

Sanoma's Interim Report 1 Jan–30 September 2010:

Outlook for 2010 improved

Third quarter

- Net sales amounted to EUR 690.6 million (2009: EUR 701.1 million). Adjusted for changes in the Group structure, Sanoma's net sales grew by 1.2%.
- Operating profit excluding non-recurring items improved by 12% to EUR 94.9 million (2009: EUR 84.5 million).
- Non-recurring items totalled EUR -31.0 million (2009: EUR -7.4 million) and were mostly related to an impairment of goodwill in the Dutch press distribution operations.
- Earnings per share were EUR 0.24 (2009: EUR 0.30).

First nine months

- Sanoma Group's net sales were stable at EUR 2,043.8 million (2009: EUR 2,034.4 million).
- Operating profit excluding non-recurring items improved by 17% and totalled EUR 210.8 million (2009: EUR 180.2 million).
- Cash flow from operations amounted to EUR 174.0 million (2009: EUR 119.6 million).
- Earnings per share were EUR 1.86 (2009: EUR 0.62).
- The outlook for the Group's operating profit excluding the non-recurring items is upgraded. It is now expected to improve somewhat from the 2009 level. The upgrade is based on the improved outlooks in Magazines, News and Learning & Literature, while the outlook for Trade is downgraded. Group's net sales are expected to be at the previous year's level.

KEY INDICATORS EUR million	7–9/ 2010	7–9/ 2009	Change %	1–9/ 2010	1–9/ 2009	Change %	1–12/ 2009
Net sales	690.6	701.1	-1.5	2,043.8	2,034.4	0.5	2,767.9
Operating profit excluding non-recurring items	94.9	84.5	12.4	210.8	180.2	17.0	229.5
% of net sales	13.7	12.0		10.3	8.9		8.3
Operating profit	63.9	77.1	-17.0	365.3	163.1	124.0	195.4
Result for the period	39.1	47.2	-17.2	298.3	98.5	202.7	107.1
Capital expenditure				59.6	61.2	-2.7	83.4
% of net sales				2.9	3.0		3.0
Equity ratio, %				44.3	39.4		41.4
Net gearing, %				71.4	90.3		79.4
Number of employees at the end of the period (FTE)				15,863	16,998	-6.7	16,723
Average number of employees (FTE)				16,148	17,507	-7.8	17,343
Earnings/share, EUR	0.24	0.30	-18.0	1.86	0.62	201.3	0.66
Cash flow from operations/share, EUR	0.71	0.70	1.2	1.08	0.74	44.7	1.50

Hannu Syrjänen, President and CEO

"In the third quarter, we saw stable growth in the advertising markets of our most important operating countries. Also the outlook for 2010 has become clearer.

Growing advertising sales, good performance in learning business and better operational efficiency improved our profitability clearly also in the third quarter. Especially Sanoma News and learning business performed well. Online

advertising sales grew in all businesses. However, the economic recovery in most of the Central Eastern European countries has not really picked up yet. In addition to growing our operations, we continue to emphasise strong cash flow and improving efficiency.

A key element of Sanoma's strategy is to focus our operations and balance our portfolio. In the third quarter, this was executed by consolidating B2B businesses into a single unit and after the review period, by discontinuing Russian kiosk and press distribution operations.

We develop our concepts to better respond to the changing needs of our customers. Media experiences will be much more customised, personal and increasingly mobile. Our approach to these new trends, however, is a pragmatic one: new services must have solid business models. In mobile media, for example, we currently have some 40 applications for the iPhone and iPad. These generate not only interesting insight into how consumers and advertisers are adopting new habits, but also provide a test environment for different revenue models. New, innovative concepts in media, learning and retail will offer us interesting growth opportunities."

Outlook for 2010

Sanoma Group's outlook is changed. In 2010, Sanoma's net sales are expected to be at the previous year's level. The operating profit excluding non-recurring items is estimated to improve somewhat. The upgrade is based on the improved outlooks in Magazines, News and Learning & Literature, while the outlook for Trade is downgraded. Earlier Sanoma estimated its net sales to grow and operating profit excluding non-recurring items to improve only slightly. In the comparable year 2009, operating profit excluding non-recurring items was EUR 229.5 million.

This outlook takes into account the effect of the weekly magazine *Humo* and the cable TV operator Welho transactions. The estimated negative impact of these transactions on the 2010 operating profit excluding non-recurring items is some EUR 12 million.

The outlook of Sanoma's net sales and operating profit in 2010 is affected by the development of advertising and private consumption in the Group's countries of operation. The current outlook is based on the assumption that the advertising markets in the Group's main operating countries grow somewhat in 2010.

Net sales

Third quarter

In the third quarter of 2010, Sanoma's net sales decreased by 2% and amounted to EUR 690.6 million (2009: EUR 701.1 million). Net sales increased in News and Learning & Literature and were at the comparable quarter's level in Magazines and Trade. Net sales decreased in Entertainment following the divestment of cable TV and broadband operations. Currency translations did not have material effect on the third quarter sales. Adjusted for changes in the Group structure, net sales grew by 1.2% in the third quarter.

The growth of advertising sales continued: In the third quarter, Sanoma's advertising sales grew by 12% and accounted for 20% (2009: 18%) of the total net sales. Online advertising sales increased significantly, by 22%, with the biggest contributors, Sanoma Magazines Netherlands and Sanoma News, both showing clear growth.

The circulation sales were slightly below the comparable quarter. The Group's subscription sales remained stable, but single copy sales decreased slightly in most of the operating countries.

First nine months

In January–September, Sanoma's net sales grew by 1% and amounted to EUR 2,043.8 million (2009: EUR 2,034.4 million). Net sales increased in News, Learning & Literature and Trade. In Magazines net sales remained stable. Entertainment's net sales were affected by the Welho divestment.

Sanoma has a target to double its consumer online sales by 2012 from 2008. In the first nine months of 2010, such sales grew by 19% to EUR 109.9 million (2009: EUR 92.6 million). Total digital sales, which also include items such as e-learning and the access services divested in June, increased by 7% and amounted to 12% (2009: 11%) of net sales.

By country, Finland accounted for 51% (2009: 51%) of the cumulative net sales and the Netherlands 23% (2009: 23%). Net sales from other EU countries totalled 23% (2009: 23%) and non-EU countries accounted for 3% (2009: 3%).

Result

Third quarter

Sanoma's operating profit excluding non-recurring items in July–September improved by 12% and totalled EUR 94.9 million (2009: EUR 84.5 million). The result improved in Magazines, News and Learning & Literature. Operating profit excluding non-recurring items was 13.7% (2009: 12.0%) of net sales. The Group's result increased in particular due to improved efficiency of operations, growing advertising sales and good performance in learning. Currency translations did not have material effect on the third quarter result.

Sanoma continues to see the effects of the efficiency improvement measures and structural changes mostly carried out in 2009. In the third quarter, the Group's total expenses came down by 3%. Paper costs in particular continued to decrease. Employee benefit expenses decreased by 5%. The Group had 860 employees less than at the year-end 2009, corresponding to a decrease of 5%. From the comparable quarter, the number of personnel has decreased by 7%. A decrease of some 200 employees is due to the Welho divestment.

Sanoma announced in September that it will centralise and outsource the Group's shared administrative ICT services in Finland and possibly in the Baltic countries. The project is expected to create clear savings and enable more consistency in operating methods.

In July–September, the operating profit included a total of EUR -31.0 million (2009: EUR -7.4 million) in non-recurring items. The majority of the non-recurring costs were related to an impairment of goodwill in the Dutch trade services business. This impairment is related to the realignment of the operations in the distribution company Aldipress. In the future, Aldipress will focus on press single copy distribution and strengthen its service to local publishers. To facilitate this, Aldipress will be moved from Sanoma Trade's trade services to Sanoma Magazines as of 1 January 2011. Other non-recurring costs are related to the continuous restructuring of distribution operations in Estonia and general literature in Finland as well as a write-down of an online asset in the Netherlands. Non-recurring gains are related to divestments of real estate assets.

