Sanoma's Interim Report 1 January - 30 September 2012:

# Strong quarter for Learning

*Third quarter*

- Net sales amounted to EUR 599.5 million (2011: EUR 627.4 million). Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.3%.
- Operating profit excluding non-recurring items was EUR 80.1 million (2011: EUR 77.6 million).
- The non-recurring items amounted to EUR -18.3 million (2011: EUR -94.8 million).
- Earnings per share were EUR 0.23 (2011: EUR -0.31). Earnings per share excluding non-recurring items were EUR 0.31 (2011: EUR 0.28).
- Cash flow from operations was EUR 86.9 million (2011: EUR 110.8 million).
- Full year outlook reiterated: net sales to be at the previous year's level or grow slightly. Operating profit margin, excluding non-recurring items, to be around 10% of net sales. EPS excluding non-recurring items to be somewhat below previous year.

*First nine months*

- Net sales amounted to EUR 1,789.6 million (2011: EUR 1,750.2 million). Adjusted for changes in the Group structure, Sanoma's net sales decreased by 1.9%.
- Operating profit excluding non-recurring items was EUR 200.2 million (2011: EUR 169.5 million).
- The non-recurring items amounted to EUR -24.0 million (2011: EUR -42.8 million).
- Earnings per share were EUR 0.95 (2011: EUR 0.41). Earnings per share excluding non-recurring items were EUR 0.70 (2011: EUR 0.69).
- Cash flow from operations was EUR 83.8 million (2011: EUR 133.0 million).

| **KEY INDICATORS * EUR million** | **7-9/ 2012** | **7-9/ 2011** | **Change %** | **1-9/ 2012** | **1-9/ 2011** | **Change %** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|
| Net sales | **599.5** | 627.4 | -4.4 | **1,789.6** | 1,750.2 | 2.3 | 2,378.1 |
| Operating profit excluding non-recurring items | **80.1** | 77.6 | 3.3 | **200.2** | 169.5 | 18.2 | 224.1 |
| % of net sales | **13.4** | 12.4 | | **11.2** | 9.7 | | 9.4 |
| Operating profit | **61.8** | -17.2 | 459.0 | **176.2** | 126.7 | 39.1 | 172.6 |
| Result for the period from continuing operations | **39.0** | -53.8 | 172.5 | **80.3** | 57.4 | 39.7 | 78.6 |
| Result for the period *** | **38.3** | -54.4 | 170.5 | **159.3** | 61.6 | 158.6 | 86.0 |
| Capital expenditure ** | | | | **38.0** | 59.7 | -36.4 | 76.2 |
| % of net sales | | | | **2.1** | 3.4 | | 3.2 |
| Equity ratio, % *** | | | | **41.4** | 36.4 | | 37.0 |
| Net gearing, % *** | | | | **85.0** | 112.0 | | 105.7 |
| Number of employees at the end of the period (FTE) | | | | **10,590** | 11,783 | -10.1 | 10,960 |
| Average number of employees (FTE) | | | | **10,901** | 11,788 | -7.5 | 11,607 |
| Earnings/share, EUR, continuing operations | **0.23** | -0.30 | 177.4 | **0.46** | 0.38 | 21.4 | 0.47 |
| Earnings/share, EUR *** | **0.23** | -0.31 | 175.2 | **0.95** | 0.41 | 132.9 | 0.52 |
| Cash flow from operations/share, EUR *** | **0.53** | 0.68 | -21.5 | **0.51** | 0.82 | -37.0 | 1.68 |

* Sanoma renewed its operative reporting from the third quarter of 2012. The continuing operations of the Group include three reportable segments: Media, News and Learning. As a result, the Trade segment is no longer a reportable segment. Trade's remaining operation is reported in the line item 'Other companies and eliminations'. Aldipress from the Media segment's 'Other businesses' and all remaining 'Other businesses' from the Learning segment are reported in the line item 'Other companies and eliminations'. The line item 'Other companies and eliminations' includes non-core operations, head office functions, real estate companies and Group eliminations. In addition, key indicators contain only continuing operations. On 5 March 2012 Sanoma announced that it had signed an agreement to sell its kiosk operations in Finland, Estonia and Lithuania as well as its press distribution operations in Estonia and Lithuania. According to International Financial Reporting Standards (IFRS), any material divestment that represents a separate major line of business shall be classified as a discontinued operation. Hence, Sanoma

classified these operations to be divested as discontinued operations for the 2012 reporting. The discontinued operations are eliminated from the Consolidated Income Statement and only the result for the period of these discontinued operations is presented as a separate item after the result for the continuing operations. Accordingly, the Consolidated Income Statement for 2011 has been restated. The restated 2011 figures are unaudited
** Including finance leases.
*** Includes continuing and discontinued operations.

**Harri-Pekka Kaukonen, President and CEO**

"In principle, the third quarter was similar to the second quarter in our main markets in advertising market development and general trends. Learning and Nelonen Media again delivered a solid quarter, whereas the rest of our operations faced material difficulties mainly as a consequence of continued deterioration in print circulation and advertising markets.

The economic uncertainty and low consumer confidence continue to weaken the advertising markets in our largest operating countries. At the same time, the digital transformation of media is accelerating and the print circulation figures show a decline.

To counteract the industry development, Sanoma continues to execute its Group-wide transformation process. The process consists of two key elements. Firstly, we are speeding up the digital and cross-media transformation of our products and services. Secondly, we need to improve our overall performance in terms of working culture, processes and cost efficiency.

Our target is to reduce our gross cost base by some EUR 60 million (compared to the 2012 level) in the next three years, of which EUR 30 million is related to cost savings in support functions and another EUR 30 million is related to operational efficiency.

In addition, we will continue to dispose non-core assets to further enhance our financial flexibility. In July, we successfully syndicated and signed a new five-year EUR 600 million revolving credit facility. All in all, we have now made more than EUR 1 billion of refinancing this year, securing the base of our funding for the coming years.

The fourth quarter for Learning is seasonally weak. In addition, we are facing increased pressure in consumer media from declining print circulation and adverse advertising market trends. As a result, the fourth quarter will be extremely challenging for us. However, having reported a stable set of figures for the first nine months of 2012, we believe that we are able to deliver within our expectations. Accordingly, we reiterate our outlook for the full-year 2012."

**Outlook for 2012 (reiterated)**

For 2012, Sanoma expects its net sales to be at the previous year's level or grow slightly. The operating profit margin, excluding non-recurring items, is estimated to be around 10% of net sales. Earnings per share excluding non-recurring items are estimated to be somewhat below previous year.

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

**Cost savings program**

As a part of streamlining operations and ensuring competitive cost levels, Sanoma has commenced a three-year group-wide cost savings programme. Sanoma's target is to reduce its cost base by EUR 60 million gross by the end of 2015 compared to the cost level of 2012. The targeted EUR 60 million gross saving consists of EUR 30 million cost savings in support functions and EUR 30 million related to operational efficiency.

**Net sales**

*Third quarter*

In July–September, Sanoma's net sales decreased by 4.4% and amounted to EUR 599.5 million (2011: EUR 627.4 million). The decrease is mainly due to continued deterioration in circulation and advertising markets. Currency translations did not have a material effect on the third quarter sales. When adjusted for changes in the Group structure, net sales decreased by 3.3%.

Circulation sales decreased by 5.4%. Subscription sales decreased by 3.4%, while single copy sales decreased by 8.1% mainly as a result of declining trends including increased volatility in single copy markets. In Finland the VAT introduction from the beginning of the year also adversely affects print subscription sales.

Advertising sales decreased by 2.0%. Online advertising sales decreased by 3.8%, mainly due to weak online advertising market (excluding online search) development in the Netherlands.

Sanoma's digital sales grew by 4.6% to EUR 117.5 million (2011: EUR 112.3 million) in the third quarter and accounted for 19.6% (2011: 17.9%) of the Group's net sales. Sanoma's online sales, excluding linear TV and radio, decreased by 8.2% to EUR 51.8 million (2011: EUR 56.4 million) and accounted for 8.6% (2011: 9.0%) of the Group's net sales.

By country, the Netherlands accounted for 35.0% (2011: 33.2%), Finland for 33.8% (2011: 38.1%) and Belgium for 11.6% (2011: 10.6%) of the cumulative Group's net sales. Net sales from other EU countries totalled 16.0% (2011: 14.6%) and non-EU countries accounted for 3.6% (2011: 3.5%).

By type of sales, advertising sales accounted for 30.3% (2011: 29.6%), subscription sales for 19.7% (2011: 19.4%), single copy sales for 14.2% (2011: 14.7%), learning for 21.3% (2011: 16.0%) and other sales for 14.6% (2011: 20.3%) of the cumulative Group's net sales. Other sales include mainly press distribution and marketing services, language and translation services, custom publishing, event marketing, other literature and print sales.

*First nine months*

In January–September, Sanoma's net sales increased by 2.3% and amounted to EUR 1,789.6 million (2011: EUR 1,750.2 million). Currency translations did not have a material effect on sales of the first nine months. When adjusted for changes in the Group structure, net sales decreased by 1.9%.

TV acquisitions in the Netherlands and Belgium impacted Sanoma's digital sales, which grew by 55.7% to EUR 405.0 million (2011: EUR 260.1 million) and accounted for 22.6% (2011: 14.9%) of the Group's net sales. Sanoma's online sales, excluding linear TV and radio, grew by 10.1% to EUR 167.6 million (2011: EUR 152.2 million) and accounted for 9.4% (2011: 8.7%) of the Group's net sales.

