Sanoma's Interim Report 1 Jan–31 March 2010:

Efficiency Measures Improved the Result

- The Sanoma Group's net sales in the first quarter were in line with the comparable period, amounting to EUR 637.9 million (2009: EUR 636.0 million).
- Operating profit excluding non-recurring items improved by 53% to EUR 35.6 million (2009: EUR 23.2 million).
- First quarter earnings per share were EUR 0.16 (2009: EUR 0.05).
- Cash flow from operations improved to EUR 38.0 million (2009: EUR -8.5 million). Cash flow per share was EUR 0.23 (2009: EUR -0.05).
- The outlook for the Group is unchanged, but the outlook of the Sanoma Trade division has weakened.

KEY INDICATORS EUR million	**1–3/ 2010**	**1–3/ 2009**	**Change %**	**1–12/ 2009**
Net sales	**637.9**	636.0	0.3	2,767.9
Operating profit excluding non-recurring items	**35.6**	23.2	53.4	229.5
% of net sales	**5.6**	3.7		8.3
Operating profit	**40.4**	20.9	93.2	195.4
Result for the period	**24.1**	7.7	213.3	107.1
Capital expenditure	**16.6**	20.2	-17.9	83.4
% of net sales	**2.6**	3.2		3.0
Equity ratio, %	**42.7**	40.2		41.4
Net gearing, %	**74.4**	84.1		79.4
Number of employees at the end of the period (FTE)	**16,293**	17,845	-8.7	16,723
Average number of employees (FTE)	**16,357**	17,997	-9.1	17,343
Earnings/share, EUR	**0.16**	0.05	209.8	0.66
Cash flow from operations/share, EUR	**0.23**	-0.05	542.7	1.50

Hannu Syrjänen, President and CEO

"In the first quarter of 2010, we further improved our efficiency. Operational improvements helped us to increase our operating profit excluding non-recurring items significantly. In terms of sales, 2010 has started off fairly slow. In the first two months we still saw declining advertising markets in most countries. In March, however, market development was promising, particularly in Finland. With the low visibility of the advertising markets, it is still too early to say whether this positive development will continue. It is unlikely that there will be rapid changes in these markets. Therefore, we will continue to focus on maintaining a good cash flow and improving our efficiency.

At the same time, we are preparing for the future. Innovative new products and services, both in print and digital format, as well as new ways of operating are being developed. To support this, we are building a new innovation management system.

We want a better balance between our business-to-consumers and business-to-business revenues in our portfolio. This will mean growing our learning business, for example. Naturally we will also emphasise our digital revenues in order to create greater balance with the print revenues. In finding new sources of online revenue, in-house innovation is a key issue."

Outlook for 2010

Sanoma Group's outlook for 2010 is unchanged. In 2010, Sanoma's net sales are expected to grow. The operating profit excluding non-recurring items is estimated to improve slightly. In the comparable year 2009, operating profit excluding non-recurring items was EUR 229.5 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 operating countries remain stable or grow only slightly. The efficiency improvements executed in 2009 will continue to have effects on the Group's results in 2010.

Net sales

In the first quarter of 2010, Sanoma's net sales were at the comparable period's level and amounted to EUR 637.9 million (2009: EUR 636.0 million). There were no major changes in the Group structure. Net sales increased slightly in the News, Entertainment and Trade divisions.

The Group's advertising sales started to show some positive signs in March, which resulted in advertising sales in the first quarter being in line with the first quarter of 2009. Advertising sales accounted for 23% (2009: 23%) of the Group's total net sales. Online advertising sales grew clearly, with Sanoma Magazines Netherlands, the biggest contributor to online sales, and Sanoma News both showing clear growth.

The circulation sales were slightly below the comparable period. The Group's subscription sales remained stable, but single copy sales decreased slightly, mostly in the Netherlands as well as in Russia and the CEE countries.

Sanoma has a target to double its consumer online sales by 2012. In the first quarter, such sales grew by 24% to EUR 37.2 million (2009: EUR 30.0 million). Total digital sales, which also include items such as e-learning and access services, increased by 7% and amounted to 13% (2009: 12%) of net sales.

By country, Finland accounted for 54% (2009: 53%) of net sales and the Netherlands 21% (2009: 22%). Net sales from other EU countries totalled 22% (2009: 21%) and non-EU countries accounted for 3% (4%).

Result

Sanoma's operating profit excluding non-recurring items in January–March improved by 53% and totalled EUR 35.6 million (2009: EUR 23.2 million). The result improved in Magazines, News, Entertainment and Learning & Literature. Operating profit was 5.6% (2009: 3.7%) of net sales. The Group's result increased in particular due to improved efficiency of operations in all divisions. Growing advertising sales in Finland in March also improved the result.

NON-RECURRING ITEMS **EUR million**	**1–3/ 2010**	**1–3/ 2009**	**1–12/ 2009**
Magazines			
Restructuring expenses (Magazines Belgium)			-12.4
Restructuring expenses (Magazines Netherlands)			-4.7
News			
Gain on sale of Lehtikuva	**6.0**		
Expenses related to the efficiency programme		-2.3	-8.4
Learning & Literature			
Loss on sale of Bertmark Norge	**-1.2**		
Restructuring expenses			-3.9
Expense related to the sale of children's magazines			-1.1
Trade			
Restructuring expenses			-3.6
NON-RECURRING ITEMS IN OPERATING PROFIT	**4.8**	-2.3	-34.1
Impairment losses on loans and other receivables and available-for-sale investments			-8.7
NON-RECURRING ITEMS IN FINANCIAL ITEMS			-8.7

Sanoma initiated numerous efficiency improvement measures and structural changes in 2009. The effects of these can also be seen in 2010. In the first quarter, the Group's total expenses decreased by 2%, with employee benefit expenses decreasing by 4%. Also materials and services, particularly paper costs, continued to decrease. The Group had 430 employees less than at the year-end 2009, corresponding to a decrease of 3%. From the comparable period, the number of personnel has decreased by 9%. Sanoma continues to focus on improving its efficiency and in 2010 is paying special attention to its fixed cost base.

