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Presenters: **Susan Duinhoven, Kim Ignatius**

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Olli Turunen: Ladies and gentlemen, good morning and welcome to Sanoma's Third Quarter Results Presentation. My name is Olli Turunen, I'm Head of Investor relations at Sanoma. Next to me is our new President and CEO Susan Duinhoven and our CFO Kim Ignatius. After the presentation you will have a chance to ask questions here in the studio and also over the phone, but first please Susan, go ahead.

Susan Duinhoven: Thank you very much. I'm very pleased to be here, good morning. I would like to share not only focusing on the third quarter results where Kim will take the lead, I would like to share with you a little bit my first impressions. I have been associated with Sanoma from 1st April as a board member and now the last 3½ weeks as the CEO. I think it's interesting coming from the outside in to share with you a bit what I see as the strength and where the opportunities are. I think Sanoma is really a truly great media company, very talented and dedicated people and strong brands, great content and because of that also great reach into the audiences in our two key media markets Finland and the Netherlands. I think the flavour and why I also enjoy working let's say in the media, the flavour of the people dedicated to inform, to entertain, to inspire readers, viewers, teachers, that is what drives a media company and I think Sanoma is a really good example of that.

Now there are also opportunities because this is a business in transition and the world around us is changing very quickly so media companies have to change as well and I think there lies also a good opportunity for Sanoma when it can continue to focus on the customer's needs and that I think is an essential part to continue to be totally externally focused to our markets, to our consumers and to our advertisers because the advertisers we need to assist in doing business because also for our advertisers the changes in the media landscape post difficulties in reaching their audiences and we are I think uniquely positioned to assist them there. The assistance then needs to be also in different ways, so what I call data driven advertising, the buzzword around it is a little bit big data but I typically have a bit of uncertainty of what it is then big, everything is relative. Within Sanoma big data is truly big data if you look at the reach of the company, but I think the essence of it for an advertiser is much more to be able to reach out targeted audiences, not only the mass but also targeted audiences based on affinities, based on interest areas that they have indicated to us. So those type of advertising solutions, I think that's where the future is and that is also very interesting for the readers because they get less but much more relevant advertising served on our media.

Then as an industry I think what I would like to call we need to innovate in our cost base and in our way of producing, our way of getting the media, getting the information but also in delivering it and that is I think an area of attention. What I then try to avoid is the word cost savings because that looks as if you're doing exactly the same but just with less people but innovating in the ways you drive your business and I think that's where a significant opportunity for Sanoma is, as for many other media companies.

Now the reason also why to be focused on that is that our advertising markets remain challenging and no-one will have a debate I think on that one. If we look now in the third quarter at our two key markets, the Netherlands and Finland, we do see that they operate at a little bit of a different pace: the Netherlands +4% on the total, -4% on the total, so the Finnish economic development keeps on impacting the advertising market. If I then pick out two media types where the difference is even more pronounced, there you see that in the Netherlands, a very strong TV quarter, +11% in the market where in Finland -8%, so that's a big difference in a key segment of our advertising market, and our Dutch business, SBS business benefited nicely and had also a very strong TV quarter with an increasing viewer share but also with a bit of wind from the back from the market.

Now if you then coming in you have an opportunity to take a step back and get the big picture for these businesses and then Kim will go into more detail on the quarterly results, but let me start with learning because learning we're talking a lot about media, but learning, a close to 300 million business for us, very advanced actually in its digital transformation in multiple countries operating, so broader than our media base, progressing well, third quarter also a good quarter. Some risks in that business also which we have seen play out in Poland where the governmental regulations have changed to such an extent that they actually took away a very significant part of the market. Our team at Nova Era has done really an excellent job in making sure that they pivoted their business model, became a much more broader distributor also for other complementary offerings to the schools, managed actually to grow both share and top line revenues. Of course it had an impact because they are distributing other people's product, it had an impact to their margins, but overall I think a very good result. So learning, I think a very interesting business, a business of the future, important to our market, to educate our children in a good way and leading in that digital transformation.

