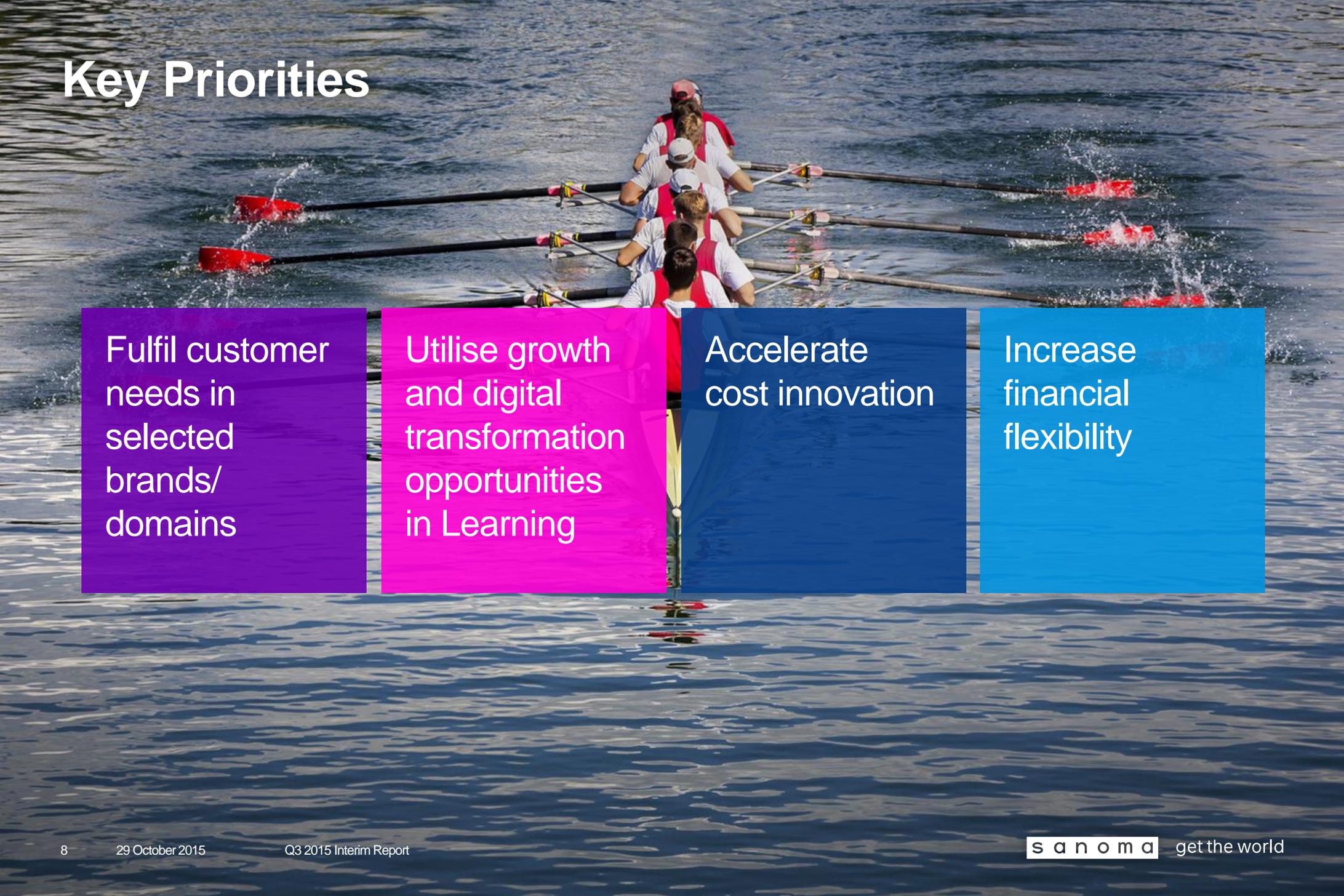


Cost Savings Programme Implemented

- EUR 50 million savings programme announced on 25 August 2015
 - Vast majority of savings in Media Finland and to be realised by end of 2016
- Savings programme will cover following areas:
 - Distribution and Printing
 - Content creation
 - Marketing and Sales
 - Support functions (incl. Group functions)
- As announced on 19 October, 241 employees are impacted as a result of co-operation negotiations
- Printing facility in Forssa closed down end of August



Key Priorities



Fulfil customer needs in selected brands/ domains

Utilise growth and digital transformation opportunities in Learning

Accelerate cost innovation

Increase financial flexibility



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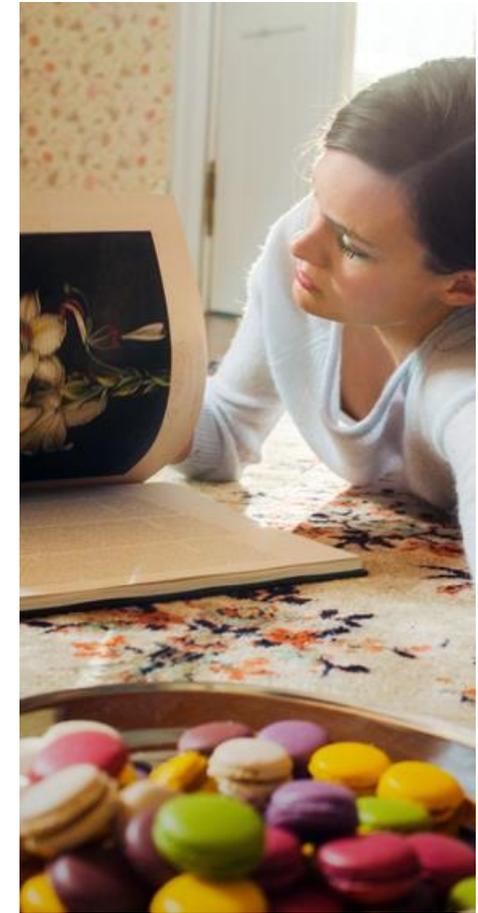
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Financials

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Q3 2015 in Brief – Profitability at Prior Year’s Level

- Net sales, organic growth -0.4%, EUR 458.8 million (477.8)
- EBIT excluding non-recurring items, EUR 62.5 million (62.1)
 - **Media BeNe** – Cost savings, smaller portfolio and domain approach pay off. In addition, strong TV market supported improvement in EBIT
 - **Learning** – Business developed as communicated earlier, good result in Q3
 - **Media Finland** – Adverse market conditions continue, cost savings programme initiated to improve profitability
- **New media sales growth 6.0%, EUR 128.0 million (120.7)**
 - Online and mobile sales grew by 20% in Finland
 - TV sales grew by close to 7% in the Netherlands



Net Sales Development

Q3 2015

	7–9/2015 EUR million	7–9/2014 EUR million	7–9/2015 organic growth, %
Group	458.8	477.8	-0.4
Media BeNe	196.4	203.6	-0.3
Media Finland	131.9	148.0	-5.0
Learning	121.8	113.0	+6.4
Other & elim.	8.8	13.2	-22.2

EUR million



Media BeNe:

Good growth in TV sales. Net sales grew when normalised for the current portfolio. Absolute sales impacted by divestments and closures of titles.