In January–March, the operating profit included a total of EUR 4.8 million (2009: EUR -2.3 million) in non-recurring items. These non-recurring items were related to divestments of non-core assets and included both sales gains and losses. In the comparable period, non-recurring expenses were related to the efficiency improvement programme of newspaper operations.

Sanoma's net financial items totalled EUR -3.9 million (2009: EUR -10.3 million). Lower reference rates than in the comparable period decreased the Group's interest expenses. Financial income amounted to EUR 2.2 million (2009: EUR 6.7 million), of which exchange rate gains were EUR 1.5 million (2009: EUR 4.2 million). Financial expenses amounted to EUR 6.0 million (2009: EUR 17.0 million). Interest expenses amounted to EUR 3.1 million (2009: EUR 11.1 million) and exchange rate losses to EUR 2.7 million (2009: EUR 5.1 million). The positive effects of lower interest rates will even out during 2010, since the reference rates came down already in the second quarter of 2009.

The result before taxes was EUR 34.1 million (EUR 10.9 million) and Sanoma's effective tax rate was 29.3% (2009: 29.6%).

Balance sheet and financial position

At the end of March, Sanoma's consolidated balance sheet totalled EUR 3,137.5 million (2009: EUR 3,215.1 million). Efficient cash flow management continued to be a focus area and in the first quarter, the Group's cash flow from operations amounted to EUR 38.0 million (2009: EUR -8.5 million). Cash flow per share was EUR 0.23 (2009: EUR -0.05). In addition to significantly better operational result, also lower reference rates and taxes paid improved the cash flow.

Sanoma's financial position continued to be stable during the first quarter. Sanoma's equity ratio strengthened and was 42.7% (2009: 40.2%) at the end of March. Equity totalled EUR 1,251.7 million (2009: EUR 1,209.1 million). Interest-bearing liabilities continued to decrease and totalled EUR 991.4 million (2009: EUR 1,099.4 million) and interest-bearing net debt was EUR 931.3 million (2009: EUR 1,016.5 million). The Group's net debt always increases in the second quarter when dividends are paid. Sanoma's net debt/EBITDA ratio was 2.4 at the end of March, well in line with the Group's target to keep the ratio below 3.5.

Investments, acquisitions and divestments

Investments in tangible and intangible assets amounted to EUR 16.6 million (2009: EUR 20.2 million) in the first quarter. Investments were mainly related to ICT systems as well as replacements and renovations. Sanoma has a policy to keep the annual capital expenditure, excluding M&A, below EUR 100 million. Sanoma's business acquisitions totalled EUR 7.8 million (2009: EUR 4.2 million).

In March, Sanoma News divested its picture agency Lehtikuva to Finnish News Agency (STT). The purchase price was partly paid by a directed share issue. Following the transaction, Sanoma News' holding in STT increased from 23.1% to 34.3%.

SANOMA MAGAZINES

Sanoma Magazines, operating in 13 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.

- Sanoma Magazines improved its result in the first quarter significantly, thanks to improved operational efficiency in all businesses.
- Sanoma Magazines outperformed the advertising market development in the Netherlands and Finland.
- Sanoma Magazines has strengthened its online portfolio in Hungary and the Netherlands and its online advertising sales in the Netherlands grew clearly in the first quarter.

Key indicators EUR million	**1–3/ 2010**	**1–3/ 2009**	**Change %**	**1–12/ 2009**
Net sales	**259.9**	262.1	-0.8	1,111.2
Sanoma Magazines Netherlands	**107.4**	110.6	-2.9	493.2
Sanoma Magazines International	**48.7**	50.9	-4.3	211.3
Sanoma Magazines Belgium	**53.5**	51.3	4.3	212.3
Sanoma Magazines Finland	**51.2**	50.3	1.9	198.8
Eliminations	**-1.0**	-1.0	0.6	-4.3
Operating profit excluding non-recurring items *	**25.8**	15.5	66.0	113.4
% of net sales	**9.9**	5.9		10.2
Operating profit	**25.8**	15.5	66.0	96.3
Capital expenditure	**4.5**	4.6	-1.3	24.4
Number of employees at the end of the period (FTE)	**5,117**	5,666	-9.7	5,191
Average number of employees (FTE)	**5,129**	5,713	-10.2	5,452

* In 2010, the operating profit did not include any non-recurring items. 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 *	**1–3/ 2010**	**1–3/ 2009**
Number of magazines published	**286**	316
Magazine copies sold, thousands	**86,457**	94,859
Advertising pages sold	**11,368**	12,283

* Including joint ventures

Sanoma Magazines' net sales in January–March were slightly below the comparable period's level with some growth in Belgium and Finland while other businesses were slightly down. Adjusted for changes in the Division structure, sales were down by 0.7%.

The Division's advertising sales were at the comparable period's level and represented 29% (2009: 29%) of net sales. Advertising sales grew in the Netherlands, but continued to decrease in Sanoma Magazines International's markets. Sanoma Magazines' online advertising sales grew, in particular due to the good development in the Netherlands.

Sanoma Magazines' circulation sales remained stable and represented 62% (62%) of the Division's net sales. Subscription sales were slightly above the comparable period, but single copy sales declined slightly, mostly in the CEE countries.

Sanoma Magazines Netherlands' net sales were down by 3%, due to lower print advertising sales than in the comparable period. According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands decreased by 5% in January–March. Sanoma Magazines Netherlands' sales outperformed the market development. Online advertising sales grew clearly. In total, advertising sales represented 28% (2009: 26%) of Sanoma Magazines Netherlands' net sales. Its circulation revenues were slightly down, due to timing differences in the number of issues published. These mainly affected single copy sales – subscription sales were almost at the comparable period's level. In the first quarter, Sanoma Magazines Netherlands developed in particular its online operations and strengthened its portfolio of comparison sites.

