Sanoma's Financial Statement Release 2012:

Strong year for learning - consumer media undergoing transformation

Fourth quarter

- Net sales in the fourth quarter amounted to EUR 586.7 million (2011: EUR 627.9 million). Adjusted for changes in the Group structure, Sanoma's net sales decreased by 6.9%.
- Operating profit excluding non-recurring items was EUR 32.1 million (2011: EUR 54.7 million).
- Non-recurring items included in the operating profit in the fourth quarter amounted to EUR -26.0 million (2011: EUR -8.7 million) and consisted mainly non-cash goodwill and other intangible asset impairment.
- Earnings per share were EUR -0.07 (2011: EUR 0.11). EPS excluding non-recurring items was EUR 0.08 (2011: EUR 0.18).

2012

- Annual net sales amounted to EUR 2,376.3 million (2011: EUR 2,378.1 million). Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.3%.
- Operating profit excluding non-recurring items totalled EUR 232.3 million (2011: EUR 224.1 million) and amounted to 9.8% (2011: 9.4%) of net sales.
- Non-recurring items included in the operating profit amounted to EUR -50.0 million (2011: EUR -51.5 million) and consisted mainly of restructuring expenses and impairments.
- Non-recurring items included in the results of associated companies amounted to EUR -17.5 million (2011: EUR -4.0 million) and consisted mainly of loss on sales of DNA.
- Non-recurring items included in the discontinued operations amounted to EUR 77.4 million (2011: EUR -4.7 million) and consisted of gain on sales of kiosk operations, Baltic bookstores and press distribution.
- Cash flow from operations was EUR 192.0 million (2011: EUR 273.8 million).
- Earnings per share were EUR 0.88 (2011: EUR 0.52). EPS excluding non-recurring items was EUR 0.78 (2011: EUR 0.87).
- The Board of Directors proposes a dividend of EUR 0.60 per share.
- In 2013, Sanoma expects to maintain its financial performance compared to 2012 and estimates that in 2013 net sales and operating profit excluding non-recurring items will be a continuation of 2012.

KEY INDICATORS * EUR million	**10-12/ 2012**	**10-12/ 2011**	**Change %**	**1-12/ 2012**	**1-12/ 2011**	**Change %**
Net sales	**586.7**	627.9	-6.6	**2,376.3**	2,378.1	-0.1
Operating profit excluding non-recurring items	**32.1**	54.7	-41.3	**232.3**	224.1	3.6
% of net sales	**5.5**	8.7		**9.8**	9.4	
Operating profit	**6.0**	46.0	-86.9	**182.3**	172.6	5.6
Result for the period from continuing operations	**-9.4**	21.1	-144.3	**70.9**	78.6	-9.7
Result for the period ***	**-9.4**	24.4	-138.4	**149.9**	86.0	74.4
Capital expenditure **				**59.5**	76.2	-21.9
% of net sales				**2.5**	3.2	
Return on investment (ROI), %				**8.2**	6.8	
Equity ratio, % ***				**42.4**	37.0	
Net gearing, % ***				**76.2**	105.7	
Number of employees at the end of the period (FTE)				**10,381**	10,960	-5.3
Average number of employees (FTE)				**10,804**	11,607	-6.9
Earnings/share, EUR, continuing operations	**-0.07**	0.09	-172.7	**0.40**	0.47	-16.1
Earnings/share, EUR ***	**-0.07**	0.11	-159.6	**0.88**	0.52	70.2
Cash flow from operations/share, EUR ***	**0.66**	0.86	-23.1	**1.18**	1.68	-29.9
Equity/share, EUR				**8.14**	7.70	5.7
Dividend/share, EUR ****				**0.60**	0.60	0.0
Dividend/result, % ****				**68.0**	115.6	-41.2
Market capitalisation				**1,211.3**	1,443.3	-16.1

* 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.
** Including finance leases.
*** Includes continuing and discontinued operations.
**** Year 2012 proposal of the Board of Directors.

Harri-Pekka Kaukonen, President and CEO

"Our performance in the first half of the year was solid. During the summer the external environment changed dramatically, forcing us to take a more cautious view for the remainder of the year. Consequently, we decided to take incremental actions to speed up the internal transformation. All in all, we ended 2012 in line with our outlook from the end of the summer. The Learning business had a strong year. The performance of our TV operations in the Netherlands did not yet live up to our expectations affected by weaker than expected development of the TV advertising market.

In the fourth quarter, we were able to report a decent set of numbers despite the continued deterioration in print circulation and advertising markets as well as seasonally weak quarter for Learning.

We continue to improve the efficiency of our operations. In the autumn we commenced a Group-wide three-year cost savings programme, targeting to reduce our cost base by some EUR 60 million (gross) compared to the 2012 level. The programme is progressing according to the plan.

Divestments made during the year continued to sharpen our focus on consumer media and learning, and strengthened our balance sheet. We also successfully secured the base of our funding for the coming years by making more than EUR 1 billion of refinancing.

In addition to renewing and streamlining our portfolio, we launched several digital products and services and made a number of smaller acquisitions that support our digital transformation. The extensive reach of Sanoma offers an attractive channel for advertisers and provides us with new opportunities to monetise content.

In 2013, we will continue to execute our Group-wide digital and cross-media transformation and streamline our operations to improve our overall performance."

Group outlook for 2013

In 2013, Sanoma expects to maintain its financial performance compared to 2012 and estimates that in 2013 net sales and operating profit excluding non-recurring items will be a continuation of 2012.

Sanoma's outlook for 2013 is based on assumptions that the European economic situation remains subdued and the likelihood of an advertising market recovery during 2013 is low.

The first quarter for the Group is seasonally the weakest. In addition, Sanoma will invest materially in the Dutch and Finnish TV operations as well as digital development. Hence, the operating profit excluding non-recurring items will be negative for the Group in the first quarter of 2013.

Cost savings programme

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. The programme is proceeding according to the plan.

Net sales

Fourth quarter

In October–December, Sanoma's net sales decreased by 6.6% and amounted to EUR 586.7 million (2011: EUR 627.9 million). The decrease is mainly due to the continued deterioration in circulation and advertising markets. Currency translations did not have a material effect on the fourth quarter net sales. When adjusted for changes in the Group structure, net sales decreased by 6.9%.

Circulation sales decreased by 5.1%. Subscription sales decreased by 4.5%, while single copy sales decreased by 5.8% mainly as a result of declining trends, including increased volatility in single copy markets. In Finland, the VAT introduction from the beginning of 2012 also adversely affected print subscription sales.

Advertising sales decreased by 7.3%. Within total advertising, online advertising increased by 1.8%.

Sanoma's online, TV and radio advertising sales decreased by 8.4% to EUR 140.3 million (2011: EUR 153.2 million) and accounted for 23.9% (2011: 24.4%) of the Group's net sales.

By country, the Netherlands accounted for 38.3% (2011: 39.6%), Finland for 37.4% (2011: 36.9%) and Belgium for 11.4% (2011: 10.4%) of the Group's fourth quarter net sales. Net sales from other EU countries totalled 8.6% (2011: 8.9%) and non-EU countries accounted for 4.2% (2011: 4.2%).

By type of sales, advertising sales accounted for 41.9% (2011: 42.3%), subscription sales for 20.7% (2011: 20.3%), single copy sales for 13.9% (2011: 13.8%), learning for 6.1% (2011: 5.5%) and other sales for 17.4% (2011: 18.1%) of the Group's fourth quarter net sales. Other sales include mainly press distribution and marketing services, language and translation services, custom publishing, event marketing, other literature and print sales.

2012

In January–December, Sanoma's net sales were stable and amounted to EUR 2,376.3 million (2011: EUR 2,378.1 million). The deterioration in circulation and advertising markets during 2012 adversely affected net sales in Media and News segments. The decline was offset by the consolidation of the acquired SBS TV and print operations in the Netherlands and Belgium as well as increased sales of the Learning segment and Nelonen Media in Finland. Currency translations did not have a material effect on the 2012 net sales. When adjusted for changes in the Group structure, net sales decreased by 3.3%.