Media Finland:

Double-digit growth in online & mobile sales, partly due to acquisition. Print sales declined. Divestments impacted negatively.

Learning:

Net sales grew in largest operating countries due to timing shifts. Net sales of international e-learning company YDP declined.

Other:

Decline is related to divestments and weaker sales development in non-core operations.

EBIT Excluding Non-Recurring Items Development

Q3 2015

EUR million	7–9/2015	7–9/2014
Group	62.5	62.1
Media BeNe	20.1	13.9
Media Finland	2.0	9.9
Learning	49.8	44.4
Other & elim.	-9.3	-6.1

EUR million



Media BeNe:

- + Solid quarter for SBS in positive TV advertising market
- + Cost efficiency as a result of smaller portfolio and domain approach
- Divestment of magazines in Belgium

Media Finland:

- + Cost savings
- Amortisation of Finnish ice hockey TV rights
- Print advertising sales

Learning:

- + EBIT improved as a result of higher sales
- + Timing of costs

Other:

- One-off costs related to changes in company
- Phasing of costs
- Lower result in remaining operations

Income Statement

Reported figures impacted by multiple divestments

EUR million	7–9/2015	7–9/2014	1–9/2015	1–9/2014	1–12/2014
Net sales	458.8	477.8	1,307.8	1,449.1	1,901.6
EBITDA excl. non-recurring items	125.5	119.3	300.6	318.2	392.0
<i>of net sales</i>	<i>27.4%</i>	<i>25.0%</i>	<i>23.0%</i>	<i>22.0%</i>	<i>20.6%</i>
Amortisations related to TV programme rights	-32.4	-30.8	-134.7	-115.8	-159.9
Amortisations related to prepublication rights	-6.3	-6.5	-19.5	-19.1	-25.1
Other amortisations	-18.8	-14.0	-37.7	-39.6	-61.4
Depreciation	-5.5	-6.0	-16.6	-19.4	-26.9
EBIT excl. non-recurring items	62.5	62.1	92.1	124.4	118.8
<i>of net sales</i>	<i>13.6%</i>	<i>13.0%</i>	<i>7.0%</i>	<i>8.6%</i>	<i>6.2%</i>
Non-recurring items in EBIT	-52.5	15.5	-83.9	118.5	15.0
Total financial items	-7.2	-7.3	-18.8	-30.8	-41.9
Profit before taxes	2.9	70.3	-9.3	212.3	90.7
Earnings per share	-0.04	0.34	-0.22	0.97	0.32
EPS excl. non-recurring items, EUR	0.24	0.24	0.22	0.38	0.33
Cash flow from operations / share, EUR	0.44	0.55	-0.26	0.14	0.45

Free Cash Flow

Cash flow from operations less cash CAPEX

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
EBITDA excl. non-recurring items	125.5	119.3	300.6	318.2	392.0
TV programme costs	-60.5	-51.5	-151.5	-137.7	-184.7
Prepublication costs	-7.4	-7.2	-21.7	-21.5	-28.5
Change in working capital	34.9	38.8	-65.1	-40.6	22.9
Interest paid	-1.3	-2.7	-25.7	-31.7	-35.1
Other financial items	0.8	-6.4	-2.6	-12.2	-14.6
Taxes paid*	-3.5	-0.4	-34.6	-16.4	-23.9
Other adjustments**	-17.3	-0.1	-42.1	-34.6	-54.5
Cash flow from operations	71.0	89.9	-42.6	23.6	73.7
Cash CAPEX	-12.9	-9.3	-43.8	-32.9	-51.0
Free cash flow	58.1	80.6	-86.5	-9.3	22.8

* Taxes paid include tax for the gain on the sale of Sanoma House paid in Q2 2015.

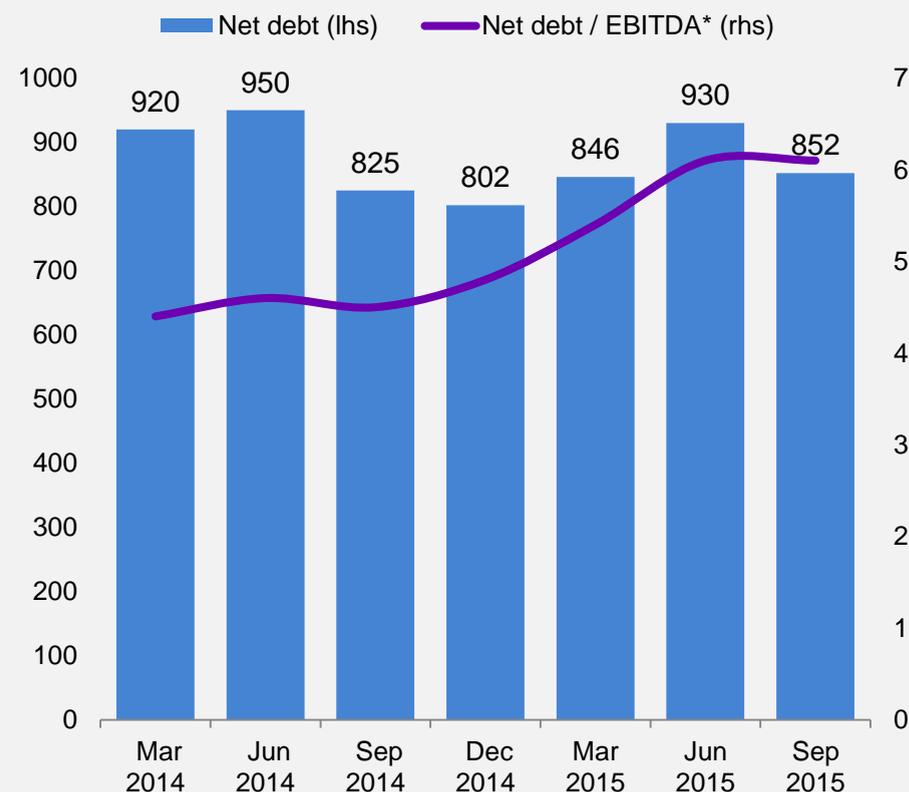
** Other adjustments include non-recurring items of EUR -39 million in 1-9/2015 and EUR -34 million in 1-9/2014.

