Sanoma's Interim Report 1 Jan–30 Sept 2009:
Reshaping for the Future

– Sanoma Group's net sales totalled EUR 2,034.4 (2,231.4) million in the first nine months, 8.8% less than in the comparable period. Net sales in the third quarter were EUR 701.1 (778.6) million.
– Operating profit excluding non-recurring items was EUR 180.2 (246.6) million. Non-recurring items totalled EUR -17.1 (18.5) million. The third quarter EBIT excluding non-recurring items was EUR 84.5 (100.5) million.
– Earnings per share were EUR 0.62 (1.10) in January–September. The third quarter EPS amounted to EUR 0.30 (0.37).
– Sanoma's outlook for 2009 is unchanged, but divisional outlooks for Entertainment and Trade have been adjusted.

KEY INDICATORS EUR million	7-9/ 2009	7-9/ 2008	Change %	1-9/ 2009	1-9/ 2008	Change %	1-12/ 2008
Net sales	**701.1**	778.6	-9.9	**2,034.4**	2,231.4	-8.8	3,030.1
Operating profit excluding non-recurring items	**84.5**	100.5	-15.9	**180.2**	246.6	-26.9	295.7
% of net sales	**12.0**	12.9		**8.9**	11.1		9.8
Operating profit	**77.1**	94.0	-18.0	**163.1**	265.2	-38.5	236.3
Result for the period	**47.2**	61.1	-22.7	**98.5**	180.7	-45.5	120.8
Capital expenditure				**61.2**	77.6	-21.1	109.9
% of net sales				**3.0**	3.5		3.6
Equity ratio, %				**39.4**	39.0		40.0
Net gearing, %				**90.3**	75.9		78.5
Number of employees at the end of the period FTE				**16,998**	18,693	-9.1	18,453
Average number of employees FTE				**17,507**	18,031	-2.9	18,168
Earnings/share, EUR	**0.30**	0.37	-19.7	**0.62**	1.10	-44.2	0.72
Cash flow from operations/share, EUR	**0.70**	0.74	-5.5	**0.74**	0.97	-23.0	1.56

Hannu Syrjänen, President and CEO

"Our focus this year has been on improving efficiency and I am pleased that we have cut our operating expenses by 6.7% so far. New efficiency improvement initiatives were launched in the third quarter and efficiency will continue to be the focus of all our operations in the fourth quarter and 2010 as well.

As the operating environment continues to change, we are preparing ourselves for the future and are ready to invest further in developing our operations: renewing our products and services, developing our concepts and creating new initiatives. At the same time, we are reshaping our operations by closing down businesses, which are no longer meeting our set targets. These actions, together with other restructuring expenses, are having a visible impact on our result for the second half of 2009.

In parallel, we are putting a strong emphasis on our online operations, one of Sanoma's focus areas. By using the experience of experts across our five divisions, we are continuously developing our transactional services, such as comparison and classified sites, as well as gaming platforms and verticals. All these efforts are being driven by enhanced innovation as well as a clearly up-scaled merger and acquisition ambition."

Outlook for 2009

In 2009, Sanoma's net sales are expected to decrease. It is estimated that the Group's operating profit excluding non-recurring items will clearly decline from the previous year. In the comparable year of 2008, operating profit excluding non-recurring items was EUR 295.7 million. The Group's interest expenses are expected to decrease markedly, and as a result, Sanoma's net result for 2009 is expected to decrease less than its operating profit. The Group will strongly increase the efficiency of its operations in all markets.

The outlook for Sanoma's net sales and operating profit in 2009 is affected by the development of advertising and private consumption in the Group's countries of operation. In 2009, advertising and private consumption are expected to decrease from 2008 levels in all of Sanoma's markets.

Net sales

In January–September Sanoma's net sales were EUR 2,034.4 (2,231.4) million, 8.8% below the comparable period. Excluding the effect of exchange rate changes, net sales would have been 7.0% lower than in the comparable period. Adjusted for changes in the Group structure, January–September net sales decreased by 9.5%. Net sales were at the comparable year's level in Sanoma Entertainment. Net sales were down in other divisions, with advertising sales in particular being affected by the general economic situation.

Advertising sales decreased clearly and accounted for 21% (24%) of the Group's total net sales. Online advertising sales, however, remained stable with Sanoma Magazines Netherlands and Sanoma Entertainment even reporting growth. The Group's subscription sales remained stable. Single copy sales across the Group fell somewhat, mostly in magazines in Russia and CEE countries. In geographical terms, Finland accounted for 51% (49%) of net sales, with other EU countries accounting for 46% (46%) and non-EU countries for 3% (5%).

Result

Sanoma's operating profit excluding non-recurring items was EUR 180.2 (246.6) million in January–September, 26.9% less than in the comparable period. The operating profit included a total of EUR -17.1 (18.5) million in non-recurring items. These non-recurring expenses are related to restructuring of operations in several divisions and include, for example, voluntary severance packages offered to employees. In the comparable period, non-recurring items consisted of capital gains from divestments, and restructuring costs and inventory write-downs in multi-volume book publishing.

NON-RECURRING ITEMS EUR million	**7-9/ 2009**	**7-9/ 2008**	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
Magazines					
Restructuring expenses (Magazines Belgium)	**-0.2**		**-1.5**		
Restructuring expenses (Magazines Netherlands)	**-4.6**		**-4.6**		
A gain on sale of R.C.V. Entertainment				23.5	23.5
A gain on sale of Payback Kft					7.0
Expenses on closing down a youth site and related impairment loss					-5.1
Impairment loss of immaterial rights and goodwill					-78.6
News					
Expenses related to the efficiency programme			**-8.4**		
Learning & Literature					
Restructuring expenses	**-1.5**		**-1.5**		
Expense related to the sale of children's magazines	**-1.1**		**-1.1**		
Inventory write-downs and restructuring expenses		-6.5		-6.5	-7.6
Other companies					
A gain on sale of a land area				1.5	1.5
NON-RECURRING ITEMS TOTAL	**-7.4**	-6.5	**-17.1**	18.5	-59.3

The Group's operating profit was EUR 163.1 (265.2) million or 8.0% (11.9%) of net sales. Operating profit grew in Sanoma Entertainment, where all business units developed favourably. In other divisions, operating profit decreased mainly as a result of lower sales and restructuring expenses.

Sanoma's net financial items totalled EUR -21.7 (-29.8) million. Financial income amounted to EUR 19.6 (12.7) million, of which exchange rate gains were EUR 13.1 (3.4) million. Financial expenses amounted to EUR 41.3 (42.5) million and consisted mainly of interest expenses, which amounted to EUR 21.5 (38.5) million. The refined financing structure and lower reference rates have clearly decreased the Group's interest expenses. Exchange rate losses amounted to EUR 13.2 (2.9) million. Financial expenses also included a write-down of the shares in the e-commerce company Fruugo, amounting to EUR 5 million.

The result before taxes was EUR 139.2 (240.4) million. Sanoma's effective tax rate was higher than in the comparable period, mainly because of a non-taxable capital gain in the first quarter of 2008. Earnings per share were EUR 0.62 (1.10). The result for the period totalled EUR 98.5 (180.7) million.

Efficiency improvements

In 2009, Sanoma has initiated a large number of efficiency improvement programmes to strengthen its competitive position as well as safeguard profitability and cash flows.

Structural changes initiated by Sanoma so far include an extensive programme in Sanoma News, where editorial and marketing processes have been redesigned to increase co-operation between print and online operations. In addition, Sanoma News will cut costs by EUR 30 million in 2009 through diminished personnel expenses, among others. Sanoma Magazines Belgium will in the future focus more on its key titles and strengthening relationships with its readers. This renewed strategy will also lead to annual cost savings of EUR 12 million and a reduced number of personnel. In Estonia, Sanoma Trade has decided to reorganise its businesses. This reorganisation aims to ensure its ability to compete also in the future, improve the efficiency of operations, and more importantly, enhance co-operation in marketing and business development. Sanoma Magazines Netherlands will strengthen the two pillars of its operations by gathering all print operations under Sanoma Uitgevers and all online operations under Sanoma Digital Netherlands. The Dutch direct marketing organisation has been closed down since direct marketing has become less important as a marketing channel. In Sanoma Learning & Literature, restructuring continues in multi-volume books and integration of operations in language services.

