Sanoma's Interim Report 1 January – 31 March 2012:

Portfolio change well executed including strengthening balance sheet - outlook unchanged

- Net sales in the first quarter amounted to EUR 543.6 million (2011: EUR 530.2 million). Adjusted for changes in the Group structure, Sanoma's net sales decreased by 0.4%.
- Operating profit excluding non-recurring items was EUR 15.9 million (2011: EUR 26.3 million).
- The operating profit did not include any non-recurring items (2011: EUR 0.9 million).
- The result for the period included a EUR 17.3 million non-tax-deductible non-recurring capital loss on sale of Sanoma's stake in a Finnish telecommunications operator (2011: EUR 0.0 million).
- Earnings per share were EUR -0.11 (2011: EUR 0.11). Earnings per share excluding non-recurring items were EUR 0.00 (2011: EUR 0.11).
- Cash flow from operations was EUR -21.9 million (2011: EUR 18.7 million).

KEY INDICATORS * **EUR million**	**1–3/ 2012**	**1-3/ 2011**	**Change %**	**1-12/ 2011**
Net sales	**543.6**	530.2	2.5	2,378.1
Operating profit excluding non-recurring items	**15.9**	26.3	-39.4	224.1
% of net sales	**2.9**	5.0		9.4
Operating profit	**15.9**	27.2	-41.4	172.6
Result for the period from continuing operations	**-17.8**	18.4		78.6
Result for the period ***	**-16.6**	18.5		86.0
Capital expenditure **	**12.4**	30.6	-59.6	76.2
% of net sales	**2.3**	5.8		3.2
Equity ratio, % ***	**38.8**	46.5		37.0
Net gearing, % ***	**96.2**	63.0		105.7
Number of employees at the end of the period (FTE)	**11,114**	12,317	-9.8	10,960
Average number of employees (FTE)	**11,090**	12,223	-9.3	11,607
Earnings per share, EUR, continuing operations	**-0.12**	0.11		0.47
Earnings per share, EUR ***	**-0.11**	0.11		0.52
Cash flow from operations per share, EUR ***	**-0.13**	0.12		1.68

* Key indicators contain only continuing operations. On 5 March 2012 Sanoma announced that it had signed an agreement to sell its kiosk operations in Finland, Lithuania and Estonia as well as its press distribution operations in Estonia and Lithuania. According to International Financial Reporting Standards (IFRS), any material divestment that represents a separate major line of business shall be classified as a discontinued operation. Hence, Sanoma classified these operations to be divested as discontinued operations for the 2012 reporting. The discontinued operations are eliminated from the Consolidated Income Statement and only the result for the period of these discontinued operations is presented as a separate item after the result for the continuing operations. Accordingly, the Consolidated Income Statement for 2011 has been restated. The restated 2011 figures are unaudited. In addition, assets and liabilities related to discontinued operations have been presented in the Consolidated Balance Sheet as separate line items as of 31 March 2012.
** Including finance leases.
*** Includes continuing and discontinued operations.

Harri-Pekka Kaukonen, President and CEO

"We are very satisfied that we have strengthened our balance sheet. During the quarter we divested our stake in the Finnish telecommunications operator and announced the sale of our kiosks operations in Finland as well as kiosks and press distribution operations in the remaining Baltic countries. Moreover, we successfully issued our inaugural corporate bond, a EUR 400 million 5-year Eurobond.

Our operating performance reflects changes, and additional investments, in our businesses in a difficult economic environment.

Advertising sales grew significantly compared to the comparable period. The decline in print advertising was offset by growth in TV and online. Our TV operations in Finland and Belgium had a solid quarter and we strengthened our market positions. The underlying operational trends in our Dutch TV continued and our share of viewing has stabilised to just above 20%. The improvement of our Dutch TV operations is proceeding according to plan with the new management now in place. We believe that the evidence of the measures taken, and to be taken, will materialise during the next 12 months.

In print, the circulation sales grew slightly due to acquired operations. Underlying subscription sales were stable, as price increases were able to offset for the decline in subscription volumes, with the exception of Russia and CEE, and Finland, where the impact of the VAT introduction was evident. Single copy sales declined in all markets, except Finland, where in particular the tabloid Ilta-Sanomat had a strong quarter.

The operating profit in the first quarter was weaker than in the previous year, driven by the pressure on print sales, increased marketing activities and investments in digital operations. In addition, the timing differences between quarters in Learning lowered our reported earnings.

Sanoma is transforming in accordance with our set priorities. During the quarter we continued to invest into new innovations and transforming our classical business into digital, building on our strong multiplatform presence.

We continue to improve the efficiency of our operations. Measures have been taken in all markets to enhance sales of our key titles and adjust cost structures in print.

We strongly believe that our continued focus on consumer media and learning as well as the strict cost control throughout our operations will improve the Group's EBIT margin excluding non-recurring items. Hence, we reiterate the outlook for 2012."

Outlook for 2012 (unchanged)

In 2012, Sanoma expects its net sales to grow slightly, mostly due to the acquired SBS operations in the Netherlands and Belgium. Operating profit margin, excluding non-recurring items, is estimated to be around 10% of net sales. Earnings per share excluding non-recurring items are estimated to grow.

Sanoma's net sales and result are affected by the underlying environment, particularly by the development of advertising markets in the Group's countries of operation. The 2012 outlook is based on the assumption that the advertising markets in the Group's main operating countries will vary from stable to slightly decreasing, as the economic uncertainty continues.

Net sales

First quarter

In the first quarter of 2012, Sanoma's net sales increased by 2.5% and amounted to EUR 543.6 million (2011: EUR 530.2 million). The growth came mainly from the acquired TV and print operations in the Netherlands and Belgium. In addition, Nelonen Media broadcasting operations in Finland, the News segment and the other Dutch Media operations contributed positively. Currency translations did not have a material effect on the first quarter sales. When adjusted for changes in the Group structure, net sales decreased by 0.4%.

Print circulation sales grew by 2.2%. Subscription sales increased by 7.5%, mainly as a result of the consolidation of Dutch print operations, while single copy sales decreased by 4.9%.

Advertising sales increased by 36.1%, mostly due to acquired TV operations in the Netherlands and Belgium as well as the good performance of Nelonen Media broadcasting operations in Finland and the Group's online operations. Online advertising sales increased by 8.7%.

The TV acquisitions also impacted Sanoma's digital sales, which grew by 93.2% to EUR 132.8 million (2011: EUR 68.8 million) in the first quarter and accounted for 24.4% (2011: 13.0%) of the Group's net sales. Sanoma's online sales, excluding linear TV and radio, grew by 24.3% to EUR 56.2 million (2011: EUR 45.2 million) and accounted for 10.3% (2011: 8.5%) of the Group's net sales.

By country, the Netherlands accounted for 35.9% (2011: 25.8%), Finland for 39.7% (2011: 48.0%) and Belgium for 10.8% (2011: 9.8%) of the cumulative Group's net sales. Net sales from other EU countries totalled 9.3% (2011: 12.1%) and non-EU countries accounted for 4.3% (2011: 4.3%).

By type of sales, advertising sales accounted for 38.6% (2011: 29.0%), subscription sales for 22.8% (2011: 21.7%), single copy sales for 15.0% (2011: 16.2%), learning for 6.3% (2011: 6.5%) and other sales for 17.4% (2011: 26.6%) of the cumulative Group's net sales. Other sales include mainly Finnish press distribution and marketing services, language and translation services, customer publishing, event marketing, and other literature and print sales.