Capital Structure

30 September 2015

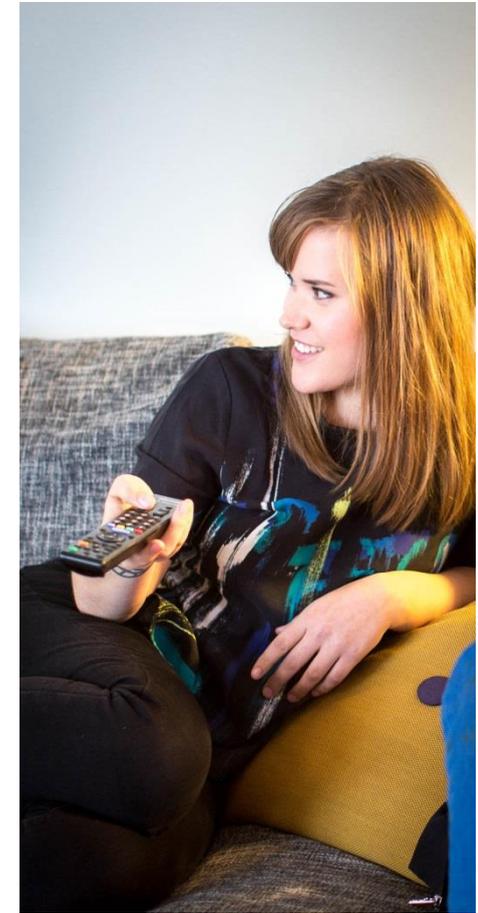
- Net debt: EUR 852 million (Q3 2014: 825)
 - Net debt / EBITDA adjusted 6.1 times (4.5)
 - *EBITDA adjusted: 12-month rolling EBITDA excl. non-recurring items, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash-flow basis
 - Net debt / EBITDA based on covenant calculation method 2.5 times (1.5)
 - Average interest rate around 2.7% p.a.
 - Interest sensitivity is around EUR 1.5 million and duration is 13 months
- Total equity: EUR 1,158 million (1,263)
- Equity ratio: 41.2% (41.9%)
- Gearing: 73.5% (65.4%)

Key figures



Additional Amortisations of TV rights in Q4 2015

- As part of ongoing review of TV rights, initial valuation done for programme rights in the Netherlands
- Changes in competitive environment and consumer habits will lead to devaluation especially of international fiction
 - In the beginning of 2015 SBS9, a channel focusing on broadcasting international movies and series, was launched
- As a result, valuation will most likely lead to additional amortisation of around EUR 14-18 million in Q4 2015
- This does not impact Group's outlook for 2015
- Historically write-downs of licenses running out have been around EUR 6-8 million annually and around EUR 11 million in 2014



Group Outlook for 2015 Unchanged

Outlook	2014 actuals	1–9/2015 actuals	2015 Outlook (published on 16 July 2015)
Net sales growth (organic)	EUR 1,901.6 million, organic growth -3.7%	EUR 1,307.8 million, organic growth -3.7%	“Around previous year’s development (2014: -3.7%)”
Operating profit margin, excluding non-recurring items	EUR 118.8 million, 6.2% of net sales	EUR 92.1 million, 7.0% of net sales <i>(1–9/2014: EUR 124.4 million, 8.6% of net sales)</i>	“Above 4% (2014: 6.2%)”

Divestments and acquisitions done estimated to have impact on net sales of around EUR -120 million in 2015

Q&A

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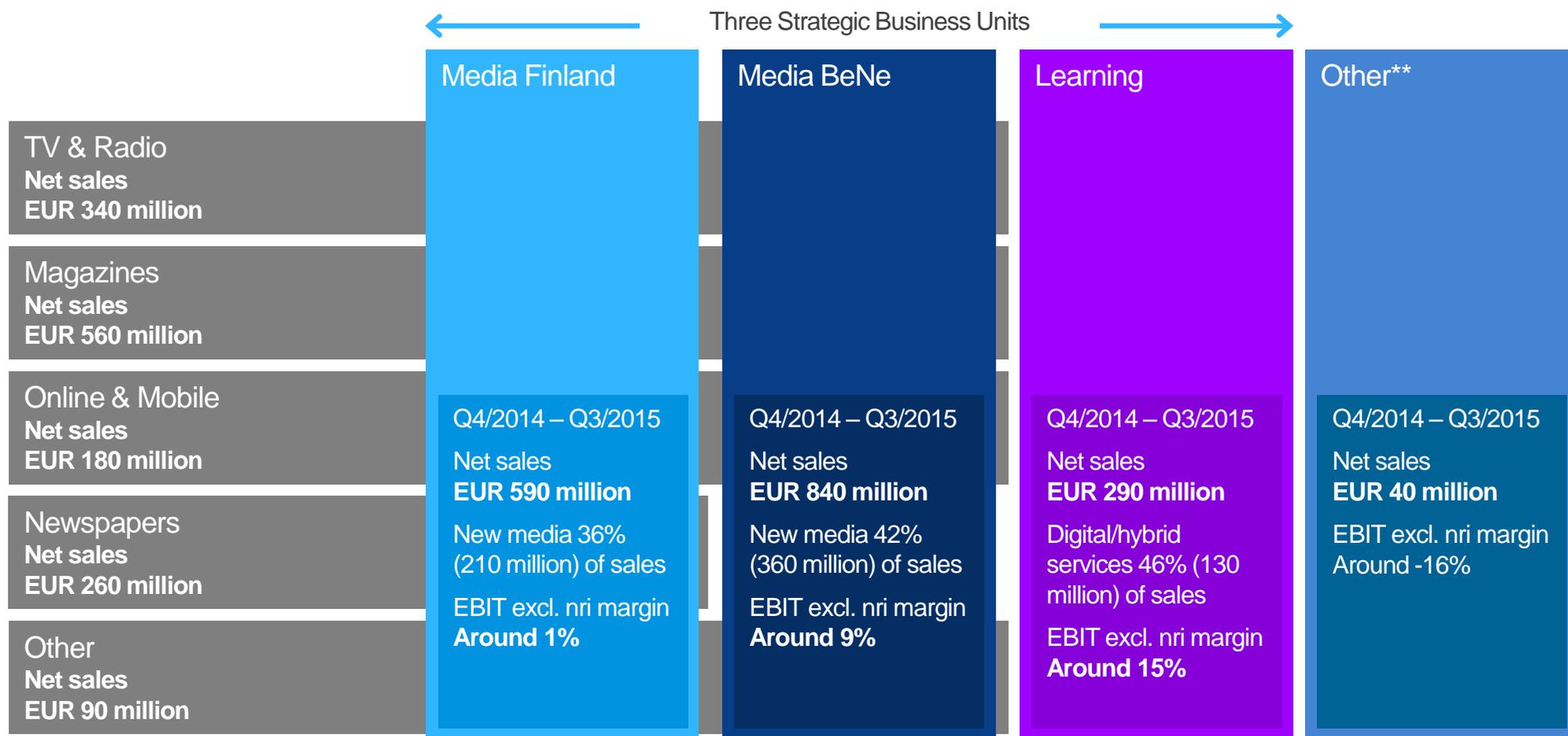
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Appendix