Circulation sales decreased by 2.0%. Subscription sales increased by 1.1%, while single copy sales decreased by 6.1%, 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 affected print subscription sales.

Total advertising sales increased by 11.8%. Within total advertising online advertising increased by 3.9%.

Sanoma's online, TV and radio advertising sales grew by 33.3% to EUR 486.4 million (2011: EUR 364.8 million) and accounted for 20.5% (2011: 15.3%) of the Group's net sales, mainly due to the consolidation of the acquired TV operations in the Netherlands and Belgium.

By country, the Netherlands accounted for 37.7% (2011: 32.5%), Finland for 36.6% (2011: 41.7%) and Belgium for 11.0% (2011: 10.2%) of the Group's 2012 net sales. Net sales from other EU countries totalled 10.7% (2011: 11.6%) and non-EU countries accounted for 3.9% (2011: 4.0%).

By type of sales, advertising sales accounted for 36.7% (2011: 32.8%), subscription sales for 20.3% (2011: 20.1%), single copy sales for 14.0% (2011: 14.9%), learning for 12.9% (2011: 10.8%) and other sales for 16.1% (2011: 21.4%) of the Group's 2012 net sales. Other sales include mainly press distribution and marketing services, language and translation services, custom publishing, event marketing, other literature and print sales.

Result

Fourth quarter

In October–December, Sanoma's operating profit excluding non-recurring items decreased by 41.3% and totalled EUR 32.1 million (2011: EUR 54.7 million) due to weak advertising market and deterioration in circulation. In the comparable period, operating profit excluding non-recurring items included EUR 11.1 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorised as non-recurring. Operating profit excluding non-recurring items amounted to 5.5% (2011: 8.7%) of net sales. Currency translations did not have a material effect on the fourth quarter result.

In the fourth quarter, the Group's total expenses, excluding non-recurring items, decreased by 4.7% due to streamlining of operations and efficiency measures. Paper costs decreased by 8.5% and employee benefit expenses decreased by 8.0%. The Group had around 580 fewer employees than at the end of 2011, corresponding to a decrease of some 5%. The decrease in the number of personnel is mostly attributable to streamlining of operations and efficiency measures.

In October–December, operating profit included EUR -26.0 million (2011: EUR -8.7 million) of non-recurring items consisting mainly of restructuring expenses and impairment related to Sanoma Media Russia and CEE strategic business unit and other cash generating units. In the comparable period, non-recurring items consisted mainly of sales gains, restructuring expenses, including voluntary pension and exit packages, and write-downs related to ICT.

As part of the three-year group-wide cost savings programme, severance packages were offered to 119 employees in News and the Sanoma Magazines Finland business unit during the fourth quarter, and as a result 118 employees have left the company during 2012.

NON-RECURRING ITEMS EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Media				
Gain on sale (Humo and Desert Fishes)				9.1
Impairment of goodwill and intangible assets (Russia & CEE)	**-6.0**		**-6.0**	-53.4
Write down of Jok Foe Group (Belgium)		-1.6		-1.6
Restructuring expenses	**-8.9**	-9.8	**-14.2**	-9.8
Sales loss (Adria Media Ljubljana)	**-1.1**		**-1.1**	
Impairment of intangible assets (The Netherlands)				-3.4
News				
Write down of intangible assets			**-9.9**	
Restructuring expenses	**-2.0**	-9.2	**-2.0**	-9.2
Learning				
Restructuring expenses (Learning in Poland)			**-4.4**	
Gain on sale (Esmerk)			**5.7**	
Sale of LDC				0.9
Impairment of intangible assets		-2.9		-2.9
Restructuring expenses		-0.1	**-1.6**	-1.8
Other companies				
Gains and losses on sales		16.4		49.2
Income related to Keimola Area	**4.5**		**4.5**	
Impairment of goodwill	**-11.6**		**-11.6**	
Restructuring expenses	**-1.0**	-1.5	**-2.0**	-2.5
Impairments and write downs			**-7.5**	-26.1
NON-RECURRING ITEMS IN OPERATING PROFIT	**-26.0**	-8.7	**-50.0**	-51.5
Loss on sales (DNA)			**-19.3**	
Impairment of share in Hungarian associated company			**-1.2**	
Gain on sales (Hansaprint)			**3.0**	
Impairment of share in associated company Hansaprint				-4.0
NON-RECURRING ITEMS IN RESULTS IN ASSOCIATED COMPANIES			**-17.5**	-4.0
Gain on sales (Kiosk operations and Baltic bookstores and press distribution)			**77.4**	
Write-down of real estates				-1.9
Restructuring expenses				-2.8
NON-RECURRING ITEMS IN DISCONTINUED OPERATIONS			**77.4**	-4.7

Sanoma’s fourth quarter result included EUR -0.2 million (2011: EUR -2.2 million) profit from associated companies.

Sanoma’s net financial items totalled EUR -15.0 million (2011: EUR -13.0 million). Financial income amounted to EUR 3.0 million (2011: EUR 9.3 million), of which EUR 1.5 million were exchange rate gains (2011: EUR 7.8 million). Financial expenses amounted to EUR -18.0 million (2011: EUR -22.2 million), of which EUR -1.3 million were exchange rate losses (2011: EUR -11.7 million). Interest expenses amounted to EUR -14.2 million (2011: EUR -11.4 million).

Profit before taxes amounted to EUR -9.1 million (2011: EUR -30.8 million) in the fourth quarter.

Earnings per share were EUR -0.07 (2011: EUR -0.09). Earnings per share excluding non-recurring items were EUR 0.08 (2011: EUR 0.18).

2012

In January–December, Sanoma's operating profit excluding non-recurring items increased by 3.6% and totalled EUR 232.3 million (2011: EUR 224.1 million). The weak development of advertising and circulation sales lowered the result in the Media and News segments. The decline was more than offset by the consolidation of the acquired SBS TV and print operations in the Netherlands and Belgium as well as the improved result in the Learning segment. Higher investments in TV programming rights in the Netherlands also affected adversely the Sanoma Media Netherlands strategic business unit's result in 2012. In the comparable period, operating profit excluding non-recurring items included EUR 34.4 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorised as non-recurring. Operating profit excluding non-recurring items amounted to 9.8% (2011: 9.4%) of net sales. Currency translations did not have a material effect on the 2012 result.

In 2012, the Group's total expenses, excluding non-recurring items, decreased by 4.4% due to structural changes and efficiency measures. Paper costs decreased by 3.2% and employee benefit expenses increased by 0.3%. The Group had around 580 fewer employees than at the end of 2011, corresponding to a decrease of some 5%. The decrease in the number of personnel is mostly attributable to streamlining of operations and efficiency measures.

The non-recurring items included in the operating profit amounted to EUR -50.0 million (2011: EUR -51.5 million) and included impairments of goodwill and intangible assets, restructuring expenses and gain on the sale of assets. In 2011, non-recurring items related to impairments of goodwill and intangible assets, restructuring expenses and gain on the sale of assets.

Sanoma's 2012 result included EUR -17.7 million (2011: EUR -3.7 million) of profits from associated companies. Non-recurring items included in the result of associated companies amounted to EUR -17.5 million (2011: EUR -4.0 million) and consisted of a gain and a loss on sales as well as an impairment.

Sanoma's net financial items totalled EUR -57.4 million (2011: EUR -32.7 million). Financial income amounted to EUR 18.2 million (2011: EUR 13.9 million), of which EUR 11.6 million were exchange rate gains (2011: EUR 9.3 million). Financial expenses amounted to EUR -75.6 million (2011: EUR -46.6 million), of which EUR -12.6 million were exchange rate losses (2011: EUR -16.2 million). Interest expenses amounted to EUR -52.9 million (2011: EUR -28.8 million).

Profit before taxes amounted to EUR 107.3 million (2011: EUR 136.3 million) and the effective tax rate was 19.8% (2011: 40.3%). The effective tax rate in 2012 was affected mainly by non-taxable sales gains. In the comparable year, the tax rate was impacted mainly by the impairments of goodwill and non-taxable sales gains and losses.

