

Sanoma Interim Report 1 January–30 September 2008

- Sanoma's net sales for January–September increased by 4.9%, totalling EUR 2,231.4 (2,126.7) million.
- Operating profit excluding non-recurring items was EUR 246.6 (241.8) million. Non-recurring items in January–September totalled EUR 18.5 (33.7) million.
- In the third quarter, Group net sales increased to EUR 778.6 (718.6) million and operating profit excluding non-recurring items was EUR 100.5 (90.2) million.
- Third quarter earnings per share, including non-recurring items, were EUR 0.37 (0.36). Earnings per share in January–September totalled EUR 1.10 (1.16).
- The Group's name is Sanoma from 1 October onwards (formerly SanomaWSOY). Also division names were harmonised.
- Sanoma revised its outlook, operating profit excluding non-recurring items is expected to be at the previous year's level.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	778.6	718.6	8.3	2,231.4	2,126.7	4.9	2,926.3
Operating profit excluding non-recurring items	100.5	90.2	11.3	246.6	241.8	2.0	305.2
% of net sales	12.9	12.6		11.1	11.4		10.4
Non-recurring items *	-6.5	-1.7		18.5	33.7	-45.0	38.6
Operating profit	94.0	88.5	6.1	265.2	275.5	-3.7	343.8
% of net sales	12.1	12.3		11.9	13.0		11.7
Balance sheet total				3,649.1	3,283.0	11.2	3,192.3
Capital expenditure	28.2	14.4	95.7	77.6	57.6	34.6	90.5
% of net sales	3.6	2.0		3.5	2.7		3.1
Equity ratio, %				39.0	44.0		45.4
Net gearing, %				75.9	65.0		58.2
Interest-bearing liabilities				1,326.7	968.6	37.0	881.4
Interest-bearing net debt				1,021.5	879.8	16.1	793.3
Average number of employees				21,181	19,470	8.8	19,587
Average number of employees (full-time equivalents)				18,031	16,603	8.6	16,701
Earnings/share, EUR	0.37	0.36	1.8	1.10	1.16	-4.5	1.47
Earnings/share, diluted, EUR	0.37	0.36	2.4	1.10	1.15	-4.1	1.46
Cash flow from operations/share, EUR	0.74	0.46	61.5	0.97	0.71	35.8	1.38
Equity/share, EUR				8.27	8.11	2.0	8.27
Market capitalisation				2,128.7	3,599.9	-40.9	3,196.2

* In 2008, the non-recurring items included EUR 23.5 million capital gain from the divestment of movie distributor R.C.V.

Entertainment in the first quarter, EUR 1.5 million capital gain from the divestment of real estates in the second quarter and EUR 6.5 million of write-offs and restructuring costs in the multi-volume and year book publishing in the third quarter. In 2007, the non-recurring items included EUR 1.2 million capital gain from divestment of magazines in the first quarter, EUR 34.2 million capital gains from the divestments of puzzle magazines and real estates in the second quarter, EUR 1.7 million costs from the restructuring of the Dutch press distribution operations in the third quarter and EUR 4.9 million capital gain from the divestment of multi-purpose arena in Hamburg in the fourth quarter.

Hannu Syrjänen, President and CEO

"Group net sales developed well in the third quarter. The advertising markets in our key operating countries have, however, reacted to the general economic uncertainty and consumer confidence has begun to decline in many areas. Due to this, our outlook for the remaining part of the 2008 has become somewhat weaker.

During the third quarter, we continued to invest in international growth areas. Sanoma Magazines launched new magazines in Russia, Serbia and the Czech Republic, and strengthened its online operations in the Czech Republic and Croatia. The acquisition of Net Info, Bulgaria's leading internet company, was completed in July. In January–September, digital operations accounted for nearly 11% (7% excluding TV operations) of the total Group net sales. Sanoma Trade opened its first 10 kiosks in Romania and continued the integration of the Russian kiosk chain acquired in the spring. Nowa Era, which was acquired by Sanoma Learning & Literature earlier this year, has showed excellent development this year. Language services also grew with AAC Global acquiring Interverbium, one of the largest language service companies in the Nordic countries.

Future expectations for businesses based on direct sales of books have decreased. Therefore we have decided to begin down-sizing and restructuring programme in Bertmark's and Weilin+Göös' multi-volume book and annual year book operations.

Our goal is to be one of the leading media companies in Europe. We focus on consistent, sustainable growth and improved profitability. We believe in value-adding market leadership in our chosen businesses and markets."

Outlook for 2008

In 2008, operating profit excluding non-recurring capital gains and expenses is expected to be at the previous year's level. In the comparable year of 2007, operating profit excluding non-recurring items was EUR 305.2 million. Previously, the Group's operating profit excluding major non-recurring capital gains, but including the non-recurring expenses, was expected to continue to improve.

In 2008, Sanoma's net sales are projected to grow, albeit at a somewhat slower rate than last year. In 2007, Group net sales increased by 6.7%.

The forecast for the development of Sanoma's net sales and operating profit in 2008 considers both organic growth and the effect of minor acquisitions. During 2008, Sanoma will continue its strong focus on investing in digital media and strengthening its market positions. In addition to the Group's own business activities and development projects, the development of net sales and operating profit are naturally also affected by the overall economic development in the Group's operating countries.

Net sales

In January–September, Sanoma's net sales increased by 4.9%, totalling EUR 2,231.4 (2,126.7) million. Out of the divisions, Sanoma Magazines, Sanoma Learning & Literature, Sanoma Entertainment and Sanoma Trade increased their net sales. Growth was strongest in Sanoma Learning & Literature. Net sales in Sanoma News were slightly down because of the decline of the tabloid and free sheet markets. Net sales adjusted for changes in the Group structure increased by 2.9%.

Advertising sales accounted for 24% (23%) of the Group's total net sales. Particularly the online advertising grew. In geographical terms, Finland accounted for 49% (50%) of net sales, with other EU countries accounting for 46% (45%) and non-EU countries for 5% (5%).

Result

The operating profit of Sanoma was EUR 265.2 (275.5) million, or 11.9% (13.0%) of net sales. The operating profit included non-recurring items of EUR 18.5 (33.7) million. Non-recurring capital gains of EUR 25.0 (35.4) million were realised from the sale of the movie distribution company R.C.V. Entertainment, as well as real estates. The operating profit also included EUR -6.5 (-1.7) million in non-recurring expenses representing the costs and write-offs associated with the restructuring of Bertmark's and Weilin+Göös' multi-volume book and year book businesses. During the comparable period, the non-recurring items were related to the restructuring of the Dutch press distribution business. Excluding these non-recurring items, operating profit was EUR 246.6 (241.8) million.

Sanoma Magazines' operating profit increased with both the Dutch and the Central Eastern European operations improving their results. The divisions clearly improving their operating profits included Sanoma Entertainment, where all businesses improved their results, and Sanoma Learning & Literature, where educational publishing and language services performed well. The operating profit of Sanoma News and Sanoma Trade decreased.

Sanoma's net financial items totalled EUR -29.8 (-25.4) million. Financial income amounted to EUR 12.7 (7.1) million. Financial expenses amounted to EUR 42.5 (32.5) million and comprised primarily interest costs of EUR 38.5 (30.1) million on interest-bearing liabilities. Financial expenses increased due to the general rise in interest rates.

The result before taxes was EUR 240.4 (256.6) million and earnings per share were EUR 1.10 (1.16).

Balance sheet and financial position

On 30 September 2008, the consolidated balance sheet totalled EUR 3,649.1 (3,283.0) million. Cash flow from operations was EUR 155.4 (117.3) million and cash flow per share was EUR 0.97 (0.71). Cash flow from operations increased mainly due to the reduction in working capital from the comparable period. Due to the nature of the business, the amount of working capital fluctuates strongly from one quarter to another.