By country, the Netherlands accounted for 37.5% (2011: 29.9%), Finland for 36.4% (2011: 43.5%) and Belgium for 10.9% (2011: 10.1%) of the cumulative Group's net sales. Net sales from other EU countries totalled 11.4% (2011: 12.6%) and non-EU countries accounted for 3.8% (2011: 3.9%).

**Result**

*Third quarter*

Sanoma's operating profit excluding non-recurring items in July–September increased by 3.3% and totalled EUR 80.1 million (2011: EUR 77.6 million). In the comparable period, operating profit excluding non-recurring items included EUR 23.3 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorized as non-recurring. Operating profit excluding non-recurring items amounted to 13.4% (2011: 12.4%) of net sales. Currency translations did not have a material effect on the third quarter result.

The Group's total operating expenses, excluding non-recurring items and investments in TV programming and prepublication rights, decreased by 8.0%. Paper costs increased by 0.3%, whereas employee benefit expenses increased by 2.1% and advertising and marketing expenses decreased by 4.8%. At the end of September the Group had 370 fewer employees than at the end of 2011, corresponding to a decrease of 3.4%. The decrease in the number of personnel is mostly attributable to divestments.

In July–September, the non-recurring items from continuing operations were EUR -18.3 million (2011: EUR -94.8 million) and including discontinued operations EUR -19.0 million (2011: EUR -97.1 million). In the comparable quarter the non-recurring items included impairments, write-downs and losses on sales. Impairment testing is conducted in the fourth quarter 2012 after the strategic planning process. In 2011 the impairment testing was carried out in the third quarter.

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

| **NON-RECURRING ITEMS EUR million** | **7-9/ 2012** | **7-9/ 2011** | **1-9/ 2012** | **1-9/ 2011** | **1-12/ 2011** |
|---|---|---|---|---|---|
| **Media** | | | | | |
| Gain on sale (Humo and Desert Fishes) | | | | 9.1 | 9.1 |
| Impairment of goodwill and intangible assets (Russia & CEE) | | -53.4 | | -53.4 | -53.4 |
| Write-down of Jok Foe Group (Belgium) | | | | | -1.6 |
| Restructuring expenses | **-2.7** | | **-5.3** | | -9.8 |
| Impairment of intangible assets (The Netherlands) | | -3.4 | | -3.4 | -3.4 |
| **News** | | | | | |
| Write-down of intangible assets | **-9.9** | | **-9.9** | | |
| Restructuring expenses | | | | | -9.2 |
| **Learning** | | | | | |
| Restructuring expenses (Learning in Poland) | **-4.4** | | **-4.4** | | |
| Gain on sale (Esmerk) | | | **5.7** | | |
| Sale of LDC | | | | 0.9 | 0.9 |
| Impairment of intangible assets | | | | | -2.9 |
| Restructuring expenses | | | **-1.6** | -1.7 | -1.8 |
| **Other companies** | | | | | |
| Gains and losses on sales | **-1.3** | -10.9 | **0.0** | 32.8 | 49.2 |
| Restructuring expenses | | -1.0 | **-1.0** | -1.0 | -2.5 |
| Impairments and write-downs | | -26.1 | **-7.5** | -26.1 | -26.1 |
| **NON-RECURRING ITEMS IN OPERATING PROFIT** | **-18.3** | -94.8 | **-24.0** | -42.8 | -51.5 |
| | | | | | |
| Loss on sales (DNA) | | | **-19.3** | | |
| Impairment of share in Hungarian associated company | | | **-1.2** | | |
| Gain on sales (Hansaprint) | **3.0** | | **3.0** | | |
| Impairment of share in associated company Hansaprint | | -4.0 | | -4.0 | -4.0 |
| **NON-RECURRING ITEMS IN RESULTS IN ASSOCIATED COMPANIES** | **3.0** | -4.0 | **-17.5** | -4.0 | -4.0 |
| | | | | | |
| Gain on sales (Kiosk operations and Baltic bookstores and press distribution) | **-0.7** | | **77.4** | | |
| Write-down of real estates | | -1.9 | | | -1.9 |
| Restructuring expenses | | -0.4 | | | -2.8 |
| **NON-RECURRING ITEMS IN DISCONTINUED OPERATIONS** | **-0.7** | -2.3 | **77.4** | | -4.7 |

Sanoma's third quarter result included EUR 2.3 million (2011: EUR -3.2 million) profit from associated companies. The profit included a non-recurring EUR 3.0 million gain on the sale of Hansaprint, whereas the comparable figure included a non-recurring impairment of EUR 4.0 million.

Sanoma's net financial items totalled EUR -14.4 million (2011: EUR -12.1 million). Financial income amounted to EUR 3.3 million (2011: EUR 1.0 million), of which EUR 1.3 million were exchange rate gains (2011: EUR -0.3 million). Financial expenses amounted to EUR -17.8 million (2011: EUR -13.1 million), of which EUR 1.6 million were exchange rate losses (2011: EUR 2.5 million). Following the increased leverage, interest expenses amounted to EUR 13.5 million (2011: EUR 9.7 million).

Profit before taxes amounted to EUR 49.7 million (2011: EUR -32.5 million) in the third quarter.

Earnings per share were EUR 0.23 (2011: EUR -0.31), of which EUR 0.23 (2011: EUR -0.30) relates to continuing operations and EUR 0.00 (2011: EUR 0.00) to discontinued operations. Earnings per share excluding non-recurring items were EUR 0.31 (2011: EUR 0.28).

*First nine months*

Sanoma's operating profit excluding non-recurring items in January–September increased by 18.2% and totalled EUR 200.2 million (2011: EUR 169.5 million). In the comparable period, operating profit excluding non-recurring items included EUR 23.3 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorized as non-recurring. The increase is mainly due to acquired operations, consolidation of SBS operations as of August 2011 and Learning operations in Sweden and Finland as of the fourth quarter 2011. Operating profit excluding non-recurring items amounted to 11.2% (2011: 9.7%) of net sales. Currency translations did not have a material effect on the result of the first nine months of 2012.

Sanoma's net financial items totalled EUR -42.4 million (2011: EUR -19.7 million). Financial income amounted to EUR 15.2 million (2011: EUR 4.6 million), of which EUR 10.0 million were exchange rate gains (2011: EUR 1.5 million). Financial expenses amounted to EUR 57.6 million (2011: EUR 24.3 million), of which EUR 11.4 million were exchange rate losses (2011: EUR 4.6 million). Following the increased leverage, interest expenses amounted to EUR 38.7 million (2011: EUR 17.4 million).

Profit before taxes amounted to EUR 116.4 million (2011: EUR 105.5 million).

Earnings per share were EUR 0.95 (2011: EUR 0.41), of which EUR 0.46 (2011: EUR 0.38) relates to continuing operations and EUR 0.49 (2011: EUR 0.03) to discontinued operations. Earnings per share excluding non-recurring items were EUR 0.70 (2011: EUR 0.69).

**Balance sheet and financial position**

At the end of September 2012, Sanoma's consolidated balance sheet totalled EUR 4,073.9 million (2011: EUR 4,321.8 million). In the first nine months of 2012, the Group's cash flow from operations was EUR 83.8 million (2011: EUR 133.0 million). Cash flow from operations per share was EUR 0.51 (2011: EUR 0.82). Cash flow was weakened mainly by higher paid interest and volatility of net working capital between quarters.

Sanoma's equity ratio was 41.4% (2011: 36.4%) at the end of September 2012. Equity totalled EUR 1,610.9 million (2011: EUR 1,505.2 million). The book value per share was EUR 8.21 (2011: EUR 7.62). Interest-bearing liabilities at the end of the September 2012 totalled EUR 1,455.6 million (2011: EUR 1,788.3 million). Interest-bearing net debt was EUR 1,369.5 million (2011: EUR 1,685.3 million).

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

On 6 July 2012, Sanoma Corporation signed a new EUR 600 million Revolving Credit Facility with a five-year maturity. The margin depends on the leverage of the borrower, the initial margin being 1.5% over Euribor. The new facility replaced the former EUR 802 million syndicated revolving credit facility.

**Investments, acquisitions and divestments in 2012**

In January–September, investments in tangible and intangible assets, including finance leases, amounted to EUR 38.0 million (2011: EUR 59.7 million). Investments were mainly related to ICT systems as well as replacements and renovation. In the comparable period, the renewal of the long-term rental agreements of the divested movie operations accounted for about one-third of the total investments. Sanoma's business acquisitions totalled EUR 26 million (2011: EUR 1,141.9 million).

In March, Sanoma sold its entire 21.11% shareholding in Finnish telecommunications group DNA Ltd and received a EUR 181.5 million cash consideration for the shareholding. As a result of the transaction, Sanoma recognised a non-tax-deductible non-recurring capital loss of EUR -19.3 million in the first quarter of 2012.

In April, Sanoma divested its book logistics company Porvoon Kirjakeskus. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 0.5 million in the second quarter of 2012.

