

Sanoma's Interim Report 1 Jan–30 June 2010:

Growing Sales And Operational Efficiency – Advertising Markets Picking Up

Second quarter

- Sanoma Group's net sales grew by 3%, amounting to EUR 715.4 million (2009: EUR 697.2 million).
- Operating profit excluding non-recurring items improved by 11% to EUR 80.3 million (2009: EUR 72.5 million).
- The transaction regarding the cable TV operator Welho was closed as of 30 June, leading to a non-recurring capital gain of EUR 179.4 million.
- Earnings per share were EUR 1.45 (2009: EUR 0.27).

First half

- Sanoma Group's net sales grew by 2%, amounting to EUR 1,353.3 million (2009: EUR 1,333.2 million).
- Operating profit excluding non-recurring items improved by 21% and totalled EUR 115.9 million (2009: EUR 95.8 million).
- Cash flow from operations improved to EUR 60.0 million (2009: EUR 7.5 million).
- Earnings per share were EUR 1.61 (2009: EUR 0.32).
- The outlook for the Group is unchanged, even though the Welho and Humo magazine transactions have a negative effect on the full-year operating profit excluding non-recurring items. Divisional outlooks have been adjusted for Magazines and Entertainment.

| KEY INDICATORS EUR million | 4-6/ 2010 | 4-6/ 2009 | Change % | 1-6/ 2010 | 1-6/ 2009 | Change % | 1-12/ 2009 |
|--|--------------|--------------|-------------|----------------|--------------|-------------|---------------|
| Net sales | 715.4 | 697.2 | 2.6 | 1,353.3 | 1,333.2 | 1.5 | 2,767.9 |
| Operating profit excluding non-recurring items | 80.3 | 72.5 | 10.7 | 115.9 | 95.8 | 21.0 | 229.5 |
| % of net sales | 11.2 | 10.4 | | 8.6 | 7.2 | | 8.3 |
| Operating profit | 261.0 | 65.1 | 300.7 | 301.4 | 86.1 | 250.2 | 195.4 |
| Result for the period | 235.1 | 43.7 | 438.6 | 259.2 | 51.3 | 404.9 | 107.1 |
| Capital expenditure | | | | 44.1 | 41.8 | 5.5 | 83.4 |
| % of net sales | | | | 3.3 | 3.1 | | 3.0 |
| Equity ratio, % | | | | 42.3 | 37.3 | | 41.4 |
| Net gearing, % | | | | 79.1 | 103.0 | | 79.4 |
| Number of employees at the end of the period (FTE) | | | | 16,332 | 17,309 | -5.6 | 16,723 |
| Average number of employees (FTE) | | | | 16,289 | 17,725 | -8.1 | 17,343 |
| Earnings/share, EUR | 1.45 | 0.27 | 440.2 | 1.61 | 0.32 | 403.1 | 0.66 |
| Cash flow from operations/share, EUR | 0.14 | 0.10 | 36.9 | 0.37 | 0.05 | 700.0 | 1.50 |

Hannu Syrjänen, President and CEO

"In the second quarter of 2010, the advertising market continued to recover in the Western European countries and Russia.

Due to growing sales and operational efficiency, our operating profit excluding non-recurring items improved clearly in the second quarter. Especially our Dutch magazine and online operations excelled. However, the economic recovery in

most of the Central Eastern European countries will take time. We will continue to focus on maintaining a strong cash flow and improving our efficiency.

A key element of Sanoma's strategy is to focus our operations and balance our portfolio. In June, we divested the cable TV operator Welho and got a 21% share of the DNA telecommunication group. We gained a share in a very profitable and competitive company with great growth potential. Welho and DNA form a strong national telecommunication player that has the muscle for further development. This is a long-term strategic ownership for us as we believe that media and telecommunication businesses are converging further. Through this transaction we are able to participate in developing the industry.

The future playing field of media companies will be fundamentally different to the one we compete in today. Media products and services will be much more customised and personal. Media consumption will increasingly be an active experience and services will play a much bigger role. This future demands an even higher and faster degree of innovation. It offers a lot of possibilities for us."

Outlook for 2010

Sanoma Group's outlook is unchanged. In 2010, Sanoma's net sales are expected to grow. The operating profit excluding non-recurring items is estimated to improve slightly. This outlook takes into account the effect of the weekly magazine Humo and the cable TV operator Welho transactions on 2010 figures. The estimated negative impact of these transactions on 2010 operating profit excluding non-recurring items is some EUR 12 million. In the comparable year 2009, operating profit excluding non-recurring items was EUR 229.5 million.

The outlook of Sanoma's net sales and operating profit in 2010 is affected by the development of advertising and private consumption in the Group's countries of operation. The current outlook is based on the assumption that the advertising markets in the Group's main operating countries grow slightly in 2010.

Net sales

Second quarter

In the second quarter of 2010, Sanoma's net sales grew by 3% and amounted to EUR 715.4 million (2009: EUR 697.2 million). Net sales increased in all divisions.

The Group's advertising sales showed positive signs in March and the good development continued in the second quarter, even though variations between months were high. In April–June, the Group's advertising sales grew by 9% and accounted for 23% (2009: 22%) of the Group's total net sales. Online advertising sales increased significantly, by 23%, with the biggest contributors, Sanoma Magazines Netherlands and Sanoma News, both showing clear growth.

The circulation sales were slightly below the comparable quarter. The Group's subscription sales remained stable, but single copy sales decreased slightly in most of the operating countries.

First half

In January–June, Sanoma's net sales grew by 2% and amounted to EUR 1,353.3 million (2009: EUR 1,333.2 million). Net sales increased in News, Entertainment as well as in Trade and were at the comparable period's level in Magazines as well as in Learning & Literature.

Sanoma has a target to double its consumer online sales by 2012 from 2008. In the first half of 2010, such sales grew by 17% to EUR 74 million (2009: EUR 63 million). Total digital sales, which also include items such as e-learning and access services, increased by 8% and amounted to 13% (2009: 12%) of net sales.

By country, Finland accounted for 52% (2009: 52%) of the cumulative net sales and the Netherlands 23% (2009: 23%). Net sales from other EU countries totalled 22% (2009: 22%) and non-EU countries accounted for 3% (2009: 3%).

Result

Second quarter

Sanoma's operating profit excluding non-recurring items in April–June improved by 11% and totalled EUR 80.3 million (2009: EUR 72.5 million). The result improved in Magazines, Entertainment and Learning & Literature. Operating profit excluding non-recurring items was 11.2% (2009: 10.4%) of net sales. The Group's result increased in particular due to improved efficiency of operations in all divisions and good performance of the Dutch magazine and online businesses. Additionally, advertising markets in the most important operating countries were recovering.

Sanoma initiated numerous efficiency improvement measures and structural changes in 2009. The effects of these can also be seen in 2010. In the second quarter, the Group's total expenses were at the comparable quarter's level, with employee benefit expenses decreasing by 1%. Also materials and services, particularly paper costs, continued to decrease. The Group had 391 employees less than at the year-end 2009, corresponding to a decrease of 2%. From the comparable quarter, the number of personnel has decreased by 6%. Sanoma continues to focus on improving its efficiency and in 2010 is paying special attention to its fixed cost base.

In April–June, the operating profit included a total of EUR 180.7 million (2009: EUR -7.4 million) in non-recurring items. These non-recurring items were related to the Welho and Humo transactions as well as the restructuring of general literature. In the comparable period, non-recurring expenses were related to the efficiency improvement programmes in magazine and newspaper operations.

| NON-RECURRING ITEMS | 4-6/ 2010 | 4-6/ 2009 | 1-6/ 2010 | 1-6/ 2009 | 1-12/ 2009 |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| EUR million | | | | | |
| Magazines | | | | | |
| Restructuring expenses (Magazines Belgium) | | -1.3 | | -1.3 | -12.4 |
| Gain on sale of Humo | 2.6 | | 2.6 | | |
| Restructuring expenses (Magazines Netherlands) | | | | | -4.7 |
| News | | | | | |
| Gain on sale of Lehtikuva | | | 6.0 | | |
| Expenses related to the efficiency programme | | -6.1 | | -8.4 | -8.4 |
| Entertainment | | | | | |
| Gain on sale of Welho | 179.4 | | 179.4 | | |
| Learning & Literature | | | | | |
| Loss on sale of Bertmark Norge | | | -1.2 | | |
| Restructuring expenses | -1.3 | | -1.3 | | -3.9 |
| Expense related to the sale of children's magazines | | | | | -1.1 |
| Trade | | | | | |
| Restructuring expenses | | | | | -3.6 |
| NON-RECURRING ITEMS IN OPERATING PROFIT | 180.7 | -7.4 | 185.5 | -9.7 | -34.1 |
| Impairment losses on loans and other receivables and available-for-sale investments | | | | | -8.7 |
| NON-RECURRING ITEMS IN FINANCIAL ITEMS | | | | | -8.7 |

First half

In January–June, Sanoma's operating profit excluding non-recurring items improved by 21% and totalled EUR 115.9 million (2009: EUR 95.8 million). Operating profit excluding non-recurring items improved in Magazines, News, Entertainment and Learning & Literature.

