

2015

# Full-Year Result

sanoma

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## Sanoma's 2015 Full-Year Result:

# Exceeding Modest Expectations

## Good fourth quarter in an overall difficult year

Sanoma Corporation, Stock Exchange Release, 9 February 2016 at 8:30 CET+1

### Fourth quarter

- Net sales amounted to EUR 408.8 million (2014: 452.5).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.0%.
- Operating profit excluding non-recurring items was EUR -8.9 million (2014: -5.6).
- Non-recurring items included in the operating profit amounted to EUR -123.0 million (2014: -103.5), mainly related to impairment of goodwill and intangible assets and restructuring expenses. In the fourth quarter of 2014 the non-recurring items were mainly related to goodwill impairments, realisation of FX loss (Russia) as well as restructuring expenses.
- Earnings per share were EUR -0.70 (2014: -0.65).
- Earnings per share excluding non-recurring items were EUR -0.09 (2014: -0.05).
- Cash flow from operations was EUR 67.9 million (2014: 50.2).

### 2015

- Net sales amounted to EUR 1,716.6 million (2014: 1,901.6).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.4%.
- Operating profit excluding non-recurring items was EUR 83.2 million (2014: 118.8).
- Non-recurring items included in the operating profit amounted to EUR -206.9 million (2014: 15.0), mainly related to impairments of goodwill and other intangible assets as well as restructuring expenses. In 2014, non-recurring items were mainly related to capital gains, impairment of goodwill and other intangible assets, realisation of FX loss (Russia) and restructuring expenses.
- Earnings per share were EUR -0.91 (2014: 0.32).
- Earnings per share excluding non-recurring items were EUR 0.13 (2014: 0.33).
- Cash flow from operations was EUR 25.2 million (2014: 73.7).
- The Board of Directors proposes a dividend of EUR 0.10 per share (2014: 0.20).

### Outlook

In 2016, Sanoma expects that the Group's consolidated net sales development adjusted for structural changes will be in line with last year or improve (2015: -3.4%). The Operational EBIT\* margin is estimated to be over 7%.

\*Due to upcoming changes in regulation by the European Securities and Market Authority, Sanoma has decided to replace operating profit excluding non-recurring items by Operational EBIT. The changes will be effective from the beginning of 2016.

**Key indicators (based on reported figures, not adjusted for structural changes)**

<b>EUR million</b>	<b>10-12/ 2015</b>	<b>10-12/ 2014</b>	<b>Change %</b>	<b>1-12/ 2015</b>	<b>1-12/ 2014</b>	<b>Change %</b>
Net sales	<b>408.8</b>	452.5	-9.6	<b>1,716.6</b>	1,901.6	-9.7
Operating profit excluding non-recurring items	<b>-8.9</b>	-5.6		<b>83.2</b>	118.8	-29.9
% of net sales	<b>-2.2</b>	-1.2		<b>4.8</b>	6.2	
Operating profit	<b>-131.8</b>	-109.2		<b>-123.6</b>	133.8	
Result for the period	<b>-131.7</b>	-104.1		<b>-158.0</b>	61.6	
Capital expenditure *	<b>11.5</b>	18.7	-38.3	<b>54.7</b>	50.7	8.0
% of net sales	<b>2.8</b>	4,1		<b>3.2</b>	2.7	
Return on equity (ROE), % **				<b>-13.6</b>	4.9	
Return on investment (ROI), % **				<b>-5.3</b>	6.5	
Equity ratio, %				<b>39.5</b>	42.2	
Net gearing, %				<b>77.8</b>	66.7	
Number of employees at the end of the period (FTE)				<b>6 116</b>	7,583	-19.3
Average number of employees (FTE)				<b>6 776</b>	8,259	-18.0
Earnings/share, EUR	<b>-0.70</b>	-0.65		<b>-0.91</b>	0.32	
Cash flow from operations/share, EUR	<b>0.42</b>	0.31	35.6	<b>0.16</b>	0.45	-65.8
Equity/share, EUR				<b>4.59</b>	5.54	-17.2
Dividend/share, EUR ***				<b>0.10</b>	0.20	-50.0
Market capitalisation				<b>633.7</b>	748.9	-15.4

\* Including finance leases.

\*\* Rolling 12-month period.

\*\*\* Dividend for 2015 is a proposal by the Board of Directors

**Organic Growth, %**

	<b>10-12/2015 vs. 10-12/2014</b>	<b>1-12/2015 vs. 1-12/2014</b>	<b>1-12/2014 vs. 1-12/2013</b>
Media BeNe	<b>0.6</b>	<b>-1.4</b>	-2.7
Media Finland	<b>-2.9</b>	<b>-4.1</b>	-5.3
Learning	<b>-24.2</b>	<b>-4.0</b>	1.0
Other	<b>-31.1</b>	<b>-29.1</b>	-14.2
<b>Group</b>	<b>-3.0</b>	<b>-3.4</b>	-3.7

### **Susan Duinhoven, President and CEO**

“2015 was a challenging year for Sanoma, but as a result of the tough choices made and a focus on innovating the ways we work, we managed to exceed the modest expectations for the year. The divestment programme we commenced in 2013 was finalised and we experienced solid growth in new media sales, one of our key success indicators.

In addition, we secured refinancing for a major part of our corporate debt. The trust in Sanoma that this new financing signifies is something we take with us while we continue to focus on serving our audiences with information, entertainment and impactful learning tools.

Media BeNe is increasingly reaping the benefits of its cross-media domain strategy. SBS TV operations' revenues improved in 2015 supported by gains in both the advertising- and viewing share. Overall organic net sales increased in the fourth quarter, driven by TV and online and mobile sales. For the full year net sales declined on account of divestments and closures of non-core magazines. The profitability was negatively impacted by an additional amortisation of around EUR 15 million on TV programming rights during the fourth quarter. Changes in the competitive landscape and consumer habits led to the slight devaluation, especially related to international fiction.

In Media Finland, advertising sales were at last year's level on a like-for-like during the fourth quarter despite the challenging advertising market. Online and mobile sales continued on a solid growth path in 2015. Share of new media sales improved, and now represent already 38% of Media Finland's total net sales. Profitability improved during the second half of 2015 due to market share gains in advertising sales as well as cost savings. Divestments of non-core operations had a visible impact in Media Finland's net sales in 2015.

Net sales of Learning decreased by 4% in 2015 when adjusted for acquisitions and divestments. During the fourth quarter of 2015, we decided to change the amortisation period for Learning's prepublication rights to be better aligned with the general market practice. The change had a positive impact on profitability in the fourth quarter, and will have a positive impact on 2016 figures as well. New

legislation in Poland is expected to have a material negative impact on the educational textbook market in the coming years, however, this will be partly compensated for by new products and services as well as cost savings across the segment.

As a result of the progress in our business development, we expect profitability to improve in 2016.”

### **Group outlook**

In 2016, Sanoma expects that the Group's consolidated net sales development adjusted for structural changes will be in line with last year or improve (2015: -3.4%). The Operational EBIT\* margin is estimated to be over 7%.

### **Cost savings programme**

As a part of streamlining operations and ensuring competitive cost level, in August 2015 Sanoma implemented a EUR 50 million cost savings programme benefitting both Group and Sanoma Media Finland operations.

The programme is proceeding according to plan. The full impact of savings is projected to be realised in 2016.

### **Net sales**

#### **Fourth quarter**

In October–December, Sanoma's net sales decreased by 9.6% and amounted to EUR 408.8 million (2014: 452.5). Divestments of non-core operations had a major impact on net sales. Organic net sales declined mainly due to lower sales in Learning, primarily in the international YDP operations. Adjusted for changes in the Group structure, net sales decreased by 3.0%.

New media sales grew by 6.4% to EUR 172.6 million (2014: 162.2) as a result of strong online and mobile sales in the media operations.

Advertising sales decreased by 4.1% to EUR 171.2 million (2014: 178.6). Print advertising sales decreased, while online and mobile as well as TV and radio advertising showed growth. Circulation sales decreased by 14.4% to EUR 140.4 million (2014: 164.1) mainly due to divestments. Learning's net sales decreased by 24.6% to EUR 23.3 million (2014: 30.9). Other sales decreased by 6.4% to EUR 73.9 million (2014: 78.9).

**2015**

In 2015, Sanoma's net sales decreased by 9.7% and amounted to EUR 1,716.6 million (2014: 1,901.6). Divestments as well as lower print circulation and print advertising sales led to a decline in the Group's net sales, whereas new media sales recorded good growth. Adjusted for changes in the Group structure, net sales decreased by 3.4%.

New media sales grew by 4.4% to EUR 577.1 million (2014: 552.8).

Advertising sales decreased by 8.2% to EUR 597.8 million (2014: 651.3). Circulation sales decreased by 14.2% to EUR 583.5 million (2014: 680.1). Advertising and circulation sales were negatively impacted by divestments of non-core operations. Learning's net sales decreased by 3.9% to EUR 280.5 million (2014: 292.0) and other sales by 8.4% to EUR 254.8 million (2014: 278.2).