NON-RECURRING ITEMS	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	1-12/ 2009
EUR million					
Magazines					
Restructuring expenses (Magazines Belgium)		-0.2		-1.5	-12.4
Gain from Humo			2.6		
Restructuring expenses (Magazines Netherlands)		-4.6		-4.6	-4.7
Write-down of intangible assets (Magazines Netherlands)	-6.3		-6.3		
News					
Gain on sale of Lehtikuva			6.0		
Expenses related to the efficiency programme				-8.4	-8.4
Entertainment					
Gain on sale of Welho			179.4		
Learning & Literature					
Loss on sale of Bertmark Norge			-1.2		
Restructuring expenses	-0.2	-1.5	-1.5	-1.5	-3.9
Expense related to the sale of children's magazines		-1.1		-1.1	-1.1
Trade					
Restructuring expenses	-1.0		-1.0		-3.6
Write-down of goodwill in the Dutch press distribution	-28.9		-28.9		
Sanoma Corporation					
Gain on sales of real estates	5.4		5.4		
NON-RECURRING ITEMS IN OPERATING PROFIT	-31.0	-7.4	154.5	-17.1	-34.1
Impairment losses on loans and other receivables and available-for-sale investments		-5.0			-8.7
NON-RECURRING ITEMS IN FINANCIAL ITEMS		-5.0			-8.7

First nine months

In January–September, Sanoma's operating profit excluding non-recurring items improved by 17% and totalled EUR 210.8 million (2009: EUR 180.2 million). Operating profit excluding non-recurring items improved in Magazines, News and Learning & Literature.

Following the divestment of Welho and the related acquisition of 21% in the Finnish telecommunication group DNA, Sanoma now reports its share of DNA's result in the associated companies. In the third quarter, profits from associated companies totalled EUR 0.1 million (2009: EUR -2.3 million) with the DNA result developing as expected. The most significant associated companies, in addition to DNA, include Hansaprint, Stratosféra and Jokerit HC.

In January–September, Sanoma's net financial items totalled EUR -8.6 million (2009: EUR -21.7 million). Lower reference rates than in the comparable period decreased the Group's interest expenses clearly. Financial income amounted to EUR 8.7 million (2009: EUR 19.6 million), of which exchange rate gains were EUR 5.5 million (2009: EUR 13.1 million). Financial expenses amounted to EUR 17.3 million (2009: EUR 41.3 million). Interest expenses amounted to EUR 9.5 million (2009: EUR 21.5 million) and exchange rate losses to EUR 6.0 million (2009: EUR 13.2 million). The positive effects of lower interest rates has started to even out in the third quarter, since the reference rates came down in the second quarter of 2009.

The result before taxes amounted to EUR 356.8 million (EUR 139.2 million). Group's result and the effective tax rate were significantly affected by the divestment of Welho in June 2010.

Balance sheet and financial position

At the end of September, Sanoma's consolidated balance sheet totalled EUR 3,246.5 million (2009: EUR 3,186.0 million). Efficient cash flow management continued to be a focus area, and in the first nine months, the Group's cash flow from operations amounted to EUR 174.0 million (2009: EUR 119.6 million). Cash flow from operations per share was EUR 1.08 (2009: EUR 0.74). In addition to a significantly better operational result, positive development of net working capital and lower interest costs also improved the cash flow.

Sanoma's financial position remained strong and financial flexibility continued to improve. Equity ratio strengthened and was 44.3% (2009: 39.4%) at the end of September. Equity totalled EUR 1,357.6 million (2009: EUR 1,181.7 million). Interest-bearing liabilities continued to decrease and totalled EUR 1,024.3 million (2009: EUR 1,133.4 million) and interest-bearing net debt was EUR 969.1 million (2009: EUR 1,067.0 million). Sanoma's net debt/EBITDA ratio was 1.6 at the end of September.

Investments, acquisitions and divestments

Investments in tangible and intangible assets amounted to EUR 59.6 million (2009: EUR 61.2 million) in January–September. Investments were mainly related to ICT systems as well as replacements and renovations. Sanoma has a policy to keep annual capital expenditure, excluding M&A, below EUR 100 million. Sanoma's business acquisitions totalled EUR 37.1 million (2009: EUR 8.3 million).

In May, Sanoma Magazines Belgium sold 49% of its Humo magazine to Belgian De Vijver NV. As part of the transaction, Sanoma Magazines Belgium acquired 25% of Belgium's largest TV production company Woestijnvis, which is owned by De Vijver.

In June, Sanoma Entertainment divested its cable TV operator Welho to the DNA telecommunication group, invested the total enterprise value of Welho into DNA and became DNA's second largest owner with an ownership share of 21%.

SANOMA MAGAZINES

Sanoma Magazines, operating in 12 European countries, is a leading publisher of magazines and has a strong presence in digital media. The company actively reaches out to an audience of 290 million consumers at every life stage, and aims to strengthen its market leader positions in each of the markets it operates in.

- Advertising sales developed positively in the third quarter, and Sanoma Magazines outperformed market growth in many of its markets.
- Sanoma Magazines continued its portfolio management in the third quarter: the new iPad applications launched in the Netherlands and Russia quickly became popular.
- Sanoma Magazines' outlook for operating profit excluding non-recurring items has been upgraded and it is now estimated to improve clearly in 2010.

Key indicators	7–9/ 2010	7–9/ 2009	Change %	1–9/ 2010	1–9/ 2009	Change %	1–12/ 2009
Net sales	264.4	266.1	-0.6	804.9	804.2	0.1	1,111.2
Sanoma Magazines Netherlands	118.8	120.7	-1.5	354.3	354.5	-0.1	493.2
Sanoma Magazines International	51.0	48.8	4.5	154.0	152.8	0.8	211.3
Sanoma Magazines Belgium	48.7	50.8	-4.3	154.5	154.8	-0.2	212.3
Sanoma Magazines Finland	46.9	46.9	-0.1	145.2	145.3	0.0	198.8
Eliminations	-1.0	-1.2	16.1	-3.1	-3.3	5.4	-4.3
Operating profit excluding non-recurring items *	28.9	27.9	3.6	93.1	75.0	24.2	113.4
% of net sales	10.9	10.5		11.6	9.3		10.2
Operating profit	22.6	23.1	-2.2	89.4	68.9	29.8	96.3
Capital expenditure				12.8	17.8	-27.8	24.4
Number of employees at the end of the period (FTE)				4,989	5,355	-6.8	5,191
Average number of employees (FTE)				5,062	5,521	-8.3	5,452

* In 2010, the non-recurring items included in the second quarter a EUR 2.6 million gain from selling 49% of Humo magazine and in the third quarter a EUR 6.3 million write-down of intangible assets in Sanoma Magazines Netherlands. In 2009, the non-recurring items included in the second quarter EUR 1.3 million, in the third quarter EUR 0.2 million and in the fourth quarter EUR 10.9 million of Sanoma Magazines Belgium's restructuring expenses and in the third quarter EUR 4.6 million and in the fourth quarter EUR 0.1 million of Sanoma Magazines Netherlands' restructuring expenses.

Operational indicators *	1–9/ 2010	1–9/ 2009
Number of magazines published	280	298
Magazine copies sold, thousands	257,426	280,874
Advertising pages sold	35,865	37,788

* Including joint ventures

Third quarter

Sanoma Magazines' net sales in July–September were stable. Net sales were slightly below the comparable quarter in the Netherlands and in Belgium. Finnish sales remained stable and Sanoma Magazines International's sales improved. Adjusted for changes in the Division structure, sales grew by 1.3%.

The Division's advertising sales grew by 11% and represented 28% (2009: 25%) of the third quarter net sales. Advertising sales grew in all four businesses, with especially strong performances in the Netherlands, Sanoma Magazines International and Finland. Sanoma Magazines' online advertising sales grew significantly, in particular due to the good development in the Netherlands and Sanoma Magazines International.

Sanoma Magazines' circulation sales decreased slightly and represented 61% (2009: 64%) of the Division's net sales. Subscription sales were at the comparable quarter's level and single copy sales decreased.