In January–June, Sanoma's net financial items totalled EUR -7.6 million (2009: EUR -13.8 million). Lower reference rates than in the comparable period decreased the Group's interest expenses clearly. Financial income amounted to EUR 4.6 million (2009: EUR 15.5 million), of which exchange rate gains were EUR 2.6 million (2009: EUR 10.4 million). Financial expenses amounted to EUR 12.3 million (2009: EUR 29.3 million). Interest expenses amounted to EUR 6.0 million (2009: EUR 16.9 million) and exchange rate losses to EUR 4.8 million (2009: EUR 11.2 million). The positive effects of lower interest rates will even out during 2010, since the reference rates came down in the second quarter of 2009.

The result before taxes amounted to EUR 293.1 million (EUR 72.0 million) and the effective tax rate was 11.5% (2009: 28.7%). Both the result and the effective tax rate were significantly affected by the divestment of Welho.

Balance sheet and financial position

At the end of June, Sanoma's consolidated balance sheet totalled EUR 3,345.4 million (2009: EUR 3,211.1 million). Efficient cash flow management continued to be a focus area, and in January–June, the Group's cash flow from operations amounted to EUR 60.0 million (2009: EUR 7.5 million). Cash flow from operations per share was EUR 0.37 (2009: EUR 0.05). In addition to a significantly better operational result, also lower interest costs and positive development of net working capital improved the cash flow.

Sanoma's financial position remained strong in the first half of 2010. Sanoma's equity ratio strengthened and was 42.3% (2009: 37.3%) at the end of June. Equity totalled EUR 1,340.1 million (2009: EUR 1,127.6 million). Interest-bearing liabilities continued to decrease and totalled EUR 1,136.8 million (2009: EUR 1,220.3 million) and interest-bearing net debt was EUR 1,060.0 million (2009: EUR 1,161.0 million). Sanoma's net debt/EBITDA ratio was 1.8 at the end of June.

Investments, acquisitions and divestments

Investments in tangible and intangible assets amounted to EUR 44.1 million (2009: EUR 41.8 million) in January–June. Investments were mainly related to ICT systems as well as replacements and renovations. Sanoma has a policy to keep annual capital expenditure, excluding M&A, below EUR 100 million. Sanoma's business acquisitions totalled EUR 17.3 million (2009: EUR 4.3 million).

In May, Sanoma Magazines Belgium sold 49% of its Humo magazine to Belgian De Vijver NV. As part of the transaction, Sanoma Magazines Belgium acquired 25% of Belgium's largest TV production company Woestijnvis, which is owned by De Vijver.

In June, Sanoma Entertainment divested its cable TV operator Welho to the DNA telecommunication group. The enterprise value of the Welho business was EUR 200 million, which Sanoma invested into DNA in a directed share issue and became DNA's second largest owner with an ownership share of 21% as of 30 June 2010. Sanoma recorded a non-recurring capital gain of EUR 179.4 million from the transaction, which will improve Sanoma's earnings per share by some EUR 1.11 in 2010.

As a part of the transaction, Sanoma acquired the remaining 4.73% share of Sanoma Television Ltd from TS-Yhtymä. The purchase price was EUR 7.3 million.

As a result of these transactions, Welho became part of DNA, which became an associated company, and Humo became a joint venture of Sanoma. Associated companies are accounted for using the equity method, that is, by consolidating one line only and are presented separately after the operating profit. Joint ventures are accounted for using the line-by-line proportionate consolidation method. Thus the transactions will have a negative effect on the Group's reported net sales and EBIT excluding non-recurring items in 2010.

SANOMA MAGAZINES

Sanoma Magazines, operating in 12 European countries, is a leading publisher of magazines and has a strong presence in digital media. The company actively reaches out to an audience of 290 million consumers at every life stage, and aims to strengthen its market leader positions in each of the markets it operates in.

- Sanoma Magazines improved its result in the second quarter significantly, thanks to improved operational efficiency.
- The Division outperformed the advertising market development in the Netherlands and Finland.
- Online advertising sales in the Netherlands grew clearly in the second quarter.
- Sanoma Magazines' outlook for operating profit excluding non-recurring items has been upgraded and it is now estimated to improve somewhat in 2010.

| Key indicators | 4-6/ 2010 | 4-6/ 2009 | Change % | 1-6/ 2010 | 1-6/ 2009 | Change % | 1-12/ 2009 |
|--|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| Net sales | 280.6 | 275.9 | 1.7 | 540.5 | 538.1 | 0.5 | 1,111.2 |
| Sanoma Magazines Netherlands | 128.0 | 123.2 | 3.9 | 235.4 | 233.9 | 0.7 | 493.2 |
| Sanoma Magazines International | 54.3 | 53.2 | 2.2 | 103.0 | 104.0 | -1.0 | 211.3 |
| Sanoma Magazines Belgium | 52.3 | 52.6 | -0.6 | 105.9 | 104.0 | 1.8 | 212.3 |
| Sanoma Magazines Finland | 47.1 | 48.0 | -2.0 | 98.3 | 98.3 | 0.0 | 198.8 |
| Eliminations | -1.2 | -1.2 | -1.2 | -2.1 | -2.1 | -0.4 | -4.3 |
| Operating profit excluding non-recurring items * | 38.4 | 31.5 | 21.9 | 64.2 | 47.1 | 36.5 | 113.4 |
| % of net sales | 13.7 | 11.4 | | 11.9 | 8.7 | | 10.2 |
| Operating profit | 41.0 | 30.2 | 35.8 | 66.8 | 45.8 | 46.0 | 96.3 |
| Capital expenditure | | | | 9.3 | 12.3 | -24.2 | 24.4 |
| Number of employees at the end of the period (FTE) | | | | 5,037 | 5,419 | -7.1 | 5,191 |
| Average number of employees (FTE) | | | | 5,099 | 5,611 | -9.1 | 5,452 |

* In 2010, the non-recurring items included in the second quarter a EUR 2.6 million gain on the sale of Humo. In 2009, the non-recurring items included in the second quarter EUR 1.3 million, in the third quarter EUR 0.2 million and in the fourth quarter EUR 10.9 million of Sanoma Magazines Belgium's restructuring expenses and in the third quarter EUR 4.6 million and in the fourth quarter EUR 0.1 million of Sanoma Magazines Netherlands' restructuring expenses.

| Operational indicators * | 1-6/ 2010 | 1-6/ 2009 |
|---------------------------------|----------------|--------------|
| Number of magazines published | 287 | 306 |
| Magazine copies sold, thousands | 171,815 | 187,066 |
| Advertising pages sold | 24,977 | 26,284 |

* Including joint ventures

Second quarter

Sanoma Magazines' net sales in April–June grew by 2%. Net sales increased in the Netherlands and were at the comparable quarter's level in Finland and Belgium. Net sales grew also in Sanoma Magazines International due to a favourable currency translation effect. Adjusted for changes in the Division structure, sales grew by 4%.

The Division's advertising sales grew by 8% and represented 31% (2009: 30%) of the second quarter net sales. Advertising sales grew in Sanoma Magazines International and Belgium, and especially in the Netherlands. Finnish advertising sales were at the comparable quarter's level. Sanoma Magazines' online advertising sales grew significantly, in particular due to the good development in the Netherlands.

Sanoma Magazines' circulation sales decreased slightly and represented 57% (2009: 59%) of the Division's net sales. Subscription sales were at the comparable quarter's level and single copy sales decreased slightly.

Sanoma Magazines Netherlands' net sales were up by 4%, with both online operations and print activities developing positively. Especially advertising sales developed strongly. Online advertising sales grew clearly, by 18%. Advertising sales represented 31% (2009: 28%) of Sanoma Magazines Netherlands' net sales. Its circulation revenues were flat, with both subscription and single copy sales being at the comparable quarter's level. Sanoma Magazines Netherlands launched two new magazines and two online services in the second quarter.

Sanoma Magazines International's net sales grew by 2% due to a favourable currency translation effect. The economic downturn in the CEE countries continued to have a clear effect on sales in all of Sanoma Magazines International's markets, especially in Hungary and Bulgaria. Russia, however, is showing signs of recovery. Advertising sales, representing 50% (2009: 50%) of Sanoma Magazines International's net sales, grew in Russia. Circulation sales decreased, with both single copy and subscription sales slightly declining. Sanoma Magazines International launched two new magazines and discontinued one. After the review period, Sanoma Magazines International divested its Slovak magazine operations. Slovak online operations will be managed from the Czech Republic by Sanoma Magazines Praha.

Net sales at Sanoma Magazines Belgium were at the comparable quarter's level, with advertising sales developing favourably and circulation sales being slightly down. The main reason for the decline was the selling of 49% of Humo, one of Sanoma Magazines Belgium's key titles, to De Vijver NV. As a part of the transaction Sanoma Magazines Belgium acquired 25% of Belgium's largest TV production company, Woestijnvis, which is owned by De Vijver. The transaction is in line with Sanoma Magazines Belgium's strategy to develop into a stronger multimedia player. This transaction affects Sanoma Magazines Belgium's figures from May onwards. Sanoma Magazines Belgium's advertising sales grew slightly and represented 28% (2009: 27%) of net sales.