**Group's net sales by country, %**

	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Netherlands	<b>48.4</b>	44.1	<b>44.5</b>	41.8
Finland	<b>39.0</b>	39.2	<b>37.1</b>	38.0
Belgium	<b>9.7</b>	11.8	<b>11.5</b>	11.1
Other	<b>2.8</b>	4.9	<b>6.9</b>	9.1
<b>Total Group</b>	<b>100.0</b>	100.0	<b>100.0</b>	100.0

**Group's net sales by type of sales, %**

	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Advertising	<b>41.9</b>	39.5	<b>34.8</b>	34.3
Subscription	<b>23.7</b>	23.8	<b>22.6</b>	23.1
Single copy	<b>10.7</b>	12.5	<b>11.4</b>	12.7
Learning	<b>5.7</b>	6.8	<b>16.3</b>	15.4
Other	<b>18.1</b>	17.4	<b>14.8</b>	14.6
<b>Total Group</b>	<b>100.0</b>	100.0	<b>100.0</b>	100.0

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

**Result****Fourth quarter**

In October–December, Sanoma's operating profit excluding non-recurring items totalled EUR -8.9 million (2014: -5.6). Strong result in the Finnish media operations was not able to fully offset the impact of additional TV amortisations in the Netherlands.

The operating profit margin excluding non-recurring items was -2.2% (2014: -1.2%) of net sales.

In the fourth quarter, the Group's total expenses, excluding non-recurring items, decreased by 14.7%. The cost of sales decreased by 12.3% and fixed costs by 16.2%. Paper costs decreased by 32.2%, transport and distribution service by 9.3% and employee benefit expenses by 25.3%.

In October–December, operating profit included EUR -123.0 million (2014: -103.5) of non-recurring items mainly related to impairment of goodwill and intangible assets, as well as restructuring expenses.

In the fourth quarter of 2014 the non-recurring items were mainly related to goodwill impairments, realisation of FX loss (Russia) as well as restructuring expenses.

Sanoma's net financial items totalled EUR -8.6 million (2014: -11.1). The result before taxes amounted to EUR -142.4 million (2014: -121.6) in the fourth quarter. Earnings per share were EUR -0.70 (2014: -0.65). Earnings per share excluding non-recurring items were EUR -0.09 (2014: -0.05).

**2015**

Sanoma's operating profit excluding non-recurring items in 2015 totalled EUR 83.2 million (2014: 118.8). Additional TV amortisations in the Dutch and Finnish TV operations lowered the profitability.

The operating profit excluding non-recurring items amounted to 4.8% (2014: 6.2%) of net sales.

In 2015, the Group's total expenses, excluding non-recurring items, decreased by 11.9%. The cost of sales decreased by 13.7% and fixed costs by 10.7%. Paper costs decreased by 23.5% and employee benefit expenses by 15.0%.

Sanoma's operating profit in 2015 was EUR -123.6 million (2014: 133.8) or -7.2% (2014: 7.0%) of net sales.

Operating profit in 2015 included EUR -206.9 million (2014: 15.0) of non-recurring items mainly related to impairments of goodwill and other intangible assets as well as restructuring expenses. In 2014, non-recurring items were mainly related to capital gains, impairment of goodwill and other intangible assets, realisation of FX loss (Russia) and restructuring expenses.

Sanoma's full-year result included a EUR -0.7 million (2014: -1.2) result from associated companies.

Sanoma's net financial items totalled EUR -27.4 million (2014: -41.9). Financial income amounted to EUR 26.4 million (2014: 21.8), of which EUR 18.0 million were exchange rate gains (2014: 20.1). Financial expenses amounted to EUR -53.8 million (2014: -63.7), of which EUR 15.2 million were exchange rate losses (2014: 19.9). Interest expenses amounted to EUR -27.7 million (2014: -35.7).

The result before taxes amounted to EUR -151.7 million (2014: 90.7). Earnings per share were EUR -0.91 (2014: EUR 0.32). Earnings per share excluding non-recurring items were EUR 0.13 (2014: 0.33).

### Balance sheet and financial position

At the end of 2015, Sanoma's consolidated balance sheet totalled EUR 2,765.1 million (2014: 3,016.5). The decrease is mainly due to goodwill impairments and divestments. In 2015, the Group's cash flow from operations decreased to EUR 25.2 million (2014: 73.7) as a result of lower profitability, change in working capital and higher taxes related to gain on sale of Sanoma House. Cash flow from operations per share was EUR 0.16 (2014: 0.45).

Sanoma's equity ratio was 39.5% (2014: 42.2%) at the end of 2015. The return on equity (ROE) was -13.6% (2014: 4.9%) and the return on investment (ROI) was -5.3% (2014: 6.5%). Equity totalled EUR 1,029.1 million (2014: 1,201.3). Equity per share was

EUR 4.59 (2014: 5.54). Interest-bearing liabilities decreased to EUR 899.6 million (2014: 918.1). Interest-bearing net debt was EUR 801.2 million (2014: 801.8).

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

### Investments, acquisitions and divestments

In 2015, investments in tangible and intangible assets, including finance leases, amounted to EUR 54.7 million (2014: 50.7). Investments were mainly related to digital business and ICT systems.

In August 2013, Sanoma announced the divestment of its Romanian operations. As a result of the transaction, Sanoma recognised a capital loss of EUR 1.1 million in the first quarter of 2014.

In August 2013, Sanoma announced the divestment of Sanoma Bliasad Bulgaria. As a result of the transaction, Sanoma recognised a capital loss of EUR 0.5 million in the second quarter of 2014.

In October 2013, Sanoma sold its Learning operations in Hungary. As a result of the transaction, Sanoma recognised a capital loss of EUR 35.3 million in 2013 and a positive adjustment to the capital loss of EUR 8.6 million in the third quarter of 2014.

In December 2013, Sanoma announced the divestment of its Czech operations. As a result of the transaction, Sanoma recognised a capital gain of EUR 1.0 million in 2014.

In January 2014, Sanoma sold its Sanomala printing facility and office properties located in Martinlaakso, Vantaa, as well as office and production properties located in Koivuvaara, Vantaa. As a result of the transaction in Koivuvaara, Sanoma recognised a non-recurring impairment of EUR 5.6 million in the fourth quarter of 2013 to reflect the sales price. The sale of Sanomala resulted in a capital gain of EUR 37.9 million, recognised in the first quarter of 2014.

In February 2014, Sanoma sold its Finnish press distribution company Lehtipiste. As a result of the

transaction, Sanoma recognised a capital gain of EUR 23.6 million.

In March 2014, Sanoma sold Sanoma House through a sale and leaseback transaction. As a result of the transaction, Sanoma recognised a capital gain of EUR 110.5 million.

In March 2014, Sanoma acquired the Belgian school and teacher management software company Pronoia.

In March 2014, Sanoma Pro, the Finnish learning business, sold its B2B operations (digital and training services and business books). As a result of the transaction, Sanoma recognised a capital gain of EUR 0.6 million in the second quarter.

In April 2014, Sanoma announced the divestment of its majority ownership in Sanoma Lehtimedia (a publisher of newspapers in southeast Finland) and in local printing companies. The first stage of the corporate arrangement was completed in January 2015, and the company will transfer fully to the ownership of Länsi-Savo in five years. As a result of the transaction, Sanoma recognised a capital gain of EUR 3.5 million in 2015.

In April 2014, Sanoma announced the divestment of its Hungarian media operations. As a result of the transaction, Sanoma recognised a capital gain of EUR 4.3 million in the third quarter.

In June 2014, Sanoma sold Wees Wegwijs, a small part of Sanoma's Belgian learning business. As a result of the transaction, Sanoma recognised a capital loss of EUR 1.5 million.

In June and July 2014, Sanoma announced the divestments of 22 of its Dutch magazine titles. As a result of the two transactions, Sanoma recognised in total a capital gain of EUR 10.8 million in the third quarter.

In June 2014, Sanoma announced the divestment of its stake in De Vijver Media (SBS Belgium). As part of the arrangement, Sanoma increased its ownership of HUMO NV from 33% to 100% with immediate effect. As a result of the transaction, Sanoma recognised a write-down of EUR 26.0 million to reflect the sales price of Belgian TV operations. In addition, Sanoma recognised a capital loss of EUR 8.0 million related to Sanoma's share of HUMO owned by De Vijver Media.

In June 2014, Sanoma announced the divestment of four of its Finnish magazine titles. As a result of the transaction, Sanoma recognised a capital gain of EUR 3.1 million in the third quarter.

In September 2014, Sanoma increased its ownership in the Dutch e-commerce company SB Commerce from 40% to 100%.

In November 2014, Sanoma sold its ownership in Croatian Adria Media Zagreb.

In December 2014, Sanoma announced the divestment of its 50% ownership in Russian Fashion Press. In August 2015, Sanoma was informed that the Russian Government Commission for Monitoring Foreign Investments has at this time decided not to issue approval for the transaction.

In December 2014, Sanoma announced the sale of real estate located in Southeast Finland. The transaction will be finalised in 2017.

In February 2015 Sanoma acquired 51% of the shares and in November 20% of the shares of the Dutch social media creator agency Social Influencer B.V.

In March 2015, Sanoma increased its ownership in the Finnish mobile marketing company Routa from 25% to 51%.