Sanoma Magazines International's net sales decreased by 4%. The economic downturn in the CEE countries and Russia continued to have an effect on sales in all of Sanoma Magazines International's countries. Advertising sales, representing 47% (2009: 49%) of Sanoma Magazines International's net sales, decreased especially in Russia and Bulgaria. Circulation sales decreased slightly. Sanoma Magazines International's subscription sales were stable, but single copy sales fell slightly, partly due to discontinuation of magazines and adjustments in the publication frequency of several titles carried out in 2009, in particular in Russia. In Hungary, Sanoma Magazines International improved its digital media position through acquisition of Házipatika.com Group, which operates, among other sites, Hungary's most visited healthcare website. In Romania, the leading car magazine *Auto motor si Sport* is now part of Sanoma Magazines International's portfolio.

Net sales at Sanoma Magazines Belgium grew by 4%. The growth came from circulation sales with both subscription sales and single copy sales developing positively and in line with the readers' market. Following the market development, Sanoma Magazines Belgium's advertising sales were slightly below the comparable period and represented 26% (2009: 28%) of net sales.

Sanoma Magazines Finland's net sales increased by 2%. According to TNS Gallup Adex, advertising in consumer magazines in Finland decreased by 10% in January–March. Sanoma Magazines Finland's advertising sales outperformed the market development. For the second year in a row, Sanoma Magazines Finland's media sales were awarded as the best in Finland. Advertising sales represented 15% (2009: 14%) of Sanoma Magazines Finland's net sales. The volume of the single copy market for magazines grew by 7%. Sanoma Magazines Finland's single copy sales decreased slightly, but subscription sales grew and kept the circulation sales at the comparable period's level. According to the National Readership Survey, Sanoma Magazines Finland's key brands have continued to gain more readers and its market share in the readers' market has improved further.

Sanoma Magazines' operating profit excluding non-recurring items in January–March improved significantly, by 66% due to efficiency improvements. In 2009, the efficiency improvements started to have a visible impact in the second half of the year. The number of personnel has reduced clearly from the comparable period, and even from the year-end. Operating profit improved in all businesses, in particular in Sanoma Magazines Netherlands and Sanoma Magazines Finland. The operating profit did not include any non-recurring items.

Sanoma Magazines continues to develop 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. The growth in digital operations can be achieved by leveraging existing assets. E-readers also offer interesting opportunities for combining magazines with digital media. At the same time Sanoma Magazines continues to strongly focus on improving efficiency.

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

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.

- Strong focus on media sales enabled Sanoma News to improve its market share in the Finnish advertising market.
- The tabloid *Ilta-Sanomat* also continued its positive market share development during the first quarter, and in March, it had 60% of the Finnish tabloid market.
- Sanoma News improved its result due to earlier efficiency improvements and positive development of advertising sales, in particular in March.
- Online advertising sales developed strongly during the first quarter.

Key indicators EUR million	**1–3 / 2010**	**1–3 / 2009**	**Change %**	**1–12 / 2009**
Net sales	**109.4**	107.7	1.6	428.9
Helsingin Sanomat	**59.1**	58.7	0.8	228.4
Ilta-Sanomat	**19.9**	18.4	7.8	78.2
Other publishing	**25.3**	25.9	-2.1	103.8
Other businesses	**34.4**	36.2	-5.2	143.7
Eliminations	**-29.3**	-31.6	7.0	-125.2
Operating profit excluding non-recurring items *	**9.6**	8.3	15.3	40.6
% of net sales	**8.8**	7.8		9.5
Operating profit	**15.6**	6.0	158.2	32.2
Capital expenditure	**2.8**	3.2	-12.0	10.6
Number of employees at the end of the period (FTE)	**2,168**	2,393	-9.4	2,306
Average number of employees (FTE)	**2,190**	2,404	-8.9	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	**1–3 / 2010**	**1–3 / 2009**
Distribution of free sheets, millions	**19.0**	19.2

Audited circulation	**1–12 / 2009**	**1–12 / 2008**
Helsingin Sanomat	**397,838**	412,421
Ilta-Sanomat	**152,948**	161,615

Online services, unique visitors, weekly	**1–3 / 2010**	**1–3 / 2009**
Iltasanomat.fi	**1,878,273**	1,641,494
HS.fi	**1,345,710**	1,097,170
Huuto.net	**494,833**	473,677
Oikotie.fi	**433,222**	351,653
Taloussanomat.fi	**575,841**	465,231

Sanoma News' net sales in January–March increased by 2%. There were no significant changes in the Division structure, so all growth was organic.

The advertising market in Finland turned slightly positive in February, and also the cumulative development in the first quarter was slightly better than in the comparable period. According to TNS Gallup Adex, newspaper advertising in Finland decreased by 2% in January-March. Job advertising in Finland increased by 3%, but real estate advertising decreased by 10%. Advertising in free sheets was up by 8%, partly due to changes in reporting. Online advertising included in the statistics recovered more quickly than other media and grew by 18%.

In the first quarter, Sanoma News' advertising sales outperformed the market development and grew by 3%, with online advertising sales performing clearly better than the market and growing by 26%. In total, advertising sales represented 47% (2009: 46%) of the Division's net sales. One of Sanoma News' aims has been to strengthen its market share in the media market, and its strong brands and active media sales led to improved market position in the first quarter.

The Division's circulation sales improved by 0.9% due to increased subscription sales. The tabloid sales have long been affected by structural migration to online. In January–March, the Finnish tabloid market decreased by 3%. Circulation sales accounted for 43% (2009: 43%) of the Division's net sales. The trend in circulation volumes is decreasing, but the strong growth in the number of online visitors continues and Sanoma News' total reach improved further in January–March.

The net sales development of the Helsingin Sanomat business unit turned slightly positive with circulation sales performing well. Also both advertising sales as well as market share of the daily paper improved during the first quarter and in March in particular advertising sales showed positive signs. Cumulative job advertising in the daily print edition of *Helsingin Sanomat* was 1% above the comparable period, but real estate advertising was still 5% lower. In total, advertising sales represented 54% (2009: 55%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales grew by 8%, following the good development of both advertising and single copy sales. Due to interesting supplement magazines and other products, *Ilta-Sanomat* was able to improve its market position in the tabloid newsstand market and now has a cumulative market share of 58.5% (2009: 57.0%), its highest level since 2007. Online advertising sales of the business unit doubled from the comparable year. In total, advertising sales represented 25% (2009: 21%) of the business unit's net sales in the first quarter.