Result

First quarter

Sanoma's operating profit excluding non-recurring items in January–March decreased by 39.4% and totalled EUR 15.9 million (2011: EUR 26.3 million). The decrease is due to increased investments in marketing and digital operations, timing differences between quarters in Learning and to overall weaker performance of our main print operations during the first quarter. The net effect from structural changes is about EUR 6.0 million. Operating profit excluding non-recurring items amounted to 2.9% (2011: 5.0%) of net sales. Currency translations did not have a material effect on the first quarter result.

In the first quarter, the Group's total operating expenses, excluding non-recurring items and investments in TV programming and prepublication rights, decreased by 0.8% mainly as the somewhat declined cost of sales offset the slightly increased fixed expenses. Paper costs decreased by 0.5%, whereas employee benefit expenses as well as advertising and marketing increased by 5.5% and 9.3%, respectively. The Group had 154 more employees than at the end of 2011, corresponding to an increase of 1.4%. The increase in the number of personnel is mostly attributable to the Dutch operations.

In January–March, the operating profit did not include any (2011: EUR 0.9 million) non-recurring items. In the comparable period, non-recurring items related to divestment of non-core operations in Learning.

As a part of streamlining operations and ensuring competitive cost levels, pension and severance packages were offered to employees during the second half of 2011. As a result of these measures 225 employees will leave the company during 2012 in addition to the 33 employees that already left the company in 2011. Related to this, EUR 21.4 million of non-recurring restructuring expenses were recorded in 2011.

NON-RECURRING ITEMS EUR million	1-3/ 2012	1-3/ 2011	1-12/ 2011
Media			
Gain on sale (Humo and Desert Fishes)			9.1
Impairment of goodwill and intangible assets (Russia & CEE)			-53.4
Write down of Jok Foe Group (Belgium)			-1.6
Restructuring expenses			-9.8
Impairment of intangible assets (The Netherlands)			-3.4
News			
Restructuring expenses			-9.2
Learning			
Impairment of goodwill (Language services)			-24.1
Sale of LDC		0.9	0.9
Impairment of intangible assets			-2.9
Restructuring expenses			-2.8
Trade			
Loss on sale (Suomalainen Kirjakauppa)			-10.8
Write-down of real estates			-1.2
Impairment (Bookstores)			-0.8
Gain on sale (movie operations)			51.4
Loss on sale (Romanian operations)			-8.0
Loss on sale (Russian operations)			-0.8
Gain on sale (Narvesen)			5.3
Other companies			
Gains on sales (real estates)			12.1
Restructuring expenses			-1.5
NON-RECURRING ITEMS IN OPERATING PROFIT		0.9	-51.5
Loss on sales (DNA)	**-17.3**		
Impairment of share in associated company Hansaprint			-4.0
NON-RECURRING ITEMS IN RESULTS IN ASSOCIATED COMPANIES	**-17.3**		-4.0

Sanoma’s first quarter result included EUR -16.4 million (2011: EUR 1.9 million of profit) of loss from associated companies, of which EUR -17.3 million relates to a non-recurring capital loss from the sale of DNA in March. The most important associated companies included in this line are Hansaprint, Stratosfèra and Helsinki Halli (former Jokerit HC).

Sanoma’s net financial items totalled EUR -13.7 million (2011: EUR -2.4 million). Financial income amounted to EUR 7.0 million (2011: EUR 2.3 million), of which EUR 5.7 million were exchange rate gains (2011: EUR 0.9 million). Financial expenses amounted to EUR -20.7 million (2011: EUR -4.7 million), of which EUR -5.5 million were exchange rate losses (2011: EUR -0.9 million). Following the increased leverage, interest expenses amounted to EUR -11.8 million (2011: EUR -3.3 million).

On 13 March, 2012, Sanoma Corporation issued its first ever corporate bond, a EUR 400 million five-year Senior Unsecured Eurobond, under investment grade documentation without any financial covenants. The bond pays a fixed coupon of 5.000% and had an issue price of 99.413, equivalent to a yield of 5.136%.

Profit before taxes amounted to EUR -14.1 million (2011: EUR 26.7 million) in the first quarter, of which EUR -17.3 million relates to a non-tax-deductible non-recurring capital loss on sale of DNA in March. Earnings per share were EUR -0.11 (2011: EUR 0.11), of which EUR -0.12 (2011: EUR 0.11) relates to continuing operations and EUR 0.01 (2011: EUR 0.00) to discontinued operations. Earnings per share excluding non-recurring items were EUR 0.00 (2011: EUR 0.11).

Balance sheet and financial position

At the end of March 2012, Sanoma's consolidated balance sheet totalled EUR 4,152.8 million (2011: EUR 3,220.2 million). In the first quarter 2012, the Group's cash flow from operations was EUR -21.9 million (2011: EUR 18.7 million). Cash flow from operations per share was EUR -0.13 (2011: EUR 0.12). In addition to significantly lower result for the period, cash flow was weakened by timing of tax payments, higher paid interest and volatility of net working capital between quarters.

Sanoma's equity ratio was 38.8% (2011: 46.5%) at the end of March 2012. Equity totalled EUR 1,528.9 million (2011: EUR 1,402.9 million). Following the acquisition of SBS operations in the Netherlands and Belgium, interest-bearing liabilities increased and totalled at the end of the first quarter 2012 EUR 1,586.1 million (2011: EUR 949.4 million). Interest-bearing net debt was EUR 1,471.4 million (2011: EUR 884.4 million).

Investments, acquisitions and divestments in 2012

In January–March, investments in tangible and intangible assets, including finance leases, amounted to EUR 12.4 million (2011: EUR 30.6 million). Investments were mainly related to ICT, systems as well as replacements and renovation. In the comparable quarter, the renewal of the long-term rental agreements of the divested movie operations accounted for more than half of the total investments. Sanoma's business acquisitions totalled EUR 3.0 million (2011: EUR 0.5 million).

On 16 March, Sanoma sold its entire 21.11% shareholding in Finnish telecommunications group DNA Ltd and received a EUR 181.5 million cash consideration for the shareholding. As a result of the transaction, Sanoma recognised a non-tax-deductible non-recurring capital loss of EUR -17.3 million in the first quarter of 2012.

On 5 March, Sanoma announced that it had signed an agreement to sell its kiosk operations in Finland, Lithuania and Estonia as well as its press distribution operations in Estonia and Lithuania to the Norwegian Reitan Servicehandel AS for an enterprise value of EUR 130.7 million, including the Rautakirja trade mark. The transaction is subject to EU merger control filing and the approval is expected to be received during the second quarter of 2012. Sanoma expects to recognise a non-taxable non-recurring capital gain of some EUR 80 million at the closing of this transaction. According to International Financial Reporting Standards (IFRS), any material divestment that represents a separate major line of business shall be classified as a discontinued operation. Hence, Sanoma classified these operations to be divested as discontinued operations for the 2012 reporting. The discontinued operations are eliminated from the Consolidated Income Statement and only the result for the period of these discontinued operations is presented as a separate item after the result for the continuing operations. Accordingly, the Consolidated Income Statement for 2011 has been restated. The restated 2011 figures are unaudited. In addition, assets and liabilities related to discontinued operations have been presented in the Consolidated Balance Sheet as separate line items as of 31 March 2012.

