

2013

Q2
Interim
Report

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Sanoma's Interim Report 1 January – 30 June 2013:

Learning solid – structural changes accelerating in media

Sanoma Corporation, Stock Exchange Release, 1 August 2013 at 8:30 CET+ 1

Second quarter

- Net sales amounted to EUR 591.2 million (2012: 646.5).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 9.3%.
- Operating profit excluding non-recurring items was EUR 68.0 million (2012: 103.8).
- Non-recurring items included in the operating profit amounted to EUR -31.0 million (2012: -5.7) mainly related to restructuring expenses as well as non-cash impairment charges of intangible assets.
- Earnings per share were EUR 0.13 (2012: 0.83).
- Earnings per share excluding non-recurring items were EUR 0.26 (2012: 0.39).
- Cash flow from operations was EUR 2.6 million (2012: 18.8).
- Outlook: In 2013, Sanoma expects that the Group's consolidated net sales will decline more than 4% compared to 2012 and operating profit excluding non-recurring items is estimated to be below EUR 180 million.

First half

- Net sales amounted to EUR 1,096.4 million (2012: 1,190.1).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 8.3%.
- Operating profit excluding non-recurring items was EUR 65.0 million (2012: 119.4).
- Non-recurring items included in the operating profit amounted to EUR -68.3 million (2012: -5.7) mainly related to restructuring expenses as well as non-cash impairment charges of intangible assets and goodwill.
- Earnings per share were EUR -0.11 (2012: 0.72).
- Earnings per share excluding non-recurring items were EUR 0.23 (2012: 0.39).
- Cash flow from operations was EUR -60.2 million (2012: -3.1).

Key indicators*

EUR million	Restated			Restated			Restated
	4-6/ 2013	4-6/ 2012	Change %	1-6/ 2013	1-6/ 2012	Change %	1-12/ 2012
Net sales	591.2	646.5	-8.5	1,096.4	1,190.1	-7.9	2,376.3
Operating profit excluding non-recurring items	68.0	103.8	-34.6	65.0	119.4	-45.6	231.0
% of net sales	11.5	16.1		5.9	10.0		9.7
Operating profit	36.9	98.1	-62.4	-3.2	113.7	-102.9	181.0
Result for the period from continuing operations	23.0	58.8	-60.9	-28.8	40.8	-170.7	69.9
Result for the period****	23.0	137.3	-83.3	-28.8	120.5	-123.9	149.0
Capital expenditure**				33.6	25.3	32.5	59.5
% of net sales				3.1	2.1		2.5
Return on equity (ROE), %***/**				-0.0	5.9		9.7
Return on investment (ROI), %***/**				2.4	6.9		8.3
Equity ratio, %****				38.2	39.6		41.3
Net gearing, %****				98.2	95.0		78.7
Number of employees at the end of the period (FTE)				10,130	10,799	-6.2	10,381
Average number of employees (FTE)				10,276	11,020	-6.7	10,804
Earnings/share, EUR, continuing operations	0.13	0.34	-61.5	-0.11	0.23	-147.3	0.39
Earnings/share, EUR****	0.13	0.83	-84.0	-0.11	0.72	-115.0	0.88
Cash flow from operations/share, EUR****	0.02	0.12	-86.4	-0.37	-0.02		1.18
Equity/share, EUR****				7.05	7.74	-8.9	7.82

* Comparable figures have been restated due to a change in IAS 19 'Employee benefits'. The revised standard eliminates the possibility of using the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. For 2012, the restated total equity has decreased by EUR 52.0 million to EUR 1,576.6 million, and the restated operating profit excluding non-recurring items has decreased by EUR 1.3 million to EUR 231.0 million.

** Including finance leases.

*** Rolling 12-month period.

**** Includes continuing and discontinued operations.

Harri-Pekka Kaukonen, President and CEO

"Learning's solid performance continued in the second quarter whereas structural changes accelerated in consumer media.

Advertising markets in Sanoma's main operating countries continued to be depressed. The likelihood of clearly improving market conditions in the second half of the year is estimated to be low. In addition, circulation sales continue to be under pressure, impacting our sales and profitability.

The ongoing EUR 60 million gross savings programme is proceeding according to plan. The programme and additional actions executed are not able to compensate for the estimated decline in our consumer media net sales. Therefore we were forced to revise our outlook for 2013. The changed outlook also affects our free cash flow.

To counteract the structural changes, including underlying shift in consumer behaviour and advertising spend, we will continue to invest in transforming our

core operations. In addition, we have commenced a redesign of our consumer media operations, including our product and service portfolios as well as cost structures. We will make strategic choices to enhance our focus. This redesign will change the financial profile of the Group and may affect asset valuations.”

Group outlook for 2013 (unchanged from the revised outlook published on 23 July 2013)

In 2013, Sanoma expects that the Group’s consolidated net sales will decline more than 4% compared to 2012 and operating profit excluding non-recurring items is estimated to be below EUR 180 million.

Sanoma’s outlook is based on the assumptions that the European economic environment remains under pressure and adversely impacts advertising markets in Sanoma’s main operating countries. The likelihood of clearly improving market conditions in the second half of the year is estimated to be low.

Cost savings programme

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

The programme is proceeding according to plan. The decisions that have been made so far are estimated to generate around half of the targeted EUR 60 million gross savings by the end of 2015. Related to these decisions, around EUR 16 million of non-recurring restructuring expenses have been recognised by the end of June 2013, of which some EUR 7 million was recognised in the second quarter. The impact of the realised gross cost savings of the programme was more than EUR 3 million in the second quarter.

Net sales

Second quarter

In April–June, Sanoma’s net sales decreased by 8.5% and amounted to EUR 591.2 million (2012: 646.5). The decrease is mainly due to the continued deterioration in advertising markets and circulation, as well as a timing shift between quarters in Learning. Currency translations did not have a material effect on second

quarter net sales. When adjusted for changes in the Group structure, net sales decreased by 9.3%.

Advertising sales decreased by 12.0% to EUR 205.2 million (2012: 233.3). Circulation sales decreased by 5.1% to EUR 192.8 million (2012: 203.2). Subscription sales decreased by 2.7%, while single copy sales decreased by 8.5% due to cautious consumer spending.