Non-recurring items included in the discontinued operations amounted to EUR 77.4 million (2011: EUR -4.7 million) and consisted mainly of gain on the sale of kiosk operations.

Earnings per share were EUR 0.88 (2011: EUR 0.52), of which EUR 0.40 (2011: EUR 0.47) relates to continuing operations and EUR 0.49 (2011: EUR 0.05) to discontinued operations. Earnings per share excluding non-recurring items were EUR 0.78 (2011: EUR 0.87).

Balance sheet and financial position

At the end of 2012, Sanoma's consolidated balance sheet totalled EUR 4,041.6 million (2011: EUR 4,328.3 million). In 2012, the Group's cash flow from operations was EUR 192.0 million (2011: EUR 273.8 million). Cash flow from operations per share was EUR 1.18 (2011: EUR 1.68).

Sanoma's equity ratio was 42.4% (2011: 37.0%) at the end of 2012. The return on equity (ROE) was 9.6% (2011: 5.9%) and the return of investment (ROI) was 8.2% (2011: 6.8%). In 2011, the acquisition of the TV and print operations in the Netherlands and Belgium negatively affected these ratios. Equity totalled EUR 1,628.6 million (2011: EUR 1,524.2 million). The equity per share was EUR 8.14 (2011: EUR 7.70). Interest-bearing liabilities at the end of the December 2012 totalled EUR 1,408.7 million (2011: EUR 1,727.2 million). Interest-bearing net debt was EUR 1,241.5 million (2011: EUR 1,611.2 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–December, investments in tangible and intangible assets, including finance leases, amounted to EUR 59.5 million (2011: EUR 76.2 million). Investments were mainly related to ICT systems as well as replacements and renovations. 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.

In 2012, Sanoma's business acquisitions totalled EUR 27.3 million (2011: EUR 1,415.2 million). The impact of each individual acquisition on the Group assets and liabilities was minor. The combined effect of the acquisitions since the acquisition date on the Group's net sales amounted to EUR 17.1 million, and to operating profit excluding non-recurring items EUR 1.7 million.

In January, Sanoma Media Netherlands increased its ownership in the Dutch joint venture Hemels from 51% to 71%. The first 51% was acquired in 2011. Consolidation of Hemels continues using the proportional consolidation method, by the share of 71%. Hemels operates in custom publishing.

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 Oy. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 0.1 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.

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.

In November, Sanoma Media Netherlands acquired 40% of the shares in the Dutch e-commerce company SB Commerce, owner of, for instance, home deco web shop Voor-thuis.nl. SB Commerce is consolidated to Sanoma by the proportional line-by-line consolidation method, with 40% share of ownership.

In December, Sanoma sold its Slovenian operations. As a result of the transaction, Sanoma recognised a non-tax-deductible non-recurring capital loss of EUR -1.1 million in the fourth quarter of 2012.

MEDIA

The Media segment includes magazine, TV, radio and online businesses in 11 European countries and comprises four strategic business units: Sanoma Media Netherlands, Sanoma Media Finland, Sanoma Media Belgium and Sanoma Media Russia & CEE.

- Underlying macro-economic uncertainty impacts the overall advertising markets adversely.
- The TV viewing share of SBS Netherlands stabilised at around 20% during 2012.
- Sanoma's share of TV advertising market strengthened in Finland and Belgium.
- Sanoma sold its operations in Slovenia.

- 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	**10-12/ 2012**	**10-12/ 2011**	**Change %**	**1-12/ 2012**	**1-12/ 2011**	**Change %**
Net sales	**406.3**	435.8	-6.8	**1,487.1**	1,369.2	8.6
The Netherlands	**207.2**	232.2	-10.8	**760.4**	642.0	18.4
Finland	**82.2**	86.2	-4.6	**301.7**	309.7	-2.6
Russia & CEE	**53.5**	56.7	-5.6	**199.5**	213.1	-6.4
Belgium	**64.1**	61.9	3.5	**228.3**	209.1	9.2
Other businesses and eliminations	**-0.7**	-1.2	42.7	**-2.7**	-4.8	42.6
Operating profit excluding non-recurring items *	**46.9**	64.4	-27.2	**151.2**	149.5	1.1
% of net sales	**11.5**	14.8		**10.2**	10.9	
Operating profit	**30.9**	53.0	-41.7	**130.0**	90.4	43.8
Capital expenditure				**30.7**	21.9	40.2
Return on investment (ROI), %				**4.2**	4.5	
Number of employees at the end of the period (FTE)				**5,718**	5,638	1.4
Average number of employees (FTE)				**5,772**	5,411	6.7

* In 2012, the non-recurring items included in the second quarter EUR -2.6 million restructuring expenses, in the third quarter EUR -2.7 million restructuring expenses and in the fourth quarter EUR -8.9 million restructuring expenses, a EUR -1.1 million loss on sales of Adria Media Ljubljana and a EUR -6.0 million impairment of goodwill and intangible assets in Russia & CEE. In 2011, the non-recurring items included in the second quarter a EUR 9.1 million gain on sale of Humo and Desert Fishes, in the third quarter a EUR -3.4 million impairment of intangible assets in the Netherlands and a EUR -53.4 million impairment of goodwill and intangible assets in Russia & CEE, and in the fourth quarter EUR -9.8 million restructuring expenses and a EUR -1.6 million write-down of Jok Foe Group.

Operational indicators * Magazines	**1-12/ 2012**	**1-12/ 2011**
Number of magazines published	**269**	280
Magazine copies sold, thousands	**332,494**	324,974
Advertising pages sold	**47,635**	48,559
Finnish TV operations		
TV channels' share of TV advertising	**34.0%**	32.8%
TV channels' national commercial viewing share (10-44 years)	**32.9%**	34.5%
TV channels' national viewing share	**15.1%**	15.0%
Dutch TV operations		
TV channels' share of TV advertising	**25.8%**	30.1%
TV channels' national viewing share (20-49 years)	**20.1%**	22.9%

* Including joint ventures

Fourth quarter

In October–December, net sales in the Media segment decreased by 6.8 % to EUR 406.3 million (2011: EUR 435.8 million). Adjusted for structural changes, net sales declined by 7.9%.

The segment's advertising sales decreased by 7.4% and represented 47.7% (2011: 48.0%) of the fourth quarter net sales. Online advertising sales decreased by 1.1%.

The segment's print circulation sales decreased by 5.3% and represented 38.9% (2011: 38.3%) of the fourth quarter net sales. Single copy and subscription sales both decreased slightly.

Sanoma's online, TV and radio advertising sales in the Media segment decreased by 9.7% due to the poor TV advertising market in the Netherlands, and represented 31.8% (2011: 32.8%) of the segment's fourth quarter net sales.

In Media Netherlands, net sales decreased by 10.8%. Advertising sales decreased significantly and represented 49.4% (2011: 52.1%) of Dutch net sales. Sanoma estimates that the net TV advertising market in the Netherlands decreased by around 7% in October–December. Online advertising sales decreased somewhat. Sanoma estimates that the net consumer magazine advertising market decreased by around 14% in October–December. Magazine operations' sales decreased clearly. Single copy and subscription sales both decreased somewhat compared to the comparable quarter. Circulation sales represented 38.3% (2011: 36.4%) of the Dutch net sales. The declining trends in the readers market continued.

In Media Finland, net sales decreased by 4.6% in the fourth quarter as slightly growing TV and radio sales, including acquired radio operations, did not offset clearly decreasing magazine operations' sales. According to TNS Gallup Adex, the net TV advertising market in Finland decreased by around 3% in the fourth quarter compared to the comparable quarter. The net magazine advertising market decreased by some 14%. In total, advertising sales of the Finnish operations represented 45.1% (2011: 42.0%) of net sales in the fourth quarter. Subscription sales decreased somewhat and single copy sales remained at the comparable quarter's level. Circulation in total represented 41.6% (2011: 41.9%) of Finnish net sales.

