Q3 2018 Interim Report:

Operational EBIT improved

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Highlights of Q1-Q3 2018

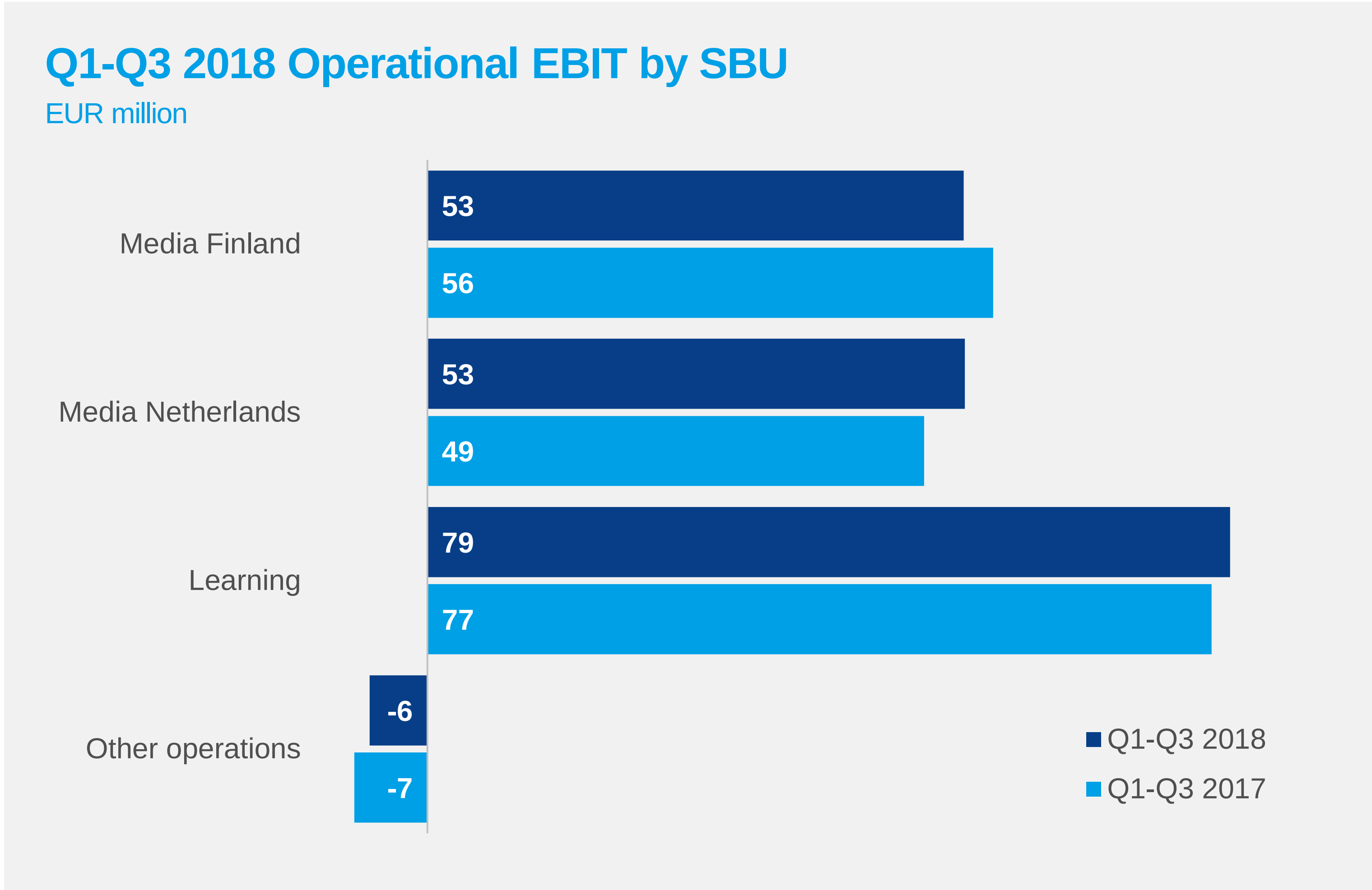
Net sales	Operational EBIT	Operational EBIT margin	Operational EPS	Free cash flow
M€ 1,017	M€ 179	17.6%	€ 0.77	M€ 40
(2017: 1,022)	(2017: 175)	(2017: 17.1%)	(2017: 0.70)	(2017: 23)

- Profitability improved due to good performance of Media Netherlands and Learning
- Strong free cash flow supported by lower net financial items and positive working capital development
- Outlook for 2018 on operational EBIT margin was improved to “above 14%”

All figures presented in this report are for continuing operations only. All annual and quarterly figures presented in this report have been restated to account for IFRS 15 standard. All comparisons of the Group and Media Netherlands figures are made against figures adjusted for the SBS divestment. More information on the restatement and adjustments is available on p. 3 of the Q3 Interim Report.

Operational EBIT improved in Q1-Q3 2018

- Improvement driven by Media Netherlands and further supported by Learning
- Slight decline in Media Finland as Q1-Q3 2017 earnings included a positive one-off correction of EUR 4 million
- Costs of Other operations continued to decline



Overall advertising market declined slightly in Finland in Q3 2018

Finnish measured media advertising markets

	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Newspapers	**-8%**	-13%	-12%	-10%	-12%
Magazines	**-3%**	-10%	-7%	-1%	-9%
TV	**1%**	1%	1%	-4%	-4%
Radio	**2%**	11%	-4%	4%	8%
Online	**2%**	3%	7%	12%	10%
Total market	**-1%**	**-3%**	**-2%**	**-1%**	**-2%**