Sanoma Magazines Finland's net sales were slightly below the comparable quarter's level. Advertising sales were at the comparable quarter's level and represented 15% (2009: 15%) of net sales. Sanoma Magazines Finland's circulation sales decreased with both single copy and subscription sales declining due to timing differences in the publication schedule, which will even out during the coming months. Key titles continued to perform well.

Sanoma Magazines' operating profit excluding non-recurring items in April–June improved significantly, by 22%, due to growth in sales, lower paper costs and efficiency improvements. In 2009, the efficiency improvements started to have an impact in the second half of the year. The number of personnel has reduced clearly from the comparable period, and even from the year-end. Operating profit improved in Sanoma Magazines International and especially in Sanoma Magazines Netherlands. Operating profit declined in Sanoma Magazines Belgium and Sanoma Magazines Finland. The non-recurring items included in the operating profit totalled EUR 2.6 million (2009: EUR -1.3 million) and consisted of capital gain on the Humo transaction.

First half

In January–June, Sanoma Magazines' net sales were at the comparable period's level. Adjusted for changes in the Division structure, the growth was 2%. Operating profit excluding non-recurring items increased by 37%.

According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands was at the comparable period's level in January–May. Sanoma Magazines Netherlands' sales clearly outperformed the market development. According to TNS Gallup Adex, advertising in consumer magazines in Finland decreased by 5% in January–June. Sanoma Magazines Finland's advertising sales outperformed the market development.

Sanoma Magazines continues to develop its magazine portfolio with a special focus on its key titles in each operating country. Sanoma Magazines is investing in strengthening its market positions, and wants to become stronger in digital media. The growth in digital operations will mainly be achieved by leveraging existing assets. E-reading devices also offer interesting opportunities for combining magazines with digital media.

In 2010, Sanoma Magazines' net sales are expected to grow slightly. It is estimated that operating profit excluding non-recurring items will improve somewhat.

SANOMA NEWS

Sanoma News is the leading newspaper publisher in Finland and its printed and digital products have a strong presence in the lives of Finns. In addition to Helsingin Sanomat, the largest daily in the Nordic region, Sanoma News publishes other national and regional newspapers and it is also one of the most significant digital media players in Finland.

- Strong focus on media sales enabled Sanoma News to improve its market share in the Finnish advertising market.
- The tabloid *Ilta-Sanomat* continued its good performance and increased its market share.
- Online advertising sales developed strongly also during the second quarter.
- The withheld holiday pay in 2009 and an equal-size extra bonus paid in May 2010 burdened the first half results.

| Key indicators | 4-6/ | | | 1-6/ | | | 1-12/ |
|--|-------|-------|----------|-------|-------|----------|--------|
| | 2010 | 2009 | Change % | 2010 | 2009 | Change % | |
| EUR million | | | | | | | |
| Net sales | 108.5 | 107.1 | 1.4 | 217.9 | 214.8 | 1.5 | 428.9 |
| Helsingin Sanomat | 56.7 | 55.4 | 2.4 | 115.8 | 114.0 | 1.6 | 228.4 |
| Ilta-Sanomat | 20.7 | 19.8 | 4.1 | 40.5 | 38.3 | 5.9 | 78.2 |
| Other publishing | 25.6 | 26.8 | -4.4 | 51.0 | 52.7 | -3.3 | 103.8 |
| Other businesses | 33.1 | 35.9 | -7.9 | 67.5 | 72.2 | -6.6 | 143.7 |
| Eliminations | -27.6 | -30.9 | 10.7 | -56.9 | -62.4 | 8.9 | -125.2 |
| Operating profit excluding non-recurring items * | 8.9 | 9.6 | -8.1 | 18.5 | 18.0 | 2.8 | 40.6 |
| % of net sales | 8.2 | 9.0 | | 8.5 | 8.4 | | 9.5 |
| Operating profit | 8.9 | 3.5 | 150.2 | 24.5 | 9.6 | 155.3 | 32.2 |
| Capital expenditure | | | | 5.8 | 5.6 | 2.9 | 10.6 |
| Number of employees at the end of the period (FTE) | | | | 2,360 | 2,520 | -6.3 | 2,306 |
| Average number of employees (FTE) | | | | 2,231 | 2,421 | -7.8 | 2,399 |

* In 2010, the non-recurring items included in the first quarter a EUR 6.0 million gain on the sale of Lehtikuva. In 2009, the non-recurring items included in the first quarter EUR 2.3 million and in the second quarter EUR 6.1 million of expenses related to the efficiency programme.

| Operational indicators | 1-6/ | |
|---|-------------------|-------------------|
| | 2010 | 2009 |
| Distribution of free sheets, millions | 37.6 | 37.5 |
| Audited circulation | 1-12/ 2009 | 1-12/ 2008 |
| Helsingin Sanomat | 397,838 | 412,421 |
| Ilta-Sanomat | 152,948 | 161,615 |
| Online services, unique visitors, weekly | 4-6/ 2010 | 4-6/ 2009 |
| Iltaasanomat.fi | 1,840,361 | 1,628,730 |
| HS.fi | 1,264,358 | 1,075,308 |
| Huuto.net | 438,136 | 420,069 |
| Oikotie.fi | 395,766 | 325,617 |
| Taloussanomat.fi | 543,936 | 413,964 |

Second quarter

Sanoma News' net sales in April–June increased by 1%. Adjusted for changes in the Division structure, sales grew by 2%.

Sanoma News' advertising sales outperformed the market and grew by 6%. Especially online advertising sales performed well and grew by 28%. In total, advertising sales represented 48% (2009: 46%) of the Division's net sales. One of Sanoma News' aims has been to strengthen its market share in the media market, and its strong brands and active media sales have led to improved market position.

The Division's circulation sales grew by 0.7% due to increased subscription sales. Circulation sales accounted for 42% (2009: 43%) of the Division's net sales. Even though the trend in circulation volumes is decreasing, Sanoma News' total reach improved further in the second quarter due to the continued growth in the number of online visitors.

The net sales of the Helsingin Sanomat business unit grew by 2%. Both circulation and advertising sales developed positively and Helsingin Sanomat was able to improve its market share. Recruitment classified advertising in the daily print edition of *Helsingin Sanomat* increased by 50%. In total, advertising sales represented 54% (2009: 53%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales grew by 4%, following the good development of advertising sales. Online advertising sales of the business unit increased by almost 60% from the comparable quarter. In total, advertising sales represented 29% (2009: 25%) of the business unit's net sales. Circulation sales decreased slightly.

Net sales from other publishing operations decreased by 4% mainly due to the divestment of picture agency Lehtikuva in March 2010. Circulation and advertising sales in regional papers were at the comparable period's level. Advertising sales in free sheets were almost at the comparable quarter's level. Online advertising sales in the Sanoma Digital Finland business unit continued their excellent performance. *Oikotie.fi*, Sanoma Digital Finland's classifieds portal, has improved its market position in the online job advertising market. Net sales from other businesses, mainly comprising internal billing, decreased by 8%.

In April–June, Sanoma News' operating profit excluding non-recurring items decreased by 8%. The decline was due to the withheld holiday pay in 2009 and an equal-size extra bonus paid in May 2010, because Division's profitability development turned positive. These actions were burdening the second quarter of 2010 and improving the comparable quarter's result. The withheld holiday pay in 2009 will also have some effect on the comparability of Sanoma News' result in the second half of 2010. Without the holiday pay effect, Sanoma News' result in April–June would have improved by some 30%. Operating profit improved significantly in the Helsingin Sanomat and Ilta-Sanomat business units. Operating profit in other publishing operations decreased clearly due to the divestment of Lehtikuva and holiday pay effect. The operating profit did not include any non-recurring items.

First half

In January–June, Sanoma News' net sales grew by 2%. Adjusted for changes in the Division structure, the growth was 2%. Sanoma News's operating profit excluding non-recurring items grew by 3%. Excluding the holiday pay effect, the increase would have been some 40%.

The advertising market in Finland turned slightly positive in February, and continued its good development in the first half of the year. However, the development between months varied to a large extent. According to TNS Gallup Adex, newspaper advertising in Finland decreased by 1% in January–June. Job advertising in Finland increased by 18%, but real estate advertising decreased by 6%. Job advertising in the daily print edition of *Helsingin Sanomat* was 13% above the comparable period, and real estate advertising was almost at the comparable period's level. Advertising in free sheets was up by 7%, partly due to changes in reporting. Online advertising included in the statistics grew by 25%, much faster than other media segments.

In January–June, the total volume of the Finnish tabloid market decreased by 4%. However, *Ilta-Sanomat* was able to improve its market position in the tabloid newsstand market and now has a market share of 58.1% (2009: 56.8%).

Sanoma News is looking for new sources of revenues through development of the product and service portfolio. In particular, paid content services and creating content for e-reading devices are being focused on. Strengthening market share both in the media market and in the readers' market remains a key priority for Sanoma News.

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

SANOMA ENTERTAINMENT

Sanoma Entertainment offers entertaining experiences on television, radio and online. Sanoma Entertainment consists of Nelonen Media, which focuses on broadcast operations as well as online TV and Sanoma Games, operating on online casual gaming.