If I then go to the Dutch and Belgian media business, transformation put in place two years ago, a strong focus on a limited number of brands, very good progress across media, so they really focus on developing their brands which might have started as a traditional magazine brand. Just this week we launched Linda.TV. It might not mean for you here in Finland a lot but Linda is one of the largest magazine titles in the Sanoma portfolio, a very strong brand and they are going into events, they're going into TV and really sort of exploring the brand in all its aspects starting from the target audience and seeing what they like, their interests, that's what we pull forward and that I think is a strong approach and you see that in the Dutch market where they have been working on that for two years, you see the effect and in the third quarter for example stable revenues if you look at it on a like-for-like basis.

In Finland you've heard the announcements last week, we've announced also and have reached a conclusion on the cooperation negotiations, so there the turnaround is already in progress but that will still need a bit of time to mature and to really sort of get that change implemented throughout the business and I will go into a bit of detail on there in the next slide. I just want to touch base a little bit on the more traditional way of looking at a business where you say TV and radio, magazine, online, mobile. On purpose I look at that a little bit as a traditional way. If I take an example out of the Finnish market, Ilta-Sanomat, where I was really sort of impressed with the fact that here you have a newspaper traditionally I would say that's a print business but with 3.3 million video starts each week, so this is becoming online but this is becoming almost TV-like in its video impact, of course for advertisers also therefore very interesting with the same brand proposition, with the same offering to the consumer but managing to translate that actually across media, so that's where I'm saying we will of course provide you with the insight per medium type – bear in mind that when we say magazine it actually is much more than just the printed magazine, it much more centres around the magazine brands or the newspaper brands.

Now I think on all these aspects online growth in Finland is pretty strong, B2C sales in the newsprint business, strong, stable B2C sales. I think that is something to really highlight because it's in essence the reader that is driving our business because the advertiser is interested to get in contact with the reader but therefore to be able to keep that stable and to increase reach through these different media types, that is truly impressive and therefore I hope my enthusiasm for the business comes through a little bit.

If I go a little bit more in detail on Finland, just because I was also so impressed looking through the business with these numbers, if you see we reach monthly more than 3 million adult Finns that we reach, more than 1 million paying customers which also shows that the digitalisation in the Finnish market has really also taken place paying, because in many countries we see that people use digital but do not pay for it, but here they pay in order to get the online news available. I think in all these areas the Finnish portfolio I think is the most grounded portfolio that you can have going from TV, radio, online but also VOD, Ruutu, very well developed already and in a strong position, more views than YouTube, so I think it's the modesty sometimes also of Sanoma to not say that too much out loud, but to an advertiser of course this is a pretty important way to reach in all the different aspects. So strong brands, magnificent reach, to the advertiser what we will be positioning and the team in Finland has put that now in place that to the advertiser will look at our grouping of brands, domains you could call them where as an advertiser your interest in news, we'll take care that as it goes cross-media and even also across the brand in order to get the maximum reach or to target you even more specifically in order to get your conversion. So towards the advertiser, a domain approach; towards the consumer very much a brand approach because the brands are different. I'm only showing here a very limited set of brands by the way, there are many more of course but each brand has its own interest area, its own target audience so that will be important to maintain.

Now the cost saving programme when we go into a bit more detail there, the 50 million programme in the Finnish market was introduced on August 25th. The vast majority of those savings will be realised by the end of 2016. The announcement last week you heard, the people were also affected and the end of the cooperation negotiations. Of course the savings do not only comprise of personnel but also in all other aspects and you can also see that the savings basically impact all aspects of the business going from content, so from editorial to distribution and printing, marketing, sales and also the support functions not only within the Finnish company but also of the group, and so a really thorough look through the cost elements. As I indicate that will remain an area of focus. The last thing to mention is that we also have closed down the Forssa printing facilities already by the end of August. So that comprises the cost saving programme that was announced earlier and that is now fully into its implementation.