In April 2015, Sanoma sold its 33.3% stake in Delovoi Standard, the publisher of Russia's leading daily financial newspaper Vedomosti. Additionally, Sanoma sold its United Press portfolio of titles and its 50% stake in Viadeo. As a result of the transactions, Sanoma recognised a capital loss of EUR 6.6 million, including the currency translation adjustment.

In May 2015, Sanoma announced the divestments of three of its Belgian magazine titles. The transaction was closed in September. As a result of the transaction, Sanoma recognised a capital loss of EUR 12.2 million.

In October 2015 Oikotie, part of Sanoma Media Finland, acquired Jokakoti.fi real estate classified service and all of the shares of Jokakoti Oy.

In November 2015, Sanoma divested its majority ownership in the Finnish book-printing company Bookwell. As a result of the transaction, Sanoma recognised a capital loss of EUR 3.9 million.



In November and December 2015 Sanoma sold Belgium titles Moustique, Télé Pocket and Bloemschikken. As a result of the transactions, Sanoma recognised a capital gain of EUR 2.5 million.

In December 2015, Sanoma sold Hämeen Paino shares and buildings to DA-Design Oy. As a result of the transaction, Sanoma recognised a capital loss of EUR 6.7 million.

In December 2015, Sanoma sold its 50% stake in Fashion Press and other remaining Russian assets (the remaining operations in United Press and 50% stake in Mondadori Independent Media). The closing of the transactions is subject to governmental approvals and certain other conditions.

### **Events after the end of 2015**

In January 2016, Sanoma divested the Finnish language service company AAC Global.

In February 2016, Sanoma sold Autotrader.nl. As a result of the transaction, Sanoma recognised a capital gain of around EUR 13 million.

In February 2016, Sanoma signed a new EUR 500 million Revolving Credit Facility. The facility has a maturity of four years and it has a 1 year extension option. The margin depends on the leverage of the borrower, the initial margin being 1.75% over Euribor.

## Non-recurring items

EUR million	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
<b>Media BeNe</b>				
Impairment of goodwill and intangible assets	-74.4	-11.7	-78.2	-16.6
Impairment of equity-accounted investees**				-0.8
Gain/loss on sale (Netherlands, magazines)	0.0	0.5	-0.2	10.8
Write-down to reflect the sales price (Belgium, TV) **				-34.0
Loss on sale (Belgium, magazines) ***	-0.2		-12.2	
IFRS-pensions curtailment effect				6.4
Gain on sale (Belgium, magazines)	2.5		2.5	
Restructuring expenses	-11.4	-15.3	-34.3	-42.6
<b>Media Finland</b>				
Gain on sale (real estate, Sanomala) *				37.9
Gain on sale (real estate, Sanoma House)				110.5
Gain on sale (magazines)			1.7	3.1
Gain on sale (regional newspapers)	-11.7		3.5	
Loss on sale and impairment of building (Hämeen Paimo)	3.6		-7.6	
Compensation and impairment related to an ICT system		-0.4		-1.3
Restructuring expenses	-14.9	-9.4	-18.4	-14.9
<b>Learning</b>				
Loss on sale (Belgium)				-1.5
Adjustment to capital loss (Hungary)				8.6
Restructuring expenses	-9.8	-3.4	-11.5	-3.4
<b>Other companies</b>				
Net of gain on sale and realisation of cumulative FX loss (Russia)	0.2		-6.6	
Loss on sale (Romania)				-1.1
Gain on sale (Czech Republic)				1.0
Gain on sale (Hungary)		2.7		4.3
Loss on sale of joint venture (Bulgaria) **				-0.5
Impairment of goodwill and intangible assets		-24.9		-24.9
Impairment and realisation of cumulative FX loss – Equity-accounted investees Russia and Ukraine**	-13.0	-40.4	-38.0	-40.4
Impairment of equity-accounted investees**		-0.1		-2.3
Gain on sale (press distribution in Finland)				23.6
Loss on sale (book-printing in Finland)	-3.9		-3.9	
Restructuring expenses	10.2	-1.0	-3.6	-6.9
<b>NON-RECURRING ITEMS IN OPERATING PROFIT</b>	<b>-123.0</b>	<b>-103.5</b>	<b>-206.9</b>	<b>15.0</b>
<b>Media Finland.</b> Fair value remeasurement of previously held equity interest (mobile marketing company Routa)			1.9	
<b>Media BeNe.</b> Impairment of equity-accounted investees	-1.8		-1.8	
<b>NON-RECURRING ITEMS IN RESULTS OF ASSOCIATED COMPANIES</b>	<b>-1.8</b>		<b>0.1</b>	
Restructuring expenses (termination of lease agreement)		-2.7	5.5	-2.7
Impairment of loan	-1.4		-1.4	
Impairment losses on available-for-sale investments		-0.1		-0.1
<b>NON-RECURRING ITEMS IN FINANCIAL INCOME AND EXPENSES</b>	<b>-1.4</b>	<b>-2.8</b>	<b>4.1</b>	<b>-2.8</b>

\* EUR 12.6 million of the gain on sale of Sanomala is included in 'Other Companies' figures.

\*\* Is included in the income statement on line share of results in joint ventures.

\*\*\* EUR -35.4 million of the loss on sale is included in 'Other companies' figures.

## Consumer Media

The Consumer Media segment includes two strategic business units Media BeNe and Media Finland.

### Consumer Media sales by type of sales, %

	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Advertising	<b>45.1</b>	43.2	<b>42.4</b>	41.5
Subscription	<b>25.5</b>	26.3	<b>27.7</b>	28.7
Single copy	<b>11.5</b>	13.8	<b>13.9</b>	15.1
Other	<b>17.9</b>	16.7	<b>16.1</b>	14.8
<b>Total Consumer Media</b>	<b>100.0</b>	100.0	<b>100.0</b>	100.0

Other sales mainly include custom publishing, event marketing, books and printing services.

### Circulation sales growth, % (based on reported figures, not adjusted for structural changes)

	10-12/2015 vs. 10-12/2014			1-12/2015 vs. 1-12/2014		
	Subscription	Single copy	<b>Total circulation</b>	Subscription	Single copy	<b>Total circulation</b>
Media BeNe	-6	-26	<b>-16</b>	-7	-17	<b>-12</b>
Media Finland	-13	-9	<b>-12</b>	-13	-8	<b>-12</b>
of which Magazines incl. online	-15	-22	<b>-15</b>	-15	-22	<b>-15</b>
of which Newspapers incl. online	-15	-7	<b>-13</b>	-15	-6	<b>-13</b>
of which Pay-TV & Pay-VOD	+11	-15	<b>+10</b>	+19	-21	<b>+16</b>
<b>Total Consumer Media</b>	<b>-10</b>	<b>-22</b>	<b>-14</b>	<b>-10</b>	<b>-15</b>	<b>-12</b>

### Advertising sales growth, % (based on reported figures, not adjusted for structural changes)

	10-12/2015 vs. 10-12/2014				1-12/2015 vs. 1-12/2014			
	Print	Online & Mobile	TV & Radio	<b>Total advertising</b>	Print	Online & Mobile	TV & Radio	<b>Total advertising</b>
Media BeNe	-13	0	+2	<b>-2</b>	-10	+1	+1	<b>-2</b>
Media Finland	-19	+4	+9	<b>-4</b>	-22	+2	+2	<b>-9</b>
<b>Total Consumer Media</b>	<b>-17</b>	<b>+2</b>	<b>+4</b>	<b>-3</b>	<b>-18</b>	<b>+1</b>	<b>+1</b>	<b>-5</b>

## Media BeNe

Sanoma Media BeNe includes Dutch and Belgian consumer media operations as well as the Dutch press distribution business Aldipress. In the Netherlands, Sanoma has a leading portfolio with strong brands and strong market positions in every part of the media industry: magazines, TV, events, custom media, e-commerce sites and apps. In Belgium, Sanoma is a prominent multi-media company, with quality magazines, radio and digital media. Our portfolio consists of many leading brands, including AutoWeek, Donald Duck, Flair, Flow, Kieskeurig.nl, Libelle, LINDA., Margriet, NU.nl, Schoolbank.nl, Startpagina.nl, Tina, VIVA and vtwonen. In the Netherlands Sanoma has four free-to-air TV channels: Net5, SBS6, SBS9 and Veronica.

- TV viewing share of SBS TV operation improved from 20.0% to 21.2% during 2015.
- Profitability was negatively impacted by an additional amortisation of around EUR 15 million of the TV programming rights in the Netherlands during the fourth quarter. Changes in the competitive landscape and consumer habits led to the devaluation of especially international fiction.
- Net sales declined in 2015 mainly due to divestments and closure of non-focus magazine titles. Organic net sales increased during the fourth quarter of 2015 supported by TV as well as online and mobile sales.

### Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	10-12/ 2015	10-12/ 2014	Change %	1-12/ 2015	1-12/ 2014	Change %
Net sales	<b>227.6</b>	241.5	-5.8	<b>829.5</b>	870.8	-4.7
<b>Digital</b>	<b>94.9</b>	90.3	5.1	<b>316.6</b>	308.6	2.6
Online & mobile	<b>27.4</b>	24.9	9.8	<b>89.7</b>	87.2	2.8
TV	<b>67.5</b>	65.4	3.3	<b>226.9</b>	221.4	2.5
<b>Print</b>	<b>102.3</b>	123.2	-16.9	<b>419.9</b>	479.4	-12.4
Magazines	<b>102.3</b>	123.2	-16.9	<b>419.9</b>	479.4	-12.4
<b>Other</b>	<b>30.4</b>	28.0	8.4	<b>93.0</b>	82.8	12.4
Operating profit excluding non-recurring items *	<b>10.9</b>	23.3	-53.2	<b>63.9</b>	71.2	-10.2
% of net sales	<b>4.8</b>	9.7		<b>7.7</b>	8.2	
Operating profit	<b>-72.3</b>	-3.2		<b>-22.8</b>	-5.7	
Capital expenditure	<b>2.0</b>	4.4	-54.8	<b>9.4</b>	10.5	-10.5
Number of employees at the end of the period (FTE)				<b>2,020</b>	2,483	-18.6
Average number of employees (FTE)				<b>2,104</b>	2,644	-20.4

\* Non-recurring items are presented in a separate table on page 10.

## Operational indicators, %

	<b>1-12/ 2015</b>	<b>1-12/ 2014</b>
<b>Dutch TV operations</b>		
TV channels' share of TV advertising	<b>24.4</b>	24.0
TV channels' national viewing share (20-54 years)	<b>21.2</b>	20.0

### Fourth quarter

In October–December, net sales in Media BeNe decreased by 5.8% to EUR 227.6 million (2014: 241.5). Adjusted for structural changes, net sales increased by 0.6%.

New media sales grew by 4.8% to EUR 112.4 million (2014: 107.3).

Advertising sales decreased by 1.6% mainly due to weak print advertising market development. Advertising sales represented 44.3% (2014: 42.4%) of net sales. Circulation sales decreased by 15.7% and represented 32.9% (2014: 36.8%) of net sales. The divestment of Belgian magazine titles had a major negative impact on net sales.

Sanoma estimates that the advertising market in the Netherlands increased on a net basis in TV by 3%, decreased in consumer magazines by 13%, and increased in online excluding search by 9% in October–December.

Operating profit excluding non-recurring items in Media BeNe in October–December decreased to EUR 10.9 million (2014: 23.3), mainly due to the additional amortisation of TV rights in the Netherlands.

Non-recurring items included in the operating profit totalled EUR -83.2 million (2014: -26.5) and were related to impairments and restructuring expenses.

Media BeNe's investments in tangible and intangible assets totalled EUR 2.0 million (2014: 4.4) in October–

December and consisted mainly of maintenance investments related to ICT.

### 2015

In January–December, Media BeNe's sales decreased by 4.7% to EUR 829.5 million (2014: 870.8). Net sales declined mainly due to divestments of non-focus magazine titles as well as lower print advertising sales. Adjusted for structural changes, net sales decreased by 1.4%.

Sanoma estimates that the advertising market in the Netherlands decreased on a net basis in consumer magazines by 13%, and increased in TV by 1% and in online excluding search by 8% in 2015.

Operating profit excluding non-recurring items in Media BeNe decreased by 10.2% to EUR 63.9 million (2014: 71.2), mainly due to the additional amortisation of TV rights in the Netherlands during the fourth quarter.

Non-recurring items included in operating profit totalled EUR -86.7 million (2014: -76.9) and were related to impairments as well as restructuring costs. In 2014 the non-recurring items consisted of restructuring expenses and a write-down to reflect the sales price of sold operations.

Media BeNe's investments in tangible and intangible assets totalled EUR 9.4 million (2014: 10.5), and consisted mainly of maintenance investments related to ICT.

## Media Finland

*Sanoma Media Finland is the leading multichannel media company in Finland. We provide information, experiences and entertainment through magazines, newspapers, TV, radio, online and mobile channels. We have leading brands and services, including Aku Ankka, Gloria, ET, Helsingin Sanomat, Huuto.net, Hyvä Terveys, Ilta-Sanomat, Jim, Kodin Kuvalehti, Liv, Me Naiset, Metro, Oikotie, Nelonen, Radio Aalto, Radio Rock, Radio Suomipop, Ruutu and Taloussanomat, which reach almost all Finns every day.*

- Despite the challenging advertising market, Media Finland's comparable advertising sales remained at last year's level during the fourth quarter.
- Online and mobile sales continued on a solid growth path in 2015. New media sales represented already 38% of Media Finland's total net sales.
- Profitability improved during the second half of 2015 due to market share gains in advertising sales as well as cost savings.
- Divestments, especially the sale of regional newspaper business Sanoma Lehtimedia had a visible impact in Media Finland's net sales in 2015. In 2014, Lehtimedia's sales were EUR 37 million.

### Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	10–12/ 2015	10–12/ 2014	Change %	1–12/ 2015	1–12/ 2014	Change %
Net sales	<b>152.2</b>	165.5	-8.1	<b>572.8</b>	637.2	-10.1
<b>Digital</b>	<b>59.3</b>	53.2	11.4	<b>212.8</b>	198.7	7.1
Online & Mobile	<b>27.4</b>	23.2	18.3	<b>97.2</b>	84.8	14.5
TV & Radio	<b>31.9</b>	30.1	6.1	<b>115.7</b>	113.8	1.6
<b>Print</b>	<b>92.0</b>	110.6	-16.8	<b>356.9</b>	432.5	-17.5
Magazines	<b>29.7</b>	35.0	-15.1	<b>112.8</b>	134.4	-16.1
News	<b>62.4</b>	76.2	-18.1	<b>244.6</b>	300.3	-18.5
Eliminations	<b>-0.1</b>	-0.6		<b>-0.5</b>	-2.2	
<b>Other</b>	<b>0.9</b>	1.7	-48.6	<b>3.0</b>	6.0	-50.0
Operating profit excluding non-recurring items *	<b>15.6</b>	5.6		<b>13.0</b>	23.5	-44.8
% of net sales	<b>10.2</b>	3.4		<b>2.3</b>	3.7	
Operating profit	<b>-7.6</b>	-4.3		<b>-8.1</b>	146.2	
Capital expenditure	<b>0.9</b>	4.4	-80.5	<b>10.5</b>	15.4	-31.7
Number of employees at the end of the period (FTE)				<b>1,863</b>	2,508	-25.7
Average number of employees (FTE)				<b>2,123</b>	2,664	-20.3

\* Non-recurring items are presented in a separate table on page 10.

## Operational indicators, %

	1-12/ 2015	1-12/ 2014
<b>Finnish TV operations</b>		
TV channels' share of TV advertising	32.2	32.6
TV channels' national commercial viewing share (10-44 years)	31.5	32.8
TV channels' national viewing share (10+ years)	15.1	15.1

### Fourth quarter

In October–December, net sales in Media Finland decreased by 8.1% to EUR 152.2 million (2014: 165.5). Adjusted for structural changes, net sales decreased by 2.9%.

New media sales grew by 9.6% to EUR 60.2 million (2014: 54.9) mainly due to higher online and mobile sales.

Advertising sales for Media Finland decreased by 4.0% mainly due to divestments and represented 46.4% (2014: 44.4%) of net sales. Circulation sales decreased by 12.0% mainly due to divestments, and a decline in the remaining print operations were not offset by higher online and mobile sales. Circulation sales represented 43.1% (2014: 45.0%) of net sales.

According to TNS Gallup, the advertising market in Finland decreased on a net basis in magazines by 13%, in newspapers by 8%, and in TV by 3%, whereas advertising increased on radio by 15% and online excluding search by 11% in the fourth quarter.

Operating profit excluding non-recurring items in Media Finland in October–December increased to EUR 15.6 million (2014: 5.6). Good development in advertising sales as well as cost savings supported profitability.

Non-recurring items included in the operating profit totalled EUR -23.2 million (2014: -9.8) mainly consisting of sales gains and losses as well as restructuring expenses.

Media Finland's investments in tangible and intangible assets totalled EUR 0.9 million (2014: 4.4) in October–December and consisted mainly of maintenance investments.

### 2015

In January–December, Media Finland's sales decreased by 10.1% to EUR 572.8 million (2014: 637.2). Divestments had a negative impact on net sales. Adjusted for structural changes, net sales decreased by 4.1%.

According to TNS Gallup, the advertising market in Finland decreased on a net basis in magazines by 15%, in newspapers by 8%, and in TV by 4%, whereas advertising increased on radio by 3% and online excluding search by 7% in 2014.

Operating profit excluding non-recurring items in Media Finland decreased by 44.8% to EUR 13.0 million (2014: 23.5). Cost savings were able to offset lower net sales but additional TV amortisations decreased operating profit.

Non-recurring items included in operating profit totalled EUR -21.0 million (2014: 122.7) and were mainly related to restructuring expenses. In 2014 non-recurring items were mainly related to capital gains.

Media Finland's investments in tangible and intangible assets totalled EUR 10.5 million (2014: 15.4), and consisted mainly of investments related to ICT and maintenance capital expenditure.