- Sanoma Entertainment divested its cable TV operator Welho to the DNA telecommunication group.
- Nelonen Media's viewing shares continued to develop positively.
- Nelonen Media's advertising sales in May were at an all-time high and Nelonen Media continued to gain market share.
- Due to the divestment of Welho, Sanoma Entertainment's net sales and operating profit excluding non-recurring items are expected to decrease significantly in 2010.

| Key indicators | 4-6/ 2010 | 4-6/ 2009 | Change % | 1-6/ 2010 | 1-6/ 2009 | Change % | 1-12/ 2009 |
|--|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| EUR million | | | | | | | |
| Net sales | 44.6 | 40.6 | 9.8 | 86.2 | 81.0 | 6.4 | 157.1 |
| TV and radio | 26.5 | 23.6 | 12.1 | 50.0 | 47.1 | 6.1 | 88.1 |
| Other businesses | 18.5 | 17.4 | 6.6 | 36.7 | 34.7 | 6.0 | 70.4 |
| Eliminations | -0.3 | -0.3 | -2.7 | -0.5 | -0.8 | 31.8 | -1.4 |
| Operating profit excluding non-recurring items * | 8.2 | 6.9 | 19.0 | 14.4 | 13.0 | 10.5 | 20.7 |
| % of net sales | 18.3 | 16.9 | | 16.7 | 16.1 | | 13.2 |
| Operating profit | 187.6 | 6.9 | 2,632.7 | 193.8 | 13.0 | 1,389.7 | 20.7 |
| Capital expenditure | | | | 4.9 | 4.1 | 18.0 | 9.3 |
| Number of employees at the end of the period (FTE) | | | | 447 | 473 | -5.5 | 458 |
| Average number of employees (FTE) | | | | 446 | 481 | -7.3 | 469 |

* In 2010, the non-recurring items included in the second quarter a EUR 179.4 million gain on the sale of Welho. In 2009, the operating profit did not include any non-recurring items.

| Operational indicators | 1-6/ 2010 | 1-6/ 2009 |
|---|--------------|--------------|
| Thousands | | |
| TV channels' share of Finnish TV advertising | 34.1% | 33.5% |
| TV channels' national commercial viewing share | 30.4% | 29.6% |
| TV channels' national viewing share | 14.5% | 14.7% |
| Number of connected households (30 June) | 322 | 324 |
| Number of Welho customers (30 June) | 163 | 157 |
| Number of fixed broadband connections (30 June) | 117 | 108 |

Second quarter

Sanoma Entertainment's net sales in April–June grew by 10%, with advertising sales accounting for 54% (2009: 49%) of the Division's net sales. All growth was organic.

The broadcast operation's net sales grew by 12%. In May, Nelonen Media's advertising sales were at an all-time high. Targeted niche channels Jim and Liv performed particularly well. Interest in online TV has remained very high and advertising sales of the online TV service *Ruutu.fi* continued to grow fast. Nelonen Media's terrestrial TV licenses were renewed by the Government of Finland and are now valid until 2016.

Net sales from other operations increased by 7%. Broadband sales performed well, despite the increased competition. Cable TV operator Welho continued to be at the forefront of technology development by distributing the French Open tennis tournament in 3D format in its network.

Sanoma Entertainment's operating profit excluding non-recurring items in April–June grew by 19% from the comparable period, especially due to good sales development of Nelonen Media. Operating profit in other operations decreased due to actions carried out to increase the customer base of broadband services. The non-recurring items included in the operating profit totalled EUR 179.4 million and consisted of capital gain on the divestment of Welho. The deal was closed on 30 June after receiving the necessary approvals from the competition authorities and the Government of Finland.

From 1 July, Sanoma Entertainment comprises Nelonen Media's TV and radio broadcast and online TV operations as well as Sanoma Games' online casual gaming services. The Division will be reported as a single entity.

First half

In January–June, Sanoma Entertainment's net sales grew by 6%. Sanoma Entertainment's operating profit excluding non-recurring items grew by 11%.

The Finnish TV advertising market grew by 6% in January–June according to TNS Gallup Adex. Nelonen Media was able to further increase its market share to 34.1%, thanks to its improved viewing share and efficient multichannel strategy in broadcast operations.

Nelonen Media's commercial viewing share also improved to 36.1% (2009: 33.6%) in its main target group, viewers between 10 and 44 years of age. The viewing shares were boosted by the success of the smaller channels, Liv and Jim, which earned their highest viewing shares ever in May. National radio advertising grew slightly in January–June and Nelonen Media's radio channels developed in line with the market.

Due to the divestment of Welho as of 30 June 2010, Sanoma Entertainment's net sales and operating profit excluding non-recurring items are expected to decrease significantly in 2010.

SANOMA LEARNING & LITERATURE

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

- In the second quarter, Sanoma Learning & Literature reported higher net sales and operating profit than in the comparable quarter.
- In language services, the recovery is still slow.
- In June, Sanoma Learning & Literature agreed to acquire the remaining 44.9% of the shares of Young Digital Planet.

| Key indicators | 4-6/ 2010 | 4-6/ 2009 | Change % | 1-6/ 2010 | 1-6/ 2009 | Change % | 1-12/ 2009 |
|--|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| Net sales | 105.5 | 101.9 | 3.5 | 163.7 | 162.8 | 0.6 | 345.1 |
| Learning | 85.0 | 81.6 | 4.2 | 114.9 | 112.2 | 2.5 | 239.1 |
| Language services | 6.2 | 6.2 | 0.0 | 13.1 | 14.5 | -9.4 | 27.5 |
| Literature and other businesses | 17.2 | 17.0 | 1.4 | 40.8 | 41.6 | -1.8 | 88.9 |
| Eliminations | -2.9 | -2.8 | -2.9 | -5.2 | -5.4 | 4.6 | -10.4 |
| Operating profit excluding non-recurring items * | 26.4 | 25.1 | 5.4 | 21.2 | 18.2 | 16.7 | 43.5 |
| % of net sales | 25.0 | 24.6 | | 13.0 | 11.2 | | 12.6 |
| Operating profit | 25.1 | 25.1 | 0.2 | 18.7 | 18.2 | 2.9 | 38.5 |
| Capital expenditure | | | | 8.1 | 4.4 | 82.7 | 13.1 |
| Number of employees at the end of the period (FTE) | | | | 2,583 | 2,755 | -6.2 | 2,745 |
| Average number of employees (FTE) | | | | 2,640 | 2,847 | -7.3 | 2,780 |

* In 2010, the non-recurring items included in the first quarter a EUR 1.2 million loss on the sale of Bertmark Norge and in the second quarter EUR 1.3 million restructuring expenses. In 2009, the non-recurring items included in the third quarter EUR 1.5 million and in the fourth quarter EUR 2.4 million restructuring expenses and in the third quarter EUR 1.1 million of expenses related to the sale of children's magazines.

| Operational indicators | 1-6/ 2010 | 1-6/ 2009 |
|--|--------------|--------------|
| Learning | | |
| Number of new titles published, books | 515 | 756 |
| Number of new titles published, digital products | 219 | 228 |
| Literature and other businesses | | |
| Number of new titles published, books | 188 | 181 |
| Number of new titles published, digital products | 100 | 42 |
| Books sold, millions | 12.3 | 12.9 |

Second quarter

Sanoma Learning & Literature's net sales in April–June grew by 4%. Due to the nature of the learning business, which forms the majority of Sanoma Learning & Literature's operations, changes between quarters can be significant. The learning business has an annual cycle and shifts between quarters often explain most of the changes from the comparable period.

Net sales in learning were up by 4%, partly due to a favourable currency translation effect. Sales in the Netherlands were at the comparable quarter's level mainly due to good performance in primary education. Sales in Finland were slightly better than in the comparable quarter. The earlier signs of cost pressure in the learning material markets in the Netherlands and Finland, where most of the material is funded by the government, have not had an impact yet. Net sales grew in Belgium, as new products in the Flemish market were very well received. In Hungary, NTK-Perfekt suffered from the delays in tenders caused by the change in government after the elections in April. In Poland, Nowa Era continued its good sales development. The sales of e-learning provider YDP were unchanged from the comparable quarter.

Net sales in language services were at the comparable quarter's level. Sales of language services have been strongly affected by the general economic situation, but in translation and localisation services, the positive development of the first quarter continued. However, in language training sales prospects for this year continue to remain weak.

Net sales in literature and other businesses were at the comparable quarter's level. General literature sales remained sluggish, in line with the market development. General literature's operations will be restructured to respond to the ongoing transformation in the book publishing industry. An agreement on the restructuring was reached and its implementation has started. Sales in printing grew clearly due to the acquisition of Gummerus Printing made at the end of 2009.

The Division's operating profit excluding non-recurring items in April–June increased by 5%, due to good results in the learning business. Language services also improved their results due to the efficiency improvements. The non-recurring costs included in the operating profit totalled EUR 1.3 million (2009: EUR 0.0 million) and were related to the restructuring of Finnish general literature operations.