Now if I then summarise my key priorities, the way I see that for the company, I think first and foremost, I can’t stress that enough specifically internally I stress that a lot is of course fulfilling our customer needs, fulfilling for our consumer, delivering the inspiration, the entertainment, the information of the highest quality that is consistent with our brands but for the advertiser helps them do more business. That is our goal in the advertising market, to help convert that reach into true business and benefits for our advertisers. On the learning I already indicated quite a substantial investment and skills in the digitalisation and it’s now a focus to grow out of that and to really have the maximum benefit from those investments. Accelerate cost innovation and I think I would stress that cost innovation is really a creative process. It’s not just looking at where can I take costs out, but it’s really thinking through how can I utilise also the changes in the outside world to improve my processes, to do it in a more clever way, so to accelerate that thinking and then to increase financial flexibility, and I see as a consequence of that we are highly leveraged. We will deleverage and we will focus on doing that through operational excellence, through improving our profitability, through improving our cash conversion and that’s the way I think we will gain the financial flexibility. Of course we’re at the moment in the initial talks with our core banks on the refinancing, that is of course on our calendar but I think it is important that it’s those first three points that actually will generate that push to the business.

With that I wanted to conclude my little bit high level picture for you and I want to hand over to Kim to give a more detailed view on the third quarter results.

Kim Ignatius: Thank you Susan and good morning everybody, a very warm welcome also on my behalf to this quarterly meeting. Q3 this year was a very strong quarter for us and it's really driven by two different businesses, our media business in the Netherlands had a very strong performance in a good market environment; also our learning operations did very well. We remember that there was because of the changed ordering pattern some time shift from the earlier quarters into Q3 and this has now taken place. So net sales, organic growth -0.4%, so pretty close to the levels that we had for Q3 last year. EBIT excluding non-recurring items at 62.5 million and actually a bit better than what we had in last year's Q3 quarter. So Media BeNe, we've done a lot of cost savings, we've done portfolio pruning as you know. We now have a focused approach with our magazines and this focused approach with the domain thinking has really paid off and we are on a like-to-like basis actually growing even in our traditional part of the media business in the market, so a very strong performance from that perspective. As mentioned already the TV markets grew a lot for Q3, we also improved our operations with the market and as a result of these two parts of our business was then a very solid quarter for the entity. Learning as communicated, we saw the sales picking up in our biggest countries. Media Finland, the market conditions continued to be adverse and because of this we did initiate the savings programme that you all are aware of.

Looking at the new media sales, good growth in Q3 as well, 6%, two different business areas driving that development, online and mobile sales grew 20% in Finland, that's a good achievement. The base is still fairly low, we grew from 18 to 22 million so a good improvement but still not enough to offset the declines that we see in the traditional part of the business; and as already discussed the TV sales growing by 7% in our Dutch marketplace.

Looking at the units still a bit more in detail, so Media BeNe, negative growth of 0.3%, so pretty much flat, actually sales came down by €7.2 million. Good growth in TV, also a good growth in the focused portfolio that we have in magazines. The absolute numbers came down because of titles being sold in the entity during the year. Media Finland as mentioned double digit growth in online mobile, sales still coming down quite a bit, 60 million, there is an 18% decline in the print operation and it's mainly because of the divestments that we've done in the entity, so we've sold Lehtimedia, as you know, our South Eastern regional newspaper business adding up to a bit over 8 million on the comparable quarters and also we have divested some magazines adding up to 1.7 million in sales. Learning €8.8 million increase, it comes from the two main markets that we have, Poland actually as mentioned by Susan already doing extremely well, we grew over 8 million compared to last year's Q3 also Malmberg growing around 2.7 million, some declines in the other areas. Our Polish international business did decline a bit over 2 million compared to last year. Other eliminations down by 4 million, in that unit as you know we have our non-core businesses and the trends for those operations are in decline.

Looking at the EBIT, so 62.5 million and here Media BeNe reporting a 20 million EBIT compared to the 13.9 million last year, so really strong performance based on the reasons that I have already mentioned. In addition to the well-developed markets and our own performance we have continued to focus on the cost efficiency and with that to enhance the performance levels. We did divest the magazine businesses in Belgium and this had around 1.5 million negative impact already on the quarterly numbers. In Media Finland we have a decline of EBIT at 8 million level and the majority of this delta comes from the write down of the Hockey League assets representing a level of €6 million. Learning, 5.4 million incremental EBIT versus last year's Q3 mainly because of the sales shift from Q1 and Q2 but also because of continuous focus on the cost base, managing it. Other and elimination some one-off items plus the negative trends that we see in the non-core assets.