Net sales in Media Belgium increased by 3.5% due to significantly increased advertising sales in TV and the acquisition of HeadOffice. Sanoma estimates that the net magazine advertising market in Belgium decreased by around 20% in October–December. Sanoma estimates that the net TV advertising market in Belgium declined by around 9% in October–December. Sanoma's TV operations in the Flemish part of Belgium continued to strengthen its share of viewing and consequently improved its net advertising market share during the year to 28.3% (2011: 25.4%). In total, advertising sales represented 36.3% (2011: 34.6%) and circulation sales 45.1% (2011: 45.6%) of the net sales in Belgium, respectively.

In Media Russia and the CEE countries, net sales decreased by 5.6% due to continued pressure on circulation sales. Advertising sales in the Russia and CEE business unit remained at the comparable quarter's level. In total, advertising sales represented 58.9% (2011: 54.5%) 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 somewhat, and represented 29.3% (2011: 32.0%) 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 October–December decreased by 27.2% to EUR 46.9 million (2011: EUR 64.4 million). In the comparable period, operating profit excluding non-recurring items included EUR 11.1 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorised as non-recurring. In the Netherlands, the operating profit excluding non-recurring items decreased significantly, mainly as a result of poor advertising market development and higher investments in TV programming rights. In Finland, the operating profit excluding non-recurring items decreased significantly as a result of the decline in circulation sales. In Belgium, the operating profit excluding non-recurring items decreased clearly mainly due to higher marketing expenses and investments in portfolio development. In Russia and CEE countries the operating profit excluding non-recurring items increased significantly as a result of cost control. Non-recurring items included in the operating profit totalled EUR -15.9 (2011: EUR -11.4 million) related to restructuring costs as well as impairment of goodwill and intangibles. In the comparable period, non-recurring items related to restructuring expenses and write-downs.

Media's investments in tangible and intangible assets totalled EUR 10.0 million (2011: EUR 6.0 million) and consisted of ICT investments.

2012

In January–December, Media's net sales increased by 8.6% to EUR 1,487.0 million (2011: EUR 1,369.2 million). The growth came mainly from the consolidation of the acquired SBS TV and print operations in the Netherlands and Belgium which more than offset lower circulation and magazine advertising sales. Adjusted for structural changes, net sales decreased by 5.8%.

In the Media segment, operating profit excluding non-recurring items increased by 1.1% to EUR 151.2 million (2011: EUR 149.5 million), as consolidation of the acquired operations as well as good development in online and Finnish TV operations offset lower results in magazine operations in all strategic business units. In the comparable period, operating profit excluding non-recurring items included EUR 34.4 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which were not categorised as non-recurring. Non-recurring items included in the operating profit totalled EUR -21.2 (2011: EUR -59.1 million) and included impairments of goodwill and intangibles, restructuring expenses, loss on the sale of assets and expenses in relation to efficiency improvement projects. In the comparable year, non-recurring items were related to impairments of goodwill and intangible assets, restructuring expenses and gains on the sale of assets.

Media's investments in tangible and intangible assets totalled EUR 30.7 million (2011: EUR 21.9 million) and consisted mainly of ICT investments for business support and digital developments. The most significant acquisitions made in 2012 were online retail group Read & View in the Netherlands, three commercial radio stations in Finland and content marketing company HeadOffice in Belgium. In 2011, the most significant acquisition was the acquisition of the SBS TV and print operations in the Netherlands and Belgium.

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 2012 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.
- Helsingin Sanomat renewed its format substantially, including the combination of newsroom with editorial staff at TV channel Nelonen, the introduction of pay-wall in late November and change from broadsheet to tabloid in January 2013.

Key indicators EUR million	**10-12/ 2012**	**10-12/ 2011**	**Change %**	**1-12/ 2012**	**1-12/ 2011**	**Change %**
Net sales	**107.6**	112.0	-3.9	**422.8**	435.8	-3.0
Helsingin Sanomat	**57.1**	60.8	-6.0	**224.9**	238.5	-5.7
Ilta-Sanomat	**21.1**	21.6	-2.4	**84.3**	84.4	-0.1
Other publishing	**24.6**	25.4	-3.1	**96.4**	97.0	-0.6
Other businesses and eliminations	**4.8**	4.2	13.5	**17.2**	15.9	7.8
Operating profit excluding non-recurring items *	**10.0**	14.1	-29.2	**32.4**	49.4	-34.5
% of net sales	**9.3**	12.6		**7.7**	11.3	
Operating profit	**8.0**	4.9	62.3	**20.5**	40.2	-49.1
Capital expenditure				**11.0**	16.9	-35.0
Return on investment (ROI), %				**9.3**	16.7	
Number of employees at the end of the period (FTE)				**1,928**	2,025	-4.8
Average number of employees (FTE)				**2,055**	2,061	-0.3

* In 2012, the non-recurring items included in the third quarter a EUR -9.9 million write down of intangible assets and in the fourth quarter EUR -2.0 million restructuring expenses. In 2011, the non-recurring items included in the fourth quarter EUR -9.2 million restructuring expenses.

Operational indicators Online services, unique visitors, weekly	**10-12/ 2012**	**10-12/ 2011**
Iltasanomat.fi	**2,451,672**	2,219,968
HS.fi	**1,394,027**	1,413,050
Huuto.net	**442,911**	458,174
Oikotie.fi	**496,600**	461,842
Taloussanomat.fi	**723,001**	664,339

Circulation	**1-12/ 2012**	**1-12/ 2011**
Helsingin Sanomat	**337,962**	365,994
Ilta-Sanomat	**132,595**	143,321

Fourth quarter

In October–December, net sales in the News segment decreased by 3.9% mainly due to Helsingin Sanomat business unit. Adjusted for structural changes, sales decreased by 4.5%.

Print circulation sales decreased by 4.3%, as single copy sales declined somewhat and subscription sales decreased slightly. Circulation sales accounted for 41.3% (2011: 41.5%) of the segment's net sales.

Advertising sales decreased by 6.5% due to adverse market conditions. Print advertising declined clearly, whereas online advertising clearly increased. Advertising sales represented 49.4% (2011: 50.7%) of the net sales in News in the fourth quarter.

According to TNS Gallup Adex, the net newspaper advertising market in Finland decreased by some 13% in the fourth quarter compared to the comparable quarter. Online advertising (net) included in the statistics was up by some 14%.

Total digital sales increased by 3.2%. Digital sales consisting mostly of advertising, but also increasingly services and content, represented 14.1% (2011: 13.1%) of the segment's net sales.

The net sales of the Helsingin Sanomat business unit decreased by 6.0%. The underlying macro-economic uncertainty affected recruitment advertising sales in particular. Accordingly, advertising sales decreased clearly and represented 52.7% (2011: 54.6%) of the business unit's net sales. Subscription sales decreased slightly, partly driven by the VAT introduction on print subscriptions from the beginning of 2012.

The Ilta-Sanomat business unit's net sales decreased by 2.4%. Advertising sales increased slightly, as online advertising development more than offset the clearly declining print advertising, and represented 31.7% (2011: 30.2%) of the business unit's net sales. Circulation sales declined slightly. The total volume of the Finnish print tabloid market has decreased somewhat during 2012. Ilta-Sanomat continued to strengthen its market leadership and its market share is 59.2% (2011: 58.3%) of the tabloid newsstand market for the rolling 12-month period.

Net sales from other publishing operations decreased by 3.1%, as net sales of free sheets and regional newspapers continued to decline.

In October–December, News' operating profit excluding non-recurring items decreased by 29.2% to EUR 10.0 million (2011: EUR 14.1 million). The effects of the on-going efficiency improvements did not offset lower net sales. News' operating profit included EUR -2.0 million (2011: EUR -9.2 million) of non-recurring items related to restructuring costs. In the comparable period, non-recurring items were related to pension and exit packages.

2012

In January–December, News' sales decreased by 3.0% to EUR 422.8 million (2011: EUR 435.8 million). Advertising sales decreased by 6.0% due to adverse market conditions. Digital sales, consisting mostly of online advertising, but also to a larger extent content, continued to develop positively and amounted to 13.8% (2011: 12.1%) of News' total sales. The underlying macro-economic uncertainty adversely impacts the advertising market, particularly printed recruitment advertising. Print circulation sales decreased by 3.1%, as both single copy and subscription sales declined slightly. Adjusted for structural changes, net sales decreased by 3.6%.

