

2015

Q1
Interim
Report

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Sanoma's Interim Report 1 January – 31 March 2015:

Mixed performance in challenging environment

Sanoma Corporation, Stock Exchange Release, 29 April 2015 at 8:30 CET+1

First quarter

- Net sales amounted to EUR 380.1 million (2014: 438.3).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.8%.
- Operating profit excluding non-recurring items was EUR -19.9 million (2014: -4.0).
- Non-recurring items included in the operating profit amounted to EUR 8.8 million (2014: 166.0), mainly related to a sales gain and restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains on real estate.
- Earnings per share were EUR -0.06 (2014: 0.77).
- Earnings per share excluding non-recurring items were EUR -0.15 (2014: -0.09).
- Cash flow from operations was EUR -73.1 million (2014: -52.1).

Outlook (unchanged)

In 2015, Sanoma expects that the Group's consolidated net sales growth adjusted for structural changes will be around the previous year's development (2014: -3.7%). The operating profit margin excluding non-recurring items is estimated to be at or above the previous year's level (2014: 6.2% of net sales).

Mid-term outlook (unchanged)

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

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

EUR million	1-3/ 2015	1-3/ 2014	Change %	1-12/ 2014
Net sales	380.1	438.3	-13.3	1,901.6
Operating profit excluding non-recurring items	-19.9	-4.0		118.8
% of net sales	-5.2	-0.9		6.2
Operating profit	-11.0	162.1		133.8
Result for the period	-8.3	126.3		61.6
Capital expenditure *	12.0	9.6	24.0	50.7
% of net sales	3.1	2.2		2.7
Return on equity (ROE), % **	-5.9	-11.3		4.9
Return on investment (ROI), % **	-0.5	-2.1		6.5
Equity ratio, %	40.4	42.3		42.2
Net gearing, %	73.2	71.3		66.7
Number of employees at the end of the period (FTE)	7,000	8,831	-20.7	7,583
Average number of employees (FTE)	7,080	8,889	-20.3	8,259
Earnings/share, EUR	-0.06	0.77		0.32
Cash flow from operations/share, EUR	-0.45	-0.32		0.45
Equity/share, EUR	5.26	6.11	-13.9	5.54

* Including finance leases.

** Rolling 12-month period.

Organic growth, %

	1-3/2015 vs. 1-3/2014	1-12/2014 vs. 1-12/2013
Media BeNe	-1.6	-2.7
Media Finland	-3.3	-5.3
Learning	-6.7	1.0
Other	-31.7	-14.2
Group	-3.8	-3.7

Harri-Pekka Kaukonen, President and CEO

“Our performance in the first three months of 2015 was mixed. The rolling 12 month growth trend improved from -3.7% to -3.2%. This was supported by new media sales, which grew by over 5%. Now close to 40% of our consumer media sales in the Netherlands, Belgium and Finland have been generated from new media products and services during the last 12 months. However, the profitability for the Group was not at a satisfactory level as operating profit declined.

Our Finnish consumer media operations faced headwinds in the first quarter. Print advertising sales declined by over 10% and growth in digital sales was not able to compensate for the decline. Helsingin Sanomat consumer sales grew thanks to improved content and good uptake in digital sales. However, total sales and profitability declined for the Finnish operations. The need to turn the tide is obvious. Pia Kalsta was appointed as new CEO of Media Finland. With Kalsta we will enter the next phase of Sanoma's transformation in Finland: improve profitability and return to growth.

Media BeNe, the new unit of our Dutch and Belgian media operations, performed quite well in a tough market. The TV advertising market declined in the first quarter. Visibility in TV advertising is poor and volatility between months is high. Our Dutch TV operation had a slightly weaker start to the year in terms of viewing share but SBS was able to achieve organic growth. Regarding the Dutch magazine business, the focus title approach is paying off. Cross and upsell is easier with a smaller portfolio and a number of magazines showed growth in the first quarter. Also the press distribution business turned the negative trend to positive as a result of achieving new clients. Overall profitability in Media BeNe was on last year's level when adjusted for divestments and acquisitions.

For Learning, the first quarter is seasonally very minor. The ordering pattern is changing in the industry towards end of the summer, reinforcing seasonality even more. This was partly visible in the Netherlands in the first quarter and will be visible in the second quarter in Poland. However, this is a timing shift issue between quarters and will not have an impact on the full year.”

Group outlook (unchanged)

In 2015, Sanoma expects that the Group's consolidated net sales growth adjusted for structural changes will be around the previous year's development (2014: -3.7%). The operating profit margin excluding non-recurring items is estimated to be at or above the previous year's level (2014: 6.2% of net sales).

Mid-term outlook (unchanged)

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

Cost savings programme

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

The programme is proceeding according to plan. Related to the programme, around EUR 81 million of non-recurring restructuring expenses had been recognised by the end of March 2015, of which some EUR 3 million was recognised in the first quarter. Savings in the first quarter were around EUR 23 million. The annual run-rate for gross savings at the end of March is around EUR 93 million.

Net sales First quarter

In January–March, Sanoma's net sales decreased by 13.3% and amounted to EUR 380.1 million (2014: 438.3). Higher new media sales did not offset the decline in print sales. Divestments of non-core operations had a major impact on net sales. The closing of magazine titles in the Netherlands and Finland also had a negative impact. Adjusted for changes in the Group structure, net sales decreased by 3.8%.