Looking at the income statement 458 million, the reported decline is 4%, the organic growth was negative 0.4% and when we study our cost base, the cost base is actually coming down by 7%, so more than the reported sales. It is partly because of markets as an example through paper prices adjusting to the changing environment, it's naturally because we are aligning our own businesses to adjust to the changing market conditions but it's also because of the mix that we have for Q3, so we have more TV business in this quarter, we also have a high level of learning sales in the mix and that improves the profitability levels. Still even after deducting the programme rights and pre-publication rights from the EBITDA in euro terms we had a clearly better quarter than we had last year.

The other amortisations line here being higher than last year includes the write-down of the hockey league programme right, so EBIT excluding non-recurring items 62.5 million and 13.6%. We have a fairly good sized non-recurring item reported for this quarter adding up to 52.5

million. There are two big things there. First is our Russian operation and Fashion Press, the remaining business that we still have there. We did sign a transaction to sell that asset already last December. This transaction was not approved by the authorities and in this quarter's financials we have taken a view on the value that we feel that we could get for the assets and have written it down by 25 million.

Another big item relates to closing the Forssa printing facility. We have written down the printing facility that we have in Forssa by 11 million and the rest of the non-recurring items relate to restructuring efforts that are taking place. Free cash flow starting with an EBITDA which is a bit stronger than what we had last year in Q3 but then when it comes to the programme costs we have 60.5 million here, 51.5 million last year, so you can see some inventory pick-up here especially when you compare it to the amortisation of programming costs which for the same quarter was 32 million, so we have quite a bit higher acquisitions right now than what we are amortising through the P&L. There's two separate things that I would like to mention here impacting this: one is the Champions League which we now have for the first season, very successful so improving the share of viewing numbers clearly when we air the games through SBS6; and the other thing is that we are scheduling local content to the early spring months and are paying for some of these rights already now in these quarters, so these two items are impacting the programming costs. Change in working capital, here we see a positive number of 34.9 million versus the 38.8 million. If I take away some non-recurring restructuring related items there we actually have around 40 million less positive net working capital development this quarter than last year and this is again because of the order pattern change in the learning business. As you remember we have in earlier years pretty much done our sales in Q2 and Q3, some of it already in Q1 actually and then the cashflows coming in Q3 and Q4. Now there has been delays and as you see in the numbers the big portion of the sales is coming now only in Q3 and that has built our accounts receivables and therefore we see less of a positive cash flow for this quarter.

In the other adjustments line for Q3 you see 17 million compared to almost nothing last year and 15 out of this is non-recurring related cash flow, so decisions that we have taken as part of our programmes earlier now are taking the costs through the cash flow.

Looking at the nine month year to date period, I would like to put this in different pockets, if we first look at the operational performance and we take the EBITDA of 300 million for this year and the TV programming costs and the pre-publication costs which is kind of the operational performance and we take the EBITDA for 300 million for this year and the TV programming costs and the pre-publication costs which is kind of the operational cash flow development that is reoccurring part of our business. We are a bit over 30 million below last year's level and that is clearly impacting the free cash flow that we have in place. The second thing is that we do have a lot of non-recurring related cash items. We have interest paid for the sale and leaseback transaction that we did on this building. We have changes in net working capital that relate to Aldipress restructuring, and the other adjustment line here actually is pretty much only non-recurring items. We have 39 million this year and 34 million last year, so all in all as you know we have indicated that for the full year in our group cash flow we will have over 70 million of restructuring related non-recurring cash flow items, so it's really the lower performance then the non-recurring items that are impacting our numbers here. Finally the cash capex, we are 10 million above last year's level cumulatively, that relates to the learning entity investing in the digital transformation that is taking place in that business.

Capital structure, here the net debt level at the end of Q3 852 million and if you compare the quarter ends a year ago, Q1, Q2, Q3 you can see that we had a pretty steady situation. Now the net debt is picking up a bit at the end of September and I would like to point out two of the items already mentioned, we have some inventory build-up in the Dutch TV business and also the other fact that there is the delay in the cash flows coming in from the learning operation because of the change in the ordering pattern and both of these tie the capital that can be seen in the numbers.