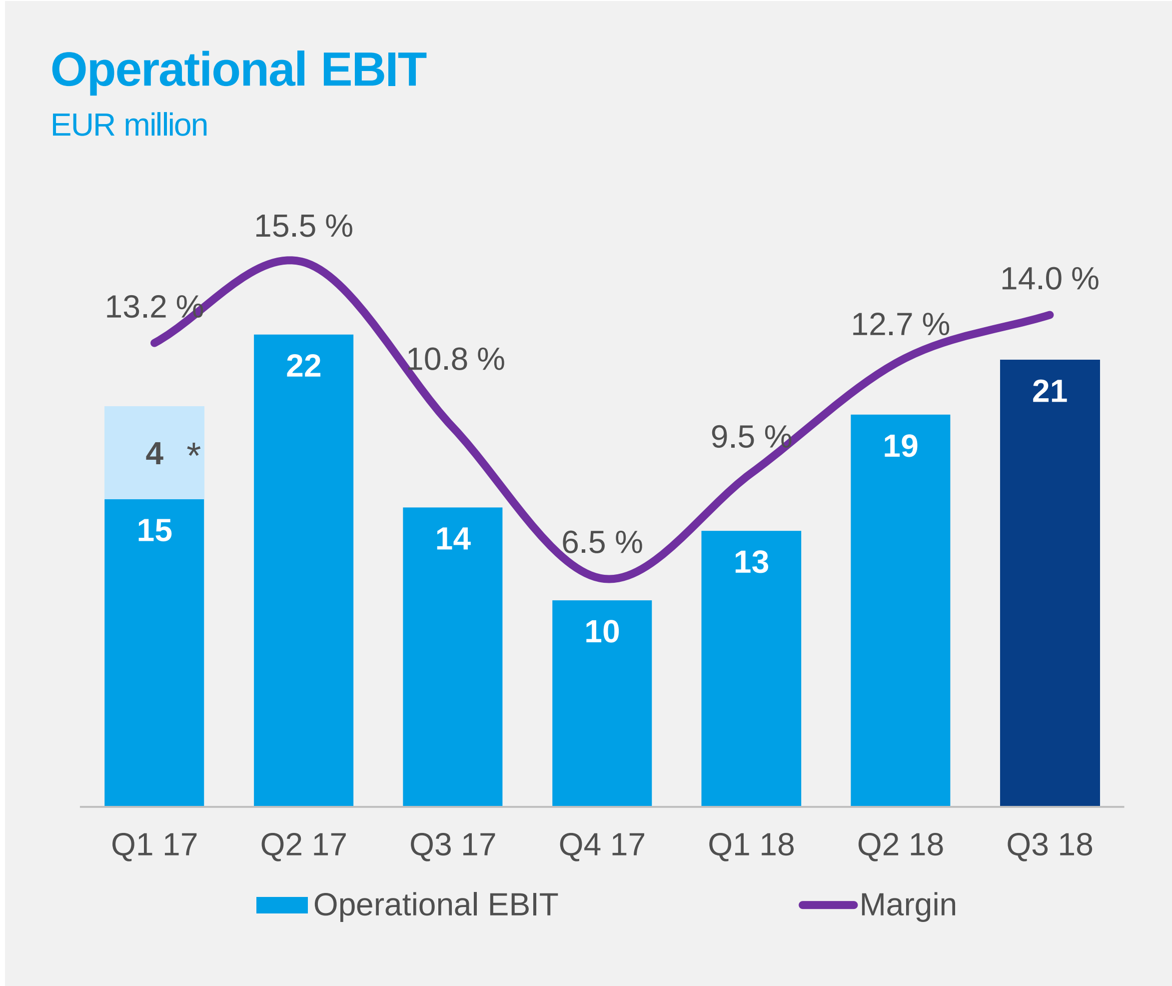
Remarks on Q3 18 development

- Lower decline of magazine advertising due to seasonality: strong growth in August with higher number of issues published vs. PY
- Lower growth in online advertising after GDPR introduction continued

Source: Kantar TNS, Media Advertising Trends, September 2018. Online excl. search and social media.

Media Finland: Stable performance during Q3

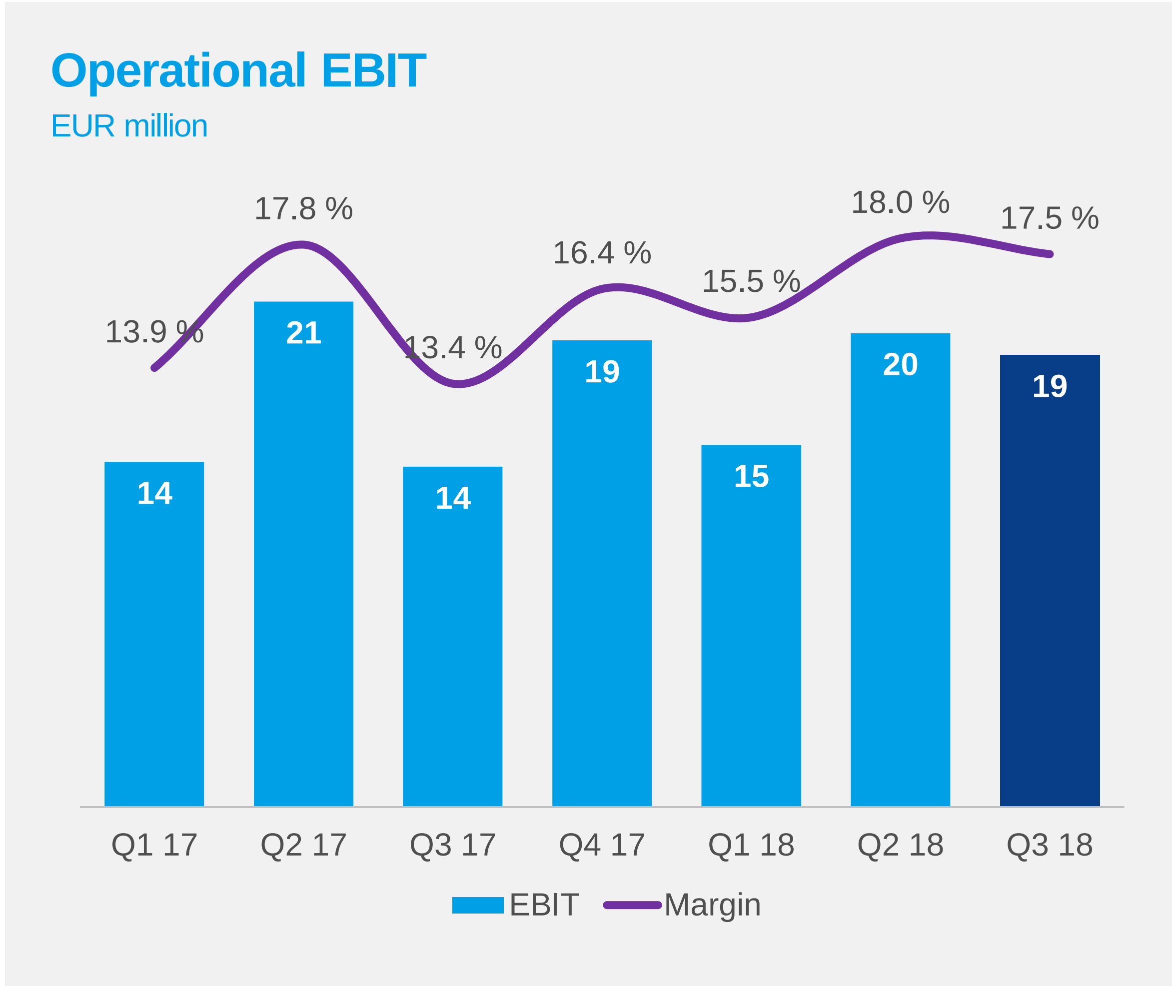
- Net sales grew to EUR 151 million (2017: 131)
  - Good development of the festival and events business during the high season
  - Growth in digital subscriptions continued driven by Ruutu and HS; magazine subscriptions declined
  - Advertising sales continue to be under pressure
- Operational EBIT improved
  - Discontinuation of Liiga: no amortisation (EUR 6 million in Q3 2017) or other costs in Q3 2018
  - Certain one-off costs in the festival and events business
  - Adverse impact of higher paper prices
- The transformation of the media industry continues
  - Targeted co-operation negotiations in certain parts of B2B sales, printing operations and media units started
  - The number of employees may be reduced by max. 80
  - Related costs expected to be booked as IACs in Q4 2018