In May, Sanoma sold its kiosk operations in Finland, Estonia and Lithuania as well as its press distribution operations in Estonia and Lithuania, including the Rautakirja trade mark, as well as its bookstore operations in Estonia. As a result, Sanoma recognised a non-taxable non-recurring capital gain of EUR 77.4 million in the second quarter of 2012. According to International Financial Reporting Standards (IFRS), any material divestment that represents a separate major line of business shall be classified as a discontinued operation. Hence, Sanoma classified these operations to be divested as discontinued operations for the 2012 reporting. The discontinued operations are eliminated from the Consolidated Income Statement and only the result for the period of these discontinued operations is presented as a separate item after the result for the continuing operations. Accordingly, the Consolidated Income Statement for 2011 has been restated. The restated 2011 figures are unaudited.

In May, Sanoma Media acquired online retail group Read & View in the Netherlands. The result of the company has been consolidated to Sanoma from the beginning of May 2012.

In June, Sanoma sold its business information services company Esmerk Oy. As a result of the transaction, Sanoma recognised a non-taxable non-recurring capital gain of EUR 5.7 million in the second quarter of 2012.

In June, Sanoma Learning acquired and closed the acquisition of the testing and examination company Bureau ICE. The result of the company has been consolidated to Sanoma from the beginning of the third quarter of 2012.

In June, Sanoma sold its total ownership in Esan Kirjapaino Oy to Keskisuomalainen Oyj. Shares represent 14.7% of the total voting shares of Esan Kirjapaino Oy and 19.2% of the total number of shares. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 0.9 million in the third quarter of 2012.

In July, Nelonen Media, part of Sanoma Media Finland, extended its portfolio of radio stations, currently based on Radio Aalto and Radio Rock, by purchasing Radio SuomiPOP, Groove FM and Metro FM. The result of the acquired operations has been consolidated to Sanoma from the beginning of the third quarter of 2012.

In July, Sanoma Media Belgium acquired and closed the acquisition of Communication Agency HeadOffice. HeadOffice is a relationship marketing agency that is specialised in (online) direct marketing, customer magazines, brand activation, content marketing and loyalty. The result of the new company has been consolidated to Sanoma from the beginning of the third quarter of 2012.

In September, Sanoma sold its total ownership in Hansaprint Oy to TS-Yhtymä Oy. The shares represented 40% of the total voting and number of shares. As a result of the transaction, Sanoma recognised a non-taxable non-recurring capital gain of EUR 3.0 million in the third quarter of 2012.

**Significant events after the end of third quarter 2012**

Following activities that are part of the Group-wide cost savings programme have been announced:

- On 16 August, Sanoma News announced in Sanoma Digital and Sanoma Lehtimedia the co-operation negotiations with personnel, which were completed on 8 October. As a result of the co-operation negotiations, it has been decided to discontinue the print Keltainen Pörssi paper. The co-operation negotiations result in the termination of the work relationship of 12 employees in Sanoma Digital and 11 employees in Sanoma Lehtimedia. In addition, changes to the essential conditions of work relationships, such as location of work or work time, will be made for 17 employees in Sanoma Digital and 18 employees in Sanoma Lehtimedia. The overall effect equals a total of 10 person-years in Sanoma Digital and 17 person-years in Sanoma Lehtimedia.

- On 4 September, Sanoma Magazines Finland and Sanoma Tekniikkajulkaisut Oy initiated co-operation negotiations with personnel, which were completed on October 23. The two companies are reorganising their operations in response to on-going changes in media consumption and increasingly digital market environment. The co-operation negotiations result in the termination of the work relationship of 69 employees in total.

- On 12 September, Sanoma News announced in Sanoma Kaupunkilehdet the co-operation negotiations with personnel, which were completed on 29 October. The outcome is that the free sheet Vartti will no longer be published in the capital region and the site Metrolive.fi will be taken down. As a result of the changes, 27 people will lose their jobs through termination or through fixed-term employment not being continued. The full impact is 19 person-years.

## MEDIA

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

- The underlying macro-economic uncertainty impacts the overall advertising markets adversely.
- The decline in magazine circulation is speeding up and not offset by price increases.
- The TV viewing share of SBS Netherlands has stabilised at around 20% during the last nine months.
- Share of TV advertising market in Finland and Belgium strengthened.

- In May 2012, Sanoma acquired online retail group Read & View in the Netherlands to support reselling subscriptions online. The result of the new company has been consolidated to Sanoma from the beginning of May 2012.
- In July 2012, Sanoma acquired three radio stations in Finland to gain a market leadership position. The result of the acquired operations has been consolidated to Sanoma from the beginning of the third quarter of 2012.
- In July 2012, Sanoma acquired HeadOffice in Belgium to strengthen its market position in custom media. The result of the new company has been consolidated to Sanoma from the beginning of the third quarter of 2012.

| **Key indicators EUR million** | **7-9/ 2012** | **7-9/ 2011** | **Change %** | **1-9/ 2012** | **1-9/ 2011** | **Change %** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|
| Net sales | **338.1** | 342.2 | -1.2 | **1,080.8** | 933.4 | 15.8 | 1,369.2 |
| The Netherlands | **173.5** | 174.0 | -0.3 | **553.2** | 409.9 | 35.0 | 642.0 |
| Finland | **65.4** | 70.0 | -6.6 | **219.5** | 223.5 | -1.8 | 309.7 |
| Russia & CEE | **46.9** | 50.8 | -7.6 | **146.0** | 156.4 | -6.7 | 213.1 |
| Belgium | **52.9** | 48.4 | 9.3 | **164.3** | 147.2 | 11.6 | 209.1 |
| Other businesses and eliminations | **-0.6** | -0.9 | 34.8 | **-2.1** | -3.6 | 42.5 | -4.8 |
| Operating profit excluding non-recurring items * | **23.0** | 24.9 | -7.7 | **104.4** | 85.1 | 22.6 | 149.5 |
| % of net sales | **6.8** | 7.3 | | **9.7** | 9.1 | | 10.9 |
| Operating profit | **20.3** | -31.9 | 163.6 | **99.1** | 37.4 | 164.7 | 90.4 |
| Capital expenditure | | | | **20.7** | 15.9 | 30.1 | 21.9 |
| Number of employees at the end of the period (FTE) | | | | **5,824** | 5,772 | 0.9 | 5,638 |
| Average number of employees (FTE) | | | | **5,780** | 5,302 | 9.0 | 5,411 |

* In 2012, the non-recurring items included EUR -2.7 million of restructuring expenses in the third quarter and EUR -2.6 million restructuring expenses in the second quarter. In 2011, the non-recurring items included a EUR 9.1 million gain on the sale of Humo and Desert Fishes in the second quarter, a EUR -3.4 million impairment of intangible assets in the Netherlands in the third quarter and a EUR -53.4 million impairment of goodwill and intangible assets in Russia & CEE in the third quarter, and EUR -9.8 million of restructuring expenses and a EUR -1.6 million write-down of Jok Foe Group in the fourth quarter.

| **Operational indicators * Magazines** | **1–9/ 2012** | **1–9/ 2011** |
|---|---|---|
| Number of magazines published | **280** | 281 |
| Magazine copies sold, thousands | **253,720** | 248,766 |
| Advertising pages sold | **35,031** | 34,460 |
| | | |
| **Finnish TV operations** | | |
| TV channels' share of TV advertising | **34.0%** | 33.0% |
| TV channels' national commercial viewing share (10–44 years) | **32.9%** | 34.7% |
| TV channels' national viewing share | **15.0%** | 15.0% |
| | | |
| **Dutch TV operations** | | |
| TV channels' share of TV advertising | **26.1%** | 28.9% |
| TV channels' national viewing share (20–49 years) | **20.1%** | 23.3% |

* Including joint ventures

*Third quarter*

Net sales in Media decreased by 1.2% to EUR 338.1 million (2011: EUR 342.2 million) in July–September. Adjusted for structural changes, net sales declined by 8.8%.

The segment's advertising sales grew by 0.1% and represented 40.9% (2011: 40.4%) of the third quarter net sales. Online advertising sales decreased by 5.1%, mainly due to weak online advertising market (excluding online search) development in the Netherlands.

The segment's print circulation sales decreased by 5.3% and represented 46.6% (2011: 48.6%) of the third quarter net sales. The single copy sales decreased somewhat and subscription sales declined slightly.

The consolidation of acquired TV operations increased the segment's digital sales. In total, digital sales grew by 6.3% compared to the comparable quarter and represented 27.4% (2011: 25.5%) of the segment's total net sales.

In Media Netherlands, net sales decreased by 0.3%. Advertising sales remained at the previous year's level and represented 41.6% (2011: 42.3%) of the Dutch net sales. Sanoma estimates that the net TV advertising market in the Netherlands decreased by around 7% in July–September. The Olympic Games in August broadcasted on public TV channels adversely impacted the viewing share of SBS. Online advertising sales excluding acquired operations decreased somewhat. Sanoma estimates that the net consumer magazine advertising market decreased by around 13% in July–September. Magazine operations' sales, including the acquired operation, decreased somewhat, driven by single copy sales. Single copy sales decreased clearly compared to the comparable quarter. Subscription sales, including the acquired operation, remained at the previous year's level. Circulation sales represented 46.5% (2011: 48.5%) of the Dutch net sales. The declining trends in the readers market continued.

In Media Finland, net sales decreased by 6.6% in the third quarter as somewhat growing TV and radio sales, including acquired radio operations, did not offset clearly decreasing circulation sales. According to TNS Gallup Adex, the net TV advertising market in Finland decreased by 2% in the third quarter compared to the comparable quarter. The net magazine advertising market decreased by 9%. In total, advertising sales of the Finnish operations represented 40.2% (2011: 35.4%) of net sales in the third quarter. Subscription sales decreased clearly and single copy sales decreased significantly. Circulation in total represented 45.8% (2011: 49.1%) of the Finnish net sales.