New media sales grew by 5.1% to EUR 126.2 million (2014: 120.1).

Advertising sales decreased by 11.0% to EUR 136.1 million (2014: 152.8). Circulation sales decreased by 13.6% to EUR 151.7 million (2014: 175.5). Learning's net sales decreased by 9.2% to EUR 37.4 million

(2014: 41.2). Other sales decreased by 20.1% to EUR 54.9 million (2014: 68.7). All categories were negatively impacted by divestments of non-core operations.

Group's net sales by country, %

	1-3/2015	1-3/2014	1-12/2014
Netherlands	43.8	41.0	41.8
Finland	40.1	41.4	38.0
Belgium	12.2	9.5	11.1
Other	3.9	8.1	9.1
Total Group	100.0	100.0	100.0

Group's net sales by type of sales, %

	1-3/2015	1-3/2014	1-12/2014
Advertising	35.8	34.9	34.3
Subscription	26.5	25.9	23.1
Single copy	13.5	14.2	12.7
Learning	9.9	9.4	15.4
Other	14.4	15.7	14.6
Total Group	100.0	100.0	100.0

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

Result

First quarter

In January-March, Sanoma's operating profit excluding non-recurring items totalled EUR -19.9 million (2014: -4.0). Ordering pattern change and higher investments in Learning, as well as sluggish advertising sales had a negative impact on profitability. Divestments of non-core operations also decreased absolute profitability.

The operating profit margin excluding non-recurring items was -5.2% (2014: -0.9%) of net sales.

In the first quarter, the Group's total expenses, excluding non-recurring items, decreased by 12.2%. The cost of sales decreased by 18.1% and fixed costs

by 8.6%. Paper costs decreased by 20.1%, transport and distribution service by 20.8% and employee benefit expenses by 12.8%.

In January-March, operating profit included net of EUR 8.8 million (2014: 166.0) of non-recurring items mainly related to capital gains and restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains on real estate.

Sanoma's net financial items totalled EUR -2.2 million (2014: -13.5). The improvement is partly related to the non-recurring release of a lease liability. The result before taxes amounted to EUR -13.3 million (2014: 148.7) in the first quarter. Earnings per share were EUR -0.06 (2014: 0.77). The decrease is mainly

related to the non-recurring items. Earnings per share excluding non-recurring items were EUR -0.15 (2014: -0.09).

Balance sheet and financial position

At the end of March 2015, Sanoma's consolidated balance sheet totalled EUR 3,022.3 million (2014: 3,231.5). The decrease is mainly attributable to divestments as well as impairments of goodwill in the fourth quarter of 2014.

In January-March, the Group's cash flow from operations decreased to EUR -73.1 million (2014: -52.1) as a result of lower profitability. Cash flow from operations per share was EUR -0.45 (2014: -0.32).

Sanoma's equity ratio was 40.4% (2014: 42.3%) at the end of March 2015. The return on equity (ROE) was -5.9% and the return on investment (ROI) was -0.5%. Equity totalled EUR 1,155.5 million (2014: 1,291.1). The decrease is related to divestments and impairments of goodwill. Equity per share was EUR 5.26 (2014: 6.11). Interest-bearing liabilities decreased to EUR 954.6 million (2014: 1,066.7). Interest-bearing net debt was EUR 845.5 million (2014: 920.2).

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 January-March 2015, investments in tangible and intangible assets, including finance leases, amounted to EUR 12.0 million (2014: 9.6). Investments were mainly related to digital business and ICT systems as well as publishing rights.

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.

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 booked 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 the Russian Fashion Press. The closing of the deal is subject to the approval of the competition authorities.

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

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

Non-recurring items

EUR million	1-3/ 2015	1-3/ 2014	1-12/ 2014
Media BeNe			
Impairment of goodwill and intangible assets	-1.3		-16.6
Impairment of equity-accounted investees			-0.8
Gain on sale (22 magazines)			10.8
Write-down to reflect the sales price (Belgium, TV) **			-34.0
IFRS-pensions curtailment effect			6.4
Restructuring expenses	-1.8	-1.8	-42.6
Media Finland			
Gain on sale (Sanomala) *		37.9	37.9
Gain on sale (Sanoma House)		110.5	110.5
Gain on sale (4 magazines)			3.1
Gain on sale (Lehtimedia)	15.2		
Compensation and impairment related to an ICT system		-0.8	-1.3
Restructuring expenses		-2.4	-14.9
Learning			
Loss on sale (Belgium)			-1.5
Adjustment to capital loss (Hungary)			8.6
Restructuring expenses	-0.1		-3.4
Other companies			
Loss on sale (Romania)		-1.1	-1.1
Gain on sale (Czech Republic)			1.0
Gain on sale (Hungary)			4.3
Loss on sale of joint venture (Bulgaria)			-0.5
Impairment of goodwill and intangible assets			-24.9
Impairment and realisation of cumulative FX loss – Equity-accounted investees Russia and Ukraine **			-40.4
Impairment of equity-accounted investees			-2.3
Gain on sale (Press distribution in Finland)		24.0	23.6
Restructuring expenses	-3.1	-0.3	-6.9
NON-RECURRING ITEMS IN OPERATING PROFIT	8.8	166.0	15.0
Restructuring expenses (termination of lease agreement)	5.5		-2.7
Impairment losses on available-for-sale investments			-0.1
NON-RECURRING ITEMS IN FINANCIAL INCOME AND EXPENSES	5.5		-2.8