* EUR 4 million one-off correction

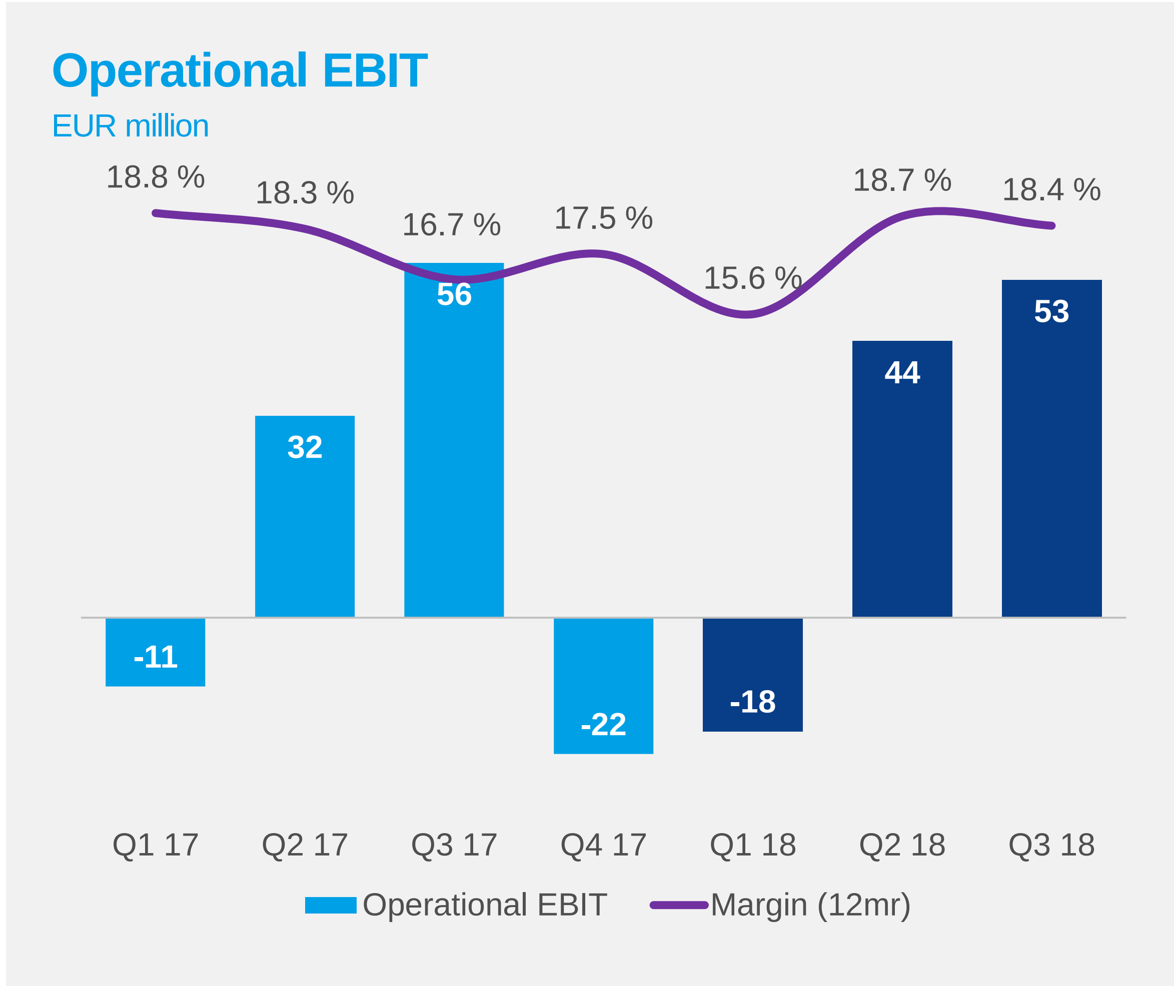
Media Netherlands: Significant earnings improvement during Q3

- Net sales stable at EUR 106 million (2017: 104)
  - Stable circulation sales
  - Strong growth in Scoupy
  - Both print and non-print advertising sales declined slightly; further impact in Q1-Q3 due to the divestment of the comparison site Kieskeurig.nl in June 2017
- Operational EBIT improved significantly mainly due to lower marketing, personnel and other fixed expenses
  - Cost of sales increased slightly due to changes in sales mix and some cost inflation especially for paper
- Rob Kolkman appointed as the CEO of Media Netherlands as of 1 January 2019