Sanoma has also reduced personnel and carried out short-term cost saving programmes in several other business units either as a result of the weakened economic outlook or related to restructuring initiated by changing business needs in, for example, Russia, the Czech Republic and Finland. In the first nine months, the Group has cut back its operating expenses by 6.7% with both cost of sales and other operating expenses decreasing in line with the net sales development. At the end of September, Sanoma had over 1,400 employees (FTE) less than at the year-end, corresponding to a reduction of 7.9% in work force. Compared to the end of September 2008, the reduction is nearly 1,700 or 9.1%. The effects of personnel reductions are becoming more visible in personnel expenses towards the end of the year and at the beginning of 2010.

The non-recurring costs of the restructuring measures in the first nine months amount to EUR 17.1 (6.5) million. Since the efficiency improvements will continue in the fourth quarter as well, more restructuring costs will be incurred.

Balance sheet and financial position

At the end of September, the consolidated balance sheet totalled EUR 3,186.0 (3,649.1) million. Cash flow from operations was EUR 119.6 (155.4) million and cash flow per share was EUR 0.74 (0.97). Cash flow from operations was down as a result of a weaker operational result in January–September. The development of cash flow from operations was balanced by a decrease in working capital, lower financial items and taxes paid.

There were no significant changes in the Group's financial position in January–September. Sanoma's equity ratio at the end of September was 39.4% (39.0%). Net gearing increased to 90.3% (75.9%). Equity totalled EUR 1,181.7 (1,346.2) million. Interest-bearing liabilities were EUR 1,133.4 (1,326.7) million and interest-bearing net debt EUR 1,067.0 (1,021.5) million. At the end of September, the Group's cash and cash equivalents totalled EUR 66.4 (305.1) million. In the comparable period, the Group prepared for the instability of the financial markets by increasing its cash balance. The cash balance was normalised by the end of 2008.

Sanoma's financial position is stable. The existing credit facilities, such as the syndicated, long-term credit facility of EUR 802 million, cover all Sanoma's financing needs and Sanoma has no need for material refinance in the near future. Net debt/EBITDA ratio at the end of September was 2.8, in line with the Group's target to keep the ratio below 3.5.

Investments, acquisitions and divestments

Investments in tangible and intangible assets totalled EUR 61.2 (77.6) million in January–September, and consisted mainly of ICT systems as well as replacement investments and renovations. Sanoma has a policy to keep the annual capital expenditure below EUR 100 million. In 2009 the Group's expenditure is expected to be well below that level.

There were no significant transactions during the review period. In the comparable period, Sanoma Magazines divested the Dutch movie distribution company R.C.V. Entertainment and a capital gain of EUR 23.5 million was recorded for the transaction. On 11 March 2008, Sanoma Learning & Literature completed its acquisition of the Polish educational publisher Nowa Era.

SANOMA MAGAZINES

Sanoma Magazines, operating in 13 European countries, is a leading publisher of magazines and has a strong presence in digital media. The company actively reaches out to an audience of 290 million consumers at every life stage, and aims to strengthen its market leader positions in each of the markets it operates in.

- Sanoma Magazines' strong brands have been able to outperform market development in its key markets.
- Efficiency improvements are becoming visible: Sanoma Magazines' EBIT excluding non-recurring items developed clearly better in the third quarter than in the two previous quarters.
- Sanoma Magazines prepares for the future by reorganising its Dutch print and online operations.

Key indicators EUR million	**7-9/ 2009**	**7-9/ 2008**	**Change %**	**1-9/ 2009**	**1-9/ 2008**	**Change %**	**1-12/ 2008**
Net sales	**266.1**	304.0	-12.5	**804.2**	907.9	-11.4	1,246.8
Operating profit excluding non-recurring items	**27.9**	31.6	-11.6	**75.0**	102.8	-27.1	138.9
% of net sales	**10.5**	10.4		**9.3**	11.3		11.1
Operating profit	**23.1**	31.6	-26.8	**68.9**	126.3	-45.5	85.7
Capital expenditure				**17.8**	19.9	-10.7	26.8
Number of employees at the end of the period FTE				**5,355**	5,911	-9.4	5,900
Average number of employees FTE				**5,521**	5,668	-2.6	5,731

* In 2009, the non-recurring items included in the second quarter EUR 1.3 million and in the third quarter EUR 0.2 million Sanoma Magazines Belgium's restructuring expenses and in the third quarter EUR 4.6 million Sanoma Magazines Netherlands' restructuring expenses. In 2008, the non-recurring items included EUR 23.5 million capital gain from the divestment of movie distributor R.C.V. Entertainment in the first quarter.

Operational indicators *	**1-9/ 2009**	**1-9/ 2008**
Number of magazines published	**298**	333
Magazine copies sold, thousands	**280,874**	312,835
Advertising pages sold	**37,788**	49,123

* Including joint ventures

Sanoma Magazines' net sales in January–September amounted to EUR 804.2 (907.9) million, 11.4% less than in the comparable period. The general economic situation affected advertising sales in all operating countries with Sanoma Magazines International's net sales being impacted the most. The Division's net sales adjusted for changes in the Group structure were down by 12.2%. Of the Division's net sales, 18% (17%) came from Finland. In July–September, the Division's net sales decreased by 12.5% to EUR 266.1 (304.0) million due mainly to weakening sales in Sanoma Magazines International.

The Division's advertising sales decreased by 24% in January–September and represented 28% (32%) of net sales. The economic downturn has hit Sanoma Magazines International's advertising revenues in particular. The Division's online advertising sales were on the comparable period's level.

Sanoma Magazines' circulation sales decreased by 4% and represented 61% (57%) of the Division's net sales. Subscription sales remained stable during the first nine months and even increased slightly in the Netherlands, Belgium and Finland. Single copy sales declined, mostly in the CEE countries.

In January–September Sanoma Magazines Netherlands' net sales amounted to EUR 354.5 (371.7) million, due to weaker print advertising sales than in the comparable period. According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands decreased by 17% in January–August 2009. However, Sanoma Magazines Netherlands' strong brands outperformed advertising market development both in print and online. New assets contributed to Sanoma Magazines Netherlands' online advertising growth of over 7%. In total, advertising sales represented 26% (27%) of Sanoma Magazines Netherlands' net sales. Sanoma Magazines Netherlands also improved its market position in the readers' market. Its circulation revenues were almost at the comparable period's level, even though some titles have been discontinued during the year. Subscription sales in particular developed positively. Managing the Division's key titles is important in all markets and in the Netherlands, one of the most popular women's weeklies, *Margriet*, was renewed in July to further strengthen its position in the readers' and advertising markets. Sanoma Magazines Netherlands has decided to simplify its organisational structure and will combine all printed products under Sanoma Uitgevers and all online operations under Sanoma Digital Netherlands. This enables Sanoma Magazines Netherlands to better respond to the needs of the consumers and advertisers, share knowledge internally and improve efficiency.

Sanoma Magazines International's net sales in January–September were EUR 152.8 (224.3) million. The economic downturn has affected Sanoma Magazines International's sales strongly. The reported net sales were also clearly affected by the negative translation effects of especially Russian Rouble and Hungarian Forint. Advertising sales decreased in all countries, especially in Russia, Hungary and Ukraine. Sanoma Magazines International reacted quickly to changing market conditions at the beginning of the year and discontinued a number of unprofitable magazine titles, which also lowered advertising sales, in particular in the Czech Republic. In total, advertising sales represented 48% (55%) of Sanoma Magazines International's net sales. Circulation sales were clearly below the comparable period. This is also partly attributable to the reduced number of magazines published and, in some cases, the number of issues. The publication frequency of various titles has been adjusted in order to save costs. Sanoma Magazines International has improved its market share in Romania and is now the leading magazine publisher in the country. In Hungary, the company's leading position in the online market was further strengthened through the acquisition of the comparison site *Olcsobbat.hu* in September.

Net sales at Sanoma Magazines Belgium totalled EUR 154.8 (163.3) million. In the readers' market, Sanoma Magazines Belgium outperformed the market development. Its circulation sales remained stable, with subscription sales even growing. In line with the market development, advertising sales were below the comparable period and represented 25% (27%) of net sales. Sanoma Magazines Belgium's renewed strategy builds on its portfolio of strong brands, the high quality of its magazines and its strong relationships with readers. Sanoma Magazines Belgium is redesigning its organisation to be able to better use the opportunities in the changing media environment.