Operating profit excluding non-recurring items in the News segment decreased by 34.5% to EUR 32.4 million (2011: EUR 49.4 million), mainly due to the significantly lower result of the Helsingin Sanomat business unit. Non-recurring items included in the operating profit totalled EUR -11.9 million (2011: EUR -9.2 million) and were related to an ICT system and restructuring costs. In the comparable year, non-recurring items were related to pension and exit packages.

News' investments in tangible and intangible assets totalled EUR 11.0 million (2011: EUR 16.9 million), and consisted mainly of investments in digital business, ICT and replacement investment in printing. There were no material acquisitions in 2012 or in the comparable year.

LEARNING

The Learning segment includes the Sanoma Learning strategic business unit. 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.

- 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	**10-12/ 2012**	**10-12/ 2011**	**Change %**	**1-12/ 2012**	**1-12/ 2011**	**Change %**
Net sales	**35.5**	39.2	-9.6	**312.4**	290.6	7.5
Learning	**35.5**	34.7	2.4	**306.4**	256.6	19.4
Other businesses	**0.0**	5.0	-100.0	**6.5**	36.1	-82.1
Eliminations	**0.0**	-0.4	92.0	**-0.5**	-2.1	75.8
Operating profit excluding non-recurring items *	**-22.0**	-20.0	-10.2	**59.6**	47.7	24.9
% of net sales	**-62.0**	-50.9		**19.1**	16.4	
Operating profit	**-22.0**	-23.0	4.2	**59.3**	43.9	35.0
Capital expenditure				**7.3**	10.0	-26.9
Return on investment (ROI), %				**11.0**	8.8	
Number of employees at the end of the period (FTE)				**1,735**	2,011	-13.7
Average number of employees (FTE)				**1,832**	2,088	-12.2

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

Fourth quarter

In October–December, net sales in the Learning segment decreased by 9.6% to EUR 35.5 million (2011: 39.2 million). Adjusted for structural changes, net sales increased by 0.4%.

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.

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.

Net sales in the learning business unit increased by 2.4% to EUR 35.5 million. In most of our operating countries market conditions remained stable. In Hungary, upcoming reforms may cause a lot of uncertainty in spending.

Operating profit excluding non-recurring items in the Learning segment decreased by 10.2% to EUR –22.0 million (2011: EUR -20.0 million). The decrease is mainly related to structural changes but partly explained by the timing shift between quarters. There were no non-recurring items included in the operating profit (2011: EUR -3.0 million).

Learning's investments in tangible and intangible assets totalled EUR 2.2 million (2011: EUR 3.5 million). They were comprised mainly of investments in ICT.

2012

In January–December, Learning segment's net sales increased by 7.5% to EUR 312.4 million (2011: EUR 290.6 million), mainly related to structural changes and improved underlying performance. Adjusted for structural changes, net sales increased by 8.6%.

Operating profit excluding non-recurring items in the Learning segment increased by 24.9% to EUR 59.6 million (2011: EUR 47.7 million), mainly related to acquisitions but also improved underlying performance. Non-recurring items included in the operating profit totalled EUR -0.3 million (2011: EUR -3.8 million).

Learning's investments in tangible and intangible assets totalled EUR 7.3 million (2011: EUR 10.0 million). They comprised mainly of investment in ICT. The most significant acquisition made in 2012 was the testing and examination company Bureau ICE. The most significant transaction in the comparable year was the acquisition of the Finnish educational publisher Tammi Learning (now part of Sanoma Pro) and the Swedish educational publisher Bonnier Utbildning (now Sanoma Utbildning).

THE GROUP

Personnel

In 2012, the average number of persons employed by the Sanoma Group was 10,804 (2011: 11,607). In full-time equivalents, the number of Group employees at the end of the year was 10,381 (2011: 10,960). Divestments and restructuring decreased the number of personnel in 2012. In full-time equivalents, the Media segment had 5,718 (2011: 5,638) employees at the end of 2012, the News segment 1,928 (2011: 2,025), the Learning segment 1,735 (2011: 2,011) and the Group functions 203 (2011: 178).

The total employee benefits to Sanoma employees in 2012, including the expense recognition of options granted, amounted to EUR 517.6 million (2011: 549.7 million).

Dividend

On 31 December 2012, Sanoma Corporation's distributable funds were EUR 578.7 million, of which profit for the year made up EUR 136.5 million.

The Board of Directors proposes to the Annual General Meeting that:
– A dividend of EUR 0.60 per share, or in total an estimated EUR 97.7 million, shall be paid.
– A sum of EUR 0.55 million shall be transferred to the donation reserve and used at the Board's discretion.
– The amount left in equity shall be EUR 480.4 million.

In accordance with the Annual General Meeting's decision, Sanoma paid out a per-share dividend of EUR 0.60 for 2011. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result excluding non-recurring items for the period in dividends.

AGM, Financial Statements and Annual Report

Sanoma Corporation's AGM will be held on 3 April 2013 at 14:00 Finnish time (CET+1) in the Congress Wing of the Helsinki Exhibition & Convention Centre, Finland. The agenda for the meeting will be available later on the Group's website at Sanoma.com.

Sanoma's Financial Statements, Board of Directors' Report and Corporate Governance Statement for 2012 will be published in digital format in the Archive section of the Group website during week 10 (the week beginning 4 March). The 'Sanoma View' will be published on 3 April 2013 and can be ordered from the Group's website Sanoma.com.

Shares and holdings

In 2012, 106,129,204 (2011: 89,486,428) Sanoma shares were traded on the NASDAQ OMX Helsinki and traded shares accounted for some 65% (2011: 55%) of the average number of shares. Sanoma's NASDAQ OMX Helsinki stock exchange turnover was EUR 851.7 million (2011: EUR 1,096.9 million). Sanoma's shares traded on the NASDAQ OMX Helsinki corresponded to around 65% of the total traded share volume on stock exchanges.

During 2012 the volume-weighted average price of a Sanoma share on the NASDAQ OMX Helsinki was EUR 8.15, with a low of EUR 5.79 and a high of EUR 11.70. At the end of the year, Sanoma's market capitalisation was EUR 1.2 billion (2011: EUR 1.4 billion), with Sanoma's share closing at EUR 7.44 (2011: EUR 8.87).

On 29 May 2012, Sanoma Corporation received flagging notifications pursuant to Chapter 2 Section 9 of the Finnish Securities Markets Act (26 May 1989 / 495) concerning shares in Sanoma Corporation. Aatos Erkko's estate announced that the ownership of shares in Sanoma Corporation held by the estate (directly and indirectly via Asipex Oy) on 29 May 2012 will transfer to the Jane and Aatos Erkko Foundation after the estate inventory has been concluded and the testamentary disposition has been executed. Following this, the shares held by the estate in Sanoma Corporation will decrease from 37,483,619 shares, to zero, i.e. 0.0000% 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 will increase by the corresponding amount, thus exceeding 20% of all shares and votes in Sanoma Corporation.

On 3 October 2012, Sanoma Corporation received flagging notifications pursuant to Chapter 2 Section 9 of the Finnish Securities Markets Act (26 May 1989 / 495) 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 was 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% 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 on the date of flagging exceeding 20% of all shares and votes in Sanoma Corporation.

On 31 October 2012, Sanoma Corporation received flagging notifications pursuant to Chapter 2 Section 9 of the Finnish Securities Markets Act (26 May 1989 / 495) concerning shares in Sanoma Corporation, stating that the ownership to shares in Sanoma Corporation held by Oy Asipex Ab (indirectly owned by Jane and Aatos Erkko Foundation) has been transferred in a transaction between Jane and Aatos Erkko Foundation and Oy Asipex Ab to the Jane and Aatos Erkko Foundation (direct ownership). Following this, the shares held by the Oy Asipex Ab in Sanoma Corporation decreased from the current 11,803,543 shares, to zero, i.e. 0.00% of all shares and votes in Sanoma Corporation. The direct holding of Jane and Aatos Erkko Foundation of the shares and voting rights of Sanoma Corporation increased by the corresponding amount to 37,483,619 shares, thus on the date of flagging totalling 23.02% of all shares and votes in Sanoma Corporation.