At the end of September, Sanoma's equity ratio was 39.0% (44.0%). Equity ratio was affected by the increase in the Group's cash balance and the resulting growth of long-term debt. Net gearing increased to 75.9% (65.0%). Equity totalled EUR 1,346.2 (1,353.6) million. A total of EUR 47.6 million was spent on the acquisition of treasury shares during the period under review. Interest-bearing liabilities increased to EUR 1,326.7 (968.6) million and interest-bearing net debt to EUR 1,021.5 (879.8) million. The debt was mainly driven by the acquisition of the Polish educational publisher Nowa Era and other acquisitions. The Group prepared for the instability of the financial markets by increasing its cash balance. At the end of September, the Group's cash and cash equivalents totalled EUR 305.1 (88.8) million.

Sanoma's financial position remains good as a result of the Group's strong balance sheet, steady cash flow and a long-term, syndicated credit facility. This credit facility agreement worth a total of EUR 802 million is in effect until autumn 2012.

At the end of September, the Group had a net debt/EBITDA ratio of 2.1. In spite of the general financial crises, the Group has had no problems with financing its operations.

Investments, acquisitions and divestments

In January–September, investments in tangible and intangible assets totalled EUR 77.6 (57.6) million, and were focused, for example, on ICT systems, replacement investments and improvement of real estate. R&D expenditure was recorded at EUR 2.9 (2.4) million or 0.1% (0.1%) of net sales.

On 10 January 2008, Sanoma Magazines divested the Dutch movie distribution company R.C.V. Entertainment. In 2007, the company's net sales amounted to EUR 34.2 million and operating profit to some EUR 5 million. A capital gain amounting to EUR 23.5 million was recorded in the first quarter of 2008 for the transaction.

On 11 March 2008, Sanoma Learning & Literature finalised its acquisition of the Polish educational publisher Nowa Era. In 2007, Nowa Era's net sales amounted to about EUR 43 million, and the company's profitability was in line with the general level of good profitability in educational publishing. The acquisition improved Sanoma Learning & Literature's result in March–September significantly. Nowa Era's business is seasonal, and it typically makes a loss in the first and fourth quarters. Goodwill of some EUR 57 million has been preliminary recorded from the transaction.

SANOMA MAGAZINES

Sanoma Magazines is one of the largest consumer magazine publishers in Europe. The Division publishes more than 300 magazines in 13 different countries. Apart from developing its strong portfolio of magazine brands, Sanoma Magazines is rapidly expanding its business to digital media platforms.

- Online advertising sales continued their strong growth and were up by 32%.
- In total, nine magazine titles and four online services were launched or acquired during the third quarter.
- Acquisition of the internet company Net Info in Bulgaria was closed in July.
- Sanoma Magazines' operating profit excluding non-recurring items in 2008 is estimated to be at the previous year's level.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	304.0	290.4	4.7	907.9	885.7	2.5	1,238.1
Operating profit excluding non- recurring items	31.6	30.4	4.0	102.8	102.6	0.3	139.7
% of net sales	10.4	10.5		11.3	11.6		11.3
Non-recurring items *				23.5	21.2	10.8	21.2
Operating profit	31.6	30.4	4.0	126.3	123.8	2.1	160.9
% of net sales	10.4	10.5		13.9	14.0		13.0
Balance sheet total				2,047.5	1,900.9	7.7	1,937.5
Capital expenditure				19.9	14.0	42.1	20.6
Average number of employees				6,206	5,577	11.3	5,623
Average number of employees (full-time equivalents)				5,668	5,127	10.5	5,169

* In 2008, the non-recurring items included EUR 23.5 million capital gain from the divestment of movie distributor R.C.V Entertainment in the first quarter. In 2007, the non-recurring items included EUR 1.2 million capital gain from divestment of magazines in the first quarter and EUR 20.0 million capital gains from the divestments of puzzle magazines in the second quarter.

OPERATIONAL INDICATORS *

	1-9/2008	1-9/2007
Number of magazines published	333	313
Magazine copies sold, thousands	312,835	320,645
Advertising pages sold	49,123	44,382

* Including joint ventures

Sanoma Magazines' net sales in January–September increased 2.5% and totalled EUR 907.9 (885.7) million. Net sales grew in all businesses, except in Sanoma Magazines Netherlands where operations were divested both in June 2007 and January 2008. Adjusted for changes in the Group structure, the Division's net sales grew by 3.7%. Of the Division's net sales, 17% (17%) came from Finland. In July–September, Sanoma Magazines' net sales grew by 4.7% and amounted to EUR 304.0 (290.4) million. The growth came mainly from Sanoma Magazines International.

The Division's advertising sales increased by 13% and represented 32% (29%) of net sales. Most growth came from Sanoma Magazines International and online advertising in the Netherlands. In total, the Division's online advertising sales grew by 32%.

Circulation sales grew by 1% and represented 57% (57%) of Sanoma Magazines' net sales. Circulation sales in Belgium and Finland developed positively, but single copy sales in the Netherlands have declined in the first nine months.

Sanoma Magazines Netherlands' net sales decreased to EUR 371.7 (385.6) million. This was mainly due to structural changes. Sanoma Magazines Netherlands has strongly focused its operations, divesting its puzzle portfolio in June 2007. In January 2008, Sanoma Magazines Netherlands consolidated magazine publisher Mood for Magazines and

divested movie distributor R.C.V. Entertainment. In 2007, R.C.V. Entertainment's annual net sales totalled EUR 34.2 million.

According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands decreased by 1% in January–August 2008 with magazine advertising's share of the total advertising market decreasing. Sanoma Magazines Netherlands' advertising sales grew due to new operations and online advertising sales. Online advertising grew by 25% and outperformed market growth of 11%. The readers' market in the Netherlands declined in the second quarter of 2008. However, subscription sales at Sanoma Magazines Netherlands have increased. With decreased single copy sales, the total circulation sales were slightly behind the comparable period. In the third quarter, Sanoma Magazines Netherlands strengthened its position in the automotive market by acquiring European Autotrader, a publisher of five motor magazines and a successful online site. It also launched Donald Duck Junior magazine for small kids and Hockey.nl, a combination of a print magazine and an online site focusing on field hockey. Two magazines were sold.

Net sales in Sanoma Magazines International grew to EUR 224.3 (200.3) million. Growth came from increased advertising sales. Advertising sales increased in all countries, with Russia and Hungary contributing the most. Circulation sales in Sanoma Magazines International were slightly above the comparable period, with most markets showing some growth. In the third quarter, Sanoma Magazines International launched home and decoration magazine Elle Dekor in Serbia, a men's lifestyle title Best Life in Russia and a bimonthly glossy Moje Zeme, focusing on the Czech culture and history. In Czech, a women's portal, Kafe.cz, was also opened. In Croatia, Adria Media launched a parenting portal Roditelji.hr. The acquisition of 82% in the leading Bulgarian internet company Net Info was closed in July.

Sanoma Magazines Belgium's net sales grew to EUR 163.3 (156.4) million. The increase in sales came mainly from growing subscription and other sales. In Belgium, the readers' market declined slightly. Sanoma Magazines Belgium has increased its circulation sales, through both cover price increases and successful launches such as Goedele magazine, which came to the market in September. Sanoma Magazines Belgium's advertising sales were at the previous year's level.

Net sales in Sanoma Magazines Finland increased to EUR 151.7 (146.8) million. Growth came both from increased advertising and circulation sales. Especially subscription sales developed well and also single copy sales increased. Successful new launches as well as established titles contributed to the growth. There were also timing differences, i.e., more issues in some magazines than in the comparable period. According to TNS Gallup Adex, advertising in consumer magazines in Finland increased by 1% in January–September. The magazine single copy market declined in volume by 1% during the first nine months. Sanoma Magazines Finland improved its market share both in advertising and the readers' market.

