2013

Full-Year Result

sanoma

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Sanoma's 2013 Full-Year Result:

Solid year in Learning, redesigning Consumer Media

Sanoma Corporation, Stock Exchange Release, 7 February 2014 at 8:30 CET+1

Fourth quarter

- Net sales amounted to EUR 554.3 million (2012: 586.7).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 5.1%.
- Operating profit excluding non-recurring items was EUR 13.0 million (2012: 31.8).
- Non-recurring items included in the operating profit amounted to EUR -42.3 million (2012: -26.0) mainly related to losses on sales of assets and restructuring expenses.
- Earnings per share were EUR -0.24 (2012: -0.07).
- Earnings per share excluding non-recurring items were EUR 0.01 (2012: 0.08).
- Cash flow from operations was EUR 73.6 million (2012: 108.2).

2013

- Net sales amounted to EUR 2,218.7 million (2012: 2,376.3).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 6.6%.
- Operating profit excluding non-recurring items was EUR 154.9 million (2012: 231.0).
- Non-recurring items included in the operating profit amounted to EUR -427.2 million (2012: -50.0) mainly related to impairment charges, restructuring expenses as well as sales gains and losses.
- Earnings per share were EUR -1.97 (2012: 0.88).
- Earnings per share excluding non-recurring items were EUR 0.53 (2012: 0.77).
- Cash flow from operations was EUR 124.1 million (2012: 192.0).
- The Board of Directors proposes a dividend of EUR 0.10 per share (2012: 0.60). In addition, Board decided to propose to the Annual General Meeting that the Board be authorised to decide on the distribution of additional dividend of no more than EUR 0.20 per share.

Outlook

In 2014, Sanoma expects that the Group's consolidated net sales adjusted for structural changes will decline somewhat compared to 2013. The operating profit margin excluding non-recurring items is estimated to be below previous year's level (2013: 7.0% of net sales).

Mid-term outlook

Based on the execution of the strategic redesign, Sanoma expects that from 2016 onwards the Group's consolidated net sales will return to organic growth. The operating profit margin excluding non-recurring items is targeted to be around 10% of net sales. Sanoma is targeting for a net debt to EBITDA ratio below 3.5.

Key indicators*

EUR million	10–12/ 2013	Restated 10–12/ 2012	Change %	1–12/ 2013	Restated 1–12/ 2012	Change %
Net sales	**554.3**	586.7	-5.5	**2,218.7**	2,376.3	-6.6
Operating profit excluding non-recurring items	**13.0**	31.8	-59.3	**154.9**	231.0	-33.0
% of net sales	**2.3**	5.4		**7.0**	9.7	
Operating profit	**-29.4**	5.7	-615.0	**-272.3**	181.0	-250.5
Result for the period from continuing operations	**-38.0**	-9.6	-295.7	**-332.3**	69.9	-575.2
Result for the period ***	**-38.0**	-9.6	-295.7	**-332.3**	149.0	-323.1
Capital expenditure **				**67.3**	59.5	13.1
% of net sales				**3.0**	2.5	
Return on equity (ROE), % ***				**-23.9**	9.7	
Return on investment (ROI), % ***				**-9.3**	8.3	
Equity ratio, % ***				**37.2**	41.3	
Net gearing, % ***				**91.7**	78.7	
Number of employees at the end of the period (FTE)				**9,597**	10,381	-7.6
Average number of employees (FTE)				**10,043**	10,804	-7.0
Earnings/share, EUR, continuing operations	**-0.24**	-0.07	-259.7	**-1.97**	0.39	-602.6
Earnings/share, EUR ***	**-0.24**	-0.07	-259.7	**-1.97**	0.88	-324.2
Cash flow from operations/share, EUR ***	**0.45**	0.66	-31.0	**0.76**	1.18	-35.4
Equity/share, EUR ***				**5.78**	7.82	-26.1
Dividend/share, EUR ****				**0.10**	0.60	
Dividend/result, % ****				**n.a.**	68.4	
Market capitalisation				**1,039.6**	1,211.3	

* Comparable figures have been restated due to a change in IAS19 'Employee benefits'. The revised standard eliminates the possibility of using the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. For 2012, the restated total equity has decreased by EUR 52.0 million to EUR 1,576.6 million and the restated operating profit excluding non-recurring items has decreased by EUR 1.3 million to EUR 231.0 million.
** Including finance leases.
*** Includes continuing and discontinued operations.
**** Year 2013 proposal of the Board of Directors. In addition, Board decided to propose to the Annual General Meeting that the Board be authorised to decide on the distribution of additional dividend of no more than EUR 0.20 per share.

Harri-Pekka Kaukonen, President and CEO

"The transformation of our operations continued in 2013. As announced in October, we redesigned our consumer media operations and we are focusing our business towards more structurally attractive markets and transforming it towards digital services. We have two strong business pillars: leading multichannel consumer media assets with growing digital media presences in Finland and the Netherlands; and uniquely positioned learning assets in a number of chosen markets.

The change at Sanoma is fundamentally about renewing our offering. The choices that we have made allow us to fully focus on the areas and businesses that have the best transformation and growth potential.

In the Dutch magazine business we will focus on selected strong magazine brands in five specific content domains. The portfolio rationalisation is proceeding as planned. The share of viewing in the Dutch TV business remained at the comparable year's level. Digital services showed strong momentum during the fourth quarter.

In Finland, the biggest daily newspaper Helsingin Sanomat reorganised its editorial offices and announced several journalistic and content reforms to continue to respond to its readers' needs. Investments in the video-on-demand platform and digital services have laid the groundwork for new digital consumer revenues. Mobile use exceeded desktop use of Sanoma's digital services at the end of 2013. The new, merged Sanoma Media Finland aims to utilise the benefits of its multichannel offering and increased co-operation.

The Learning business, once again, had a solid year ending the fourth quarter with important strategic steps in tutoring and emerging markets. We launched tutoring services in the Netherlands and Belgium as well as initiated a partnership with TutorHouse in Finland.

Divestments in Central and Eastern European countries continued to sharpen our focus on consumer media and learning. In December, we issued a hybrid bond which was significantly oversubscribed. The hybrid bond together with divestments of real estate and non-core operations strengthen our balance sheet supporting effective execution of our strategic plan.

In 2014 we will continue the execution of the transformation strategy. We will accelerate the pace of development of our products and services to consumers, advertisers and teachers. The Group-wide cost savings programme will help Sanoma to finance the investments needed to seize future growth."

Group outlook

In 2014, Sanoma expects that the Group's consolidated net sales adjusted for structural changes will decline somewhat compared to 2013. The operating profit margin excluding non-recurring items is estimated to be below previous year's level (2013: 7.0% of net sales).

Sanoma's outlook is based on three major factors: (1) continued negative pressure on sales and operating profit due to declining print markets and weak economic development in Sanoma's core operating countries, (2) strong positive impact from the EUR 100 million cost savings programme, and (3) increased investment levels to fund digital transformation and growth in Consumer Media and the expansion into tutoring and emerging markets in Learning.

Mid-term outlook

Based on the execution of the strategic redesign, Sanoma expects that from 2016 onwards the Group's consolidated net sales will return to organic growth. The operating profit margin excluding non-recurring items is targeted to be around 10% of net sales. Sanoma is targeting for a net debt to EBITDA ratio below 3.5.

Cost savings programme

As a part of streamlining operations and ensuring competitive cost levels, in 2012 Sanoma commenced a three-year, EUR 60 million Group-wide cost savings programme which was extended in October 2013 to EUR 100 million (gross). The full impact of the planned savings is estimated to realise by the end of 2016.

The programme is proceeding according to plan. Related to the programme, around EUR 39 million of non-recurring restructuring expenses have been recognised by the end 2013, of which some EUR 16 million was recognised in the fourth quarter. The impact of the realised gross cost savings of the programme in 2013 was around EUR 21 million. Savings in the fourth quarter were around EUR 8 million, implying an annual run-rate of around EUR 34 million.

Net sales

Fourth quarter

In October–December, Sanoma's net sales decreased by 5.5% and amounted to EUR 554.3 million (2012: 586.7). The decrease is mainly due to the continued deterioration in advertising markets and circulation. Currency translations did not have a material effect on fourth quarter net sales. Adjusted for changes in the Group structure, net sales decreased by 5.1%.

Advertising sales decreased by 7.2% to EUR 226.6 million (2012: 244.2). Circulation sales decreased by 3.7% to EUR 197.9 million (2012: 205.4) due to cautious consumer spending.

2013

In 2013, Sanoma's net sales decreased by 6.6% and amounted to EUR 2,218.7 million (2012: 2,376.3). The decrease is mainly due to the continued deterioration in advertising markets and single copy sales. Currency translations did not have a material effect on net sales. When adjusted for changes in the Group structure, net sales decreased by 6.6%.

Advertising sales decreased by 10.0% to EUR 779.6 million (2012: 866.7) as a result of weak print advertising markets in major operating countries. Circulation sales decreased by 4.6% to EUR 783.9 million (2012: 821.2) due to cautious consumer spending.