Summary of Operating Performance

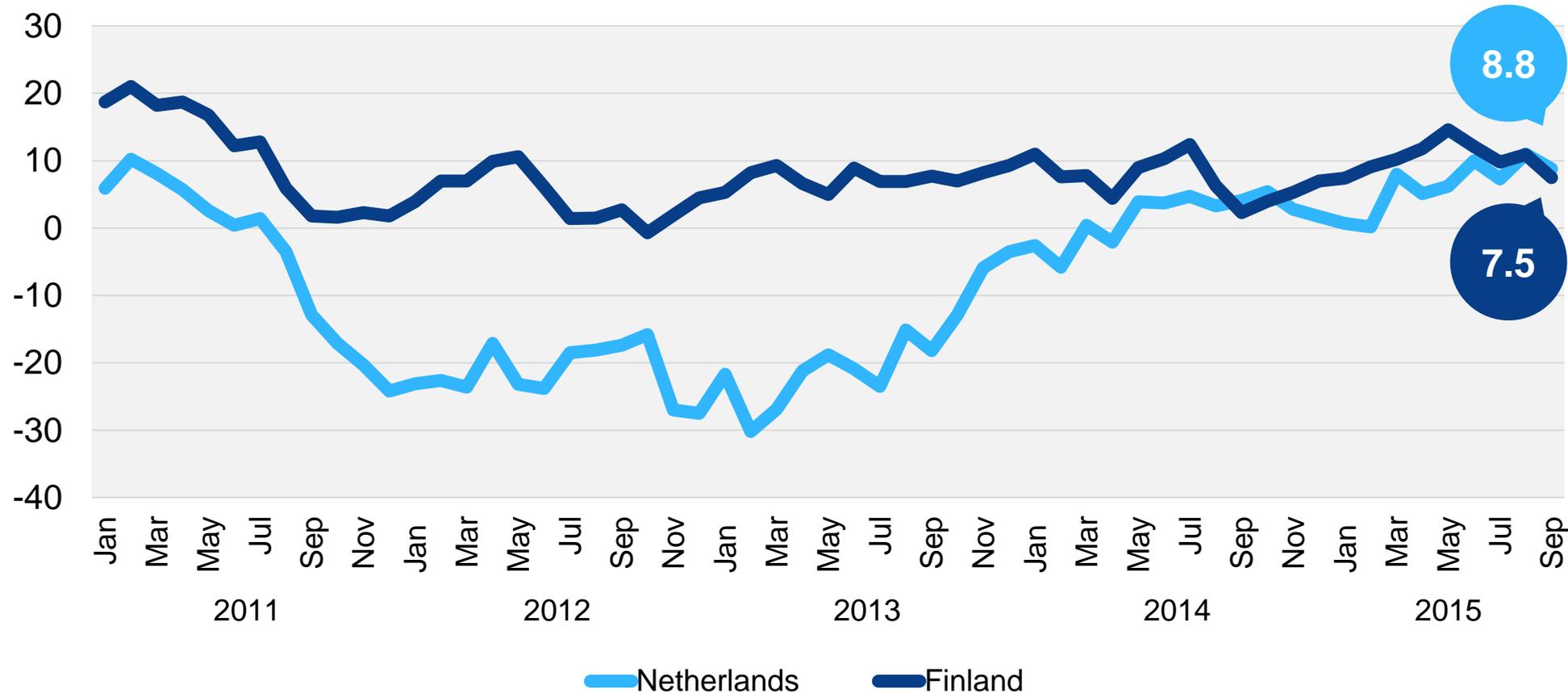
Last 12 months* – New media sales: EUR 570 million in Media Finland and Media BeNe



*Figures rounded to closest EUR 10 million.

**Figures do not include Parent company, other centralised Group costs and eliminations.

Consumer Confidence



Source: Eurostat

Net Sales Development

1–9/2015

	1–9/2015 EUR million	1–9/2014 EUR million	1–9/2015 organic growth, %
Group	1,307.8	1,449.1	-3.7
Media BeNe	601.9	629.3	-2.6
Media Finland	420.6	471.6	-4.5
Learning	257.1	261.1	-1.5
Other & elim.	28.1	87.1	-28.7

EUR million



Media BeNe:

Net sales declined mainly due to divestments of non-focus magazine titles as well as lower print advertising sales. TV sales increased, supported by higher market share and distribution sales.

Media Finland:

Online and mobile sales grew by double-digit. Declining print sales led to negative organic growth. Divestments had negative impact on reported net sales.