Sanoma Magazines' operating profit in January–September improved by 2.1% and amounted to EUR 126.3 (123.8) million. The result included EUR 23.5 (21.2) million of non-recurring items related to the divestment of R.C.V. Entertainment. Excluding these items, the Division's operating profit was EUR 102.8 (102.6) million. Operating profit in July–September totalled EUR 31.6 (30.4) million.

Sanoma Magazines Netherlands' operating profit improved. There were significant sales gains in both the reporting and comparable period. The operational result improved due to improved cost efficiency and changes in the product mix. Sanoma Magazines International's operating profit increased significantly. The main reason for improved profit was the good development in Russia. Sanoma Magazines Belgium's result decreased due to investments in new businesses. Sanoma Magazines Finland's operating profit was behind the comparable period due to marketing costs focusing more on the first months of the year than on the comparable period.

Sanoma Magazines continues to develop its magazine portfolio and online businesses and invest in growth, which is expected to be most rapid in Russia and the CEE countries.

In 2008, Sanoma Magazines' net sales are estimated to grow. Operating profit excluding non-recurring items is expected to remain at the previous year's level.

SANOMA NEWS

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

- Online advertising continued to perform very well, with Sanoma News' online advertising growing by 50% in January–September.
- Metro and Uutislehti 100 were merged. The renewed Metro free sheet is Finland's fourth largest newspaper in terms of readership.
- Oikotie.fi's housing portal was strengthened by Helsingin Sanomat's acquisition of Igglo's online business and trademarks.
- The discontinuation of the printed version of Taloussanomat, together with the decline of tabloid and free sheet markets, slowed down growth.
- Sanoma News' operating profit excluding non-recurring items in 2008 is expected to remain below the previous year's level.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	113.5	114.0	-0.4	355.5	356.2	-0.2	480.8
Operating profit excluding non- recurring items	15.2	17.2	-11.6	47.9	54.1	-11.5	67.6
% of net sales	13.4	15.1		13.5	15.2		14.1
Non-recurring items Operating profit	15.2	17.2	-11.6	47.9	54.1	-11.5	67.6
% of net sales	13.4	15.1		13.5	15.2		14.1
Balance sheet total				478.1	525.9	-9.1	445.0
Capital expenditure				13.5	11.4	18.9	17.7
Average number of employees				2,812	2,715	3.5	2,716
Average number of employees (full-time equivalents)				2,504	2,422	3.4	2,411

OPERATIONAL INDICATORS

ADVERTISING, COLUMN KM	1-9/2008	1-9/2007
Helsingin Sanomat	29.1	30.9
Ilta-Sanomat	5.6	5.4
Free sheets	22.7	27.7
Distribution of free sheets, millions	70.2	78.6
AUDITED CIRCULATION	1-12/2007	1-12/2006
Helsingin Sanomat	419,791	426,117
Ilta-Sanomat	176,531	186,462
ONLINE SERVICES, UNIQUE VISITORS, WEEKLY	7-9/2008	7-9/2007
Iltaasanomat.fi	1,364,050	943,675
HS.fi	939,063	700,994
Huuto.net	437,834	397,541
Oikotie.fi	317,769	302,355
Taloussanomat.fi	286,012	214,639
Keltainenpörssi.fi	196,560	145,396

Sanoma News' net sales for January–September totalled EUR 355.5 (356.2) million. Net sales increased in Helsingin Sanomat, but decreased in the Ilta-Sanomat and other publishing business units. Net sales adjusted for changes in the Group structure were in line with the previous year. In July–September, the Division's net sales were at the comparable year's level totalling EUR 113.5 (114.0) million.

According to TNS Gallup Adex, newspaper advertising in Finland decreased by 1% in January–September. Job advertising grew 4% cumulatively, but began to decrease in September. Advertising in free sheets fell by 5%. Online advertising included in statistics developed strongly, growing by 28%. Sanoma News advertising sales were up slightly reflecting the good development of online advertising. Online advertising sales were up by 50%. Sanoma News' advertising sales represented 53% (53%) of its net sales.

The Finnish tabloid market declined 7% in January–September. Decreased revenues from newsstand sales in January–September affected Sanoma News' circulation sales, which were down by 4%. Subscription sales for daily newspapers remained at the previous year's level. Circulation sales accounted for 38% (40%) of the Division's net sales.

The Helsingin Sanomat business unit increased its net sales to EUR 210.9 (206.5) million mainly as a result of the good development of circulation sales and newly acquired business. Advertising sales were up slightly. Online advertising in Helsingin Sanomat developed well with an increase of 19%. An increase in overall economic uncertainty affected job and real estate advertising. Job advertising in Helsingin Sanomat was down 2%. Online products, such as the newspaper's online service and the Oikotie service entity for classified advertisements, continued to develop strongly. The development of the housing portal at Oikotie.fi was accelerated by Helsingin Sanomat's acquisition of Igglo Oy's online business and trademarks in September.

The net sales of the Ilta-Sanomat business unit were EUR 69.1 (71.2) million. The circulation sales of the business unit decreased due to the considerable shrinkage of the tabloid market. Ilta-Sanomat commanded a 57.1% (57.6%) share of the tabloid market. Advertising sales grew clearly faster than the market. Online advertising, in particular, increased strongly.

Net sales from other publishing amounted to EUR 67.8 (71.6) million. The decrease was affected by the discontinuation of the printed version of Taloussanomat and the decline of free sheet advertising. The free sheets Metro and Uutislehti 100 were merged in September. The renewed Metro became Finland's fourth largest and the capital area's second largest newspaper in terms of readership. The regional dailies of Sanoma Lehtimedia slightly increased their circulation sales. Sanoma Digital, a new company focusing on online business, increased its advertising sales.

Net sales from other operations, mainly comprising internal services, were EUR 113.6 (113.5) million.

The operating profit of Sanoma News decreased by 11.5% to EUR 47.9 (54.1) million in January–September. The decrease in profit was mainly due to the decline in the tabloid market that reduced the operating profit of the Ilta-Sanomat business unit, as well as investments in digital business. The operating profit of Helsingin Sanomat was also down, primarily due to the decline in job and real estate advertising in the printed daily and increased costs. Investments in sales and marketing both in print and online increased expenses. Other publishing improved its result slightly as a result of cost-saving measures. The result of other operations remained at the previous year's level. In July–September, Sanoma News' operating profit totalled EUR 15.2 (17.2) million.

The strongest growth of Sanoma News comes from digital businesses, while the printed media will also be strongly developed. The rate of growth in media advertising is expected to be considerably more moderate than in 2007.

In 2008, Sanoma News' net sales are expected to remain at the previous year's level. Operating profit excluding non-recurring items is expected to remain below the previous year's level.

SANOMA LEARNING & LITERATURE

Sanoma Learning & Literature (formerly SanomaWSOY Education and Books) is a significant European educational publisher offering a broad range of printed and digital educational materials and services to support the learning processes of children and young people. The Division, operating in eight countries, is also Finland's leading book publisher and has growing business information and language service operations.

- Educational publishing operations grew, largely due to the Nowa Era acquisition.
- Language services expanded through the acquisition of Interverbium operations in Sweden, Denmark and UK.
- Sanoma Learning & Literature's operating profit excluding non-recurring items in 2008 is estimated to improve clearly from the previous year.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	133.2	97.0	37.4	302.0	254.0	18.9	322.5
Operating profit							
Excluding non-recurring items	42.8	27.9	53.4	64.8	51.2	26.6	44.5
% of net sales	32.1	28.8		21.5	20.1		13.8
Non-recurring items *	-6.5			-6.5			
Operating profit	36.3	27.9	30.1	58.3	51.2	13.9	44.5
% of net sales	27.2	28.8		19.3	20.1		13.8
Balance sheet total				717.6	655.9	9.4	585.0
Capital expenditure				10.9	4.8	127.4	7.7
Average number of employees				3,172	2,754	15.2	2,769
Average number of employees (full-time equivalents)				2,684	2,328	15.3	2,345

* In 2008, the non-recurring items included EUR 6.5 million of write-offs and restructuring costs in the multi-volume and year book publishing in the third quarter.