In addition to the EUR 50 million cost savings programme, Sanoma Media Finland has introduced several long-term "Suunta" revenue enhancement and continuous cost innovation initiatives. These initiatives are part of ongoing business operations and Sanoma's 2016 Outlook takes into account the potential impacts of the initiatives.

## Learning

*Learning is a leading European provider of multi-channel learning solutions.*

- Net sales decreased by 4% in 2015 when adjusted for acquisitions and divestments. Non-print sales increased by 15% in footprint markets.
- Profitability in 2015 was negatively impacted by underperformance and write-downs in the digital operations of YDP.
- Nowa Era adjusting well to the difficult legislation change driven educational text book market with increased market share and adjusted cost base.
- During the fourth quarter of 2015, Sanoma decided to change the amortisation period for Learning's prepublication rights to be better aligned with the general market practice. The change had a positive impact of around EUR 2 million on profitability in the fourth quarter, and will have a positive impact of around EUR 6 million on 2016 figures as well.

### Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	10-12/ 2015	10-12/ 2014	Change %	1-12/ 2015	1-12/ 2014	Change %
Net sales	<b>23.3</b>	30.9	-24.6	<b>280.5</b>	292.0	-4.0
Netherlands	<b>6.4</b>	8.3	-22.8	<b>95.3</b>	98.1	-2.9
Poland	<b>7.4</b>	12.6	-41.4	<b>84.0</b>	86.8	-3.2
Finland	<b>3.4</b>	4.1	-16.1	<b>43.6</b>	48.3	-9.6
Belgium	<b>3.2</b>	2.6	19.9	<b>35.2</b>	34.8	1.3
Sweden	<b>3.4</b>	3.9	-14.0	<b>23.4</b>	26.1	-10.3
Other companies and eliminations	<b>-0.4</b>	-0.6		<b>-1.1</b>	-1.9	
Operating profit excluding non-recurring items *	<b>-24.9</b>	-27.1		<b>44.7</b>	51.4	-13.1
% of net sales	<b>-106.7</b>	-87.6		<b>15.9</b>	17.6	
Operating profit	<b>-34.7</b>	-30.5		<b>33.1</b>	55.1	-39.8
Capital expenditure	<b>5.9</b>	8.0	-26.1	<b>25.5</b>	18.9	35.2
Number of employees at the end of the period (FTE)				<b>1,507</b>	1,563	-3.6
Average number of employees (FTE)				<b>1,519</b>	1,589	-4.5

\* Non-recurring items are presented in a separate table on page 10.

### Fourth quarter

In October–December, net sales decreased by 24.6% to EUR 23.3 million (2014: 30.9), mainly due to lower sales in the international YDP operations. Adjusted for structural changes, net sales decreased by 24.3%.

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,

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

Operating profit excluding non-recurring items in the Learning segment improved to EUR -24.9 million (2014: -27.1), due to change in amortisation schedule of prepublication rights and lower operational expenses.



Non-recurring items included in the operating profit totalled EUR -9.8 million (2014: -3.4) consisting of restructuring expenses.

Learning's investments in tangible and intangible assets totalled EUR 5.9 million (2014: 8.0) in October–December. They were mainly related to investments in ICT for digital platforms.

## 2015

The Learning segment's net sales decreased by 4.0% to EUR 280.5 million (2014: 292.0). Adjusted for structural changes, net sales decreased by 4.0%.

Operating profit excluding non-recurring items in the Learning segment decreased by 13.1% to EUR 44.7 million (2014: 51.4) mainly due to lower profitability and write-downs in the international YDP operations.

Non-recurring items included in the operating profit totalled EUR -1.5 million (2014: 3.6), mainly related to restructuring expenses.

Learning's investments in tangible and intangible assets totalled EUR 25.5 million (2014: 18.9). They comprised mainly of investments in ICT for digital platforms.

## The Group

### Personnel

In 2015, the average number of personnel (FTE) employed by the Sanoma Group was 6,776 (2014: 8,259). At the end of 2015, the number of Group employees (FTE) was 6,116 (2014: 7,583). Divestments and restructuring decreased the number of personnel. In full-time equivalents, Media BeNe had 2,020 (2014: 2,483) employees at the end 2015 and Media Finland 1,863 (2014: 2,508). Learning had 1,507 (2014: 1,563) and other operations 726 (2014: 1,029) employees (FTE) at the end of 2015. Wages, salaries and fees to Sanoma's employees, including the expense recognition of share based payments, amounted to EUR 381.0 million (2014: 439.4).

### Dividend

On 31 December 2015, Sanoma Corporation's distributable funds were EUR 407.7 million, of which loss for the year made up EUR 100.6 million. Including the fund for non-restricted equity of EUR 203.3 million

the distributable funds amounted to EUR 611.0 million.

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

- a dividend of EUR 0.10 per share, or in total an estimated EUR 16.2 million, shall be paid.
- a sum of EUR 0.35 million shall be transferred to the donation reserve and used at the Board's discretion.
- the amount left in equity shall be EUR 594.5 million.

In accordance with the Annual General Meeting's decision in April 2015, Sanoma paid out a per-share dividend of EUR 0.20 for 2014. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result excluding non-recurring items for the period in dividends.

### AGM, Financial Statements and Annual Report

Sanoma Corporation's AGM will be held on 12 April 2016 at 14:00 Finnish time (CET+1) in the Congress Wing of Messukeskus (the Helsinki Exhibition & Convention Centre, Helsinki, Finland). The agenda for the meeting will be available later on the Group's website at Sanoma.com.

Sanoma's Financial Statements, Board of Directors' Report and Corporate Governance Statement for 2015 will be published in digital format on the Group's website during week 10 (the week beginning 7 March). The annual review 'Sanoma View' and Corporate Sustainability Report will be published on the same day.

### Shares and holdings

In 2015, a total of 81,355,104 (2014: 59,025,525) Sanoma shares were traded on the Nasdaq Helsinki and traded shares accounted for some 50% (2014: 36%) of the average number of shares. Sanoma's shares traded on the Nasdaq Helsinki corresponded to around 84% (2014: 82%) of the total traded share volume on stock exchanges.

During 2015, the volume-weighted average price of a Sanoma share on the Nasdaq Helsinki was EUR 4.28, with a low of EUR 3.13 and a high of EUR 5.95. At the end of 2015, Sanoma's market capitalisation excluding treasury shares held by the company was EUR 634 million (2014: 749), with Sanoma's share

closing at EUR 3.91 (2014: 4.60). At the end of 2015, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

In October-December 2015, Sanoma acquired a total of 730,000 of the company's own shares at the cost of EUR 3.2 million. At the end of 2015, the company held a total of 730,000 own shares, representing 0.4% of all Sanoma's shares and votes.

### **Board of Directors, auditors and management**

The AGM held on 8 April 2015 confirmed the number of Sanoma's Board members as ten. Board member Robin Langenskiöld was re-elected and Susan Duinhoven and Denise Koopmans were elected as new Board members. The Board of Directors of Sanoma consists of Antti Herlin (Chairman), Pekka Ala-Pietilä (Vice Chairman), Anne Brunila, Susan Duinhoven, Mika Ihamuotila, Nils Ittonen, Denise Koopmans, Robin Langenskiöld, 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 the Auditor in Charge.

At the end of 2015, the Executive Management Group (EMG) comprises: Susan Duinhoven (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Arthur Hoffman (CEO, Sanoma Digital), Kim Ignatius (CFO), Pia Kalsta (CEO, Sanoma Media Finland), John Martin (CEO, Sanoma Learning) and Peter de Mönnink (CEO, Sanoma Media BeNe).

On 18 September 2015, Sanoma announced that Harri-Pekka Kaukonen stepped down as Sanoma's President and CEO effective immediately.

### **Board authorisations**

The AGM held on 3 April 2013 authorised the Board of Directors to decide on an issuance of a maximum of 82,000,000 new shares and a transfer of a maximum of 5,000,000 treasury shares. The authorisation will be valid until 30 June 2016. The Board of Directors is authorised to grant a maximum of 5,000,000 stock options as part of the Company's incentive

programme. In a directed share issue, a maximum of 41,000,000 shares can be issued or transferred.

The AGM held on 8 April 2015 authorised the Board to decide on the repurchase of maximum of 16,000,000 Company's own shares. The authorisation is effective until 30 June 2016 and terminates the corresponding authorisation granted by the AGM on 9 April 2014.

These shares will be purchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce funds available for distribution on profits. The shares will be repurchased to develop the Company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

The shares can be repurchased either through a tender offer made to all shareholders on equal terms or in other proportion than that of the current shareholders at the market price of the repurchase moment on the Nasdaq Helsinki.

### **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. TV advertising in Finland and the Netherlands is usually strongest in the second and fourth quarters. Learning accrues most of its net sales and results during the second and third quarters. Seasonal business fluctuations influence the Group's net sales and operating profit, with the first quarter traditionally being clearly the smallest one for both.

### **Significant risks and uncertainty factors (unchanged)**

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group's website at Sanoma.com, together with the Group's main principles of risk management. Many of the identified risks relate to changes in customer preferences. The driving force behind these changes is the on-going

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

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

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

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

Sanoma's consolidated balance sheet includes about EUR 2.1 billion in goodwill, publishing rights and other intangible assets. Most of this is related to magazine and TV operations. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for

impairment on an annual basis, or whenever there is any indication of impairment. Major changes in business fundamentals could lead to further impairment.