Sanoma Magazines Finland's net sales amounted to EUR 145.3 (151.7) million. Circulation sales in Finland held up well but advertising sales were down from the comparable period. According to TNS Gallup Adex, advertising in consumer magazines in Finland decreased by 21% in January–September and the magazine single copy market decreased in volume by 9%. Advertising sales represented 13% (16%) of Sanoma Magazines Finland's net sales. Sanoma Magazines Finland outperformed the market development both in advertising and the readers' market and has increased its market shares. In particular the key titles, like the women's weekly *Me Naiset* and the glossy *Gloria* together with its brand extensions have increased their readership. In addition, the custom publishing operations of Sanoma Magazines Finland have gained new customers and improved their market share.

In January–September, Sanoma Magazines' operating profit excluding non-recurring items was EUR 75.0 (102.8) million, a decrease of 27.1% from the comparable period. Decreasing advertising sales affected results in all businesses, in particular in Sanoma Magazines International and also in Sanoma Magazines Netherlands. Operating profit improved slightly in Finland. Non-recurring items totalled EUR -6.1 (23.5) million and were related to restructuring in Sanoma Magazines Belgium and the direct marketing organisation in the Netherlands. In the comparable period, operating profit was improved by a EUR 23.5 million non-recurring gain from the divestment of movie distributor R.C.V. Entertainment. Operating profit for the first nine months amounted to EUR 68.9 (126.3) million. The Division has initiated several programmes to improve the profitability of its business units. These contingency plans executed in all markets are becoming more visible and in July–September, the Division's operating profit excluding non-recurring items developed clearly better than in the two previous quarters and totalled EUR 27.9 (31.6) million, 11.6% less than in the comparable period.

Sanoma Magazines continues to develop its magazine portfolio and invest in strengthening its market positions, with a special focus on its key titles in each operating country. Sanoma Magazines wants to become stronger in digital media, and can do so by leveraging its existing assets. The growth in digital operations will be speeded up by organisational changes. At the same time Sanoma Magazines continues to strongly focus on improving efficiency and saving costs.

In 2009, Sanoma Magazines' net sales are expected to decrease and it is estimated that operating profit excluding non-recurring items will be clearly below the previous year's level.

SANOMA NEWS

Sanoma News is the leading newspaper publisher in Finland, and its products, both in print and digital format, have a strong presence in the lives of their readers. In addition to Helsingin Sanomat, the largest daily in the Nordic region, Sanoma News publishes other national and regional newspapers and is also a significant digital player in Finland.

- Sanoma News reshapes its organisation to better respond to changing needs of its customers and improve efficiency. The total savings goal of EUR 30 million will be achieved during 2009. The efficiency improvements are visible in Sanoma News' third quarter results.
- The daily newspaper *Helsingin Sanomat* prepares to celebrate its 120th anniversary by launching revamped content supported by renewed editorial processes.
- The circulation development of the tabloid *Ilta-Sanomat* continued to show encouraging signs in the third quarter. Online advertising of the Ilta-Sanomat business unit increased in the third quarter by 45%.
- Online display advertising performed well, partly boosted by Sanoma Outlet, a performance based online advertising sales system launched in the summer with very promising results.

Key indicators EUR million	**7-9 / 2009**	**7-9 / 2008**	**Change %**	**1-9 / 2009**	**1-9 / 2008**	**Change %**	**1-12 / 2008**
Net sales	**101.2**	113.5	-10.8	**316.0**	355.5	-11.1	474.7
Operating profit excluding non-recurring items	**11.8**	15.2	-22.7	**29.8**	47.9	-37.8	57.3
% of net sales	**11.6**	13.4		**9.4**	13.5		12.1
Operating profit	**11.8**	15.2	-22.7	**21.4**	47.9	-55.4	57.3
Capital expenditure				**8.0**	13.5	-40.5	19.6
Number of employees at the end of the period FTE				**2,322**	2,433	-4.6	2,449
Average number of employees FTE				**2,431**	2,504	-2.9	2,491

* In 2009, the non-recurring items included in the first quarter EUR 2.3 million and in the second quarter EUR 6.1 million expenses related to the efficiency programme.

Operational indicators	**1-9 / 2009**	**1-9 / 2008**
Distribution of free sheets, millions	**56.0**	70.2

Audited circulation	**1-12 / 2008**	**1-12 / 2007**
Helsingin Sanomat	**412,421**	419,791
Ilta-Sanomat	**161,615**	176,531

Online services, unique visitors, weekly	**7-9 / 2009**	**7-9 / 2008**
Iltasanomat.fi	**1,603,731**	1,364,050
HS.fi	**1,094,630**	939,063
Huuto.net	**429,449**	437,834
Oikotie.fi	**347,121**	317,769
Taloussanomat.fi	**444,694**	286,012
Keltainenporssi.fi	**184,658**	196,560

Sanoma News' net sales in January–September totalled EUR 316.0 (355.5) million, a decrease of 11.1% from the comparable period. Most of the decrease came from the Helsingin Sanomat business unit, where advertising sales declined significantly. Net sales in other business units were also lower than in the comparable period. Adjusted for changes in the Group structure, net sales decreased by 11.7%. In July–September, the advertising market continued to be weak and the Division's net sales were down by 10.8%, to EUR 101.2 (113.5) million.

Although the advertising market contraction seems to have stabilised in Finland in the past few months, the market is significantly below the comparable period. According to TNS Gallup Adex, newspaper advertising in Finland decreased by 24% in January–September. Job advertising in Finland decreased by 55% and real estate advertising by 38%. Advertising in free sheets was down by 18%. Online advertising included in statistics also decreased by 7%. Following the general advertising environment, the advertising sales of Sanoma News decreased by 25% from the comparable period, with the classified advertising development affecting the sales the most. Online advertising sales, especially display advertising, performed clearly better than the market and were almost at the comparable period's level. Advertising sales represented 45% (53%) of the Division's net sales in January–September.

The Finnish printed tabloid market is affected by the structural migration to online and declined by 8% in January–September. However, the circulation development over the summer showed positive signs. The amount of online visitors is increasing constantly, improving the reach of Sanoma News. The Division's circulation sales grew by 3% with both subscription and single copy sales increasing. Circulation sales accounted for 44% (38%) of the Division's net sales.

The Helsingin Sanomat business unit's net sales totalled EUR 176.3 (210.9) million. Circulation sales increased from the comparable period due to new hybrid subscription models combining print and digital products and increases in subscription prices. Advertising sales were down markedly, and Helsingin Sanomat's job and real estate print advertising, in particular, continued to be strongly affected by the overall economic situation. Job advertising in the *Helsingin Sanomat* daily paper was 56% behind the comparable period and real estate advertising by 55%. In total, advertising sales represented 53% (62%) of business unit's net sales. According to the latest National Readership Survey, *Helsingin Sanomat* daily newspaper increased the number of its readers. Together with its growing online audience, the reach of *Helsingin Sanomat* is at an all-time high. Helsingin Sanomat has restructured its operations to develop its multichannel news publishing further in order to better respond to the changing needs of readers, as well as strengthen its media sales and improve the efficiency.

Net sales of the Ilta-Sanomat business unit amounted to EUR 57.9 (63.0) million. *Ilta-Sanomat* had a 56.9% (57.1%) share of the tabloid market. The positive development of the newsstand market together with the content revamp in 2008, price increase at the end of 2008 and successful campaigning during 2009 raised *Ilta-Sanomat*'s single copy sales to the comparable period's level. The overall readership was further strengthened by the continuous growth of online readers. The unit's advertising sales decreased due to declining print advertising revenues. Online advertising sales of the *Iltasanomat.fi* site developed positively in the second and third quarters. In total, advertising sales represented 22% (28%) of the business unit's net sales in January–September.

Net sales from other publishing decreased to EUR 68.0 (72.8) million due to lower advertising revenues in the regional papers in particular. However, the circulation sales in the regional papers grew slightly. Sanoma Lehtimedia has streamlined its organisation and is now building a joint multilocal virtual newsroom for all its regional papers. In the Sanoma Kaupunkilehdet business unit for free sheets net sales decreased due to the merging of the *Metro* and *Uutislehti 100* titles last autumn. During the year, Sanoma Kaupunkilehdet has improved its efficiency and gained market share within the free sheet market. The Sanoma Digital business unit's net sales increased and its advertising sales developed positively in particular during the third quarter.

Net sales from other businesses, mainly comprising internal billing, were EUR 107.1 (111.8) million. Net sales decreased due to fewer internal printing jobs. External printing services developed well and grew by 26% from the comparable period.