By country, Finland accounted for 37.4% (2012: 35.9%), the Netherlands for 39.3% (2012: 41.3%) and Belgium for 10.9% (2012: 10.3%) of the Group’s second quarter net sales. Net sales from other EU countries totalled 9.0% (2012: 9.0%) and non-EU countries accounted for 3.4% (2012: 3.5%).

By type of sales, advertising sales accounted for 34.7% (2012: 36.1%), subscription sales for 19.7% (2012: 18.5%), single copy sales for 12.9% (2012: 12.9%), learning for 17.5% (2012: 16.9%) and other sales for 15.1% (2012: 15.6%) of the Group’s second quarter net sales. Other sales mainly include press distribution and marketing services, language and translation services, custom publishing, event marketing, books and printing services.

First half

In January–June, Sanoma’s net sales decreased by 7.9% and amounted to EUR 1,096.4 million (2012: 1,190.1). The decrease is mainly due to the continued deterioration in advertising markets and circulation. Currency translations did not have a material effect on net sales. When adjusted for changes in the Group structure, net sales decreased by 8.3%.

By country, Finland accounted for 38.0% (2012: 37.6%), the Netherlands for 38.8% (2012: 38.8%) and Belgium for 11.0% (2012: 10.5%) of the Group’s cumulative net sales. Net sales from other EU countries totalled 8.3% (2012: 9.2%) and non-EU countries accounted for 3.8% (2012: 3.9%).

Result

Second quarter

In April–June, Sanoma’s operating profit excluding non-recurring items totalled EUR 68.0 million (2012: 103.8). Weaker advertising and circulation sales as well as timing shift in sales recognition between quarters in Learning were partly offset by cost efficiency.

The operating profit margin excluding non-recurring items was 11.5% (2012: 16.1%) of net sales. Currency

translations did not have a material effect on the second quarter result.

In the second quarter, the Group's total expenses, excluding non-recurring items, decreased by 5.0%. The cost of sales decreased by 8.5% and fixed expenses by 2.3%. Paper costs decreased by 14.7% and employee benefit expenses decreased by 5.7%. The Group had 10,130 employees (FTE) at the end of June, corresponding to a decrease of 160 employees compared to the end of March 2013. The decrease in the

number of personnel is mostly attributable to streamlining of operations and efficiency measures.

In April-June, operating profit included EUR -31.0 million (2012: -5.7) non-recurring items consisting mainly of EUR -19.1 million tax-deductible impairment charges of intangible assets in Belgium and the Netherlands, as well as EUR -10.0 million related to restructuring expenses.

Non-recurring items

EUR million	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Media					
Impairment of goodwill and intangible assets (Netherlands)	-6.4		-41.2		
Impairment of intangible assets (Belgium)	-12.7		-12.7		
Impairment of goodwill and intangible assets (Russia & CEE)					-6.0
Restructuring expenses	-3.4	-2.6	-6.9	-2.6	-14.2
Loss on sale (Adria Media Ljubljana)					-1.1
News					
Impairment of intangible assets					-9.9
Restructuring expenses	-4.1		-4.6		-2.0
Learning					
Restructuring expenses (Poland)					-4.4
Gain on sale (Esmerk)		5.7		5.7	5.7
Restructuring expenses		-1.6		-1.6	-1.6
Other companies					
Gain on sale of building area in Ärrävaara		1.3	1.5	1.3	
Loss on sale of Printcenter	-1.9		-1.9		
Income related to Keimola Area					4.5
Impairment of goodwill					-11.6
Restructuring expenses	-2.5	-1.0	-2.5	-1.0	-2.0
Impairments (AAC)		-7.5		-7.5	-7.5
Non-recurring items in operating profit	-31.0	-5.7	-68.3	-5.7	-50.0
Media					
Loss on sale (DNA)		-2.0		-19.3	-19.3
Impairment of share in Hungarian associated company		-1.2		-1.2	-1.2
Gain on sale (Hansaprint)					3.0
Other companies					
Gain on sale (Helsinki Halli)	1.3		1.3		
Non-recurring items in results in associated companies	1.3	-3.2	1.3	-20.5	-17.5
Gain on sale (Kiosk operations and Baltic bookstores and press distribution)		78.1		78.1	77.4
Non-recurring items in discontinued operations		78.1		78.1	77.4

Sanoma's second quarter result included EUR 1.3 million (2012: -3.4) profit from associated companies due to a gain on the sale of Helsinki Halli Oy. In the comparable period, the loss from associated companies included EUR -2.0 million related to a loss from the sale of DNA and an impairment of an associated company in Hungary of EUR -1.2 million.

Sanoma's net financial items totalled EUR -12.7 million (2012: -14.3). Financial income amounted to EUR -0.9 million (2012: 4.9), of which EUR -1.4 million were exchange rate losses (2012: 2.7). Financial expenses amounted to EUR -11.8 million (2012: -19.1), of which EUR 1.7 million were exchange rate gains (2012: EUR -2.4 million losses). Interest expenses amounted to EUR -12.0 million (2012: -13.5).

Profit before taxes amounted to EUR 25.6 million (2012: 80.5) in the second quarter. Earnings per share were EUR 0.13 (2012: including continuing and discontinued operations EUR 0.83). Earnings per share excluding non-recurring items were EUR 0.26 (2012: 0.39).

First half

Sanoma's operating profit excluding non-recurring items in January-June decreased by 45.6% and totalled EUR 65.0 million (2012: 119.4). The decrease is mainly attributable to the continued deterioration in advertising markets and circulation. Operating profit excluding non-recurring items amounted to 5.9% (2012: 10.0%) of net sales. Currency translations did not have a material effect on the result of the first half of 2013.

Sanoma's net financial items totalled EUR -27.7 million (2012: -28.0). Financial income amounted to EUR 5.9 million (2012: 11.9), of which EUR 3.7 million were exchange rate gains (2012: 8.6). Financial expenses amounted to EUR -33.6 million (2012: -39.8), of which EUR -4.6 million were exchange rate losses (2012: -9.8). Interest expenses amounted to EUR -25.6 million (2012: -25.2).