MEDIA

The Media segment includes magazine, TV, radio and online businesses in 12 European countries and comprises four strategic business units: Sanoma Media Netherlands, Sanoma Media Finland, Sanoma Media Belgium and Sanoma Media Russia & CEE.

- Nelonen Media broadcasting and Belgium TV operations had good performance and strengthened their market positions in the first quarter.
- Extra effort to restore viewing and advertising shares in the Dutch TV market.

Key indicators EUR million	**1-3/ 2012**	**1-3/ 2011**	**Change %**	**1-12/ 2011**
Net sales	**365.8**	291.1	25.6	1,415.8
The Netherlands	**171.6**	105.3	63.0	642.0
Finland	**77.4**	74.2	4.3	309.7
Russia & CEE	**49.0**	51.4	-4.6	213.1
Belgium	**56.8**	50.1	13.4	209.1
Other businesses and eliminations	**11.0**	10.2	7.7	41.8
Operating profit excluding non-recurring items *	**26.8**	22.7	17.8	151.1
% of net sales	**7.3**	7.8		10.7
Operating profit	**26.8**	22.7	17.8	92.0
Capital expenditure	**5.8**	6.3	-7.3	22.7
Number of employees at the end of the period (FTE)	**5,993**	5,384	11.3	5,844
Average number of employees (FTE)	**5,978**	5,353	11.7	5,624

* In 2012, the operating profit did not include any non-recurring items. In 2011, the non-recurring items included in the second quarter a EUR 9.1 million gain on sale of Humo and Desert Fishes, in the third quarter a EUR -3.4 million impairment of intangible assets in the Netherlands and a EUR -53.4 million impairment of goodwill and intangible assets in Russia & CEE, and in the fourth quarter EUR -9.8 million restructuring expenses and a EUR -1.6 million write-down of Jok Foe Group.

Operational indicators * Magazines	**1-3/ 2012**	**1-3/ 2011**
Number of magazines published	**275**	273
Magazine copies sold, thousands	**97,821**	81,623
Advertising pages sold	**11,167**	10,221
Finnish TV operations		
TV channels' share of TV advertising	**34.2%**	32.2%
TV channels' national commercial viewing share (10-44 years)	**34.8%**	35.3%
TV channels' national viewing share (10+ years)	**15.3%**	14.7%
Dutch TV operations		
TV channels' share of TV advertising	**27.7%**	28.0%
TV channels' national viewing share (20-49 years)	**20.2%**	22.5%

* Including joint ventures

First quarter

Net sales in Media grew by 25.6% in January–March following the consolidation of acquired SBS TV and print operations. Adjusted for structural changes, net sales declined by 0.1%.

The segment’s advertising sales grew by 55.8% and represented 42.5% (2011: 34.3%) of the first quarter net sales. Online advertising sales increased by 6.4%.

The segment's print circulation sales increased by 2.7% and represented 43.6% (2011: 53.3%) of the first quarter net sales. The increase in subscription sales, mainly as a result of the consolidated Dutch print operations, more than offset the decrease in single copy sales.

The consolidation of TV operations and growing online advertising sales increased the segment's digital sales. In total, digital sales grew by 114.9% compared to the comparable quarter and represented 28.6% (2011: 16.7%) of the segment's total net sales.

In Media Netherlands, net sales grew by 63.0%. Most of this growth came from the new TV and print operations, part of Sanoma Media Netherlands since 1 August 2011. Magazine operations' sales, including the acquired operation, increased significantly driven by subscription and advertising sales. Single copy sales were at the comparable period's level. Circulation sales represented 46.7% (2011: 65.7%) of the Dutch net sales. The declining trends in the readers market continued and Sanoma Media Netherlands' market share declined slightly. The Dutch market for consumer magazine gross advertising, excluding TV guides, was at the comparable period's level in January–February, while Sanoma Media Netherlands' print advertising net sales declined slightly in the first quarter. Online advertising sales, excluding acquired operations, continued to grow slightly. In total, advertising sales grew significantly following the consolidation of the TV operations, and represented 44.5% (2011: 28.2%) of the Dutch net sales. The TV advertising market in the Netherlands was at comparable quarter's level in January–March. Sanoma's TV advertising market share declined slightly following lower viewing shares.

In Media Finland, net sales increased by 4.3%, driven by a clear increase from Nelonen Media, which includes free-to-air TV, pay TV, radio and online. The net sales in magazine publishing were at the comparable quarter's level. According to TNS Gallup Adex, the TV advertising market in Finland increased by 4.5% in the first quarter. Nelonen Media advertising sales outperformed the market. The magazine advertising market decreased by 1.7% in the first quarter. Sanoma Media Finland's advertising sales grew somewhat, driven mainly by increased sales in Nelonen Media. In total, advertising sales of the Finnish operations represented 44.2% (2011: 42.3%) of net sales. Circulation sales were slightly below the comparable quarter's level, as subscription sales decreased somewhat and single copy sales increased slightly, and represented 43.0% (2011: 47.1%) of the Finnish net sales.

Net sales in Media Belgium increased by 13.4% due to acquired operations. Magazine operations' sales decreased clearly, as both advertising and circulation sales declined, partly due to structural changes but also related to negative consumer confidence and advertising spending. Sanoma Media Belgium retained its market position in a decreasing readers market. In the first quarter, the TV advertising market in Belgium declined by 4.3%. Sanoma's TV operations in Belgium continued to grow and its advertising market share improved to 30.7% (2011: 27.2%). In total, advertising sales represented 33.7% (2011: 26.4%) and circulation sales 50.1% (2011: 61.2%) of the net sales in Belgium, respectively.

There have been a number of structural changes in Sanoma Media Belgium. The reported figures include 51% of the weekly magazine Humo until May 2011. In connection with the SBS acquisition, the remaining holding in Humo was transferred to De Vijver.

Since the Belgian competition authorities approved a joint control structure of De Vijver on 1 September 2011, Sanoma's 33% share in De Vijver Media (which includes 100% of Humo, the acquired TV operations as well as the TV productions operations of Woestijnvis) is proportionally consolidated line-by-line as of this approval.

In Media Russia and the CEE countries, net sales decreased by 4.6%, of which more than half is explained by negative currency translation effects. The advertising markets continue to be adversely affected by the Euro area economic uncertainty in all markets, especially in Hungary and Czech Republic. However, advertising markets in Russia and the Ukraine showed favourable developments. Advertising sales in the Russia and CEE business unit were slightly better than the comparable quarter's level. In total, advertising sales represented 52.6% (2011: 49.5%) of net sales in the Russia and CEE strategic business unit. Following the declining market trends and the regional pressure on consumer purchasing power, single copy and subscription sales came down in most countries. Circulation sales decreased therefore clearly, and represented 36.0% (2011: 39.8%) of the strategic business unit's net sales. The magazine portfolio, internet services and local organisations are continuously optimised according to the market situation.