Group's net sales by country, %

	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Netherlands	**39.1**	35.2	**38.0**	37.6
Finland	**37.4**	33.7	**36.8**	36.6
Belgium	**11.9**	11.8	**11.4**	11.3
Other EU countries	**7.8**	15.9	**10.1**	10.9
Non-EU countries	**3.8**	3.4	**3.7**	3.7
Total Group	**100**	100	**100**	100

Group's net sales by type of sales, %

	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Advertising	**40.9**	41.6	**35.1**	36.5
Subscription	**22.2**	21.1	**21.7**	20.6
Single copy	**13.5**	13.9	**13.6**	14.0
Learning	**5.8**	7.3	**13.7**	14.2
Other	**17.6**	16.1	**15.9**	14.7
Total Group	**100**	100	**100**	100

Other sales mainly include press distribution and marketing services, language and translation services, custom publishing, event marketing, books and printing services.

Result

Fourth quarter

In October–December, Sanoma's operating profit excluding non-recurring items decreased by 59.3% and totalled EUR 13.0 million (2012: 31.8). Weaker advertising and circulation sales as well as higher amortisation of TV programme rights were not offset by cost efficiency.

The operating profit margin excluding non-recurring items was 2.3% (2012: 5.4%) of net sales. Currency translations did not have a material effect on the fourth quarter result.

In the fourth quarter, the Group's total expenses, excluding non-recurring items, decreased by 4.3%. The cost of sales decreased by 7.3% and fixed costs by 2.2%. Paper costs decreased by 15.7% and employee benefit expenses by 4.6%.

In October–December, operating profit included EUR -42.3 million (2012: -26.0) of non-recurring items related to losses on sales of assets and restructuring expenses.

Sanoma's fourth quarter result included EUR -0.3 million (2012: -0.2) profit from associated companies.

Sanoma's net financial items totalled EUR -10.4 million (2012: -15.0). Financial income amounted to EUR 4.4 million (2012: 3.0), of which EUR 2.3 million were exchange rate gains (2012: 1.5). Financial expenses amounted to EUR -14.7 million (2012: -18.0), of which EUR -0.6 million were exchange rate losses (2012: -1.3). Interest expenses amounted to EUR -8.5 million (2012: -14.2).

Result before taxes amounted to EUR -40.1million (2012: -9.4) in the fourth quarter. Earnings per share were EUR -0.24 (2012: including continuing and discontinued operations EUR -0.07). Earnings per share excluding non-recurring items were EUR 0.01 (2012: 0.08).

2013

Sanoma's operating profit excluding non-recurring items in 2013 decreased by 33.0% and totalled EUR 154.9 million (2012: 231.0). The decrease is mainly attributable to the continued deterioration in advertising markets and single copy sales.

The operating profit excluding non-recurring items amounted to 7.0% (2012: 9.7%) of net sales. Currency translations did not have a material effect on the result of 2013.

In 2013, the Group's total expenses, excluding non-recurring items, decreased by 5.6%. The cost of sales decreased by 8.5% and fixed costs by 3.4%. Paper costs decreased by 15.6% and employee benefit expenses by 4.5%.

Operating profit in 2013 included EUR -427.2 million (2012: -50.0) of non-recurring items mainly related to impairment charges of goodwill and intangible assets, restructuring expenses as well as sales gains and losses. In 2012, non-recurring items related mainly to impairment of goodwill, restructuring expenses as well as sales gains and losses.

Sanoma's full-year result included EUR 1.2 million (2012: -17.7) profit from associated companies. In 2012, the result from associated companies included a non-recurring loss on the sale of DNA.

Sanoma's net financial items totalled EUR -53.7 million (2012: -57.4). Financial income amounted to EUR 12.4 million (2012: 18.2), of which EUR 7.7 million were exchange rate gains (2012: 11.6). Financial expenses amounted to EUR -66.1 million (2012: -75.6), of which EUR -10.0 million were exchange rate losses (2012: -12.6). Interest expenses amounted to EUR -45.2 million (2012: -52.9).

The result before taxes decreased to EUR -324.7 million (2012: 105.9) mainly as a result of non-recurring items and lower operative performance. In 2012 result before taxes included EUR 77.4 million related to a non-recurring gain on the sale of kiosk operations.

Earnings per share were EUR -1.97 (2012: including continuing and discontinued operations EUR 0.88). Earnings per share excluding non-recurring items were EUR 0.53 (2012: 0.77).

Non-recurring items

EUR million	10–12/ 2013	10–12/ 2012	1–12/ 2013	1–12/ 2012
Media				
Impairment of goodwill and intangible assets (The Netherlands)			**-309.6**	
Impairment of intangible assets (Belgium)	**-2.6**		**-15.3**	
Impairment of goodwill and intangible assets (Russia & CEE)		-6.0	**-24.4**	-6.0
Restructuring expenses	**-13.9**	-8.9	**-28.4**	-14.2
Loss on sale (Netinfo, Bulgaria)			**-3.3**	
Loss on sale (Slovenia)		-1.1		-1.1
Impairment of Czech operations	**-6.3**		**-6.3**	
Gain on sale (Serbia)	**0.4**		**0.4**	
News				
Compensation related to an ICT system	**3.2**		**3.2**	
Impairment of intangible assets				-9.9
Restructuring expenses	**-1.6**	-2.0	**-6.3**	-2.0
Learning				
Change in contingent consideration (The Netherlands)	**1.1**		**1.1**	
Tax claim (Poland)	**-1.5**		**-1.5**	
Loss on sale (Hungary)	**-10.8**		**-35.3**	
Restructuring expenses (Poland)				-4.4
Gain on sale (Esmerk, Finland)				5.7
Restructuring expenses				-1.6
Other				
Impairment (Koivuvaara)	**-5.6**		**-5.6**	
Gain on sale (building area in Koivuvaara)	**-0.1**		**1.7**	
Loss on sale (Printcenter and other operations)	**-0.2**		**-2.4**	
Gain on sale (Bulevardi 12 and 14)			**10.7**	
Gain on sale (Uudenmaankatu)			**2.3**	
Income related to Keimola area		4.5		4.5
Impairment of goodwill		-11.6		-11.6
Restructuring expenses	**-2.0**	-1.0	**-5.8**	-2.0
Other impairments	**-2.5**		**-2.5**	-7.5
Non-recurring items in operating profit	**-42.3**	-26.0	**-427.2**	-50.0
Media				
Loss on sale (DNA)				-19.3
Impairment of share in Hungarian associated company				-1.2
Gain on sale (Hansaprint)				3.0
Other companies				
Gain on sale (Helsinki Halli)			**1.3**	
Non-recurring items in results in associated companies			**1.3**	-17.5
Gain on sale (Kiosk operations, Baltic bookstores and press distribution)				77.4
Non-recurring items in discontinued operations				77.4
Impairment losses on available-for-sale investments	**-3.7**		**-3.7**	
Non-recurring items in financial items	**-3.7**		**-3.7**	

Balance sheet and financial position

At the end of 2013, Sanoma's consolidated balance sheet totalled EUR 3,514.0 million (2012: 4,019.8). The decrease is mainly due to impairment of goodwill and intangible assets. In 2013, the Group's cash flow from operations decreased to EUR 124.1 million (2012: 192.0) as a result of lower operative performance and higher TV programme costs. Cash flow from operations per share was EUR 0.76 (2012: 1.18).

Sanoma's equity ratio was 37.2% (2012: 41.3%) at the end of 2013. The return on equity (ROE) was -23.9% (2012: 9.7%) and the return on investment (ROI) was -9.3% (2012: 8.3%). Equity totalled EUR 1,238.4 million (2012: 1,576.6). The equity per share was EUR 5.78 (2012: 7.82). Interest-bearing liabilities at the end of 2013 decreased to EUR 1,306.6 million (2012: 1,408.7) following the issue of a EUR 100 million hybrid bond. Interest-bearing net debt was EUR 1,135.3 million (2012: 1,241.5).

In December 2013, Sanoma issued a EUR 100 million hybrid bond, i.e. capital securities. The proceeds of the hybrid bond were used to pay down debt. The settlement date of the bond was 12 December 2013 and the coupon rate of the bond is 7.25% per annum. The bond has no maturity but the company may exercise an early redemption option after three years.

Investments, acquisitions and divestments

In 2013, investments in tangible and intangible assets, including finance leases, amounted to EUR 67.3 million (2012: 59.5). Investments were mainly related to digital business and ICT systems. In 2013, Sanoma's business acquisitions totalled EUR 10.0 million (2012: 27.3). The impact of acquisitions on the Group's assets and liabilities was minor.

In April, Sanoma announced a divestment of Netinfo assets in Bulgaria. The deal was closed in September. As a result of the transaction, Sanoma recognised a capital loss of EUR -3.3 million.

In June, Sanoma sold the operations of Printcenter. As a result of the transaction, Sanoma recognised a tax-deductible capital loss of EUR -2.1 million.

In June, Sanoma sold its ownership of Helsinki Halli Oy to Hjallis Promotion Ab Oy. The number of shares sold represented 18.1% of the total number of shares. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 1.3 million.

In July, Sanoma sold its ownership of the real estate companies Kiinteistö Oy Bulevardi 12 and Kiinteistö Oy Bulevardi 14. As a result of the transaction, Sanoma recognised a capital gain of EUR 13.0 million.

In August, Sanoma announced the divestment of its Romanian operations. The deal is expected to be closed during the first quarter of 2014.

In August, Sanoma announced the divestment of Sanoma Bliasak Bulgaria. The deal is expected to be closed during the first quarter of 2014.