OPERATIONAL INDICATORS

	1-9/2008	1-9/2007
EDUCATIONAL PUBLISHING		
Number of new titles published, books	1,139	1,082
Number of new titles published, electronic products	318	293
PUBLISHING		
Number of new titles published, books	435	430
Number of new titles published, electronic products	86	44
Books sold, millions	32.1	21.0

Sanoma Learning & Literature's net sales in January–September increased by 18.9% and totalled EUR 302.0 (254.0) million. Most growth came from new Polish educational publishing operations. Net sales adjusted for changes in the Group structure were at the previous year's level. A total of 63% (58%) of the Division's net sales came from outside of Finland. In July–September, the Division's net sales grew by 37.4% to EUR 133.2 (97.0) million. The net sales from educational publishing were more focused on the third quarter than in the comparable year.

Educational publishing's net sales increased to EUR 211.3 (167.1) million. Most of the growth came from the new Polish operations. In the Netherlands, the net sales declined slightly because of changes in governmental funding and the procurement model of secondary educational materials, which decreased the markets. However, Malmberg's market share has remained at the previous year's level. In Finland, sales of educational materials were at the previous year's level. A new edutainment product series, Oppi & Ilo, was launched for children in September. Net sales increased in all other countries. In Belgium, net sales from the Flemish market in particular grew due to

successful launches of new product series. Net sales in Hungary grew. In Poland, the net sales increased due to the new operations of Nowa Era, consolidated at the end of the first quarter. Net sales of the e-learning unit Young Digital Planet were behind the comparable period because of delays in governmental tenders.

Net sales in publishing grew to EUR 70.8 (67.7) million due to increased sales of language services. General literature sales were at the previous year's level with domestic fiction and non-fiction in general developing positively. Direct sales in all Nordic countries continued to remain under pressure and expectations for the future have been revised. Therefore Bertmark's and Weilin+Göös' multi-volume book and annual year book businesses will be down-sized and restructured. The development of language services, one of the international growth areas of the Division, was excellent. Partly the increase of sales is due to new operations: AAC Global expanded its operations in March 2007 with the acquisition of Translation Services Noodi in Finland and in June 2007 the operations of the language service company The Works, Sweden. In August 2008, AAC Global acquired Interverbium, one of the leading language service companies in the Nordic market. The Interverbium companies acquired operate in Sweden, Denmark and the UK and their net sales in 2007 totalled EUR 8.9 million.

Net sales from other operations, mainly printing, totalled EUR 37.5 (37.1) million.

The Division's operating profit increased by 13.9% in January–September and was EUR 58.3 (51.2) million. Operating profit included EUR 6.5 (0.0) million of non-recurring expenses related to write-offs and other restructuring costs of Bertmark's and Weilin+Göös' multi-volume and year book operations. Excluding non-recurring items, operating profit totalled EUR 64.8 (51.2) million. Sanoma Learning & Literature's operating profit in July–September increased to EUR 36.3 (27.9) million mainly due to new operations.

Especially the operating profit in the educational publishing business improved significantly in January–September, with the new Polish operations contributing the most to the growth. Operating profit in publishing declined. Language services and general literature performed well, but write-offs of Bertmark's and Weilin+Göös' inventories and ICT investments as well as restructuring costs decreased operating profit in publishing. Some further restructuring costs are expected also in the fourth quarter. The restructuring will safeguard the future profitability of the publishing business. Results in other operations were in line with the previous year.

The Division's business is very seasonal. Profit in educational publishing is mainly accrued in the second and third quarters. The acquisition of Nowa Era adds to growth in the educational publishing business and therefore strengthens seasonality in the Division.

Sanoma Learning & Literature continues to focus on further internationalising its educational business, expanding language services and maintaining market leadership in Finnish general literature publishing.

In 2008, net sales of Sanoma Learning & Literature are estimated to increase. Operating profit excluding non-recurring items is expected to improve clearly from the previous year.

SANOMA ENTERTAINMENT

Sanoma Entertainment (formerly SWelcom) offers consumers entertaining experiences on television, radio, online and mobile devices. Sanoma Entertainment's business units include Nelonen Media, primarily focused on TV and radio broadcasting, and Welho, Finland's largest cable television operator. The Division's latest business area is online casual gaming.

- Television channel viewing shares increased in July–September with JIM registering the fastest growth.
- Welho launched super-fast broadband connection in August.
- After the review period, Nelonen Media announced that it will launch a new TV channel in cable networks in early 2009.
- Sanoma Entertainment's operating profit excluding non-recurring items is estimated to improve clearly in 2008 from the previous year.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	34.7	32.8	5.7	116.1	103.4	12.3	146.0
Operating profit excluding non- recurring items	2.8	3.5	-19.5	13.2	10.4	26.9	15.8
% of net sales	8.2	10.7		11.4	10.1		10.8
Non-recurring items Operating profit	2.8	3.5	-19.5	13.2	10.4	26.9	15.8
% of net sales	8.2	10.7		11.4	10.1		10.8
Balance sheet total				166.5	171.9	-3.1	168.2
Capital expenditure				9.4	10.0	-5.9	14.8
Average number of employees				523	488	7.2	501
Average number of employees (full-time equivalents)				478	448	6.6	457

OPERATIONAL INDICATORS

	1-9/2008	1-9/2007
TV channels' share of Finnish TV advertising	29.8%	29.4%
TV channels' daily reach	44%	43%
TV channels' national commercial viewing share	30.2%	25.5%
TV channels' national viewing share	14.2%	11.8%
Number of connected households, thousands (30 Sept)	322	318
Number of pay TV subscriptions, thousands (30 Sept)	103	81
Number of broadband internet connections, thousands (30 Sept)	103	97

Sanoma Entertainment's net sales for January–September increased 12.3% to EUR 116.1 (103.4) million. This clear increase in net sales was brought about in particular by the new TV and radio channels and the growth of Welho. Adjusted for changes in the Group structure, the Division's net sales grew by 6.5%. Advertising sales accounted for 50% (53%) of Sanoma Entertainment's net sales. In July–September, the net sales increased by 5.7% to EUR 34.7 (32.8) million.

Broadcast operations increased its net sales to EUR 65.1 (56.7) million in January–September. The increase was largely due to new channels. According to TNS Gallup Adex, Finnish television advertising grew by 6%. The combined share of the TV channels of Nelonen Media of all television advertising was 29.8% (29.4%). Nelonen Media has continued to invest in its programming, and the television channels increased their viewing shares in the third quarter. JIM, the channel launched in February 2007, has consistently increased its share of viewers, and in July–September it already had a commercial viewing share of 9.4% (5.6%) in the core demographic of men aged 25–44.

According to the Association of Finnish Broadcasters, radio advertising grew by 7% in January–September and Nelonen Media's share of the national radio advertising was 11.3%. The audience reaches of Radio Rock and Radio Aalto remained at a good level.

Nelonen Media launched in September an online music store called the Radio Rock Store. Unique in Finland, Radio Rock Store is a fee-based music store designed to provide Radio Rock listeners with better service. Since the beginning of October, JIM's content has been freely available online some 60 minutes after the television broadcast through a so-called catch-up service. After the review period, Nelonen Media announced that it will launch a new targeted commercial TV channel in cable networks in early 2009.

Welho's net sales increased clearly due to good growth in pay TV and broadband subscriptions. In August, Welho became the first service provider in Europe to launch super-fast broadband (110 Mbps). In September, Welho and HS.fi, part of the Sanoma News division, together launched an online TV guide called TvNyt.fi.