Net sales from other publishing were almost at the comparable period's level. Circulation and advertising sales in regional papers grew slightly. Advertising sales in free sheets was down. Online advertising sales in the Sanoma Digital Finland business unit grew significantly and outperformed the market in the first quarter. *Oikotie.fi*, Sanoma Digital Finland's classifieds portal, has improved its market position in the online job advertising market.

Net sales from other businesses, mainly comprising internal billing, decreased by 5% due to fewer internal printing jobs and the divestment of the picture agency Lehtikuva to the Finnish News Agency (STT) on 1 March.

In January–March, Sanoma News' operating profit excluding non-recurring items improved by 15% due to positive development of advertising sales and the effects of saving initiatives started in 2009. Operating profit improved in particular in the Helsingin Sanomat business unit. The headcount of the Division decreased by some 140 persons from the year-end. The non-recurring items included in the operating profit totalled EUR 6.0 million (2009: -2.3 million) and consisted of capital gain on the divestment of Lehtikuva.

Sanoma News is looking for new sources of revenues through development of the product and service portfolio. The investment in the new reader-customer management system will support product development opportunities for newspapers in the multimedia environment. The visibility in the Finnish advertising market remains low, but there have been positive signs towards the end of the first quarter of 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 and operating profit excluding non-recurring items is estimated to improve slightly.

SANOMA ENTERTAINMENT

Sanoma Entertainment offers entertaining experiences on television, radio and online. Sanoma Entertainment's business units include Nelonen Media, which focuses on broadcast operations, and Welho, Finland's largest cable television operator. The Division's newest business unit is Sanoma Games, which concentrates on online casual gaming.

- Nelonen Media's viewing and listening shares developed positively. In the first quarter, the TV channels' commercial viewing share grew by four percentage points in its main target group.
- Both viewing and online advertising sales of *Ruutu.fi*, the Division's online TV service, grew significantly.

Key indicators EUR million	**1–3/ 2010**	**1–3/ 2009**	**Change %**	**1–12/ 2009**
Net sales	**41.5**	40.3	3.0	157.1
TV and radio	**23.5**	23.5	0.1	88.1
Other businesses	**18.2**	17.3	5.5	70.4
Eliminations	**-0.2**	-0.5	56.7	-1.4
Operating profit excluding non-recurring items	**6.2**	6.1	1.0	20.7
% of net sales	**14.9**	15.2		13.2
Operating profit	**6.2**	6.1	1.0	20.7
Capital expenditure	**1.5**	2.0	-24.4	9.3
Number of employees at the end of the period (FTE)	**438**	489	-10.4	458
Average number of employees (FTE)	**441**	486	-9.4	469

Operational indicators Thousands	1–3 / 2010	1–3 / 2009
TV channels' share of Finnish TV advertising	**34.2%**	33.2%
TV channels' national commercial viewing share	**30.2%**	28.1%
TV channels' national viewing share	**14.1%**	13.5%
Number of connected households (31 March)	**320**	324
Number of Welho customers (31 March)	**163**	156
Number of fixed broadband connections (31 March)	**115**	107

Sanoma Entertainment's net sales in January–March grew by 3% with advertising sales accounting for 52% (2009: 53%) of the Division's net sales. There were no changes in the Division structure, so all growth was organic.

The broadcast operation's net sales were at the comparable period's level. The Finnish TV advertising market grew by 3% in the first quarter according to TNS Gallup Adex. Nelonen Media was able to further increase its market share to 34.2%, thanks to its successful multichannel strategy in TV operations. In the first quarter, Nelonen Media's commercial viewing share also improved to 36.1% (2009: 32.3%) in its main target group, viewers between 10 and 44 years of age. The viewing shares were boosted by the success of the smaller channels, Liv and Jim. Advertising sales of the online TV service *Ruutu.fi* are growing fast. According to the Association of Finnish Broadcasters, national radio advertising remained stable in January–March. Nelonen Media's radio channels developed in line with the market.

Net sales from other operations increased by 6% with broadband sales performing particularly well. Cable TV and broadband operator Welho has further developed its service offering for housing companies, which enables Welho to offer a wider range of services to individual households. Broadband sales have been boosted by the introduction of faster connections: Welho is now offering a minimum connection speed of 10M and a maximum of 200M. Welho also continues to actively develop its service offering for cable TV, and is now offering 20 HD channels.

Sanoma Entertainment's operating profit excluding non-recurring items in January–March was at the comparable period's level. The operating profit did not include any non-recurring items. The operating profit improved in other operations due to good sales development. In broadcasting, more programming investments were made in the first quarter, which increased the viewing shares. In 2009, programming investments were weighted more towards the second half of the year.

Sanoma Entertainment focuses on developing its television and broadband services as well as its online gaming operations. In recent years, Sanoma Entertainment has renewed its products and services considerably. This portfolio will help Sanoma Entertainment to retain the good market shares it gained in 2009 and to improve its position further.

In 2010, Sanoma Entertainment's net sales and operating profit excluding non-recurring items are expected to be at the previous year's level.

SANOMA LEARNING & LITERATURE

Sanoma Learning & Literature, operating in 11 countries, is a leading European provider of learning materials and solutions in print and digital format. The Division has growing international language service operations and is also the leading general literature publisher in Finland.

- Sanoma Learning & Literature improved its result in the first quarter from the comparable period's level.
- Co-operation began in developing e-learning materials for the leading Russian learning material provider.
- Malmberg received a Dutch IPOn Award for the innovativeness of its tailor-made e-learning solution for students and teachers in secondary education.
- Positive signs in the recovery of the language services business can be seen.