In January–September, Sanoma News' operating profit excluding non-recurring items was EUR 29.8 (47.9) million, 37.8% less than in the comparable period. The non-recurring items included in the operating profit totalled EUR -8.4 (0.0) million and consisted of expenses related to the efficiency programme, including such items as voluntary severance packages to employees. The non-recurring costs were incurred in the first and second quarters. Operating profit including the non-recurring items totalled EUR 21.4 (47.9) million in the first nine months. Efficiency improvements and cost-savings offset only partly the effects of decreased advertising sales and operating profits were below the comparable period in all reported businesses. In July–September, the Division's operating profit excluding non-recurring items decreased by 22.7% and was at EUR 11.8 (15.2) million. A number of cost-saving measures helped Sanoma News to improve its efficiency compared to the previous quarters.

Sanoma News will continue the planned development of its printed products and digital services. Renewal projects are ongoing in all units to develop the products so that they will meet the changing customer needs. The company has also decided to invest in a new reader-customer management system to support, among other actions, product development opportunities for newspapers in the multimedia environment. However, in 2009 the media advertising market continues to be challenging. Sanoma News will therefore continue its programme to reshape its organisation and to adapt its operations to the lower revenue level.

In 2009, net sales of Sanoma News are estimated to decrease clearly and operating profit excluding non-recurring items will lessen markedly from the previous year due to the decline in the advertising market.

SANOMA ENTERTAINMENT

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

- Sanoma Entertainment continues to perform very well. The Division's operating profit continued to grow significantly also in the third quarter, with all businesses improving from 2008.
- Welho launched a new pick-and-mix pay TV service, Welho Mix, enabling customised channel choices.
- In August, Nelonen Media reached its all-time high market share of Finnish TV advertising, 36.7%.

Key indicators EUR million	**7-9/ 2009**	**7-9/ 2008**	**Change %**	**1-9/ 2009**	**1-9/ 2008**	**Change %**	**1-12/ 2008**
Net sales	**35.0**	34.7	0.9	**115.9**	116.1	-0.1	157.1
Operating profit excluding non-recurring items	**3.8**	2.8	33.9	**16.8**	13.2	27.1	17.3
% of net sales	**10.8**	8.2		**14.5**	11.4		11.0
Operating profit	**3.8**	2.8	33.9	**16.8**	13.2	27.1	17.3
Capital expenditure				**6.1**	9.4	-35.1	13.5
Number of employees at the end of the period FTE				**445**	487	-8.6	488
Average number of employees FTE				**474**	478	-0.9	482

Operational indicators Thousands	**1-9/ 2009**	**1-9/ 2008**
TV channels' share of Finnish TV advertising	**33.6%**	29.8%
TV channels' national commercial viewing share	**29.8%**	30.2%
TV channels' national viewing share	**14.7%**	14.2%
Number of connected households (30 Sept)	**326**	322
Number of pay TV customers (30 Sept)	**67**	68
Number of broadband internet connections (30 Sept)	**112**	103

Sanoma Entertainment's net sales in January–September were at the comparable period's level and amounted to EUR 115.9 (116.1) million. In addition, net sales adjusted for changes in the Group structure remained stable. Advertising sales accounted for 49% (50%) of Sanoma Entertainment's net sales. In July–September, net sales were EUR 35.0 (34.7) million.

Broadcast operations' net sales totalled EUR 64.5 (65.1) million in January–September, while the Finnish TV advertising market shrank by 13% according to TNS Gallup Adex. Nelonen Media's advertising sales outperformed the market, in particular due to the successful implementation of the multichannel strategy. New targeted TV channels, national radio stations and WebTV all increased their advertising sales. Nelonen Media has increased its market share of Finnish TV advertising significantly in January–September, to 33.6% (29.8%).

Nelonen Media's new WebTV service, *Ruutu.fi*, launched in June 2009 has rapidly become very popular. *Ruutu.fi* offers streaming broadcasts of TV series as a free catch-up service, extra materials for popular programmes, and podcasts.

The lifestyle channel Liv was granted a one-year licence on the terrestrial network and the broadcasts will begin in December, which will further improve the good viewing shares the channel has achieved in its first year of operations.

According to the Association of Finnish Broadcasters, national radio advertising decreased by 1% in January–September. Nelonen Media increased its share of the national radio advertising to 12.7% (11.3%). Nelonen Media repositioned Radio Aalto in August to focus on soft rock. Weekly audiences of both Radio Aalto and Radio Rock have developed positively.

Net sales from other operations were EUR 52.4 (51.5) million and include cable and broadband operator Welho and Sanoma Games, the Division's emerging online gaming business unit. Welho's fast and easy-to use broadband services together with rewarded customer service have been the key in increasing the number of fixed broadband subscribers while the market has been declining. For the fourth year in row, Welho scored the highest points in the customer satisfaction survey for the Finnish broadband operators. In line with the Finnish pay TV market development, Welho's pay TV operations were stable. Welho Mix, a pay TV channel package offering extensive customisation, was launched successfully in September. Sanoma Games launched new versions of its main products as well as a new service, *Gamer.fi*, in September.

Sanoma Entertainment's operating profit increased markedly in January–September, by 27.1%, and totalled EUR 16.8 (13.2) million. The operating profit did not include any non-recurring items. Operating profit improved in all operations. The increase was driven by lower expenses in general and effective cost-saving measures. The good development of both broadcasting and other operations continued in July–September, and operating profit grew by 33.9% amounting to EUR 3.8 (2.8) million.

In line with its strategy, Sanoma Entertainment focuses on its core businesses: television, broadband services, online gaming and online video. Sanoma Entertainment continues to develop its digital content and media solutions business, invest resources in the development of its online services and in its viewing and listening shares. In addition, Sanoma Entertainment is refining its processes and service offering to better meet the needs of its customers and to improve its efficiency.

In 2009, Sanoma Entertainment's net sales are expected to be at the previous year's level but operating profit excluding non-recurring items is expected to increase clearly.

SANOMA LEARNING & LITERATURE

Sanoma Learning & Literature is a leading European educational publisher offering learning materials in print and digital format. With operations in nine countries, the Division has growing international language service operations and is also the leading general literature publisher in Finland.

– Learning performed well.
– Economic environment impacted language services, which are focusing on building a strong player in the Nordic countries.
– Restructuring in multi-volume books continued in Finland and in non-core activities in the Netherlands.

Key indicators EUR million	**7-9 / 2009**	**7-9 / 2008**	**Change %**	**1-9 / 2009**	**1-9 / 2008**	**Change %**	**1-12 / 2008**
Net sales	**117.6**	133.2	-11.7	**280.4**	302.0	-7.1	390.0
Operating profit excluding non-recurring items	**35.7**	42.8	-16.6	**53.8**	64.8	-16.9	53.2
% of net sales	**30.3**	32.1		**19.2**	21.5		13.6
Operating profit	**33.1**	36.3	-8.9	**51.2**	58.3	-12.1	45.6
Capital expenditure				**9.8**	10.9	-9.9	15.6
Number of employees at the end of the period FTE				**2,683**	2,854	-6.0	2,908
Average number of employees FTE				**2,801**	2,684	4.3	2,737

* In 2009, the non-recurring items included EUR 1.5 million restructuring expenses and EUR 1.1 million expenses related to the sale of children's magazines. In 2008, the non-recurring items included EUR 6.5 million of write-downs and restructuring costs in the multi-volume and year book publishing in the third quarter.

Operational indicators	**1-9 / 2009**	**1-9 / 2008**
Learning		
Number of new titles published, books	**1,199**	1,191
Number of new titles published, digital products	**332**	357
Literature and other businesses		
Number of new titles published, books	**342**	383
Number of new titles published, digital products	**46**	47
Books sold, millions	**31.6**	32.1

In January–September Sanoma Learning & Literature's net sales amounted to EUR 280.4 (302.0) million, a decrease of 7.1% from the comparable period, coming mainly from exchange rates and decreasing net sales of literature and printing and lower sales in the business training markets in Finland and Hungary. Net sales adjusted for changes in the Group structure decreased by 9.7%. A total of 65% (63%) of the Division's net sales came from outside Finland. In July–September, the Division's net sales were EUR 117.6 (133.2) million, a decrease of 11.7% due to decreasing sales in literature as well as learning sales in the Netherlands occurring already in the second quarter. In addition, the reported net sales were affected by the negative translation effect of the Polish zloty and the Hungarian forint.