Net sales in Media Belgium increased by 9.3% due to acquired operations. Magazine operations' sales excluding acquired operations declined somewhat, as advertising sales decreased significantly. Sanoma estimates that the net magazine advertising market in Belgium decreased by around 6% in July–September. Sanoma estimates that the net TV advertising market in Belgium declined by around 6% in July–September. Sanoma's TV operations in Belgium continued to strengthen its share of viewing and consequently improved its net advertising market share to 27.6% (2011: 26.0%). In total, advertising sales represented 29.0% (2011: 29.2%) and circulation sales 55.4% (2011: 58.0%) of the net sales in Belgium, respectively.

In 2011, there were a number of structural changes in Sanoma Media Belgium. The reported figures include 51% of the weekly magazine Humo until May 2011. In connection with the SBS acquisition, the remaining holding in Humo was transferred to De Vijver. On 1 September 2011, Belgian competition authorities approved a joint control structure of De Vijver, as of this approval Sanoma's 33% share in De Vijver Media (which includes 100% of Humo, the acquired TV operations as well as the TV productions operations of Woestijnvis) is proportionally consolidated line-by-line.

In Media Russia and the CEE countries, net sales decreased by 7.6% due to continued pressure on advertising and circulation sales. Advertising sales in the Russia and CEE business unit decreased slightly compared to the comparable quarter. In total, advertising sales represented 52.4% (2011: 50.7%) of net sales in the Russia and CEE strategic business unit. Following the declining market trends and pressure on consumer purchasing power, single copy and subscription sales continued to come down in most countries. Circulation sales decreased therefore clearly, and represented 37.5% (2011: 38.8%) of the strategic business unit's net sales. Service and product portfolios are optimised according to their future development potential as well as to reflect changes in the market environment.

Operating profit excluding non-recurring items in the Media segment in July–September decreased by 7.7% to EUR 23.0 million (2011: EUR 24.9 million). In the comparable period, operating profit excluding non-recurring items included EUR 23.3 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorized as non-recurring. In the Netherlands, the operating profit excluding non-recurring items decreased significantly, mainly as a result of a poor advertising market development and higher investments in TV programming rights. In Finland and in Russia and CEE countries, the operating profit excluding non-recurring items decreased significantly as a result of decline in circulation and advertising sales. In Belgium, the operating profit excluding non-recurring items declined slightly mainly due to lower advertising sales. Non-recurring items included in the operating profit totalled EUR -2.7 (2011: EUR -56.8 million) related to restructuring costs. In the comparable year, non-recurring items related to impairments of goodwill and publishing rights.

Media's investments in tangible and intangible assets totalled EUR 20.7 million (2011: EUR 15.9 million) and consisted partly of ICT investments.

## NEWS

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

- The underlying macro-economic uncertainty impacts the advertising market, particularly printed recruitment advertising, which adversely affects the News segment.
- Subscription sales continued to decrease and the VAT introduction from the beginning of the year also adversely affected print subscription sales.
- The effects of the on-going efficiency improvements are not yet offsetting the negative impact from lower net sales.
- The daily newspaper Helsingin Sanomat will fundamentally renew its format, including the change from broadsheet to tabloid, as of 8 January 2013.

| **Key indicators EUR million** | **7-9/ 2012** | **7-9/ 2011** | **Change %** | **1-9/ 2012** | **1-9/ 2011** | **Change %** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|
| Net sales | **98.3** | 103.2 | -4.7 | **315.2** | 323.8 | -2.7 | 435.8 |
| Helsingin Sanomat | **52.2** | 55.3 | -5.5 | **167.8** | 177.6 | -5.6 | 238.5 |
| Ilta-Sanomat | **20.0** | 21.6 | -7.4 | **63.2** | 62.8 | 0.7 | 84.4 |
| Other publishing | **22.3** | 22.9 | -2.8 | **71.8** | 71.6 | 0.3 | 97.0 |
| Other businesses and eliminations | **3.9** | 3.4 | 12.8 | **12.4** | 11.7 | 5.8 | 15.9 |
| Operating profit excluding non-recurring items * | **8.4** | 12.5 | -32.6 | **22.4** | 35.3 | -36.6 | 49.4 |
| % of net sales | **8.5** | 12.1 | | **7.1** | 10.9 | | 11.3 |
| Operating profit | **-1.5** | 12.5 | -112.1 | **12.5** | 35.3 | -64.7 | 40.2 |
| Capital expenditure | | | | **7.1** | 12.6 | -43.3 | 16.9 |
| Number of employees at the end of the period (FTE) | | | | **2,002** | 2,002 | 0.0 | 2,025 |
| Average number of employees (FTE) | | | | **2,088** | 2,076 | 0.6 | 2,061 |

* In 2012, the non-recurring items included a EUR -9.9 million write-down of intangible assets in the third quarter. In 2011, the non-recurring items included EUR -9.2 million of restructuring expenses in the fourth quarter.

| **Operational indicators Online services, unique visitors, weekly** | **7-9/ 2012** | **7-9/ 2011** |
|---|---|---|
| Iltasanomat.fi | **2,129,860** | 2,021,181 |
| HS.fi | **1,348,620** | 1,271,805 |
| Huuto.net | **434,095** | 446,463 |
| Oikotie.fi | **498,479** | 443,038 |
| Taloussanomat.fi | **653,797** | 642,895 |

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

*Third quarter*

In July–September, net sales in News decreased by 4.7% to EUR 98.3 (2011: EUR 103.2 million) mainly due to print advertising sales. Adjusted for structural changes, sales decreased by 5.4%.

Print circulation sales decreased somewhat, as single copy sales declined clearly and subscription sales decreased slightly. Circulation sales accounted for 46.3% (2011: 46.6%) of the segment’s net sales.

Advertising sales decreased somewhat due to adverse market conditions. Print advertising declined clearly whereas online advertising remained at the previous year’s level. Advertising sales represented 44.5% (2011: 46.5%) of the net sales in News in the third quarter.

According to TNS Gallup Adex, the net newspaper advertising market in Finland decreased by 13% in the third quarter compared to the comparable quarter. Online advertising (net) included in the statistics was up by 6%.

Total online sales increased by 15.6%. Online sales consisting mostly of advertising, but also increasingly services and content, represented 14.1% (2011: 11.6%) of the segment’s net sales.

The net sales of the Helsingin Sanomat business unit decreased by 5.5%. The underlying macro-economic uncertainty affected recruitment advertising sales in particular. Accordingly, advertising sales decreased clearly and represented 47.0% (2011: 49.9%) of the business unit's net sales. Subscription sales decreased slightly driven by the VAT introduction from the beginning of the year.

The Ilta-Sanomat business unit’s net sales decreased by 7.4%. Advertising sales declined slightly, as somewhat increased online advertising could not offset the decline in print advertising, and represented 25.4% (2011: 24.3%) of the business unit's net sales. Circulation sales declined somewhat. The total volume of the Finnish print tabloid market has decreased somewhat in the last 12 months. Ilta-Sanomat continued to strengthen its market leadership and the market share is 58.8% (2011: 58.3%) of the tabloid newsstand market for the rolling 12-month period.

Net sales from other publishing operations decreased by 2.8%, as net sales of free sheets and regional newspapers continued to decline.

In July–September, News' operating profit excluding non-recurring items decreased by 32.6% to EUR 8.4 million. The effects of the on-going efficiency improvements did not offset lower net sales. News’ operating profit included EUR -9.9 million (2011: EUR 0.0 million) of non-recurring items related to an ICT system.

News’ investments in tangible and intangible assets totalled EUR 7.1 million (2011: EUR 12.6 million), and consisted mainly of investments in online business, ICT and replacement investment in printing.

## LEARNING

*The Learning segment consists of Sanoma's learning business. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.*

- Market conditions remained stable in most of our operating countries.
- Strong performance in the third quarter, especially in Poland where Nowa Era strengthened its market position after a curriculum reform.

- In June 2012, Sanoma acquired the testing and examination company Bureau ICE to expand its learning solutions portfolio. The result of the company has been consolidated to Sanoma from the beginning of the third quarter of 2012.
- Language services and book printing operations have been transferred to the Group line item 'Other companies and eliminations'. Therefore there will be no sales recorded in the 'Other businesses' unit as of the third quarter 2012.

| **Key indicators EUR million** | **7-9/ 2012** | **7-9/ 2011** | **Change %** | **1-9/ 2012** | **1-9/ 2011** | **Change %** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|
| Net sales | **127.4** | 110.4 | 15.5 | **276.9** | 251.4 | 10.1 | 290.6 |
| Learning | **127.4** | 100.2 | 27.1 | **270.9** | 222.0 | 22.1 | 256.6 |
| Other businesses | **0.0** | 10.8 | -99.9 | **6.5** | 31.1 | -79.2 | 36.1 |
| Eliminations | **0.0** | -0.6 | 97.0 | **-0.5** | -1.6 | 71.5 | -2.1 |
| Operating profit excluding non-recurring items * | **49.5** | 42.6 | 16.1 | **81.6** | 67.7 | 20.5 | 47.7 |
| % of net sales | **38.8** | 38.6 | | **29.5** | 26.9 | | 16.4 |
| Operating profit | **45.1** | 42.6 | 5.7 | **81.3** | 66.9 | 21.5 | 43.9 |
| Capital expenditure | | | | **5.1** | 8.5 | -40.0 | 10.0 |
| Number of employees at the end of the period (FTE) | | | | **1,719** | 2,096 | -18.0 | 2,011 |
| Average number of employees (FTE) | | | | **1,866** | 2,110 | -11.6 | 2,088 |

* In 2012, the non-recurring items included EUR -4.4 million of restructuring expenses of the Polish Learning operations in the third quarter, a EUR 5.7 million gain on the sale of Esmerk and EUR -1.6 million of restructuring expenses in the second quarter. In 2011, the non-recurring items included a EUR 0.9 million non-recurring income related to sale of LDC in the first quarter, EUR -1.7 million restructuring expenses in the second quarter and EUR -0.1 million of restructuring expenses in the third quarter. In the fourth quarter, the non-recurring items included EUR -2.9 million write-down of intangible assets.