Operating profit excluding non-recurring items in the Media segment in January–March increased by 17.8%, mainly due to acquired operations. In the Netherlands, the consolidation of the new operations offset the weakened underlying print results in the first quarter. In Finland, the result was at the comparable quarter's level, as the good performance of Nelonen Media more than offset the decrease in the result of magazine operations. In Belgium, the result improved clearly, mainly due to timing differences in marketing expenditure between quarters. In Russia and CEE countries, the operational result improved significantly, as a result of continued strict cost control and portfolio optimisation. The operating profit did not include any (2011: EUR 0.0 million) non-recurring items.

Media's investments in tangible and intangible assets totalled EUR 5.8 million (2011: EUR 6.3 million) and consisted mainly of ICT investments.

NEWS

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

- The tabloid Ilta-Sanomat had a good first quarter and increased its market share.
- All main brands now have online and mobile applications and the use of the products in tablet and smart phone devices shows significant growth.

Key indicators	**1-3/**	**1-3/**	**Change**	**1-12/**
EUR million	**2012**	**2011**	**%**	**2011**
Net sales	**110.0**	108.4	1.5	435.8
Helsingin Sanomat	**59.3**	61.2	-3.0	238.5
Ilta-Sanomat	**21.2**	19.1	11.3	84.4
Other publishing	**25.2**	23.7	6.2	97.0
Other businesses and eliminations	**4.3**	4.4	-2.1	15.9
Operating profit excluding non-recurring items *	**8.9**	12.9	-31.0	49.4
% of net sales	**8.1**	11.9		11.3
Operating profit	**8.9**	12.9	-31.0	40.2
Capital expenditure	**2.5**	3.5	-27.6	16.9
Number of employees at the end of the period (FTE)	**2,033**	2,003	1.5	2,025
Average number of employees (FTE)	**2,027**	1,993	1.7	2,061

* In 2012, the operating profit did not include any non-recurring items. In 2011, the non-recurring items included in the fourth quarter EUR -9.2 million restructuring expenses.

Operational indicators	**1-3/**	**1-3/**
Online services, unique visitors, weekly	**2012**	**2011**
Iltasanomat.fi	**2,384,026**	1,957,740
HS.fi	**1,523,565**	1,360,404
Huuto.net	**504,776**	518,631
Oikotie.fi	**557,388**	437,796
Taloussanomat.fi	**683,887**	595,955

	1-12/	**1-12/**
Circulation	**2011**	**2010**
Helsingin Sanomat	**365,994**	383,361
Ilta-Sanomat	**143,321**	150,351

First quarter

In January–March, net sales in News increased by 1.5%. Adjusted for structural changes, sales increased by 0.9%.

Print circulation sales were at the comparable quarter's level, as slightly increased single copy sales offset the slightly declined subscription sales. Circulation sales accounted for 41.7% (2011: 42.3%) of the segment's net sales.

Advertising sales were at the comparable quarter's level. The 14.4% growth in online advertising sales offset slightly decreasing sales of print advertising. This was broadly in line with the Finnish advertising market development. According to TNS Gallup Adex, newspaper advertising in the Finnish market decreased by 2.3% in the first quarter. Online advertising sales included in the statistics continued to grow and was up by 13.7%. Advertising sales represented 49.8% (2011: 50.1%) of the net sales in News in the first quarter.

Total online sales increased by 19.0%, boosted by the growth of advertising and other online sales. Online sales consisting mostly of advertising, but also to larger extent services and content, represented 13.5% (2011: 11.5%) of the segment's net sales.

The net sales of the Helsingin Sanomat business unit decreased by 3.0%. The underlying macro-economic uncertainty affected recruitment advertising sales in particular. Accordingly, advertising sales decreased and represented 53.8% (2011: 54.7%) of the business unit's net sales. Subscription sales decreased slightly as the decrease in the circulation volume was not offset by price adjustments. The multichannel use of Helsingin Sanomat continued to grow in the first quarter and the reach of the Helsingin Sanomat product family is at an all-time high.

The Ilta-Sanomat business unit's net sales increased by 11.3%, driven by favourable sales development in both circulation and advertising. Advertising sales represented 30.3% (2011: 26.7%) of the business unit's net sales. Circulation sales grew somewhat. The total volume of the Finnish print tabloid market has decreased by around 4% in the last 12 months. Ilta-Sanomat's market share increased to 58.5% (2011: 58.0%) of the tabloid newsstand market.

Net sales from other publishing operations increased by 6.2%, as the good sales development in Sanoma Digital Finland continued and partly due to the transfer of Sanoma Games operations from Nelonen Media to Sanoma Digital Finland in January.

In January–March, News' operating profit excluding non-recurring items decreased by 31.0% as the effects from the on-going efficiency improvements did not compensate for the heavy investments in online operations and an overall weak performance of Helsingin Sanomat. The News' operating profit did not include any (2011: EUR 0.0 million) non-recurring items.

News' investments in tangible and intangible assets totalled EUR 2.5 million (2011: EUR 3.5 million), and consisted mainly of investments in online business, ICT and replacement investment in printing.

LEARNING

The Learning segment includes Sanoma's learning as well as language service and business information operations. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.

- In October 2011, Sanoma completed the acquisition of the Finnish educational publisher Tammi Learning, which is now fully integrated into the Finnish operations and the Swedish educational publisher Sanoma Utbildning (formerly Bonnier Utbildning).

Key indicators EUR million	**1-3/ 2012**	**1-3/ 2011**	**Change %**	**1-12/ 2011**
Net sales	**53.4**	60.7	-11.9	343.1
Learning	**34.2**	34.3	-0.4	256.6
Other businesses	**21.0**	28.0	-25.0	91.7
Eliminations	**-1.7**	-1.7	-4.2	-5.3
Operating profit excluding non-recurring items *	**-13.9**	-6.1		45.5
% of net sales	**-26.1**	-10.0		13.3
Operating profit	**-13.9**	-5.2		16.6
Capital expenditure	**2.4**	2.0	16.6	11.5
Number of employees at the end of the period (FTE)	**2,454**	2,623	-6.5	2,489
Average number of employees (FTE)	**2,468**	2,628	-6.1	2,583

* In 2012, the operating profit did not include any non-recurring items. In 2011, the non-recurring items included in the first quarter a EUR 0.9 million non-recurring income related to sale of LDC, in the second quarter EUR -1.7 million restructuring expenses and in the third quarter EUR -1.0 million restructuring expenses and a EUR -24.1 million impairment of goodwill. In the fourth quarter 2011, the non-recurring items included EUR -2.9 million write-down of intangible assets.

First quarter

In January–March, net sales in the Learning segment decreased by 11.9%, mainly related to the divested operations and timing differences between quarters. Adjusted for structural changes, net sales decreased by 9.3%.

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

Net sales in the learning business were only at the comparable quarter's level, mainly as a result of timing differences between quarters related to the Netherlands. In all countries the market conditions remained stable.

Net sales in other businesses, which include language services and business information operations, declined by 25.0% mainly as a result of structural changes. Finnish general literature publisher WSOY was divested early October 2011 and it is no longer included in Learning's figures from the fourth quarter of 2011.

The learning business has strong seasonality within the year and timing differences between quarters, the first and fourth quarter being typically loss-making.

Operating profit excluding non-recurring items in the Learning segment decreased by 128.6% to EUR -13.9 million, due to timing differences between quarters mainly related to the Netherlands corresponding to approximately EUR 8 million. Learning's operating profit did not include any (2011: EUR 0.9 million) non-recurring items. In the comparable period, non-recurring items related to a divestment of non-core operations in Learning.