The net debt to EBITDA adjusted we report here is our reported EBITDA but then we bring the programming costs and the pre-publication costs up above the EBITDA line and the way we're doing it now here is on the acquisition based cash flow based and not on P&L based and I think that actually gives a much better picture of what the actual cash generation is than versus our net debt levels. Here as I pointed out we have higher acquisitions of programming costs now in our quarterly cash flow statement meaning that those increases are a key ratio here, as does the fact again that the learning, the funds are coming in a bit later. What I see happening is that this key ratio will come down towards the end of the year. Otherwise no major changes into the big picture, the equity ratio 41.2% and gearing 73.5%. The average interest rate as mentioned that continues to be at a very good level, we have 2.7% per annum level currently on our funding.

Then addressing the additional amortisation of TV rights in the Dutch business. We look into the recoverable values of our rights inventory on an ongoing basis in both of our markets and we naturally have done this every year, just to look into the history a bit traditionally there has been around 6-8 million annually of licences running out or otherwise write-downs that we have taken. In 2014 in our P&L we had 11 million in the SBS business, write-downs of rights and now we are looking into the coming 1½ years, so we're taking a longer perspective than maybe we've done in the past, building programme grids now as part of our planning processes for the coming years and then testing the values of the rights that we have. We've had an inventory build-up during the last years you could say all the way from the time of the acquisition and there are many things impacting this. It's partly the changes in the marketplace meaning you have Netflix now with over 1 million subscribers already in the Netherlands meaning that the value of international movies and series is getting a bit lower. The local content plays a more important role for the broadcasters in the market, so there's a change in the mix of the inventory you want to carry.

The way we have managed this part of the inventory has really been through SBS 9, a channel that in some ways is similar to Hero here in Finland and that channel we launched in the beginning of this year and now having it running for 9-10 months we start to have a good feeling of how it's performing. The channel is actually doing pretty well. We have a 1% share of viewing through the channel but there are some limitations of how much films and series we can push through this channel but also through other channels that we have had in SBS. So the experience from SBS 9 together with that kind of longer term planning that we're doing for the grids and the broadcasting plans then help us to evaluate the inventory levels and the current expectation is that there will be a need of 14-18 million additional write-downs of films and series in our balance sheet. This will not impact the group's outlook so we can take this write-down without any impact there.

That takes me actually to the outlook which after the write-downs continues to be the same, that we believe that our EBIT for the year will be about 4% and our net sales will be at the level of last year's which was at a level of -3.7%.

This ends my part of the presentation and I will hand back to Olli for questions and answers.

Olli Turunen: Thank you Kim. So we are ready to take your questions and we will take questions here in the studio and also over the phone, but let's first take questions here in the studio and please state your name and company and wait for the microphone. The microphone is for webcast viewers. The first question here in the first row.

Sami Sarkamies: Thanks, Sami Sarkamies, Nordea Markets. I have three questions, all to Susan. How do you view the current business structure with three different units with very little synergies between them and does your assignment also include assessment of this structure? The second question is you had the opportunity to follow the previous management, their execution and plans as board member. What do you see as the biggest flaws that you will be fixing immediately? Then third question, in the key priorities slide you talked about increased financial flexibility. Do you think you will be able to achieve this without putting dividends on hold or raising new capital? Thanks.

Susan Duinhoven: Let me take them one by one, your first question regarding the group structure. I do agree that these are three businesses in markets that are separate, even if you say it's media, the media portfolio in the two markets is pretty different, markets are separate, learning is a little bit more separate, so I think we view this as three businesses. How we organise ourselves around those three businesses is definitely one of the areas that we will look at. I call that part of the cost innovation where you think through how do we work together as an organisation, who does what, which roles, so that will be definitely an important part of thinking through all with the aim to make sure that we're market oriented, that we're agile, that we can react quite fast. That then also touches on I think my assessment of where I think the opportunities for the company are, that outward focus and that agility, those are areas that we definitely need to work on. That is not something specific to Sanoma or specific to the team operating within Sanoma. That is a challenge for I think all of us in the ever-increasing speed that we see in the world. We're working with competitors who only exist 15 years worldwide, strong players in almost every market that goes at a speed that we need to sort of match but we need to also focus on the locality and the markets that we're in because that is our USP. So that's a little bit to your second question on what do I see, what is the style that I think we will be adhering to going forward. Now you can probably help me a little bit on the third one.