In October, Sanoma sold its Learning operations in Hungary. As a result of the transaction, in 2013 Sanoma recognised a capital loss of EUR 35.3 million.

In December, Sanoma sold its Serbian operations. As a result of the transaction, Sanoma recognised a capital gain of EUR 0.4 million.

In December, Sanoma announced the divestment of its Czech operations. The deal is expected to be closed in the second quarter of 2014.

Events after the end of 2013

In January 2014, Sanoma sold real estate properties in Vantaa, Finland. The total value of the transactions was around EUR 65 million. As a result of the transaction in Koivuvaara, in the fourth quarter of 2013 Sanoma recognised a non-recurring impairment of EUR 5.6 million to reflect the sales price. The sale of Sanomala will result in a non-recurring capital gain of some EUR 38 million, to be recognised in the result of the first quarter 2014.

Change in reporting

Starting from 1 January 2014, Sanoma will consist of two segments: Consumer Media and Learning. Sanoma will report net sales and profitability for three strategic business units: Sanoma Media Netherlands, Sanoma Media Finland and Sanoma Learning. Sanoma Media Belgium and Sanoma Media Russia & CEE will be reported in the category 'Other'.

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements (Effective in the EU for annual periods beginning on or after 1 January 2014). According to the standard, the rights and obligations of the arrangement are more decisive in defining the accounting treatment of the arrangement than the legal form of the arrangement. IFRS 11 establishes two types of joint arrangement: joint operations and joint ventures. The standard permits only the equity method in consolidation of joint ventures, and the proportional consolidation method is not allowed any longer. Currently, Sanoma uses the proportional consolidation method according to IAS 31, in which a proportion of income statement and balance sheet are consolidated line by line to Sanoma's consolidated financial statements. Changing to IFRS 11 will reduce 2013 consolidated net sales approximately EUR 131 million and increase 2013 operating profit approximately EUR 18 million. The share in result of joint ventures will be presented as part of operating profit. Balance sheet total at 31 December 2013 will decrease some EUR 158 million and total equity of Sanoma Group will reduce approximately EUR 56 million. The EU has adopted the new standard.

Media

The Media segment in 2013 included magazine, TV, radio and online businesses in 11 European countries and comprised of four strategic business units: Sanoma Media Netherlands, Sanoma Media Finland, Sanoma Media Belgium and Sanoma Media Russia & CEE.

— Print advertising markets have been under severe pressure in Sanoma's main operating countries.
— Cautious consumer spending is visible in circulation, especially in single copy sales.
— Viewing share in the Dutch TV operations was slightly higher in 2013 compared to the previous year.

Key indicators

EUR million	10–12/ 2013	Restated 10–12/ 2012	Change %	1–12/ 2013	Restated 1–12/ 2012	Change %
Net sales	**389.2**	406.3	-4.2	**1,390.1**	1,487.1	-6.5
The Netherlands	**199.3**	207.2	-3.8	**705.8**	760.4	-7.2
Finland	**82.6**	82.2	0.5	**293.4**	301.7	-2.8
Russia & CEE	**45.4**	53.5	-15.2	**173.5**	199.5	-13.0
Belgium	**62.6**	64.1	-2.4	**220.0**	228.3	-3.7
Other businesses and eliminations	**-0.6**	-0.7	12.0	**-2.5**	-2.7	7.2
Operating profit excluding non-recurring items*	**28.9**	46.9	-38.5	**83.7**	151.5	-44.8
% of net sales	**7.4**	11.5		**6.0**	10.2	
Operating profit	**6.4**	31.0	-79.2	**-303.2**	130.2	-332.8
Capital expenditure				**33.8**	30.7	10.4
Number of employees at the end of the period (FTE)**				**5,218**	5,718	-8.7
Average number of employees (FTE)**				**5,439**	5,772	-5.8

* Non-recurring items are presented in a separate table on page 6.
** In 2013, the number of employees includes 106 employees due to a shift from Media Finland to News. The comparable FTE figure for Media was 5,324 at the end of 2013.

Circulation sales growth, %

	10–12/2013 vs. 10–12/2012			1–12/2013 vs. 1–12/2012		
	Subscription	Single copy	**Total circulation**	Subscription	Single copy	**Total circulation**
Media Netherlands	-4	-12	**-7**	-6	-11	**-7**
Media Finland	+3	+9	**+3**	0	-5	**-1**
of which Magazines	-5	+1	**-5**	-4	-8	**-4**
Media Belgium	+14	0	**+3**	+8	-4	**-1**
Media Russia & CEE	-17	-13	**-14**	-5	-15	**-13**
Total Media segment	**-1**	**-7**	**-3**	**-3**	**-9**	**-6**

Advertising sales growth, %

	10–12/2013 vs. 10–12/2012				1–12/2013 vs. 1–12/2012			
	Print	Online	TV & Radio	**Total advertising**	Print	Online	TV & Radio	**Total advertising**
Media Netherlands	-26	+13	-3	**-4**	-25	-1	-8	**-9**
Media Finland	-17	+13	+3	**0**	-15	+18	0	**-2**
Media Belgium	-12	-1	+2	**-6**	-20	-2	+2	**-11**
Media Russia & CEE	-25	+1	n/a	**-17**	-18	0	+4	**-12**
Total Media segment	**-22**	**+10**	**-1**	**-5**	**-20**	**+1**	**-5**	**-8**

Operational indicators*

	1–12/ 2013	**1–12/ 2012**
Magazines		
Number of magazines published	**248**	269
Magazine copies sold, thousands	**297,321**	332,494
Advertising pages sold	**43,579**	47,635
Finnish TV operations		
TV channels' share of TV advertising	**33.8%**	34.0%
TV channels' national commercial viewing share (10–44 years)	**32.0%**	32.9%
TV channels' national viewing share (10+ years)	**15.4%**	15.1%
Dutch TV operations		
TV channels' share of TV advertising	**24.6%**	25.8%
TV channels' national viewing share (20–49 years)	**20.4%**	20.1%

* Including joint ventures

Fourth quarter

In October–December, net sales in the Media segment decreased by 4.2% to EUR 389.2 million (2012: 406.3). Adjusted for structural changes, net sales declined by 4.1%.

The segment's advertising sales represented 46.6% (2012: 47.2%) and circulation sales represented 39.9% (2012: 39.2%) of fourth quarter net sales.

In Media Netherlands, net sales decreased by 3.8% in the fourth quarter due to the weak print advertising market. Advertising sales represented 48.4% (2012: 48.4%) and circulation sales 37.3% (2012: 38.6%) of Dutch net sales. Sanoma estimates that the advertising market in the Netherlands increased on a net basis in TV by around 3%, and decreased in consumer magazines by around 18%, and in online excluding search by some 5% in October–December.

In Media Finland, net sales increased by 0.5% in the fourth quarter. The growth in circulation and digital advertising sales more than compensated for the decline in print advertising sales. In total, the advertising sales of the Finnish operations represented 45.0% (2012: 45.1%) and circulation 45.0% (2012: 41.6%) of net sales in the fourth quarter. According to TNS Gallup Adex, the advertising market in Finland decreased on a net basis in magazines by some 10% and in TV by around 1%, whereas advertising in online excluding search increased by around 6% in the fourth quarter.

Net sales in Media Belgium decreased by 2.4%. The growth in subscription sales was not able to compensate for the decline in print advertising sales. Advertising sales represented 35.1% (2012: 36.3%) and circulation sales 47.8% (2012: 45.1%) of net sales in Media Belgium. Sanoma estimates that the advertising market in Belgium in TV decreased by around 4% on a net basis, in magazines by some 13%, and in online excluding search by around 5% in the fourth quarter.

In Media Russia & CEE, net sales decreased by 15.2% due to divestments and the continued deterioration in print advertising markets and circulation sales. In total, advertising sales represented 56.8% (2012: 58.3%) and circulation sales 31.0% (2012: 30.5%) of net sales in the Media Russia & CEE strategic business unit. Service and product portfolios are continuously optimised according to their future development potential as well as to reflect changes in the market environment.

Operating profit excluding non-recurring items in the Media segment in October–December decreased by 38.5% to EUR 28.9 million (2012: 46.9). In the Netherlands the operating profit excluding non-recurring items decreased as lower advertising sales were not off-set by decreases in operating expenses. In Finland and Belgium, the operating profit excluding non-recurring items decreased due to higher amortisation of TV programme rights and lower advertising sales. In Russia and the CEE countries the operating profit excluding non-recurring items decreased despite cost efficiency measures as a result of lower advertising and circulation sales.

Non-recurring items included in the operating profit totalled EUR -22.4 million (2012: -15.9) consisting mainly of restructuring expenses and impairments.

Media's investments in tangible and intangible assets totalled EUR 8.4 million (2012: 10.0) in October–December and consisted mainly of investments related to ICT.

2013

In January–December, Media's net sales decreased by 6.5% to EUR 1,390.1 million (2012: 1,487.1). The decline was mainly attributable to lower print advertising and single copy sales. Adjusted for structural changes, net sales decreased by 7.1%.

In the Media segment, operating profit excluding non-recurring items decreased by 44.8% to EUR 83.7 million (2012: 151.5), as weak sales development was not off-set by cost savings.