Learning:

Net sales declined mainly in Sweden and Finland, partly as a result of increased savings by schools.

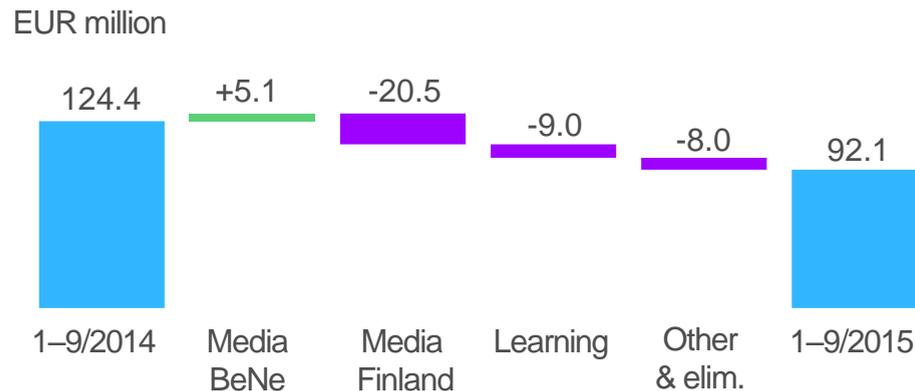
Other:

Decline is mostly related to divestments of Finnish press distribution business Lehtipiste and Hungarian media operations as well as weaker sales in non-core operations.

EBIT Excluding Non-Recurring Items Development

1–9/2015

EUR million	1–9/2015	1–9/2014
Group	92.1	124.4
Media BeNe	53.0	47.8
Media Finland	-2.6	17.9
Learning	69.6	78.6
Other & elim.	-27.8	-19.9



Media BeNe:

- + Cost efficiency
- + SBS TV operations
- + Focus on smaller portfolio and domain approach

Media Finland:

- + Cost savings
- Print advertising sales
- Higher TV programming amortisations

Learning:

- Lower profitability in Poland as a result of legislative changes
- Investments in digital

Other:

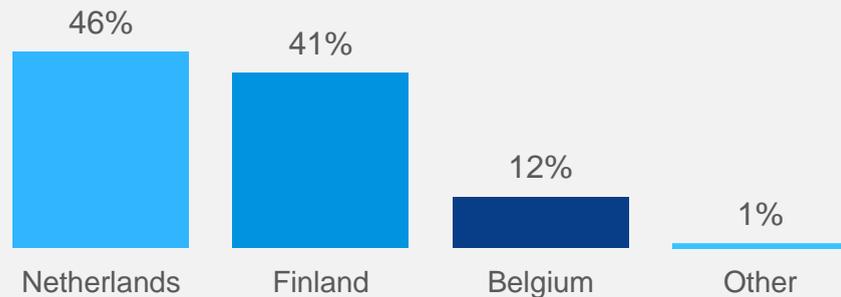
- Sale of Lehtipiste and other divestments
- Weaker result in non-core businesses

Net Sales Split

Rolling 12 months

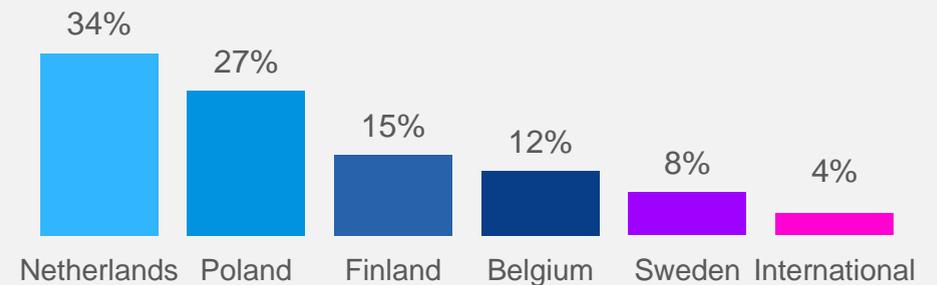
Media operations

Netherlands and Finland 87% of net sales



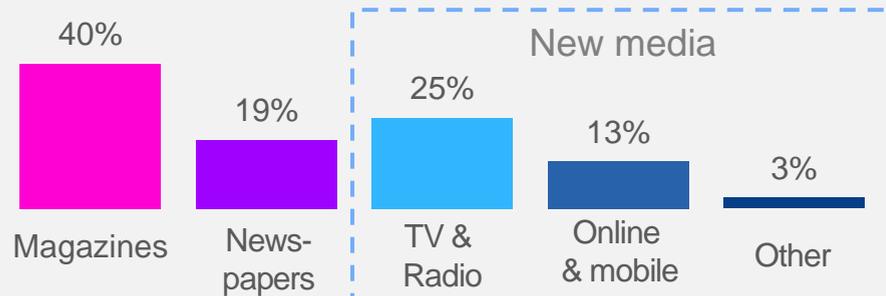
Learning

Diversified portfolio with several key markets



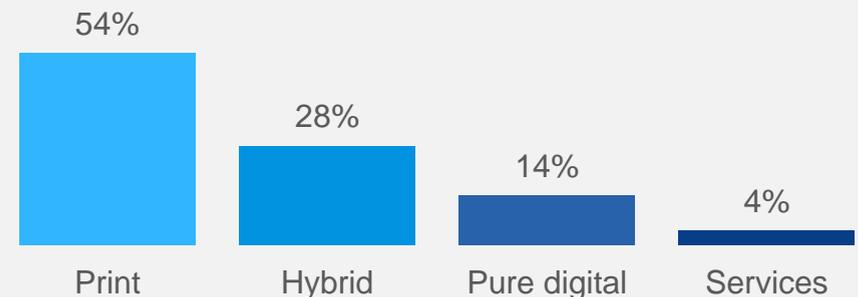
Consumer media (BeNe and Finland)

40% of net sales in new media (EUR 567 million)



Learning

46% of sales is digital / hybrid / services (EUR 132 million)



Media BeNe

Key figures

	2015			2014					2013
EUR million	Q3	Q2	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	196.4	216.0	189.5	870.8	241.5	203.6	231.7	194.0	896.8
Digital	70.6	83.9	67.1	308.6	90.3	67.8	84.6	65.9	305.3
Online & mobile	19.8	21.6	20.9	87.2	24.9	20.1	21.8	20.4	90.3
TV	50.8	62.3	46.2	221.4	65.4	47.7	62.8	45.5	215.0
Print	102.6	109.4	105.6	479.4	123.2	115.6	125.7	114.9	517.9
Magazines	102.6	109.4	105.6	479.4	123.2	115.6	125.7	114.9	517.9
Other	23.1	22.7	16.8	82.8	28.0	20.2	21.4	13.2	73.6
EBIT excluding non-recurring items	20.1	27.1	5.8	71.2	23.3	13.9	25.7	8.3	77.4
<i>% of net sales</i>	<i>10.2</i>	<i>12.5</i>	<i>3.1</i>	<i>8.2</i>	<i>9.7</i>	<i>6.8</i>	<i>11.1</i>	<i>4.3</i>	<i>8.6</i>
Number of employees (FTE)*	2,045	2,081	2,250	2,483	2,483	2,550	2,744	2,756	2,845

* At the end of the period.