Olli Turunen: The third one was about the financial flexibility.

Susan Duinhoven: Yes. I think on the financial flexibility we will work within the frameworks that are there. I think there is still quite a bit of opportunity to improve so that we don't need to go anywhere drastic I would say and I would say the policies that are in place are good policies, we should adhere to them until we have really reached points where we say ok, no, we cannot find anything anymore. I don't think we're there. I think we have good options within the business, within the normal course of business and we are of course now… it's four weeks so I'm working with the team to get there and as we said before we will be together with the Q4 results we will be sharing that more explicitly.

Sami Sarkamies: Ok, thanks.

Olli Turunen: Next question?

Question: Kimmo Stenvall here, a couple of questions on the near term market look. As we noted the Dutch market is now getting better on the sales trend, so how confident are you in the Q4 outlook of the Dutch TV market and the overall economy in Netherlands?

Susan Duinhoven: I think anyone who says I'm totally confident, I would sort of…the fourth quarter is an important quarter. These markets are of course volatile. Advertisers are also approaching their year-end and therefore looking at how do they make their results and what media room do they still have in advertising, so we have put forward our best estimate. I think we are comfortable with our outlook for the year in each one of the specific businesses, there will be pluses and minuses that will together in the total cooperation will stick with the outlook.

Question: Ok, then another question on learning. The Polish market seemed to do quite well at least in your numbers, so what's the impact in the legislation change in this quarter? Was there a severe impact on the numbers or could it be done in the coming quarters?

Susan Duinhoven: I think the impact is already visible. The impact is not visible on the revenue line because there actually it's very positive, but that is because of the change in the business model where we are not only producing our own methods and selling that into schools but also grouping that in a clever way with complementary methods so that we provide basically for the school a total solution which is really picked up and liked, that has increased our overall share, so that's where you see on the revenue end you see now a positive and we assume will stay as a positive. What you will see is that if you look down at the EBIT level of course that extra revenue let's say from third parties is at a very different margin profile, so on the EBITDA we do see impacts, we already see that this year but this regulation change is something that will roll in over the coming years, also in the coming years it goes great by great, so also in the coming years we will see an impact there.

Question: Kimmo Lunden Markkinointi & Mainonta. Two questions as well, first Sanoma's strategic goals since 2014 was to put the company back to growth and profitability in the year 2016, so is this goal still in force and will it happen?

Susan Duinhoven: I think over the last quarterly meeting it was indicated that that 2016 goal is not in force anymore. I think I'm not as much focusing on pure top line growth as a measure in itself. I think it is a measure once you realise what that growth is constituting of and I'm just referring now to the Polish example. You can see very strong top line growth but not necessarily profit growth. I think the essence for us will be to have a good, solid combination of the two, to make sure that we have the revenue in place but the revenue in our core products and our core brands; and then increase the profitability through the cost innovations that we discussed before. So the top line growth as a pure measure in itself without that caveat on saying it needs to be profitable and there needs to be a profit growth, that's much more what I would like to focus on and the specifics of how and what forecasts to do. Again I would refer there to once we have the strategic plan in place and we will communicate that with the Q4 results, so that I would just ask for a bit more time in the business.

Question: Thank you. The second question is about your operating profit. It was 7% from January to September of turnover, so the former CEO Mr. Kaukonen assumed that when Sanoma launched its full year report last year that the then 6.2% operating profit was the bottom under which the company won't go anymore, so how does it look now? Has Sanoma bottomed out?

Susan Duinhoven: The outlook for the year is above 4%, so I think that is clear that that is below the 6.2%. Bottoming out, I think we will see an increase in profitability in the coming years. Bottom or not, I think let's wait for a structural plan to present to you before I make any sort of generic comment.