Non-recurring items included in the operating profit totalled EUR -386.9 million (2012: -21.2) and included impairments of goodwill and intangibles, restructuring expenses and losses on sales of assets. In the comparable year, non-recurring items were related to restructuring expenses, impairments of goodwill and intangible assets as well as a loss on the sale of an asset.

Media's investments in tangible and intangible assets totalled EUR 33.8 million (2012: 30.7) and consisted mainly of ICT investments for business support and digital developments. In 2013 there were no significant acquisitions. In 2012, the most significant acquisition were the online retail group Read & View in the Netherlands, three commercial radio stations in Finland and the content marketing company HeadOffice in Belgium.

News

The News segment includes the Sanoma News strategic business unit, Finland's leading player in newspaper publishing and online media.

- The weak print advertising market development adversely affected the News segment. Mobile and tablet advertising sales more than doubled during 2013.
- The effects of the on-going efficiency improvements mostly offset the negative impact from lower print advertising sales compared to 2012.
- In Ilta-Sanomat growth in online advertising more than offset the decline in print advertising and circulation. Online advertising represents more than half of total advertising sales in Ilta-Sanomat.

Key indicators

EUR million	**10–12/ 2013**	**Restated 10–12/ 2012**	**Change %**	**1–12/ 2013**	**Restated 1–12/ 2012**	**Change %**
Net sales	**100.0**	107.6	-7.0	**393.5**	422.8	-6.9
Helsingin Sanomat	**54.0**	57.1	-5.5	**213.3**	224.9	-5.2
Ilta-Sanomat **	**22.3**	21.1	5.7	**85.6**	84.3	1.6
Other businesses and eliminations	**23.7**	29.4	-19.2	**94.6**	113.5	-16.7
Operating profit excluding non-recurring items *	**9.4**	10.0	-5.6	**29.1**	32.2	-9.4
% of net sales	**9.4**	9.3		**7.4**	7.6	
Operating profit	**11.0**	8.0	38.3	**26.0**	20.3	28.5
Capital expenditure				**14.7**	11.0	33.4
Number of employees at the end of the period (FTE)***				**1,949**	1,928	1.1
Average number of employees (FTE)***				**2,015**	2,055	-2.0

* Non-recurring items are presented in a separate table on page 6.
** In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.
*** In 2013, the number of employees includes 106 employees due to a shift from Media Finland to News. The comparable FTE figure for News was 1,843 at the end of 2013.

Circulation sales growth, %

	10–12/2013 vs. 10–12/2012			**1–12/2013 vs. 1–12/2012**		
	Subscription	Single copy	**Total circulation**	Subscription	Single copy	**Total circulation**
Total News segment	-5	-12	**-7**	-3	-7	**-4**

Advertising sales growth, %

	10–12/2013 vs. 10–12/2012			1–12/2013 vs. 1–12/2012		
	Print	Online	**Total advertising**	Print	Online	**Total advertising**
Total News segment	-19	+12	**-12**	-20	+8	**-14**

Operational indicators

Circulation	**1–12/ 2013**	**1–12/ 2012**
Helsingin Sanomat*	**354,737**	363,987
Ilta-Sanomat	**119,108**	132,253

* Includes digital and print circulation.

Fourth quarter

In October–December, net sales in the News segment decreased by 7.0% to EUR 100.0 million (2012: 107.6) mainly due to poor print advertising market development. Structural changes did not impact net sales.

Advertising sales accounted for 46.7% (2012: 49.4%) and circulation sales represented 42.5% (2012: 42.6%) of net sales in News in the fourth quarter.

According to TNS Gallup Adex, the net newspaper advertising market in Finland decreased by some 15% in the fourth quarter compared to the comparable quarter. Online advertising (net) included in the statistics was up by some 6%.

Net sales of the Helsingin Sanomat business unit decreased by 5.5% due to lower print advertising sales. Advertising sales represented 51.4% (2012: 52.7%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales increased by 5.7%, driven by growth in online advertising. Advertising sales represented 39.3% (2012: 31.7%) of the business unit's net sales. Ilta-Sanomat tabloid continued to strengthen its market leadership and its market share is 60.3% (2012: 59.2%) of the tabloid newsstand market for the rolling 12-month period.

Net sales from other businesses in the News segment decreased by 19.2%, mainly due to weak print advertising market development.

In October–December, News' operating profit excluding non-recurring items decreased by 5.6% to EUR 9.4 million (2012: 10.0). The effects of the on-going efficiency improvements and lower cost of sales mostly offset the decline in net sales. Operating profit excluding non-recurring items also included a one-off positive compensation of around EUR 4 million regarding an ICT system. News' operating profit included EUR 1.6 million (2012: -2.0) of non-recurring items related to restructuring expenses.

News' investments in tangible and intangible assets totalled EUR 4.4 million (2012: 3.9) in October–December, and consisted mainly of investments in digital business and ICT as well as renovations.

2013

In January–December, News' sales decreased by 6.9% to EUR 393.5 million (2012: 422.8). The underlying macro-economic uncertainty is adversely impacting the advertising market, particularly in printed recruitment advertising. Structural changes did not impact net sales.

Operating profit excluding non-recurring items in the News segment decreased by 9.4% to EUR 29.1 million (2012: 32.2), mainly due to the lower result of the

Helsingin Sanomat business unit. Operating profit excluding non-recurring items also included a one-off positive compensation of around EUR 4 million regarding an ICT system.

Non-recurring items included in operating profit totalled EUR -3.1 million (2012: -11.9) and were related to restructuring costs and compensation on an ICT system .

In the comparable year, non-recurring items were related to an ICT system and restructuring costs.

News' investments in tangible and intangible assets totalled EUR 14.7 million (2012: 11.0), and consisted mainly of investments in digital business, ICT and replacement investments in printing. There were no material acquisitions in 2013 or in the comparable year.

Learning

The Learning segment includes the Sanoma Learning strategic business unit. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.

— The fourth quarter is seasonally a weak quarter for Learning.
— Market share gains in multiple countries during 2013.
— Learning operations in Hungary were sold on 8 October 2013. The divestment is related to a long period of adverse conditions in the Hungarian education market. In 2013 net sales in Hungary were EUR 13 million.

Key indicators

EUR million	10–12/ 2013	Restated 10–12/ 2012	Change %	1–12/ 2013	Restated 1–12/ 2012	Change %
Net sales	**32.4**	35.5	-8.7	**304.6**	312.4	-2.5
Learning	**32.7**	35.5	-7.9	**305.1**	306.4	-0.4
Other businesses		0.0			6.5	
Eliminations	**-0.3**	0.0		**-0.5**	-0.5	
Operating profit excluding non-recurring items *	**-24.8**	-22.1	-12.6	**56.2**	59.2	-5.1
% of net sales	**-76.7**	-62.2		**18.5**	19.0	
Operating profit	**-35.9**	-22.1	-63.0	**20.6**	58.9	-65.0
Capital expenditure				**14.3**	7.3	95.5
Number of employees at the end of the period (FTE)				**1,564**	1,735	-9.9
Average number of employees (FTE)				**1,699**	1,832	-7.3

* Non-recurring items are presented in a separate table on page 6.

Fourth quarter

In October–December, net sales in the Learning segment decreased by 8.7% to EUR 32.4 million (2012: 35.5) mainly due to the divestment of Hungarian learning operations. Adjusted for structural changes, net sales declined by 2.7%.

The 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, whereas the first and fourth quarters are typically loss-making.

Operating profit excluding non-recurring items in the Learning segment decreased by 12.6% to EUR -24.8 million (2012: -22.1), negatively impacted by lower net sales, timing shifts between quarters and the launch of the tutoring service StudySteps in the Netherlands and Belgium.

In the fourth quarter, non-recurring items included in the operating profit totalled EUR -11.1 million (2012: 0.0) mainly due to the final purchase price calculation of the sale of NTK in Hungary.

Learning's investments in tangible and intangible assets totalled EUR 4.7 million (2012: 2.1) in October–December. They were mainly related to investments in digital platforms and ICT.

2013

The Learning segment's net sales decreased by 2.5% to EUR 304.6 million (2012: 312.4), mainly related to structural changes. Adjusted for structural changes, net sales decreased by 0.6%.

Operating profit excluding non-recurring items in the Learning segment decreased by 5.1% to EUR 56.2 million (2012: 59.2) mainly due to lower net sales and the launch of the tutoring service StudySteps in the Netherlands and Belgium. Non-recurring items included in the operating profit totalled EUR -35.7 million (2012: -0.3), mainly consisting of a EUR -35.3 million loss on the sale of NTK in Hungary.

Learning's investments in tangible and intangible assets totalled EUR 14.3 million (2012: 7.3). They comprised mainly investments in ICT for digital platforms. There were no material acquisitions in 2013. The most significant transaction in the comparable year was the acquisition of the testing and examination company Bureau ICE.

The Group

Personnel

In 2013, the average number of personnel (FTE) employed by the Sanoma Group was 10,043 (2012: 10,804). In full-time equivalents, the number of Group employees at the end of 2013 was 9,597 (2012: 10,381). Divestments and restructuring decreased the number of personnel. In full-time equivalents, the Media segment had 5,218 (2012: 5,718) employees at the end of 2013 and the News segment 1,949 (2012: 1,928). In 2013, the number of employees of the News segment includes 106 employees due to a shift from Media to News. The comparable FTE figure for Media was 5,324 and for News 1,843 at the end of 2013. The Learning segment had 1,564 (2012: 1,735) and other operations 866 (2012: 1,000) employees (FTE) at the end of 2013. Wages, salaries and fees to Sanoma's employees in 2013, including the expense recognition of share based payments, amounted to EUR 478.7 million (2012: 517.6).