Profit before taxes amounted to EUR -29.6 million (2012: 66.0). Earnings per share were EUR -0.11 (2012: including continuing and discontinued operations EUR 0.72). Earnings per share excluding non-recurring items were EUR 0.23 (2012: 0.39).

Balance sheet and financial position

At the end of June 2013, Sanoma's consolidated balance sheet totalled EUR 3,969.3 million (2012: 4,061.5). In January-June, the Group's cash flow from operations was EUR -60.2 million (2012: -3.1). Cash flow from operations per share was EUR -0.37 (2012: -0.02).

Sanoma's equity ratio was 38.2% (2012: 39.6%) at the end of June 2013. The return on equity (ROE) for the rolling 12-month period was -0.0% (2012: 5.9%) and the return on investment (ROI) was 2.4% (2012: 6.9%). Equity totalled EUR 1,444.3 million (2012: 1,532.8). The equity per share was EUR 7.05 (2012: 7.74). Interest-bearing liabilities at the end of June 2013 totalled EUR 1,571.7 million (2012: 1,540.7). Interest-bearing net debt was EUR 1,418.0 million (2012: 1,456.6).

Investments, acquisitions and divestments

In January-June, investments in tangible and intangible assets, including finance leases, amounted to EUR 33.6 million (2012: 25.3). Investments were mainly related to digital business and ICT systems.

In April, Sanoma announced a divestment of its ownership of Netinfo in Bulgaria. The closing of the deal is still pending the approval of competition authorities.

In June, Sanoma sold the operations of Printcenter. As a result of the transaction, Sanoma recognised a tax-deductible capital loss of EUR -1.9 million.

In June, Sanoma sold its total ownership of Helsinki Halli Oy to Hjalles Promotion Ab Oy. The number of shares sold represented 18.1% of the total number of shares. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 1.3 million.

In January-June, Sanoma's business acquisitions totalled EUR 6.8 million (2012: 7.8).

Events after the end of the second quarter 2013

On 15 July, Sanoma sold its ownership in real estate companies Kiinteistö Oy Bulevardi 12 and Kiinteistö Oy Bulevardi 14. As a result of the transaction, Sanoma will recognise in the third quarter a capital gain of around EUR 13 million.

Media

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

- Print advertising markets have been under severe pressure in Sanoma's main operating countries.
- Cautious consumer spending is visible in circulation, especially in single copy sales.
- The TV viewing share of SBS Netherlands was around 20% in the second quarter of 2013.
- In July 2012, Sanoma acquired three radio stations in Finland to gain a market leadership position. The result of the acquired operations has been consolidated to Sanoma from the beginning of the third quarter of 2012.
- In July 2012, Sanoma acquired HeadOffice in Belgium to strengthen its market position in custom media. The result of the new company has been consolidated to Sanoma from the beginning of the third quarter of 2012.

Key indicators

EUR million	Restated			Restated			Restated
	4-6/ 2013	4-6/ 2012	Change %	1-6/ 2013	1-6/ 2012	Change %	1-12/ 2012
Net sales	354.9	388.6	-8.7	678.4	742.7	-8.7	1,487.1
The Netherlands	184.6	208.1	-11.3	341.8	379.7	-10.0	760.4
Finland	73.7	76.7	-3.9	143.3	154.1	-7.0	301.7
Russia & CEE	43.9	50.1	-12.3	86.8	99.1	-12.4	199.5
Belgium	53.2	54.6	-2.6	107.4	111.4	-3.5	228.3
Other businesses and eliminations	-0.5	-0.8	43.1	-0.9	-1.5	37.5	-2.7
Operating profit excluding non-recurring items *	31.8	54.5	-41.7	30.5	81.5	-62.6	151.5
% of net sales	9.0	14.0		4.5	11.0		10.2
Operating profit	9.3	51.9	-82.1	-30.3	78.9	-138.4	130.2
Capital expenditure				18.3	12.6	45.8	30.7
Number of employees at the end of the period (FTE)				5,512	5,770	-4.5	5,718
Average number of employees (FTE)				5,562	5,788	-3.9	5,772

* In 2013, the non-recurring items included in the second quarter EUR -19.1 million impairment of intangible assets in the Netherlands and Belgium and EUR -3.4 million restructuring expenses and in the first quarter a EUR -34.8 million impairment of goodwill and intangible assets in the Netherlands and EUR -3.5 million restructuring expenses. In 2012, the non-recurring items included in the second quarter EUR -2.6 million restructuring expenses, in the third quarter EUR -2.7 million restructuring expenses and in the fourth quarter EUR -8.9 million restructuring expenses, a EUR -1.1 million loss on sale of Adria Media Ljubljana and a EUR -6.0 million impairment of goodwill and intangible assets in Russia & CEE.

Circulation sales growth

	4-6/2013 vs. 4-6/2012			1-6/2013 vs. 1-6/2012		
	Subscription	Single copy	Total circulation	Subscription	Single copy	Total circulation
Media Netherlands	-5%	-10%	-7%	-6%	-10%	-8%
Media Finland	-7%	-14%	-8%	-5%	-11%	-6%
Media Belgium	+9%	-2%	+1%	+6%	-3%	-1%
Media Russia & CEE	+2%	-13%	-10%	+1%	-15%	-12%
Total Media segment	-4%	-8%	-6%	-5%	-9%	-7%

Advertising sales growth

	4-6/2013 vs. 4-6/2012				1-6/2013 vs. 1-6/2012			
	Print	Online	TV & Radio	Total advertising	Print	Online	TV & Radio	Total advertising
Media Netherlands	-26%	-14%	-14%	-16%	-25%	-9%	-13%	-15%
Media Finland	-11%	+17%	+8%	+5%	-14%	+25%	0%	-2%
Media Belgium	-18%	-8%	-6%	-13%	-19%	-18%	-4%	-14%
Media Russia & CEE	-18%	+1%	+14%	-11%	-15%	-1%	+3%	-10%
Total Media segment	-20%	-8%	-7%	-11%	-19%	-5%	-8%	-11%

Operational indicators*

	1-6/2013	1-6/2012
Magazines		
Number of magazines published	264	278
Magazine copies sold, thousands	150,160	168,509
Advertising pages sold	20,321	23,667
Finnish TV operations		
TV channels' share of TV advertising	33.7%	34.2%
TV channels' national commercial viewing share (10-44 years)	32.3%	33.5%
TV channels' national viewing share (10+ years)	15.4%	15.2%
Dutch TV operations		
TV channels' share of TV advertising	24.7%	27.5%
TV channels' national viewing share (20-49 years)	20.6%	20.0%

* Including joint ventures

Second quarter

In April–June, net sales in the Media segment decreased by 8.7% to EUR 354.9 million (2012: 388.6). Adjusted for structural changes, net sales declined by 9.7%.