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

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

Consumer Media

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

Consumer Media sales by type of sales, %

	1-3/2015	1-3/2014	1-12/2014
Advertising	40.5	40.6	41.5
Subscription	30.2	31.3	28.7
Single copy	15.3	15.7	15.1
Other	14.0	12.5	14.8
Total Consumer Media	100.0	100.0	100.0

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

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

	1-3/2015 vs. 1-3/2014			1-12/2014 vs. 1-12/2013		
	Subscription	Single copy	Total circulation	Subscription	Single copy	Total circulation
Media BeNe	-7	-12	-9	-5	-8	-7
Media Finland	-11	+2	-8	-3	-8	-4
of which Magazines incl. online	-11	+52	-6	-13	-24	-14
of which Newspapers incl. online	-14	-4	-12	-1	-6	-2
of which Pay-TV & Pay-VOD	+16	-25	+13	+93	+135	+95
Total Consumer Media	-9	-8	-9	-4	-8	-5

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

	1-3/2015 vs. 1-3/2014				1-12/2014 vs. 1-12/2013			
	Print	Online & TV & Radio Mobile	Total advertising		Print	Online & TV & Radio Mobile	Total advertising	
Media BeNe	+1	+0	-2	-1	-13	+2	+3	-1
Media Finland	-21	-5	-3	-11	-15	+10	-3	-7
Total Consumer Media	-14	-2	-2	-6	-14	+5	+1	-4

Media BeNe

Sanoma Media BeNe includes Dutch and Belgian consumer media operations as well as Dutch press distribution business Aldipress. In the Netherlands, Sanoma has a leading portfolio with strong brands and strong market positions in all parts of media industry: magazines, TV, events, custom media, e-commerce sites and apps. In Belgium, Sanoma is a leading multi-media company, with qualitative magazines, radio and digital media. Our portfolio consists of many leading brands, including AutoWeek, Donald Duck, Flair, Flow, Grazia, 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.

- Media BeNe's new media sales grew by 5%.
- Net sales for SBS TV operation improved despite decline in viewing share and negative advertising market.
- Operating profit excluding non-recurring items declined in the first quarter due to divestments and higher TV programming amortisations. Underlying profitability adjusted for structural changes remained at previous year's level.

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

EUR million	1-3/ 2015	1-3/ 2014	Change %	1-12/ 2014
Net sales	189.5	194.0	-2.3	870.8
Digital	67.1	65.9	1.9	308.6
Online & mobile	20.9	20.4	2.7	87.2
TV	46.2	45.5	1.5	221.4
Print	105.6	114.9	-8.1	479.4
Magazines	105.6	114.9	-8.1	479.4
Other	16.8	13.2	27.0	82.8
Operating profit excluding non-recurring items *	5.8	8.3	-29.7	71.2
% of net sales	3.1	4.3		8.2
Operating profit	2.7	6.4	-58.2	-5.7
Capital expenditure	2.1	1.9	13.7	10.5
Number of employees at the end of the period (FTE)	2,250	2,756	-18.4	2,483
Average number of employees (FTE)	2,267	2,778	-18.4	2,644

* Non-recurring items are presented in a separate table on page 8.

Operational indicators, %

	1-3/ 2015	1-3/ 2014	1-12/ 2014
Dutch TV operations			
TV channels' share of TV advertising	23.2	24.2	24.0
TV channels' national viewing share (20-54 years)	19.5	19.9	20.0

First quarter

In January-March, net sales in Media BeNe decreased by 2.3% to EUR 189.5 million (2014: 194.0). Adjusted for structural changes, net sales decreased by 1.6%.

New media sales grew by 5.4% to EUR 73.7 million (2014: 69.9).

Advertising sales decreased by 0.7% mainly due to soft TV advertising markets. Advertising sales represented 38.2% (2014: 37.6%) of net sales. Circulation sales decreased by 9.2% and represented 43.5% (2014: 46.8%) of net sales. The divestments and closing of magazine titles had a negative impact on net sales.

Sanoma estimates that the advertising market in the Netherlands increased on a net basis in online including search by 8% and decreased in TV by 4%

and in consumer magazines by 17% in January-March. The advertising market in Belgium decreased on a gross basis in magazines by 10%.

Operating profit excluding non-recurring items in Media BeNe in January-March decreased to EUR 5.8 million (2014: 8.3), due to divestments of magazine titles in the Netherlands.

Non-recurring items included in the operating profit totalled EUR -3.1 million (2014: -1.8) and were related to restructuring expenses and an impairment. In the comparable period, non-recurring items consisted of restructuring expenses.

Media BeNe's investments in tangible and intangible assets totalled EUR 2.1 million (2014: 1.9) in January-March and consisted mainly of 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, Internet and mobile channels. We have more than 150 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.