On 2 November 2012, Sanoma Corporation received a flagging notification pursuant to Chapter 2 Section 9 of the Finnish Securities Markets Act (26 May 1989 / 495) concerning shares in Sanoma Corporation, stating that the total ownership to shares in Sanoma Corporation held by Mr Antti Herlin and the companies he controls, Holding Manutas Oy and Security Trading Oy, has increased from 7,556,800 shares to 8,556,800, thus on the date of flagging totalling 5.26% of all shares and votes in Sanoma Corporation.

At the end of 2012, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

Board of Directors, auditors and management

The AGM held on 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 December 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), 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 fourth 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, for example, by 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.

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

Significant risks and uncertainty factors (unchanged)

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

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

Normal business risks associated with the industry relate to developments in media advertising and consumer spending. Media advertising is sensitive to economic fluctuations. Therefore, general economic conditions and economic trends 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.

FULL-YEAR STATEMENT (AUDITED)

Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 31 December 2012. 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 CONTINUING OPERATIONS	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
NET SALES	**586.7**	627.9	**2,376.3**	2,378.1
Other operating income	**15.7**	29.1	**52.5**	116.5
Materials and services	**199.6**	207.0	**816.3**	858.2
Employee benefit expenses	**155.4**	168.8	**613.6**	611.7
Other operating expenses	**141.8**	147.1	**491.5**	541.3
Share of results in associated companies				-1.2
Depreciation, amortisation and impairment losses	**99.7**	88.1	**325.2**	309.5
OPERATING PROFIT	**6.0**	46.0	**182.3**	172.6
Share of results in associated companies	**-0.2**	-2.2	**-17.7**	-3.7
Financial income	**3.0**	9.3	**18.2**	13.9
Financial expenses	**18.0**	22.2	**75.6**	46.6
RESULT BEFORE TAXES	**-9.1**	30.8	**107.3**	136.3
Income taxes	**-0.3**	-9.7	**-36.4**	-57.7
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-9.4**	21.1	**70.9**	78.6
DISCONTINUED OPERATIONS				
Result for the period from discontinued operations	**0.0**	3.3	**79.0**	7.4
RESULT FOR THE PERIOD	**-9.4**	24.4	**149.9**	86.0
Result from continuing operations attributable to:				
Equity holders of the Parent Company	**-10.8**	14.9	**64.7**	77.0
Non-controlling interests	**1.4**	6.2	**6.2**	1.5
Result attributable to:				
Equity holders of the Parent Company	**-10.8**	18.1	**143.7**	84.5
Non-controlling interests	**1.4**	6.2	**6.2**	1.5
Earnings per share for result attributable to the equity holders of the Parent company:				
Earnings per share, EUR, continuing operations	**-0.07**	0.09	**0.40**	0.47
Diluted earnings per share, EUR, continuing operations	**-0.07**	0.09	**0.40**	0.47
Earnings per share, EUR, discontinued operations	**0.00**	0.02	**0.49**	0.05
Diluted earnings per share, EUR, discontinued operations	**0.00**	0.02	**0.49**	0.05
Earnings per share, EUR	**-0.07**	0.11	**0.88**	0.52
Diluted earnings per share, EUR	**-0.07**	0.11	**0.88**	0.52

STATEMENT OF COMPREHENSIVE INCOME EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Result for the period	**-9.4**	24.4	**149.9**	86.0
Other comprehensive income:				
Change in translation differences	**-2.9**	-2.2	**23.4**	-25.6
Cash flow hedges	**3.2**	-4.8	**0.9**	-11.7
Income tax related to cash flow hedges	**-0.8**	1.1	**-0.2**	2.9
Other comprehensive income for the period, net of tax	**-0.5**	-5.9	**24.1**	-34.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-9.8**	18.5	**174.0**	51.6
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**-11.2**	12.3	**167.8**	50.1
Non-controlling interests	**1.4**	6.2	**6.2**	1.5

CONSOLIDATED BALANCE SHEET

EUR million	31.12.2012	31.12.2011
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	**283.4**	343.6
Investment property	**12.0**	5.8
Goodwill	**2,307.6**	2,316.2
Other intangible assets	**700.2**	709.8
Interests in associated companies	**8.1**	219.3
Available-for-sale financial assets	**8.0**	15.4
Deferred tax receivables	**28.8**	29.9
Trade and other receivables	**48.4**	44.3
NON-CURRENT ASSETS, TOTAL	**3,396.6**	3,684.3
CURRENT ASSETS		
Inventories	**66.2**	96.8
Income tax receivables	**27.1**	12.5
Trade and other receivables	**384.1**	418.4
Available-for-sale financial assets	**0.3**	0.3
Cash and cash equivalents	**167.2**	116.0
CURRENT ASSETS, TOTAL	**645.0**	644.0
ASSETS, TOTAL	**4,041.6**	4,328.3
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the equity holders of the Parent Company		
Share capital	**71.3**	71.3
Fund for invested unrestricted equity	**203.3**	203.3
Other reserves	**-8.0**	-8.7
Other equity	**1,058.6**	988.0
	1,325.1	1,253.9
Non-controlling interests	**303.4**	270.3
EQUITY, TOTAL	**1,628.6**	1,524.2
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**143.6**	146.1
Pension obligations	**14.2**	17.2
Provisions	**4.1**	6.3
Financial debt	**942.2**	1,101.2
Trade and other payables	**44.9**	38.9
NON-CURRENT LIABILITIES, TOTAL	**1,148.9**	1,309.7
CURRENT LIABILITIES		
Provisions	**13.0**	15.3
Financial debt	**466.5**	626.0
Income tax liabilities	**27.4**	27.4
Trade and other payables	**757.1**	825.8
CURRENT LIABILITIES, TOTAL	**1,264.1**	1,494.5
LIABILITIES, TOTAL	**2,413.0**	2,804.1
EQUITY AND LIABILITIES, TOTAL	**4,041.6**	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**
Share subscription with options		0.0			0.0		0.0
Expense recognition of options granted				3.5	3.5		3.5
Dividends paid				-179.1	-179.1	-0.6	-179.7
Change in non-controlling interests				8.2	8.2	264.6	272.8
Comprehensive income for the period			-8.8	58.9	50.1	1.5	51.6
Equity at 31 December 2011	**71.3**	**203.3**	**-8.7**	**988.0**	**1,253.9**	**270.3**	**1,524.2**
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				2.6	2.6		2.6
Dividends paid				-97.7	-97.7	-0.4	-98.1
Change in non-controlling interests				-1.5	-1.5	27.4	25.9
Comprehensive income for the period			0.7	167.2	167.8	6.2	174.0
Equity at 31 December 2012	**71.3**	**203.3**	**-8.0**	**1,058.6**	**1,325.1**	**303.4**	**1,628.6**