Sanoma Magazines Netherlands' net sales were slightly below the comparable quarter. Advertising sales growth was in line with the previous quarter. Online advertising sales continued to increase clearly. Advertising sales represented 27% (2009: 24%) of Sanoma Magazines Netherlands' net sales. Its circulation revenues decreased, with subscription sales remaining stable but single copy sales declining somewhat. Sanoma Magazines Netherlands discontinued one

magazine. The *NU HD* iPad application, developed by Sanoma Digital the Netherlands, became an immediate hit after its launch in July. Another popular mobile media solution is the application for *Autoweek*, which also explores the new possibilities of the tablets both for readers and advertisers.

Sanoma Magazines International's net sales grew by 5% due to increased advertising sales in Russia and the favourable currency translation effect. The advertising market outlook is also improving in Hungary, but the visibility and advertising sales remain low in other CEE countries. Advertising sales represented 48% (2009: 45%) of Sanoma Magazines International's net sales in the third quarter. Circulation sales decreased, with both single copy and subscription sales declining somewhat. In July, Sanoma Magazines International divested its Slovakian magazine operations. Sanoma Digital Romania acquired the country's leading real estate site *MagazinulDeCase.ro*. Sanoma Magazines has established a divisional centre of expertise for the development of smart phone and tablet applications in Hungary. The iPad version of the Russian *Cosmopolitan* was launched in August and has become globally popular among Russian speaking readers.

Net sales from Sanoma Magazines Belgium decreased by 4%, due to divestment of 49% of the weekly *Humo*, one of Sanoma Magazines Belgium's key titles, in May. Advertising sales increased, thanks to other titles' good performance, whereas circulation sales decreased. Advertising sales represented 24% (2009: 22%) of Sanoma Magazines Belgium's net sales.

Sanoma Magazines Finland's net sales were at the comparable quarter's level. Advertising sales improved and represented 12% (2009: 10%) of net sales. Sanoma Magazines Finland's key titles continued to perform well and circulation sales remained at the comparable quarter's level.

Sanoma Magazines' operating profit excluding non-recurring items in July–September grew by 4%. Operational efficiency continued to improve but the postponement of marketing campaigns to the third quarter slowed down the growth rate from previous quarters. The fourth quarter result will also be burdened by increased marketing activities. In the comparable year 2009, marketing was at a low level. Result improved in Sanoma Magazines International and in Sanoma Magazines Netherlands in the third quarter, but declined in Sanoma Magazines Belgium due to the *Humo* transaction. In Sanoma Magazines Finland, timing differences led to a smaller number of issues published than in the comparable quarter, which lowered the result. The non-recurring costs included in the operating profit totalled EUR 6.3 million (2009: EUR 4.8 million) and consisted of an impairment loss on intangible assets related to an online property.

First nine months

In January–September, Sanoma Magazines' net sales were at the comparable period's level. Adjusted for changes in the Division structure, the growth was 1.5%. Operating profit excluding non-recurring items increased by 24%.

According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands was slightly up in January–August. Sanoma Magazines Netherlands' sales clearly outperformed the market development. According to TNS Gallup Adex, advertising in consumer magazines in Finland decreased by 3% in January–September. Sanoma Magazines Finland's advertising sales outperformed the market development clearly.

Sanoma Magazines continuously develops its magazine portfolio with a special focus on its key titles in each operating country. Sanoma Magazines is investing in strengthening its market positions, and wants to become stronger in digital media. In particular mobile media solutions such as tablets offer interesting opportunities for combining magazines with digital media and Sanoma Magazines continues to launch new applications which can be used to test interesting business models.

In 2010, Sanoma Magazines' net sales are expected to be at the previous year's level. It is estimated that operating profit excluding non-recurring items will improve clearly.

SANOMA NEWS

Sanoma News is the leading newspaper publisher in Finland and its printed and digital products have a strong presence in the lives of Finns. In addition to Helsingin Sanomat, the largest daily in the Nordic region, Sanoma News publishes other national and regional newspapers and it is also one of the most significant digital media players in Finland.

- Recruitment advertising in *Helsingin Sanomat* and *Oikotie.fi* grew significantly in the third quarter. The Division's online display advertising sales also continued to develop strongly.
- Sanoma News' business information operations were transferred to the Sanoma Learning & Literature division in September.
- Pekka Soini was appointed President of the Division.
- Sanoma News' outlook for operating profit excluding non-recurring items has been upgraded and it is now estimated to improve significantly in 2010.

Key indicators	7-9/	7-9/	Change	1-9/	1-9/	Change	1-12/
	2010	2009		%	2010		2009
Net sales	104.8	101.2	3.5	322.7	316.0	2.1	428.9
Helsingin Sanomat	55.5	53.3	4.2	171.4	167.3	2.4	228.4
Ilta-Sanomat	21.1	19.6	7.5	61.6	57.9	6.4	78.2
Other publishing	23.5	24.2	-2.8	74.5	76.9	-3.1	103.8
Other businesses	32.0	34.9	-8.3	99.5	107.1	-7.1	143.7
Eliminations	-27.4	-30.8	11.1	-84.3	-93.3	9.6	-125.2
Operating profit excluding non-recurring items *	15.7	11.8	33.4	34.2	29.8	14.9	40.6
% of net sales	15.0	11.6		10.6	9.4		9.5
Operating profit	15.7	11.8	33.4	40.2	21.4	88.1	32.2
Capital expenditure				7.8	8.0	-2.7	10.6
Number of employees at the end of the period (FTE)				1,977	2,322	-14.8	2,306
Average number of employees (FTE)				2,231	2,431	-8.2	2,399

* In 2010, the non-recurring items included in the first quarter a EUR 6.0 million gain on the sale of Lehtikuva. In 2009, the non-recurring items included in the first quarter EUR 2.3 million and in the second quarter EUR 6.1 million of expenses related to the efficiency programme.

Operational indicators	1-9/	1-9/
	2010	2009
Distribution of free sheets, millions	55.5	56.0
	1-12/	1-12/
	2009	2008
Audited circulation		
Helsingin Sanomat	397,838	412,421
Ilta-Sanomat	152,948	161,615
	7-9/	7-9/
	2010	2009
Online services, unique visitors, weekly		
Iltasanomat.fi	1,662,812	1,603,731
HS.fi	1,217,887	1,094,630
Huuto.net	418,683	429,449
Oikotie.fi	355,293	347,121
Taloussanomat.fi	511,576	444,694

Third quarter

Sanoma News' net sales in July–September increased by 4%. Adjusted for changes in the Division structure, sales grew by 5%.

Sanoma News' advertising sales grew by 10%. Especially online advertising sales performed well and grew by 28% but print advertising has also recovered and increased by 7%. Advertising sales represented 45% (2009: 42%) of the Division's net sales in the third quarter. One of Sanoma News' aims has been to strengthen its market share in the media market. Its strong brands and active media sales improved market position further in the third quarter.

The Division's circulation sales grew by 3%. Both the subscription sales and single copy sales increased. Circulation sales accounted for 47% (2009: 47%) of the Division's net sales. Online services *Hs.fi* and *Iltasanomat.fi* had record audiences in the third quarter.

The net sales of the Helsingin Sanomat business unit grew by 4%. Both circulation and advertising sales developed positively, with recruitment classified advertising in the daily print edition of *Helsingin Sanomat* showing impressive growth of 48% in the third quarter. Advertising sales represented 50% (2009: 48%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales grew by 7%. Ilta-Sanomat's market share increased and the decline in circulation continued to slow down. The tabloid's weekday price was increased from EUR 1.20 to EUR 1.30 in mid-August, which increased circulation sales. Advertising sales, representing 22% (2009: 22%) of the business unit's net sales, also grew clearly. In particular online advertising sales developed favourably.

Net sales from other publishing operations decreased by 3% due to the divestments of picture agency Lehtikuva and business information provider Esmerk. Online advertising sales in the Sanoma Digital Finland continued their strong performance. Advertising and circulation sales in regional papers grew. Advertising sales in free sheets were at the comparable quarter's level.