Learning's investments in tangible and intangible assets totalled EUR 2.4 million (2011: EUR 2.0 million). They comprised mainly investment in ICT.

TRADE

The Trade segment includes Sanoma's Finnish press distribution and marketing services as well as the Estonian bookstore operations.

- On 5 March, Sanoma announced that it had signed an agreement to sell its kiosk operations in Finland, Lithuania and Estonia as well as its press distribution operations in Estonia and Lithuania to the Norwegian Reitan Servicehandel AS for an enterprise value of EUR 130.7 million, including the Rautakirja trade mark. The transaction is subject to EU merger control filing and the approval is expected to be received during the second quarter of 2012. Sanoma expects to book a non-taxable non-recurring capital gain of some EUR 80 million at the closing of this transaction.

- According to International Financial Reporting Standards (IFRS), any material divestment that represents a separate major line of business shall be classified as a discontinued operation. Hence, Sanoma classified these operations to be divested as discontinued operations for the 2012 reporting. The discontinued operations are eliminated from the Consolidated Income Statement and only the result for the period of these discontinued operations is presented as a separate item after the result for the continuing operations. Accordingly, the Consolidated Income Statement for 2011 has been restated. The restated 2011 figures are unaudited. In addition, assets and liabilities related to discontinued operations have been presented in the Consolidated Balance Sheet as separate line items as of 31 March 2012.

Key indicators EUR million	**1-3/ 2012**	**1-3/ 2011**	**Change %**	**1-12/ 2011**
Net sales	**23.7**	81.8	-71.0	228.7
Kiosk operations		6.7	-100.0	20.9
Trade services	**21.2**	28.8	-26.3	103.6
Bookstores	**2.5**	24.8	-90.1	77.0
Movie operations		21.9	-100.0	28.4
Eliminations	**0.0**	-0.3	100.2	-1.2
Operating profit excluding non-recurring items *	**-0.3**	3.3		3.8
% of net sales	**-1.3**	4.0		1.7
Operating profit	**-0.3**	3.3		38.9
Capital expenditure	**1.1**	18.3	-94.0	23.1
Number of employees at the end of the period (FTE)	**417**	2,128	-80.4	424
Average number of employees (FTE)	**419**	2,074	-79.8	1,158

* In 2012, the operating profit did not include any non-recurring items. In 2011, the non-recurring items included in the second quarter a EUR -0.8 million loss on sale of Russian operations, a EUR -8.0 million loss on sale of Romanian operations and a EUR 51.4 million gain on sale of movie operations. In the third quarter the non-recurring items included a EUR -10.8 million loss on sale of Suomalainen Kirjakauppa, a EUR -1.2 million write-down of real estates and a EUR -0.8 million impairment in bookstores. In the fourth quarter 2011, the non-recurring items included a EUR 5.3 million gain on sale of Narvesen.

Operational indicators	**1–3/ 2012**	**1–3/ 2011**
Customer volume in bookstores, thousands	**222**	1,859
Number of copies sold (press distribution), thousands	**23,924**	41,068

First quarter

In January–March, Trade's net sales decreased by 71.0%, due to the divestment of operations. Net sales adjusted for structural changes decreased by 0.8%.

The Finnish press distribution and marketing services net sales decreased by 1.9%.

Kiosk operations in Finland, Lithuania and Estonia as well as Trade's press distribution operations in Estonia and Lithuania are treated as discontinued operations for the 2012 reporting and they are no longer included in Trade's 2012 figures. Consequently, the 2011 figures have been restated accordingly.

Bookstore operations in Finland were divested at the end of September 2011 and they are no longer included in Trade’s figures from the fourth quarter of 2011.

Movie operations were divested at the end of April 2011 and they are no longer included in Trade’s figures from May 2011.

Trade's operating profit excluding non-recurring items decreased by 109.5% in January–March mainly due to structural changes. The operational result in the Finnish press distribution and marketing services did not fully offset the administrative costs of the Trade segment. Trade’s operating profit did not include any (2011: EUR 0.0 million) non-recurring items.

Trade’s investments in tangible and intangible assets, including finance leases, totalled EUR 1.1 million (2011: EUR 18.3 million) and related to general maintenance. In the comparable quarter, investments mainly related to the renewal of the long-term rental agreements of the divested movie operations.

THE GROUP

Dividend

The Annual General Meeting on 3 April 2012 decided to pay a dividend of EUR 0.60 (2011: EUR 1.10) per share. The dividends were paid on 17 April 2012 in Finland.

Shares and holdings

In January–March, 27,506,324 (2011: 19,248,278) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for some 17% (2011: 9%) of the average number of shares. Sanoma’s total stock exchange turnover was EUR 282.3 million (2010: EUR 314.5 million).

During the first three months, the volume-weighted average price of a Sanoma share was EUR 10.26, with a low of EUR 8.82 and a high of EUR 11.70. At the end of March 2012, Sanoma’s market capitalisation was EUR 1.6 billion (2011: EUR 2.6 billion), with Sanoma’s share closing at EUR 9.60 (2011: EUR 15.97). Sanoma had 29,588 shareholders at the end of March, with foreign holdings accounting for 10.3% (2011: 9.1%) of all shares and votes. There were no major changes in share ownership during the first quarter and Sanoma did not issue any flagging announcements. At the end of March 2012, Sanoma had 162,812,093 shares.

Board of Directors, auditors and management

The AGM held on 3 April 2012 confirmed the number of Sanoma’s Board members as 10. Board members Annet Aris, Jaakko Rauramo and Sakari Tamminen were re-elected as members to the Board. The Board of Directors of Sanoma consists of Jaakko Rauramo (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Jane Erkko, Antti Herlin, Sirkka Hämäläinen-Lindfors, Seppo Kievari, 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.

Sanoma’s new organisational model was announced on 5 August 2011. As of the end of March 2012, 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), Heike Rosener (CEO, Sanoma Media Russia & CEE; acting member), Kim Ignatius (CFO), John Martin (Chief Digital Officer, CDO), Dick Molman (CEO, Sanoma Media Netherlands), Anu Nissinen (CEO, Sanoma Media Finland), Pekka Soini (CEO, Sanoma News) and Aimé Van Hecke (CEO, Sanoma Media Belgium).

Board authorisations

The AGM held on 3 April 2012 authorised the Board to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares, accounting for 9.8% of total voting rights that the maximum number of own shares covered by the authorisation would provide entitlement to. This authorisation is effective until 30 June 2013 and terminates the corresponding authorisation granted by the AGM on 5 April 2011. The Board of Directors did not exercise its right under this authorisation during the first quarter.

The Board also has a valid authorisation from the AGM held on 8 April 2010 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, together accounting for 35.5% of the total voting rights that the maximum number of own shares covered by the authorisation would provide entitlement to. The authorisation will be valid until 30 June 2013. Under this authorisation, the Board decided on 20 December 2011 on the issuance of Stock Option Scheme 2011 and on 22 December 2010 on the issuance of Stock Option Scheme 2010.

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, the first quarter traditionally being clearly the smallest one for both.

Significant risks and uncertainty factors

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group’s website at Sanoma.com, together with the Group’s main principles of risk management. Many of the identified risks relate to changes in customer preferences. The driving force behind these changes is the on-going digitisation. Sanoma has prepared action plans in all its strategic business units on how 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 of 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 availability of capital. On Group level, the most significant risks relate to liquidity risk and changes in exchange rates and interest rates.