*Third quarter*

In July–September, net sales in the Learning segment increased by 15.5% to EUR 127.4 million (2011: EUR 110.4 million), mainly related to structural changes and improved underlying performance that is partly explained by timing shift between quarters. Adjusted for structural changes, net sales increased by 11.4%.

The learning business has, by nature, an annual cycle and strong seasonality. It accrues most of its net sales and results during the second and third quarters, whereas the first and fourth quarter are typically loss-making.

Net sales in the learning business increased by 27.1%, mainly as a result of acquisitions and improved underlying operations, partly explained by timing differences between quarters. In most of our operating countries market conditions remained stable. In Hungary upcoming reforms cause a lot of uncertainty in spending.

The Finnish general literature publisher WSOY was divested in early October 2011 and it is no longer included in Learning's figures from the fourth quarter of 2011.

The book logistics company Porvoon Kirjakeskus Oy was divested in April 2012 and it is no longer included in Learning's figures from the beginning of April 2012.

The business information service provider Esmerk was divested in June 2012 and it is no longer included in Learning's figures from the beginning of June 2012.

Operating profit excluding non-recurring items in the Learning segment increased by 16.1% to EUR 49.5 million (2011: EUR 42.6 million). The increase is mainly related to acquisitions but also improved underlying performance, partly explained by timing shift between quarters, contributed positively. Non-recurring items included in the operating profit totalled EUR -4.4 million (2011: EUR 0.0 million), which related to restructuring costs.

Learning's investments in tangible and intangible assets totalled EUR 5.1 million (2011: EUR 8.5 million). They comprised mainly investment in ICT.

## THE GROUP

### Dividend

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

### Shares and holdings

In January–September, 80,563,203 (2011: 64,647,516) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for some 49% (2011: 40%) of the average number of shares. Sanoma's NASDAQ OMX Helsinki stock exchange turnover was EUR 668.4 million (2011: EUR 876.4 million).

During the first nine months, the volume-weighted average price of a Sanoma share was EUR 8.31, with a low of EUR 5.79 and a high of EUR 11.70. At the end of September 2012, Sanoma's market capitalisation was EUR 1.1 billion (2011: EUR 1.4 billion), with Sanoma's share closing at EUR 6.98 (2011: EUR 8.85). Sanoma had 31,575 shareholders at the end of September, with foreign holdings accounting for 7.3% (2011: 7.7%) of all shares and votes. At the end of September 2012, Sanoma had 162,812,093 shares.

On 3 October 2012, Sanoma Corporation received flagging notifications pursuant to Chapter 2 Section 9 of the Finnish Securities Markets Act concerning shares in Sanoma Corporation, stating that the ownership of shares in Sanoma Corporation held by Aatos Erkko's estate (directly and indirectly via Asipex Oy) has been transferred to the Jane and Aatos Erkko Foundation in accordance with testamentary disposition that has been executed on 3 October 2012. Following this, the shares held by the Aatos Erkko's estate in Sanoma Corporation decreased from the current 37,483,619 shares, to zero, i.e. 0.0000 per cent of all shares and votes in Sanoma Corporation. The holding of Jane and Aatos Erkko Foundation of the shares and voting rights of Sanoma Corporation increased by the corresponding amount, thus exceeding 20 per cent of all shares and votes in Sanoma Corporation.

### Board of Directors, auditors and management

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

The AGM appointed chartered accountants KPMG Oy Ab as the auditor of the company, with Virpi Halonen, Authorised Public Accountant, as Auditor in Charge.

Sanoma's new organisational model was announced on 5 August 2011. From the end of September 2012, the Executive Management Group (EMG) comprises: Harri-Pekka Kaukonen (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Jacques Eijkens (CEO, Sanoma Learning), Heike Rosener (CEO, Sanoma Media Russia & CEE; acting member), Kim Ignatius (CFO), John Martin (Chief Strategy and Digital Officer, CSDO), Dick Molman (CEO, Sanoma Media Netherlands), Anu Nissinen (CEO, Sanoma Media Finland), Pekka Soini (CEO, Sanoma News) and Aimé Van Hecke (CEO, Sanoma Media Belgium).

### Board authorisations

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

The Board also has a valid authorisation from the AGM held on 8 April 2010 to decide on an issuance of a maximum of 82,000,000 new shares and a transfer of a maximum of 5,000,000 treasury shares, together accounting for 35.5% of the total voting rights that the maximum number of own shares covered by the authorisation would provide entitlement to. The authorisation will be valid until 30 June 2013. Under this authorisation, the Board decided on 20

December 2011 on the issuance of Stock Option Scheme 2011 and on 22 December 2010 on the issuance of Stock Option Scheme 2010.

**Seasonal fluctuation**

The net sales and results of media businesses are particularly affected by the development of advertising. Advertising sales are influenced by, for example, the number of newspaper and magazine issues published each quarter, which varies annually. Television advertising in the Netherlands, Finland and Belgium is usually strongest in the second and fourth quarters.

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

**Significant risks and uncertainty factors**

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group's website at Sanoma.com, together with the Group's main principles of risk management. Many of the identified risks relate to changes in customer preferences. The driving force behind these changes is the on-going digitisation process. Sanoma takes actions in all its strategic business units to respond to this challenge.

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

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

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

As a result of the SBS acquisition, Sanoma's consolidated balance sheet includes about EUR 3.0 billion in goodwill, publishing rights and other intangible assets. Most of this is related to magazine and TV operations. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis, or whenever there is any indication of impairment. Major changes in business fundamentals could lead to impairment.

## INTERIM REPORT (UNAUDITED)

**Accounting policies**

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 September 2012. The accounting policies of the Interim Report and the definitions of key indicators are presented on the Group's 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<br>EUR million<br>CONTINUING OPERATIONS | 7-9/<br>2012 | 7-9/<br>2011 | 1-9/<br>2012 | 1-9/<br>2011 | 1-12/<br>2011 |
|---|---|---|---|---|---|
| **NET SALES** | **599.5** | 627.4 | **1,789.6** | 1,750.2 | 2,378.1 |
| Other operating income | **8.7** | 10.4 | **36.7** | 87.4 | 116.5 |
| Materials and services | **214.6** | 228.4 | **616.7** | 651.2 | 858.2 |
| Employee benefit expenses | **145.6** | 142.6 | **458.2** | 442.8 | 611.7 |
| Other operating expenses | **109.1** | 139.0 | **349.7** | 394.2 | 541.3 |
| Share of results in associated companies | | -1.1 | | -1.2 | -1.2 |
| Depreciation, amortisation and impairment losses | **77.2** | 143.9 | **225.4** | 221.4 | 309.5 |
| **OPERATING PROFIT** | **61.8** | -17.2 | **176.2** | 126.7 | 172.6 |
| Share of results in associated companies | **2.3** | -3.2 | **-17.5** | -1.5 | -3.7 |
| Financial income | **3.3** | 1.0 | **15.2** | 4.6 | 13.9 |
| Financial expenses | **17.8** | 13.1 | **57.6** | 24.3 | 46.6 |
| **RESULT BEFORE TAXES** | **49.7** | -32.5 | **116.4** | 105.5 | 136.3 |
| Income taxes | **-10.7** | -21.3 | **-36.1** | -48.0 | -57.7 |
| **RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS** | **39.0** | -53.8 | **80.3** | 57.4 | 78.6 |
| | | | | | |
| **DISCONTINUED OPERATIONS** | | | | | |
| Result for the period from discontinued operations | **-0.7** | -0.5 | **79.0** | 4.2 | 7.4 |
| **RESULT FOR THE PERIOD** | **38.3** | -54.4 | **159.3** | 61.6 | 86.0 |
| | | | | | |
| **Result from continuing operations attributable to:** | | | | | |
| Equity holders of the Parent Company | **38.1** | -49.2 | **75.5** | 62.2 | 77.0 |
| Non-controlling interests | **0.9** | -4.6 | **4.8** | -4.7 | 1.5 |
| | | | | | |
| **Result attributable to:** | | | | | |
| Equity holders of the Parent Company | **37.4** | -49.7 | **154.5** | 66.3 | 84.5 |
| Non-controlling interests | **0.9** | -4.6 | **4.7** | -4.7 | 1.5 |
| | | | | | |
| **Earnings per share for result attributable to the equity holders of the Parent company:** | | | | | |
| | | | | | |
| Earnings per share, EUR, continuing operations | **0.23** | -0.30 | **0.46** | 0.38 | 0.47 |
| Diluted earnings per share, EUR, continuing operations | **0.23** | -0.30 | **0.46** | 0.38 | 0.47 |
| | | | | | |
| Earnings per share, EUR, discontinued operations | **0.00** | 0.00 | **0.49** | 0.03 | 0.05 |
| Diluted earnings per share, EUR, discontinued operations | **0.00** | 0.00 | **0.49** | 0.03 | 0.05 |
| | | | | | |
| Earnings per share, EUR | **0.23** | -0.31 | **0.95** | 0.41 | 0.52 |
| Diluted earnings per share, EUR | **0.23** | -0.31 | **0.95** | 0.41 | 0.52 |