In July–September, Sanoma News' operating profit excluding non-recurring items increased by 33%. Operating profit improved significantly in the Helsingin Sanomat and Ilta-Sanomat business units. Despite the structural changes, the result improved significantly also in other publishing, thanks to Sanoma Digital Finland's increased online advertising sales. The operating profit did not include any non-recurring items.

First nine months

In January–September, Sanoma News' net sales grew by 2%. Adjusted for changes in the Division structure, the growth was 3%. Sanoma News's operating profit excluding non-recurring items grew by 15%. The withheld holiday pay in 2009 and the equal-size bonus paid in May 2010 had impacts on the operating profit in the second quarter in particular. Excluding the effects of the holiday pay, the increase in result would have been some 40%.

According to TNS Gallup Adex, newspaper advertising in Finland grew by 1% in January–September. Job advertising in Finland increased by 26%, and real estate advertising by 2%. Job advertising in the daily print edition of *Helsingin Sanomat* was 22% above the comparable period, and real estate advertising 3%. Online, Oikotie recruitment outperformed the market. Advertising in free sheets was up by 8%, partly due to changes in reporting. Online advertising included in the statistics grew by 34%, much faster than other media segments.

In January–September, the total volume of the Finnish tabloid market decreased by 3%. However, *Ilta-Sanomat* was able to improve its market position further in the tabloid newsstand market and now has a market share of 58.0% (2009: 56.9%).

Sanoma News is looking for new sources of revenues through development of the product and service portfolio. In particular, paid content services and creating content for e-reading devices and smart phones are in focus: For example *Hs.fi 2.0* for iPhone with paid-for Helsingin Sanomat content was launched in July and the iPad version of *Helsingin Sanomat* is planned to be launched during the fourth quarter 2010. Strengthening market share both in the media market and in the readers' market remains a key priority for Sanoma News.

In 2010, Sanoma News' net sales are expected to be at the previous year's level due to the divestments of Lehtikuva and Esmerk. The Division's operating profit excluding non-recurring items is estimated to improve significantly.

SANOMA ENTERTAINMENT

Sanoma Entertainment offers entertaining experiences on television, radio and online. Sanoma Entertainment consists of Nelonen Media, which focuses on broadcast operations as well as online TV, and Sanoma Games, provider of online casual gaming.

- Nelonen Media's viewing shares continued to develop positively.
- TV and radio performed excellently and the Division's advertising sales grew by 23% in the third quarter.
- Nelonen Media got a third pay TV licence. The new channel will begin broadcasting in spring 2011.

Key indicators	7-9/ 2010	7-9/ 2009	Change %	1-9/ 2010	1-9/ 2009	Change %	1-12/ 2009
EUR million							
Net sales	20.8	35.0	-40.6	106.9	115.9	-7.8	157.1
Operating profit excluding non-recurring items *	1.6	3.8	-56.7	16.0	16.8	-4.7	20.7
% of net sales	7.9	10.8		15.0	14.5		13.2
Operating profit	1.6	3.8	-56.7	195.4	16.8	1,063.2	20.7
Capital expenditure				5.0	6.1	-17.4	9.3
Number of employees at the end of the period (FTE)				225	445	-49.4	458
Average number of employees (FTE)				376	474	-20.7	469

* In 2010, the non-recurring items included in the second quarter a EUR 179.4 million gain on the sale of the cable TV operator Welho. In 2009, the operating profit did not include any non-recurring items.

Operational indicators	1-9/ 2010	1-9/ 2009
TV channels' share of Finnish TV advertising	33.7%	33.6%
TV channels' national commercial viewing share	30.8%	29.8%
TV channels' national viewing share	14.9%	14.7%

Third quarter

Sanoma Entertainment's net sales in July–September decreased by 41 %, following the divestment of cable TV and broadband operator Welho. Adjusted for changes in the Division structure, sales grew by 16%, due to clearly improving TV advertising sales. In addition, online sales showed excellent development, with *Ruutu.fi* growing 63% and Sanoma Games 19%. Following the Welho transaction, the advertising sales are 88% of the Division's net sales (2009: 42%).

In the third quarter, Nelonen Media was granted a national terrestrial operating licence for a new pay TV channel. Nelonen Maailma (Nelonen World) will begin broadcasting in spring 2011 and it will improve Nelonen Media's position in the Finnish pay TV market. Nelonen Maailma is Nelonen Media's third pay TV channel.

Sanoma Entertainment's operating profit excluding non-recurring items in July–September declined by 57%. However, the profitability of broadcasting operations improved significantly. The operating profit did not include any non-recurring items.

First nine months

In January–September, Sanoma Entertainment's net sales decreased by 8% and operating profit excluding non-recurring items declined by 5% due to the divestment of Welho at the end of the second quarter.

The Finnish TV advertising market grew by 9% in January–September according to TNS Gallup Adex. Nelonen Media outperformed the market growth and was able to increase its market share to 33.7%, thanks to its improved viewing share and the successful execution of the multichannel strategy in broadcast operations. Online TV offers advertisers interesting new interactive ways to reach their target groups. The visibility in the TV advertising market has improved clearly from the beginning of the year.

Nelonen Media's commercial viewing share also improved to 35.6% (2009: 33.1%) in its main target group, viewers between 10 and 44 years of age. The viewing shares were boosted by the success of the targeted theme channels, Liv and Jim. The viewing of these channels has continuously improved, with Liv reaching its highest viewing shares ever in September. In January–September Nelonen Media's radio channels outperformed the market growth of 8%.

With the growing convergence of media, TV and videos are becoming a natural part of all online content. Sanoma Entertainment's multimedia know-how offers interesting opportunities in combining media assets across Sanoma's markets. Other interesting possibilities exist in co-operation with telecommunications companies in offering consumers new, easy ways to consume media with new technology.

Due to the divestment of Welho as of 30 June 2010, Sanoma Entertainment's net sales and operating profit excluding non-recurring items are expected to decrease significantly in 2010.

SANOMA LEARNING & LITERATURE

Sanoma Learning & Literature, operating in 14 countries, is a leading European provider of learning materials and solutions in print and digital format. The Division has growing international information and language service operations and is also the leading general literature publisher in Finland.

- The sales of learning developed positively in the third quarter, in particular in Poland.
- Sanoma Learning & Literature improved its result significantly, thanks to improved efficiency and growth in sales.
- Information and media monitoring services provider Esmerk became part of the B2B service offering of Sanoma Learning & Literature.
- Sanoma Learning & Literature's outlook for operating profit excluding non-recurring items has been upgraded and it is now estimated to improve clearly in 2010.

Key indicators EUR million	7-9/ 2010	7-9/ 2009	Change %	1-9/ 2010	1-9/ 2009	Change %	1-12/ 2009
	Net sales	121.2		117.6	3.1		285.0
Learning	100.6	94.3	6.7	215.5	206.4	4.4	239.1
Language services	5.2	6.7	-23.1	18.3	21.2	-13.7	27.5
Literature and other businesses	18.0	19.3	-6.9	58.8	60.9	-3.4	88.9
Eliminations	-2.5	-2.7	6.5	-7.7	-8.1	5.2	-10.4
Operating profit excluding non-recurring items *	45.7	35.7	28.3	67.0	53.8	24.4	43.5
% of net sales	37.7	30.3		23.5	19.2		12.6
Operating profit	45.5	33.1	37.8	64.3	51.2	25.4	38.5
Capital expenditure				10.8	9.8	10.4	13.1
Number of employees at the end of the period (FTE)				2,676	2,683	-0.3	2,745
Average number of employees (FTE)				2,614	2,801	-6.7	2,780

*In 2010, the non-recurring items included in the first quarter a EUR 1.2 million loss on the sale of Bertmark Norge and in the second quarter EUR 1.3 million and in the third quarter EUR 0.2 million restructuring expenses. In 2009, the non-recurring items included in the third quarter EUR 1.5 million and in the fourth quarter EUR 2.4 million restructuring expenses and in the third quarter EUR 1.1 million of expenses related to the sale of children's magazines.