Key indicators EUR million	1–3 / 2010	1–3 / 2009	Change %	1–12 / 2009
Net sales	**58.2**	60.8	-4.3	345.1
Learning	**29.9**	30.6	-2.1	239.1
Language services	**6.9**	8.3	-16.4	27.5
Literature and other businesses	**23.6**	24.6	-4.0	88.9
Eliminations	**-2.3**	-2.6	12.6	-10.4
Operating profit excluding non-recurring items *	**-5.2**	-6.9	24.4	43.5
% of net sales	**-9.0**	-11.3		12.6
Operating profit	**-6.4**	-6.9	7.0	38.5
Capital expenditure	**2.9**	2.3	25.7	13.1
Number of employees at the end of the period (FTE)	**2,637**	2,873	-8.2	2,745
Average number of employees (FTE)	**2,689**	2,863	-6.1	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. In 2009, the non-recurring items included in the third quarter EUR 1.5 million and in the fourth quarter EUR 2.4 million of restructuring expenses and in the third quarter EUR 1.1 million of expenses related to the sale of children's magazines.

Operational indicators	1–3 / 2010	1–3 / 2009
Learning		
Number of new titles published, books	**200**	319
Number of new titles published, digital products	**97**	60
Literature and other businesses		
Number of new titles published, books	**116**	111
Number of new titles published, digital products	**51**	23
Books sold, millions	**2.7**	2.5

Sanoma Learning & Literature's net sales in January–March were 4% below the comparable period due to lower sales in language services and literature. There were no significant changes in the Division structure.

Net sales in learning were down by 2%. Typically, sales for learning are slow in the first quarter and most changes are due to the timing of sales. Sales in the Netherlands were slightly down due to the divestment of the consumer business in 2009. In Finland, net sales were down since the sales of business books and training remained under pressure. There are signs of some pressure in the learning material markets in the Netherlands and Finland, where most of the material is funded by the government. It is, however, too soon to draw any conclusions for the full year. Net sales in Belgium and Hungary were in line with the comparable period. In Poland, Nowa Era continued its good sales development. The sales of e-learning provider YDP also increased. Sanoma Learning began co-operating with Prosveshcheniye Publishers, the leading Russian learning material provider, on developing their e-learning solutions.

Net sales in language services were down by 16%. Sales of language services have been strongly affected by the general economic situation, but positive signs could be seen in the sales of translation & localisation services, which is back at the comparable period’s level and continues to improve. In 2009, language services focused on integration and improving its processes and it is now well prepared to improve its service level. In March, a new office was established in Shanghai, China, to serve the Nordic customer-base.

Net sales in literature and other businesses decreased by 4%. Most of the decrease came from the multi-volume and year-book publishing operations, which have been continuously downscaled. The operations in Norway were divested at the end of March. General literature sales also remained sluggish, in line with the market development. Sales in printing grew slightly due to the acquisition made at the end of 2009. The consolidation of printing operations is progressing as planned.

The Division's operating result excluding non-recurring items improved in January–March and the operating loss was 24% less than in the comparable period. The non-recurring items included in the operating profit totalled EUR -1.2 million (2009: EUR 0.0 million) and were related to the divestment of the Norwegian multi-volume business. The result improved in learning and language services due to the efficiency improvements. In learning, the increase was partly caused by timing differences in sales. In the comparable year, some units accrued their result mostly in the second quarter, whereas in 2010, sales and operating profit were accrued already in the first quarter. The result also improved in printing, but decreased in literature.

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 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 platforms to be used in several markets.

In 2010, it is estimated that the net sales and operating profit excluding non-recurring items of Sanoma Learning & Literature will increase somewhat from the previous year's level.

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 230 million annual sales contacts at kiosks, bookstores and movie theatres. Sanoma Trade's trade services business unit (previously press distribution) is a strong link between publishers and retailers.

- Movie operations continued their success: sales and movie admissions grew both in Finland and in the Baltic countries.
- The sales of Finnish kiosk operations were weakened by the new Opening Hours Act.
- Economic conditions remained weak in the Baltic countries as well as in Russia and Romania.

Key indicators EUR million	**1–3 / 2010**	**1–3 / 2009**	**Change %**	**1–12 / 2009**
Net sales	**191.8**	187.7	2.2	827.8
Kiosk operations	**91.9**	89.9	2.3	404.2
Trade services	**51.9**	50.5	2.8	227.9
Bookstores	**26.0**	27.3	-4.7	123.3
Movie operations	**25.4**	23.6	7.6	88.0
Eliminations	**-3.4**	-3.6	6.1	-15.6
Operating profit excluding non-recurring items *	**2.9**	3.8	-24.6	27.6
% of net sales	**1.5**	2.0		3.3
Operating profit	**2.9**	3.8	-24.6	24.0
Capital expenditure	**4.7**	8.1	-41.8	25.5
Number of employees at the end of the period (FTE)	**5,849**	6,342	-7.8	5,943
Average number of employees (FTE)	**5,827**	6,448	-9.6	6,164

* In 2010, the operating profit did not include any non-recurring items. In 2009, the non-recurring items included in the fourth quarter EUR 3.6 million of restructuring expenses.

Operational indicators Thousands	**1–3 / 2010**	**1–3 / 2009**
Customer volume in kiosk operations	**43,787**	48,180
Customer volume in bookstores	**1,718**	1,747
Customer volume in movie theatres	**2,907**	2,622
Number of copies sold (press distribution)	**82,626**	85,123

Sanoma Trade's net sales in January–March grew by 2% with most businesses increasing their sales. There were no changes in the Division structure, so all growth was organic.

Net sales from kiosk operations increased by 2%. Kiosk sales in Finland developed favourably during the weekdays, but the legislation on opening hours has had strong effects on sales other than commission sales on Sundays and therefore net sales remained flat. In Latvia and Lithuania, kiosk sales grew. In Estonia and Russia, kiosk sales were down from the comparable period. In Russia, the sales were affected by the discontinuation of units. Altogether Sanoma Trade closed down over 100 kiosks in its operating countries in 2009. In Finland, the renewal of the R-kioski concept is in the testing phase and the results of the first pilot kiosks will be evaluated during the summer of 2010.