First half

In January–June, Sanoma Learning & Literature's net sales were at the comparable period's level. Operating profit excluding non-recurring items grew by 17%.

Sanoma Learning & Literature continues to focus on growth through further internationalisation of its learning and language services businesses. At the same time, the Division will continue to restructure its other operations. Customers are increasingly looking for customised solutions both in learning and language services. Sanoma Learning & Literature is well positioned to offer these and can gain efficiency from developing platforms to be used in several markets.

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

SANOMA TRADE

Operating in eight countries, retail specialist Sanoma Trade's strengths lie in a thorough understanding of customers' needs and solid concepts. Sanoma Trade serves its customers in 210 million annual sales contacts at kiosks, bookstores and movie theatres. Sanoma Trade's trade services business unit (previously press distribution) is a strong link between publishers and retailers.

- Movie operations continued their success: sales and movie admissions grew both in Finland and in the Baltic countries.
- The Finnish kiosk operations developed positively due to record-high lottery jackpots and high-profile campaigns.
- Economic conditions remained weak especially in the Baltic countries and Romania.

| Key indicators EUR million | 4-6/ 2010 | | | 1-6/ 2010 | | | 1-12/ 2009 | |
|--|--------------|-------------|--------------|--------------|---------------|-------------|---------------|--|
| | 4-6/ 2009 | Change % | 1-6/ 2009 | Change % | 1-12/ 2009 | Change % | 1-12/ 2009 | |
| Net sales | 195.7 | 2.9 | 393.2 | 2.6 | 827.8 | | | |
| Kiosk operations | 104.5 | 0.4 | 196.8 | 1.2 | 404.2 | | | |
| Trade services | 57.4 | 6.0 | 112.7 | 4.5 | 227.9 | | | |
| Bookstores | 19.7 | 1.0 | 45.8 | -2.3 | 123.3 | | | |
| Movie operations | 18.0 | 10.2 | 45.3 | 8.7 | 88.0 | | | |
| Eliminations | -3.9 | -3.7 | -7.4 | 1.0 | -15.6 | | | |
| Operating profit excluding non-recurring items* | 3.8 | -17.8 | 6.0 | -21.2 | 27.6 | | | |
| % of net sales | 1.9 | | 1.5 | | 3.3 | | | |
| Operating profit | 3.8 | -17.8 | 6.0 | -21.2 | 24.0 | | | |
| Capital expenditure | | | 15.4 | 1.6 | 25.5 | | | |
| Number of employees at the end of the period (FTE) | | | 5,754 | -5.1 | 5,943 | | | |
| Average number of employees (FTE) | | | 5,781 | -8.0 | 6,164 | | | |

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

| Operational indicators Thousands | 1-6/ 2010 | | 1-6/ 2009 | |
|--|--------------|---------|--------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| Customer volume in kiosk operations | 90,554 | 98,468 | | |
| Customer volume in bookstores | 3,063 | 3,083 | | |
| Customer volume in movie theatres | 5,002 | 4,515 | | |
| Number of copies sold (press distribution) | 173,006 | 171,302 | | |

Second quarter

Sanoma Trade's net sales in April–June grew by 3%, with all businesses increasing their sales. Net sales adjusted for changes in the Group structure grew by 4%.

Net sales from kiosk operations grew slightly. The change in legislation regarding opening hours in Finland did not have a material effect on the second quarter, and kiosk sales in Finland were slightly up from the comparable quarter. Net sales grew also in Latvia and Romania. In Estonia, Lithuania and Russia net sales decreased. The renewal of the R-kioski concept is currently being piloted in Finland, Estonia and Lithuania in about 20 kiosks. The first results are encouraging. The feedback from the pilot phase will be evaluated during this summer.

Net sales from trade services grew by 6%. Net sales grew in Finland and in the Netherlands. Press volumes showed some growth, especially in the Netherlands, while the good development of other product groups, such as football collector cards, also boosted Aldipress' sales. The weak economic situation, decreased number of titles to sell and VAT increases continued to affect sales in most of the Baltic countries. In Finland, Sanoma Trade acquired the marketing logistics company Postituspojat. The acquisition supports Sanoma Trade's growth strategy in the field of marketing logistics and strengthens the basis for the development of these services.

Net sales from bookstores grew slightly. Net sales decreased slightly in Finland, mainly due to the lack of bestsellers in books. Net sales grew in Estonia due to the opening of two new bookstores. In Finland, the sales of games, toys and other new product groups developed favourably.

Net sales from movie operations grew by 10%. Finnish operations continued their excellent performance, even though there were only few big releases in the quarter. Net sales grew also in most of the Baltic countries. Competition in the

Baltic countries is expected to increase in the second half of 2010 due to new entrants. In all operating countries, 3D movies are increasing in popularity and already form an important part of total sales.

Sanoma Trade's operating profit excluding non-recurring items in April–June decreased by 18% and was burdened by the costs of merging the Estonian operations. The operating profit improved in movie operations and in trade services, but decreased in other businesses. The restructuring of the Russian operations, which started in the second half of 2009, continues.

First half

In January–June, Sanoma Trade's net sales grew by 3%. Operating profit excluding non-recurring items decreased by 21%. The new opening hours of other retailers decreased customer volumes especially in the first quarter and shifted the kiosk sales more towards tobacco and the lower margin commission sales.

Sanoma Trade continues to develop its kiosk and bookstore concepts in particular to better cater for the needs of its customers. With its 210 million annual customer contacts, Sanoma Trade gains valuable consumer insight and has good possibilities to develop its product and service offering.

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

THE GROUP

Dividend

The Annual General Meeting on 8 April 2010 decided to pay a dividend of EUR 0.80 (2009: EUR 0.90). The dividends were paid on 20 April 2010 in Finland.

Shares and holdings

In January–June, 28,003,041 (2009: 43,578,137) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for 17% (2009: 27%) of the average number of shares. Sanoma's total stock exchange turnover was EUR 427.7 million (2009: EUR 428.2 million).

In January–June, the volume-weighted average price of a Sanoma share was EUR 15.27, with a low of EUR 13.41 and a high of EUR 17.07. At the end of June, Sanoma's market capitalisation was EUR 2.3 billion (2009: EUR 1.8 billion), with Sanoma's share closing at EUR 14.17 (2009: EUR 11.05). The Company had 21,750 shareholders at the end of June, with foreign holdings accounting for 11.3% (2009: 9.7%) of all shares and votes. There were no major changes in share ownership in the first half of 2010 and Sanoma did not issue any flagging announcements. At the end of June, Sanoma had 161,816,894 shares.

Board of Directors, auditors and management

The AGM held on 8 April 2010 confirmed the number of Sanoma's Board members at ten. Board members Sirkka Hämäläinen-Lindfors and Seppo Kievari were re-elected and Antti Herlin was elected as a new member to the Board. The Board of Directors of Sanoma consists of Jaakko Rauramo (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Robert Castrén, Jane Erkkö, Antti Herlin, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari and Rafaela Seppälä as members.

The AGM re-appointed Pekka Pajamo, APA, and Sixten Nyman, APA, as his deputy, and Authorised Public Accountants KPMG Oy Ab, with Kai Salli, APA, acting as the Auditor in Charge, as the auditors of the Company.

Board authorisations

The AGM held on 8 April 2010 authorised the Board of Directors to decide on an issuance of a maximum of 82,000,000 new shares and a transfer of a maximum of 5,000,000 treasury shares. The authorisation will be valid until 30 June 2013. The AGM also authorised the Board to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares. This authorisation is effective until 30 June 2011 and terminates the corresponding authorisation granted by the AGM on 1 April 2009.

Seasonal fluctuation

The net sales and result of Sanoma Magazines, Sanoma News and Sanoma Entertainment are particularly affected by the development of advertising. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published each quarter, which varies annually. Television advertising in Finland is usually strongest in the second and fourth quarters.

Learning accrues most of its net sales and results during the second and third quarters.

A major portion of the net sales and results in retail are, on the other hand, generated in the last quarter, particularly from Christmas sales. Of course, the number of shopping days and, for example, the distribution of holidays over different quarters impacts the retail sales between quarters.

Seasonal business fluctuations influence the Group's net sales and operating profit, with the first quarter traditionally being clearly the smallest one for both.

Significant risks and uncertainty factors

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group's website at Sanoma.com, together with the Group's main principles of risk management. Many of the identified risks relate to changes in customer preferences. Ongoing digitisation has been the driving force behind these changes for some time, and Sanoma has identified action plans in all its divisions on how to respond to this challenge.

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

INTERIM REPORT (UNAUDITED)

Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 June 2010.

The Group has applied e.g. the following revised and amended standards as of 1 January 2010: IFRS 3 (Revised 2008) Business Combinations and IAS 27 (Amended 2008) Consolidated and Separate Financial Statements.

The adoption of the revised IFRS 3 'Business Combinations' will have an impact on the amount of goodwill from acquisitions and results on disposing businesses. The standard is estimated to also have an impact on profit and loss in those periods in which new business is acquired, the deferred purchase price is paid or additional shares are acquired. According to the transitional provisions of the standard, business combinations for which the acquisition date is before the adoption of the standard, are not adjusted.