INCOME STATEMENT BY QUARTER
EUR million

CONTINUING OPERATIONS	**1-3/ 2012**	**4-6/ 2012**	**7-9/ 2012**	**10-12/ 2012**	**1-3/ 2011**	**4-6/ 2011**	**7-9/ 2011**	**10-12/ 2011**
NET SALES	543.6	646.5	599.5	**586.7**	530.2	592.6	627.4	627.9
Other operating income	8.6	19.4	8.7	**15.7**	7.0	70.0	10.4	29.1
Materials and services	190.0	212.2	214.6	**199.6**	205.5	217.3	228.4	207.0
Employee benefit expenses	156.2	156.4	145.6	**155.4**	148.1	152.1	142.6	168.8
Other operating expenses	122.4	118.2	109.1	**141.8**	118.7	136.6	139.0	147.1
Share of results in associated companies						-0.1	-1.1	
Depreciation, amortisation and impairment losses	67.6	80.6	77.2	**99.7**	37.7	39.8	143.9	88.1
OPERATING PROFIT	15.9	98.5	61.8	**6.0**	27.2	116.7	-17.2	46.0
Share of results in associated companies	-16.4	-3.4	2.3	**-0.2**	1.9	-0.1	-3.2	-2.2
Financial income	7.0	4.9	3.3	**3.0**	2.3	1.4	1.0	9.3
Financial expenses	20.7	19.1	17.8	**18.0**	4.7	6.6	13.1	22.2
RESULT BEFORE TAXES	-14.1	80.8	49.7	**-9.1**	26.7	111.3	-32.5	30.8
Income taxes	-3.6	-21.8	-10.7	**-0.3**	-8.3	-18.4	-21.3	-9.7
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-17.8	59.0	39.0	**-9.4**	18.4	92.9	-53.8	21.1
DISCONTINUED OPERATIONS								
Result for the period from discontinued operations	1.2	78.6	-0.7	**0.0**	0.1	4.6	-0.5	3.3
RESULT FOR THE PERIOD	-16.6	137.6	38.3	**-9.4**	18.5	97.5	-54.4	24.4
Result from continuing operations attributable to:								
Equity holders of the Parent Company	-19.0	56.3	38.1	**-10.8**	18.4	92.9	-49.2	14.9
Non-controlling interests	1.2	2.7	0.9	**1.4**	0.0	-0.1	-4.6	6.2
Result attributable to:								
Equity holders of the Parent Company	-17.8	135.0	37.4	**-10.8**	18.5	97.5	-49.7	18.1
Non-controlling interests	1.2	2.6	0.9	**1.4**	0.0	-0.1	-4.6	6.2
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	**-0.07**	0.11	0.57	-0.30	0.09
Diluted earnings per share, EUR, continuing operations	-0.12	0.35	0.23	**-0.07**	0.11	0.57	-0.30	0.09
Earnings per share, EUR, discontinued operations	0.01	0.48	0.00	**0.00**	0.00	0.03	0.00	0.02
Diluted earnings per share, EUR, discontinued operations	0.01	0.48	0.00	**0.00**	0.00	0.03	0.00	0.02
Earnings per share, EUR	-0.11	0.83	0.23	**-0.07**	0.11	0.60	-0.31	0.11
Diluted earnings per share, EUR	-0.11	0.83	0.23	**-0.07**	0.11	0.60	-0.31	0.11

INCOME STATEMENT BY QUARTER
EUR million

CONTINUING OPERATIONS	1-12/ 2012	1-12/ 2011
NET SALES	**2,376.3**	2,378.1
Other operating income	**52.5**	116.5
Materials and services	**816.3**	858.2
Employee benefit expenses	**613.6**	611.7
Other operating expenses	**491.5**	541.3
Share of results in associated companies		-1.2
Depreciation, amortisation and impairment losses	**325.2**	309.5
OPERATING PROFIT	**182.3**	172.6
Share of results in associated companies	**-17.7**	-3.7
Financial income	**18.2**	13.9
Financial expenses	**75.6**	46.6
RESULT BEFORE TAXES	**107.3**	136.3
Income taxes	**-36.4**	-57.7
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**70.9**	78.6
DISCONTINUED OPERATIONS		
Result for the period from discontinued operations	**79.0**	7.4
RESULT FOR THE PERIOD	**149.9**	86.0
Result from continuing operations attributable to:		
Equity holders of the Parent Company	**64.7**	77.0
Non-controlling interests	**6.2**	1.5
Result attributable to:		
Equity holders of the Parent Company	**143.7**	84.5
Non-controlling interests	**6.2**	1.5
Earnings per share for result attributable to the equity holders of the Parent company:		
Earnings per share, EUR, continuing operations	**0.40**	0.47
Diluted earnings per share, EUR, continuing operations	**0.40**	0.47
Earnings per share, EUR, discontinued operations	**0.49**	0.05
Diluted earnings per share, EUR, discontinued operations	**0.49**	0.05
Earnings per share, EUR	**0.88**	0.52
Diluted earnings per share, EUR	**0.88**	0.52

CONSOLIDATED CASH FLOW STATEMENT **EUR million**	**1-12/ 2012**	**1-12/ 2011**
OPERATIONS		
Result for the period	**149.9**	86.0
Adjustments		
Income taxes	**37.0**	58.1
Financial expenses	**75.6**	49.1
Financial income	**-18.2**	-13.9
Share of results in associated companies	**17.7**	4.9
Depreciation, amortisation and impairment losses	**327.8**	319.7
Gains/losses on sales of non-current assets	**-79.6**	-56.8
Acquisitions of broadcasting rights and prepublication costs	**-207.4**	-120.3
Other adjustments	**-3.9**	3.5
Change in working capital		
Change in trade and other receivables	**-2.4**	0.8
Change in inventories	**5.4**	0.4
Change in trade and other payables, and provisions	**-15.8**	49.0
Interest paid	**-35.7**	-23.6
Other financial items	**-9.2**	-17.4
Taxes paid	**-49.3**	-65.5
CASH FLOW FROM OPERATIONS	**192.0**	273.8
INVESTMENTS		
Acquisition of tangible and intangible assets	**-63.5**	-70.8
Operations acquired	**-25.7**	-1,350.2
Sales of tangible and intangible assets	**16.4**	14.0
Operations sold	**317.2**	74.0
Loans granted	**-9.2**	-8.7
Repayments of loan receivables	**8.1**	246.3
Sales of short-term investments	**0.0**	0.0
Interest received	**3.7**	3.2
Dividends received	**5.5**	14.9
CASH FLOW FROM INVESTMENTS	**252.4**	-1,077.4
CASH FLOW BEFORE FINANCING	**444.4**	-803.6
FINANCING		
Proceeds from share subscriptions		0.0
Minority capital investment/repayment of equity	**26.6**	264.0
Change in loans with short maturity	**-32.3**	-183.5
Drawings of other loans	**1,103.0**	1,042.7
Repayments of other loans	**-1,465.1**	-84.5
Payment of finance lease liabilities	**-0.9**	-2.0
Dividends paid	**-98.1**	-179.7
Donations/other profit sharing		0.0
CASH FLOW FROM FINANCING	**-466.9**	857.1
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	**-22.5**	53.6
Effect of exchange rate differences on cash and cash equivalents	**2.0**	-1.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-20.4**	52.4
Cash and cash equivalents at the beginning of the period	**93.5**	41.1
Cash and cash equivalents at the end of the period	**73.1**	93.5

Cash and cash equivalents in 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	10-12/ 2012	1-3/ 2011	4-6/ 2011	7-9/ 2011	10-12/ 2011
MEDIA								
The Netherlands	171.6	208.1	173.5	**207.2**	105.3	130.6	174.0	232.2
Finland	77.4	76.7	65.4	**82.2**	74.2	79.4	70.0	86.2
Russia & CEE	49.0	50.1	46.9	**53.5**	51.4	54.3	50.8	56.7
Belgium	56.8	54.6	52.9	**64.1**	50.1	48.7	48.4	61.9
Other businesses and eliminations	-0.7	-0.8	-0.6	**-0.7**	-0.9	-1.8	-0.9	-1.2
TOTAL	354.1	388.6	338.1	**406.3**	280.0	311.2	342.2	435.8
NEWS								
Helsingin Sanomat	59.3	56.2	52.2	**57.1**	61.2	61.2	55.3	60.8
Ilta-Sanomat	21.2	22.0	20.0	**21.1**	19.1	22.2	21.6	21.6
Other publishing	25.2	24.3	22.3	**24.6**	23.7	25.0	22.9	25.4
Other businesses and eliminations	4.3	4.3	3.9	**4.8**	4.4	3.9	3.4	4.2
TOTAL	110.0	106.8	98.3	**107.6**	108.4	112.2	103.2	112.0
LEARNING								
Learning	34.2	109.3	127.4	**35.5**	34.3	87.4	100.2	34.7
Other businesses	4.6	1.8	0.0	**0.0**	10.1	10.2	10.8	5.0
Eliminations	-0.4	0.0	0.0	**0.0**	-0.4	-0.6	-0.6	-0.4
TOTAL	38.4	111.1	127.4	**35.5**	44.0	97.0	110.4	39.2
Other companies and eliminations	41.1	40.0	35.6	**37.3**	97.8	72.1	71.6	40.9
CONTINUING OPERATIONS	543.6	646.5	599.5	**586.7**	530.2	592.6	627.4	627.9