The usage of Sanoma Entertainment's online casual gaming sites increased. Älypää online quizzes reached the one billion game mark in August, and the Pelikone.fi online game portal launched in August 2007 has clearly become the most popular free online casual gaming service in Finland.

Sanoma Entertainment's operating profit increased by 26.9% in January–September, totalling EUR 13.2 (10.4) million. This increase was driven by improved profitability due to the growth of broadcast operations and the positive development of Welho. In January–September, Sanoma Entertainment's operating profit was EUR 2.8 (3.5) million. In the third quarter, the operating profit was negatively impacted by programming and marketing investments.

In line with its strategy, Sanoma Entertainment focuses on its core businesses: television, broadband services and consumer entertainment services. Sanoma Entertainment continues to develop its digital content and media solutions business, invest resources in the development of its online community services and in its viewing and listening shares.

In 2008, Sanoma Entertainment's net sales are estimated to increase and operating profit excluding non-recurring items is expected to improve clearly from the previous year.

SANOMA TRADE

Sanoma Trade (formerly Rautakirja) is a retail specialist with operations in seven countries and whose business is based on a thorough understanding of customers' needs and on strong concepts. Sanoma Trade's success is built on over 200 million annual sales contacts, in which the consumer is present at a kiosk, bookstore or movie theatre. Sanoma Trade's press distribution operations serve publishers and retailers.

- Sanoma Trade's net sales continued to grow in all businesses.
- Kiosk operations increased and R-kiosks expanded to Romania.
- Movie theatres had another record-breaking summer season.
- In 2008, Sanoma Trade's operating profit excluding non-recurring items is expected to be somewhat lower than in the previous year.

KEY INDICATORS

EUR million	7-9/ 2008	7-9/ 2007	Change %	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
Net sales	221.4	214.5	3.2	627.3	608.2	3.1	849.3
Operating profit excluding non- recurring items	13.0	14.7	-11.0	30.4	34.2	-11.2	52.4
% of net sales	5.9	6.8		4.8	5.6		6.2
Non-recurring items *		-1.7			-1.7		3.2
Operating profit	13.0	13.0	0.7	30.4	32.5	-6.5	55.6
% of net sales	5.9	6.0		4.8	5.3		6.5
Balance sheet total				558.7	540.4	3.4	565.0
Capital expenditure				23.2	16.3	42.3	28.4
Average number of employees				8,365	7,847	6.6	7,886
Average number of employees (full-time equivalents)				6,598	6,193	6.5	6,234

* In 2007, the non-recurring items included EUR 1.7 million costs from the restructuring of the Dutch press distribution operations in the third quarter and EUR 4.9 million capital gain from the divestment of multi-purpose arena in Hamburg in the fourth quarter.

OPERATIONAL INDICATORS

Thousands	1-9/2008	1-9/2007
Customer volume in kiosk operations	159,173	156,481
Customer volume in bookstores	5,082	4,988
Customer volume in movie theatres	7,487	7,120
Number of copies sold (press distribution)	292,288	289,609

Sanoma Trade's net sales for January–September increased 3.1% to EUR 627.3 (608.2) million. The increase was largely due to kiosk operations and movie operations. Net sales adjusted for changes in the Group structure increased by 4.2%. Of Sanoma Trade's net sales, 34% (34%) came from outside Finland. In July–September, the net sales increased by 3.2% to EUR 221.4 (214.5) million. In the third quarter, net sales were again driven by the growth of kiosk operations and movie operations.

Net sales from kiosk operations increased to EUR 300.9 (281.7) million. The sales of R-kiosks in Finland increased. Candy, fresh-brewed coffee, travel tickets and lottery products sold particularly well. The selection of travel and entertainment tickets expanded. Net sales from kiosk operations increased in the Baltic countries. The Russian kiosk chain launched in June 2007 was developed further, and, in July, R-kiosks expanded into Romania with the opening of the first store in Bucharest. In 2008, the company plans to open 30 R-kiosks in Romania, and by the end of 2009 it is expected that the total number of R-kiosks in Romania will be over 100.

Press distribution increased its net sales to EUR 180.2 (178.9) million. Net sales were up in Finland, bolstered by the point-of-sale (POS) marketing company Printcenter, acquired in February 2007, and the positive development of magazine and collector product sales. The growth was slowed down by falling tabloid sales. Net sales also increased in

Estonia, Lithuania, Russia and Romania. The Dutch press distribution market has shrunk, which also decreased the net sales of Aldipress. The Aldipress efficiency improvement programme is progressing.

Net sales from bookstores increased to EUR 91.9 (90.4) million. The Finnish book market increased slightly. Postcards and other paper products generated growth for the bookstores. In Estonia, net sales were boosted, for example, by the new stores opened in 2007.

Net sales from movie operations were EUR 67.6 (60.0) million. Sales increased in Finland, Latvia and Lithuania. Movie admissions continued to grow, and movie theatres again broke all-time box office records over the summer. Net sales were also boosted by new theatres in Finland and Lithuania. In September, new multiplex theatres opened their doors in Vantaa, Finland, and Panevezys, Lithuania. This year, digital technology has provided movie theatres all new content, such as sports and cultural events.

In the comparable period net sales from other operations totalled EUR 9.4 million and included the multi-purpose arena in Hamburg divested in October 2007.

Sanoma Trade's operating profit in January–September decreased by 6.5%, totalling EUR 30.4 (32.5) million. In the comparable period, the operating profit was burdened by a total of EUR 1.7 million in non-recurring expenses from the restructuring of Dutch press distribution operations. Excluding these non-recurring items, operating profit was EUR 30.4 (34.2) million. In July–September, the operating profit totalled EUR 13.0 (13.0) million. The operating profit of the third quarter was driven by the good result of Finnish kiosk operations and improved efficiency at Aldipress in the Netherlands.

In January–September, the results of kiosk operations and press distribution were above all affected by investments in Russia and Romania. Operating profit from kiosk operations remained at the comparable period's level. In addition to investments, the operating profit of press distribution was also impacted by smaller distribution volumes in the Netherlands. The result of the bookstores was burdened by the launch costs of the renewed online store. Movie operations increased their operating profit.

In addition to the home markets of Finland and the Baltic countries, Sanoma Trade's expansion and development efforts will also focus on the emerging economies of Russia and Central Eastern Europe. At the moment, the company is investing in kiosks and press distribution in Russia and Romania. Sanoma Trade's goal is to achieve a strong position in these countries and participate actively in the development of the local newspaper and magazine markets.

In 2008, Sanoma Trade's net sales are expected to grow. Operating profit excluding non-recurring items is expected to be somewhat lower than in the previous year.

Dividend

The distributable funds of Sanoma Corporation for 2007 amounted to EUR 503.3 million, of which profit for the year made up EUR 266.8 million. In line with the Board's proposal, the Annual General Meeting paid out a dividend of EUR 1.00 (0.95) per share. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.

Shares and holdings

In January–September, trading with Sanoma shares accounted for 50% (41%) of the average number of shares on issue during the period, or about 80.8 million shares. Sanoma's total stock exchange turnover was EUR 1,285.1 (1,525.2) million.

In January–September, the volume-weighted average price of a Sanoma share was EUR 15.82, with a low of EUR 12.70 and a high of EUR 19.87. At the end of September, Sanoma's market capitalisation excluding treasury shares held by the Company was EUR 2,128.7 (3,599.9) million and the closing price of the share was EUR 13.29 (21.81). At the end of September, the Company had 17,946 shareholders. Foreign holdings accounted for 10.9% (13.2%) of the shares and votes. There were no major changes in share ownership during the review period and Sanoma did not issue any flagging announcements.