The amended IAS 27 'Consolidated and Separate Financial Statements' requires the effects of all transactions with a non-controlling interest to be recorded in equity if the control remains with the parent company. The amendment also specifies that a share of the loss for period can also be allocated to non-controlling interest when the losses exceed the amount of invested capital by the non-controlling parties.

The accounting policies of the Interim Report and the definitions of key indicators are presented on the Sanoma website at Sanoma.com. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures. This Interim Report is unaudited.

CONSOLIDATED INCOME STATEMENT

| EUR million | 1-6/ 2010 | 1-6/ 2009 | 1-12/ 2009 |
|---|----------------|--------------|---------------|
| NET SALES | 1,353.3 | 1,333.2 | 2,767.9 |
| Other operating income | 217.7 | 33.5 | 64.6 |
| Materials and services | 586.4 | 591.3 | 1,238.5 |
| Employee benefit expenses | 341.4 | 351.0 | 695.5 |
| Other operating expenses | 261.3 | 257.2 | 536.2 |
| Depreciation, amortisation and impairment losses | 80.4 | 81.2 | 167.0 |
| OPERATING PROFIT | 301.4 | 86.1 | 195.4 |
| Share of results in associated companies | -0.7 | -0.3 | -3.9 |
| Financial income | 4.6 | 15.5 | 22.5 |
| Financial expenses | 12.3 | 29.3 | 52.6 |
| RESULT BEFORE TAXES | 293.1 | 72.0 | 161.4 |
| Income taxes | -33.8 | -20.7 | -54.3 |
| RESULT FOR THE PERIOD | 259.2 | 51.3 | 107.1 |
| Result attributable to: | | | |
| Equity holders of the Parent Company | 261.3 | 51.6 | 105.6 |
| Non-controlling interests | -2.1 | -0.3 | 1.6 |
| Earnings per share for result attributable to the equity holders of the Parent company: | | | |
| Earnings per share, EUR | 1.61 | 0.32 | 0.66 |
| Diluted earnings per share, EUR | 1.61 | 0.32 | 0.66 |

STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 1-6/ 2010 | 1-6/ 2009 | 1-12/ 2009 |
|--|--------------|--------------|---------------|
| Result for the period | 259.2 | 51.3 | 107.1 |
| Other comprehensive income: | | | |
| Change in translation differences | 12.1 | -14.7 | -5.0 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 271.3 | 36.7 | 102.1 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Parent Company | 273.4 | 37.4 | 100.5 |
| Non-controlling interests | -2.0 | -0.7 | 1.6 |

CONSOLIDATED BALANCE SHEET

EUR million

30.6.2010

30.6.2009

31.12.2009

ASSETS
NON-CURRENT ASSETS

| | | | |
|-------------------------------------|----------------|----------------|----------------|
| Tangible assets | 439.4 | 500.4 | 484.2 |
| Investment property | 8.8 | 9.4 | 9.4 |
| Goodwill | 1,481.4 | 1,487.7 | 1,488.9 |
| Other intangible assets | 411.8 | 397.1 | 399.3 |
| Interests in associated companies | 271.1 | 67.3 | 63.5 |
| Available-for-sale financial assets | 15.7 | 20.7 | 15.7 |
| Deferred tax receivables | 36.3 | 39.4 | 30.1 |
| Trade and other receivables | 31.4 | 38.8 | 31.4 |
| NON-CURRENT ASSETS, TOTAL | 2,695.9 | 2,560.8 | 2,522.3 |

CURRENT ASSETS

| | | | |
|-------------------------------------|--------------|--------------|--------------|
| Inventories | 136.6 | 152.7 | 141.6 |
| Income tax receivables | 21.3 | 28.2 | 19.3 |
| Trade and other receivables | 414.2 | 409.4 | 362.9 |
| Available-for-sale financial assets | 0.5 | 0.5 | 0.5 |
| Cash and cash equivalents | 76.8 | 59.3 | 59.7 |
| CURRENT ASSETS, TOTAL | 649.4 | 650.2 | 584.0 |

ASSETS, TOTAL
3,345.4
3,211.1
3,106.3
EQUITY AND LIABILITIES
EQUITY
Equity attributable to the equity holders of the Parent Company

| | | | |
|---------------------------------------|----------------|----------------|----------------|
| Share capital | 71.3 | 71.3 | 71.3 |
| Fund for invested unrestricted equity | 188.8 | 192.7 | 188.8 |
| Other equity | 1,072.4 | 850.2 | 931.1 |
| | 1,332.5 | 1,114.1 | 1,191.2 |
| Non-controlling interests | 7.6 | 13.4 | 15.4 |
| EQUITY, TOTAL | 1,340.1 | 1,127.6 | 1,206.6 |

NON-CURRENT LIABILITIES

| | | | |
|------------------------------|-------|-------|-------|
| Deferred tax liabilities | 99.4 | 105.0 | 101.2 |
| Pension obligations | 30.0 | 36.8 | 29.9 |
| Provisions | 8.4 | 6.2 | 10.7 |
| Interest-bearing liabilities | 752.8 | 713.1 | 541.6 |
| Trade and other payables | 22.2 | 35.9 | 28.2 |

CURRENT LIABILITIES

| | | | |
|------------------------------|-------|-------|-------|
| Provisions | 16.2 | 10.2 | 23.8 |
| Interest-bearing liabilities | 384.0 | 507.2 | 476.1 |
| Income tax liabilities | 32.8 | 19.9 | 16.9 |
| Trade and other payables | 659.4 | 649.0 | 671.3 |

LIABILITIES, TOTAL
2,005.2
2,083.5
1,899.7
EQUITY AND LIABILITIES, TOTAL
3,345.4
3,211.1
3,106.3

CHANGES IN CONSOLIDATED EQUITY

EUR million

Equity attributable to the equity holders of the Parent Company

| | Share capital | Treasury shares | Fund for invested unrestricted equity | Other equity | Total | Non-controlling interests | Equity, total |
|--|---------------|-----------------|---------------------------------------|----------------|----------------|---------------------------|----------------|
| Equity at 1 Jan 2009 | 71.3 | -37.5 | 192.7 | 993.7 | 1,220.1 | 17.0 | 1,237.1 |
| Cancellation of treasury shares | | 37.5 | | -37.5 | | | |
| Expense recognition of options granted | | | | 2.0 | 2.0 | | 2.0 |
| Dividends paid | | | | -144.9 | -144.9 | -0.9 | -145.8 |
| Change in non-controlling interests | | | | | | -2.0 | -2.0 |
| Donations | | | | -0.5 | -0.5 | | -0.5 |
| Comprehensive income for the period | | | | 37.4 | 37.4 | -0.7 | 36.7 |
| Equity at 30 June 2009 | 71.3 | | 192.7 | 850.2 | 1,114.1 | 13.4 | 1,127.6 |
| Equity at 1 Jan 2010 | 71.3 | | 188.8 | 931.1 | 1,191.2 | 15.4 | 1,206.6 |
| Expense recognition of options granted | | | | 1.8 | 1.8 | | 1.8 |
| Dividends paid | | | | -129.5 | -129.5 | -1.6 | -131.1 |
| Change in non-controlling interests | | | | -3.9 | -3.9 | -4.2 | -8.1 |
| Donations | | | | -0.5 | -0.5 | | -0.5 |
| Comprehensive income for the period | | | | 273.4 | 273.4 | -2.0 | 271.3 |
| Equity at 30 June 2010 | 71.3 | | 188.8 | 1,072.4 | 1,332.5 | 7.6 | 1,340.1 |

INCOME STATEMENT BY QUARTER

| EUR million | 1-3/ 2010 | 4-6/ 2010 | 1-3/ 2009 | 4-6/ 2009 | 7-9/ 2009 | 10-12/ 2009 | 1-12/ 2009 |
|---|--------------|--------------|--------------|--------------|--------------|----------------|---------------|
| NET SALES | 637.9 | 715.4 | 636.0 | 697.2 | 701.1 | 733.6 | 2,767.9 |
| Other operating income | 20.4 | 197.3 | 14.1 | 19.4 | 13.3 | 17.9 | 64.6 |
| Materials and services | 279.0 | 307.3 | 286.4 | 304.8 | 315.0 | 332.2 | 1,238.5 |
| Employee benefit expenses | 169.1 | 172.3 | 176.2 | 174.8 | 160.5 | 184.0 | 695.5 |
| Other operating expenses | 128.9 | 132.4 | 128.2 | 129.0 | 122.1 | 156.8 | 536.2 |
| Depreciation, amortisation and impairment losses | 40.8 | 39.6 | 38.4 | 42.8 | 39.8 | 46.0 | 167.0 |
| OPERATING PROFIT | 40.4 | 261.0 | 20.9 | 65.1 | 77.1 | 32.3 | 195.4 |
| Share of results in associated companies | -2.4 | 1.7 | 0.3 | -0.6 | -2.0 | -1.6 | -3.9 |
| Financial income | 2.2 | 2.5 | 6.7 | 8.8 | 4.1 | 2.8 | 22.5 |
| Financial expenses | 6.0 | 6.2 | 17.0 | 12.3 | 12.0 | 11.3 | 52.6 |
| RESULT BEFORE TAXES | 34.1 | 259.0 | 10.9 | 61.1 | 67.2 | 22.3 | 161.4 |
| Income taxes | -10.0 | -23.8 | -3.2 | -17.4 | -20.0 | -13.7 | -54.3 |
| RESULT FOR THE PERIOD | 24.1 | 235.1 | 7.7 | 43.7 | 47.2 | 8.6 | 107.1 |
| Result attributable to: | | | | | | | |
| Equity holders of the Parent Company | 25.9 | 235.4 | 8.3 | 43.3 | 47.6 | 6.4 | 105.6 |
| Non-controlling interests | -1.8 | -0.2 | -0.6 | 0.3 | -0.3 | 2.2 | 1.6 |
| Earnings per share for result attributable to the equity holders of the Parent company: | | | | | | | |
| Earnings per share, EUR | 0.16 | 1.45 | 0.05 | 0.27 | 0.30 | 0.04 | 0.66 |
| Diluted earnings per share, EUR | 0.16 | 1.45 | 0.05 | 0.27 | 0.30 | 0.04 | 0.66 |