- The sale of regional newspaper business Sanoma Lehtimedia had a visible impact in Media Finland's net sales in the first quarter. In 2014, Lehtimedia's sales were around EUR 37 million.
- Print advertising remained weak and cautious consumer spending is visible in circulation.
- Cost savings compensated for the decline in net sales, but higher TV programming amortisations as well as the rents of sale and leaseback arrangements lowered the reported profitability.
- Sanoma increased its ownership in the Finnish mobile marketing company Mobiilimarkkinointi Routa from 25% to 51%. The deal will further support Sanoma in creating world-class marketing solutions to Finnish small and medium sized enterprises. Routa will be consolidated in Sanoma's figures from 1 April 2015 onwards.

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

EUR million	1-3/ 2015	1-3/ 2014	Change %	1-12/ 2014
Net sales	143.0	159.0	-10.0	637.2
Digital	50.0	48.6	2.9	198.7
Online & Mobile	21.9	21.3	3.1	84.8
TV & Radio	28.0	27.3	2.7	113.8
Print	90.5	108.8	-16.8	432.5
Magazines	28.4	34.0	-16.5	134.4
Newspapers	62.3	75.3	-17.3	300.3
Eliminations	-0.2	-0.5		-2.2
Other	2.5	1.6	58.3	6.0
Operating profit excluding non-recurring items *	-2.1	0.4		23.5
% of net sales	-1.5	0.3		3.7
Operating profit	13.1	133.1	-90.1	146.2
Capital expenditure	2.2	4.1	-46.3	15.4
Number of employees at the end of the period (FTE)	2,095	2,675	-21.7	2,508
Average number of employees (FTE)	2,097	2,684	-21.9	2,664

* Non-recurring items are presented in a separate table on page 8.

Operational indicators, %

	1-3/ 2015	1-3/ 2014	1-12/ 2014
Finnish TV operations			
TV channels' share of TV advertising	33.9	34.4	32.6
TV channels' national commercial viewing share (10-44 years)	31.2	33.6	32.8
TV channels' national viewing share (10+ years)	14.8	14.8	15.1

First quarter

In January–March, net sales in Media Finland decreased by 10.0% to EUR 143.0 million (2014: 159.0). Adjusted for structural changes, net sales decreased by 3.3%.

New media sales grew by 4.6% to EUR 52.5 million (2014: 50.2), driven by TV and radio. The online and mobile sales of newspapers showed good growth as well.

Advertising sales for Media Finland decreased by 11.5% mainly due to divestments and a weak print advertising market, and represented 43.6% (2014: 44.3%) of net sales. Circulation sales decreased by 8.2% mainly due to divestments. Circulation sales represented 48.0% (2014: 47.1%) of net sales.

According to TNS Gallup, the advertising market in Finland decreased on a net basis in magazines by 14%, in newspapers by 7%, in TV by 2% and on radio

by 4%, whereas advertising in online excluding search increased by 6% in the first quarter.

Operating profit excluding non-recurring items in Media Finland in January–March decreased to EUR -2.1 million (2014: 0.4). Lower net sales were not fully offset by cost savings, and increased rents due to sale and leaseback arrangements decreased operating profit.

Non-recurring items included in the operating profit totalled EUR 15.2 million (2014: 132.7) consisting of a sales gain related to the sale of Sanoma Lehtimedia. In the comparable period, non-recurring items mainly consisted of sales gains on real estate.

Media Finland's investments in tangible and intangible assets totalled EUR 2.2 million (2014: 4.1) in January–March and were mainly of related to maintenance capital expenditure.

Learning

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

- Net sales were organically lower in the seasonally minor first quarter. The decrease is mainly due to changes in ordering pattern leading orders to be executed in the third quarter in the Netherlands.
- The operating profit excluding non-recurring items was impacted by lower net sales and higher investments in digital products and services.
- New legislation in Poland is expected to have a material negative impact on the educational textbook market in the coming years. Sanoma estimates that the negative impact will be partly compensated for by new products and services as well as cost savings across the segment.

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

EUR million	1-3/ 2015	1-3/ 2014	Change %	1-12/ 2014
Net sales	37.4	41.2	-9.2	292.0
Netherlands	21.5	24.5	-12.2	98.1
Poland	6.6	5.2	27.1	86.8
Finland	3.8	4.8	-21.9	48.3
Belgium	1.5	1.9	-18.1	34.8
Sweden	4.1	4.9	-16.6	26.1
Other companies and eliminations	-0.1	-0.1		-1.9
Operating profit excluding non-recurring items *	-12.7	-7.0		51.4
% of net sales	-33.9	-16.9		17.6
Operating profit	-12.8	-7.0		55.1
Capital expenditure	6.3	2.7	132.4	18.9
Number of employees at the end of the period (FTE)	1,515	1,613	-6.1	1,563
Average number of employees (FTE)	1,533	1,616	-5.1	1,589

* Non-recurring items are presented in a separate table on page 8.

First quarter

In January–March, net sales decreased by 9.2% to EUR 37.4 million (2014: 41.2) due to changes in ordering pattern in the Netherlands and divestment of Finnish B2B business. Adjusted for structural changes, net sales decreased by 6.7%.