Net sales in learning totalled EUR 206.4 (221.1) million. In the Netherlands net sales were at the comparable period's level. Malmberg increased its market share in the primary education market and has divested unprofitable adjacent businesses like educational magazines and student event organising. In Finland net sales were largely affected by the decrease in sales of training and business books. The upper secondary sales were under pressure because of increasing re-use of textbooks. Net sales grew clearly in Belgium, where Van In's learning solutions have been successful in all segments. Nowa Era in Poland has also increased its market share. In Hungary, the sales of learning materials are stable, but net sales were impacted by a severe decrease of sales in the business training segment. The government spending for e-learning initiatives has been delayed in Poland, which has lowered YDP's sales from the comparable period, when a lot of tenders were opened already during the second quarter.

Net sales in language services grew to EUR 21.2 (19.5) million. The increase is attributable to the new operations acquired in 2008. Sales of language services have been strongly affected by the general economic situation. The language service business unit is now focusing on integrating its six country organisations and processes in order to build an efficient and distinctive language service provider in the Nordic market.

Net sales in literature and other businesses were EUR 60.9 (71.5) million. WSOY General Literature's net sales are under pressure since bookstores are purchasing less to avoid high inventory risks. In Finland, the general literature market has slowed down considerably, but WSOY General Literature has performed relatively well in the market. Net sales in multi-volume and year-book publishing are clearly lower than in the comparable period and the restructuring of these operations continues in Finland. Printing sales were down.

The Division's operating profit excluding non-recurring items in January–September amounted to EUR 53.8 (64.8) million, 16.9% less than in the comparable period. The decrease came mainly from the language service operations, where the economic downturn has affected sales considerably. Operating profit also weakened in learning, mainly due to negative exchange rate developments, but also from the negative impact of the consolidation of Nowa Era's seasonal losses in the first quarter and lower profits in Finland. Operating profit in literature and other businesses improved. Cost-savings have partly offset the effect lower sales have had on profits. The non-recurring items totalled EUR -2.6 (-6.5) million and were related to the restructuring of unprofitable units both during the period under the review and the comparable period. Operating profit including non-recurring items totalled EUR 51.2 (58.3) in the first nine months. In July–September, the Division's operating profit excluding non-recurring items decreased by 16.6% to EUR 35.7 (42.8) million due to lower net sales. In learning, sales and profits in some countries were accrued already in the second quarter whereas in 2008 they were more focused on the third quarter. The Division's business is very seasonal. Profit in learning is mainly accrued in the second and third quarters.

Sanoma Learning & Literature continues to focus on further internationalising its learning business, expanding language services and maintaining market leadership in Finnish general literature publishing. Customers are increasingly looking at 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 2009, it is estimated that the net sales and operating profit excluding non-recurring items of Sanoma Learning & Literature will decrease from the previous year's level. The development of net sales and operating profit is significantly affected by the exchange rate developments in Sanoma Learning & Literature's operating countries.

SANOMA TRADE

Retail specialist Sanoma Trade's strengths are a thorough understanding of customers' needs and solid concepts. Sanoma Trade serves its customers in 230 million annual sales contacts at kiosks, bookstores and movie theatres. Operating in seven countries, press distribution is a strong link between publishers and retailers.

– Kiosk operations performed relatively well; sales growth in Lithuania, for example.
– Good content and concept filled the seats in the movie theatres. In Finland, movie admissions have grown 7% in 2009 and box-office revenues reached all-time high figures in the third quarter.
– The recession in the Baltic countries affects sales in all businesses, but cost-savings partly offset its impact on profits.

Key indicators EUR million	**7-9 / 2009**	**7-9 / 2008**	**Change %**	**1-9 / 2009**	**1-9 / 2008**	**Change %**	**1-12 / 2008**
Net sales	**209.2**	221.4	-5.5	**592.6**	627.3	-5.5	866.6
Operating profit excluding non-recurring items	**9.7**	13.0	-25.4	**17.3**	30.4	-42.9	45.1
% of net sales	**4.7**	5.9		**2.9**	4.8		5.2
Operating profit	**9.7**	13.0	-25.4	**17.3**	30.4	-42.9	45.1
Capital expenditure				**19.3**	23.2	-16.7	33.8
Number of employees at the end of the period FTE				**6,118**	6,930	-11.7	6,626
Average number of employees FTE				**6,201**	6,598	-6.0	6,633

Operational indicators Thousands	**1-9 / 2009**	**1-9 / 2008**
Customer volume in kiosk operations	**147,117**	159,173
Customer volume in bookstores	**4,857**	5,082
Customer volume in movie theatres	**7,061**	7,487
Number of copies sold (press distribution)	**263,205**	292,288

Sanoma Trade's net sales in January–September totalled EUR 592.6 (627.3) million, 5.5% less than in the comparable period. Net sales of kiosk operations were at the comparable period's level. Most of the decrease in the Division's net sales came from press distribution. Net sales adjusted for changes in the Group structure decreased by 5.3%. Of Sanoma Trade's net sales, 32% (34%) came from outside Finland. In July–September, the Division's net sales were down by 5.5% and totalled EUR 209.2 (221.4) million.

Net sales from kiosk operations amounted to EUR 298.3 (300.9) million. Kiosk sales in Finland were in line with the comparable period's level. Net sales increased by 5% in Lithuania. There was an increase also in the new operations of Romania. In Latvia and Russia, kiosk sales were down. Sanoma Trade has closed down over 100 loss-making kiosks, mostly in Latvia and Lithuania. The R-kiosk concept will be renewed in the coming years and the first pilots of the new concept in Finland will be launched from November onwards. In Romania, the entry phase, which started in 2008 when the first 18 kiosks in the country were opened, was finalised.

Net sales from press distribution were EUR 163.1 (180.2) million. In Finland, the sales of tabloids have developed positively since the summer, and also in the Netherlands, the newsstand volumes have shown signs of recovery in the last couple of months. Cumulatively, however, press distribution volumes were down everywhere. In the Baltic markets, cover prices rose due to VAT increases, which also affected volumes.

Net sales from bookstores were EUR 78.8 (91.9) million. Net sales of the comparable period included the subscription business divested in May 2008. In line with the sluggish literature market development, net sales from bookstores decreased both in Finland and Estonia. September saw the launch of new titles from many popular Finnish authors, which is expected to contribute positively to sales.

Net sales from movie operations totalled EUR 64.4 (67.6) million. Movie admissions in Finland have grown steadily during the first nine months from the record year in 2008 and net sales increased in Finland. Operations also developed positively in Estonia where, however, the competition is expected to increase when a new player will begin operations in the fourth quarter. Alternative content and 3D movies clearly attract customers. The economic downturn and lower private consumption affected movie sales in the Baltic countries and net sales decreased in Latvia in particular, where also competition has increased.

In January–September, Sanoma Trade's operating profit amounted to EUR 17.3 (30.4) million, a decrease of 42.9% mainly coming from the foreign operations. The operating profit did not include any non-recurring items. The operating profit of kiosk operations decreased due to declining sales and the earlier investments in Russia and Romania. In press distribution, the operating profit also declined in all markets. The operating profit was below the comparable period in bookstores and movie operations. However, the Finnish and Estonian movie theatres performed well. In July–September, the Division's operating profit was down by 25.4% and totalled EUR 9.7 (13.0) million. The third quarter's development is the result of Sanoma Trade's intensive cost-saving programmes in all businesses. Sanoma Trade is aiming to save some EUR 20 million in 2009. Sanoma Trade has also initiated restructuring measures. In Estonia, the Division will consolidate all its operations in the country to ensure its ability to compete also in the future and to bring added value to the consumers. The target is to seek growth opportunities, improve the efficiency of marketing and concept development, as well as to reduce costs. Press distribution and movie operations performed well in Finland, but the weak results of foreign operations in general decreased the Division's result in the third quarter.

Sanoma Trade continues to develop concepts in all its businesses, particularly its kiosk and bookstore concepts. Efficient chain management as well as the product and service offering catering to the needs of customers are key success factors in all markets and will ensure the competitiveness of Sanoma Trade. With its 230 million annual customer contacts, Sanoma Trade gains valuable consumer insight and has good possibilities to develop its product and service offering.

In 2009, Sanoma Trade's net sales are expected to decrease somewhat and operating profit excluding non-recurring items to decrease markedly.