## Full-year statement (audited)

### Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 31 December 2015. The accounting policies of the Interim Report, excluding the changed accounting principles, and the definitions of key indicators are presented on the Sanoma website at Sanoma.com. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

## Consolidated income statement

EUR million	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
<b>NET SALES</b>	<b>408.8</b>	452.5	<b>1,716.6</b>	1,901.6
Other operating income	<b>0.8</b>	9.3	<b>37.1</b>	224.5
Materials and services	<b>-131.6</b>	-148.3	<b>-527.2</b>	-609.2
Employee benefit expenses	<b>-109.9</b>	-141.2	<b>-472.2</b>	-540.7
Other operating expenses	<b>-125.1</b>	-114.3	<b>-454.3</b>	-440.7
Share of results in joint ventures	<b>-11.8</b>	-39.2	<b>-34.1</b>	-74.1
Depreciation, amortisation and impairment losses	<b>-163.1</b>	-128.1	<b>-389.4</b>	-327.6
<b>OPERATING PROFIT</b>	<b>-131.8</b>	-109.2	<b>-123.6</b>	133.8
Share of results in associated companies	<b>-2.0</b>	-1.3	<b>-0.7</b>	-1.2
Financial income	<b>5.7</b>	6.6	<b>26.4</b>	21.8
Financial expenses	<b>-14.3</b>	-17.6	<b>-53.8</b>	-63.7
<b>RESULT BEFORE TAXES</b>	<b>-142.4</b>	-121.6	<b>-151.7</b>	90.7
Income taxes	<b>10.7</b>	17.5	<b>-6.3</b>	-29.1
<b>RESULT FOR THE PERIOD</b>	<b>-131.7</b>	-104.1	<b>-158.0</b>	61.6
<b>Result attributable to:</b>				
Equity holders of the Parent Company	<b>-111.6</b>	-104.2	<b>-142.9</b>	58.3
Non-controlling interests	<b>-20.0</b>	0.1	<b>-15.0</b>	3.3
<b>Earnings per share for result attributable to the equity holders of the Parent Company:</b>				
Earnings per share, EUR	<b>-0.70</b>	-0.65	<b>-0.91</b>	0.32
Diluted earnings per share, EUR	<b>-0.70</b>	-0.65	<b>-0.91</b>	0.32

## Statement of comprehensive income

EUR million	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
<b>Result for the period</b>	<b>-131.7</b>	-104.1	<b>-158.0</b>	61.6
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Change in translation differences	<b>0.4</b>	-26.4	<b>-0.7</b>	-28.0
Share of other comprehensive income of equity-accounted investees	<b>0.3</b>	-1.7	<b>1.1</b>	-1.9
Realisation of translation differences related to assets held for sale	<b>0.7</b>	36.8	<b>0.7</b>	36.8
Reclassification of foreign currency differences on loss of significant influence		-1.5	<b>12.8</b>	-2.3
Cash flow hedges	<b>-0.2</b>	0.2	<b>-0.2</b>	2.8
Income tax related to cash flow hedges	<b>0.0</b>	0.0	<b>0.0</b>	-0.6
<b>Items that will not be reclassified to profit or loss</b>				
Defined benefit plans	<b>12.2</b>	51.9	<b>12.8</b>	-34.6
Income tax related to defined benefit plans	<b>-1.9</b>	-12.8	<b>-1.5</b>	8.1
<b>Other comprehensive income for the period, net of tax</b>	<b>11.7</b>	46.5	<b>25.0</b>	-19.6
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-120.0</b>	-57.6	<b>-133.0</b>	42.0
Total comprehensive income attributable to:				
Equity holders of the Parent Company	<b>-100.0</b>	-57.7	<b>-118.0</b>	38.7
Non-controlling interests	<b>-20.0</b>	0.1	<b>-15.0</b>	3.3

## Consolidated balance sheet

EUR million	31.12.2015	31.12.2014
<b>ASSETS</b>		
Property, plant and equipment	69.4	94.4
Investment property	31.6	30.3
Goodwill	1,665.3	1,749.2
Other intangible assets	458.3	513.3
Equity-accounted investees	33.1	22.9
Available-for-sale financial assets	3.6	4.9
Deferred tax receivables	41.3	36.9
Trade and other receivables	37.6	12.0
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>2,340.3</b>	<b>2,463.8</b>
Inventories	39.5	44.6
Income tax receivables	5.0	9.5
Trade and other receivables	271.0	282.4
Cash and cash equivalents	98.5	116.3
<b>CURRENT ASSETS, TOTAL</b>	<b>414.0</b>	<b>452.8</b>
Assets classified as held for sale	10.9	99.9
<b>ASSETS, TOTAL</b>	<b>2,765.1</b>	<b>3,016.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the Parent Company</b>		
Share capital	71.3	71.3
Treasury shares	-3.2	
Fund for invested unrestricted equity	203.3	203.3
Other reserves	-0.5	-0.4
Other equity	373.4	529.1
Hybrid bond	99.1	99.1
	<b>743.4</b>	<b>902.4</b>
Non-controlling interests	285.7	298.9
<b>EQUITY, TOTAL</b>	<b>1,029.1</b>	<b>1,201.3</b>
Deferred tax liabilities	62.0	78.0
Pension obligations	89.1	94.2
Provisions	1.7	2.1
Financial liabilities	507.4	521.5
Trade and other payables	46.7	41.6
<b>NON-CURRENT LIABILITIES, TOTAL</b>	<b>706.9</b>	<b>737.4</b>
Provisions	26.5	26.8
Financial liabilities	392.3	396.6
Income tax liabilities	6.3	26.8
Trade and other payables	600.9	619.4
<b>CURRENT LIABILITIES, TOTAL</b>	<b>1,026.0</b>	<b>1,069.5</b>
Liabilities related to assets held for sale	3.1	8.2
<b>LIABILITIES, TOTAL</b>	<b>1,736.0</b>	<b>1,815.2</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>2,765.1</b>	<b>3,016.5</b>

On 31 December 2015, assets classified as held for sale included OOO United Press and joint venture OOO Mondadori Independent Media that were classified as assets held for sale in December 2015 and Hearst Independent Media Publishing B.V. that was classified as assets held for sale in December 2014.

On 31 December 2014, assets classified as held for sale included Sanoma Lehtimedia, Saimaan Lehtipaino, Lehtikanta, De Vijver Media N.V. as well as Hearst Independent Media Publishing B.V.

## Changes in consolidated equity

EUR million	Equity attributable to the equity holders of the Parent Company								Equity, total
	Share capital	Treasury shares	Fund for invested unrestricted equity	Other reserves	Other equity	Hybrid bond	Total	Non-controlling interest	
<b>Equity at 1 Jan 2014</b>	<b>71.3</b>		<b>203.3</b>	<b>-2.6</b>	<b>511.4</b>	<b>99.1</b>	<b>882.5</b>	<b>296.8</b>	<b>1,179.3</b>
Comprehensive income for the period				2.2	36.5		38.7	3.3	42.0
Share based compensation					0.7		0.7		0.7
Dividends paid					-16.3		-16.3	-0.3	-16.6
Acquisitions and other changes in non-controlling interests					0.3		0.3	-0.9	-0.6
Interest paid on hybrid bond					-5.9		-5.9		-5.9
Recognition of unpaid dividends					0.1		0.1		0.1
Reclassification of foreign currency differences on loss of significant of influence					2.3		2.3		2.3
<b>Equity at 31 December 2014</b>	<b>71.3</b>		<b>203.3</b>	<b>-0.4</b>	<b>529.1</b>	<b>99.1</b>	<b>902.4</b>	<b>298.9</b>	<b>1,201.3</b>
<b>Equity at 1 Jan 2015</b>	<b>71.3</b>		<b>203.3</b>	<b>-0.4</b>	<b>529.1</b>	<b>99.1</b>	<b>902.4</b>	<b>298.9</b>	<b>1,201.3</b>
Comprehensive income for the period				-0.2	-117.8		-118.0	-15.0	-133.0
Purchase of treasury shares		-3.2					-3.2		-3.2
Share based compensation					1.1		1.1		1.1
Dividends paid					-32.6		-32.6	-0.6	-33.2
Acquisitions and other changes in non-controlling interests					-0.6		-0.6	2.4	1.8
Interest paid on hybrid bond					-5.8		-5.8		-5.8
Recognition of unpaid dividends					0.1		0.1		0.1
<b>Equity at 31 December 2015</b>	<b>71.3</b>	<b>-3.2</b>	<b>203.3</b>	<b>-0.5</b>	<b>373.4</b>	<b>99.1</b>	<b>743.4</b>	<b>285.7</b>	<b>1,029.1</b>