The learning business has, by nature, an annual cycle and strong seasonality. It accrues most of its net sales and results during the second and third quarters,

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

Operating profit excluding non-recurring items in the Learning segment decreased to EUR -12.7 million (2014: -7.0), negatively impacted by changes in ordering pattern in the Netherlands as well as investments in digital products and services.

Non-recurring items included in the operating profit totalled EUR -0.1 million (2014: 0.0) consisting of restructuring expenses.

Learning's investments in tangible and intangible assets totalled EUR 6.3 million (2014: 2.7) in January-March. They were mainly related to investments in publishing rights as well as digital platforms and ICT.

The Group

Personnel

In January-March 2015, the average number of personnel (FTE) employed by the Sanoma Group was 7,080 (2014: 8,889). At the end of March, the number of Group employees (FTE) was 7,000 (2014: 8,831). Divestments and restructuring decreased the number of personnel. In full-time equivalents, Media BeNe had 2,250 (2014: 2,756) employees at the end March and Media Finland 2,095 (2014: 2,675). Learning had 1,515 (2014: 1,613) and other operations 1,140 (2014: 1,787) employees (FTE) at the end of March 2015. Wages, salaries and fees to Sanoma's employees, including the expense recognition of share based payments, amounted to EUR 95.3 million (2014: 107.5).

Dividend

The Annual General Meeting on 8 April 2015 decided to pay a dividend of EUR 0.20 for the year 2014 (2013: 0.10) per share. The dividends were paid on 17 April 2015.

Shares and holdings

In January-March 2015, a total of 18,254,437 (2014: 22,433,632) Sanoma shares were traded on the Nasdaq Helsinki and traded shares accounted for some 11% (2014: 14%) of the average number of shares. Sanoma's shares traded on the Nasdaq Helsinki corresponded to around 83% (2014: 79%) of the total traded share volume on stock exchanges. During the first three months, the volume-weighted average price of a Sanoma share on the Nasdaq Helsinki was EUR 5.35, with a low of EUR 4.56 and a high of EUR 5.95. At the end of March, Sanoma's market capitalisation was EUR 835 million (2014: 824), with Sanoma's share closing at EUR 5.13 (2014:

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

Board of Directors, auditors and management

The AGM held on 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), and 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, with Virpi Halonen, Authorised Public Accountant, as Auditor in Charge, as the auditor of the Company.

From the end of March 2015, the Executive Management Group (EMG) comprises: Harri-Pekka Kaukonen (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), Peter de Mönning (CEO, Sanoma Media BeNe) and Heike Tyler (CEO, Sanoma Media Russia & CEE).

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 2.3 billion in goodwill, immaterial 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.

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 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. This Interim Report is unaudited.

Consolidated income statement

EUR million	1-3/ 2015	1-3/ 2014	1-12/ 2014
NET SALES	380.1	438.3	1,901.6
Other operating income	20.0	179.0	224.5
Materials and services	-117.2	-143.0	-609.2
Employee benefit expenses	-120.6	-138.0	-540.7
Other operating expenses	-100.8	-104.3	-440.7
Share of results in joint ventures	0.5	0.4	-74.1
Depreciation, amortisation and impairment losses	-73.1	-70.2	-327.6
OPERATING PROFIT	-11.0	162.1	133.8
Share of results in associated companies	0.0	0.0	-1.2
Financial income	18.6	2.4	21.8
Financial expenses	-20.8	-15.8	-63.7
RESULT BEFORE TAXES	-13.3	148.7	90.7
Income taxes	5.0	-22.4	-29.1
RESULT FOR THE PERIOD	-8.3	126.3	61.6
Result attributable to:			
Equity holders of the Parent Company	-8.3	126.4	58.3
Non-controlling interests	0.0	-0.1	3.3
Earnings per share for result attributable to the equity holders of the Parent Company:			
Earnings per share, EUR	-0.06	0.77	0.32
Diluted earnings per share, EUR	-0.06	0.77	0.32

Statement of comprehensive income

EUR million	1-3/ 2015	1-3/ 2014	1-12/ 2014
Result for the period	-8.3	126.3	61.6
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Change in translation differences	5.6	-5.4	-28.0
Share of other comprehensive income of equity-accounted investees	0.3	-0.1	-1.9
Realisation of translation differences related to assets held for sale			36.8
Reclassification of foreign currency differences on loss of significant influence		0.3	-2.3
Cash flow hedges	-0.2	2.3	2.8
Income tax related to cash flow hedges	0.0	-0.5	-0.6
Items that will not be reclassified to profit or loss			
Defined benefit plans	-57.4	-14.7	-34.6
Income tax related to defined benefit plans	14.3	3.5	8.1
Other comprehensive income for the period, net of tax	-37.3	-14.6	-19.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-45.6	111.7	42.0
Total comprehensive income attributable to:			
Equity holders of the Parent Company	-45.6	111.8	38.7
Non-controlling interests	0.0	-0.1	3.3