Operational indicators	1-9/ 2010	1-9/ 2009
Learning		
Number of new titles published, books	989	1,199
Number of new titles published, digital products	269	332
Literature and other businesses		
Number of new titles published, books	315	342
Number of new titles published, digital products	112	46
Books sold, millions	30.7	31.6

Third quarter

Sanoma Learning & Literature's net sales in July–September grew by 3% due to the good development of the learning business. All growth was organic.

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. Changes between quarters can be significant and often explain most of the changes from the comparable period.

Net sales in learning developed well in the third quarter and were up by 7%, partly due to favourable currency translation effect. In the Netherlands, sales of both primary and secondary learning materials and solutions performed well. Sales in Finland increased also. Even though in the Netherlands and Finland the purchase of most of the learning materials is funded by the government, the budget cuts have not yet had an effect on the sales. In Belgium, the third quarter sales were below the comparable quarter due to shifts between quarters. Sales in Hungary grew, but the delays in tenders can affect development in the latter part of the year. Nowa Era's sales continued to increase clearly in Poland. The sales of e-learning provider YDP were at the comparable quarter's level.

Net sales in language services declined by 23%. Translation and localisation services continued their positive development in the third quarter, but the sales prospects for language training in 2010 are weak. In September, Sanoma consolidated its B2B business by transferring the information and media monitoring service provider Esmerk to Sanoma Learning & Literature. Together language services provider AAC Global and Esmerk will be better positioned to support their corporate customers in a global business environment through reliable information and language services.

Net sales in literature and other businesses decreased by 7%. The general literature market in Finland remains sluggish and WSOY's net sales developed in line with the market development. The restructuring of the business is proceeding as planned.

The Division's operating profit excluding non-recurring items in July–September increased by 28% due to significant improvement of results in the learning business. However, the result in learning will be burdened e.g. by increased marketing activities in the fourth quarter. Operating profit weakened in language services. Results improved in literature and other businesses. The non-recurring costs included in the operating profit totalled EUR 0.2 million (2009: EUR 2.6 million) and were related to the restructuring of Finnish general literature operations.

First nine months

In January–September, Sanoma Learning & Literature's net sales were at the comparable period's level. Operating profit excluding non-recurring items grew by 24%.

Sanoma Learning & Literature continues to focus on growth through further internationalisation of its learning and language services businesses. At the same time, the Division will continue to restructure its other operations. Customers are increasingly looking for customised solutions both in learning and language services. Sanoma Learning & Literature is well positioned to offer these and can gain efficiency from developing concepts and platforms to be used in several markets.

In 2010, it is estimated that the net sales of Sanoma Learning & Literature will increase slightly and operating profit excluding non-recurring items clearly.

SANOMA TRADE

Operating in eight countries, retail specialist Sanoma Trade's strengths lie in a thorough understanding of customers' needs and solid concepts. Sanoma Trade serves its customers in 210 million annual sales contacts at kiosks, bookstores and movie theatres. Sanoma Trade's trade services business unit is a strong link between publishers and retailers.

- The first results of the new kiosk concept show increased sales especially in high-traffic areas.
- The positive development of movie operations continued in the third quarter in Finland.
- After the review period, Sanoma Trade announced the divestment of its operations in Russia.
- Sanoma Trade's outlook has been downgraded. It is now estimated that in 2010, operating profit excluding non-recurring items will be slightly below the 2009 level.

Key indicators	7–9/ 2010	7–9/ 2009	Change %	1–9/ 2010	1–9/ 2009	Change %	1–12/ 2009
EUR million							
Net sales	206.0	209.2	-1.5	599.3	592.6	1.1	827.8
Kiosk operations	99.2	99.3	0.0	296.0	293.6	0.8	404.2
Trade services	57.6	59.4	-3.1	170.3	167.3	1.8	227.9
Bookstores	31.6	31.8	-0.7	77.5	78.8	-1.6	123.3
Movie operations	20.7	22.7	-8.8	66.0	64.4	2.5	88.0
Eliminations	-3.1	-4.1	23.2	-10.5	-11.5	8.8	-15.6
Operating profit excluding non-recurring items *	7.8	9.7	-19.8	13.8	17.3	-20.4	27.6
% of net sales	3.8	4.7		2.3	2.9		3.3
Operating profit	-22.1	9.7	-326.9	-16.1	17.3	-192.9	24.0
Capital expenditure				22.2	19.3	15.2	25.5
Number of employees at the end of the period (FTE)				5,854	6,118	-4.3	5,943
Average number of employees (FTE)				5,753	6,201	-7.2	6,164

* In 2010, the non-recurring items included a EUR 28.9 million impairment of goodwill in the Dutch press distribution and EUR 1.0 million restructuring expenses. In 2009, the non-recurring items included in the fourth quarter EUR 3.6 million of restructuring expenses.

Operational indicators	1–9/ 2010	1–9/ 2009
Thousands		
Customer volume in kiosk operations	136,746	147,117
Customer volume in bookstores	4,886	4,857
Customer volume in movie theatres	7,358	7,061
Number of copies sold (press distribution)	256,410	263,205

Third quarter

Sanoma Trade's net sales in July–September were at the comparable quarter's level. Net sales adjusted for changes in the Group structure decreased by 2%.

Net sales from kiosk operations were stable. Net sales were at the comparable quarter's level in Finland, and grew in Latvia and Romania. In Estonia, Lithuania and Russia net sales decreased. In September, R-kiosk celebrated its 100th anniversary, marked with numerous special events and offers for customers around Finland. After the review period, Sanoma Trade announced the divestment of its Russian press distribution and retail business. The transactions are subject to the approval of the Russian competition authorities. Sanoma Trade focuses its resources now on developing its kiosk concept. In Finland, the initial results of some 20 pilot kiosks show positive results. The roll-out of the new concept continues in the fourth quarter.

Net sales from trade services decreased by 3%. New operations increased sales slightly in Finland, but net sales decreased in other operating countries. The Baltic economies seem to have reached the bottom, but no recovery is yet visible in the market or in sales. In the Netherlands, Aldipress has revised its strategy and business focus. In order to increase the local focus and strengthen its relationship with Dutch publishers, Aldipress operations will be transferred to Sanoma Magazines as of 1 January 2011.

Net sales from bookstores were at the comparable quarter's level both in Finland and Estonia. The overall book market is still sluggish, but stationery has been selling well at the beginning of the school year. A new bookstore concept is being developed and the first pilot store will be opened in the fourth quarter.

Net sales from movie operations decreased by 9%. This was caused by a drop in the sales of all Baltic countries. Restructuring of Sanoma Trade's operations in Estonia affected sales of movie operations. In Finland, sales grew slightly.

Sanoma Trade's operating profit excluding non-recurring items in July–September decreased by 20%, with all businesses showing weaker results than in the comparable quarter. In the Finnish kiosks, the sales mix was influenced by the new Opening Hours Act, which negatively affected the sales margin. The poor economic situation in the Baltic countries continued to have an effect on the results in all businesses. In the third quarter, the operating profit included EUR 29.9 million (2009: EUR 0.0 million) of non-recurring costs from the impairment of goodwill related to the Aldipress transfer and the continued restructuring of the Estonian operations.

First nine months

In January–September, Sanoma Trade's net sales were at the comparable period's level. Operating profit excluding non-recurring items decreased by 20%.

Sanoma Trade continues to develop its kiosk and bookstore concepts in particular to better cater for the needs of its customers. With its 210 million annual customer contacts, Sanoma Trade gains valuable consumer insight and has good possibilities to develop its product and service offering.

In 2010, Sanoma Trade's net sales are estimated to be at the previous year's level and operating profit excluding non-recurring items is estimated to be slightly below that of 2009.

THE GROUP

Dividend

The Annual General Meeting on 8 April 2010 decided to pay a dividend of EUR 0.80 (2009: EUR 0.90). The dividends were paid on 20 April 2010 in Finland.

Shares and holdings

In January–September, 44,018,242 (2009: 57,269,565) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for 27% (2009: 36%) of the average number of shares. Sanoma's total stock exchange turnover was EUR 671.5 million (2009: EUR 609.7 million).