Sanoma began acquiring its shares on 10 August 2007 under the 2007 AGM authorisation. On 1 April 2008, the AGM issued a new authorisation to acquire the Company's own shares and the share buybacks under this authorisation started on 12 June 2008. In January–September, Sanoma acquired, under these authorisations, a total of 2,984,097 of the Company's own shares at the cost of EUR 47.6 million. At the end of September, the Company held a total of 2,425,000 of these shares, representing 1.5% of the Company's shares and votes. The shares held by Sanoma have no accountable par; however, the calculated par value of the treasury shares held by the Company was EUR 1,062,764.55. Under the current AGM authorisation, Sanoma retains the authority to acquire a further 7,620,000 of its own shares.

Under the review period, Sanoma's share capital was increased by EUR 137,076.26. The share capital increases were related to the exercise of stock options into shares. A total of 292,462 shares were subscribed with 2001A stock options and 30,820 with 2001B stock options. In February, Sanoma cancelled all treasury shares held by the Company at that time. In addition, 10,600 stock options have been exercised to subscribe for new shares without increasing the share capital. At the end of September Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,597,674.

Board of Directors, Auditors and Management

The AGM confirmed on 1 April 2008 the number of Sanoma's Board members as ten. Board members Robert Castrén, Jane Erkkö and Paavo Hohti were re-elected, and Rafaela Seppälä was elected as a new member to the Board. The Board of Directors of Sanoma consists of: Jaakko Rauramo, Chairman, Sari Baldauf, Vice Chairman, and Robert Castrén, Jane Erkkö, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Rafaela Seppälä, Hannu Syrjänen and Sakari Tamminen as members.

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

After the review period, Sanoma announced that Erkki Järvinen, President of Rautakirja and the head of the Sanoma Trade division, will leave his current position during the spring 2009 in order to resume similar responsibilities outside the Sanoma Group.

Board authorisations

The AGM held on 1 April 2008 authorised the Board of Sanoma to decide on the acquisition of the Company's own shares, valid until the AGM of 2009.

A maximum of 8,285,000 shares may be acquired, corresponding to 5.1% of the Company's shares and voting rights at the end of March. These treasury shares will not be acquired in proportion to the shareholdings of the existing shareholders. They will be acquired with the Company's unrestricted equity at the market price at the time of

acquisition on NASDAQ OMX. However, the minimum acquisition price of a share is the lowest market price in public trading and the maximum acquisition price is the highest price quoted in public trading during the authorisation period. The Board decided on 1 April 2008 to deploy the authorisation and the acquisition of own shares commenced on 12 June 2008.

In addition, the Board has a valid authorisation to increase the share capital. According to the authorisation issued by the AGM on 4 April 2007, the Board may decide, until the AGM of 2010, on the issue of new shares, the transfer of treasury shares and the granting of special rights entitling to shares. The authorisation does not exclude the right of the Board of Directors to decide on a directed share issue. With this authorisation, and as a result of the use of special rights, the Board is authorised to decide on the issuance of a maximum of 82,000,000 new shares and the transfer of a maximum of 5,000,000 treasury shares. In a directed share issue, a maximum of 41,000,000 shares may be issued or transferred. With this authorisation, the Board is authorised to issue a maximum of 5,000,000 stock options as part of an incentive programme within the Company.

During the review period, the authorisation by the AGM of 4 April 2007 for acquiring own shares was in force. The authorisation allowed acquiring a maximum of 8,200,000 Company shares. These shares were not to be acquired in relation to the holdings of existing shareholders. They were acquired with the Company's unrestricted equity at the market price at the moment of acquisition – however, in such a way that the minimum acquisition price of a share was the lowest market price in public trading and the maximum acquisition price was the highest price noted in public trading during the authorisation period. The share acquisitions commenced on 10 August 2007, and the authorisation remained valid until 1 April 2008.

Other resolutions by the AGM

The AGM decided to amend Article 1 (the Company's business name and domicile) of Sanoma's Articles of Association as proposed by the Board. The Company's new business name is Sanoma Oyj in Finnish, Sanoma Abp in Swedish, and Sanoma Corporation in English. The Company's registered office continues to be in Helsinki. The new name was adopted on 1 October 2008.

At the same time, the names of other Divisions were harmonised. The Group now consists of the following Divisions and reporting segments: Sanoma Magazines, Sanoma News (formerly Sanoma), Sanoma Learning & Literature (formerly SanomaWSOY Education and Books), Sanoma Entertainment (formerly SWelcom) and Sanoma Trade (formerly Rautakirja).

Seasonal fluctuation

Developments in media advertising have an impact on the net sales and results of Sanoma Magazines, Sanoma News and Sanoma Entertainment. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published during each quarter, which varies annually. Television advertising in Finland is usually strongest in the second and fourth quarters. The exact date of Easter has an impact on the net sales accumulated from newspapers and distribution when comparing quarters in these businesses on a year-to-year basis.

A major portion of the net sales and results in publishing and retail, for example, is generated in the last quarter, particularly from Christmas sales, while educational publishing 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.

Significant risks and uncertainty factors

The evaluation of business risks and the opportunities associated with them is part of Sanoma's daily management procedure. The management must take calculated risks in order to ensure that the Company carries out its business as successfully as possible.

The most significant risks and uncertainty factors Sanoma is facing are described in the Annual Report, together with the main principles of risk management. The most significant uncertainty factors of the current year are related to the growth of media advertising and consumer spending. Overall economic uncertainty has clearly increased in the second half of 2008, and there are no reliable forecasts available for the remainder of the year. The rapid decline of media advertising and consumer confidence can affect the Group result.

Helsinki

Board of Directors
Sanoma Corporation

Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related standards and interpretations applicable within the EU on 1 January 2008. The Interim Report has been prepared in accordance with the accounting policies described in the Group's Consolidated Financial Statements for 2007. This Interim Report is unaudited. The definitions of key indicators have been refined. The definitions are presented on the Sanoma website at www.sanoma.com.

CONSOLIDATED FINANCIAL STATEMENTS (un-audited)

CONSOLIDATED INCOME STATEMENT

EUR million	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
NET SALES	2,231.4	2,126.7	4.9	2,926.3
Other operating income	70.6	74.6	-5.5	95.2
Materials and services	994.8	945.3	5.2	1,308.9
Personnel expenses	517.6	472.3	9.6	646.5
Other operating expenses	414.4	399.2	3.8	572.7
Depreciation and impairment losses	110.0	109.0	0.9	149.7
OPERATING PROFIT	265.2	275.5	-3.7	343.8
Share in result of associated companies	5.0	6.5	-22.7	12.4
Financial income	12.7	7.1	77.9	9.2
Financial expenses	42.5	32.5	30.8	44.9
RESULT BEFORE TAXES	240.4	256.6	-6.3	320.4
Income taxes	-59.6	-64.6	-7.8	-74.4
RESULT FOR THE PERIOD	180.7	192.0	-5.9	246.1
Attributable to:				
Equity holders of the Parent Company	177.9	191.0	-6.9	242.8
Minority interest	2.8	0.9		3.2
Earnings per share for result attributable to the equity holders of the Parent Company:				
Earnings per share, EUR	1.10	1.16	-4.5	1.47
Diluted earnings per share, EUR	1.10	1.15	-4.1	1.46