As a result of the SBS acquisition, Sanoma’s consolidated balance sheet includes about EUR 3.0 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 impairment.

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 2012. 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. This Interim Report is unaudited.

CONSOLIDATED INCOME STATEMENT
EUR million

CONTINUING OPERATIONS	1-3/ 2012	1-3/ 2011	1-12/ 2011
NET SALES	**543.6**	530.2	2,378.1
Other operating income	**8.6**	7.0	116.5
Materials and services	**190.0**	205.5	858.2
Employee benefit expenses	**156.2**	148.1	611.7
Other operating expenses	**122.4**	118.7	541.3
Share of results in associated companies			-1.2
Depreciation, amortisation and impairment losses	**67.6**	37.7	309.5
OPERATING PROFIT	**15.9**	27.2	172.6
Share of results in associated companies	**-16.4**	1.9	-3.7
Financial income	**7.0**	2.3	13.9
Financial expenses	**20.7**	4.7	46.6
RESULT BEFORE TAXES	**-14.1**	26.7	136.3
Income taxes	**-3.6**	-8.3	-57.7
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-17.8**	18.4	78.6
DISCONTINUED OPERATIONS			
Result for the period from discontinued operations	**1.2**	0.1	7.4
RESULT FOR THE PERIOD	**-16.6**	18.5	86.0
Result from continuing operations attributable to:			
Equity holders of the Parent Company	**-19.0**	18.4	77.0
Non-controlling interests	**1.2**	0.0	1.5
Result attributable to:			
Equity holders of the Parent Company	**-17.8**	18.5	84.5
Non-controlling interests	**1.2**	0.0	1.5
Earnings per share for result attributable to the equity holders of the Parent company:			
Earnings per share, EUR, continuing operations	**-0.12**	0.11	0.47
Diluted earnings per share, EUR, continuing operations	**-0.12**	0.11	0.47
Earnings per share, EUR, discontinued operations	**0.01**	0.00	0.05
Diluted earnings per share, EUR, discontinued operations	**0.01**	0.00	0.05
Earnings per share, EUR	**-0.11**	0.11	0.52
Diluted earnings per share, EUR	**-0.11**	0.11	0.52

STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/ 2012	1-3/ 2011	1-12/ 2011
Result for the period	**-16.6**	18.5	86.0
Other comprehensive income:			
Change in translation differences	**22.5**	6.0	-25.6
Cash flow hedges	**-1.2**	1.8	-11.7
Income tax related to cash flow hedges	**0.3**	-0.5	2.9
Other comprehensive income for the period, net of tax	**21.6**	7.3	-34.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5.0**	25.8	51.6
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**3.8**	25.9	50.1
Non-controlling interests	**1.2**	0.0	1.5

CONSOLIDATED BALANCE SHEET

EUR million	31.3.2012	31.3.2011	31.12.2011
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**293.5**	367.7	343.6
Investment property	**4.8**	8.6	5.8
Goodwill	**2,308.5**	1,438.2	2,316.2
Other intangible assets	**725.1**	406.2	709.8
Interests in associated companies	**21.2**	238.6	219.3
Available-for-sale financial assets	**15.6**	15.9	15.4
Deferred tax receivables	**32.1**	34.3	29.9
Trade and other receivables	**47.9**	28.4	44.3
NON-CURRENT ASSETS, TOTAL	**3,448.8**	2,537.9	3,684.3
CURRENT ASSETS			
Inventories	**79.9**	118.7	96.8
Income tax receivables	**26.9**	19.5	12.5
Trade and other receivables	**372.0**	370.6	418.4
Available-for-sale financial assets	**0.4**	0.3	0.3
Cash and cash equivalents	**98.5**	61.2	116.0
CURRENT ASSETS, TOTAL	**577.7**	570.5	644.0
Assets classified as held for sale	**126.2**	111.9	
ASSETS, TOTAL	**4,152.8**	3,220.2	4,328.3
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	**203.3**	203.3	203.3
Other reserves	**-9.6**	1.5	-8.7
Other equity	**992.7**	1,122.1	988.0
	1,257.6	1,398.1	1,253.9
Non-controlling interests	**271.3**	4.8	270.3
EQUITY, TOTAL	**1,528.9**	1,402.9	1,524.2
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**146.3**	92.0	146.1
Pension obligations	**16.9**	26.1	17.2
Provisions	**6.6**	7.1	6.3
Interest-bearing liabilities	**1,269.9**	412.8	1,101.2
Trade and other payables	**39.6**	20.0	38.9
NON-CURRENT LIABILITIES, TOTAL	**1,479.4**	557.9	1,309.7
CURRENT LIABILITIES			
Provisions	**13.7**	10.8	15.3
Interest-bearing liabilities	**316.2**	499.2	626.0
Income tax liabilities	**17.5**	29.5	27.4
Trade and other payables	**728.7**	651.2	825.8
CURRENT LIABILITIES, TOTAL	**1,076.0**	1,190.7	1,494.5
Liabilities related to assets held for sale	**68.5**	68.7	
LIABILITIES, TOTAL	**2,623.9**	1,817.3	2,804.1
EQUITY AND LIABILITIES, TOTAL	**4,152.8**	3,220.2	4,328.3

The assets and liabilities of a discontinued operation or a disposal group classified as held for sale are presented separately from other assets and liabilities in the balance sheet.

In 2012, kiosk operations in Finland, Lithuania and Estonia as well as its press distribution operations in Estonia and Lithuania were classified as a discontinued operation. In 2011, the disposal group consists of Movie operations, Romanian press distribution and kiosk operations and the Russian kiosk company KP Roznitsa. These operations are part of the Sanoma Trade segment.

CHANGES IN CONSOLIDATED EQUITY
EUR million

	Equity attributable to the equity holders of the Parent Company						
	Share capital	Fund for invested unrestricted equity	Other reserves	Other equity	Total	Non-controlling interests	Equity, total
Equity at 1 Jan 2011	**71.3**	**203.3**	**0.2**	**1,096.5**	**1,371.2**	**4.8**	**1,376.0**
Expense recognition of options granted				0.9	0.9		0.9
Change in non-controlling interests				0.1	0.1		0.1
Comprehensive income for the period			1.3	24.6	25.9	0.0	25.8
Equity at 31 March 2011	**71.3**	**203.3**	**1.5**	**1,122.1**	**1,398.1**	**4.8**	**1,402.9**
Equity at 1 Jan 2012	**71.3**	**203.3**	**-8.7**	**988.0**	**1,253.9**	**270.3**	**1,524.2**
Expense recognition of options granted				0.8	0.8		0.8
Dividends paid						0.0	0.0
Change in non-controlling interests				-0.9	-0.9	-0.2	-1.1
Comprehensive income for the period			-0.9	4.7	3.8	1.2	5.0
Equity at 31 March 2012	**71.3**	**203.3**	**-9.6**	**992.7**	**1,257.6**	**271.3**	**1,528.9**