Olli Turunen: Are there further questions here in the studio? If not operator we are ready to take questions over the phone.

Operator: Thank you. If you'd like to ask a question over the telephone at this time, please press the star or asterisk key followed by the digit 1. Please ensure that the mute function on your telephone is switched off to allow your signal to reach our equipment. Again please press *1 to ask a question. We will pause for just a moment to allow everyone to signal.

We'll take our first question now from Panu Laitinmäki from Danske Bank. Please go ahead.

Panu Laitinmäki: Thank you. I would have one question related to the TV business in the Netherlands. Are you happy with the audience share development given that you now have the Champions League content online and viewing shares were down from the July peak but up year on year, so my question is that is this in line with what you were expecting and in line with what you paid for the rights? Thanks.

Susan Duinhoven: Thank you for that question. Yes, we're very happy with the viewer share development at SBS. I think there's a significant step made overall over the year and also the Champions League is really pulling in lots of viewers not only on TV but also online and we're also broadcasting online through NU.nl the news portal of Sanoma, the largest online news portal in the Netherlands. So we're overall quite happy with it and seeing it also as a package where we can attract because of this position where we can attract good advertising opportunities for our key advertisers that also radiate into other programmes.

Kim Ignatius: Panu, to add to your question, in Q3 the viewing share of SBS in total was 22.7% versus 19.6% Q3 in 2014 so you see an increase of over three percentage points.

Panu Laitinmäki: Ok, thank you.

Operator: Thank you. We now have a question from Rasmus Engberg from Handelsbanken. Please go ahead.

Rasmus Engberg: Yes, hi, good morning. I wanted to come back to Sami's question about the financial flexibility. Did you say that you rule out raising new capital or putting the dividend on hold or not?

Kim Ignatius: Neither one of these is currently on our agenda. Dividends of course always is then a matter for the board first to consider and then for the shareholders to decide at the end and our dividend policy is intact so we haven't communicated any changes on that.

Rasmus Engberg: So the comment on increasing financial flexibility, does that mean that you're sort of considering a new longer term agreement on the loans where you might…where you're flagging that up might become more costly. Is that how we should read that comment?

Kim Ignatius: On the refinancing it's really replacing facilities that we currently have in place and the way we see it is also reducing the amount of the facilities to some extent. Just doing the refinancing doesn't really improve the flexibility to be able to invest in new areas or do transactions, so the real source for the longer term increased flexibility comes from the better performance, so really improving the cash flows from the operations, improving the profitability. That's where the focus needs to be.

Rasmus Engberg: Ok. Then a question on the programme impairments in Q4, are those going to be taken as non-recurring items?

Kim Ignatius: No, they are recurring items as they have been earlier as well.

Rasmus Engberg: Yes, thank you.

Operator: Thank you. As a reminder if you'd like to ask a question on the phone, please press *1. We have no further questions over the telephone at this time.

Olli Turunen: Let's take the next question here in the studio.

Kimmo Stenvall, Pohjola: Again a couple of questions, first on Kim on the financial side. What is the inventory level now in the TV business after this amortisation that you are doing in Q4?

Kim Ignatius: In the Netherlands it is going to be a bit over 100 million after the write-downs and in addition to that, the inventory level in both markets we actually have an ongoing commitment level for future acquisitions based on agreements that we have with the studios and in Finland the inventory level is 45 million.

Question: Ok, thanks. Then another question on the Forssa printing facility which you are closing down or you have closed down. What kind of effect does that have on the print circulation of Helsingin Sanomat or Ilta-Sanomat? Do we get some kind of…are the morning papers still coming in for every household in Finland in the future?

Kim Ignatius: At least this morning when I woke up at 5 o'clock it was there.

Question: In Helsinki but in other parts of Finland.

Kim Ignatius: I believe that the planning has been done so just closing this unit doesn't impact the distribution.

Question: Ok, thanks.

Olli Turunen: Are there further questions? If not this concludes the complete set of Q3, so thank you for your participation and have a good week.

Kim Ignatius: Thank you.

Operator: Thank you. That will conclude today's conference call. Thank you for your participation ladies and gentlemen, you may now disconnect.