Net sales from trade services grew by 3%. Press volumes showed some growth in Finland and the Netherlands, and net sales of trade services grew in these countries. In the Baltic markets, the economic situation and the VAT increases made at the end of 2009 continued to affect volumes negatively.

Net sales from bookstores were 5% behind the comparable period with demand being clearly lower both in Finland and Estonia. In Finland, Sanoma Trade's bookstores have been able to gain market share in educational materials.

Net sales from movie operations grew by 8%. The development was particularly good in Finland. Net sales also grew in the Baltic countries despite increased competition. In all operating countries, 3D movies were very popular, which contributed to the increased sales.

Sanoma Trade's operating profit excluding non-recurring items in January–March was 25% behind the comparable period. The operating profit did not include any non-recurring items. The operating profit improved in movie operations, but decreased in other businesses. The new opening hours of other retailers have shifted the kiosk sales more towards the lower margin commission sales, such as lottery and travel tickets. The restructuring of the Russian and the Estonian operations, which started in the second half of 2009, continues.

Sanoma Trade continues to develop its concepts, particularly its kiosk and bookstore concepts, to better cater for the needs of its customers in different markets. With its 230 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 expected to increase slightly and operating profit excluding non-recurring items to be at the previous year's level.

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–March, 14,018,438 (2009: 22,324,951) Sanoma shares were traded on the NASDAQ OMX. Traded shares accounted for 9% (2009: 14%) of the average number of shares. Sanoma's total stock exchange turnover was EUR 218.5 million (2009: EUR 207.1 million).

The volume-weighted average price of a Sanoma share in the first quarter was EUR 15.58, with a low of EUR 13.97 and a high of EUR 16.69. At the end of March, Sanoma's market capitalisation was EUR 2.7 billion (2009: EUR 1.5 billion), with Sanoma's share closing at EUR 16.40 (2009: EUR 9.62). The Company had 21,646 shareholders at the end of March, with foreign holdings accounting for 11.4% (2009: 9.7%) of all shares and votes. There were no major changes in share ownership in the first quarter, and Sanoma did not issue any flagging announcements. At the end of March, Sanoma had 161,816,894 shares.

Board of Directors, auditors and management

The AGM of 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 acting President of the Sanoma News Division and a member of the Group's Executive Management Group (EMG) as of 1 April 2010, when the former President Mikael Pentikäinen began as the publisher and senior editor-in-chief of the Finnish daily Helsingin Sanomat.

Board authorisations and other resolutions by the AGM

The AGM held of 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.

The AGM amended the Articles of Association of the Sanoma Corporation to correspond to the Finnish Limited Liability Companies Act in force. Several articles and sections were removed as unnecessary and others were clarified. The new Articles of Association are presented on the Group’s website Sanoma.com.

Seasonal fluctuation

The net sales and result of Sanoma Magazines, Sanoma News and Sanoma 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. Ongoing digitisation has been the driving force behind these changes for some time, and 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 31 March 2010.

The Group has applied e.g. 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 estimated to also 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 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**	**1–3/ 2010**	**1–3/ 2009**	**1–12/ 2009**
NET SALES	**637.9**	636.0	2,767.9
Other operating income	**20.4**	14.1	64.6
Materials and services	**279.0**	286.4	1,238.5
Employee benefit expenses	**169.1**	176.2	695.5
Other operating expenses	**128.9**	128.2	536.2
Depreciation, amortisation and impairment losses	**40.8**	38.4	167.0
OPERATING PROFIT	**40.4**	20.9	195.4
Share of results in associated companies	**-2.4**	0.3	-3.9
Financial income	**2.2**	6.7	22.5
Financial expenses	**6.0**	17.0	52.6
RESULT BEFORE TAXES	**34.1**	10.9	161.4
Income taxes	**-10.0**	-3.2	-54.3
RESULT FOR THE PERIOD	**24.1**	7.7	107.1
Result attributable to:			
Equity holders of the Parent Company	**25.9**	8.3	105.6
Non-controlling interests	**-1.8**	-0.6	1.6
Earnings per share for result attributable to the equity holders of the Parent company:			
Earnings per share, EUR	**0.16**	0.05	0.66
Diluted earnings per share, EUR	**0.16**	0.05	0.66

STATEMENT OF COMPREHENSIVE INCOME EUR million	**1–3/ 2010**	**1–3/ 2009**	**1–12/ 2009**
Result for the period	**24.1**	7.7	107.1
Other comprehensive income:			
Change in translation differences	**20.3**	-34.7	-5.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**44.4**	-27.0	102.1
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**45.8**	-25.8	100.5
Non-controlling interests	**-1.4**	-1.2	1.6

CONSOLIDATED BALANCE SHEET

EUR million	31.3.2010	31.3.2009	31.12.2009
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**470.2**	503.7	484.2
Investment property	**9.3**	9.6	9.4
Goodwill	**1,499.8**	1,480.9	1,488.9
Other intangible assets	**417.5**	386.2	399.3
Interests in associated companies	**60.8**	70.2	63.5
Available-for-sale financial assets	**15.8**	20.5	15.7
Deferred tax receivables	**33.3**	37.1	30.1
Trade and other receivables	**30.9**	40.1	31.4
NON-CURRENT ASSETS, TOTAL	**2,537.7**	2,548.2	2,522.3
CURRENT ASSETS			
Inventories	**139.4**	150.3	141.6
Income tax receivables	**20.5**	37.4	19.3
Trade and other receivables	**379.3**	395.8	362.9
Available-for-sale financial assets	**0.5**	0.5	0.5
Cash and cash equivalents	**60.1**	82.9	59.7
CURRENT ASSETS, TOTAL	**599.8**	667.0	584.0
ASSETS, TOTAL	**3,137.5**	3,215.1	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**	192.7	188.8
Other equity	**976.7**	931.4	931.1
	1,236.8	1,195.3	1,191.2
Non-controlling interests	**14.9**	13.8	15.4
EQUITY, TOTAL	**1,251.7**	1,209.1	1,206.6
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**103.2**	104.0	101.2
Pension obligations	**30.0**	37.3	29.9
Provisions	**9.7**	6.3	10.7
Interest-bearing liabilities	**550.9**	677.2	541.6
Trade and other payables	**28.4**	36.1	28.2
CURRENT LIABILITIES			
Provisions	**15.8**	9.3	23.8
Interest-bearing liabilities	**440.5**	422.2	476.1
Income tax liabilities	**22.5**	13.7	16.9
Trade and other payables	**684.8**	699.9	671.3
LIABILITIES, TOTAL	**1,885.8**	2,006.1	1,899.7
EQUITY AND LIABILITIES, TOTAL	**3,137.5**	3,215.1	3,106.3