Dividend

On 31 December 2013, Sanoma Corporation's distributable funds were EUR 538.8 million, of which profit for the year made up EUR 57.2 million.

The Board of Directors proposes to the Annual General Meeting that:

– a dividend of EUR 0.10 per share, or in total an estimated EUR 16.3 million, shall be paid.
– a sum of EUR 0.55 million shall be transferred to the donation reserve and used at the Board's discretion.
– the amount left in equity shall be EUR 521.9 million.

In addition, Board decided to propose to the Annual General Meeting that the Board be authorised to decide on the distribution of additional dividend of no more than EUR 0.20 per share.

In accordance with the Annual General Meeting's decision in April 2013, Sanoma paid out a per-share dividend of EUR 0.60 for 2012. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result excluding non-recurring items for the period in dividends.

AGM, Financial Statements and Annual Report

Sanoma Corporation's AGM will be held on 9 April 2014 at 14:00 Finnish time (CET+1) in the Congress Wing of Messukeskus (the Helsinki Exhibition & Convention Centre, Helsinki, Finland). The agenda for the meeting will be available later on the Group's website at Sanoma.com.

Sanoma's Financial Statements, Board of Directors' Report and Corporate Governance Statement for 2013 will be published in digital format in the Archive section of the Group website during week 10 (the week beginning 3 March). The 'Sanoma View' will be published on 9 April 2014.

Shares and holdings

In 2013, a total of 54,326,354 (2012: 106,129,204) Sanoma shares were traded on the NASDAQ OMX Helsinki and traded shares accounted for some 33% (2012: 65%) of the average number of shares. Sanoma's NASDAQ OMX Helsinki stock exchange turnover was EUR 368.8 million (2012: 851.7). Sanoma's shares traded on the NASDAQ OMX Helsinki corresponded to around 70% (2012: 64%) of the total traded share volume on stock exchanges.

During 2013, the volume-weighted average price of a Sanoma share on the NASDAQ OMX Helsinki was EUR 6.79, with a low of EUR 5.28 and a high of EUR 8.95. At the end of the year, Sanoma's market capitalisation was EUR 1.0 billion (2012: 1.2), with Sanoma's share closing at EUR 6.39 (2012: 7.44).

At the end of 2013, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

Board of Directors, auditors and management

The AGM held on 3 April 2013 confirmed the number of Sanoma's Board members as ten. Board member Antti Herlin was re-elected and Anne Brunila, Mika Ihamuotila and Robin Langenskiöld were elected as new Board Members. Antti Herlin was elected as Chairman of the Board and Sakari Tamminen as Vice Chairman. The Board of Directors of Sanoma consists of Antti Herlin (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Anne Brunila, Jane Erkko, Mika Ihamuotila, Robin Langenskiöld, Nancy McKinstry, Rafaela Seppälä and Kai Öistämö as members.

The AGM appointed chartered accountants KPMG Oy Ab as the auditor of the company, with Virpi Halonen, Authorised Public Accountant, as Auditor in Charge.

From the end of 2013, the Executive Management Group (EMG) comprises: Harri-Pekka Kaukonen (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Jacques Eijkens (CEO, Sanoma Learning), Kim Ignatius (CFO), John Martin (CEO, Sanoma Digital), Peter de Mönnink (CEO, Sanoma Media Netherlands as of 1 January 2014), Heike Rosener (CEO, Sanoma Media Russia & CEE) and Pekka Soini (CEO, Sanoma Media Finland).

On 27 September, Sanoma announced that Peter de Mönnink, has been appointed CEO of Sanoma Media Netherlands as of 1 January 2014. Dick Molman, stepped down on 1 November 2013.

On 8 October, Sanoma announced that CEO of Sanoma News, Pekka Soini has been appointed CEO of the new company Sanoma Media Finland that was established 1 January 2014 by the merger of Sanoma's Finnish media operations. The former CEO of the strategic business unit Sanoma Media Finland, Anu Nissinen, stayed in her role until the end of the year.

On 31 October, Sanoma announced that John Martin, CEO of Sanoma Digital, has been appointed CEO of Sanoma Learning. Jacques Eijkens, the current CEO of Sanoma Learning, will step down in the first quarter of 2014 to make room for his successor.

On 16 December, Sanoma announced that Aimé van Hecke, CEO of Sanoma Media Belgium stepped down. Sanoma Media Belgium is currently led by Hans Cools who is not a member of the EMG.

Board authorisations

The AGM held on 3 April 2013 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 2016. The Board of Directors is authorised to grant a maximum of 5,000,000 stock options as part of the Company's incentive programme. In a directed share issue, a maximum of 41,000,000 shares can be issued or transferred.

The AGM held on 3 April 2013 authorised the Board to decide on the repurchase of maximum of 16,000,000 Company's own shares. The authorisation is effective until 30 June 2014 and terminates the corresponding authorisation granted by the AGM on 3 April 2012. These shares can be purchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce the funds available for distribution of profits. The shares can be repurchased to develop the Company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled. The shares can be repurchased either through a tender offer made to all shareholders on equal terms or in a proportion other than that of the current shareholders at the market price of the repurchase moment on the NASDAQ OMX Helsinki.

The Board of Directors did not exercise these rights during 2013.

Seasonal fluctuation

The net sales and results of media businesses 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 the Netherlands, Finland and Belgium is usually strongest in the second and fourth quarters. Learning accrues most of its net sales and results during the second and third 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 (unchanged)

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 on-going digitisation process. Sanoma takes actions in all its strategic business units to respond to this challenge.

With regard to changing customer preferences and digitisation, new entrants might be able to better utilise these changes and therefore gain market share from Sanoma's established businesses.

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

Sanoma's financial risks include interest rate and currency risks, liquidity risk and credit risk. Other risks include risks related to equity, impairment and the availability of capital. At the Group level, the most significant risks relate to liquidity risk and changes in exchange rates and interest rates.

Sanoma's consolidated balance sheet includes about EUR 2.6 billion in goodwill, publishing rights and other intangible assets. Most of this is related to magazine and TV operations. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis, or whenever there is any indication of impairment. Major changes in business fundamentals could lead to further impairment.

Full-year statement (audited)

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 31 December 2013. The accounting policies of the Interim Report, excluding the changed accounting principles, 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.

Changed accounting policies

Sanoma adopts the revised IAS 19 Employee Benefits standard as of 1 January 2013. The revised standard eliminates the possibility to use the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. This change in accounting principles leads to faster recognition of actuarial gains and losses and higher volatility of equity than the corridor approach. As a result of the change the Group now determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit. The change in accounting principles has been applied retrospectively as of 1 January 2012.

Consolidated income statement

EUR million Continuing operations	10–12/ 2013	Restated 10–12/ 2012	1–12/ 2013	Restated 1–12/ 2012
Net sales	**554.3**	586.7	**2,218.7**	2,376.3
Other operating income	**18.6**	15.7	**55.2**	52.5
Materials and services	**-185.0**	-199.6	**-745.9**	-816.3
Employee benefit expenses	**-152.2**	-155.7	**-600.3**	-614.9
Other operating expenses	**-178.8**	-141.8	**-528.1**	-491.5
Depreciation, amortisation and impairment losses	**-86.2**	-99.7	**-672.0**	-325.2
Operating profit	**-29.4**	5.7	**-272.3**	181.0
Share of results in associated companies	**-0.3**	-0.2	**1.2**	-17.7
Financial income	**4.4**	3.0	**12.4**	18.2
Financial expenses	**-14.7**	-18.0	**-66.1**	-75.6
Result before taxes	**-40.1**	-9.4	**-324.7**	105.9
Income taxes	**2.1**	-0.2	**-7.6**	-36.0
Result for the period from continuing operations	**-38.0**	-9.6	**-332.3**	69.9
Discontinued operations				
Result for the period from discontinued operations				79.0
RESULT FOR THE PERIOD	**-38.0**	-9.6	**-332.3**	149.0
Result from continuing operations attributable to:				
Equity holders of the Parent Company	**-39.5**	-11.0	**-319.8**	63.7
Non-controlling interests	**1.5**	1.4	**-12.5**	6.2
Result attributable to:				
Equity holders of the Parent Company	**-39.5**	-11.0	**-319.8**	142.8
Non-controlling interests	**1.5**	1.4	**-12.5**	6.2
Earnings per share for result attributable to the equity holders of the Parent Company:				
Earnings per share, EUR, continuing operations	**-0.24**	-0.07	**-1.97**	0.39
Diluted earnings per share, EUR, continuing operations	**-0.24**	-0.07	**-1.97**	0.39
Earnings per share, EUR, discontinued operations				0.49
Diluted earnings per share, EUR, discontinued operations				0.49
Earnings per share, EUR	**-0.24**	-0.07	**-1.97**	0.88
Diluted earnings per share, EUR	**-0.24**	-0.07	**-1.97**	0.88