In January–September, the volume-weighted average price of a Sanoma share was EUR 15.25, with a low of EUR 13.41 and a high of EUR 17.07. At the end of September, Sanoma's market capitalisation was EUR 2.5 billion (2009: EUR 2.4 billion), with Sanoma's share closing at EUR 15.52 (2009: EUR 15.09). The Company had 22,342 shareholders at the end of September, with foreign holdings accounting for 11.1% (2009: 10.1%) of all shares and votes. There were no major changes in share ownership in the first nine months of 2010 and Sanoma did not issue any flagging announcements. At the end of September, Sanoma had 161,816,894 shares.

Board of Directors, auditors and management

The AGM held on 8 April 2010 confirmed the number of Sanoma's Board members at ten. Board members Sirkka Hämäläinen-Lindfors and Seppo Kievari were re-elected and Antti Herlin was elected as a new member to the Board. The Board of Directors of Sanoma consists of Jaakko Rauramo (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Robert Castrén, Jane Erkko, Antti Herlin, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari and Rafaela Seppälä as members.

The AGM re-appointed Pekka Pajamo, APA, and Sixten Nyman, APA, as his deputy, and Authorised Public Accountants KPMG Oy Ab, with Kai Salli, APA, acting as the Auditor in Charge, as the auditors of the Company.

Pekka Soini was appointed President of Sanoma News and member of Sanoma's Executive Management Group as of 24 September 2010. Previously he was the acting president of the Sanoma News division. Harri-Pekka Kaukonen was

appointed President and CEO of the Sanoma Group as of 1 January 2011. The current President and CEO of Sanoma, Hannu Syrjänen, will retire as originally agreed in his contract at the age of 60 in the autumn of 2011.

Board authorisations

The AGM held on 8 April 2010 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 2013. The AGM also authorised the Board to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares. This authorisation is effective until 30 June 2011 and terminates the corresponding authorisation granted by the AGM on 1 April 2009.

Seasonal fluctuation

The net sales and result of Magazines, News and Entertainment 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 Finland is usually strongest in the second and fourth quarters.

Learning accrues most of its net sales and results during the second and third quarters.

A major portion of the net sales and results in retail are, on the other hand, generated in the last quarter, particularly from Christmas sales. Of course, the number of shopping days and, for example, the distribution of holidays over different quarters impacts the retail sales between 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

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 ongoing digitisation. Sanoma has identified action plans in all its divisions on how to respond to this challenge.

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

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 2010.

The Group has applied the following revised and amended standards as of 1 January 2010: IFRS 3 (Revised 2008) Business Combinations and IAS 27 (Amended 2008) Consolidated and Separate Financial Statements.

The adoption of the revised IFRS 3 'Business Combinations' will have an impact on the amount of goodwill from acquisitions and results on disposing businesses. The standard is also estimated to have an impact on profit and loss in those periods in which new business is acquired, the deferred purchase price is paid or additional shares are acquired. According to the transitional provisions of the standard, business combinations for which the acquisition date is before the adoption of the standard are not adjusted.

The amended IAS 27 'Consolidated and Separate Financial Statements' requires the effects of all transactions with a non-controlling interest to be recorded in equity if the control remains with the parent company. The amendment also specifies that a share of the loss for a period can also be allocated to non-controlling interest when the losses exceed the amount of invested capital by the non-controlling parties.

The accounting policies of the Interim Report 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.

CONSOLIDATED INCOME STATEMENT

EUR million	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	1-12/ 2009
NET SALES	690.6	701.1	2,043.8	2,034.4	2,767.9
Other operating income	20.9	13.3	238.5	46.7	64.6
Materials and services	300.7	315.0	887.0	906.3	1,238.5
Employee benefit expenses	151.9	160.5	493.4	511.4	695.5
Other operating expenses	124.2	122.1	385.5	379.4	536.2
Depreciation, amortisation and impairment losses	70.7	39.8	151.2	120.9	167.0
OPERATING PROFIT	63.9	77.1	365.3	163.1	195.4
Share of results in associated companies	0.8	-2.0	0.1	-2.3	-3.9
Financial income	4.0	4.1	8.7	19.6	22.5
Financial expenses	5.0	12.0	17.3	41.3	52.6
RESULT BEFORE TAXES	63.7	67.2	356.8	139.2	161.4
Income taxes	-24.6	-20.0	-58.5	-40.6	-54.3
RESULT FOR THE PERIOD	39.1	47.2	298.3	98.5	107.1
Result attributable to:					
Equity holders of the Parent Company	39.2	47.6	300.5	99.2	105.6
Non-controlling interests	-0.1	-0.3	-2.2	-0.6	1.6
Earnings per share for result attributable to the equity holders of the Parent company:					
Earnings per share, EUR	0.24	0.30	1.86	0.62	0.66
Diluted earnings per share, EUR	0.24	0.30	1.85	0.62	0.66
STATEMENT OF COMPREHENSIVE INCOME					
EUR million	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	1-12/ 2009
Result for the period	39.1	47.2	298.3	98.5	107.1
Other comprehensive income:					
Change in translation differences	-3.4	6.0	8.7	-8.7	-5.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35.7	53.2	307.0	89.8	102.1
Total comprehensive income attributable to:					
Equity holders of the Parent Company	35.8	53.2	309.2	90.6	100.5
Non-controlling interests	-0.1	-0.1	-2.2	-0.8	1.6

CONSOLIDATED BALANCE SHEET

EUR million

30.9.2010

30.9.2009

31.12.2009

ASSETS
NON-CURRENT ASSETS

Tangible assets	431.7	490.7	484.2
Investment property	8.8	9.4	9.4
Goodwill	1,447.9	1,494.2	1,488.9
Other intangible assets	403.6	402.3	399.3
Interests in associated companies	273.0	65.4	63.5
Available-for-sale financial assets	15.9	16.0	15.7
Deferred tax receivables	34.8	40.5	30.1
Trade and other receivables	30.0	38.5	31.4
NON-CURRENT ASSETS, TOTAL	2,645.7	2,557.0	2,522.3

CURRENT ASSETS

Inventories	128.9	150.5	141.6
Income tax receivables	9.0	15.6	19.3
Trade and other receivables	407.5	396.0	362.9
Available-for-sale financial assets	0.3	0.5	0.5
Cash and cash equivalents	55.2	66.4	59.7
CURRENT ASSETS, TOTAL	600.8	629.1	584.0

ASSETS, TOTAL
3,246.5
3,186.0
3,106.3
EQUITY AND LIABILITIES
EQUITY
Equity attributable to the equity holders of the Parent Company

Share capital	71.3	71.3	71.3
Fund for invested unrestricted equity	188.8	176.6	188.8
Other equity	1,094.4	920.5	931.1
	1,354.5	1,168.3	1,191.2
Non-controlling interests	3.2	13.3	15.4
EQUITY, TOTAL	1,357.6	1,181.7	1,206.6

NON-CURRENT LIABILITIES

Deferred tax liabilities	97.2	102.8	101.2
Pension obligations	30.3	36.3	29.9
Provisions	8.2	6.9	10.7
Interest-bearing liabilities	517.0	640.3	541.6
Trade and other payables	19.6	32.8	28.2

CURRENT LIABILITIES

Provisions	16.5	19.5	23.8
Interest-bearing liabilities	507.3	493.1	476.1
Income tax liabilities	35.8	21.8	16.9
Trade and other payables	657.0	650.8	671.3