The segment's advertising sales represented 45.3% (2012: 46.5%) and circulation sales represented 42.0% (2012: 40.8%) of second quarter net sales.

In Media Netherlands, net sales decreased by 11.3% in the second quarter. Advertising sales represented 45.3% (2012: 47.9%) and circulation sales 41.8% (2012: 39.9%) of Dutch net sales. Sanoma estimates that the advertising market in the Netherlands decreased on a net basis in TV by around 4%, in consumer magazines by around 17%, and in online excluding search by some 14% in April–June.

In Media Finland, net sales decreased by 3.9% in the second quarter. In total, the advertising sales of the Finnish operations represented 50.1% (2012: 45.8%) and circulation 40.0% (2012: 41.6%) of net sales in the second quarter. According to TNS Gallup Adex, the advertising market in Finland decreased on a net basis in magazines by some 15%, whereas advertising in online excluding search increased by around 6% and in TV by around 3% in the second quarter.

Net sales in Media Belgium decreased by 2.6%. Advertising sales represented 30.7% (2012: 34.4%) and circulation sales 50.7% (2012: 49.1%) of net sales in Media Belgium. Sanoma estimates that the advertising market in Belgium in TV decreased by around 10% on a net basis, and in magazines by some 19% in the second quarter. Online advertising excluding search increased by around 3%.

In Media Russia and the CEE countries, net sales decreased by 12.3%. In total, advertising sales represented 55.0% (2012: 54.4%) and circulation sales 34.9% (2012: 33.9%) of net sales in the Russia and CEE strategic business unit. Service and product portfolios are continuously optimised according to their future development potential as well as to reflect changes in the market environment.

Operating profit excluding non-recurring items in the Media segment in April–June decreased to EUR 31.8 million (2012: 54.5). In the Netherlands and Belgium, the operating profit excluding non-recurring items decreased mainly as a result of lower advertising sales. In Finland, the operating profit excluding non-recurring items decreased as cost efficiency did not fully offset the lower net sales and other operating income as well as higher amortisation of TV programming rights. In Russia and CEE countries the operating profit excluding non-recurring items improved despite lower net sales as a result of cost control.

Non-recurring items included in the operating profit totalled EUR -22.5 million (2012: -2.6) consisting mainly of a EUR 11.1 million tax-deductible impairment charge of other intangible assets related to Sanoma's share of Belgium's De Vijver operations, a EUR 1.6 million tax-deductible impairment charge related to magazine operations in Belgium, a EUR 6.4 million tax-deductible impairment of intangible assets related to equestrian sports magazines in the Netherlands, and EUR 3.4 million related to restructuring expenses.

Media's investments in tangible and intangible assets totalled EUR 12.4 million (2012: 6.8) and consisted mainly of investments related to ICT and the move to a new office in Belgium.

News

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

- The weak print advertising market development is adversely affecting the News segment.
- The effects of the on-going efficiency improvements more than offset the negative impact from lower advertising sales compared to previous year.
- In June Sanoma News signed a multi-year printing agreement on the printing of Savon Sanomat.

Key indicators

EUR million	Restated			Restated			Restated
	4-6/ 2013	4-6/ 2012	Change %	1-6/ 2013	1-6/ 2012	Change %	1-12/ 2012
Net sales	99.8	106.8	-6.5	200.9	216.8	-7.4	422.8
Helsingin Sanomat	53.0	56.2	-5.6	109.3	115.5	-5.4	224.9
Ilta-Sanomat **	22.7	22.0	2.8	42.7	43.2	-1.4	84.3
Other businesses and eliminations	24.1	28.6	-15.5	48.9	58.1	-15.7	113.5
Operating profit excluding non-recurring items *	6.0	5.0	19.6	11.9	13.9	-13.9	32.2
% of net sales	6.0	4.7		5.9	6.4		7.6
Operating profit	1.9	5.0	-62.6	7.4	13.9	-46.9	20.3
Capital expenditure				7.3	5.2	39.5	11.0
Number of employees at the end of the period (FTE)				2,127	2,213	-3.9	1,928
Average number of employees (FTE)				2,020	2,069	-2.4	2,055

* In 2013, the non-recurring items included in the second quarter EUR -4.1 million restructuring expenses and in the first quarter EUR -0.4 million restructuring expenses. In 2012, the non-recurring items included in the third quarter a EUR -9.9 million impairment of intangible assets and EUR -2.0 million restructuring expenses.

** In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

Circulation sales growth

	4-6/2013 vs. 4-6/2012			1-6/2013 vs. 1-6/2012		
	Subscription	Single copy	Total circulation	Subscription	Single copy	Total circulation
Total News segment*	+2%	-9%	-1%	+2%	-7%	-1%

Advertising sales growth

	4-6/2013 vs. 4-6/2012			1-6/2013 vs. 1-6/2012		
	Print	Online	Total advertising	Print	Online	Total advertising
Total News segment	-21%	+12%	-15%	-21%	+6%	-16%

Operational indicators

Audited circulation	1-12/ 2012	1-12/ 2011
Helsingin Sanomat	337,962	365,994
Ilta-Sanomat	132,253	143,321

Second quarter

In April-June, net sales in the News segment decreased by 6.5% to EUR 99.8 million (2012: 106.8) due to poor print advertising market development. Structural changes did not impact net sales.