Learning: Good performance in Q1-Q3 2018

- Net sales stable in Q1-Q3 2018 amounting to EUR 274 million (2017: 280)
  - Poland EUR 10 million lower compared to exceptionally strong performance in 2017 due to two simultaneous curriculum renewals
  - Growth in Finland, supported by curriculum renewal ongoing until the end of 2018
  - Market share gains both in Poland and in Finland
  - Netherlands, Belgium and Sweden stable
- Operational EBIT solid at EUR 79 million (2017: 77) in Q1-Q3 2018
  - Benefits of the ongoing business development programme “High Five”
  - Solid profitability improvement in the growing businesses
  - Lower marketing and development costs in Poland
  - Adverse impact of lower net sales



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Outlook for 2018

(as revised on 11 October)

In 2018, Sanoma expects that the Group's

- **Consolidated net sales adjusted for structural changes will be slightly below 2017**
- **Operational EBIT margin will be above 14%**

The outlook is based on an assumption of the consumer confidence and advertising markets in the Netherlands and Finland being in line with that of 2017.

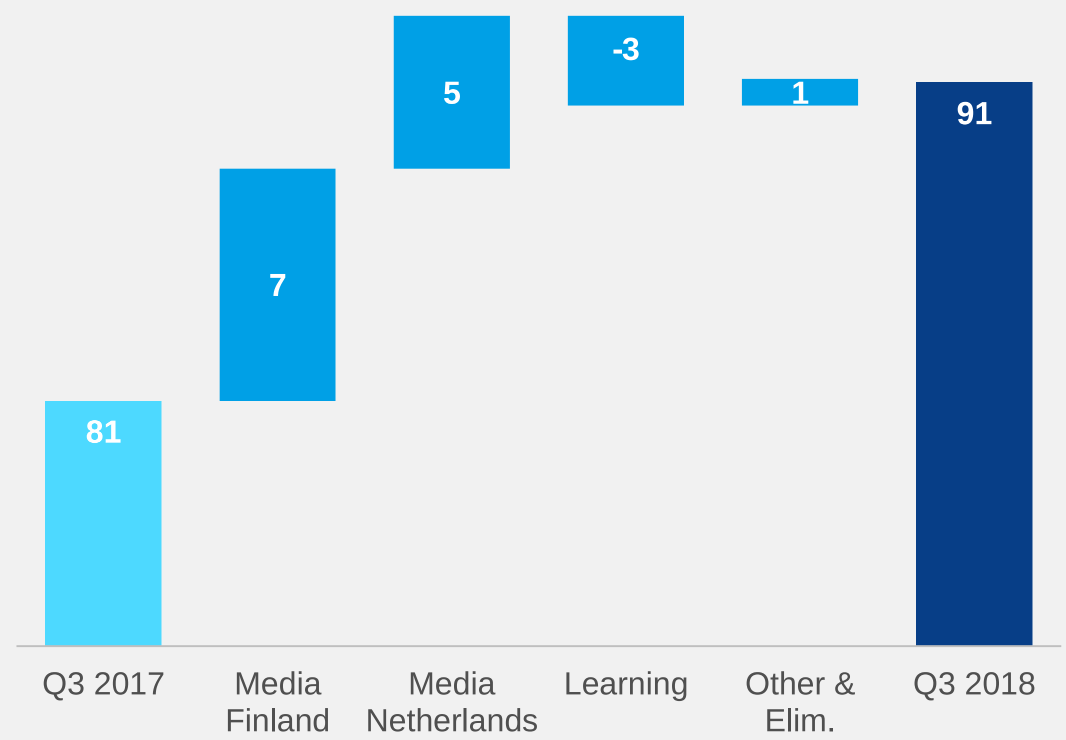
Financials

Q3 profitability improved in media businesses

Media Finland	+	Discontinuation of Liiga (no MEUR 6 write-off)
	+	Lower TV program amortisations
	+	Acquired festival and events business N.C.D. Production
	-	Declining advertising, subscription and single copy sales
	-	Higher paper prices
Media Netherlands	+	Lower marketing, personnel & other fixed costs due to streamlined operations post-divestments
	-	Sales mix
	-	Cost of sales, esp. paper
Learning	+	Benefits of High Five business development programme
	+	Net sales growth in Finland
	+	Lower marketing and development costs in Poland
	-	Lower total net sales