| STATEMENT OF COMPREHENSIVE INCOME<br>EUR million | 7-9/<br>2012 | 7-9/<br>2011 | 1-9/<br>2012 | 1-9/<br>2011 | 1-12/<br>2011 |
|---|---|---|---|---|---|
| **Result for the period** | **38.3** | -54.4 | **159.3** | 61.6 | 86.0 |
| **Other comprehensive income:** | | | | | |
| Change in translation differences | **10.6** | -29.9 | **26.3** | -23.4 | -25.6 |
| Cash flow hedges | **0.0** | -7.8 | **-2.3** | -6.9 | -11.7 |
| Income tax related to cash flow hedges | **0.0** | 2.0 | **0.6** | 1.8 | 2.9 |
| **Other comprehensive income for the period, net of tax** | **10.6** | -35.6 | **24.6** | -28.5 | -34.4 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **48.9** | -90.0 | **183.9** | 33.1 | 51.6 |
| | | | | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Parent Company | **48.0** | -85.3 | **179.1** | 37.8 | 50.1 |
| Non-controlling interests | **0.9** | -4.6 | **4.8** | -4.7 | 1.5 |

**CONSOLIDATED BALANCE SHEET**

| EUR million | 30.9.2012 | 30.9.2011 | 31.12.2011 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Tangible assets | **285.5** | 348.0 | 343.6 |
| Investment property | **4.8** | 7.6 | 5.8 |
| Goodwill | **2,323.5** | 2,253.1 | 2,316.2 |
| Other intangible assets | **718.1** | 728.6 | 709.8 |
| Interests in associated companies | **12.0** | 236.1 | 219.3 |
| Available-for-sale financial assets | **8.2** | 15.7 | 15.4 |
| Deferred tax receivables | **43.7** | 50.8 | 29.9 |
| Trade and other receivables | **40.7** | 40.7 | 44.3 |
| NON-CURRENT ASSETS, TOTAL | **3,436.4** | 3,680.7 | 3,684.3 |
| **CURRENT ASSETS** | | | |
| Inventories | **73.1** | 100.0 | 96.8 |
| Income tax receivables | **31.3** | 2.0 | 12.5 |
| Trade and other receivables | **446.7** | 435.5 | 418.4 |
| Available-for-sale financial assets | **0.3** | 0.6 | 0.3 |
| Cash and cash equivalents | **86.0** | 102.9 | 116.0 |
| CURRENT ASSETS, TOTAL | **637.5** | 641.0 | 644.0 |
| **ASSETS, TOTAL** | **4,073.9** | 4,321.8 | 4,328.3 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| **Equity attributable to the equity holders of the Parent Company** | | | |
| Share capital | **71.3** | 71.3 | 71.3 |
| Fund for invested unrestricted equity | **203.3** | 203.3 | 203.3 |
| Other reserves | **-10.4** | -5.0 | -8.7 |
| Other equity | **1,072.1** | 971.3 | 988.0 |
| | **1,336.2** | 1,240.9 | 1,253.9 |
| Non-controlling interests | **274.6** | 264.3 | 270.3 |
| EQUITY, TOTAL | **1,610.9** | 1,505.2 | 1,524.2 |
| **NON-CURRENT LIABILITIES** | | | |
| Deferred tax liabilities | **147.2** | 149.8 | 146.1 |
| Pension obligations | **16.6** | 24.6 | 17.2 |
| Provisions | **5.1** | 6.7 | 6.3 |
| Interest-bearing liabilities | **1,205.5** | 1,464.1 | 1,101.2 |
| Trade and other payables | **40.0** | 40.8 | 38.9 |
| NON-CURRENT LIABILITIES, TOTAL | **1,414.3** | 1,686.0 | 1,309.7 |
| **CURRENT LIABILITIES** | | | |
| Provisions | **18.4** | 14.3 | 15.3 |
| Interest-bearing liabilities | **250.1** | 324.2 | 626.0 |
| Income tax liabilities | **42.4** | 26.2 | 27.4 |
| Trade and other payables | **737.8** | 765.9 | 825.8 |
| CURRENT LIABILITIES, TOTAL | **1,048.7** | 1,130.6 | 1,494.5 |
| LIABILITIES, TOTAL | **2,463.0** | 2,816.6 | 2,804.1 |
| **EQUITY AND LIABILITIES, TOTAL** | **4,073.9** | 4,321.8 | 4,328.3 |

**CHANGES IN CONSOLIDATED EQUITY**
**EUR million**

| | Equity attributable to the equity holders of the Parent Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Share capital** | **Fund for invested unrestricted equity** | **Other reserves** | **Other equity** | **Total** | **Non-controlling interests** | **Equity, total** |
| **Equity at 1 Jan 2011** | **71.3** | **203.3** | **0.2** | **1,096.5** | **1,371.2** | **4.8** | **1,376.0** |
| Expense recognition of options granted | | | | 2.9 | 2.9 | | 2.9 |
| Dividends paid | | | | -179.1 | -179.1 | -0.3 | -179.4 |
| Change in non-controlling interests | | | | 8.0 | 8.0 | 264.6 | 272.6 |
| Comprehensive income for the period | | | -5.1 | 42.9 | 37.8 | -4.7 | 33.1 |
| **Equity at 30 Sept 2011** | **71.3** | **203.3** | **-5.0** | **971.3** | **1,240.9** | **264.3** | **1,505.2** |
| | | | | | | | |
| **Equity at 1 Jan 2012** | **71.3** | **203.3** | **-8.7** | **988.0** | **1,253.9** | **270.3** | **1,524.2** |
| Expense recognition of options granted | | | | 2.0 | 2.0 | | 2.0 |
| Dividends paid | | | | -97.7 | -97.7 | -0.3 | -98.0 |
| Change in non-controlling interests | | | | -1.1 | -1.1 | -0.1 | -1.2 |
| Comprehensive income for the period | | | -1.8 | 180.9 | 179.1 | 4.8 | 183.9 |
| **Equity at 30 Sept 2012** | **71.3** | **203.3** | **-10.4** | **1,072.1** | **1,336.2** | **274.6** | **1,610.9** |

**INCOME STATEMENT BY QUARTER**
**EUR million**

| **CONTINUING OPERATIONS** | **1-3/ 2012** | **4-6/ 2012** | **7-9/ 2012** | **1-3/ 2011** | **4-6/ 2011** | **7-9/ 2011** | **10-12/ 2011** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|---|
| **NET SALES** | 543.6 | 646.5 | **599.5** | 530.2 | 592.6 | 627.4 | 627.9 | 2,378.1 |
| Other operating income | 8.6 | 19.4 | **8.7** | 7.0 | 70.0 | 10.4 | 29.1 | 116.5 |
| Materials and services | 190.0 | 212.2 | **214.6** | 205.5 | 217.3 | 228.4 | 207.0 | 858.2 |
| Employee benefit expenses | 156.2 | 156.4 | **145.6** | 148.1 | 152.1 | 142.6 | 168.8 | 611.7 |
| Other operating expenses | 122.4 | 118.2 | **109.1** | 118.7 | 136.6 | 139.0 | 147.1 | 541.3 |
| Share of results in associated companies | | | | | -0.1 | -1.1 | | -1.2 |
| Depreciation, amortisation and impairment losses | 67.6 | 80.6 | **77.2** | 37.7 | 39.8 | 143.9 | 88.1 | 309.5 |
| **OPERATING PROFIT** | 15.9 | 98.5 | **61.8** | 27.2 | 116.7 | -17.2 | 46.0 | 172.6 |
| Share of results in associated companies | -16.4 | -3.4 | **2.3** | 1.9 | -0.1 | -3.2 | -2.2 | -3.7 |
| Financial income | 7.0 | 4.9 | **3.3** | 2.3 | 1.4 | 1.0 | 9.3 | 13.9 |
| Financial expenses | 20.7 | 19.1 | **17.8** | 4.7 | 6.6 | 13.1 | 22.2 | 46.6 |
| **RESULT BEFORE TAXES** | -14.1 | 80.8 | **49.7** | 26.7 | 111.3 | -32.5 | 30.8 | 136.3 |
| Income taxes | -3.6 | -21.8 | **-10.7** | -8.3 | -18.4 | -21.3 | -9.7 | -57.7 |
| **RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS** | -17.8 | 59.0 | **39.0** | 18.4 | 92.9 | -53.8 | 21.1 | 78.6 |
| | | | | | | | | |
| **DISCONTINUED OPERATIONS** | | | | | | | | |
| Result for the period from discontinued operations | 1.2 | 78.6 | **-0.7** | 0.1 | 4.6 | -0.5 | 3.3 | 7.4 |
| **RESULT FOR THE PERIOD** | -16.6 | 137.6 | **38.3** | 18.5 | 97.5 | -54.4 | 24.4 | 86.0 |
| | | | | | | | | |
| **Result from continuing operations attributable to:** | | | | | | | | |
| Equity holders of the Parent Company | -19.0 | 56.3 | **38.1** | 18.4 | 92.9 | -49.2 | 14.9 | 77.0 |
| Non-controlling interests | 1.2 | 2.7 | **0.9** | 0.0 | -0.1 | -4.6 | 6.2 | 1.5 |
| | | | | | | | | |
| **Result attributable to:** | | | | | | | | |
| Equity holders of the Parent Company | -17.8 | 135.0 | **37.4** | 18.5 | 97.5 | -49.7 | 18.1 | 84.5 |
| Non-controlling interests | 1.2 | 2.6 | **0.9** | 0.0 | -0.1 | -4.6 | 6.2 | 1.5 |
| | | | | | | | | |
| **Earnings per share for result attributable to the equity holders of the Parent company:** | | | | | | | | |
| Earnings per share, EUR, continuing operations | -0.12 | 0.35 | **0.23** | 0.11 | 0.57 | -0.30 | 0.09 | 0.47 |
| Diluted earnings per share, EUR, continuing operations | -0.12 | 0.35 | **0.23** | 0.11 | 0.57 | -0.30 | 0.09 | 0.47 |
| | | | | | | | | |
| Earnings per share, EUR, discontinued operations | 0.01 | 0.48 | **0.00** | 0.00 | 0.03 | 0.00 | 0.02 | 0.05 |
| Diluted earnings per share, EUR, discontinued operations | 0.01 | 0.48 | **0.00** | 0.00 | 0.03 | 0.00 | 0.02 | 0.05 |
| | | | | | | | | |
| Earnings per share, EUR | -0.11 | 0.83 | **0.23** | 0.11 | 0.60 | -0.31 | 0.11 | 0.52 |
| Diluted earnings per share, EUR | -0.11 | 0.83 | **0.23** | 0.11 | 0.60 | -0.31 | 0.11 | 0.52 |