Statement of comprehensive income

EUR million	10–12/ 2013	Restated 10–12/ 2012	1–12/ 2013	Restated 1–12/ 2012
RESULT FOR THE PERIOD	**-38.0**	-9.6	**-332.3**	149.0
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Change in translation differences	**-2.8**	-2.9	**-18.6**	23.4
Reclassification of foreign currency differences on loss of significant influence	**4.7**		**4.7**	
Cash flow hedges	**1.5**	3.2	**7.4**	0.9
Income tax related to cash flow hedges	**-0.5**	-0.8	**-1.9**	-0.2
Items that will not be reclassified to profit or loss				
Defined benefit plans	**-3.9**	-15.1	**-3.9**	-61.0
Income tax related to defined benefit plans	**0.9**	3.9	**0.9**	15.6
Other comprehensive income for the period, net of tax	**-0.1**	-11.7	**-11.4**	-21.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-38.1**	-21.3	**-343.7**	127.7
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**-39.5**	-22.7	**-331.2**	121.4
Non-controlling interests	**1.5**	1.4	**-12.5**	6.2

Consolidated balance sheet

EUR million	31.12.2013	Restated 31.12.2012	Restated 1.1.2012
ASSETS			
Property, plant and equipment	**151.7**	283.4	343.6
Investment property	**12.4**	12.0	5.8
Goodwill	**1,964.5**	2,307.6	2,316.2
Other intangible assets	**641.6**	700.2	709.8
Interests in associated companies	**5.9**	8.1	219.3
Available-for-sale financial assets	**4.6**	8.0	15.4
Deferred tax receivables	**41.2**	40.0	27.1
Trade and other receivables	**17.9**	15.4	28.1
NON-CURRENT ASSETS, TOTAL	**2,839.7**	3,374.8	3,665.3
Inventories	**53.0**	66.2	96.8
Income tax receivables	**4.9**	27.1	12.5
Trade and other receivables	**353.4**	384.1	418.4
Available-for-sale financial assets	**0.3**	0.3	0.3
Cash and cash equivalents	**171.2**	167.2	116.0
CURRENT ASSETS, TOTAL	**582.8**	645.0	644.0
Assets classified as held for sale	**91.4**		
ASSETS, TOTAL	**3,514.0**	4,019.8	4,309.3
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the Parent Company			
Share capital	**71.3**	71.3	71.3
Fund for invested unrestricted equity	**203.3**	203.3	203.3
Other reserves	**-2.6**	-8.0	-8.7
Other equity	**570.2**	1,006.8	982.7
Hybrid bond	**99.1**		
	941.3	1,273.4	1,248.5
Non-controlling interests	**297.1**	303.2	270.3
EQUITY, TOTAL	**1,238.4**	1,576.6	1,518.8
Deferred tax liabilities	**109.2**	137.5	142.1
Pension obligations	**63.1**	50.4	7.6
Provisions	**4.3**	4.1	6.3
Financial liabilities	**764.0**	942.2	1,101.2
Trade and other payables	**37.2**	44.9	38.9
NON-CURRENT LIABILITIES, TOTAL	**977.8**	1,179.1	1,296.1
Provisions	**19.4**	13.0	15.3
Financial liabilities	**542.5**	466.5	626.0
Income tax liabilities	**9.3**	27.4	27.4
Trade and other payables	**725.3**	757.1	825.8
CURRENT LIABILITIES, TOTAL	**1,296.5**	1,264.1	1,494.5
Liabilities related to assets held for sale	**1.3**		
Liabilities, total	**2,275.6**	2,443.2	2,790.5
EQUITY AND LIABILITIES, TOTAL	**3,514.0**	4,019.8	4,309.3

In 2013, the properties of Sanomala and Sanomatalo as well as the real estate company Ärrävaara (in Koivuvaara, Vantaa) were classified as assets held for sale.

Changes in consolidated equity

EUR million	Share capital	Fund for invested-unres-tricted equity	Other reserves	Other equity	Hybrid bond	Total	Non-control-ling interests	Equity, total
	Equity attributable to the equity holders of the Parent Company							
Equity at 31 Dec 2011	**71.3**	**203.3**	**-8.7**	**988.0**		**1,253.9**	**270.3**	**1,524.2**
Effect of IAS 19 on 1 Jan 2012				-5.4		-5.4		-5.4
Equity at 1 Jan 2012	**71.3**	**203.3**	**-8.7**	**982.7**		**1,248.5**	**270.3**	**1,518.8**
Comprehensive income for the period			0.7	120.8		121.4	6.2	127.7
Share-based compensation				2.6		2.6		2.6
Dividends paid				-97.7		-97.7	-0.4	-98.1
Change in non-controlling interests				-1.5		-1.5	27.2	25.7
Equity at 31 Dec 2012	**71.3**	**203.3**	**-8.0**	**1,006.8**		**1,273.4**	**303.2**	**1,576.6**
Equity at 1 Jan 2013	**71.3**	**203.3**	**-8.0**	**1,006.8**		**1273.4**	**303.2**	**1,576.6**
Comprehensive income for the period			5.4	-336.6		-331.2	-12.5	-343.7
Share-based compensation				1.6		1.6		1.6
Dividends paid				-97.7		-97.7	-0.2	-97.8
Acquisitions and other changes in non-controlling interests				0.3		0.3	6.5	6.8
Issue of hybrid bond					99.1	99.1		99.1
Recognition of unpaid dividends				0.6		0.6		0.6
Reclassification of foreign currency differences on loss of significant influence				-4.7		-4.7		-4.7
Equity at 31 Dec 2013	**71.3**	**203.3**	**-2.6**	**570.2**	**99.1**	**941.3**	**297.1**	**1,238.4**

Consolidated cash flow statement

EUR million	1–12/ 2013	Restated 1–12/ 2012
Operations		
Result for the period	**-332.3**	149.0
Adjustments		
Income taxes	**7.6**	36.7
Financial income and expenses	**53.7**	57.4
Share of results in associated companies	**-1.2**	17.7
Depreciation, amortisation and impairment losses	**672.0**	327.8
Gains/losses on sales of non-current assets	**22.7**	-79.6
Acquisitions of broadcasting rights and prepublication costs	**-233.6**	-207.4
Other adjustments	**1.6**	-3.9
Change in working capital	**16.6**	-11.4
Interest and other financial items paid	**-52.7**	-44.8
Taxes paid	**-30.2**	-49.2
Cash flow from operations	**124.1**	192.0
Investments		
Acquisition of tangible and intangible assets	**-67.8**	-63.5
Operations acquired	**-14.5**	-25.7
Proceeds from sale property, plant and equipment	**19.1**	16.4
Operations sold	**33.3**	317.2
Loans granted	**-7.8**	-9.2
Repayments of loan receivables	**6.3**	8.1
Interest received	**3.5**	3.7
Dividends received	**1.0**	5.5
Cash flow from investments	**-27.0**	252.4
Cash flow before financing	**97.1**	444.4
Financing		
Proceeds from issue of hybrid bond	**99.1**	
Contribution by non-controlling interests	**5.8**	26.6
Change in loans with short maturity	**89.7**	-32.3
Drawings of other loans	**43.0**	1,103.0
Repayments of other loans and finance lease liabilities	**-222.4**	-1,466.0
Dividends paid	**-97.8**	-98.1
Cash flow from financing	**-82.8**	-466.9
Change in cash and cash equivalents according to cash flow statement	**14.4**	-22.5
Effect of exchange rate differences on cash and cash equivalents	**-2.6**	2.0
Net change in cash and cash equivalents	**11.8**	-20.4
Cash and cash equivalents at the beginning of the period	**73.1**	93.5
Cash and cash equivalents at the end of the period	**84.8**	73.1

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

Income statement by quarter

EUR million Continuing operations	1–3/ 2013	4–6/ 2013	7–9/ 2013	10–12/ 2013	Restated 1–3/ 2012	Restated 4–6/ 2012	Restated 7–9/ 2012	Restated 10–12/ 2012
Net sales	505.2	591.2	568.1	**554.3**	543.6	646.5	599.5	586.7
Other operating income	9.4	7.6	19.6	**18.6**	8.6	19.4	8.7	15.7
Materials and services	-176.3	-194.2	-190.4	**-185.0**	-190.0	-212.2	-214.6	-199.6
Employee benefit expenses	-153.0	-153.8	-141.3	**-152.2**	-156.5	-156.8	-145.9	-155.7
Other operating expenses	-111.7	-120.8	-116.8	**-178.8**	-122.4	-118.2	-109.1	-141.8
Depreciation, amortisation and impairment losses	-113.8	-93.1	-378.8	**-86.2**	-67.6	-80.6	-77.2	-99.7
Operating profit	-40.2	36.9	-239.6	**-29.4**	15.6	98.1	61.5	5.7
Share of results in associated companies	0.0	1.3	0.2	**-0.3**	-16.4	-3.4	2.3	-0.2
Financial income	6.8	-0.9	2.2	**4.4**	7.0	4.9	3.3	3.0
Financial expenses	-21.8	-11.8	-17.7	**-14.7**	-20.7	-19.1	-17.8	-18.0
Result before taxes	-55.2	25.6	-255.0	**-40.1**	-14.4	80.5	49.4	-9.4
Income taxes	3.4	-2.6	-10.5	**2.1**	-3.6	-21.7	-10.6	-0.2
Result for the period from continuing operations	-51.8	23.0	-265.5	**-38.0**	-18.0	58.8	38.8	-9.6
Discontinued operations								
Result for the period from discontinued operations					1.2	78.6	-0.7	0.0
RESULT FOR THE PERIOD	-51.8	23.0	-265.5	**-38.0**	-16.8	137.3	38.1	-9.6
Result from continuing operations attributable to:								
Equity holders of the Parent Company	-39.1	21.6	-262.9	**-39.5**	-19.2	56.1	37.8	-11.0
Non-controlling interests	-12.7	1.4	-2.6	**1.5**	1.2	2.7	0.9	1.4
Result attributable to:								
Equity holders of the Parent Company	-39.1	21.6	-262.9	**-39.5**	-18.0	134.7	37.1	-11.0
Non-controlling interests	-12.7	1.4	-2.6	**1.5**	1.2	2.6	0.9	1.4
Earnings per share for result attributable to the equity holders of the Parent Company:								
Earnings per share, EUR continuing operations	-0.24	0.13	-1.61	**-0.24**	-0.12	0.34	0.23	-0.07
Diluted earnings per share EUR, continuing operations	-0.24	0.13	-1.61	**-0.24**	-0.12	0.34	0.23	-0.07
Earnings per share, EUR, discontinued operations					0.01	0.48	0.00	0.00
Diluted earnings per share, EUR, discontinued operations					0.01	0.48	0.00	0.00
Earnings per share, EUR	-0.24	0.13	-1.61	**-0.24**	-0.11	0.83	0.23	-0.07
Diluted earnings per share, EUR	-0.24	0.13	-1.61	**-0.24**	-0.11	0.83	0.23	-0.07