THE SANOMA GROUP

Dividend

In line with the Board's proposal, the Annual General Meeting decided to pay out a dividend of EUR 0.90 (1.00) per share for the year 2008. The dividend was paid in the second quarter. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.

Shares and holdings

In January–September, a total of 57,269,565 (80,877,526) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for 36% (50%) of the average number of shares for the period. Sanoma's total stock exchange turnover was EUR 609.7 (1,285.1) million.

In January–September, the volume-weighted average price of a Sanoma share was EUR 10.61, with a low of EUR 8.02 and a high of EUR 15.65. At the end of the review period, Sanoma's market capitalisation was EUR 2,428.6 (2,128.7) million and the closing price of the share was EUR 15.09 (13.29). At the end of September 2009, Sanoma had 20,922 shareholders, with foreign holdings accounting for 10.1% (10.9%) of all shares and votes. There were no major changes in share ownership during the review period and Sanoma did not issue any flagging announcements.

During the period under review, the Board had an authorisation to repurchase the Company's shares. No shares were repurchased in January–September 2009 and the Company shares acquired in 2008 were cancelled in the first quarter. During the first quarter, the number of shares also changed because of shares registered with stock options. There were no changes during the following quarters and at the end of September, Sanoma had 160,943,658 shares and the registered share capital totalled EUR 71,258,986.82.

Board of Directors and auditors

The AGM of 1 April 2009 confirmed the number of Sanoma's Board members at ten. Board members Jaakko Rauramo and Sakari Tamminen were re-elected, and Annet Aris was elected to the Board as a new member. The Board of Directors of Sanoma consists of the following: Jaakko Rauramo, Chairman; Sakari Tamminen, Vice Chairman; and Annet Aris, Robert Castrén, Jane Erkko, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Rafaela Seppälä and Hannu Syrjänen as members.

The AGM re-appointed Pekka Pajamo, APA, and Sixten Nyman, APA, as his deputy, and chartered 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 1 April 2009 authorised the Board of Sanoma to decide on the repurchase of maximum 16,000,000 of the Company's own shares with the Company's unrestricted shareholders' equity. The authorisation is effective until 30 June 2010. The Board has not used this authorisation.

In addition, the Board has a valid authorisation to increase the share capital with a maximum of 82,000,000 new shares and the transfer of a maximum of 5,000,000 treasury shares. Under this authorisation, the Board decided on 19 December 2008 on the issuance of Stock Option Scheme 2008.

During the review period, the authorisation by the AGM of 1 April 2008 for repurchasing the Company's own shares was in force. The authorisation was not used during the review period and its validity ended 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 during 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 also 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.

Significant risks and uncertainty factors

Management of business risks and utilisation of the opportunities associated with them is included in the daily responsibilities of Sanoma's management. The management takes calculated risks in order to ensure that the Company develops its business as successfully as possible.

The most significant risks and uncertainty factors Sanoma is facing are described in the Financial Statements, together with the main principles of risk management. The most significant uncertainty factors of the current year are related to the development of media advertising and consumer spending. There is also uncertainty in the development of currency exchange rates. Due to the uncertain general economic situation, reliable estimates on, for example, the development of media advertising in the Group's various markets are not available. Sanoma expects media advertising to continue to decrease in 2009. A rapid change in media advertising and consumer confidence would affect the Group result.

Sanoma's relatively stable business and strong balance sheet, as well as current loan agreements ensure the Group's financial position even if the uncertainty in the financial markets continues.

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 September 2009.

The Group has applied the following new or revised standards as of 1 January 2009: IAS 1 'Presentation of Financial Statements' and IFRS 8 'Operating Segments'. The adoption of IAS 1 'Presentation of Financial Statements' affected the terminology in the Interim Report and the presentation of some financial statements. The adoption of IFRS 8 had no material effect on Sanoma's Interim Report.

Sanoma Learning & Literature has started to capitalise prepublication costs of learning material to intangible assets as of 1 January 2009. Previously, the principle was to include prepublication expenses in acquisition cost of inventory. The change in accounting policy does not have any material impact on Sanoma's income statement or balance sheet.

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.

CONSOLIDATED INCOME STATEMENT

EUR million	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
NET SALES	**2,034.4**	2,231.4	3,030.1
Other operating income	**46.7**	70.6	97.1
Materials and services	**906.3**	994.8	1,367.4
Employee benefit expenses	**511.4**	517.6	702.8
Other operating expenses	**379.4**	414.4	588.8
Depreciation and impairment losses	**120.9**	110.0	231.9
OPERATING PROFIT	**163.1**	265.2	236.3
Share of results in associated companies	**-2.3**	5.0	4.9
Financial income	**19.6**	12.7	18.9
Financial expenses	**41.3**	42.5	69.9
RESULT BEFORE TAXES	**139.2**	240.4	190.3
Income taxes	**-40.6**	-59.6	-69.4
RESULT FOR THE PERIOD	**98.5**	180.7	120.8
Result attributable to:			
Equity holders of the Parent Company	**99.2**	177.9	115.7
Non-controlling interests	**-0.6**	2.8	5.1
Earnings per share for result attributable to the equity holders of the Parent company			
Earnings per share, EUR	**0.62**	1.10	0.72
Diluted earnings per share, EUR	**0.62**	1.10	0.72

STATEMENT OF COMPREHENSIVE INCOME

EUR million	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
Result for the period	**98.5**	180.7	120.8
Other comprehensive income:			
Change in translation differences	**-8.7**	8.7	-39.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**89.8**	189.4	81.7
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**90.6**	186.4	77.5
Non-controlling interests	**-0.8**	3.1	4.2

CONSOLIDATED BALANCE SHEET

EUR million	30.9.2009	30.9.2008	31.12.2008
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**490.7**	510.9	510.4
Investment property	**9.4**	10.0	10.2
Goodwill	**1,494.2**	1,567.6	1,491.6
Other intangible assets	**402.3**	400.3	379.7
Interests in associated companies	**65.4**	70.9	69.9
Available-for-sale financial assets	**16.0**	20.9	20.6
Deferred tax receivables	**40.5**	46.4	36.6
Trade and other receivables	**38.5**	38.9	41.0
NON-CURRENT ASSETS, TOTAL	**2,557.0**	2,665.9	2,560.0
CURRENT ASSETS			
Inventories	**150.5**	180.1	173.2
Income tax receivables	**15.6**	45.2	24.9
Trade and other receivables	**396.0**	452.2	409.1
Available-for-sale financial assets	**0.5**	0.5	0.5
Cash and cash equivalents	**66.4**	305.1	110.9
CURRENT ASSETS, TOTAL	**629.1**	983.2	718.7
ASSETS, TOTAL	**3,186.0**	3,649.1	3,278.7
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the equity holders of the Parent Company			
Share capital	**71.3**	71.3	71.3
Treasury shares		-37.5	-37.5
Fund for invested unrestricted equity	**176.6**	187.8	192.7
Other equity	**920.5**	1,103.3	993.7
	1,168.3	1,324.9	1,220.1
Non-controlling interests	**13.3**	21.4	17.0
EQUITY, TOTAL	**1,181.7**	1,346.2	1,237.1
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**102.8**	110.3	106.2
Pension obligations	**36.3**	42.7	37.9
Provisions	**6.9**	7.3	6.0
Interest-bearing liabilities	**640.3**	613.0	449.0
Trade and other payables	**32.8**	34.9	34.6
CURRENT LIABILITIES			
Provisions	**19.5**	12.2	10.9
Interest-bearing liabilities	**493.1**	713.7	633.6
Income tax liabilities	**21.8**	45.6	11.7
Trade and other payables	**650.8**	723.2	751.7
LIABILITIES, TOTAL	**2,004.4**	2,302.9	2,041.6
EQUITY AND LIABILITIES, TOTAL	**3,186.0**	3,649.1	3,278.7