## Consolidated cash flow statement

EUR million	1-12/ 2015	1-12/ 2014
<b>OPERATIONS</b>		
Result for the period	-158.0	61.6
Adjustments		
Income taxes	6.3	29.1
Financial income and expenses	27.4	41.9
Share of results in associated companies and joint ventures	34.8	75.3
Depreciation, amortisation and impairment losses	389.4	327.6
Gains/losses on sales of non-current assets	20.6	-198.6
Acquisitions of broadcasting rights and prepublication costs	-226.5	-213.2
Other adjustments	0.9	0.6
Change in working capital	-0.7	22.9
Interest and other financial items paid	-32.9	-49.6
Taxes paid	-36.0	-23.9
<b>Cash flow from operations</b>	<b>25.2</b>	<b>73.7</b>
<b>INVESTMENTS</b>		
Acquisition of tangible and intangible assets	-55.1	-51.0
Operations acquired	-9.5	-21.4
Proceeds from sale of tangible and intangible assets	3.1	246.4
Operations sold	66.7	83.8
Loans granted	-4.3	-4.0
Repayments of loan receivables	6.3	12.2
Sales on short-term investments		0.1
Interest received	0.6	1.5
Dividends received	6.2	15.5
<b>Cash flow from investments</b>	<b>14.0</b>	<b>283.2</b>
<b>Cash flow before financing</b>	<b>39.2</b>	<b>356.9</b>
<b>FINANCING</b>		
Contribution by non-controlling interests	0.1	
Purchase of treasury shares	-3.2	
Change in loans with short maturity	62.1	-31.2
Drawings of other loans	202.5	193.6
Repayments of other loans and finance lease liabilities	-230.8	-506.6
Interest paid on hybrid bond	-7.3	-7.3
Dividends paid	-33.2	-16.6
<b>Cash flow from financing</b>	<b>-9.7</b>	<b>-368.1</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT</b>	<b>29.6</b>	<b>-11.2</b>
Effect of exchange rate differences on cash and cash equivalents	0.9	-1.4
<b>Net change in cash and cash equivalents</b>	<b>30.5</b>	<b>-12.6</b>
Cash and cash equivalents at the beginning of the period	52.0	64.7
Cash and cash equivalents at the end of the period	82.5	52.0

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



## Income statement by quarter

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	10-12/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014
<b>NET SALES</b>	380.1	468.8	458.8	<b>408.8</b>	438.3	533.1	477.8	452.5
Other operating income	20.0	11.3	5.0	<b>0.8</b>	179.0	7.3	28.9	9.3
Materials and services	-117.2	-137.3	-141.2	<b>-131.6</b>	-143.0	-167.1	-150.9	-148.3
Employee benefit expenses	-120.6	-126.8	-115.0	<b>-109.9</b>	-138.0	-147.8	-113.7	-141.2
Other operating expenses	-100.8	-130.9	-97.5	<b>-125.1</b>	-104.3	-121.7	-100.4	-114.3
Share of results in joint ventures	0.5	1.2	-24.0	<b>-11.8</b>	0.4	-33.3	-2.0	-39.2
Depreciation, amortisation and impairment losses	-73.1	-77.1	-76.1	<b>-163.1</b>	-70.2	-67.1	-62.1	-128.1
<b>OPERATING PROFIT</b>	-11.0	9.2	10.1	<b>-131.8</b>	162.1	3.2	77.6	-109.2
Share of results in associated companies	0.0	1.4	0.0	<b>-2.0</b>	0.0	0.2	-0.1	-1.3
Financial income	18.6	-2.6	4.6	<b>5.7</b>	2.4	2.7	10.2	6.6
Financial expenses	-20.8	-6.9	-11.8	<b>-14.3</b>	-15.8	-12.7	-17.5	-17.6
<b>RESULT BEFORE TAXES</b>	-13.3	1.1	2.9	<b>-142.4</b>	148.7	-6.6	70.3	-121.6
Income taxes	5.0	-16.0	-6.0	<b>10.7</b>	-22.4	-11.0	-13.3	17.5
<b>RESULT FOR THE PERIOD</b>	-8.3	-14.9	-3.1	<b>-131.7</b>	126.3	-17.6	57.0	-104.1
<b>Result attributable to:</b>								
Equity holders of the Parent Company	-8.3	-17.9	-5.1	<b>-111.6</b>	126.4	-19.9	56.0	-104.2
Non-controlling interests	0.0	3.0	2.0	<b>-20.0</b>	-0.1	2.3	1.0	0.1
<b>Earnings per share for result attributable to the equity holders of the Parent Company:</b>								
Earnings per share, EUR	-0.06	-0.12	-0.04	<b>-0.70</b>	0.77	-0.13	0.34	-0.65
Diluted earnings per share, EUR	-0.06	-0.12	-0.04	<b>-0.70</b>	0.77	-0.13	0.34	-0.65

## Net sales by strategic business unit by quarter

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	10-12/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014
<b>MEDIA BENE</b>								
<b>Digital</b>	<b>67.1</b>	<b>83.9</b>	<b>70.6</b>	<b>94.9</b>	<b>65.9</b>	<b>84.6</b>	<b>67.8</b>	<b>90.3</b>
Online & mobile	20.9	21.6	19.8	27.4	20.4	21.8	20.1	24.9
TV	46.2	62.3	50.8	67.5	45.5	62.8	47.7	65.4
<b>Print</b>	<b>105.6</b>	<b>109.4</b>	<b>102.6</b>	<b>102.3</b>	<b>114.9</b>	<b>125.7</b>	<b>115.6</b>	<b>123.2</b>
Magazines	105.6	109.4	102.6	102.3	114.9	125.7	115.6	123.2
<b>Other</b>	<b>16.8</b>	<b>22.7</b>	<b>23.1</b>	<b>30.4</b>	<b>13.2</b>	<b>21.4</b>	<b>20.2</b>	<b>28.0</b>
<b>Total</b>	<b>189.5</b>	<b>216.0</b>	<b>196.4</b>	<b>227.6</b>	<b>194.0</b>	<b>231.7</b>	<b>203.6</b>	<b>241.5</b>
<b>MEDIA FINLAND</b>								
<b>Digital</b>	<b>50.0</b>	<b>56.9</b>	<b>46.6</b>	<b>59.3</b>	<b>48.6</b>	<b>53.4</b>	<b>43.5</b>	<b>53.2</b>
Online & Mobile	21.9	25.7	22.1	27.4	21.3	22.1	18.3	23.2
TV & Radio	28.0	31.2	24.6	31.9	27.3	31.4	25.1	30.1
<b>Print</b>	<b>90.5</b>	<b>89.7</b>	<b>84.8</b>	<b>92.0</b>	<b>108.8</b>	<b>109.9</b>	<b>103.1</b>	<b>110.6</b>
Magazines	28.4	27.9	26.8	29.7	34.0	33.6	31.8	35.0
News	62.3	61.9	58.1	62.4	75.3	77.0	71.8	76.2
Eliminations	-0.2	-0.1	-0.2	-0.1	-0.5	-0.7	-0.4	-0.6
<b>Other</b>	<b>2.5</b>	<b>-0.9</b>	<b>0.5</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>1.4</b>	<b>1.7</b>
<b>Total</b>	<b>143.0</b>	<b>145.7</b>	<b>131.9</b>	<b>152.2</b>	<b>159.0</b>	<b>164.6</b>	<b>148.0</b>	<b>165.5</b>
<b>LEARNING</b>								
Netherlands	21.5	39.9	27.5	6.4	24.5	40.7	24.6	8.3
Poland	6.6	12.8	57.2	7.4	5.2	17.8	51.1	12.6
Finland	3.8	25.5	11.0	3.4	4.8	28.8	10.6	4.1
Belgium	1.5	14.3	16.3	3.2	1.9	13.6	16.7	2.6
Sweden	4.1	5.7	10.2	3.4	4.9	6.5	10.7	3.9
Other companies and eliminations	-0.1	-0.2	-0.3	-0.4	-0.1	-0.5	-0.7	-0.6
<b>Total</b>	<b>37.4</b>	<b>97.9</b>	<b>121.8</b>	<b>23.3</b>	<b>41.2</b>	<b>106.9</b>	<b>113.0</b>	<b>30.9</b>
<b>OTHER AND ELIMINATIONS</b>								
Russia & CEE	2.5	2.4	1.2	0.2	22.0	21.7	5.7	4.7
Other operations	8.2	6.9	7.7	5.8	28.9	8.8	8.2	9.5
Eliminations	-0.6	-0.1	-0.1	-0.3	-6.8	-0.6	-0.6	0.3
<b>Total</b>	<b>10.2</b>	<b>9.2</b>	<b>8.8</b>	<b>5.7</b>	<b>44.0</b>	<b>29.9</b>	<b>13.2</b>	<b>14.5</b>
<b>Total</b>	<b>380.1</b>	<b>468.8</b>	<b>458.8</b>	<b>408.8</b>	<b>438.3</b>	<b>533.1</b>	<b>477.8</b>	<b>452.5</b>