LIABILITIES, TOTAL
1,888.9
2,004.4
1,899.7
EQUITY AND LIABILITIES, TOTAL
3,246.5
3,186.0
3,106.3

CHANGES IN CONSOLIDATED EQUITY

EUR million

	Equity attributable to the equity holders of the Parent Company					Non-controlling interests	Equity, total
	Share capital	Treasury shares	Fund for invested unrestricted equity	Other equity	Total		
Equity at 1 Jan 2009	71.3	-37.5	192.7	993.7	1,220.1	17.0	1,237.1
Cancellation of treasury shares		37.5		-37.5			
Expense recognition of options granted				3.0	3.0		3.0
Dividends paid				-144.9	-144.9	-0.9	-145.8
Change in non-controlling interests						-2.0	-2.0
Donations				-0.5	-0.5		-0.5
Transfer from fund			-16.1	16.1			
Comprehensive income for the period				90.6	90.6	-0.8	89.8
Equity at 30 Sept 2009	71.3		176.6	920.5	1,168.3	13.3	1,181.7
Equity at 1 Jan 2010	71.3		188.8	931.1	1,191.2	15.4	1,206.6
Share subscription with options			0.0		0.0		0.0
Expense recognition of options granted				2.8	2.8		2.8
Dividends paid				-129.5	-129.5	-1.8	-131.2
Change in non-controlling interests				-18.7	-18.7	-8.3	-27.0
Donations				-0.5	-0.5		-0.5
Comprehensive income for the period				309.2	309.2	-2.2	307.0
Equity at 30 Sept 2010	71.3		188.8	1,094.4	1,354.5	3.2	1,357.6

INCOME STATEMENT BY QUARTER

EUR million	1-3/ 2010	4-6/ 2010	7-9/ 2010	1-3/ 2009	4-6/ 2009	7-9/ 2009	10-12/ 2009	1-12/ 2009
NET SALES	637.9	715.4	690.6	636.0	697.2	701.1	733.6	2,767.9
Other operating income	20.4	197.3	20.9	14.1	19.4	13.3	17.9	64.6
Materials and services	279.0	307.3	300.7	286.4	304.8	315.0	332.2	1,238.5
Employee benefit expenses	169.1	172.3	151.9	176.2	174.8	160.5	184.0	695.5
Other operating expenses	128.9	132.4	124.2	128.2	129.0	122.1	156.8	536.2
Depreciation, amortisation and impairment losses	40.8	39.6	70.7	38.4	42.8	39.8	46.0	167.0
OPERATING PROFIT	40.4	261.0	63.9	20.9	65.1	77.1	32.3	195.4
Share of results in associated companies	-2.4	1.7	0.8	0.3	-0.6	-2.0	-1.6	-3.9
Financial income	2.2	2.5	4.0	6.7	8.8	4.1	2.8	22.5
Financial expenses	6.0	6.2	5.0	17.0	12.3	12.0	11.3	52.6
RESULT BEFORE TAXES	34.1	259.0	63.7	10.9	61.1	67.2	22.3	161.4
Income taxes	-10.0	-23.8	-24.6	-3.2	-17.4	-20.0	-13.7	-54.3
RESULT FOR THE PERIOD	24.1	235.1	39.1	7.7	43.7	47.2	8.6	107.1
Result attributable to:								
Equity holders of the Parent Company	25.9	235.4	39.2	8.3	43.3	47.6	6.4	105.6
Non-controlling interests	-1.8	-0.2	-0.1	-0.6	0.3	-0.3	2.2	1.6
Earnings per share for result attributable to the equity holders of the Parent company:								
Earnings per share, EUR	0.16	1.45	0.24	0.05	0.27	0.30	0.04	0.66
Diluted earnings per share, EUR	0.16	1.45	0.24	0.05	0.27	0.30	0.04	0.66

CONSOLIDATED CASH FLOW STATEMENT	1–9/ 2010	1–9/ 2009	1–12/ 2009
EUR million			
OPERATIONS			
Result for the period	298.3	98.5	107.1
Adjustments			
Income taxes	58.5	40.6	54.3
Financial expenses	17.3	41.3	52.6
Financial income	-8.7	-19.6	-22.5
Share of results in associated companies	-0.1	2.3	3.9
Depreciation and impairment losses	151.2	120.9	167.0
Gains/losses on sales of non-current assets	-194.9	-1.9	-2.4
Other adjustments	-38.2	-43.3	-56.4
Change in working capital			
Change in trade and other receivables	-54.5	10.7	47.4
Change in inventories	4.3	-3.7	5.6
Change in trade and other payables, and provisions	-11.9	-67.6	-36.9
Interest paid	-8.7	-30.6	-34.6
Other financial items	-1.7	0.0	-2.0
Taxes paid	-36.8	-28.1	-41.4
CASH FLOW FROM OPERATIONS	174.0	119.6	241.8
INVESTMENTS			
Acquisition of tangible and intangible assets	-55.2	-61.5	-80.2
Operations acquired	-48.7	-25.5	-27.1
Sales of tangible and intangible assets	14.3	3.8	5.4
Operations sold	25.1	0.3	0.5
Loans granted	-0.6	-0.3	-0.9
Repayments of loan receivables	4.5	3.9	3.3
Sales of short-term investments	0.2		0.0
Interest received	1.7	4.1	4.8
Dividends received	3.9	4.0	4.3
CASH FLOW FROM INVESTMENTS	-54.8	-71.1	-89.9
CASH FLOW BEFORE FINANCING	119.2	48.5	151.9
FINANCING			
Proceeds from share subscriptions	0.0		12.3
Change in loans with short maturity	50.1	-22.4	-42.6
Drawings of other loans	263.2	402.5	399.7
Repayments of other loans	-280.3	-352.2	-460.0
Payment of finance lease liabilities	-2.8	-2.7	-3.5
Dividends paid	-131.2	-145.8	-146.2
Donations/other profit sharing	-0.5	-0.5	-0.5
CASH FLOW FROM FINANCING	-101.5	-121.1	-240.8
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	17.7	-72.6	-88.9
Effect of exchange rate differences on cash and cash equivalents	1.4	-0.6	0.0
NET CHANGE IN CASH AND CASH EQUIVALENTS	19.1	-73.2	-88.9
Cash and cash equivalents at the beginning of the period	21.6	110.5	110.5
Cash and cash equivalents at the end of the period	40.7	37.2	21.6

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

NET SALES BY BUSINESS

EUR million	1–3/ 2010	4–6/ 2010	7–9/ 2010	1–3/ 2009	4–6/ 2009	7–9/ 2009	10–12/ 2009	1–12/ 2009
SANOMA MAGAZINES								
Sanoma Magazines Netherlands	107.4	128.0	118.8	110.6	123.2	120.7	138.6	493.2
Sanoma Magazines International	48.7	54.3	51.0	50.9	53.2	48.8	58.5	211.3
Sanoma Magazines Belgium	53.5	52.3	48.7	51.3	52.6	50.8	57.5	212.3
Sanoma Magazines Finland	51.2	47.1	46.9	50.3	48.0	46.9	53.5	198.8
Eliminations	-1.0	-1.2	-1.0	-1.0	-1.2	-1.2	-1.0	-4.3
TOTAL	259.9	280.6	264.4	262.1	275.9	266.1	307.1	1,111.2
SANOMA NEWS								
Helsingin Sanomat	59.1	56.7	55.5	58.7	55.4	53.3	61.1	228.4
Ilta-Sanomat	19.9	20.7	21.1	18.4	19.8	19.6	20.3	78.2
Other publishing	25.3	25.6	23.5	25.9	26.8	24.2	26.9	103.8
Other businesses	34.4	33.1	32.0	36.2	35.9	34.9	36.6	143.7
Eliminations	-29.3	-27.6	-27.4	-31.6	-30.9	-30.8	-32.0	-125.2
TOTAL	109.4	108.5	104.8	107.7	107.1	101.2	112.9	428.9
SANOMA ENTERTAINMENT	41.5	44.6	20.8	40.3	40.6	35.0	41.1	157.1
SANOMA LEARNING & LITERATURE								
Learning	29.9	85.0	100.6	30.6	81.6	94.3	32.7	239.1
Language services	6.9	6.2	5.2	8.3	6.2	6.7	6.3	27.5
Literature and other businesses	23.6	17.2	18.0	24.6	17.0	19.3	28.0	88.9
Eliminations	-2.3	-2.9	-2.5	-2.6	-2.8	-2.7	-2.3	-10.4
TOTAL	58.2	105.5	121.2	60.8	101.9	117.6	64.7	345.1
SANOMA TRADE								
Kiosk operations	91.9	104.9	99.2	89.9	104.5	99.3	110.5	404.2
Trade services	51.9	60.8	57.6	50.5	57.4	59.4	60.6	227.9
Bookstores	26.0	19.9	31.6	27.3	19.7	31.8	44.5	123.3
Movie operations	25.4	19.9	20.7	23.6	18.0	22.7	23.6	88.0
Eliminations	-3.4	-4.0	-3.1	-3.6	-3.9	-4.1	-4.0	-15.6
TOTAL	191.8	201.4	206.0	187.7	195.7	209.2	235.3	827.8
Other companies and eliminations	-23.0	-25.3	-26.7	-22.7	-24.1	-28.0	-27.5	-102.3
TOTAL	637.9	715.4	690.6	636.0	697.2	701.1	733.6	2,767.9