Media Finland

Key figures

	2015			2014					2013
EUR million	Q3	Q2	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	131.9	145.7	143.0	637.2	165.5	148.0	164.6	159.0	675.4
Digital	46.6	56.9	50.0	198.7	53.2	43.5	53.4	48.6	185.9
Online & mobile	22.1	25.7	21.9	84.8	23.2	18.3	22.1	21.3	74.7
TV & radio	24.6	31.2	28.0	113.8	30.1	25.1	31.4	27.3	111.2
Print	84.8	89.7	90.5	432.5	110.6	103.1	109.9	108.8	438.8
Magazines	26.8	27.9	28.4	134.4	35.0	31.8	33.6	34.0	160.9
Newspapers	58.1	61.9	62.3	300.3	76.2	71.8	77.0	75.3	325.2
Eliminations	-0.2	-0.1	-0.2	-2.2	-0.6	-0.4	-0.7	-0.5	-2.2
Other	0.5	-0.9	2.5	6.0	1.7	1.4	1.3	1.6	5.6
EBIT excluding non-recurring items*	2.0	-2.5	-2.1	23.5	5.6	9.9	7.5	0.4	30.7
<i>% of net sales</i>	<i>1.5</i>	<i>-1.7</i>	<i>-1.5</i>	<i>3.7</i>	<i>3.4</i>	<i>6.7</i>	<i>4.5</i>	<i>0.3</i>	<i>4.5</i>
Number of employees (FTE)**	2,100	2,319	2,095	2,508	2,508	2,539	2,865	2,675	2,759

* Sale and leasebacks of real estate negatively impacts EBIT figures starting Q1 2014.

*** At the end of the period.

Learning

Key figures

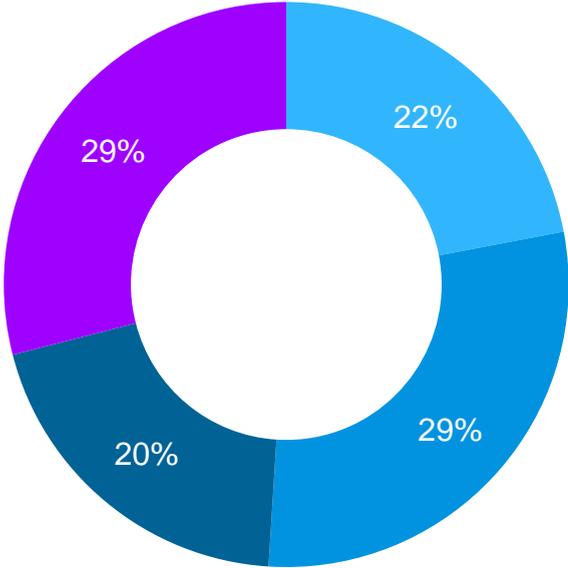
	2015			2014					2013
EUR million	Q3	Q2	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	121.8	97.9	37.4	292.0	30.9	113.0	106.9	41.2	304.6
Netherlands	27.5	39.9	21.5	98.1	8.3	24.6	40.7	24.5	95.3
Poland	57.2	12.8	6.6	86.8	12.6	51.1	17.8	5.2	83.8
Finland	11.0	25.5	3.8	48.3	4.1	10.6	28.8	4.8	53.5
Belgium	16.3	14.3	1.5	34.8	2.6	16.7	13.6	1.9	33.8
Sweden	10.2	5.7	4.1	26.1	3.9	10.7	6.5	4.9	29.3
Other and eliminations	-0.3	-0.2	-0.1	-1.9	-0.6	-0.7	-0.5	-0.1	8.9
EBIT excluding non-recurring items	49.8	32.5	-12.7	51.4	-27.1	44.4	41.2	-7.0	56.2
<i>% of net sales</i>	<i>40.9</i>	<i>33.2</i>	<i>-33.9</i>	<i>17.6</i>	<i>-87.6</i>	<i>39.3</i>	<i>38.5</i>	<i>-16.9</i>	<i>18.5</i>
Number of employees (FTE)*	1,527	1,515	1,515	1,563	1,563	1,580	1,591	1,613	1,564

* At the end of the period.

TV – Net Sales and EBIT Seasonality

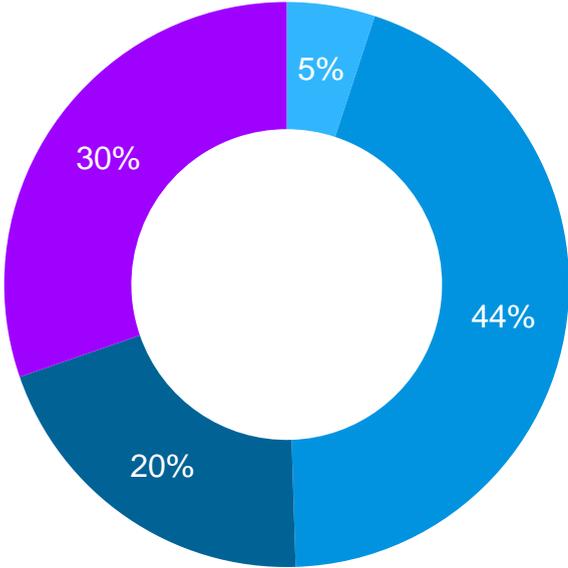
2010–2014 average for Dutch and Finnish TV*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