CHANGES IN CONSOLIDATED EQUITY
EUR million

	Equity attributable to the equity holders of the Parent Company						
	Share capital	Treasury shares	Fund for invested unrestricted equity	Other equity	Total	Non-controlling interests	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				1.0	1.0		1.0
Dividends paid						-0.7	-0.7
Change in non-controlling interests						-1.3	-1.3
Comprehensive income for the period				-25.8	-25.8	-1.2	-27.0
Equity at 31 March 2009	**71.3**		**192.7**	**931.4**	**1,195.3**	**13.8**	**1,209.1**
Equity at 1 Jan 2010	**71.3**		**188.8**	**931.1**	**1,191.2**	**15.4**	**1,206.6**
Expense recognition of options granted				0.9	0.9		0.9
Dividends paid						-0.1	-0.1
Change in non-controlling interests				-1.1	-1.1	1.0	-0.1
Comprehensive income for the period				45.8	45.8	-1.4	44.4
Equity at 31 March 2010	**71.3**		**188.8**	**976.7**	**1,236.8**	**14.9**	**1,251.7**

INCOME STATEMENT BY QUARTER

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

CONSOLIDATED CASH FLOW STATEMENT	**1–3 /**	**1–3 /**	**1–12 /**
EUR million	**2010**	**2009**	**2009**
OPERATIONS			
Result for the period	**24.1**	7.7	107.1
Adjustments			
Income taxes	**10.0**	3.2	54.3
Financial expenses	**6.0**	17.0	52.6
Financial income	**-2.2**	-6.7	-22.5
Share of results in associated companies	**2.4**	-0.3	3.9
Depreciation and impairment losses	**40.8**	38.4	167.0
Gains/losses on sales of non-current assets	**-6.1**	-1.1	-2.4
Other adjustments	**-11.5**	-11.6	-56.4
Change in working capital			
Change in trade and other receivables	**-11.1**	6.9	47.4
Change in inventories	**-1.0**	-0.2	5.6
Change in trade and other payables, and provisions	**-1.3**	-26.4	-36.9
Interest paid	**-2.9**	-18.6	-34.6
Other financial items	**-0.6**	-1.4	-2.0
Taxes paid	**-8.7**	-15.4	-41.4
CASH FLOW FROM OPERATIONS	**38.0**	-8.5	241.8
INVESTMENTS			
Acquisition of tangible and intangible assets	**-16.9**	-23.9	-80.2
Operations acquired	**-6.7**	-15.2	-27.1
Sales of tangible and intangible assets	**3.7**	1.2	5.4
Operations sold	**6.1**	0.0	0.5
Loans granted	**-1.0**	-1.1	-0.9
Repayments of loan receivables	**0.7**	2.4	3.3
Sales of short-term investments			0.0
Interest received	**0.5**	1.6	4.8
Dividends received	**0.1**	0.2	4.3
CASH FLOW FROM INVESTMENTS	**-13.5**	-34.8	-89.9
CASH FLOW BEFORE FINANCING	**24.4**	-43.3	151.9
FINANCING			
Proceeds from share subscriptions			12.3
Change in loans with short maturity	**-25.3**	-68.9	-42.6
Drawings of other loans	**52.1**	233.7	399.7
Repayments of other loans	**-40.4**	-150.9	-460.0
Payment of finance lease liabilities	**-0.9**	-1.1	-3.5
Dividends paid	**-0.1**	-0.7	-146.2
Donations/other profit sharing			-0.5
CASH FLOW FROM FINANCING	**-14.6**	12.3	-240.8
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	**9.8**	-31.1	-88.9
Effect of exchange rate differences on cash and cash equivalents	**2.3**	-4.0	0.0
NET CHANGE IN CASH AND CASH EQUIVALENTS	**12.1**	-35.1	-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	**33.7**	75.4	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	1–3 / 2009	4–6 / 2009	7–9 / 2009	10–12 / 2009	1–12 / 2009
SANOMA MAGAZINES						
Sanoma Magazines Netherlands	107.4	110.6	123.2	120.7	138.6	493.2
Sanoma Magazines International	48.7	50.9	53.2	48.8	58.5	211.3
Sanoma Magazines Belgium	53.5	51.3	52.6	50.8	57.5	212.3
Sanoma Magazines Finland	51.2	50.3	48.0	46.9	53.5	198.8
Eliminations	-1.0	-1.0	-1.2	-1.2	-1.0	-4.3
TOTAL	259.9	262.1	275.9	266.1	307.1	1,111.2
SANOMA NEWS						
Helsingin Sanomat	59.1	58.7	55.4	53.3	61.1	228.4
Ilta-Sanomat	19.9	18.4	19.8	19.6	20.3	78.2
Other publishing	25.3	25.9	26.8	24.2	26.9	103.8
Other businesses	34.4	36.2	35.9	34.9	36.6	143.7
Eliminations	-29.3	-31.6	-30.9	-30.8	-32.0	-125.2
TOTAL	109.4	107.7	107.1	101.2	112.9	428.9
SANOMA ENTERTAINMENT						
TV and radio	23.5	23.5	23.6	17.4	23.6	88.1
Other businesses	18.2	17.3	17.4	17.8	18.0	70.4
Eliminations	-0.2	-0.5	-0.3	-0.2	-0.4	-1.4
TOTAL	41.5	40.3	40.6	35.0	41.1	157.1
SANOMA LEARNING & LITERATURE						
Learning	29.9	30.6	81.6	94.3	32.7	239.1
Language services	6.9	8.3	6.2	6.7	6.3	27.5
Literature and other businesses	23.6	24.6	17.0	19.3	28.0	88.9
Eliminations	-2.3	-2.6	-2.8	-2.7	-2.3	-10.4
TOTAL	58.2	60.8	101.9	117.6	64.7	345.1
SANOMA TRADE						
Kiosk operations	91.9	89.9	104.5	99.3	110.5	404.2
Trade services	51.9	50.5	57.4	59.4	60.6	227.9
Bookstores	26.0	27.3	19.7	31.8	44.5	123.3
Movie operations	25.4	23.6	18.0	22.7	23.6	88.0
Eliminations	-3.4	-3.6	-3.9	-4.1	-4.0	-15.6
TOTAL	191.8	187.7	195.7	209.2	235.3	827.8
Other companies and eliminations	-23.0	-22.7	-24.1	-28.0	-27.5	-102.3
TOTAL	637.9	636.0	697.2	701.1	733.6	2,767.9