| CONSOLIDATED CASH FLOW STATEMENT | 1-6/ 2010 | 1-6/ 2009 | 1-12/ 2009 |
|--|----------------------|----------------------|-----------------------|
| EUR million | | | |
| OPERATIONS | | | |
| Result for the period | 259.2 | 51.3 | 107.1 |
| Adjustments | | | |
| Income taxes | 33.8 | 20.7 | 54.3 |
| Financial expenses | 12.3 | 29.3 | 52.6 |
| Financial income | -4.6 | -15.5 | -22.5 |
| Share of results in associated companies | 0.7 | 0.3 | 3.9 |
| Depreciation and impairment losses | 80.4 | 81.2 | 167.0 |
| Gains/losses on sales of non-current assets | -188.5 | -1.9 | -2.4 |
| Other adjustments | -23.8 | -28.7 | -56.4 |
| Change in working capital | | | |
| Change in trade and other receivables | -61.7 | -0.5 | 47.4 |
| Change in inventories | -3.8 | -6.4 | 5.6 |
| Change in trade and other payables, and provisions | -7.3 | -78.4 | -36.9 |
| Interest paid | -5.2 | -24.6 | -34.6 |
| Other financial items | -3.4 | -0.2 | -2.0 |
| Taxes paid | -28.2 | -19.1 | -41.4 |
| CASH FLOW FROM OPERATIONS | 60.0 | 7.5 | 241.8 |
| INVESTMENTS | | | |
| Acquisition of tangible and intangible assets | -40.3 | -43.1 | -80.2 |
| Operations acquired | -27.1 | -17.8 | -27.1 |
| Sales of tangible and intangible assets | 5.2 | 2.7 | 5.4 |
| Operations sold | 26.1 | 0.0 | 0.5 |
| Loans granted | -0.3 | -2.1 | -0.9 |
| Repayments of loan receivables | 3.6 | 1.6 | 3.3 |
| Sales of short-term investments | | | 0.0 |
| Interest received | 1.0 | 3.6 | 4.8 |
| Dividends received | 3.0 | 3.1 | 4.3 |
| CASH FLOW FROM INVESTMENTS | -28.9 | -51.9 | -89.9 |
| CASH FLOW BEFORE FINANCING | 31.1 | -44.4 | 151.9 |
| FINANCING | | | |
| Proceeds from share subscriptions | | | 12.3 |
| Change in loans with short maturity | -72.8 | 0.0 | -42.6 |
| Drawings of other loans | 255.5 | 366.5 | 399.7 |
| Repayments of other loans | -40.3 | -245.1 | -460.0 |
| Payment of finance lease liabilities | -1.7 | -1.6 | -3.5 |
| Dividends paid | -131.1 | -145.8 | -146.2 |
| Donations/other profit sharing | -0.5 | -0.5 | -0.5 |
| CASH FLOW FROM FINANCING | 9.0 | -26.6 | -240.8 |
| CHANGE IN CASH AND CASH EQUIVALENTS | | | |
| ACCORDING TO CASH FLOW STATEMENT | 40.1 | -71.0 | -88.9 |
| Effect of exchange rate differences on cash and cash equivalents | 0.8 | -2.4 | 0.0 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 40.9 | -73.4 | -88.9 |
| Cash and cash equivalents at the beginning of the period | 21.6 | 110.5 | 110.5 |
| Cash and cash equivalents at the end of the period | 62.4 | 37.0 | 21.6 |

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

NET SALES BY BUSINESS

| EUR million | 1-3/ 2010 | 4-6/ 2010 | 1-3/ 2009 | 4-6/ 2009 | 7-9/ 2009 | 10-12/ 2009 | 1-12/ 2009 |
|---|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| SANOMA MAGAZINES | | | | | | | |
| Sanoma Magazines Netherlands | 107.4 | 128.0 | 110.6 | 123.2 | 120.7 | 138.6 | 493.2 |
| Sanoma Magazines International | 48.7 | 54.3 | 50.9 | 53.2 | 48.8 | 58.5 | 211.3 |
| Sanoma Magazines Belgium | 53.5 | 52.3 | 51.3 | 52.6 | 50.8 | 57.5 | 212.3 |
| Sanoma Magazines Finland | 51.2 | 47.1 | 50.3 | 48.0 | 46.9 | 53.5 | 198.8 |
| Eliminations | -1.0 | -1.2 | -1.0 | -1.2 | -1.2 | -1.0 | -4.3 |
| TOTAL | 259.9 | 280.6 | 262.1 | 275.9 | 266.1 | 307.1 | 1,111.2 |
| SANOMA NEWS | | | | | | | |
| Helsingin Sanomat | 59.1 | 56.7 | 58.7 | 55.4 | 53.3 | 61.1 | 228.4 |
| Ilta-Sanomat | 19.9 | 20.7 | 18.4 | 19.8 | 19.6 | 20.3 | 78.2 |
| Other publishing | 25.3 | 25.6 | 25.9 | 26.8 | 24.2 | 26.9 | 103.8 |
| Other businesses | 34.4 | 33.1 | 36.2 | 35.9 | 34.9 | 36.6 | 143.7 |
| Eliminations | -29.3 | -27.6 | -31.6 | -30.9 | -30.8 | -32.0 | -125.2 |
| TOTAL | 109.4 | 108.5 | 107.7 | 107.1 | 101.2 | 112.9 | 428.9 |
| SANOMA ENTERTAINMENT | | | | | | | |
| TV and radio | 23.5 | 26.5 | 23.5 | 23.6 | 17.4 | 23.6 | 88.1 |
| Other businesses | 18.2 | 18.5 | 17.3 | 17.4 | 17.8 | 18.0 | 70.4 |
| Eliminations | -0.2 | -0.3 | -0.5 | -0.3 | -0.2 | -0.4 | -1.4 |
| TOTAL | 41.5 | 44.6 | 40.3 | 40.6 | 35.0 | 41.1 | 157.1 |
| SANOMA LEARNING & LITERATURE | | | | | | | |
| Learning | 29.9 | 85.0 | 30.6 | 81.6 | 94.3 | 32.7 | 239.1 |
| Language services | 6.9 | 6.2 | 8.3 | 6.2 | 6.7 | 6.3 | 27.5 |
| Literature and other businesses | 23.6 | 17.2 | 24.6 | 17.0 | 19.3 | 28.0 | 88.9 |
| Eliminations | -2.3 | -2.9 | -2.6 | -2.8 | -2.7 | -2.3 | -10.4 |
| TOTAL | 58.2 | 105.5 | 60.8 | 101.9 | 117.6 | 64.7 | 345.1 |
| SANOMA TRADE | | | | | | | |
| Kiosk operations | 91.9 | 104.9 | 89.9 | 104.5 | 99.3 | 110.5 | 404.2 |
| Trade services | 51.9 | 60.8 | 50.5 | 57.4 | 59.4 | 60.6 | 227.9 |
| Bookstores | 26.0 | 19.9 | 27.3 | 19.7 | 31.8 | 44.5 | 123.3 |
| Movie operations | 25.4 | 19.9 | 23.6 | 18.0 | 22.7 | 23.6 | 88.0 |
| Eliminations | -3.4 | -4.0 | -3.6 | -3.9 | -4.1 | -4.0 | -15.6 |
| TOTAL | 191.8 | 201.4 | 187.7 | 195.7 | 209.2 | 235.3 | 827.8 |
| Other companies and eliminations | -23.0 | -25.3 | -22.7 | -24.1 | -28.0 | -27.5 | -102.3 |
| TOTAL | 637.9 | 715.4 | 636.0 | 697.2 | 701.1 | 733.6 | 2,767.9 |