■ Q1 ■ Q2 ■ Q3 ■ Q4

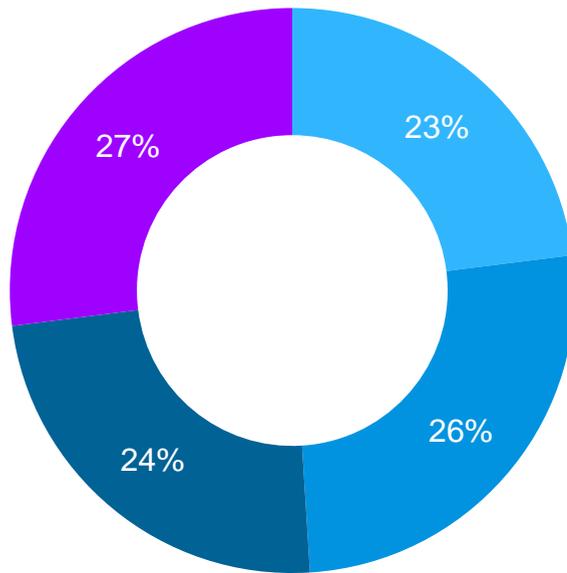
*Includes SBS Netherlands (excluding PPA amortization) and Nelonen Media Finland.
 **Excluding non-recurring items.



Magazines – Net Sales and EBIT Seasonality

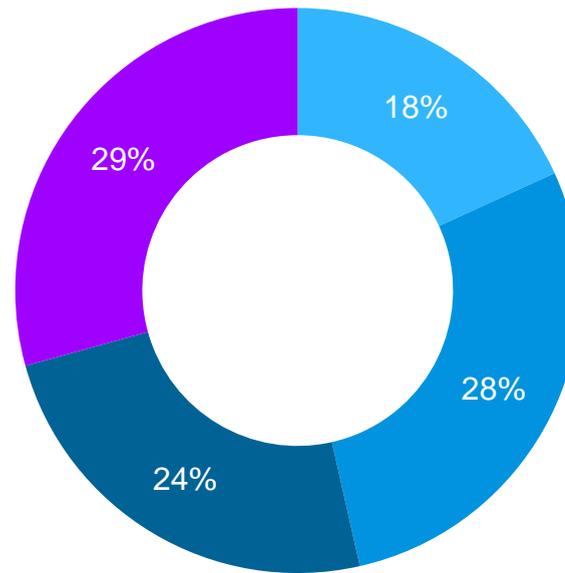
2010–2014 average for Dutch and Finnish Magazines*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



■ Q1 ■ Q2 ■ Q3 ■ Q4



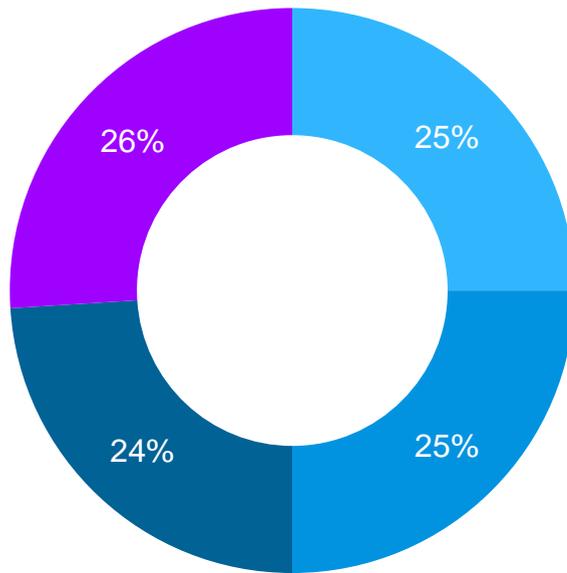
*Includes Dutch and Finnish operations, excluding TV guides. 2010-2012 not restated with IFRS 11 'Joint Arrangements'.

**Excluding non-recurring items.

Newspapers – Net Sales and EBIT Seasonality

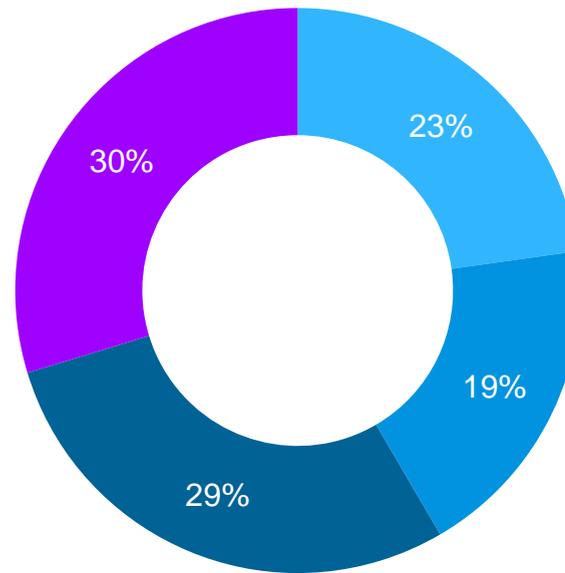
2010–2014 average for Newspapers (Finland) incl. digital business

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT* split



■ Q1 ■ Q2 ■ Q3 ■ Q4

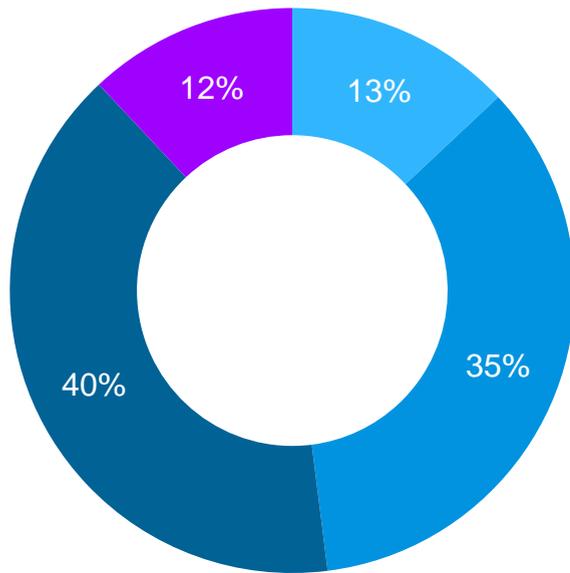
*Excluding non-recurring items.