Consolidated balance sheet

EUR million	31.3.2015	31.3.2014	31.12.2014
ASSETS			
Property, plant and equipment	92.1	140.7	94.4
Investment property	26.7	12.4	30.3
Goodwill	1,753.2	1,799.8	1,749.2
Other intangible assets	512.1	508.1	513.3
Equity-accounted investees	23.7	163.9	22.9
Available-for-sale financial assets	4.9	4.5	4.9
Deferred tax receivables	54.2	44.6	36.9
Trade and other receivables	38.2	27.8	12.0
NON-CURRENT ASSETS, TOTAL	2,505.0	2,701.8	2,463.8
Inventories	48.4	54.3	44.6
Income tax receivables	14.8	19.2	9.5
Trade and other receivables	300.5	309.4	282.4
Available-for-sale financial assets		0.3	
Cash and cash equivalents	109.2	146.5	116.3
CURRENT ASSETS, TOTAL	472.8	529.7	452.8
Assets classified as held for sale	44.5		99.9
ASSETS, TOTAL	3,022.3	3,231.5	3,016.5
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the Parent Company			
Share capital	71.3	71.3	71.3
Fund for invested unrestricted equity	203.3	203.3	203.3
Other reserves	-0.5	-0.8	-0.4
Other equity	483.3	621.4	529.1
Hybrid bond	99.1	99.1	99.1
	856.5	994.3	902.4
Non-controlling interests	299.0	296.8	298.9
EQUITY, TOTAL	1,155.5	1,291.1	1,201.3
Deferred tax liabilities	76.3	81.5	78.0
Pension obligations	151.3	79.2	94.2
Provisions	3.1	3.7	2.1
Financial liabilities	570.4	497.6	521.5
Trade and other payables	46.0	43.0	41.6
NON-CURRENT LIABILITIES, TOTAL	847.2	705.0	737.4
Provisions	21.8	16.0	26.8
Financial liabilities	384.2	569.1	396.6
Income tax liabilities	25.9	51.4	26.8
Trade and other payables	587.5	599.0	619.4
CURRENT LIABILITIES, TOTAL	1,019.4	1,235.5	1,069.5
Liabilities related to assets held for sale	0.3		8.2
LIABILITIES, TOTAL	1,866.9	1,940.4	1,815.2
EQUITY AND LIABILITIES, TOTAL	3,022.3	3,231.5	3,016.5

On 31 March 2015, assets classified as held for sale include Independent Media Ukraine Publishing and joint venture Independent Media Ukraine as well as Hearst Independent Media Publishing B.V. that were classified as assets held for sale in December 2014.

Changes in consolidated equity

EUR million	Equity attributable to the equity holders of the Parent Company						Non-controlling interests	Equity, total
	Share capital	Fund for invested unres-tricted equity	Other Reserves	Other equity	Hybrid bond	Total		
Equity at 1 Jan 2014	71.3	203.3	-2.6	511.4	99.1	882.5	296.8	1,179.3
Comprehensive income for the period			1.8	110.0		111.8	-0.1	111.7
Share-based compensation				0.3		0.3		0.3
Acquisitions and other changes in non-controlling interests				-0.1		-0.1	0.1	0.1
Reclassification of foreign currency differences on loss of significant influence				-0.3		-0.3		-0.3
Equity at 31 March 2014	71.3	203.3	-0.8	621.4	99.1	994.3	296.8	1,291.1
Equity at 1 Jan 2015	71.3	203.3	-0.4	529.1	99.1	902.4	298.9	1,201.3
Comprehensive income for the period			-0.2	-45.4		-45.6	0.0	-45.6
Share-based compensation				0.3		0.3		0.3
Acquisitions and other changes in non-controlling interests				-0.6		-0.6	0.1	-0.6
Equity at 31 March 2015	71.3	203.3	-0.5	483.3	99.1	856.5	299.0	1,155.5