Operational EBIT Q3 18 vs. Q3 17 by SBU

EUR million



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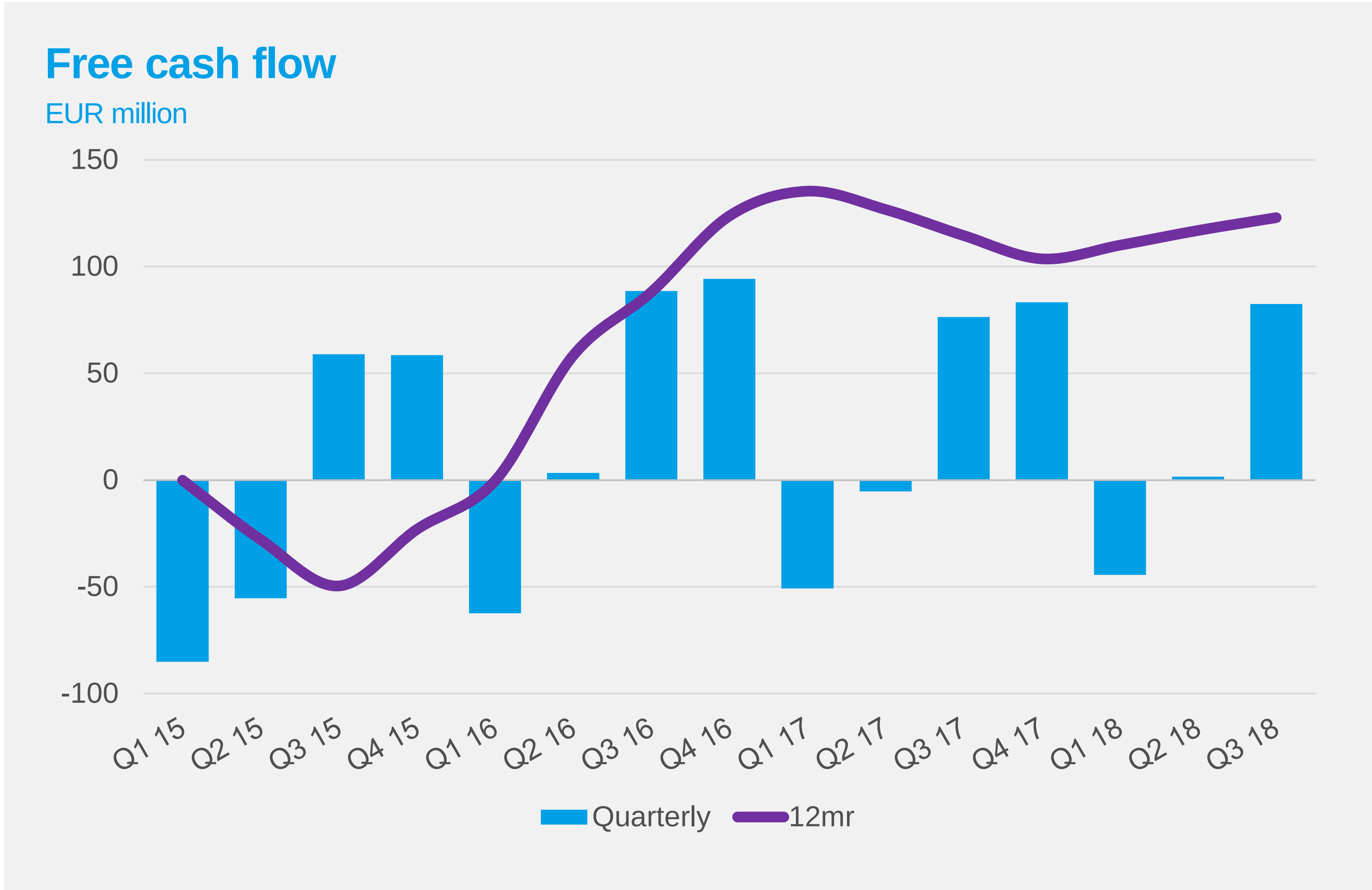
Free cash flow (12mr) continues on a good level

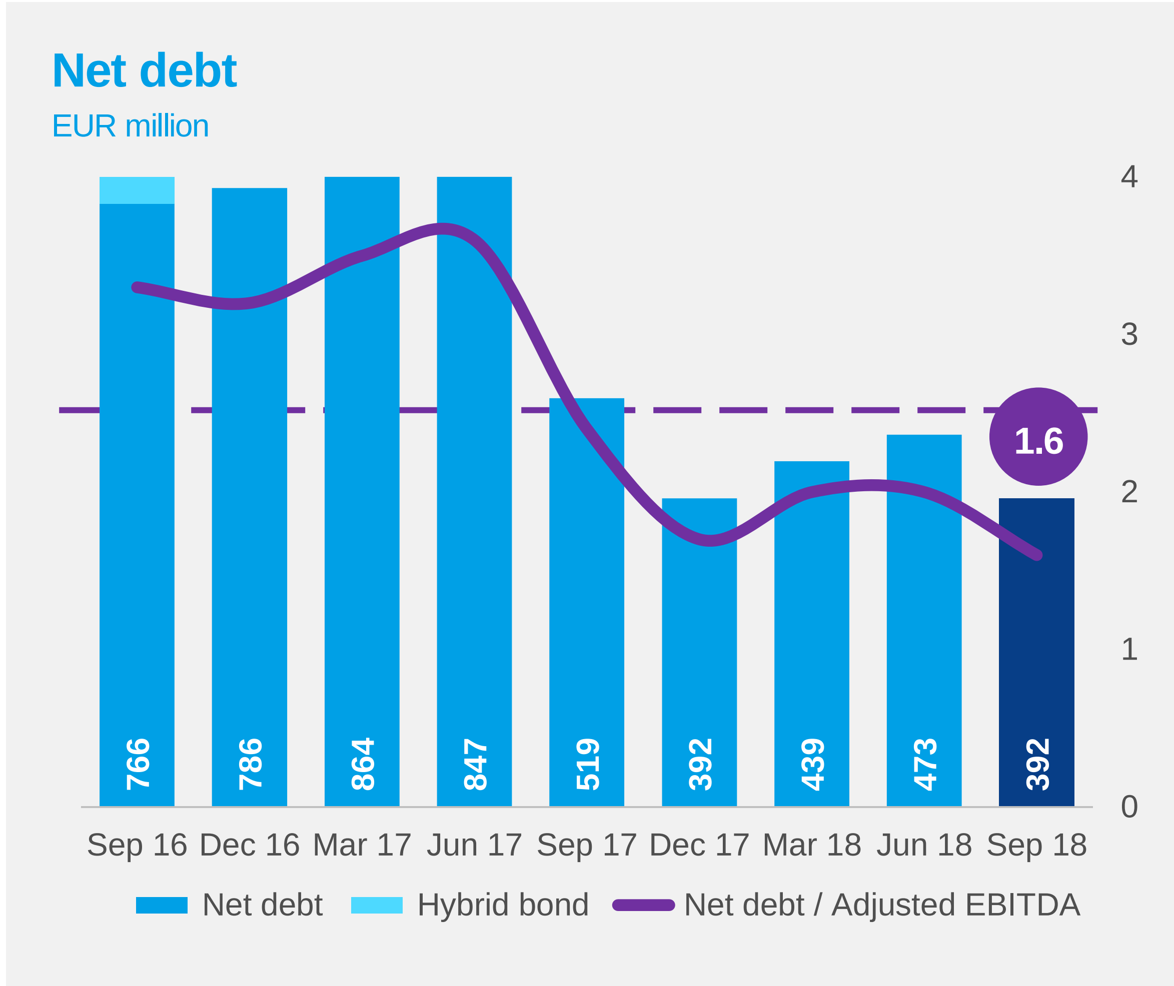
- Free cash flow improved to EUR 40 million (2017: 23) in Q1-Q3 2018
  - + Lower net financial items
  - + Positive working capital development
  - – Higher taxes
  - – Restructuring costs of EUR 13 million related to the divested Belgian women's magazine portfolio paid during Q3
- In the dividend calculation for 2018, the items related to the divestment of Belgian women's magazine portfolio will be excluded from the free cash flow