INCOME STATEMENT BY QUARTER

EUR million

CONTINUING OPERATIONS	**1-3/ 2012**	**1-3/ 2011**	**4-6/ 2011**	**7-9/ 2011**	**10-12/ 2011**	**1-12/ 2011**
NET SALES	**543.6**	530.2	592.6	627.4	627.9	2,378.1
Other operating income	**8.6**	7.0	70.0	10.4	29.1	116.5
Materials and services	**190.0**	205.5	217.3	228.4	207.0	858.2
Employee benefit expenses	**156.2**	148.1	152.1	142.6	168.8	611.7
Other operating expenses	**122.4**	118.7	136.6	139.0	147.1	541.3
Share of results in associated companies			-0.1	-1.1		-1.2
Depreciation, amortisation and impairment losses	**67.6**	37.7	39.8	143.9	88.1	309.5
OPERATING PROFIT	**15.9**	27.2	116.7	-17.2	46.0	172.6
Share of results in associated companies	**-16.4**	1.9	-0.1	-3.2	-2.2	-3.7
Financial income	**7.0**	2.3	1.4	1.0	9.3	13.9
Financial expenses	**20.7**	4.7	6.6	13.1	22.2	46.6
RESULT BEFORE TAXES	**-14.1**	26.7	111.3	-32.5	30.8	136.3
Income taxes	**-3.6**	-8.3	-18.4	-21.3	-9.7	-57.7
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-17.8**	18.4	92.9	-53.8	21.1	78.6
DISCONTINUED OPERATIONS						
Result for the period from discontinued operations	**1.2**	0.1	4.6	-0.5	3.3	7.4
RESULT FOR THE PERIOD	**-16.6**	18.5	97.5	-54.4	24.4	86.0
Result from continuing operations attributable to:						
Equity holders of the Parent Company	**-19.0**	18.4	92.9	-49.2	14.9	77.0
Non-controlling interests	**1.2**	0.0	-0.1	-4.6	6.2	1.5
Result attributable to:						
Equity holders of the Parent Company	**-17.8**	18.5	97.5	-49.7	18.1	84.5
Non-controlling interests	**1.2**	0.0	-0.1	-4.6	6.2	1.5
Earnings per share for result attributable to the equity holders of the Parent company:						
Earnings per share, EUR, continuing operations	**-0.12**	0.11	0.57	-0.30	0.09	0.47
Diluted earnings per share, EUR, continuing operations	**-0.12**	0.11	0.57	-0.30	0.09	0.47
Earnings per share, EUR, discontinued operations	**0.01**	0.00	0.03	0.00	0.02	0.05
Diluted earnings per share, EUR, discontinued operations	**0.01**	0.00	0.03	0.00	0.02	0.05
Earnings per share, EUR	**-0.11**	0.11	0.60	-0.31	0.11	0.52
Diluted earnings per share, EUR	**-0.11**	0.11	0.60	-0.31	0.11	0.52

CONSOLIDATED CASH FLOW STATEMENT EUR million	**1-3/ 2012**	**1-3/ 2011**	**1-12/ 2011**
OPERATIONS			
Result for the period	**-16.6**	18.5	86.0
Adjustments			
Income taxes	**4.1**	8.2	58.1
Financial expenses	**20.7**	4.7	49.1
Financial income	**-7.0**	-2.2	-13.9
Share of results in associated companies	**16.4**	-1.9	4.9
Depreciation, amortisation and impairment losses	**69.6**	39.8	319.7
Gains/losses on sales of non-current assets	**0.0**	1.0	-56.8
Other adjustments	**-54.1**	-19.6	-116.9
Change in working capital			
Change in trade and other receivables	**25.3**	7.8	0.8
Change in inventories	**-7.7**	0.3	0.4
Change in trade and other payables, and provisions	**-38.2**	-20.7	49.0
Interest paid	**-7.7**	-3.6	-23.6
Other financial items	**-3.4**	0.9	-17.4
Taxes paid	**-23.2**	-14.5	-65.5
CASH FLOW FROM OPERATIONS	**-21.9**	18.7	273.8
INVESTMENTS			
Acquisition of tangible and intangible assets	**-16.3**	-18.4	-70.8
Operations acquired	**-2.7**	-3.8	-1,350.2
Sales of tangible and intangible assets	**4.9**	1.7	14.0
Operations sold	**181.8**	0.2	74.0
Loans granted	**-1.3**	-1.8	-8.7
Repayments of loan receivables	**1.1**	0.8	246.3
Sales of short-term investments	**0.0**		0.0
Interest received	**0.9**	0.4	3.2
Dividends received	**0.4**	11.0	14.9
CASH FLOW FROM INVESTMENTS	**168.6**	-9.9	-1,077.4
CASH FLOW BEFORE FINANCING	**146.7**	8.8	-803.6
FINANCING			
Proceeds from share subscriptions			0.0
Minority capital investment/repayment of equity			264.0
Change in loans with short maturity	**-81.2**	45.2	-183.5
Drawings of other loans	**416.4**	1.1	1,042.7
Repayments of other loans	**-476.0**	-40.8	-84.5
Payment of finance lease liabilities	**-0.2**	-0.9	-2.0
Dividends paid	**0.0**		-179.7
Donations/other profit sharing			0.0
CASH FLOW FROM FINANCING	**-141.0**	4.5	857.1
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	**5.7**	13.4	53.6
Effect of exchange rate differences on cash and cash equivalents	**1.1**	0.5	-1.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**6.9**	13.8	52.4
Cash and cash equivalents at the beginning of the period	**93.5**	41.1	41.1
Cash and cash equivalents at the end of the period	**100.4**	54.9	93.5

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

NET SALES BY BUSINESS UNIT

EUR million	1-3/ 2012	1-3/ 2011	4-6/ 2011	7-9/ 2011	10-12/ 2011	1-12/ 2011
MEDIA						
The Netherlands	**171.6**	105.3	130.6	174.0	232.2	642.0
Finland	**77.4**	74.2	79.4	70.0	86.2	309.7
Russia & CEE	**49.0**	51.4	54.3	50.8	56.7	213.1
Belgium	**56.8**	50.1	48.7	48.4	61.9	209.1
Other businesses and eliminations	**11.0**	10.2	10.7	12.3	8.6	41.8
TOTAL	**365.8**	291.1	323.7	355.5	445.6	1,415.8
NEWS						
Helsingin Sanomat	**59.3**	61.2	61.2	55.3	60.8	238.5
Ilta-Sanomat	**21.2**	19.1	22.2	21.6	21.6	84.4
Other publishing	**25.2**	23.7	25.0	22.9	25.4	97.0
Other businesses and eliminations	**4.3**	4.4	3.9	3.4	4.2	15.9
TOTAL	**110.0**	108.4	112.2	103.2	112.0	435.8
LEARNING						
Learning	**34.2**	34.3	87.4	100.2	34.7	256.6
Other businesses	**21.0**	28.0	22.6	22.4	18.7	91.7
Eliminations	**-1.7**	-1.7	-1.5	-1.4	-0.8	-5.3
TOTAL	**53.4**	60.7	108.6	121.2	52.7	343.1
TRADE						
Kiosk operations		6.7	6.9	7.3	0.0	20.9
Trade services	**21.2**	28.8	27.3	24.4	23.2	103.6
Bookstores	**2.5**	24.8	18.8	29.7	3.7	77.0
Movie operations		21.9	6.5	0.0	0.0	28.4
Eliminations	**0.0**	-0.3	-0.5	-0.4	0.0	-1.2
TOTAL	**23.7**	81.8	59.1	61.0	26.9	228.7
Other companies and eliminations	**-9.3**	-11.7	-11.0	-13.5	-9.3	-45.4
CONTINUING OPERATIONS	**543.6**	530.2	592.6	627.4	627.9	2,378.1