Learning – Net Sales and EBIT Seasonality

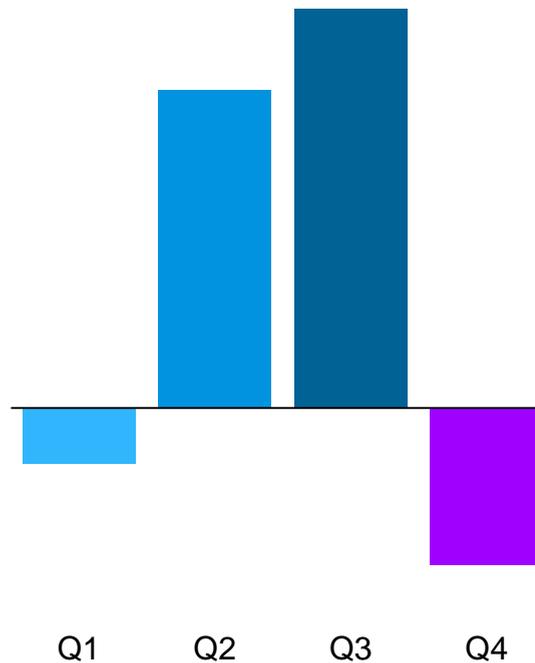
2010–2014 average for Learning

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT* split in relative terms



*Excluding non-recurring items.

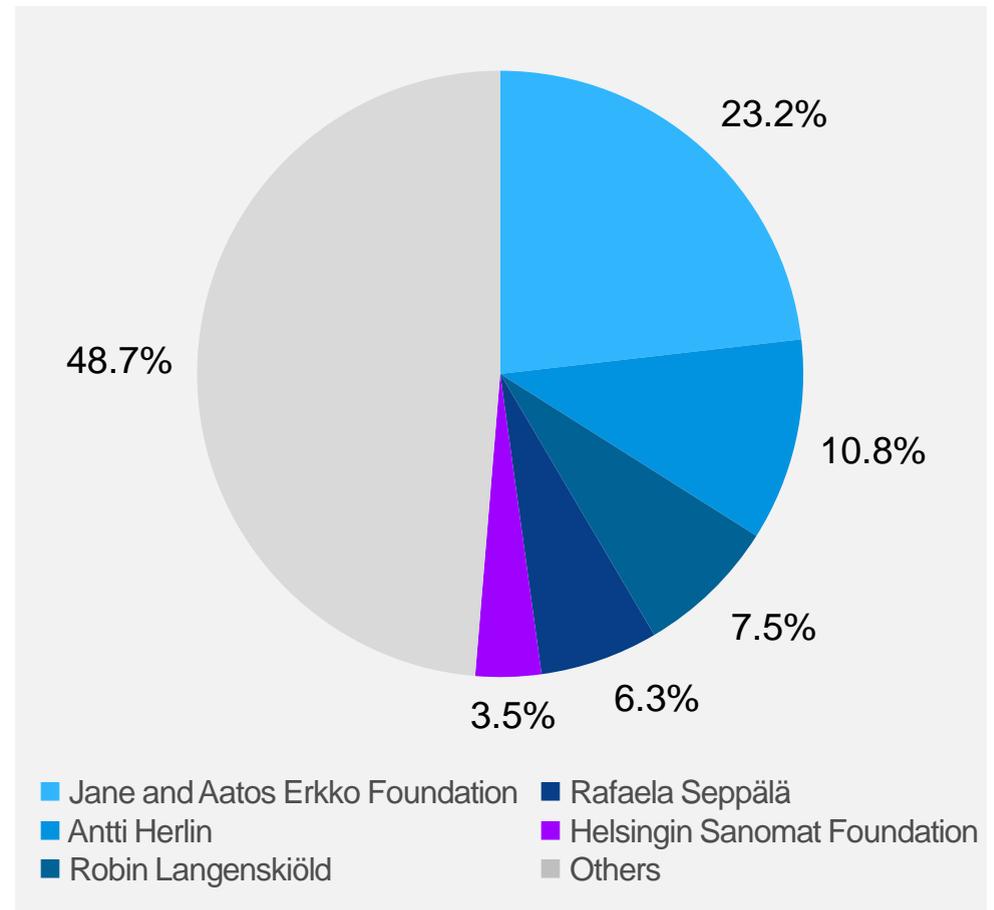


Sanoma – Largest Shareholders

	% of shares and votes
30 September 2015	
1. Jane and Aatos Erkkö Foundation	23.18
2. Antti Herlin (Holding Manutas Oy: 10.77%, personal: 0.02%)	10.79
3. Robin Langenskiöld	7.54
4. Rafaela Seppälä	6.31
5. Helsingin Sanomat Foundation	3.50
6. Ilmarinen Mutual Pension Insurance Company	2.19
7. Foundation for Actors' Old-age-home	1.38
8. State Pension Fund	1.28
9. Noyer Alex	1.21
10. WSOY Literary Foundation	1.18
Foreign ownership in total	8.2
Total number of shares	162,812,093
Total number of shareholders	27,186

Institutional investors: around 65% of shares

Private investors: around 35% of shares



Analyst Coverage

- **Carnegie Investment Bank**
Matti Riikonen
tel. +358 9 6187 1231
Carnegie.fi
- **Danske Markets Equities**
Panu Laitinmäki
tel. +358 10 236 4867
Danskeequities.com
- **Evli Bank**
Jaakko Tyrväinen
tel. +358 9 4766 9205
Evli.com
- **Handelsbanken Capital Markets**
Rasmus Engberg
tel. +46 8 701 5116
Handelsbanken.com/
capitalmarkets
- **Inderes**
Rasmus Skand
tel. +358 50 338 2631
Inderes.fi
- **Nordea**
Sami Sarkamies
tel. +358 9 165 59928
Nordea.com/markets
- **Pohjola**
Kimmo Stenvall
tel. +358 10 252 4561
Pohjola.fi
- **SEB Enskilda**
Anssi Kiviniemi
tel. +358 9 6162 8058
Enskilda.fi

Sanoma's IR Team

Mr Olli Turunen

tel. +358 40 552 8907

olli.turunen@sanoma.com

Mr Pekka Rouhiainen

tel. +358 40 739 5897

pekka.rouhiainen@sanoma.com

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