CONSOLIDATED BALANCE SHEET

EUR million	30.9.2008	30.9.2007	Change %	31.12.2007
ASSETS				
NON-CURRENT ASSETS				
Tangible assets	510.9	560.6	-8.9	498.7
Investment property	10.0	9.5	4.7	9.5
Goodwill	1,567.6	1,418.5	10.5	1,432.8
Other intangible assets	400.3	375.4	6.6	379.6
Interest in associated companies	70.9	72.2	-1.9	75.2
Available-for-sale financial assets	20.9	15.8	32.9	15.9
Deferred tax receivables	46.4	55.9	-16.9	42.4
Trade and other receivables	38.9	44.7	-13.0	37.9
NON-CURRENT ASSETS, TOTAL	2,665.9	2,552.6	4.4	2,492.1
CURRENT ASSETS				
Inventories	180.1	168.5	6.9	170.7
Income tax receivables	45.2	40.2	12.4	25.9
Trade and other receivables	452.2	432.7	4.5	415.4
Available-for-sale financial assets	0.5	0.1		0.1
Cash and cash equivalents	305.1	88.8		88.1
CURRENT ASSETS, TOTAL	983.2	730.4	34.6	700.2
ASSETS, TOTAL	3,649.1	3,283.0	11.2	3,192.3
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to the equity holders of the Parent Company				
Share capital	71.3	71.1	0.2	71.3
Treasury shares	-37.5	-7.2		-51.6
Other equity	1,291.1	1,274.2	1.3	1,326.2
	1,324.9	1,338.1	-1.0	1,345.9
Minority interest	21.4	15.5	37.7	18.3
EQUITY, TOTAL	1,346.2	1,353.6	-0.5	1,364.2
NON-CURRENT LIABILITIES				
Deferred tax liabilities	110.3	106.3	3.8	103.9
Pension obligations	42.7	53.8	-20.6	45.2
Provisions	7.3	8.5	-13.4	8.8
Interest-bearing liabilities	613.0	41.1		328.1
Trade and other payables	34.9	36.0	-3.1	28.3
CURRENT LIABILITIES				
Provisions	12.2	9.6	27.5	7.8
Interest-bearing liabilities	713.7	927.5	-23.0	553.4
Income tax liabilities	45.6	45.7	-0.2	8.4
Trade and other payables	723.2	701.0	3.2	744.3
LIABILITIES, TOTAL	2,302.9	1,929.4	19.4	1,828.1
EQUITY AND LIABILITIES, TOTAL	3,649.1	3,283.0	11.2	3,192.3

CHANGES IN CONSOLIDATED EQUITY

EUR million	Equity attributable to the equity holders of the Parent Company			Total	Minority interest	Equity, total
	Share capital	Treasury shares	Other equity			
EQUITY AT						
1 JAN 2007	70.9		1,234.8	1,305.7	17.0	1,322.7
Change in translation differences			-2.4	-2.4	0.1	-2.3
Other items			-0.8	-0.8		-0.8
Items recognised directly in equity, total			-3.2	-3.2	0.1	-3.1
Result for the period			191.0	191.0	0.9	192.0
TOTAL RECOGNISED INCOME AND EXPENSES			187.8	187.8	1.0	188.8
Conversion of capital notes	0.0		1.7	1.7		1.7
Acquisition of treasury shares		-7.2		-7.2		-7.2
Use of share options	0.1		2.4	2.6		2.6
Expense recognition of options granted			4.2	4.2		4.2
Dividends paid			-156.7	-156.7	-2.3	-159.0
Change in minority interests					-0.2	-0.2
EQUITY AT						
30 SEPT 2007	71.1	-7.2	1,274.2	1,338.1	15.5	1,353.6
EQUITY AT						
1 JAN 2008	71.3	-51.6	1,326.2	1,345.9	18.3	1,364.2
Change in translation differences			9.4	9.4	0.2	9.7
Other items			-1.0	-1.0		-1.0
Items recognised directly in equity, total			8.4	8.4	0.2	8.7
Result for the period			177.9	177.9	2.8	180.7
TOTAL RECOGNISED INCOME AND EXPENSES			186.4	186.4	3.1	189.4
Acquisition of treasury shares		-47.6		-47.6		-47.6
Cancellation of treasury shares		61.6	-61.6			
Use of share options	0.0		0.2	0.2		0.2
Expense recognition of options granted			3.9	3.9		3.9
Dividends paid			-160.8	-160.8	-3.0	-163.9
Change in minority interests			-3.1	-3.1	3.0	-0.1
EQUITY AT						
30 SEPT 2008	71.3	-37.5	1,291.1	1,324.9	21.4	1,346.2

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-9/ 2008	1-9/ 2007	Change %	1-12/ 2007
OPERATIONS				
Result for the period	180.7	192.0	-5.9	246.1
Adjustments	138.4	124.7	11.0	161.5
Change in working capital	-70.8	-98.8	-28.3	-45.8
Financial items and taxes	-92.9	-100.6	-7.6	-133.8
CASH FLOW FROM OPERATIONS	155.4	117.3	32.5	227.9
INVESTMENTS				
Acquisition of tangible and intangible assets	-74.4	-57.6	29.2	-88.6
Operations acquired	-139.9	-39.1		-49.8
Sales of tangible and intangible assets	11.5	18.3	-37.4	23.8
Operations sold	42.4	23.6	79.9	85.0
Loans granted	-18.7	-3.3		-4.4
Repayments of loan receivables	8.0	3.6	122.1	3.9
Other cash flow from investments	11.9	10.5	12.9	13.0
CASH FLOW FROM INVESTMENTS	-159.1	-43.9		-17.2
CASH FLOW BEFORE FINANCING	-3.7	73.4		210.7
FINANCING				
Proceeds from share subscriptions	0.2	2.6	-90.5	5.2
Change in loans with short maturity	8.5	107.3	-92.1	101.5
Drawings of other loans	521.3	155.0		295.5
Repayments of other loans	-96.2	-178.8	-46.2	-403.1
Treasury shares	-48.2	-5.1		-51.0
Dividends paid	-163.9	-159.0	3.1	-158.8
Other cash flow from financing	-0.2	-2.2	-92.7	-3.0
CASH FLOW FROM FINANCING	221.7	-80.3		-213.7
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	218.0	-6.9		-3.0
Effect of exchange rate differences on cash and cash equivalents	1.2	-0.8		-1.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	219.2	-7.7		-4.7
Cash and cash equivalents at 1 Jan	72.4	77.1	-6.1	77.1
Cash and cash equivalents at 30 Sept / 31 Dec	291.6	69.4		72.4

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

NET SALES BY BUSINESS

EUR million	1-3/ 2008	4-6/ 2008	7-9/ 2008	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-12/ 2007
SANOMA MAGAZINES								
Sanoma Magazines								
Netherlands	111.7	135.2	124.8	119.8	136.6	129.2	154.2	539.8
Sanoma Magazines								
International	70.1	76.8	77.4	65.8	68.5	66.0	83.2	283.4
Sanoma Magazines								
Belgium	54.2	55.5	53.7	52.5	55.8	48.1	60.1	216.6
Sanoma Magazines								
Finland	50.7	51.9	49.1	50.1	48.6	48.1	56.0	202.8
Eliminations	-1.3	-0.9	-1.0	-1.2	-1.2	-1.0	-1.2	-4.6
TOTAL	285.5	318.5	304.0	287.1	308.2	290.4	352.4	1,238.1
SANOMA NEWS								
Helsingin Sanomat	74.1	71.2	65.6	72.3	68.0	66.2	72.4	278.9
Ilta-Sanomat	22.5	24.1	22.5	23.6	24.6	22.9	23.6	94.8
Other publishing	22.4	23.3	22.1	24.3	24.7	22.6	25.9	97.5
Other businesses	38.5	38.1	37.1	38.5	38.0	37.0	39.1	152.6
Eliminations	-36.6	-35.6	-33.7	-36.4	-35.5	-34.8	-36.4	-143.0
TOTAL	120.8	121.1	113.5	122.4	119.8	114.0	124.6	480.8
SANOMA LEARNING & LITERATURE								
Educational publishing	24.6	83.9	102.9	20.0	78.5	68.7	30.6	197.7
Publishing	27.5	20.8	22.6	26.3	20.8	20.7	29.6	97.3
Other businesses	12.0	11.3	14.1	12.0	11.0	14.2	14.0	51.1
Eliminations	-5.7	-5.5	-6.4	-6.0	-5.4	-6.5	-5.7	-23.7
TOTAL	58.3	110.5	133.2	52.2	104.8	97.0	68.5	322.5
SANOMA ENTERTAINMENT								
TV and radio	22.6	24.5	18.0	20.1	20.3	16.3	26.5	83.2
Other businesses	18.0	16.7	16.8	15.4	15.3	16.7	16.2	63.6
Eliminations	-0.1	-0.3	-0.1	-0.3	-0.2	-0.2	-0.2	-0.8
TOTAL	40.5	40.9	34.7	35.2	35.4	32.8	42.5	146.0
SANOMA TRADE								
Kiosk operations	94.6	102.5	103.8	86.9	99.3	95.5	103.8	385.5
Press distribution	58.2	60.2	61.8	56.2	61.0	61.8	66.5	245.5
Bookstores	31.0	24.0	36.9	29.6	23.1	37.7	50.0	140.3
Movie operations	24.4	19.4	23.8	19.5	18.8	21.8	25.5	85.5
Others	0.0	0.0	0.0	4.0	3.2	2.1	1.1	10.4
Other businesses	-5.5	-3.0	-4.8	-3.9	-4.0	-4.3	-5.8	-18.0
TOTAL	202.7	203.2	221.4	192.4	201.3	214.5	241.1	849.3