Income statement by year

EUR million Continuing operations	1–12/ 2013	Restated 1–12/ 2012
Net sales	**2,218.7**	2,376.3
Other operating income	**55.2**	52.5
Materials and services	**-745.9**	-816.3
Employee benefit expenses	**-600.3**	-614.9
Other operating expenses	**-528.1**	-491.5
Depreciation, amortisation and impairment losses	**-672.0**	-325.2
Operating profit	**-272.3**	181.0
Share of results in associated companies	**1.2**	-17.7
Financial income	**12.4**	18.2
Financial expenses	**-66.1**	-75.6
Result before taxes	**-324.7**	105.9
Income taxes	**-7.6**	-36.0
Result for the period from continuing operations	**-332.3**	69.9
Discontinued operations		
Result for the period from discontinued operations		79.0
RESULT FOR THE PERIOD	**-332.3**	149.0
Result from continuing operations attributable to:		
Equity holders of the Parent Company	**-319.8**	63.7
Non-controlling interests	**-12.5**	6.2
Result attributable to:		
Equity holders of the Parent Company	**-319.8**	142.8
Non-controlling interests	**-12.5**	6.2
Earnings per share for result attributable to the equity holders of the Parent Company:		
Earnings per share, EUR, continuing operations	**-1.97**	0.39
Diluted earnings per share, EUR, continuing operations	**-1.97**	0.39
Earnings per share, EUR, discontinued operations		0.49
Diluted earnings per share, EUR, discontinued operations		0.49
Earnings per share, EUR	**-1.97**	0.88
Diluted earnings per share, EUR	**-1.97**	0.88

Net sales by business unit by quarter

EUR million	1–3/ 2013	4–6/ 2013	7–9/ 2013	10–12/ 2013	1–3/ 2012	4–6/ 2012	7–9/ 2012	10–12/ 2012
Media								
The Netherlands	157.2	184.6	164.7	**199.3**	171.6	208.1	173.5	207.2
Finland	69.6	73.7	67.5	**82.6**	77.4	76.7	65.4	82.2
Russia & CEE	42.8	43.9	41.3	**45.4**	49.0	50.1	46.9	53.5
Belgium	54.3	53.2	50.0	**62.6**	56.8	54.6	52.9	64.1
Other businesses and eliminations	-0.5	-0.5	-1.0	**-0.6**	-0.7	-0.8	-0.6	-0.7
Total	323.5	354.9	322.5	**389.2**	354.1	388.6	338.1	406.3
News								
Helsingin Sanomat	56.3	53.0	50.0	**54.0**	59.3	56.2	52.2	57.1
Ilta-Sanomat *	20.0	22.7	20.7	**22.3**	21.2	22.0	20.0	21.1
Other businesses and eliminations	24.8	24.1	21.9	**23.7**	29.5	28.6	26.1	29.4
Total	101.0	99.8	92.6	**100.0**	110.0	106.8	98.3	107.6
Learning								
Learning	45.7	103.7	123.0	**32.7**	34.2	109.3	127.4	35.5
Other businesses					4.6	1.8	0.0	0.0
Eliminations	0.0	-0.2	0.0	**-0.3**	-0.4	0.0	0.0	0.0
Total	45.7	103.5	123.0	**32.4**	38.4	111.1	127.4	35.5
Other companies and eliminations	34.9	33.0	30.0	**32.7**	41.1	40.0	35.6	37.3
Continuing operations	505.2	591.2	568.1	**554.3**	543.6	646.5	599.5	586.7

* In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

Net sales by business unit by year

EUR million	1–12/ 2013	1–12/ 2012
Media		
The Netherlands	**705.8**	760.4
Finland	**293.4**	301.7
Russia & CEE	**173.5**	199.5
Belgium	**220.0**	228.3
Other businesses and eliminations	**-2.5**	-2.7
Total	**1,390.1**	1,487.1
News		
Helsingin Sanomat	**213.3**	224.9
Ilta-Sanomat *	**85.6**	84.3
Other businesses and eliminations	**94.6**	113.5
Total	**393.5**	422.8
Learning		
Learning	**305.1**	306.4
Other businesses		6.5
Eliminations	**-0.5**	-0.5
Total	**304.6**	312.4
Other companies and eliminations	**130.6**	154.0
Continuing operations	**2,218.7**	2,376.3

* In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

Operating profit by segment by quarter

EUR million	1–3/ 2013	4–6/ 2013	7–9/ 2013	10–12/ 2013	Restated 1–3/ 2012	Restated 4–6/ 2012	Restated 7–9/ 2012	Restated 10–12/ 2012
Media	-39.6	9.3	-279.4	**6.4**	27.0	51.9	20.3	31.0
News	5.5	1.9	7.7	**11.0**	8.8	5.0	-1.6	8.0
Learning	-4.4	35.9	25.1	**-35.9**	-15.0	51.0	45.0	-22.1
Other companies and eliminations	-1.7	-10.1	7.0	**-10.9**	-5.2	-9.8	-2.2	-11.2
Continuing operations	-40.2	36.9	-239.6	**-29.4**	15.6	98.1	61.5	5.7

Operating profit by segment by year

EUR million	1–12/ 2013	Restated 1–12/ 2012
Media	**-303.2**	130.2
News	**26.0**	20.3
Learning	**20.6**	58.9
Other companies and eliminations	**-15.7**	-28.5
Continuing operations	**-272.3**	181.0

Operating profit excluding non-recurring items by segment by quarter

EUR million	1–3/ 2013	4–6/ 2013	7–9/ 2013	10–12/ 2013	Restated 1–3/ 2012	Restated 4–6/ 2012	Restated 7–9/ 2012	Restated 10–12/ 2012
Media	-1.3	31.8	24.3	**28.9**	27.0	54.5	23.0	46.9
News	5.9	6.0	7.8	**9.4**	8.8	5.0	8.3	10.0
Learning	-4.4	35.9	49.6	**-24.8**	-15.0	46.9	49.4	-22.1
Other companies and eliminations	-3.2	-5.7	-4.8	**-0.5**	-5.2	-2.6	-0.9	-3.1
Continuing operations	-3.0	68.0	76.9	**13.0**	15.6	103.8	79.8	31.8

Operating profit excluding non-recurring items by segment by year

EUR million	1–12/ 2013	Restated 1–12/ 2012
Media	**83.7**	151.5
News	**29.1**	32.2
Learning	**56.2**	59.2
Other companies and eliminations	**-14.2**	-11.9
Continuing operations	**154.9**	231.0

Segment information

The Group included in 2013 three reportable segments: Media, News and Learning. The segmentation is based on business model and product differences. Media is responsible for magazines and TV operations. Sanoma News is responsible for newspapers in Finland. Both segments also have a great variety of online and mobile services. Learning's business is mainly B2B business. In addition to the Group eliminations, the column 'Other companies/eliminations' includes non-core operations, head office functions, real estate companies as well as items not allocated to segments.