| **CONSOLIDATED CASH FLOW STATEMENT** | **1-9/** | **1-9/** | **1-12/** |
|---|---|---|---|
| **EUR million** | **2012** | **2011** | **2011** |
| OPERATIONS | | | |
| Result for the period | **159.3** | 61.6 | 86.0 |
| Adjustments | | | |
| Income taxes | **36.7** | 48.0 | 58.1 |
| Financial expenses | **57.6** | 24.4 | 49.1 |
| Financial income | **-15.2** | -4.6 | -13.9 |
| Share of results in associated companies | **17.5** | 2.7 | 4.9 |
| Depreciation, amortisation and impairment losses | **228.1** | 229.6 | 319.7 |
| Gains/losses on sales of non-current assets | **-84.5** | -39.9 | -56.8 |
| Other adjustments | **-156.7** | -66.5 | -116.9 |
| Change in working capital | | | |
| Change in trade and other receivables | **-42.9** | -17.4 | 0.8 |
| Change in inventories | **-2.0** | -4.6 | 0.4 |
| Change in trade and other payables, and provisions | **-28.2** | -22.1 | 49.0 |
| Interest paid | **-30.9** | -13.8 | -23.6 |
| Other financial items | **-6.3** | -12.2 | -17.4 |
| Taxes paid | **-48.6** | -52.1 | -65.5 |
| CASH FLOW FROM OPERATIONS | **83.8** | 133.0 | 273.8 |
| | | | |
| INVESTMENTS | | | |
| Acquisition of tangible and intangible assets | **-43.2** | -53.0 | -70.8 |
| Operations acquired | **-22.0** | -1,078.2 | -1,350.2 |
| Sales of tangible and intangible assets | **7.3** | 13.8 | 14.0 |
| Operations sold | **313.3** | 67.2 | 74.0 |
| Loans granted | **-11.9** | -9.2 | -8.7 |
| Repayments of loan receivables | **11.2** | 37.1 | 246.3 |
| Sales of short-term investments | **0.0** | -0.3 | 0.0 |
| Interest received | **2.3** | 0.6 | 3.2 |
| Dividends received | **5.3** | 14.2 | 14.9 |
| CASH FLOW FROM INVESTMENTS | **262.3** | -1,007.7 | -1,077.4 |
| | | | |
| CASH FLOW BEFORE FINANCING | **346.1** | -874.7 | -803.6 |
| | | | |
| FINANCING | | | |
| Proceeds from share subscriptions | | | 0.0 |
| Minority capital investment/repayment of equity | **0.3** | 264.0 | 264.0 |
| Change in loans with short maturity | **-136.0** | -155.2 | -183.5 |
| Drawings of other loans | **1,189.3** | 1,048.0 | 1,042.7 |
| Repayments of other loans | **-1,310.2** | -76.6 | -84.5 |
| Payment of finance lease liabilities | **-0.7** | -1.7 | -2.0 |
| Dividends paid | **-98.0** | -179.4 | -179.7 |
| Donations/other profit sharing | | | 0.0 |
| CASH FLOW FROM FINANCING | **-355.3** | 899.0 | 857.1 |
| | | | |
| CHANGE IN CASH AND CASH EQUIVALENTS | | | |
| ACCORDING TO CASH FLOW STATEMENT | **-9.2** | 24.3 | 53.6 |
| Effect of exchange rate differences on cash and cash equivalents | **0.9** | -1.3 | -1.1 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | **-8.4** | 23.0 | 52.4 |
| | | | |
| Cash and cash equivalents at the beginning of the period | **93.5** | 41.1 | 41.1 |
| Cash and cash equivalents at the end of the period | **85.2** | 64.1 | 93.5 |

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

**NET SALES BY BUSINESS UNIT**

| **EUR million** | **1-3/ 2012** | **4-6/ 2012** | **7-9/ 2012** | **1-3/ 2011** | **4-6/ 2011** | **7-9/ 2011** | **10-12/ 2011** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|---|
| **MEDIA** | | | | | | | | |
| The Netherlands | 171.6 | 208.1 | **173.5** | 105.3 | 130.6 | 174.0 | 232.2 | 642.0 |
| Finland | 77.4 | 76.7 | **65.4** | 74.2 | 79.4 | 70.0 | 86.2 | 309.7 |
| Russia & CEE | 49.0 | 50.1 | **46.9** | 51.4 | 54.3 | 50.8 | 56.7 | 213.1 |
| Belgium | 56.8 | 54.6 | **52.9** | 50.1 | 48.7 | 48.4 | 61.9 | 209.1 |
| Other businesses and eliminations | -0.7 | -0.8 | **-0.6** | -0.9 | -1.8 | -0.9 | -1.2 | -4.8 |
| TOTAL | 354.1 | 388.6 | **338.1** | 280.0 | 311.2 | 342.2 | 435.8 | 1,369.2 |
| **NEWS** | | | | | | | | |
| Helsingin Sanomat | 59.3 | 56.2 | **52.2** | 61.2 | 61.2 | 55.3 | 60.8 | 238.5 |
| Ilta-Sanomat | 21.2 | 22.0 | **20.0** | 19.1 | 22.2 | 21.6 | 21.6 | 84.4 |
| Other publishing | 25.2 | 24.3 | **22.3** | 23.7 | 25.0 | 22.9 | 25.4 | 97.0 |
| Other businesses and eliminations | 4.3 | 4.3 | **3.9** | 4.4 | 3.9 | 3.4 | 4.2 | 15.9 |
| TOTAL | 110.0 | 106.8 | **98.3** | 108.4 | 112.2 | 103.2 | 112.0 | 435.8 |
| **LEARNING** | | | | | | | | |
| Learning | 34.2 | 109.3 | **127.4** | 34.3 | 87.4 | 100.2 | 34.7 | 256.6 |
| Other businesses | 4.6 | 1.8 | **0.0** | 10.1 | 10.2 | 10.8 | 5.0 | 36.1 |
| Eliminations | -0.4 | 0.0 | **0.0** | -0.4 | -0.6 | -0.6 | -0.4 | -2.1 |
| TOTAL | 38.4 | 111.1 | **127.4** | 44.0 | 97.0 | 110.4 | 39.2 | 290.6 |
| Other companies and eliminations | 41.1 | 40.0 | **35.6** | 97.8 | 72.1 | 71.6 | 40.9 | 282.4 |
| **CONTINUING OPERATIONS** | 543.6 | 646.5 | **599.5** | 530.2 | 592.6 | 627.4 | 627.9 | 2,378.1 |

**OPERATING PROFIT BY SEGMENT**

| **EUR million** | **1-3/ 2012** | **4-6/ 2012** | **7-9/ 2012** | **1-3/ 2011** | **4-6/ 2011** | **7-9/ 2011** | **10-12/ 2011** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|---|
| Media | 26.9 | 51.9 | **20.3** | 22.8 | 46.6 | -31.9 | 53.0 | 90.4 |
| News | 8.9 | 5.1 | **-1.5** | 12.9 | 9.9 | 12.5 | 4.9 | 40.2 |
| Learning | -14.9 | 51.1 | **45.1** | -5.1 | 29.4 | 42.6 | -23.0 | 43.9 |
| Other companies and eliminations | -5.0 | -9.6 | **-2.0** | -3.3 | 30.8 | -40.4 | 11.0 | -1.9 |
| **CONTINUING OPERATIONS** | 15.9 | 98.5 | **61.8** | 27.2 | 116.7 | -17.2 | 46.0 | 172.6 |

**OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY SEGMENT**

| **EUR million** | **1-3/ 2012** | **4-6/ 2012** | **7-9/ 2012** | **1-3/ 2011** | **4-6/ 2011** | **7-9/ 2011** | **10-12/ 2011** | **1-12/ 2011** |
|---|---|---|---|---|---|---|---|---|
| Media | 26.9 | 54.5 | **23.0** | 22.8 | 37.5 | 24.9 | 64.4 | 149.5 |
| News | 8.9 | 5.1 | **8.4** | 12.9 | 9.9 | 12.5 | 14.1 | 49.4 |
| Learning | -14.9 | 47.0 | **49.5** | -6.0 | 31.1 | 42.6 | -20.0 | 47.7 |
| Other companies and eliminations | -5.0 | -2.4 | **-0.7** | -3.3 | -12.9 | -2.4 | -3.9 | -22.5 |
| **CONTINUING OPERATIONS** | 15.9 | 104.2 | **80.1** | 26.3 | 65.6 | 77.6 | 54.7 | 224.1 |

## SEGMENT INFORMATION

Sanoma renewed its operative reporting in the third quarter of 2012. The change is in line with Sanoma's strategy to focus on consumer media and learning. As a result, the Trade segment is no longer a reportable segment. Trade's remaining operations will hereafter be reported in the line item 'Other companies and eliminations'. In addition, Aldipress from the Media segment's 'Other businesses' and all remaining 'Other businesses' from the Learning segment, mainly consisting of AAC Global and Bookwell, will be hereafter reported in the line item 'Other companies and eliminations'.

The Group includes three reportable segments: Media, News and Learning. The segmentation is based on business model and product differences. Media, operating in 12 countries, is responsible for magazines and TV operations. Sanoma News is responsible for newspapers in Finland. Both segments also have a great variety of online and mobile services. Learning's business is mainly B2B business. In addition to the Group eliminations column, unallocated/eliminations includes non-core operations, head office functions, real estate companies as well as items not allocated to segments.

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

**Sanoma segments 1.1-30.9.2012**

| EUR million | Media | News | Lear-ning | Other companies/ elimi-nations | Continuing operations |
|---|---|---|---|---|---|
| External net sales | 1,079.0 | 314.6 | 276.1 | 119.3 | 1,789.1 |
| Internal net sales | 1.8 | 0.6 | 0.8 | -2.7 | 0.5 |
| NET SALES, TOTAL | 1,080.8 | 315.2 | 276.9 | 116.7 | 1,789.6 |
| OPERATING PROFIT | 99.1 | 12.5 | 81.3 | -16.6 | 176.2 |
| Share of results in associated companies | -18.6 | 0.5 | -0.2 | 0.8 | -17.5 |
| Financial income | | | | 15.2 | 15.2 |
| Financial expenses | | | | 57.6 | 57.6 |
| RESULT BEFORE TAXES | | | | | 116.4 |
| | | | | | |
| SEGMENT ASSETS | 2,833.4 | 302.1 | 566.2 | 193.8 | 3,895.5 |

**Sanoma segments 1.1-30.9.2011**

| EUR million | Media | News | Lear-ning | Other companies/ elimi-nations | Continuing operations |
|---|---|---|---|---|---|
| External net sales | 930.5 | 322.6 | 241.6 | 254.9 | 1,749.6 |
| Internal net sales | 2.9 | 1.2 | 9.9 | -13.4 | 0.6 |
| NET SALES, TOTAL | 933.4 | 323.8 | 251.4 | 241.6 | 1,750.2 |
| OPERATING PROFIT | 37.4 | 35.3 | 66.9 | -12.9 | 126.7 |
| Share of results in associated companies | -1.0 | 0.7 | -0.1 | -1.1 | -1.5 |
| Financial income | | | | 4.6 | 4.6 |
| Financial expenses | | | | 24.3 | 24.3 |
| RESULT BEFORE TAXES | | | | | 105.5 |
| | | | | | |
| SEGMENT ASSETS | 3,027.4 | 319.8 | 482.3 | 211.7 | 4,041.2 |

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

| EUR million | 30.9.2012 | 30.9.2011 | 31.12.2011 |
|---|---|---|---|
| Carrying amount at the beginning of the period | **343.6** | 429.3 | 429.3 |
| Increases | **21.4** | 43.8 | 52.9 |
| Acquisition of operations | **1.2** | 6.9 | 7.0 |
| Decreases | **-4.3** | -11.0 | -2.2 |
| Disposal of operations | **-44.9** | -76.2 | -86.9 |
| Depreciation for the period | **-31.2** | -38.8 | -50.5 |
| Impairment losses for the period | **-1.2** | -0.6 | -3.9 |
| Exchange rate differences and other changes | **0.9** | -5.4 | -2.1 |
| **Carrying amount at the end of the period** | **285.5** | 348.0 | 343.6 |

The Group had no commitments for acquisition of tangible assets at the end of the reporting period or in the comparative period.
Changes in property, plant and equipment include continued and discontinued operations.
At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 226.7 million (2011: EUR 169.7 million).

**EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET**

| EUR million | 1-9/ 2012 | 1-12/ 2011 |
|---|---|---|
| Acquisition costs | **26.0** | 1,415.2 |
| Fair value of acquired net assets | **2.7** | 433.2 |
| Goodwill | **23.3** | 982.0 |

**CONTINGENT LIABILITIES**

| EUR million | 30.9.2012 | 30.9.2011 | 31.12.2011 |
|---|---|---|---|
| **Contingencies for own commitments** | | | |
| Mortgages | **9.7** | 9.8 | 9.7 |
| Pledges | **2.4** | 2.5 | 2.5 |
| Other items | **45.6** | 0.0 | 0.3 |
| TOTAL | **57.6** | 12.3 | 12.5 |
| | | | |
| **Contingencies incurred on behalf of other companies** | | | |
| Guarantees | | 0.0 | |
| TOTAL | | 0.0 | |
| | | | |
| **Other contingencies** | | | |
| Operating lease liabilities | **166.5** | 201.4 | 196.1 |
| Royalties | **15.1** | 18.9 | 19.8 |
| Other items | **53.3** | 36.4 | 51.3 |
| TOTAL | **234.9** | 256.7 | 267.2 |
| | | | |
| **TOTAL** | **292.5** | 269.1 | 279.7 |

**DERIVATIVE INSTRUMENTS**
**EUR million**

| Fair values | 30.9.2012 | 30.9.2011 | 31.12.2011 |
|---|---|---|---|
| **Interest rate derivatives** | | | |
| Interest rate swaps | **-15.4** | -9.3 | -11.5 |
| | | | |
| **Currency derivatives** | | | |
| Forward contracts | **0.0** | | 0.6 |

**KEY EXCHANGE RATES**

| Average rate | 1-9/ 2012 | 1-9/ 2011 | 1-12/ 2011 |
|---|---|---|---|
| EUR/CZK (Czech Koruna) | 25.20 | 24.43 | 24.64 |
| EUR/HUF (Hungarian Forint) | 291.58 | 272.02 | 280.46 |
| EUR/PLN (Polish Zloty) | 4.22 | 4.03 | 4.13 |
| EUR/RUB (Russian Rouble) | 40.18 | 40.78 | 41.02 |
| EUR/SEK (Swedish Crown) | 8.73 | 9.00 | 9.00 |

| Closing rate | 30.9.2012 | 30.9.2011 | 31.12.2011 |
|---|---|---|---|
| EUR/CZK (Czech Koruna) | 25.14 | 24.75 | 25.79 |
| EUR/HUF (Hungarian Forint) | 284.89 | 292.55 | 314.58 |
| EUR/PLN (Polish Zloty) | 4.10 | 4.41 | 4.46 |
| EUR/RUB (Russian Rouble) | 40.14 | 43.35 | 41.77 |
| EUR/SEK (Swedish Crown) | 8.45 | 9.26 | 8.91 |

**Press Conference**

A press and analyst meeting will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius on 31 October 2012 at 11:00 CET+1 at Nelonen studio, Pursimiehenkatu 26 C (third floor), Helsinki. A webcast of the event can be viewed at Sanoma.com either live or later on as on demand. If you want to ask questions during the webcast, please join the conference call by dialling +44 (0)20 7162 0025 (Europe) or +1 334 323 6201 (US) and quote the conference code 924026.

Sanoma will publish its Year-end Report January–December for 2012 on Thursday, 7 February 2013, at approximately 11:00 CET+1. Interim Reports in 2013 will be published on a quarterly basis:

- Interim Report January - March 2013 on 2 May, at approximately 11:00 CET+1
- Interim Report January - June 2013 on 1 August, at approximately 8:30 CET+1
- Interim Report January - September 2013 on 31 October, at approximately 8:30 CET+1

Sanoma's Annual Review for 2012 will be published in electronic format during week 10 (the week beginning 4 March) and as a hard copy during week 11 (the week beginning 11 March).

The Annual General Meeting is scheduled for 3 April 2013 and will be held in Helsinki, Finland.

**Additional information**
Sanoma's Investor Relations, Martti Yrjö-Koskinen, tel. +358 40 684 4643 or ir@sanoma.com

Sanoma.com

*Sanoma inspires, informs and connects.* Sanoma is a leading European group with a focus on consumer media and learning. We bring information, experiences, education and entertainment to millions of people every day. We employ nearly 11,000 professionals in some 20 countries. In 2011, the Group's restated net sales totalled EUR 2.4 billion. Sanoma shares are listed on the NASDAQ OMX Helsinki.