Circulation sales accounted for 44.1% (2012: 41.8%) and advertising sales represented 45.3% (2012: 49.6%) of the net sales in News in the second quarter.

According to TNS Gallup Adex, the net newspaper advertising market in Finland decreased by some 17% in the second quarter compared to the comparable quarter. Online advertising (net) included in the statistics was up by some 6%.

Net sales of the Helsingin Sanomat business unit decreased by 5.6% mainly due to lower print advertising sales. Advertising sales represented 50.3% (2012: 52.6%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales increased by 2.8%, driven by growth in online advertising. Advertising

sales represented 37.7% (2012: 31.6%) of the business unit's net sales. Ilta-Sanomat continued to strengthen its market leadership and its market share is 59.7% (2012: 58.6%) of the tabloid newsstand market for the rolling 12-month period.

Net sales from other businesses in the News segment decreased by 16.0%, mainly due to weak print advertising market development.

In April-June, News' operating profit excluding non-recurring items increased by 19.6% to EUR 6.0 million (2012: 5.0). The effects of the on-going efficiency improvements and lower cost of sales more than offset the decline in net sales. News' operating profit included EUR 4.1 million (2012: 0.0) of non-recurring items related to restructuring expenses.

News' investments in tangible and intangible assets totalled EUR 4.6 million (2012: 2.6), and consisted mainly of investments in digital business and ICT.

Learning

The Learning segment includes the Sanoma Learning strategic business unit. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.

- Solid underlying development.
- Second quarter net sales decreased mainly due to a timing shift between quarters at Malmberg in the Netherlands.
- Market conditions remained stable in most of our operating countries.
- In June 2012, Sanoma acquired the testing and examination company Bureau ICE to expand its learning solutions portfolio. The result of the company has been consolidated to Sanoma from the beginning of the third quarter of 2012.
- Language services and book printing operations have been transferred to the Group line item 'Other companies and eliminations'. Therefore there will be no sales recorded in the 'Other businesses' unit as of the third quarter 2012.

Key indicators

EUR million	Restated			Restated			Restated
	4-6/ 2013	4-6/ 2012	Change %	1-6/ 2013	1-6/ 2012	Change %	1-12/ 2012
Net sales	103.5	111.1	-6.8	149.2	149.5	-0.2	312.4
Learning	103.7	109.3	-5.2	149.4	143.5	4.1	306.4
Other businesses		1.8			6.4		6.5
Eliminations	-0.2	0.0	-383.4	-0.2	-0.4	66.0	-0.5
Operating profit excluding non-recurring items *	35.9	46.9	-23.6	31.5	31.9	-1.5	59.2
% of net sales	34.6	42.2		21.1	21.4		19.0
Operating profit	35.9	51.0	-29.7	31.5	36.0	-12.7	58.9
Capital expenditure				6.0	3.4	77.8	7.3
Number of employees at the end of the period (FTE)				1,741	1,715	1.5	1,735
Average number of employees (FTE)				1,745	1,932	-9.7	1,832

* In 2013, the operating profit did not include any non-recurring items. In 2012, the non-recurring items included in the third quarter EUR -4.4 million restructuring expenses of the Polish Learning operations, in the second quarter EUR 5.7 million gain on sales of Esmerk and EUR -1.6 million restructuring expenses.

Second quarter

In April-June, net sales in the Learning segment decreased by 6.8% to EUR 103.5 million (2012: 111.1) mainly due to a timing shift in sales recognition between quarters. Adjusted for structural changes, net sales decreased by 6.6%.

In most of Sanoma's operating countries, market conditions remained stable. In Hungary, governmental policy will have a negative impact on public spending.

The learning business has, by nature, an annual cycle and strong seasonality. It accrues most of its net sales and results during the second and third quarters,

whereas the first and fourth quarters are typically loss-making.

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

Operating profit excluding non-recurring items in the Learning segment decreased by 23.6% to EUR 35.9 million (2012: 46.9). The decrease is mainly related to the timing shift in sales recognition between quarters.

In the second quarter, no non-recurring items were included in the operating profit (2012: 4.1). In the comparable period the non-recurring items were related to a gain on the sale of Esmerk and restructuring expenses.

Learning's investments in tangible and intangible assets totalled EUR 3.9 million (2012: 1.2). They were mainly related to investments in digital platforms and ICT.

The Group

Personnel

In January-June, the average number of personnel (FTE) employed by the Sanoma Group was 10,276 (2012: 11,020). In full-time equivalents, the number of Group employees at the end of June 2013 was 10,130 (2012: 10,799). Divestments and restructuring decreased the number of personnel. In full-time equivalents, the Media segment had 5,512 (2012: 5,770) employees at the end of June, the News segment 2,127 (2012: 2,213), the Learning segment 1,741 (2012: 1,715) and other operations 751 (2012: 1,101).

Wages, salaries and fees to Sanoma's employees in the first half of 2013, including the expense recognition of share based payments, amounted to EUR 242.4 million (2012: 270.7).

Dividend

The Annual General Meeting on 3 April 2013 decided to pay a dividend of EUR 0.60 (2012: 0.60) per share. The dividends were paid on 16 April 2013 in Finland.

Shares and holdings

In January-June, 27,666,975 (2012: 68,801,434) Sanoma shares were traded on the NASDAQ OMX Helsinki and

traded shares accounted for some 17% (2012: 42%) of the average number of shares. Sanoma's NASDAQ OMX Helsinki stock exchange turnover was EUR 202.1 million (2012: 584.5). Sanoma's shares traded on the NASDAQ OMX Helsinki corresponded to around 63% (2012: 57%) of the total traded share volume on stock exchanges.