Consolidated cash flow statement

EUR million	1-3/ 2015	1-3/ 2014	1-12/ 2014
OPERATIONS			
Result for the period	-8.3	126.3	61.6
Adjustments			
Income taxes	-5.0	22.4	29.1
Financial income and expenses	2.2	13.5	41.9
Share of results in associated companies and joint ventures	-0.5	-0.5	75.3
Depreciation, amortisation and impairment losses	73.1	70.2	327.6
Gains/losses on sales of non-current assets	-15.5	-171.7	-198.6
Acquisitions of broadcasting rights and prepublication costs	-53.2	-51.9	-213.2
Other adjustments	0.3	0.3	0.6
Change in working capital	-30.4	-27.8	22.9
Interest and other financial items paid	-30.0	-26.8	-49.6
Taxes paid	-5.9	-6.0	-23.9
Cash flow from operations	-73.1	-52.1	73.7
INVESTMENTS			
Acquisition of tangible and intangible assets	-11.3	-10.3	-51.0
Operations acquired	-2.1	-10.7	-21.4
Proceeds from sale of tangible and intangible assets	0.7	239.8	246.4
Operations sold	31.6	36.8	83.8
Loans granted	-2.0	-1.8	-4.0
Repayments of loan receivables	6.0	1.7	12.2
Sales of short-term investments			0.1
Interest received	0.3	0.4	1.5
Dividends received	0.0	5.6	15.5
Cash flow from investments	23.2	261.5	283.2
CASH FLOW BEFORE FINANCING	-49.9	209.4	356.9
FINANCING			
Change in loans with short maturity	-4.9	50.8	-31.2
Drawings of other loans	85.6	25.0	193.6
Repayments of other loans and finance lease liabilities	-41.8	-291.2	-506.6
Interest paid on hybrid bond			-7.3
Dividends paid			-16.6
Cash flow from financing	38.8	-215.3	-368.1
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	-11.1	-5.9	-11.2
Effect of exchange rate differences on cash and cash equivalents	0.3	-0.8	-1.4
Net change in cash and cash equivalents	-10.8	-6.7	-12.6
Cash and cash equivalents at the beginning of the period	52.0	64.7	64.7
Cash and cash equivalents at the end of the period	41.3	58.0	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	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
NET SALES	380.1	438.3	533.1	477.8	452.5	1,901.6
Other operating income	20.0	179.0	7.3	28.9	9.3	224.5
Materials and services	-117.2	-143.0	-167.1	-150.9	-148.3	-609.2
Employee benefit expenses	-120.6	-138.0	-147.8	-113.7	-141.2	-540.7
Other operating expenses	-100.8	-104.3	-121.7	-100.4	-114.3	-440.7
Share of results in joint ventures	0.5	0.4	-33.3	-2.0	-39.2	-74.1
Depreciation, amortisation and impairment losses	-73.1	-70.2	-67.1	-62.1	-128.1	-327.6
OPERATING PROFIT	-11.0	162.1	3.2	77.6	-109.2	133.8
Share of results in associated companies	0.0	0.0	0.2	-0.1	-1.3	-1.2
Financial income	18.6	2.4	2.7	10.2	6.6	21.8
Financial expenses	-20.8	-15.8	-12.7	-17.5	-17.6	-63.7
RESULT BEFORE TAXES	-13.3	148.7	-6.6	70.3	-121.6	90.7
Income taxes	5.0	-22.4	-11.0	-13.3	17.5	-29.1
RESULT FOR THE PERIOD	-8.3	126.3	-17.6	57.0	-104.1	61.6
Result attributable to:						
Equity holders of the Parent Company	-8.3	126.4	-19.9	56.0	-104.2	58.3
Non-controlling interests	0.0	-0.1	2.3	1.0	0.1	3.3
Earnings per share for result attributable to the equity holders of the Parent Company:						
Earnings per share, EUR	-0.06	0.77	-0.13	0.34	-0.65	0.32
Diluted earnings per share, EUR	-0.06	0.77	-0.13	0.34	-0.65	0.32

Net sales by strategic business unit

EUR million	1-3/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
MEDIA BENE						
Digital	67.1	65.9	84.6	67.8	90.3	308.6
Online & mobile	20.9	20.4	21.8	20.1	24.9	87.2
TV	46.2	45.5	62.8	47.7	65.4	221.4
Print	105.6	114.9	125.7	115.6	123.2	479.4
Magazines	105.6	114.9	125.7	115.6	123.2	479.4
Other	16.8	13.2	21.4	20.2	28.0	82.8
Total	189.5	194.0	231.7	203.6	241.5	870.8
MEDIA FINLAND						
Digital	50.0	48.6	53.4	43.5	53.2	198.7
Online & Mobile	21.9	21.3	22.1	18.3	23.2	84.8
TV & Radio	28.0	27.3	31.4	25.1	30.1	113.8
Print	90.5	108.8	109.9	103.1	110.6	432.5
Magazines	28.4	34.0	33.6	31.8	35.0	134.4
Newspapers	62.3	75.3	77.0	71.8	76.2	300.3
Eliminations	-0.2	-0.5	-0.7	-0.4	-0.6	-2.2
Other	2.5	1.6	1.3	1.4	1.7	6.0
Total	143.0	159.0	164.6	148.0	165.5	637.2
LEARNING						
Netherlands	21.5	24.5	40.7	24.6	8.3	98.1
Poland	6.6	5.2	17.8	51.1	12.6	86.8
Finland	3.8	4.8	28.8	10.6	4.1	48.3
Belgium	1.5	1.9	13.6	16.7	2.6	34.8
Sweden	4.1	4.9	6.5	10.7	3.9	26.1
Other companies and eliminations	-0.1	-0.1	-0.5	-0.7	-0.6	-1.9
Total	37.4	41.2	106.9	113.0	30.9	292.0
OTHER AND ELIMINATIONS						
Russia & CEE	2.5	22.0	21.7	5.7	4.7	54.0
Other operations	8.2	28.9	8.8	8.2	9.5	55.3
Eliminations	-0.6	-6.8	-0.6	-0.6	0.3	-7.8
Total	10.2	44.0	29.9	13.2	14.5	101.6
Total	380.1	438.3	533.1	477.8	452.5	1,901.6

Operating profit by strategic business unit

EUR million	1-3/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
Media BeNe	2.7	6.4	-29.4	20.5	-3.2	-5.7
Media Finland	13.1	133.1	4.8	12.5	-4.3	146.2
Learning	-12.8	-7.0	39.7	52.9	-30.5	55.1
Other companies and eliminations	-14.0	29.5	-11.8	-8.3	-71.2	-61.8
Total	-11.0	162.1	3.2	77.6	-109.2	133.8

Operating profit excluding non-recurring items by strategic business unit

EUR million	1-3/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
Media BeNe	5.8	8.3	25.7	13.9	23.3	71.2
Media Finland	-2.1	0.4	7.5	9.9	5.6	23.5
Learning	-12.7	-7.0	41.2	44.4	-27.1	51.4
Other companies and eliminations	-10.9	-5.7	-8.1	-6.1	-7.5	-27.3
Total	-19.9	-4.0	66.3	62.1	-5.6	118.8

Segment information

The Group consists of two reportable segments: Consumer Media and Learning. Consumer Media consists of two strategic business units in 2015: Sanoma Media BeNe and Sanoma Media Finland. From 1 January 2015 onwards Belgian consumer media operations were combined with those in the Netherlands. In addition, the Dutch magazine press distribution business Aldipress is reported within Sanoma Media BeNe.