NET SALES BY BUSINESS UNIT

EUR million	1-12/ 2012	1-12/ 2011
MEDIA		
The Netherlands	**760.4**	642.0
Finland	**301.7**	309.7
Russia & CEE	**199.5**	213.1
Belgium	**228.3**	209.1
Other businesses and eliminations	**-2.7**	-4.8
TOTAL	**1,487.1**	1,369.2
NEWS		
Helsingin Sanomat	**224.9**	238.5
Ilta-Sanomat	**84.3**	84.4
Other publishing	**96.4**	97.0
Other businesses and eliminations	**17.2**	15.9
TOTAL	**422.8**	435.8
LEARNING		
Learning	**306.4**	256.6
Other businesses	**6.5**	36.1
Eliminations	**-0.5**	-2.1
TOTAL	**312.4**	290.6
Other companies and eliminations	**154.0**	282.4
CONTINUING OPERATIONS	**2,376.3**	2,378.1

OPERATING PROFIT BY SEGMENT

EUR million	**1-3/ 2012**	**4-6/ 2012**	**7-9/ 2012**	**10-12/ 2012**	**1-3/ 2011**	**4-6/ 2011**	**7-9/ 2011**	**10-12/ 2011**
Media	26.9	51.9	20.3	**30.9**	22.8	46.6	-31.9	53.0
News	8.9	5.1	-1.5	**8.0**	12.9	9.9	12.5	4.9
Learning	-14.9	51.1	45.1	**-22.0**	-5.1	29.4	42.6	-23.0
Other companies and eliminations	-5.0	-9.6	-2.0	**-10.9**	-3.3	30.8	-40.4	11.0
CONTINUING OPERATIONS	15.9	98.5	61.8	**6.0**	27.2	116.7	-17.2	46.0

OPERATING PROFIT BY SEGMENT

EUR million	**1-12/ 2012**	**1-12/ 2011**
Media	**130.0**	90.4
News	**20.5**	40.2
Learning	**59.3**	43.9
Other companies and eliminations	**-27.5**	-1.9
CONTINUING OPERATIONS	**182.3**	172.6

OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY SEGMENT

EUR million	**1-3/ 2012**	**4-6/ 2012**	**7-9/ 2012**	**10-12/ 2012**	**1-3/ 2011**	**4-6/ 2011**	**7-9/ 2011**	**10-12/ 2011**
Media	26.9	54.5	23.0	**46.9**	22.8	37.5	24.9	64.4
News	8.9	5.1	8.4	**10.0**	12.9	9.9	12.5	14.1
Learning	-14.9	47.0	49.5	**-22.0**	-6.0	31.1	42.6	-20.0
Other companies and eliminations	-5.0	-2.4	-0.7	**-2.8**	-3.3	-12.9	-2.4	-3.9
CONTINUING OPERATIONS	15.9	104.2	80.1	**32.1**	26.3	65.6	77.6	54.7

OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY SEGMENT

EUR million	**1-12/ 2012**	**1-12/ 2011**
Media	**151.2**	149.5
News	**32.4**	49.4
Learning	**59.6**	47.7
Other companies and eliminations	**-10.9**	-22.5
CONTINUING OPERATIONS	**232.3**	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.

The Group includes three reportable segments: Media, News and Learning. The segmentation is based on business model and product differences. Media, operating in 11 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, tax receivables and deferred tax receivables. Transactions between segments are based on market prices.

Sanoma segments 1.1-31.12.2012

EUR million	Media	News	Learning	Other Companies/ eliminations	Continuing operations	Discontinued operations	Total
External net sales	1,484.3	422.1	311.6	157.7	2,375.8	116.4	2,492.2
Internal net sales	2.8	0.7	0.8	-3.7	0.6	1.5	
NET SALES, TOTAL	1,487.1	422.8	312.4	154.0	2,376.3	117.9	2,492.2
OPERATING PROFIT	130.0	20.5	59.3	-27.5	182.3	79.7	262.0
Share of results in associated companies	-18.8	0.5	0.0	0.7	-17.7		-17.7
Financial income				18.2	18.2	0.1	18.2
Financial expenses				75.6	75.6	0.1	75.6
RESULT BEFORE TAXES					107.3	79.7	186.9
SEGMENT ASSETS	2,819.0	297.0	504.8	179.5			3,800.3

Sanoma segments 1.1-31.12.2011

EUR million	Media	News	Learning	Other Companies/ eliminations	Continuing operations	Discontinued operations	Total
External net sales	1,365.5	434.1	279.6	297.6	2,376.8	369.4	2,746.2
Internal net sales	3.7	1.7	11.0	-15.2	1.2	5.9	
NET SALES, TOTAL	1,369.2	435.8	290.6	282.4	2,378.1	375.3	2,746.2
OPERATING PROFIT	90.4	40.2	43.9	-1.9	172.6	10.3	182.9
Share of results in associated companies	-2.5	0.6	0.4	-2.2	-3.7		-3.7
Financial income				13.9	13.9	0.3	13.9
Financial expenses				46.6	46.6	2.8	49.1
RESULT BEFORE TAXES					136.3	7.8	144.1
SEGMENT ASSETS	3,026.1	320.7	494.4	311.3			4,152.5

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**343.6**	429.3
Increases	**29.0**	52.9
Acquisition of operations	**2.3**	7.0
Decreases	**-5.2**	-2.2
Disposal of operations	**-45.0**	-86.9
Depreciation for the period	**-40.7**	-50.5
Impairment losses for the period	**-1.3**	-3.9
Exchange rate differences and other changes	**0.6**	-2.1
Carrying amount at the end of the period	**283.4**	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 273.9 million (2011: EUR 173.8 million).

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET

EUR million	1-12/ 2012	1-12/ 2011
Acquisition costs	**27.3**	1,415.2
Fair value of acquired net assets	**4.1**	433.2
Goodwill	**23.2**	982.0

CONTINGENT LIABILITIES

EUR million	31.12.2012	31.12.2011
Contingencies for own commitments		
Mortgages	**9.7**	9.7
Pledges	**2.4**	2.5
Other items	**45.8**	0.3
TOTAL	**57.9**	12.5
Other contingencies		
Operating lease liabilities	**199.4**	196.1
Royalties	**17.5**	19.8
Other items	**46.0**	51.3
TOTAL	**262.9**	267.2
TOTAL	**320.8**	279.7

DERIVATIVE INSTRUMENTS
EUR million

Fair values	31.12.2012	31.12.2011
Interest rate derivatives		
Interest rate swaps	**-16.2**	-11.5
Currency derivatives		
Forward contracts	**-1.1**	0.6

KEY EXCHANGE RATES

Average rate	1-12/ 2012	1-12/ 2011
EUR/CZK (Czech Koruna)	25.19	24.64
EUR/HUF (Hungarian Forint)	290.24	280.46
EUR/PLN (Polish Zloty)	4.19	4.13
EUR/RUB (Russian Rouble)	40.24	41.02
EUR/SEK (Swedish Crown)	8.70	9.00
Closing rate	**31.12.2012**	**31.12.2011**
EUR/CZK (Czech Koruna)	25.15	25.79
EUR/HUF (Hungarian Forint)	292.30	314.58
EUR/PLN (Polish Zloty)	4.07	4.46
EUR/RUB (Russian Rouble)	40.33	41.77
EUR/SEK (Swedish Crown)	8.58	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 7 February 2013 at 13:30 CET+1 at Sanomatalo, Töölönlahdenkatu 2 (seventh 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 0125 (Europe) or +1 334 323 6203 (US) and quote the conference code 928086.

Sanoma will publish its Interim Reports in 2013 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

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 over 10,000 professionals in some 20 countries. In 2012, the Group's net sales totalled EUR 2.4 billion. Sanoma's shares are listed on the NASDAQ OMX Helsinki.