Free cash flow = Cash flow from operations less capital expenditure

Net debt substantially lower vs. end of Q3 2017

- At the end of Q3 2018
  - Net debt to adjusted EBITDA 1.6 (2017: 2.4)
  - Net debt EUR 392 million (2017: 519)
  - Equity ratio 40.9% (2017: 33.9)
- EUR 50 million term loan was repaid in September
- Net financial items declined to EUR -14 million (2017: -16) in Q1-Q3 2018 due to the lower amount of interest-bearing debt
- Average interest rate 2.4% (2017: 2.0) in Q1-Q3 18



Second dividend instalment will be paid on 1 November

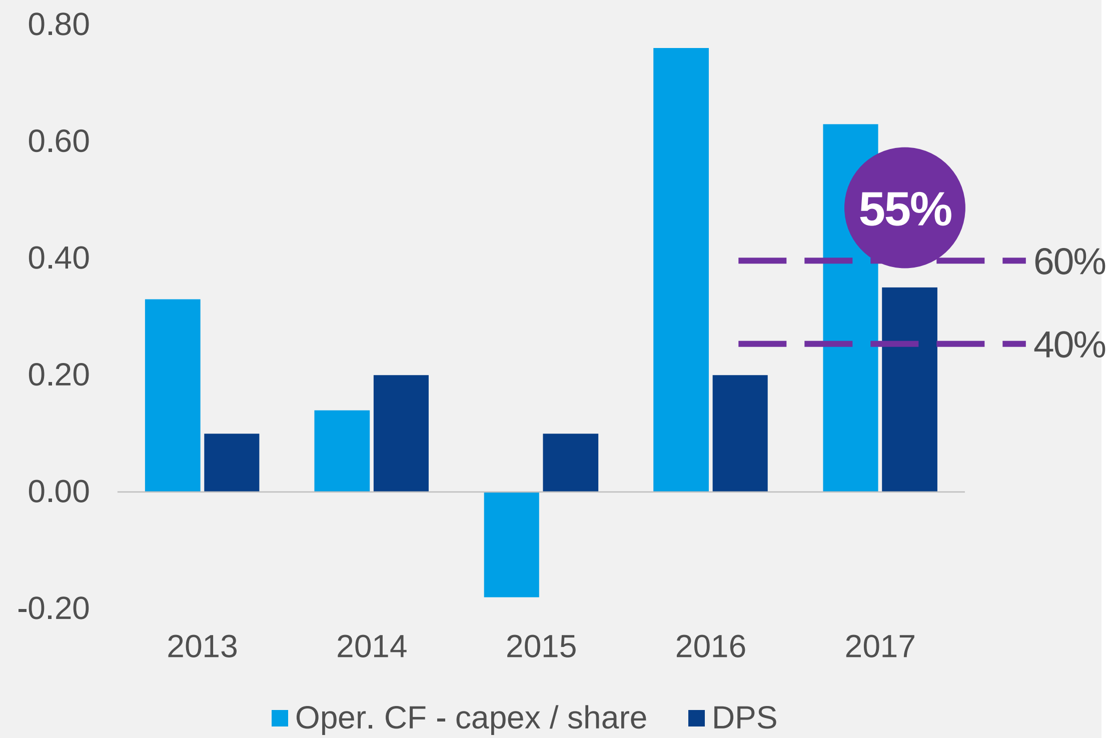
- Second dividend instalment of EUR 0.15 per share will be paid on 1 November
  - Record date 25 October
- Total dividend for 2017 EUR 0.35 per share
  - 1st instalment was paid in April

Dividend policy:

Sanoma aims to pay an increasing dividend, equal to 40–60% of annual cash flow from operations, after capital expenditure.

When proposing a dividend to the AGM, the Board of Directors will look at the general macro-economic environment, Sanoma's current and target capital structure, future business plans and investment needs as well as both previous year's cash flows and expected future cash flows affecting capital structure.

Progressive dividend
EUR



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Adoption of IFRS 16 as of 1 January 2019: Simulation of preliminary impacts on key ratios

- Sanoma will adopt the new IFRS 16 Leases standard as of 1 Jan 2019
  - Lease agreements will be recognised in the balance sheet as right-of-use assets and interest-bearing liabilities
  - Cost of leasing will be recognised as depreciation and interest expense, not as operational rental expense
- Sanoma will apply the modified retrospective method
  - Restated 2018 financials will not be published
  - On certain key ratios, impact of the IFRS 16 will be reported separately in 2019 interim reports

- Significant impacts on certain key ratios expected
- Based on current simulation of preliminary impacts, the following impacts on main key ratios could be expected:
  - **Operational EBITDA** to improve by approx. MEUR 28
  - **Operational EBIT** not significantly affected
  - **Cash flow from operations** to improve by approx. MEUR 28
  - **Cash flow from financing** to decline by approx. MEUR 28
  - **Net cash flow** unchanged
  - **Net debt** to increase by approx. MEUR 200
  - **Net debt / Adj. EBITDA** to increase by approx. 0.6
  - **Equity ratio** to decrease by approx. by 5%-points
- With recent solid profitability development and balance sheet, **M&A headroom** approx. EUR 300–400 million *

* The long-term leverage target (Net debt / Adj. EBITDA < 2.5) can be temporarily exceed, if a major transaction fitting Sanoma's M&A criteria would be available.