OPERATING PROFIT BY SEGMENT

EUR million	1-3/ 2012	1-3/ 2011	4-6/ 2011	7-9/ 2011	10-12/ 2011	1-12/ 2011
Media	**26.8**	22.7	47.0	-31.0	53.2	92.0
News	**8.9**	12.9	9.9	12.5	4.9	40.2
Learning	**-13.9**	-5.2	27.3	17.3	-22.7	16.6
Trade	**-0.3**	3.3	39.8	-8.1	3.9	38.9
Other companies and eliminations	**-5.5**	-6.5	-7.4	-7.9	6.7	-15.1
CONTINUING OPERATIONS	**15.9**	27.2	116.7	-17.2	46.0	172.6

OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY SEGMENT

EUR million	1-3/ 2012	1-3/ 2011	4-6/ 2011	7-9/ 2011	10-12/ 2011	1-12/ 2011
Media	**26.8**	22.7	37.9	25.8	64.6	151.1
News	**8.9**	12.9	9.9	12.5	14.1	49.4
Learning	**-13.9**	-6.1	29.0	42.4	-19.7	45.5
Trade	**-0.3**	3.3	-2.9	4.8	-1.4	3.8
Other companies and eliminations	**-5.5**	-6.5	-8.4	-7.9	-2.9	-25.7
CONTINUING OPERATIONS	**15.9**	26.3	65.6	77.6	54.7	224.1

SEGMENT INFORMATION

The continuing operations of the Group include four reportable segments: Media, News, Learning and Trade. The segmentation is based on business model and product differences. Media, operating in 12 countries, 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 2012, Trade segment includes the Trade services in Finland, the bookstore operations in Estonia, and the real estate and administration operations of the segment. The figures of Trade segment in 2011 include also the operations that were divested during 2011. 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 segments 1.1–31.3.2012

EUR million	Media	News	Lear-ning	Trade	Unallo-cated/ elimi-nations	Continuing operations
External net sales	365.0	109.6	52.5	16.6	-0.5	543.1
Internal net sales	0.7	0.5	0.9	7.1	-8.8	0.4
NET SALES, TOTAL	365.8	110.0	53.4	23.7	-9.3	543.6
OPERATING PROFIT	26.8	8.9	-13.9	-0.3	-5.5	15.9
Share of results in associated companies	-17.2	0.1	-0.1	0.8		-16.4
Financial income					7.0	7.0
Financial expenses					20.7	20.7
RESULT BEFORE TAXES						-14.1
SEGMENT ASSETS	2,831.6	326.5	563.4	81.1	53.5	3,856.2

Sanoma segments 1.1–31.3.2011

EUR million	Media	News	Lear-ning	Trade	Unallo-cated/ elimi-nations	Continuing operations
External net sales	290.1	107.7	57.7	74.7	-0.2	530.0
Internal net sales	1.0	0.6	3.0	7.1	-11.5	0.2
NET SALES, TOTAL	291.1	108.4	60.7	81.8	-11.7	530.2
OPERATING PROFIT	22.7	12.9	-5.2	3.3	-6.5	27.2
Share of results in associated companies	1.7	0.0	0.0	0.2		1.9
Financial income					2.3	2.3
Financial expenses					4.7	4.7
RESULT BEFORE TAXES						26.7
SEGMENT ASSETS	1,808.1	320.8	569.8	258.9	40.3	2,997.9

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	31.3.2012	31.3.2011	31.12.2011
Carrying amount at the beginning of the period	**343.6**	429.3	429.3
Increases	**7.7**	27.1	52.9
Acquisition of operations	**0.1**		7.0
Decreases	**-3.4**	-1.3	-2.2
Disposal of operations	**0.0**		-86.9
Depreciation for the period	**-11.5**	-14.0	-50.5
Impairment losses for the period	**0.0**	0.1	-3.9
Exchange rate differences and other changes	**0.9**	0.4	-2.1
Carrying amount at the end of the period	**337.4**	441.6	343.6

The Group had no commitments for acquisition of tangible assets at the end of the reporting period or in the comparative period. Changes in property, plant and equipment include continued and discontinued operations.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET

EUR million	1–3/ 2012	1–12/ 2011
Acquisition costs	**3.0**	1,415.2
Fair value of acquired net assets	**1.8**	433.2
Goodwill	**1.3**	982.0

CONTINGENT LIABILITIES

EUR million	31.3.2012	31.3.2011	31.12.2011
Contingencies for own commitments			
Mortgages	**9.7**	20.5	9.7
Pledges	**2.5**	1.6	2.5
Other items	**45.7**	0.3	0.3
TOTAL	**57.9**	22.4	12.5
Contingencies incurred on behalf of associated companies			
Guarantees		10.5	
TOTAL		10.5	
Contingencies incurred on behalf of other companies			
Guarantees		0.0	
TOTAL		0.0	
Other contingencies			
Operating lease liabilities	**187.7**	235.2	196.1
Royalties	**20.5**	19.6	19.8
Other items	**50.7**	28.4	51.3
TOTAL	**258.9**	283.2	267.2
TOTAL	**316.8**	316.0	279.7

DERIVATIVE INSTRUMENTS

EUR million

Fair values	31.3.2012	31.3.2011	31.12.2011
Interest rate derivatives			
Interest rate swaps	**-12.7**	1.5	-11.5
Currency derivatives			
Forward contracts	**-0.8**		0.6

KEY EXCHANGE RATES

Average rate	1–3/ 2012	1–3/ 2011	1–12/ 2011
EUR/CZK (Czech Koruna)	25.14	24.55	24.64
EUR/HUF (Hungarian Forint)	298.03	272.06	280.46
EUR/PLN (Polish Zloty)	4.24	3.97	4.13
EUR/RUB (Russian Rouble)	39.97	40.45	41.02
EUR/SEK (Swedish Crown)	8.87	8.88	9.00

Closing rate	31.3.2012	31.3.2011	31.12.2011
EUR/CZK (Czech Koruna)	24.73	24.54	25.79
EUR/HUF (Hungarian Forint)	294.92	265.72	314.58
EUR/PLN (Polish Zloty)	4.15	4.01	4.46
EUR/RUB (Russian Rouble)	39.30	40.29	41.77
EUR/SEK (Swedish Crown)	8.85	8.93	8.91

Press Conference

Press and analyst meeting will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius at 13:30 Finnish time (CET+1) at Nelonen studio, Pursimiehenkatu 26 C (third floor), Helsinki. Webcast of the event can be viewed at Sanoma.com either live or later on as on demand. If you want to ask questions during the webcast, please join the conference call by dialling +44 (0)20 7162 0025 (Europe) or +1 334 323 6201 (US) and quote the conference code 915981.

Sanoma's 2Q12 Interim Report will be published on Wednesday, 1 August, at approximately 08:30 Finnish time (CET+1).

Sanoma Corporation

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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 around 11,000 people in over 20 countries throughout Europe. In 2011, the Group's restated net sales totalled EUR 2.4 billion.