CHANGES IN CONSOLIDATED EQUITY
EUR million

	Equity attributable to the equity holders of the Parent Company							
	Share capital	**Share premium fund**	**Treasury shares**	**Fund for invested unrestricted equity**	**Other equity**	**Total**	**Non-controlling interests**	**Equity, total**
Equity at 1 Jan 2008	**71.3**	**187.6**	**-51.6**		**1,138.6**	**1,345.9**	**18.3**	**1,364.2**
Unregistered usage of share options	-0.1	-2.4		0.1		-2.4		-2.4
Acquisition of treasury shares			-47.6			-47.6		-47.6
Cancellation of treasury shares			61.6		-61.6			
Registration of new shares	0.1	2.4		0.1		2.7		2.7
Expense recognition of options granted					3.9	3.9		3.9
Dividends paid					-160.8	-160.8	-3.0	-163.9
Change in non-controlling interests					-3.1	-3.1	3.0	-0.1
Transfer of premium fund		-187.6		187.6				
Comprehensive income for the period					186.4	186.4	3.1	189.4
Equity at 30 Sept 2008	**71.3**		**-37.5**	**187.8**	**1,103.3**	**1,324.9**	**21.4**	**1,346.2**
Equity at 1 Jan 2009	**71.3**		**-37.5**	**192.7**	**993.7**	**1,220.1**	**17.0**	**1,237.1**
Unregistered usage of share options				-1.8		-1.8		-1.8
Cancellation of treasury shares			37.5		-37.5			
Registration of new shares				1.8		1.8		1.8
Expense recognition of options granted					3.0	3.0		3.0
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
Transfer from fund				-16.1	16.1			
Comprehensive income for the period					90.6	90.6	-0.8	89.8
Equity at 30 Sept 2009	**71.3**			**176.6**	**920.5**	**1,168.3**	**13.3**	**1,181.7**

INCOME STATEMENT BY QUARTER

EUR million	1-3/ 2009	4-6/ 2009	7-9/ 2009	1-3/ 2008	4-6/ 2008	7-9/ 2008	10-12/ 2008	1-12/ 2008
NET SALES	636.0	697.2	**701.1**	683.1	769.8	778.6	798.7	3,030.1
Other operating income	14.1	19.4	**13.3**	38.1	17.7	14.8	26.5	97.1
Materials and services	286.4	304.8	**315.0**	309.4	333.4	352.0	372.6	1,367.4
Employee benefit expenses	176.2	174.8	**160.5**	172.2	177.5	167.8	185.2	702.8
Other operating expenses	128.2	129.0	**122.1**	131.1	141.5	141.9	174.3	588.8
Depreciation and impairment losses	38.4	42.8	**39.8**	35.8	36.6	37.7	121.9	231.9
OPERATING PROFIT	20.9	65.1	**77.1**	72.7	98.5	94.0	-28.8	236.3
Share of results in associated companies	0.3	-0.6	**-2.0**	3.0	1.6	0.4	-0.1	4.9
Financial income	6.7	8.8	**4.1**	3.5	3.1	6.1	6.2	18.9
Financial expenses	17.0	12.3	**12.0**	12.7	14.5	15.3	27.4	69.9
RESULT BEFORE TAXES	10.9	61.1	**67.2**	66.5	88.7	85.2	-50.1	190.3
Income taxes	-3.2	-17.4	**-20.0**	-12.2	-23.4	-24.1	-9.8	-69.4
RESULT FOR THE PERIOD	7.7	43.7	**47.2**	54.4	65.3	61.1	-59.9	120.8
Result attributable to:								
Equity holders of the Parent Company	8.3	43.3	**47.6**	54.5	64.4	59.0	-62.2	115.7
Non-controlling interests	-0.6	0.3	**-0.3**	-0.2	0.9	2.1	2.3	5.1
Earnings per share for result attributable to the equity holders of the Parent company								
Earnings per share, EUR	0.05	0.27	**0.30**	0.34	0.40	0.37	-0.39	0.72
Diluted earnings per share, EUR	0.05	0.27	**0.30**	0.34	0.40	0.37	-0.39	0.72

CONSOLIDATED CASH FLOW STATEMENT **EUR million**	**1-9/ 2009**	**1-9/ 2008**	**1-12/ 2008**
OPERATIONS			
Result for the period	**98.5**	180.7	120.8
Adjustments			
Income taxes	**40.6**	59.6	69.4
Financial expenses	**41.3**	42.5	69.9
Financial income	**-19.6**	-12.7	-18.9
Share of results in associated companies	**2.3**	-5.0	-4.9
Depreciation and impairment losses	**120.9**	110.0	231.9
Gains/losses on sales of non-current assets	**-1.9**	-27.9	-34.2
Other adjustments	**-43.3**	-28.2	-40.1
Change in working capital			
Change in trade and other receivables	**10.7**	-40.1	-18.5
Change in inventories	**-3.7**	-3.8	-0.5
Change in trade and other payables, and provisions	**-67.6**	-26.9	3.6
Interest paid	**-30.6**	-42.4	-53.4
Other financial items	**0.0**	2.6	-4.5
Taxes paid	**-28.1**	-53.0	-70.2
CASH FLOW FROM OPERATIONS	**119.6**	155.4	250.3
INVESTMENTS			
Acquisition of tangible and intangible assets	**-61.5**	-74.4	-113.3
Operations acquired	**-25.5**	-139.9	-162.3
Sales of tangible and intangible assets	**3.8**	11.5	12.7
Operations sold	**0.3**	42.4	49.2
Loans granted	**-0.3**	-18.7	-19.8
Repayments of loan receivables	**3.9**	8.0	8.8
Sales of short-term investments		0.5	0.5
Interest received	**4.1**	4.1	7.4
Dividends received	**4.0**	7.2	7.5
CASH FLOW FROM INVESTMENTS	**-71.1**	-159.1	-209.3
CASH FLOW BEFORE FINANCING	**48.5**	-3.7	41.1
FINANCING			
Proceeds from share subscriptions		0.2	5.1
Minority capital investment/repayment of equity		0.9	1.0
Purchase of treasury shares		-48.2	-48.2
Change in loans with short maturity	**-22.4**	8.5	-53.8
Drawings of other loans	**402.5**	521.3	525.1
Repayments of other loans	**-352.2**	-96.2	-264.6
Payment of finance lease liabilities	**-2.7**	-0.6	-2.8
Dividends paid	**-145.8**	-163.9	-164.3
Donations/other profit sharing	**-0.5**	-0.5	-0.5
CASH FLOW FROM FINANCING	**-121.1**	221.7	-3.1
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	**-72.6**	218.0	38.0
Effect of exchange rate differences on cash and cash equivalents	**-0.6**	1.2	0.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-73.2**	219.2	38.1
Cash and cash equivalents at the beginning of the period	**110.5**	72.4	72.4
Cash and cash equivalents at the end of the period	**37.2**	291.6	110.5

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

NET SALES BY BUSINESS

EUR million	1-3 / 2009	4-6 / 2009	7-9 / 2009	1-3 / 2008	4-6 / 2008	7-9 / 2008	10-12 / 2008	1-12 / 2008
SANOMA MAGAZINES								
Sanoma Magazines Netherlands	110.6	123.2	**120.7**	111.7	135.2	124.8	143.9	515.7
Sanoma Magazines International	50.9	53.2	**48.8**	70.1	76.8	77.4	82.4	306.7
Sanoma Magazines Belgium	51.3	52.6	**50.8**	54.2	55.5	53.7	59.8	223.2
Sanoma Magazines Finland	50.3	48.0	**46.9**	50.7	51.9	49.1	53.9	205.6
Eliminations	-1.0	-1.2	**-1.2**	-1.3	-0.9	-1.0	-1.1	-4.3
TOTAL	262.1	275.9	**266.1**	285.5	318.5	304.0	338.9	1,246.8
SANOMA NEWS								
Helsingin Sanomat	61.7	58.3	**56.2**	74.1	71.2	65.6	68.6	279.5
Ilta-Sanomat	18.4	19.8	**19.6**	20.5	21.9	20.6	20.2	83.2
Other publishing	22.9	23.8	**21.3**	23.9	24.9	23.5	25.8	98.2
Other businesses	36.2	35.9	**34.9**	37.9	37.5	36.5	38.2	150.1
Eliminations	-31.7	-30.8	**-30.8**	-35.5	-34.5	-32.7	-33.5	-136.2
TOTAL	107.7	107.1	**101.2**	120.8	121.1	113.5	119.2	474.7
SANOMA ENTERTAINMENT								
TV and radio	23.5	23.6	**17.4**	22.6	24.5	18.0	23.8	88.9
Other businesses	17.3	17.4	**17.8**	18.0	16.7	16.8	17.9	69.4
Eliminations	-0.5	-0.3	**-0.2**	-0.1	-0.3	-0.1	-0.6	-1.1
TOTAL	40.3	40.6	**35.0**	40.5	40.9	34.7	41.0	157.1
SANOMA LEARNING & LITERATURE								
Learning	30.6	81.6	**94.3**	27.8	87.5	105.9	52.2	273.3
Language services	8.3	6.2	**6.7**	6.2	5.8	7.5	9.3	28.8
Literature and other businesses	24.6	17.0	**19.3**	27.8	20.4	23.3	29.7	101.2
Eliminations	-2.6	-2.8	**-2.7**	-3.4	-3.2	-3.5	-3.2	-13.3
TOTAL	60.8	101.9	**117.6**	58.3	110.5	133.2	88.0	390.0
SANOMA TRADE								
Kiosk operations	91.1	106.6	**100.7**	94.6	102.5	103.8	108.6	409.4
Press distribution	49.6	55.5	**58.1**	58.2	60.2	61.8	61.3	241.5
Bookstores	27.3	19.7	**31.8**	31.0	24.0	36.9	47.3	139.2
Movie operations	23.6	18.0	**22.7**	24.4	19.4	23.8	26.7	94.3
Eliminations	-3.8	-4.0	**-4.1**	-5.5	-3.0	-4.8	-4.5	-17.8
TOTAL	187.7	195.7	**209.2**	202.7	203.2	221.4	239.3	866.6
Other companies and eliminations	-22.7	-24.1	**-28.0**	-24.8	-24.4	-28.2	-27.9	-105.2
TOTAL	636.0	697.2	**701.1**	683.1	769.8	778.6	798.7	3,030.1