Consumer Media is responsible for magazines, TV operations as well as online and mobile operations in Finland, the Netherlands and Belgium. In addition, Sanoma has newspapers and radio operations in Finland. 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.–31.3.2015

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	332.4	37.4	10.3	380.1
Internal net sales	0.1	0.0	-0.1	0.0
Net sales, total	332.5	37.4	10.2	380.1
Operating profit	15.8	-12.8	-14.0	-11.0
Operating profit excl. NRI	3.7	-12.7	-10.9	-19.9
Share of results in associated companies	0.0	0.0	0.0	0.0
Financial income			18.6	18.6
Financial expenses			-20.8	-20.8
Result before taxes				-13.3
Segment assets	2,205.1	488.6	140.2	2,833.8

Sanoma segments 1.1.–31.3.2014

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	353.0	41.2	44.1	438.3
Internal net sales	0.1	0.0	-0.1	0.0
Net sales, total	353.0	41.2	44.0	438.3
Operating profit	139.5	-7.0	29.5	162.1
Operating profit excl. NRI	8.7	-7.0	-5.7	-4.0
Share of results in associated companies	0.1	0.0		0.0
Financial income			2.4	2.4
Financial expenses			-15.8	-15.8
Result before taxes				148.7
Segment assets	2,269.0	478.2	254.8	3,001.9

Changes in property, plant and equipment

EUR million	31.3.2015	31.3.2014	31.12.2014
Carrying amount at the beginning of the period	94.4	149.0	149.0
Increases	2.9	3.3	14.9
Acquisition of operations	0.0		0.2
Decreases	-0.3	-2.0	-6.4
Disposal of operations		-2.3	-4.4
Depreciation for the period	-5.0	-7.0	-25.3
Impairment losses for the period	-0.1	0.0	-10.4
Transfer to assets classified as held for sale			-3.5
Exchange rate differences and other changes	0.2	-0.3	-19.7
Carrying amount at the end of the period	92.1	140.7	94.4

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

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 228.2 million (2014: 192.9).

Effect of acquisitions on the consolidated balance sheet

EUR million	1-3/ 2015	1-12/ 2014
Acquisition costs	1.4	22.7
Fair value of acquired net assets	0.0	14.4
Goodwill	1.4	8.3

Contingent liabilities

EUR million	31.3.2015	31.3.2014	31.12.2014
Contingencies for own commitments			
Mortgages	10.6	11.7	10.7
Pledges	2.4	2.4	2.4
Other items	35.9	46.0	55.7
Total	48.9	60.1	68.8
Other contingencies			
Operating lease liabilities	354.4	388.3	352.3
Royalties	6.3	12.1	6.3
Other items	65.7	46.5	74.0
Total	426.4	446.9	432.6
Total	475.3	507.0	501.4

Interest on hybrid bond

On 12 December 2013, Sanoma issued a hybrid bond of EUR 100 million. On 31 March 2015, the unpaid interest on the bond was EUR 2.2 million.

Derivative instruments

EUR million	31.3.2015	31.3.2014	31.12.2014
Fair values			
Interest rate derivatives			
Interest rate swaps	-1.1	-4.4	-1.6
Currency derivatives			
Forward contracts	14.4	-2.8	7.3
Nominal values			
Interest rate derivatives			
Interest rate swaps	200.0	640.0	300.0
Currency derivatives			
Forward contracts	96.2	133.8	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

	1-3/2015	1-3/2014	1-12/2014
Average rate			
EUR/PLN (Polish Zloty)	4.19	4.18	4.18
EUR/RUB (Russian Rouble)	70.69	48.01	51.00
EUR/SEK (Swedish Crown)	9.38	8.85	9.10
EUR/USD (US Dollar)	1.13	1.37	1.33
Closing rate			
	31.3.2015	31.3.2014	31.12.2014
EUR/PLN (Polish Zloty)	4.09	4.17	4.27
EUR/RUB (Russian Rouble)	62.44	48.58	72.34
EUR/SEK (Swedish Crown)	9.29	8.95	9.39
EUR/USD (US Dollar)	1.08	1.38	1.21

January–March 2015 Interim Report webcast

The event for analysts, investors and media will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius on 29 April 2015 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 and on demand after the event.

Please join by dialing

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Conference id: 8622277

Financial reporting 2015

- Interim Report January–June on 23 July 2015, approx. at 8:30
- Interim Report January–September on 29 October 2015, approx. at 8:30.

Additional information

Sanoma's Investor Relations, Olli Turunen, tel. +358 40 552 8907

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