OPERATING PROFIT BY DIVISION

| EUR million | 1-3/ 2010 | 4-6/ 2010 | 1-3/ 2009 | 4-6/ 2009 | 7-9/ 2009 | 10-12/ 2009 | 1-12/ 2009 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|
| Sanoma Magazines | 25.8 | 41.0 | 15.5 | 30.2 | 23.1 | 27.4 | 96.3 |
| Sanoma News | 15.6 | 8.9 | 6.0 | 3.5 | 11.8 | 10.8 | 32.2 |
| Sanoma Entertainment | 6.2 | 187.6 | 6.1 | 6.9 | 3.8 | 3.9 | 20.7 |
| Sanoma Learning & Literature | -6.4 | 25.1 | -6.9 | 25.1 | 33.1 | -12.8 | 38.5 |
| Sanoma Trade | 2.9 | 3.1 | 3.8 | 3.8 | 9.7 | 6.7 | 24.0 |
| Other companies and eliminations | -3.7 | -4.7 | -3.7 | -4.3 | -4.4 | -3.7 | -16.2 |
| TOTAL | 40.4 | 261.0 | 20.9 | 65.1 | 77.1 | 32.3 | 195.4 |

SEGMENT INFORMATION

The operating segments of the Sanoma Group comprise the Group's five divisions: Sanoma Magazines, Sanoma News, Sanoma Entertainment, Sanoma Learning & Literature and Sanoma Trade. The segmentation is based on business model and product differences. The media business, based on advertising and circulation sales, is divided into three segments: Sanoma Magazines is responsible for magazines, Sanoma News for newspapers and Sanoma Entertainment for TV business. Sanoma Learning & Literature's business is mainly b-2-b business. Sanoma Trade, on the other hand, operates on a retail business model. In addition to the Group eliminations column, unallocated/eliminations includes Sanoma Corporation and real estate companies as well as items not allocated to segments.

Segment assets do not include cash and cash equivalents, interest-bearing receivables and tax receivables. Transactions between segments are based on market prices.

Sanoma Divisions 1.1–30.6.2010

| EUR million | Maga- zines | News | Enter- tain- ment | Lear- ning & Lite- rature | Trade | Unallo- cated/ elimi- nations | Con- soli- dated |
|---|----------------|-------|-------------------------|------------------------------------|-------|--|------------------------|
| External net sales | 539.3 | 214.4 | 84.8 | 158.0 | 356.8 | 0.1 | 1,353.3 |
| Internal net sales | 1.2 | 3.5 | 1.4 | 5.7 | 36.5 | -48.4 | |
| NET SALES, TOTAL | 540.5 | 217.9 | 86.2 | 163.7 | 393.2 | -48.3 | 1,353.3 |
| OPERATING PROFIT | 66.8 | 24.5 | 193.8 | 18.7 | 6.0 | -8.4 | 301.4 |
| Share of results in associated companies | -1.1 | 0.1 | | 0.0 | 0.3 | | -0.7 |
| Financial income | | | | | | 4.6 | 4.6 |
| Financial expense | | | | | | 12.3 | 12.3 |
| RESULT BEFORE TAXES | | | | | | | 293.1 |
| SEGMENT ASSETS | 1,536.3 | 330.0 | 282.3 | 592.4 | 452.1 | 6.0 | 3,199.0 |

Sanoma Divisions 1.1–30.6.2009

| EUR million | Maga- zines | News | Enter- tain- ment | Lear- ning & Lite- rature | Trade | Unallo- cated/ elimi- nations | Con- soli- dated |
|---|----------------|-------|-------------------------|------------------------------------|-------|--|------------------------|
| External net sales | 536.8 | 210.7 | 80.3 | 157.0 | 348.5 | -0.2 | 1,333.2 |
| Internal net sales | 1.2 | 4.1 | 0.6 | 5.8 | 34.9 | -46.6 | |
| NET SALES, TOTAL | 538.1 | 214.8 | 81.0 | 162.8 | 383.4 | -46.7 | 1,333.2 |
| OPERATING PROFIT | 45.8 | 9.6 | 13.0 | 18.2 | 7.6 | -8.1 | 86.1 |
| Share of results in associated companies | -0.5 | 0.0 | | 0.1 | 0.1 | | -0.3 |
| Financial income | | | | | | 15.5 | 15.5 |
| Financial expense | | | | | | 29.3 | 29.3 |
| RESULT BEFORE TAXES | | | | | | | 72.0 |
| SEGMENT ASSETS | 1,542.2 | 349.4 | 128.9 | 599.4 | 433.0 | 14.0 | 3,066.9 |

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

| EUR million | 30.6.2010 | 30.6.2009 | 31.12.2009 |
|---|--------------|-----------|------------|
| Carrying amount at the beginning of the period | 484.2 | 510.4 | 510.4 |
| Increases | 27.4 | 26.2 | 46.0 |
| Acquisition of operations | 0.4 | 0.0 | 1.0 |
| Decreases | -2.5 | -1.1 | -2.9 |
| Disposal of operations | -31.5 | | 0.0 |
| Depreciation for the period | -33.3 | -34.1 | -68.5 |
| Impairment losses for the period | 0.0 | -0.2 | -1.6 |
| Exchange rate differences and other changes | -5.3 | -0.9 | 0.0 |
| Carrying amount at the end of the period | 439.4 | 500.4 | 484.2 |

The Group had no commitments for acquisition of tangible assets at the end of the reporting period or in the comparative period.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET

| EUR million | 1-6/ 2010 | 1-12/ 2009 |
|---------------------------------------|--------------|---------------|
| Acquisition costs | 17.3 | 6.7 |
| Fair value of acquired net assets | 10.3 | 2.8 |
| Recognised in equity | -3.9 | |
| Goodwill | 3.2 | 3.9 |
| Negative goodwill in income statement | | -0.9 |
| Change in goodwill | 3.2 | 4.8 |

CONTINGENT LIABILITIES

| EUR million | 30.6.2010 | 30.6.2009 | 31.12.2009 |
|---|--------------|-----------|------------|
| Contingencies for own commitments | | | |
| Mortgages | 22.7 | 26.4 | 22.8 |
| Pledges | 6.7 | 6.0 | 6.8 |
| Other items | 0.0 | 0.4 | 0.4 |
| TOTAL | 29.4 | 32.8 | 30.0 |
| Contingencies incurred on behalf of associated companies | | | |
| Guarantees | 10.5 | 10.5 | 10.5 |
| TOTAL | 10.5 | 10.5 | 10.5 |
| Contingencies incurred on behalf of other companies | | | |
| Guarantees | 0.3 | 0.1 | 0.1 |
| TOTAL | 0.3 | 0.1 | 0.1 |
| Other contingencies | | | |
| Operating lease liabilities | 259.8 | 256.0 | 255.4 |
| Royalties | 16.4 | 18.3 | 18.9 |
| Other items | 23.6 | 35.3 | 27.7 |
| TOTAL | 299.9 | 309.6 | 302.0 |
| TOTAL | 340.0 | 353.1 | 342.5 |

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

KEY EXCHANGE RATES

| | 1-6/ 2010 | 1-6/ 2009 | 1-12/ 2009 |
|----------------------------|----------------------|----------------------|-----------------------|
| Average rate | | | |
| EUR/CZK (Czech Koruna) | 25.83 | 27.09 | 26.52 |
| EUR/HUF (Hungarian Forint) | 272.22 | 288.31 | 280.30 |
| EUR/PLN (Polish Zloty) | 4.02 | 4.48 | 4.33 |
| EUR/RUB (Russian Rouble) | 40.15 | 44.11 | 44.07 |
| EUR/SEK (Swedish Crown) | 9.81 | 10.86 | 10.61 |
| Closing rate | 30.6.2010 | 30.6.2009 | 31.12.2009 |
| EUR/CZK (Czech Koruna) | 25.69 | 25.88 | 26.47 |
| EUR/HUF (Hungarian Forint) | 286.00 | 271.55 | 270.42 |
| EUR/PLN (Polish Zloty) | 4.15 | 4.45 | 4.10 |
| EUR/RUB (Russian Rouble) | 38.28 | 43.88 | 43.15 |
| EUR/SEK (Swedish Crown) | 9.53 | 10.81 | 10.25 |

Press Conference and Conference Call

Press and analyst meeting in Finnish will be held by Mr Hannu Syrjänen, President and CEO of Sanoma at 11 am Finnish time (CET +1) at Sanomatalo, Töölönlahdenkatu 2, Helsinki.

The conference call in English for analysts and investors will be arranged at 3 pm Finnish time. Mr Hannu Syrjänen will present the result. To join the conference, please dial +44 (0)20 7806 1968 (Europe) or +1 718 247 0888 (US). The event can also be listened at Sanoma.com either live or later on as on demand.

The presentation material of the press and analyst meeting as well as the slides used in the conference call will be available on Sanoma's website after the press and analyst meeting has started.

Sanoma's third quarter 2010 results will be published on 3 November 2010 at approximately 11 am Finnish time.

Sanoma Corporation

Kim Ignatius
Chief Financial Officer

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Sanoma.com

Sanoma inspires, informs and connects. As a diversified media group, we bring information, experiences, education and entertainment to millions of people every day. We make sure that quality content and interesting products and services are easily available and meet the demands of our readers, viewers and listeners. We offer a challenging and interesting working environment for 20,000 people in over 20 countries throughout Europe. In 2009, the Group's net sales totalled EUR 2.8 billion.