OPERATING PROFIT BY DIVISION

EUR million	1–3 / 2010	1–3 / 2009	4–6 / 2009	7–9 / 2009	10–12 / 2009	1–12 / 2009
Sanoma Magazines	25.8	15.5	30.2	23.1	27.4	96.3
Sanoma News	15.6	6.0	3.5	11.8	10.8	32.2
Sanoma Entertainment	6.2	6.1	6.9	3.8	3.9	20.7
Sanoma Learning & Literature	-6.4	-6.9	25.1	33.1	-12.8	38.5
Sanoma Trade	2.9	3.8	3.8	9.7	6.7	24.0
Other companies and eliminations	-3.7	-3.7	-4.3	-4.4	-3.7	-16.2
TOTAL	40.4	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 and broadband business. Sanoma Learning & Literature's business is mainly b-2-b 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 1.1–31.3.2010

EUR million	Maga-zines	News	Enter-tain-ment	Lear-ning & Lite-rature	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	259.2	107.4	40.8	55.1	175.1	0.2	637.9
Internal net sales	0.7	2.0	0.7	3.1	16.7	-23.2	
NET SALES, TOTAL	259.9	109.4	41.5	58.2	191.8	-23.0	637.9
OPERATING PROFIT	25.8	15.6	6.2	-6.4	2.9	-3.7	40.4
Share of results in associated companies	-2.5	0.1			0.0		-2.4
Financial income						2.2	2.2
Financial expense						6.0	6.0
RESULT BEFORE TAXES							34.1
SEGMENT ASSETS	1,532.3	339.2	129.4	571.2	423.8	12.2	3,008.0

Sanoma Divisions 1.1–31.3.2009

EUR million	Maga-zines	News	Enter-tain-ment	Lear-ning & Lite-rature	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	261.4	105.8	40.1	57.2	171.8	-0.4	636.0
Internal net sales	0.7	1.9	0.2	3.6	15.9	-22.3	
NET SALES, TOTAL	262.1	107.7	40.3	60.8	187.7	-22.7	636.0
OPERATING PROFIT	15.5	6.0	6.1	-6.9	3.8	-3.7	20.9
Share of results in associated companies	0.1	0.0			0.2		0.3
Financial income						6.7	6.7
Financial expense						17.0	17.0
RESULT BEFORE TAXES							10.9
SEGMENT ASSETS	1,541.5	363.5	132.0	558.6	424.9	21.6	3,042.1

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	31.3.2010	31.3.2009	31.12.2009
Carrying amount at the beginning of the period	**484.2**	510.4	510.4
Increases	**8.8**	13.3	46.0
Acquisition of operations	**0.0**	0.0	1.0
Decreases	**-1.2**	-1.0	-2.9
Disposal of operations	**-0.3**		0.0
Depreciation for the period	**-16.6**	-17.0	-68.5
Impairment losses for the period	**0.0**	-0.1	-1.6
Exchange rate differences and other changes	**-4.7**	-1.9	0.0
Carrying amount at the end of the period	**470.2**	503.7	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	1-3/2010	1-12/2009
Acquisition costs	**7.8**	6.7
Fair value of acquired net assets	**6.1**	2.8
Goodwill	**1.8**	3.9
Negative goodwill in income statement		-0.9
Change in goodwill	**1.8**	4.8

CONTINGENT LIABILITIES

EUR million	31.3.2010	31.3.2009	31.12.2009
Contingencies for own commitments			
Mortgages	**23.2**	23.9	22.8
Pledges	**6.7**	6.0	6.8
Other items	**0.0**	0.4	0.4
TOTAL	**29.9**	30.4	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	**270.5**	270.8	255.4
Royalties	**18.0**	21.0	18.9
Other items	**31.6**	37.3	27.7
TOTAL	**320.2**	329.1	302.0
TOTAL	**360.9**	370.1	342.5

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

KEY EXCHANGE RATES

Average rate	1–3 / 2010	1–3 / 2009	1–12 / 2009
EUR/CZK (Czech Koruna)	26.03	27.56	26.52
EUR/HUF (Hungarian Forint)	269.31	293.61	280.30
EUR/PLN (Polish Zloty)	4.00	4.50	4.33
EUR/RUB (Russian Rouble)	41.48	44.39	44.07
EUR/SEK (Swedish Crown)	9.98	10.97	10.61

Closing rate	31.3.2010	31.3.2009	31.12.2009
EUR/CZK (Czech Koruna)	25.44	27.39	26.47
EUR/HUF (Hungarian Forint)	265.75	308.18	270.42
EUR/PLN (Polish Zloty)	3.87	4.69	4.10
EUR/RUB (Russian Rouble)	39.70	45.03	43.15
EUR/SEK (Swedish Crown)	9.71	10.94	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) 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 1966 (Europe) or +1 718 247 0884 (US) and give the confirmation code 4560931. 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 second quarter 2010 results will be published on 6 August 2010 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.