During the first six months, the volume-weighted average price of a Sanoma share on the NASDAQ OMX Helsinki was EUR 7.29, with a low of EUR 5.72 and a high of EUR 8.95. At the end of June 2013, Sanoma's market capitalisation was EUR 1.0 billion (2012: EUR 1.1 billion), with Sanoma's share closing at EUR 5.95 (2012: 6.95). At the end of June 2013, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

Board of Directors, auditors and management

The AGM held on 3 April 2013 confirmed the number of Sanoma's Board members as ten. Board member Antti Herlin was re-elected and Anne Brunila, Mika Ihamuotila and Robin Langenskiöld were elected as new Board Members. Antti Herlin was elected as Chairman of the Board and Sakari Tamminen as Vice Chairman. The Board of Directors of Sanoma consists of Antti Herlin (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Anne Brunila, Jane Erkkö, Mika Ihamuotila, Robin Langenskiöld, Nancy McKinstry, Rafaela Seppälä and Kai Öistämö as members.

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

From the end of June 2013, the Executive Management Group (EMG) comprises: Harri-Pekka Kaukonen (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Jacques Eijkens (CEO, Sanoma Learning), Kim Ignatius (CFO), John Martin (Chief Strategy and Digital Officer, CSDO), Dick Molman (CEO, Sanoma Media Netherlands), Anu Nissinen (CEO, Sanoma Media Finland), Heike Rosener (CEO, Sanoma Media Russia & CEE), Pekka Soini (CEO, Sanoma News) and Aimé Van Hecke (CEO, Sanoma Media Belgium).

Board authorisations

The AGM held on 3 April 2013 authorised the Board of Directors to decide on an issuance of a maximum of 82,000,000 new shares and a transfer of a maximum of

5,000,000 treasury shares. The authorisation will be valid until 30 June 2016. The Board of Directors is authorised to grant a maximum of 5,000,000 stock options as part of the Company's incentive programme. In a directed share issue, a maximum of 41,000,000 shares can be issued or transferred.

The AGM held on 3 April 2013 authorised the Board to decide on the repurchase of maximum of 16,000,000 Company's own shares. The authorisation is effective until 30 June 2014 and terminates the corresponding authorisation granted by the AGM on 3 April 2012. These shares can be purchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce the funds available for distribution of profits. The shares can be repurchased to develop the Company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled. The shares can be repurchased either through a tender offer made to all shareholders on equal terms or in a proportion other than that of the current shareholders at the market price of the repurchase moment on the NASDAQ OMX Helsinki Ltd.

Seasonal fluctuation

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

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

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

Significant risks and uncertainty factors (unchanged)

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group's website at Sanoma.com, together with the Group's main principles of risk management. Many of the identified risks relate to

changes in customer preferences. The driving force behind these changes is the on-going digitisation process. Sanoma takes actions in all its strategic business units to respond to this challenge.

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

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

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

As a result of the SBS acquisition, Sanoma's consolidated balance sheet includes about EUR 2.9 billion in goodwill, publishing rights and other intangible assets. Most of this is related to magazine and TV operations. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis, or whenever there is any indication of impairment. Major changes in business fundamentals could lead to impairment.

Interim Report (unaudited)

Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 June 2013. The accounting policies of the Interim Report, excluding the changed accounting principles, and the definitions of key indicators are presented on the Sanoma website at Sanoma.com. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures. This Interim Report is unaudited.

Changed accounting policies

Sanoma adopts the revised IAS 19 Employee Benefits standard as of 1 January 2013. The revised standard eliminates the possibility to use the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. This change in accounting principles leads to faster recognition of actuarial gains and losses and higher volatility of equity than the corridor approach. As a result of the change the Group now determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit. The change in accounting principles has been applied retrospectively as of January 2012.

Consolidated income statement

EUR million	4-6/ 2013	Restated 4-6/ 2012	1-6/ 2013	Restated 1-6/ 2012	Restated 1-12/ 2012
Continuing operations					
Net sales	591.2	646.5	1,096.4	1,190.1	2,376.3
Other operating income	7.6	19.4	17.0	28.0	52.5
Materials and services	-194.2	-212.2	-370.5	-402.1	-816.3
Employee benefit expenses	-153.8	-156.8	-306.8	-313.3	-614.9
Other operating expenses	-120.8	-118.2	-232.5	-240.6	-491.5
Depreciation, amortisation and impairment losses	-93.1	-80.6	-206.9	-148.3	-325.2
Operating profit	36.9	98.1	-3.2	113.7	181.0
Share of results in associated companies	1.3	-3.4	1.4	-19.8	-17.7
Financial income	-0.9	4.9	5.9	11.9	18.2
Financial expenses	-11.8	-19.1	-33.6	-39.8	-75.6
Result before taxes	25.6	80.5	-29.6	66.0	105.9
Income taxes	-2.6	-21.7	0.8	-25.2	-36.0
Result for the period from continuing operations	23.0	58.8	-28.8	40.8	69.9
Discontinued operations					
Result for the period from discontinued operations		78.6		79.7	79.0
RESULT FOR THE PERIOD	23.0	137.3	-28.8	120.5	149.0
Result from continuing operations attributable to:					
Equity holders of the Parent Company	21.6	56.1	-17.4	36.9	63.7
Non-controlling interests	1.4	2.7	-11.4	3.9	6.2
Result attributable to:					
Equity holders of the Parent Company	21.6	134.7	-17.4	116.7	142.8
Non-controlling interests	1.4	2.6	-11.4	3.8	6.2
Earnings per share for result attributable to the equity holders of the Parent Company:					
Earnings per share, EUR, continuing operations	0.13	0.34	-0.11	0.23	0.39
Diluted earnings per share, EUR, continuing operations	0.13	0.34	-0.11	0.23	0.39
Earnings per share, EUR, discontinued operations		0.48		0.49	0.49
Diluted earnings per share, EUR, discontinued operations		0.48		0.49	0.49
Earnings per share, EUR	0.13	0.83	-0.11	0.72	0.88
Diluted earnings per share, EUR	0.13	0.83	-0.11	0.72	0.88