## Net sales by strategic business unit by year

EUR million	1-12/ 2015	1-12/ 2014
<b>MEDIA BENE</b>		
<b>Digital</b>	<b>316.6</b>	<b>308.6</b>
Online & mobile	89.7	87.2
TV	226.9	221.4
<b>Print</b>	<b>419.9</b>	<b>479.4</b>
Magazines	419.9	479.4
<b>Other</b>	<b>93.0</b>	<b>82.8</b>
<b>Total</b>	<b>829.5</b>	<b>870.8</b>
<b>MEDIA FINLAND</b>		
<b>Digital</b>	<b>212.8</b>	<b>198.7</b>
Online & Mobile	97.2	84.8
TV & Radio	115.7	113.8
<b>Print</b>	<b>356.9</b>	<b>432.5</b>
Magazines	112.8	134.4
News	244.6	300.3
Eliminations	-0.5	-2.2
<b>Other</b>	<b>3.0</b>	<b>6.0</b>
<b>Total</b>	<b>572.8</b>	<b>637.2</b>
<b>LEARNING</b>		
Netherlands	95.3	98.1
Poland	84.0	86.8
Finland	43.6	48.3
Belgium	35.2	34.8
Sweden	23.4	26.1
Other companies and eliminations	-1.1	-1.9
<b>Total</b>	<b>280.5</b>	<b>292.0</b>
<b>OTHER AND ELIMINATIONS</b>		
Russia & CEE	6.3	54.0
Other operations	28.7	55.3
Eliminations	-1.1	-7.8
<b>Total</b>	<b>33.9</b>	<b>101.6</b>
<b>Total</b>	<b>1,716.6</b>	<b>1,901.6</b>

## Operating profit by strategic business unit by quarter

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	10-12/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014
Media BeNe	2.7	29.6	17.2	<b>-72.3</b>	6.4	-29.4	20.5	-3.2
Media Finland	13.1	-1.8	-11.7	<b>-7.6</b>	133.1	4.8	12.5	-4.3
Learning	-12.8	31.6	49.1	<b>-34.7</b>	-7.0	39.7	52.9	-30.5
Other companies and eliminations	-14.0	-50.2	-44.5	<b>-17.2</b>	29.5	-11.8	-8.3	-71.2
<b>Total</b>	-11.0	9.2	10.1	<b>-131.8</b>	162.1	3.2	77.6	-109.2

## Operating profit by strategic business unit by year

EUR million	1-12/ 2015	1-12/ 2014
Media BeNe	<b>-22.8</b>	-5.7
Media Finland	<b>-8.1</b>	146.2
Learning	<b>33.1</b>	55.1
Other companies and eliminations	<b>-125.9</b>	-61.8
<b>Total</b>	<b>-123.6</b>	133.8

## Operating profit excluding non-recurring items by strategic business unit by quarter

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	10-12/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014
Media BeNe	5.8	27.1	20.1	<b>10.9</b>	8.3	25.7	13.9	23.3
Media Finland	-2.1	-2.5	2.0	<b>15.6</b>	0.4	7.5	9.9	5.6
Learning	-12.7	32.5	49.8	<b>-24.9</b>	-7.0	41.2	44.4	-27.1
Other companies and eliminations	-10.9	-7.6	-9.3	<b>-10.5</b>	-5.7	-8.1	-6.1	-7.5
<b>Total</b>	-19.9	49.4	62.5	<b>-8.9</b>	-4.0	66.3	62.1	-5.6

## Operating profit excluding non-recurring items by strategic business unit by year

EUR million	1-12/ 2015	1-12/ 2014
Media BeNe	<b>63.9</b>	71.2
Media Finland	<b>13.0</b>	23.5
Learning	<b>44.7</b>	51.4
Other companies and eliminations	<b>-38.3</b>	-27.3
<b>Total</b>	<b>83.2</b>	118.8

## Segment information

In 2015, Sanoma Group included two reportable segments: Consumer Media and Learning. Consumer Media consisted of two strategic business units in 2015: Sanoma Media BeNe and Sanoma Media Finland. Consumer Media is responsible for magazines, TV operations and newspapers, with operations in Finland, the Netherlands and Belgium. The segment also has a great variety of online and mobile services. Learning is a leading European provider of multichannel learning solutions. Learning's main markets are Belgium, Finland, the Netherlands, Poland and Sweden. In addition to the Group eliminations, column unallocated/eliminations includes non-core operations, group functions, real estate companies as well as items not allocated to segments. Segment assets do not include cash and cash equivalents, interest-bearing receivables, tax receivables and deferred tax receivables. Transactions between segments are based on market prices.

### Sanoma segments 1.1.–31.12.2015

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	1,401.9	280.5	34.2	1,716.6
Internal net sales	0.3	0.0	-0.3	
<b>Net sales, total</b>	1,402.2	280.5	33.9	1,716.6
<b>Operating profit</b>	-30.9	33.1	-125.9	-123.6
<b>Operating profit excl. NRI</b>	76.9	44.7	-38.3	83.2
Share of result in associated companies	-0.7	0.0	0.0	-0.7
Financial income			26.4	26.4
Financial expenses			-53.8	-53.8
<b>Result before taxes</b>				-151.7
<b>Segment assets</b>	2,060.9	480.5	71.8	2,613.1

### Sanoma segments 1.1.–31.12.2014

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	1,507.8	292.0	101.8	1,901.6
Internal net sales	0.1	0.1	-0.2	
<b>Net sales, total</b>	1,508.0	292.0	101.6	1,901.6
<b>Operating profit</b>	140.5	55.1	-61.8	133.8
<b>Operating profit excl. NRI</b>	94.6	51.4	-27.3	118.8
Share of results in associated companies	-1.2	0.0		-1.2
Financial income			21.8	21.8
Financial expenses			-63.7	-63.7
<b>Result before taxes</b>				90.7
<b>Segment assets</b>	2,250.0	455.1	136.6	2,841.8

## Changes in property plant and equipment

EUR million	31.12.2015	31.12.2014
Carrying amount at the beginning of the period	94.4	149.0
Increases	14.3	14.9
Acquisition of operations	0.0	0.2
Decreases	-2.0	-6.4
Disposal of operations	-13.6	-4.4
Depreciation for the period	-20.3	-25.3
Impairment losses for the period	-1.6	-10.4
Transfer to assets classified as held for sale	-0.1	-3.5
Exchange rate differences and other changes	-1.7	-19.7
<b>Carrying amount at the end of the period</b>	<b>69.4</b>	<b>94.4</b>

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

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 202.3 million (2014: 236.5).

## Effect of acquisitions on the consolidated balance sheet

EUR million	1-12/ 2015	1-12/ 2014
Acquisition costs	5.7	22.7
Non-controlling interests, based on the proportionate interest in the recognised amounts of the assets and liabilities	2.2	
Fair value of previously held interest	2.8	
Fair value of acquired net assets	-5.3	-14.4
Recognised in equity	-0.6	
<b>Goodwill</b>	<b>4.9</b>	<b>8.3</b>

## Contingent liabilities

EUR million	31.12.2015	31.12.2014
<b>Contingencies for own commitments</b>		
Mortgages	10.6	10.7
Pledges	2.4	2.4
Other items	25.6	55.7
Total	38.6	68.8
<b>Other contingencies</b>		
Operating lease liabilities	323.7	352.3
Royalties	12.5	6.3
Other items	69.9	74.0
Total	406.0	432.6
<b>Total</b>	<b>444.7</b>	<b>501.4</b>

### Interest on hybrid bond

On 12 December 2013, Sanoma issued a hybrid bond of EUR 100 million. At the reporting date, the unpaid interest on the bond was EUR 0.4 million (2014: 0.4).

## Derivative instruments

EUR million	31.12.2015	31.12.2014
<b>Fair values</b>		
<b>Interest rate derivatives (incl. accrued interests)</b>		
Interest rate swaps	-1.6	-1.6
<b>Currency derivatives</b>		
Forward contracts	8.0	7.3
<b>Nominal values</b>		
<b>Interest rate derivatives</b>		
Interest rate swaps	200.00	300.0
<b>Currency derivatives</b>		
Forward contracts	100.2	94.6

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



## Key exchange rates

	1-12/2015	1-12/2014
<b>Average rate</b>		
EUR/PLN (Polish Zloty)	4.18	4.18
EUR/RUB (Russian Rouble)	68.07	51.00
EUR/SEK (Swedish Crown)	9.35	9.10
EUR/USD (US Dollar)	1.11	1.33
<b>Closing rate</b>		
	<b>31.12.2015</b>	<b>31.12.2014</b>
EUR/PLN (Polish Zloty)	4.26	4.27
EUR/RUB (Russian Rouble)	80.67	72.34
EUR/SEK (Swedish Crown)	9.19	9.39
EUR/USD (US Dollar)	1.09	1.21

### Full-Year Result 2015 webcast

The event for analysts and investors will be held today in English by President and CEO Susan Duinhoven and CFO Kim Ignatius at 11:00 Finnish time (9:00 UK time) at Sanomatalo, Töölönlahdenkatu 2, Helsinki. The live webcast can be viewed on Sanoma's website at [www.sanoma.com/en/investors](http://www.sanoma.com/en/investors) and on demand after the event.

Please join by dialing

Finland: +358 (0)9 23101619 / US: +1 646 2543371 / UK: +44 (0)20 3364 5728 / Netherlands: +31 (0)20 716 8251  
Conference id: 4349280

### Financial reporting 2016

- Interim Report January-March on 3 May 2016, approx. at 8:30
- Interim Report January-June on 27 July 2016, approx. at 8:30
- Interim Report January-September on 28 October 2016, approx. at 8:30.

### Additional information

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