Financial reporting in 2019

6 February	Full-Year Result 2018
Week 10	Financial Statements and Directors' Report 2018
27 March	Annual General Meeting 2019
30 April	Interim Report Q1 2019
25 July	Half-Year Report 2019
25 October	Interim Report Q3 2019

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Appendix

Sanoma in 2017

NET SALES
EUR 1,327 million

NON-PRINT SALES
40%

OPERATIONAL EBIT MARGIN
13.6%

Learning

EUR 318 million

45%

17.5%

Media Finland

EUR 571 million

44%

11.5%

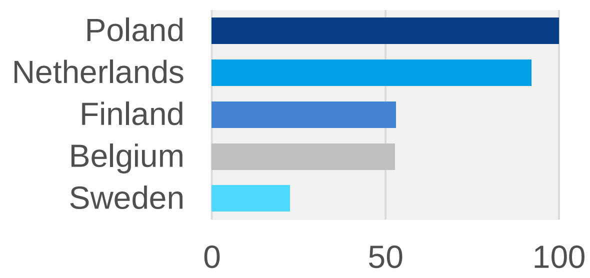
Media Netherlands

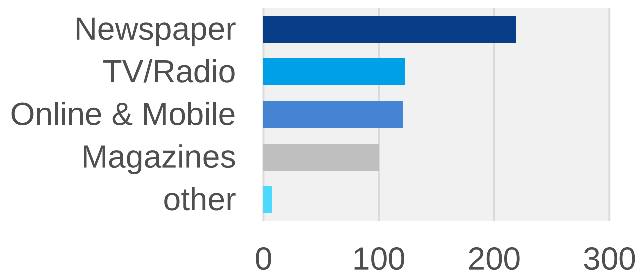
EUR 440 million

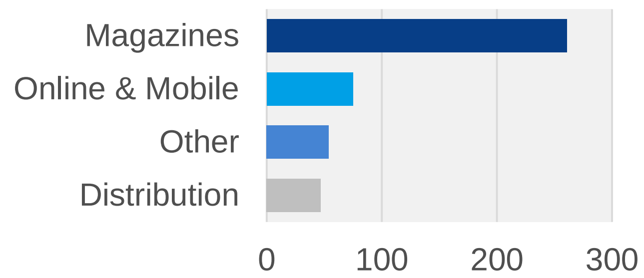
30%

15.5%

Net sales 2017







Group key figures 2017

Adjusted for the SBS divestment

EUR million	2017	2016
Net sales	**1,328.0**	1,322.3
Operational EBITDA	**328.5**	299.0
margin	**24.7%**	22.6%
Operational EBIT	**186.4**	149.6
margin	**13.5%**	11.3%
EBIT	**186.4**	198.6
Result for the period	**126.8**	110.2
Cash flow from operations	**140.9**	141.2
Capital expenditure	**34.7**	30.5
Average number of employees (FTE)	**4,526**	4,792

EUR	2017	2016
Operational EPS, continuing operations	0.71	0.46
Operational EPS *	0.74	0.47
EPS, continuing operations	0.76	0.67
EPS *	0.77	0.63
Cash flow from operations per share *	0.87	0.87

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* Including continuing and discontinuing operations

Media Finland: Quarterly key figures

EUR million	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**150.7**	146.2	137.0	150.4	131.3	144.5	144.1
Operational EBITDA	**33.7**	37.9	35.8	35.3	35.5	42.1	42.9
Operational EBIT	**21.2**	18.6	13.1	9.8	14.2	22.4	19.0
margin	**14.0%**	12.7%	9.5%	6.5%	10.8%	15.5%	13.2%
EBIT	**19.8**	20.5	11.6	8.2	13.5	30.5	19.6
Capital expenditure	**0.7**	0.5	1.8	0.5	3.0	1.9	1.0
Average number of employees (FTE)	**1,779**	1,742	1,709	1,744	1,755	1,744	1,719

Media Netherlands: Quarterly key figures

Q1-Q3 2017 adjusted for the SBS divestment

EUR million	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**106.0**	108.4	95.8	116.9	103.9	116.9	101.9
Operational EBITDA	**19.7**	20.9	16.3	21.9	16.0	22.9	16.4
Operational EBIT	**18.6**	19.5	14.9	19.2	14.0	20.8	14.2
margin	**17.5%**	18.0%	15.5%	16.4%	13.4%	17.8%	13.9%
EBIT	**19.1**	8.7	16.9	14.2	11.3	15.9	14.2
Capital expenditure	**0.3**	0.3	0.9	0.4	0.2	0.3	1.3
Average number of employees (FTE)	**1,051**	1,049	1,054	1,132	1,144	1,172	1,183

Learning: Quarterly key figures

EUR million	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**136.3**	108.3	28.9	38.5	145.7	97.9	36.2
Operational EBITDA	**64.2**	54.3	-7.3	-7.2	66.1	41.8	-0.7
Operational EBIT	**53.4**	43.7	-18.0	-21.6	56.1	31.9	-10.9
margin	**39.2%**	40.3%	-62.2%	-56.0%	38.5%	32.6%	-30.0%
EBIT	**52.1**	42.4	-18.4	-23.7	56.2	22.8	-11.4
Capital expenditure	**5.2**	4.3	3.5	6.6	4.1	5.2	3.3
Average number of employees (FTE)	**1,350**	1,352	1,353	1,401	1,413	1,430	1,442

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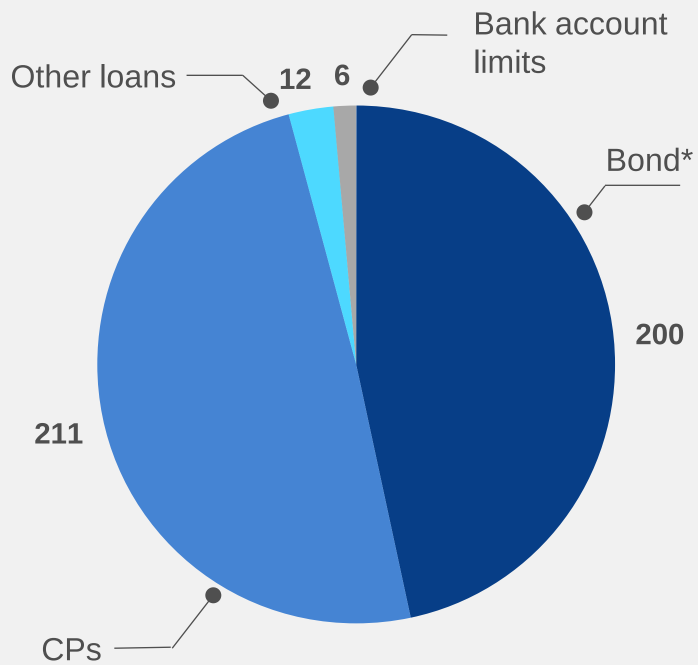
We have a balanced debt portfolio