Statement of comprehensive income

EUR million	Restated		Restated		Restated
	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
RESULT FOR THE PERIOD	23.0	137.3	-28.8	120.5	149.0
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Change in translation differences	-12.4	-6.8	-15.9	15.7	23.4
Cash flow hedges	2.2	-1.1	4.3	-2.3	0.9
Income tax related to cash flow hedges	-0.5	0.3	-1.1	0.6	-0.2
Items that will not be reclassified to profit or loss					
Defined benefit plans		-15.3		-30.6	-61.0
Income tax related to defined benefit plans		3.9		7.8	15.6
Other comprehensive income for the period, net of tax	-10.8	-19.1	-12.6	-8.9	-21.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12.2	118.3	-41.4	111.6	127.7
Total comprehensive income attributable to:					
Equity holders of the Parent Company	10.9	115.6	-30.1	107.8	121.4
Non-controlling interests	1.4	2.6	-11.4	3.8	6.2

Consolidated balance sheet

EUR million	30.6.2013	Restated 30.6.2012	Restated 31.12.2012	Restated 1.1.2012
ASSETS				
Tangible assets	267.7	288.7	283.4	343.6
Investment property	12.0	4.8	12.0	5.8
Goodwill	2,278.3	2,303.8	2,307.6	2,316.2
Other intangible assets	666.8	709.3	700.2	709.8
Interests in associated companies	3.8	17.4	8.1	219.3
Available-for-sale financial assets	8.2	15.4	8.0	15.4
Deferred tax receivables	45.4	44.2	40.0	27.1
Trade and other receivables	12.9	38.0	15.4	28.1
NON-CURRENT ASSETS, TOTAL	3,295.1	3,421.6	3,374.8	3,665.3
Inventories	74.7	81.7	66.2	96.8
Income tax receivables	21.6	25.9	27.1	12.5
Trade and other receivables	423.9	447.9	384.1	418.4
Available-for-sale financial assets	0.3	0.3	0.3	0.3
Cash and cash equivalents	153.7	84.1	167.2	116.0
CURRENT ASSETS, TOTAL	674.2	640.0	645.0	644.0
ASSETS, TOTAL	3,969.3	4,061.5	4,019.8	4,309.3
EQUITY AND LIABILITIES				
Equity attributable to the equity holders of the Parent Company				
Share capital	71.3	71.3	71.3	71.3
Fund for invested unrestricted equity	203.3	203.3	203.3	203.3
Other reserves	-50.1	-33.2	-53.4	-8.7
Other equity	923.1	1,018.2	1,052.2	982.7
	1,147.6	1,259.5	1,273.4	1,248.5
Non-controlling interests	296.8	273.3	303.2	270.3
EQUITY, TOTAL	1,444.3	1,532.8	1,576.6	1,518.8
Deferred tax liabilities	125.5	142.0	137.5	142.1
Pension obligations	53.1	31.7	50.4	7.6
Provisions	4.6	6.3	4.1	6.3
Financial debt	931.0	1,218.4	942.2	1,101.2
Trade and other payables	45.8	41.8	44.9	38.9
NON-CURRENT LIABILITIES, TOTAL	1,160.1	1,440.2	1,179.1	1,296.1
Provisions	14.7	12.7	13.0	15.3
Financial debt	640.7	322.3	466.5	626.0
Income tax liabilities	20.9	33.6	27.4	27.4
Trade and other payables	688.5	719.9	757.1	825.8
CURRENT LIABILITIES, TOTAL	1,364.8	1,088.5	1,264.1	1,494.5
Liabilities, total	2,524.9	2,528.7	2,443.2	2,790.5
EQUITY AND LIABILITIES, TOTAL	3,969.3	4,061.5	4,019.8	4,309.3

Changes in consolidated equity

EUR million	Equity attributable to the equity holders of the Parent Company						Equity, total
	Share capital	Fund for invested-unrestricted equity	Other reserves	Other equity	Total	Non-controlling interests	
Equity at 31 Dec 2011	71.3	203.3	-8.7	988.0	1,253.9	270.3	1,524.2
Effect of IAS 19 on 1 Jan 2012				-5.4	-5.4		-5.4
Equity at 1 Jan 2012	71.3	203.3	-8.7	982.7	1,248.5	270.3	1,518.8
Share-based compensation				1.4	1.4		1.4
Dividends paid				-97.7	-97.7	-0.3	-98.0
Change in non-controlling interests				-0.6	-0.6	-0.4	-1.0
Comprehensive income for the period			-24.6	132.3	107.8	3.8	111.6
Equity at 30 June 2012	71.3	203.3	-33.2	1,018.2	1,259.5	273.3	1,532.8
Equity at 1 Jan 2013	71.3	203.3	-53.4	1052.2	1273.4	303.2	1,576.6
Share-based compensation				1.1	1.1		1.1
Dividends paid				-97.7	-97.7	-0.1	-97.8
Change in non-controlling interests				0.9	0.9	5.0	5.9
Comprehensive income for the period			3.3	-33.3	-30.1	-11.4	-41.4
Equity at 30 June 2013	71.3	203.3	-50.1	923.1	1,147.6	296.8	1,444.3

Consolidated cash flow statement

EUR million	1-6/ 2013	Restated 1-6/ 2012	Restated 1-12/ 2012
Operations			
Result for the period	-28.8	120.5	149.0
Adjustments			
Income taxes	-0.8	25.9	36.7
Financial income and expenses	27.7	28.0	57.4
Share of results in associated companies	-1.4	19.8	17.7
Depreciation, amortisation and impairment losses	206.9	150.9	327.8
Gains/losses on sales of non-current assets	-1.1	-85.5	-79.6
Acquisitions of broadcasting rights and prepublication costs	-109.5	-102.6	-207.4
Other adjustments	1.1	-0.6	-3.9
Change in working capital	-95.8	-100.2	-11.4
Interest and other financial items paid	-38.8	-25.7	-44.8
Taxes paid	-19.8	-33.7	-49.2
Cash flow from operations	-60.2	-3.1	192.0
Investments			
Acquisition of tangible and intangible assets	-33.7	-29.7	-63.5
Operations acquired	-7.0	-21.8	-25.7
Sales of tangible and intangible assets	5.6	6.8	16.4
Operations sold	6.5	295.4	317.2
Loans granted	-2.8	-1.0	-9.2
Repayments of loan receivables	5.9	8.7	8.1
Interest received	1.5	1.8	3.7
Dividends received	0.4	5.0	5.5
Cash flow from investments	-23.6	265.1	252.4
Cash flow before financing	-83.8	262.0	444.4
Financing			
Minority capital investment/repayment of equity	5.0		26.6
Change in loans with short maturity	154.4	-106.0	-32.3
Drawings of other loans	40.2	507.3	1,103.0
Repayments of other loans and finance lease liabilities	-51.5	-617.1	-1,466.0
Dividends paid	-97.8	-98.0	-98.1
Cash flow from financing	50.3	-313.9	-466.9
Change in cash and cash equivalents according to cash flow statement	-33.5	-51.9	-22.5
Effect of exchange rate differences on cash and cash equivalents	-1.2	0.9	2.0
Net change in cash and cash equivalents	-34.7	-51.0	-20.5
Cash and cash equivalents at the beginning of the period	73.1	93.5	93.5
Cash and cash equivalents at the end of the period	38.4	42.6	73.1