Other companies and eliminations	-24.8	-24.4	-28.2	-25.6	-25.1	-30.1	-29.4	-110.3
TOTAL	683.1	769.8	778.6	663.7	744.4	718.6	799.6	2,926.3

OPERATING PROFIT BY DIVISION

EUR million	1-3/ 2008	4-6/ 2008	7-9/ 2008	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-12/ 2007
Sanoma Magazines	48.2	46.6	31.6	32.1	61.3	30.4	37.2	160.9
Sanoma News	17.9	14.7	15.2	19.6	17.3	17.2	13.6	67.6
Sanoma Learning & Literature	-4.3	26.4	36.3	-6.5	29.8	27.9	-6.6	44.5
Sanoma Entertainment	4.0	6.3	2.8	2.9	4.0	3.5	5.4	15.8
Sanoma Trade	9.9	7.4	13.0	9.0	10.6	13.0	23.1	55.6
Other companies and eliminations	-3.0	-2.9	-5.0	-3.1	10.1	-3.4	-4.3	-0.7
TOTAL	72.7	98.5	94.0	54.0	133.0	88.5	68.3	343.8

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.9.2008	30.9.2007	Change %	31.12.2007
Carrying amount at 1 Jan	498.7	572.3	-12.9	572.3
Increases	59.7	40.8	46.3	63.4
Acquisition of operations	7.7	0.8		1.2
Decreases	-5.9	-2.2		-4.3
Disposals of operations	-0.2	-0.8	-75.0	-66.9
Depreciation for the period	-48.9	-49.4	-1.1	-65.7
Impairment losses for the period	-0.7	0.0		-0.3
Exchange rate differences and other changes	0.5	-0.7		-1.1
Carrying amount at 30 Sept / 31 Dec	510.9	560.6	-8.9	498.7

The commitments for acquisitions of tangible assets were EUR 0.0 million (2007: EUR 6.3 million).

EFFECTS OF ACQUISITIONS TO THE CONSOLIDATED BALANCE SHEET

In January–September, Sanoma has made numerous acquisitions. The most significant acquisition during the review period was that of the Polish educational publisher Nowa Era Sp. z.o.o. Other acquisitions include, e.g., 53% of a Dutch magazine publisher Mood for Magazines B.V., 55% of a Russian magazine publisher LLC Lux Media, 82% of the leading Bulgarian internet company Net Info.BG AD, shares of the European Auto trader B.V., a publisher of automotive magazines and online services as well as the subsidiaries of the Swedish translation, localisation and language training company Interverbum (Interverbum AB, Interverbum Localisation AB and Interverbum UK Ltd.). In addition, the Group has made smaller acquisitions in online and magazine publishing operations, among others. Calculations on the effects of the acquisitions are preliminary.

EUR million	1-9/2008 Nowa Era	1-9/2008 Other
Acquisition costs	62.5	101.8
Fair value of acquired net assets	5.7	36.9
Goodwill	56.8	64.9

CONTINGENT LIABILITIES

EUR million	30.9.2008	30.9.2007	Change %	31.12.2007
CONTINGENCIES FOR OWN COMMITMENTS				
Mortgages	23.4	18.2	28.9	20.2
Pledges	5.9	16.5	-64.5	5.8
Other items	0.4	0.4	0.5	0.4
TOTAL	29.7	35.1	-15.4	26.4
CONTINGENCIES INCURRED ON BEHALF OF ASSOCIATED COMPANIES				
Guarantees	10.5	7.9	32.4	7.9
TOTAL	10.5	7.9	32.4	7.9
CONTINGENCIES INCURRED ON BEHALF OF OTHER COMPANIES				
Guarantees	0.2	0.1	25.5	0.1
TOTAL	0.2	0.1	25.5	0.1
CONTINGENCIES INCURRED ON BEHALF OF OTHER COMPANIES				
Operating lease liabilities	262.9	261.7	0.5	275.8
Royalties	23.9	20.9	14.0	27.2
Other	36.1	49.8	-27.4	42.9
TOTAL	322.9	332.4	-2.8	345.9
CONTINGENT LIABILITIES, TOTAL	363.3	375.6	-3.3	380.4

CONSOLIDATED INCOME STATEMENT BY QUARTER

EUR million	1-3/ 2008	4-6/ 2008	7-9/ 2008	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-12/ 2007
NET SALES	683.1	769.8	778.6	663.7	744.4	718.6	799.6	2,926.3
Other operating income	38.1	17.7	14.8	13.3	49.0	12.4	20.6	95.2
Materials and services	309.4	333.4	352.0	294.9	327.1	323.3	363.5	1,308.9
Personnel expenses	172.2	177.5	167.8	158.4	162.2	151.8	174.2	646.5
Other operating expenses	131.1	141.5	141.9	135.0	133.9	130.3	173.5	572.7
Depreciation and impairment losses	35.8	36.6	37.7	34.6	37.3	37.1	40.7	149.7
OPERATING PROFIT	72.7	98.5	94.0	54.0	133.0	88.5	68.3	343.8
Share in result of associated companies	3.0	1.6	0.4	1.8	2.7	2.0	5.9	12.4
Financial income	3.5	3.1	6.1	4.8	-0.2	2.5	2.1	9.2
Financial expenses	12.7	14.5	15.3	11.9	9.4	11.2	12.4	44.9
RESULT BEFORE TAXES	66.5	88.7	85.2	48.6	126.1	81.9	63.8	320.4
Income taxes	-12.2	-23.4	-24.1	-13.7	-30.6	-20.3	-9.7	-74.4
RESULT FOR THE PERIOD	54.4	65.3	61.1	34.9	95.5	61.5	54.1	246.1

Attributable to:

Equity
holders of
the Parent

Company	54.5	64.4	59.0	35.5	95.8	59.7	51.8	242.8
Minority interest	-0.2	0.9	2.1	-0.6	-0.3	1.8	2.3	3.2

Press and analyst meeting

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

The conference call in English for analysts and investors will be arranged at 2 pm (Finnish time). Mr Hannu Syrjänen will present the result. To join the conference, please dial +44 20 3003 2666 (Europe) or +1 866 966 5335 (US). The event can also be listened at www.sanoma.com either live or later on as on demand.

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

Sanoma Corporation

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Sanoma provides information, experiences, education and entertainment to millions of people. Quality content, products and services that are creative and customer centric, and efficient distribution ensure satisfaction for our customers in the 20 European countries we operate in. In 2007, the Group's net sales totalled EUR 2.9 billion and our EBIT was EUR 344 million. The Sanoma Group employs over 20,000 people.