- Gross external debt EUR 425 million (2017: 555) at the end of Q3 2018
- EUR 50 million term loan was repaid in September 2018
- Nearly 100% of drawn funding from institutional investors (bond + CPs)
- Next refinancing early 2019 for the EUR 300 million RCF (fully undrawn)
- EUR 200 million bond will be repaid or refinanced depending on acquisition funding requirements

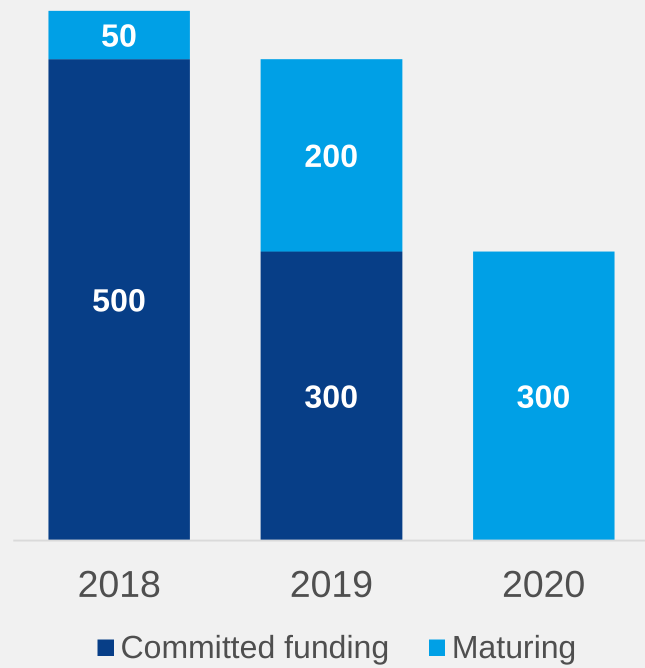
Debt structure

EUR million, 30 September 2018



Maturity profile

EUR million, 30 September 2018



* Book value of the bond EUR 197 million

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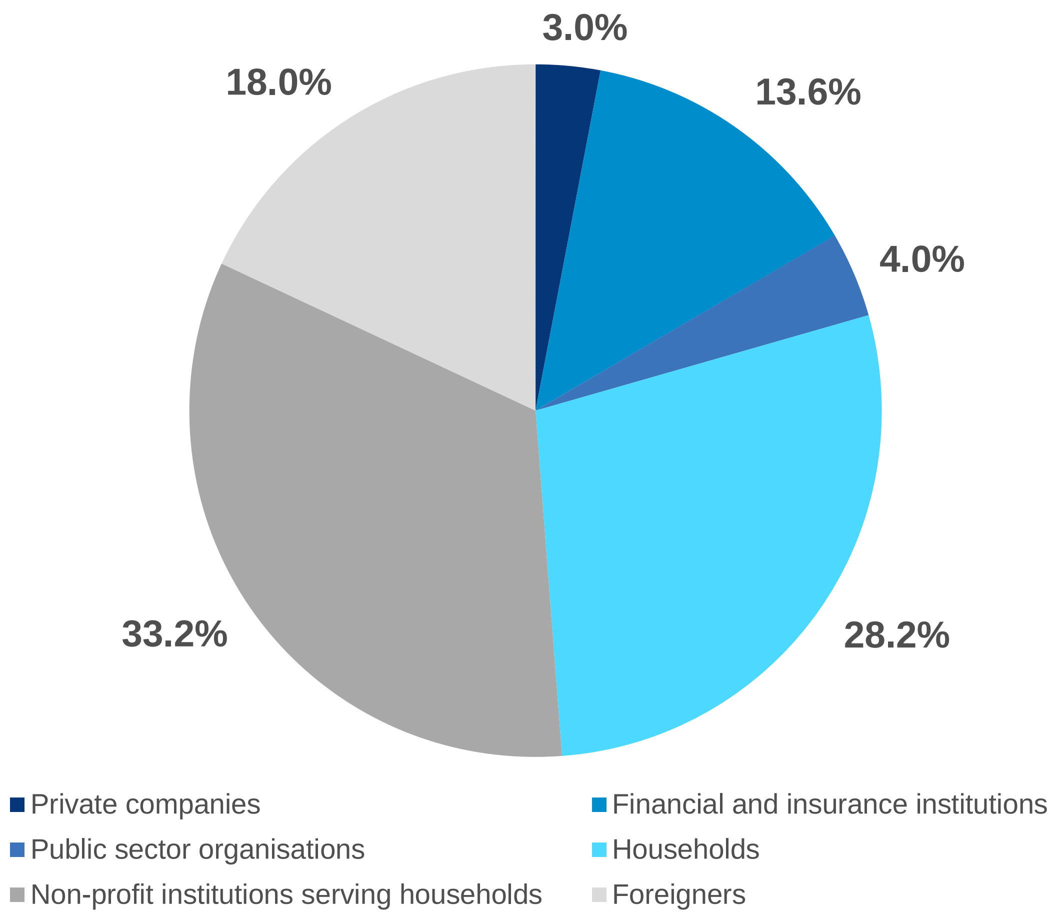
Largest shareholders

Largest shareholders

30 September 2018	Number of shares	
1. Jane and Aatos Erkko Foundation	**39,820,286**	24.4%
2. Antti Herlin (Holding Manutas Oy: 11.91%, personal: 0.02%)	**19,506,800**	11.9%
3. Robin Langenskiöld	**12,273,371**	7.5%
4. Rafaela Seppälä	**10,273,370**	6.3%
5. Helsingin Sanomat Foundation	**5,701,570**	3.5%
6. Ilmarinen Mutual Pension Insurance Company	**3,572,220**	2.2%
7. Foundation for Actors' Old-Age Home	**2,000,000**	1.2%
8. Alex Noyer	**1,908,965**	1.2%
9. The State Pension Fund	**1,860,000**	1.1%
10. Lorna Auboin	**1,852,470**	1.1%
10 largest shareholders total	**98,769,052**	**60.4%**
Foreign holding *	**31,059,722**	**19.0%**
Other shareholders	**33,736,889**	**20.6%**
Total number of shares	**163,565,663**	**100.0%**
Total number of shareholders	**21,503**	

Holding by category



*Including nominee registered shares

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