OPERATING PROFIT BY DIVISION

EUR million	1-3 / 2009	4-6 / 2009	7-9 / 2009	1-3 / 2008	4-6 / 2008	7-9 / 2008	10-12 / 2008	1-12 / 2008
Sanoma Magazines	15.5	30.2	**23.1**	48.2	46.6	31.6	-40.6	85.7
Sanoma News	6.0	3.5	**11.8**	17.9	14.7	15.2	9.4	57.3
Sanoma Entertainment	6.1	6.9	**3.8**	4.0	6.3	2.8	4.1	17.3
Sanoma Learning & Literature	-6.9	25.1	**33.1**	-4.3	26.4	36.3	-12.7	45.6
Sanoma Trade	3.8	3.8	**9.7**	9.9	7.4	13.0	14.7	45.1
Other companies and eliminations	-3.7	-4.3	**-4.4**	-3.0	-2.9	-5.0	-3.7	-14.6
TOTAL	20.9	65.1	**77.1**	72.7	98.5	94.0	-28.8	236.3

SEGMENT INFORMATION

The operating segments of the Sanoma Group comprise the Group's five divisions: Sanoma Magazines, Sanoma News, Sanoma Entertainment, Sanoma Learning & Literature and Sanoma Trade. The segmentation is based on business model and product differences. The media business, based on advertising and circulation sales, is divided into three segments: Sanoma Magazines is responsible for magazines, Sanoma News for newspapers and Sanoma Entertainment for TV and broadband business. Sanoma Learning & Literature 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. More detailed description of operating segments can be found in note 2 in Financial Statements for 2008.

The adoption of IFRS 8 has not changed reportable segments because also the segment information the Group has presented earlier has been based on internal management reporting.

The accounting policies for segment reporting do not differ from Group's accounting policies and have not changed due to the adoption of IFRS 8. The decisions concerning assessing the performance of operating segments and allocating resources to the segments are based on segments' operating profit. The chief operating decision maker is Group's Executive Management Group. The Group has not aggregated operating segments to form the above mentioned reportable segments. Segment's total assets do not include cash and cash equivalents, interest-bearing receivables and tax receivables. Transactions between segments are based on market prices.

Sanoma Divisions 1.1–30.9.2009

EUR million	Maga-zines	News	Enter-tain-ment	Lear-ning & Lite-rature	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	802.6	310.1	115.1	269.8	537.5	-0.8	2,034.4
Internal net sales	1.5	5.9	0.9	10.6	55.1	-74.0	
NET SALES, TOTAL	804.2	316.0	115.9	280.4	592.6	-74.8	2,034.4
OPERATING PROFIT	68.9	21.4	16.8	51.2	17.3	-12.5	163.1
Share of results in associated companies	-2.7	0.2		0.1	0.1		-2.3
Financial income							19.6
Financial expense							41.3
RESULT BEFORE TAXES							139.2
ASSETS	1,528.0	351.4	131.3	593.7	438.8	6.9	3,050.0

Sanoma Divisions 1.1–30.9.2008

EUR million	Maga-zines	News	Enter-tain-ment	Lear-ning & Lite-rature	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	905.7	349.9	114.9	290.3	570.8	-0.2	2,231.4
Internal net sales	2.2	5.6	1.2	11.7	56.4	-77.1	
NET SALES, TOTAL	907.9	355.5	116.1	302.0	627.3	-77.3	2,231.4
OPERATING PROFIT	126.3	47.9	13.2	58.3	30.4	-10.9	265.2
Share of results in associated companies	4.3	0.1	-0.3	-0.1	0.4	0.6	5.0
Financial income							12.7
Financial expense							42.5
RESULT BEFORE TAXES							240.4
ASSETS	1,675.3	376.6	126.6	609.3	434.7	13.3	3,235.8

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.9.2009	30.9.2008	31.12.2008
Carrying amount at the beginning of the period	**510.4**	498.7	498.7
Increases	**34.7**	59.7	81.2
Acquisition of operations	**0.0**	7.7	7.3
Decreases	**-2.0**	-5.9	-7.0
Disposals of operations		-0.2	-0.2
Depreciation for the period	**-51.1**	-48.9	-66.4
Impairment losses for the period	**-0.2**	-0.7	-0.7
Exchange rate differences and other changes	**-1.0**	0.5	-2.6
Carrying amount at the end of the period	**490.7**	510.9	510.4

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	1-9/2009
Acquisition costs	**8.3**
Fair value of acquired net assets	**2.6**
Goodwill	**5.8**
Negative goodwill in income statement	**-0.9**
Change in goodwill	**6.7**

	1-12/2008 Nowa Era	1-12/2008 Other
Acquisition costs	62.5	128.2
Fair value of acquired net assets	7.8	39.4
Goodwill	54.6	88.8

CONTINGENT LIABILITIES

EUR million	30.9.2009	30.9.2008	31.12.2008
Contingencies for own commitments			
Mortgages	**26.7**	23.4	23.7
Pledges	**6.0**	5.9	6.0
Other items	**0.5**	0.4	0.4
TOTAL	**33.2**	29.7	30.1
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	**0.1**	0.2	0.2
TOTAL	**0.1**	0.2	0.2
Other contingencies			
Operating lease liabilities	**245.0**	262.9	263.8
Royalties	**16.4**	23.9	23.6
Other items	**29.0**	36.1	38.1
TOTAL	**290.5**	322.9	325.5
TOTAL	**334.3**	363.3	366.2

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

KEY EXCHANGE RATES

Average rate	1-9/ 2009	1-9/ 2008	1-12/ 2008
EUR/CZK (Czech Koruna)	26.58	25.08	25.16
EUR/HUF (Hungarian Forint)	282.63	247.86	251.25
EUR/PLN (Polish Zloty)	4.38	3.44	3.53
EUR/RUB (Russian Rouble)	44.27	36.57	36.69
EUR/SEK (Swedish Crown)	10.68	9.46	9.66

Closing rate	30.9.2009	30.9.2008	31.12.2008
EUR/CZK (Czech Koruna)	25.16	24.66	26.88
EUR/HUF (Hungarian Forint)	269.70	242.83	266.70
EUR/PLN (Polish Zloty)	4.23	3.40	4.15
EUR/RUB (Russian Rouble)	43.98	36.41	41.28
EUR/SEK (Swedish Crown)	10.23	9.79	10.87

Helsinki

Board of Directors
Sanoma Corporation

Press Conference

Press and analyst meeting in Finnish will be held by Mr Hannu Syrjänen, President and CEO of Sanoma at 9 am (Finnish time) at Sanomatalo, Töölönlahdenkatu 2, Helsinki.

The conference call in English for analysts and investors will be arranged at 3 pm (Finnish time). Mr Kim Ignatius, CFO of Sanoma, will present the result. To join the conference, please dial +44 20 3003 2666 (Europe) or +1 866 966 5335 (US). The event can also be listened to at Sanoma.com, either live or on demand at a later date.

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 Full-Year Result for 2009 will be published on 11 February 2010 at approximately 11 am (Finnish time).

Sanoma Corporation

Kim Ignatius
Chief Financial Officer

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