OPERATING PROFIT BY DIVISION

EUR million	1–3/ 2010	4–6/ 2010	7–9/ 2010	1–3/ 2009	4–6/ 2009	7–9/ 2009	10–12/ 2009	1–12/ 2009
Sanoma Magazines	25.8	41.0	22.6	15.5	30.2	23.1	27.4	96.3
Sanoma News	15.6	8.9	15.7	6.0	3.5	11.8	10.8	32.2
Sanoma Entertainment	6.2	187.6	1.6	6.1	6.9	3.8	3.9	20.7
Sanoma Learning & Literature	-6.4	25.1	45.5	-6.9	25.1	33.1	-12.8	38.5
Sanoma Trade	2.9	3.1	-22.1	3.8	3.8	9.7	6.7	24.0
Other companies and eliminations	-3.7	-4.7	0.5	-3.7	-4.3	-4.4	-3.7	-16.2
TOTAL	40.4	261.0	63.9	20.9	65.1	77.1	32.3	195.4

SEGMENT INFORMATION

The operating segments of the Sanoma Group comprise the Group's five divisions: Sanoma Magazines, Sanoma News, Sanoma Entertainment, Sanoma Learning & Literature and Sanoma Trade. The segmentation is based on business model and product differences. The media business, based on advertising and circulation sales, is divided into three segments: Sanoma Magazines is responsible for magazines, Sanoma News for newspapers and Sanoma Entertainment for TV business. Sanoma Learning & Literature's business is mainly B2B business. Sanoma Trade, on the other hand, operates on a retail business model. In addition to the Group eliminations column unallocated/eliminations includes Sanoma Corporation and real estate companies as well as items not allocated to segments. Segment assets do not include cash and cash equivalents, interest-bearing receivables and tax receivables. Transactions between segments are based on market prices.

Sanoma Divisions 1.1–30.9.2010

EUR million	Maga- zines	News	Enter- tain- ment	Lear- ning & Lite- rature	Trade	Unallo- cated/ elimi- nations	Con- soli- dated
External net sales	802.9	317.9	105.1	274.4	543.7	-0.1	2,043.8
Internal net sales	2.0	4.8	1.8	10.6	55.6	-74.8	
NET SALES, TOTAL	804.9	322.7	106.9	285.0	599.3	-75.0	2,043.8
OPERATING PROFIT	89.4	40.2	195.4	64.3	-16.1	-7.8	365.3
Share of results in associated companies	-2.8	0.3	2.2	0.0	0.3		0.1
Financial income						8.7	8.7
Financial expenses						17.3	17.3
RESULT BEFORE TAXES							356.8
SEGMENT ASSETS	1,509.5	326.3	286.3	596.6	413.9	3.5	3,136.0

Sanoma Divisions 1.1–30.9.2009

EUR million	Maga- zines	News	Enter- tain- ment	Lear- ning & Lite- rature	Trade	Unallo- cated/ elimi- nations	Con- soli- dated
External net sales	802.6	310.1	115.1	269.8	537.5	-0.8	2,034.4
Internal net sales	1.5	5.9	0.9	10.6	55.1	-74.0	
NET SALES, TOTAL	804.2	316.0	115.9	280.4	592.6	-74.8	2,034.4
OPERATING PROFIT	68.9	21.4	16.8	51.2	17.3	-12.5	163.1
Share of results in associated companies	-2.7	0.2		0.1	0.1		-2.3
Financial income						19.6	19.6
Financial expenses						41.3	41.3
RESULT BEFORE TAXES							139.2
SEGMENT ASSETS	1,528.0	351.4	131.3	593.7	438.8	6.9	3,050.0

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.9.2010	30.9.2009	31.12.2009
Carrying amount at the beginning of the period	484.2	510.4	510.4
Increases	35.6	34.7	46.0
Acquisition of operations	0.4	0.0	1.0
Decreases	-4.7	-2.0	-2.9
Disposal of operations	-31.5		0.0
Depreciation for the period	-47.8	-51.1	-68.5
Impairment losses for the period	-0.1	-0.2	-1.6
Exchange rate differences and other changes	-4.5	-1.0	0.0
Carrying amount at the end of the period	431.7	490.7	484.2

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

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET

EUR million	1-9/ 2010	1-12/ 2009
Acquisition costs	37.1	6.7
Fair value of acquired net assets	14.5	2.8
Recognised in equity	-18.7	
Recognised in income statement	-0.7	
Goodwill	3.2	3.9
Negative goodwill in income statement		-0.9
Change in goodwill	3.2	4.8

CONTINGENT LIABILITIES

EUR million	30.9.2010	30.9.2009	31.12.2009
Contingencies for own commitments			
Mortgages	23.3	26.7	22.8
Pledges	6.7	6.0	6.8
Other items	0.0	0.5	0.4
TOTAL	30.0	33.2	30.0
Contingencies incurred on behalf of associated companies			
Guarantees	10.5	10.5	10.5
TOTAL	10.5	10.5	10.5
Contingencies incurred on behalf of other companies			
Guarantees	0.4	0.1	0.1
TOTAL	0.4	0.1	0.1
Other contingencies			
Operating lease liabilities	261.3	245.0	255.4
Royalties	13.9	16.4	18.9
Other items	18.8	29.0	27.7
TOTAL	294.0	290.5	302.0
TOTAL	334.8	334.3	342.5

The Sanoma Group had no derivative contracts during the reporting period or during the previous year.

KEY EXCHANGE RATES

	1-9/ 2010	1-9/ 2009	1-12/ 2009
Average rate			
EUR/CZK (Czech Koruna)	25.51	26.58	26.52
EUR/HUF (Hungarian Forint)	275.46	282.63	280.30
EUR/PLN (Polish Zloty)	4.01	4.38	4.33
EUR/RUB (Russian Rouble)	40.13	44.27	44.07
EUR/SEK (Swedish Crown)	9.67	10.68	10.61
Closing rate	30.9.2010	30.9.2009	31.12.2009
EUR/CZK (Czech Koruna)	24.60	25.16	26.47
EUR/HUF (Hungarian Forint)	275.75	269.70	270.42
EUR/PLN (Polish Zloty)	3.98	4.23	4.10
EUR/RUB (Russian Rouble)	41.69	43.98	43.15
EUR/SEK (Swedish Crown)	9.14	10.23	10.25

Press Conference and Conference Call

Press and analyst meeting in Finnish will be held by Mr Hannu Syrjänen, President and CEO of Sanoma at 1:30 pm Finnish time (CET +1) at Sanomatalo, Töölönlahdenkatu 2, Helsinki.

The conference call in English for analysts and investors will be arranged at 4:30 pm Finnish time. Mr Hannu Syrjänen will present the result. To join the conference, please dial +44 (0)20 7806 1967 (Europe) or +1 718 247 0887 (US). The event can also be listened at Sanoma.com either live or later on as on demand.

The presentation material of the press and analyst meeting as well as the slides used in the conference call will be available on Sanoma's website after the press and analyst meeting has started.

Sanoma's Full-Year Result for 2010 will be published on 9 February 2011 at approximately 8:30 am Finnish time.

Sanoma Corporation

Kim Ignatius
Chief Financial Officer

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Sanoma.com

Sanoma inspires, informs and connects. As a diversified media group, we bring information, experiences, education and entertainment to millions of people every day. We make sure that quality content and interesting products and services are easily available and meet the demands of our readers, viewers and listeners. We offer a challenging and interesting working environment for 20,000 people in over 20 countries throughout Europe. In 2009, the Group's net sales totalled EUR 2.8 billion.