Sanoma segments 1.1.–31.12.2013

EUR million	Media	News	Learning	Other companies/ eliminations	Total
External net sales	1,386.9	392.0	304.5	135.4	2,218.7
Internal net sales	3.2	1.5	0.0	-4.8	
Net sales, total	1,390.1	393.5	304.6	130.6	2,218.7
Operating profit	-303.2	26.0	20.6	-15.7	-272.3
Operating profit excl. NRI	83.7	29.1	56.2	-14.2	154.9
Share of results in associated companies	-0.3	0.2	0.0	1.3	1.2
Financial income				12.4	12.4
Financial expenses				-66.1	-66.1
Result before taxes					-324.7
Segment assets	2,428.0	285.8	455.9	107.2	3,276.8

Sanoma segments 1.1.–31.12.2012 (Restated)

EUR million	Media	News	Learning	Other companies/ eliminations	Continuing operations	Discontinued operations	Total
External net sales	1,484.3	422.1	311.6	157.7	2,375.8	116.4	2,492.2
Internal net sales	2.8	0.7	0.8	-3.7	0.6	1.5	
Net sales, total	1,487.1	422.8	312.4	154.0	2,376.3	117.9	2,492.2
Operating profit	130.2	20.3	58.9	-28.5	181.0	79.7	260.7
Operating profit excl. NRI	151.5	32.2	59.2	-11.9	231.0	2.3	233.3
Share of results in associated companies	-18.8	0.5	0.0	0.7	-17.7		-17.7
Financial income				18.2	18.2	0.1	18.2
Financial expenses				-75.6	-75.6	-0.1	-75.6
Result before taxes					105.9	79.7	185.6
Segment assets	2,810.0	295.8	489.5	172.2			3,767.3

Segment assets do not include cash and cash equivalents, interest-bearing receivables, tax receivables and deferred tax receivables. Transactions between segments are based on market prices.

Non-recurring items in the financial year 2013 included EUR -309.6 million and EUR -47.9 million in non-cash impairment charges of goodwill and intangible assets. Of the intangible asset impairment charges EUR 5.7 million is related to assets (mainly publishing rights) with an indefinite useful lifetime and EUR 42.3 million to assets with a definite useful lifetime.

The indefinite lifetime asset impairment losses related to magazines in Media Belgium (EUR 1.6 million) and Media Russia & CEE (EUR 4.1 million). The definite lifetime asset impairment losses were recognized in Media Netherlands (EUR 28.3 million), Media Belgium (EUR 13.7 million), News (EUR 0.2 million), and Media Russia & CEE (EUR 0.1 million). In both the Netherlands and Belgium, the impairments were associated with magazines and TV operations and were mostly due to the weakened advertising market and the decrease in demand for the magazines in question.

Impairment losses recognised from goodwill in the financial year amounted to EUR 309.6 million. Changes in the market environment and the weakened outlook for the operative business triggered the need for impairment testing during the first quarter. As a result of the tests, a goodwill impairment loss of EUR 22.8 million was recorded in Media Netherlands. Due to the further weakened advertising market for newspapers and magazines as well as the overall economic situation, Media Netherlands was tested again in the third quarter of the financial year. At the same time Media Russia & CEE was also tested. As a result of the tests, a EUR 252.5 million goodwill impairment loss was recorded in Media Netherlands, and a EUR 20.2 million impairment loss in Media Russia & CEE. In addition, a EUR 6.0 million goodwill impairment loss related to the closure of a business was recorded in Media Netherlands in the third quarter. In the annual impairment testing carried out in the fourth quarter, a goodwill impairment loss of EUR 1.4 million was recorded in the Bookwell business unit (reported under 'Other companies and eliminations'), caused by the weakened market outlook for the printing business. In addition, a EUR 0.4 million goodwill impairment loss related to the closure of a business was recorded in News, and a EUR 6.4 million goodwill impairment loss related to the divestment of the Czech business in Media Russia & CEE.

Impairment calculations are based on a discounted cash flow method using a five-year forecast period (and terminal period). The key assumptions in the calculations include profitability level, discount rate, long-term growth rate as well as market positions. The terminal growth rate used in the calculations is based on the management's assessment of the long-term growth prospects of the business and the market. The terminal growth rates used for the most important cash-generating units (CGUs) in terms of goodwill in the reporting and comparable period were: Media Netherlands 1.7% (2012: 1.0%), Media Finland 0.0% (1.5%), Media Russia & CEE 2.6% (4.0%), Media Belgium 0.5% (2.0%) and Learning 2.0% (2.0%). The increase in the terminal growth rate assumption used for Media Netherlands is caused by the increased share of digital business. The decrease in the terminal growth rate assumption used for Media Russia & CEE is caused by lower GDP growth expectations, and for Media Belgium and Media Finland by the accelerated decrease in printed newspaper and magazine sales.

During the financial year separate discount rates for each CGU were introduced. The CGU-specific discount rate represents the CGU's weighted average cost of capital and is considered to reflect the CGU's business specific and geographical risks more accurately than the previously used Group discount rate. The (post-tax) discount rates used for the most important CGUs in terms of goodwill in the reporting and comparable period were: Media Netherlands 6.8% (2012: 6.0%), Media Finland 6.4% (6.0%), Media Russia & CEE 9.2% (9.6%), Media Belgium 6.7% (6.0%) and Learning 6.4% (6.0%). The increase compared to the previous year in the discount rates used for the media operations in the Netherlands, Finland and Belgium as well as in Learning is mostly due to increased market interest rates and market risk premium. For Media Russia & CEE, the decrease in the discount rate is mainly due to higher share of debt in the weighted cost of capital calculation. Media Finland and News comprise one SBU (and CGU) as of 1 January 2014, as a result of the merger of the Finnish media operations. For this reason, the Finnish media operations were already tested as one CGU in the impairment testing of financial year 2013.

Changes in property, plant and equipment

EUR million	31.12.2013	31.12.2012
Carrying amount at the beginning of the period	**283.4**	343.6
Increases	**31.8**	29.0
Acquisition of operations	**0.1**	2.3
Decreases	**-6.1**	-5.2
Disposal of operations	**-20.3**	-45.0
Depreciation for the period	**-35.5**	-40.7
Impairment losses for the period	**-7.4**	-1.3
Transfer to assets classified as held for sale	**-91.2**	
Exchange rate differences and other changes	**-3.0**	0.6
Carrying amount at the end of the period	**151.7**	283.4

The Group had no commitments for acquisition of property, plant and equipment at the end of the reporting period or in the comparative period.

Changes in property, plant and equipment include continuing and discontinued operations.

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 234.5 million (2012: 273.9).

Effect of acquisitions on the consolidated balance sheet

EUR million	1–12/ 2013	1–12/ 2012
Acquisition costs	**10.0**	27.3
Fair value of acquired net assets	**4.0**	4.1
Goodwill	**6.0**	23.2

Contingent liabilities

EUR million	31.12.2013	31.12.2012
Contingencies for own commitments		
Mortgages	**11.7**	9.7
Pledges	**2.4**	2.4
Other items	**45.9**	45.8
TOTAL	**59.9**	57.9
Other contingencies		
Operating lease liabilities	**286.1**	199.4
Royalties	**10.9**	17.5
Other items	**54.4**	46.0
TOTAL	**351.4**	262.9
TOTAL	**411.4**	320.8

Other operating lease liabilities include the lease liabilities of Sanomala and Ärrävaara that were sold in January 2014.

Interest on hybrid bond
On 12 December 2013, Sanoma issued a hybrid bond of EUR 100 million. On the reporting date, the unpaid interest on the bond was EUR 0.4 million.

Derivative instruments

EUR million	31.12.2013	31.12.2012
Fair values		
Interest rate derivatives		
Interest rate swaps	**-5.9**	-16.1
Currency derivatives		
Forward contracts	**-3.5**	-1.1
Nominal values		
Interest rate derivatives		
Interest rate swaps	**540.0**	740.0
Currency derivatives		
Forward contracts	**128.4**	102.5

The fair value of foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Key exchange rates

	1–12/2013	1–12/2012
Average rate		
EUR/CZK (Czech Koruna)	**25.96**	25.19
EUR/HUF (Hungarian Forint)	**296.65**	290.24
EUR/PLN (Polish Zloty)	**4.19**	4.19
EUR/RUB (Russian Rouble)	**42.32**	40.24
EUR/SEK (Swedish Crown)	**8.65**	8.70
EUR/USD (US Dollar)	**1.33**	1.29
Closing rate	**31.12.2013**	**31.12.2012**
EUR/CZK (Czech Koruna)	**27.43**	25.15
EUR/HUF (Hungarian Forint)	**297.04**	292.30
EUR/PLN (Polish Zloty)	**4.15**	4.07
EUR/RUB (Russian Rouble)	**45.32**	40.33
EUR/SEK (Swedish Crown)	**8.86**	8.58
EUR/USD (US Dollar)	**1.38**	1.32

Full-year result webcast

The event for investors and analysts will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius today at 11:00 Finnish time (9:00 UK time) at Nelonen studio, Sanomatalo, Töölönlahdenkatu 2, Helsinki. The webcast can be viewed on Sanoma's website at www.sanoma.com/en/investors.

Please join by dialling:
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Conference id 940705

Financial reporting 2014

Sanoma will publish its Interim Reports in 2014 on a quarterly basis:

- Interim Report January-March on 30 April 2014, at approx. 8:30 a.m.
- Interim Report January-June on 25 July 2014, at approx. 8:30 a.m.
- Interim Report January-September on 29 October 2014, at approx. 8:30. a.m.

Additional information

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Sanoma.com

Get the world. Sanoma helps people access and understand the world.

We believe in a world full of opportunities, feelings, reactions and inspiration. A world that you can reach, influence, explore and share. We want to make it yours.

Sanoma is a front running consumer media and learning company in Europe. In Finland and the Netherlands we are the market leading media company with a broad presence across multiple media platforms. Our operating markets in Learning are Belgium, Finland, the Netherlands, Poland and Sweden. In 2013, Sanoma's net sales totalled EUR 2.2 billion. Sanoma is listed on the NASDAQ OMX Helsinki stock exchange.