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

Income statement by quarter

EUR million	1-3/ 2013	4-6/ 2013	Restated 1-3/ 2012	Restated 4-6/ 2012	Restated 7-9/ 2012	Restated 10-12/ 2012	Restated 1-12/ 2012
Continuing operations							
Net sales	505.2	591.2	543.6	646.5	599.5	586.7	2,376.3
Other operating income	9.4	7.6	8.6	19.4	8.7	15.7	52.5
Materials and services	-176.3	-194.2	-190.0	-212.2	-214.6	-199.6	-816.3
Employee benefit expenses	-153.0	-153.8	-156.5	-156.8	-145.9	-155.7	-614.9
Other operating expenses	-111.7	-120.8	-122.4	-118.2	-109.1	-141.8	-491.5
Depreciation, amortisation and impairment losses	-113.8	-93.1	-67.6	-80.6	-77.2	-99.7	-325.2
Operating profit	-40.2	36.9	15.6	98.1	61.5	5.7	181.0
Share of results in associated companies	0.0	1.3	-16.4	-3.4	2.3	-0.2	-17.7
Financial income	6.8	-0.9	7.0	4.9	3.3	3.0	18.2
Financial expenses	-21.8	-11.8	-20.7	-19.1	-17.8	-18.0	-75.6
Result before taxes	-55.2	25.6	-14.4	80.5	49.4	-9.4	105.9
Income taxes	3.4	-2.6	-3.6	-21.7	-10.6	-0.2	-36.0
Result for the period from continuing operations	-51.8	23.0	-18.0	58.8	38.8	-9.6	69.9
Discontinued operations							
Result for the period from discontinued operations			1.2	78.6	-0.7	0.0	79.0
RESULT FOR THE PERIOD	-51.8	23.0	-16.8	137.3	38.1	-9.6	149.0
Result from continuing operations attributable to:							
Equity holders of the Parent Company	-39.1	21.6	-19.2	56.1	37.8	-11.0	63.7
Non-controlling interests	-12.7	1.4	1.2	2.7	0.9	1.4	6.2
Result attributable to:							
Equity holders of the Parent Company	-39.1	21.6	-18.0	134.7	37.1	-11.0	142.8
Non-controlling interests	-12.7	1.4	1.2	2.6	0.9	1.4	6.2
Earnings per share for result attributable to the equity holders of the Parent Company:							
Earnings per share, EUR, continuing operations	-0.24	0.13	-0.12	0.34	0.23	-0.07	0.39
Diluted earnings per share, EUR, continuing operations	-0.24	0.13	-0.12	0.34	0.23	-0.07	0.39
Earnings per share, EUR, discontinued operations			0.01	0.48	0.00	0.00	0.49
Diluted earnings per share, EUR, discontinued operations			0.01	0.48	0.00	0.00	0.49
Earnings per share, EUR	-0.24	0.13	-0.11	0.83	0.23	-0.07	0.88
Diluted earnings per share, EUR	-0.24	0.13	-0.11	0.83	0.23	-0.07	0.88

Net sales by business unit

EUR million	1-3/ 2013	4-6/ 2013	1-3/ 2012	4-6/ 2012	7-9/ 2012	10-12/ 2012	1-12/ 2012
Media							
The Netherlands	157.2	184.6	171.6	208.1	173.5	207.2	760.4
Finland	69.6	73.7	77.4	76.7	65.4	82.2	301.7
Russia & CEE	42.8	43.9	49.0	50.1	46.9	53.5	199.5
Belgium	54.3	53.2	56.8	54.6	52.9	64.1	228.3
Other businesses and eliminations	-0.5	-0.5	-0.7	-0.8	-0.6	-0.7	-2.7
Total	323.5	354.9	354.1	388.6	338.1	406.3	1,487.1
News							
Helsingin Sanomat	56.3	53.0	59.3	56.2	52.2	57.1	224.9
Ilta-Sanomat *	20.0	22.7	21.2	22.0	20.0	21.1	84.3
Other businesses and eliminations	24.8	24.1	29.5	28.6	26.1	29.4	113.5
Total	101.0	99.8	110.0	106.8	98.3	107.6	422.8
Learning							
Learning	45.7	103.7	34.2	109.3	127.4	35.5	306.4
Other businesses			4.6	1.8	0.0	0.0	6.5
Eliminations		-0.2	-0.4	0.0	0.0	0.0	-0.5
Total	45.7	103.5	38.4	111.1	127.4	35.5	312.4
Other companies and eliminations	34.9	33.0	41.1	40.0	35.6	37.3	154.0
Continuing operations	505.2	591.2	543.6	646.5	599.5	586.7	2,376.3

* In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

Operating profit by segment

EUR million	1-3/	4-6/	Restated	Restated	Restated	Restated	Restated
	2013	2013	1-3/ 2012	4-6/ 2012	7-9/ 2012	10-12/ 2012	1-12/ 2012
Media	-39.6	9.3	27.0	51.9	20.3	31.0	130.2
News	5.5	1.9	8.8	5.0	-1.6	8.0	20.3
Learning	-4.4	35.9	-15.0	51.0	45.0	-22.1	58.9
Other companies and eliminations	-1.7	-10.1	-5.2	-9.8	-2.2	-11.2	-28.5
Continuing operations	-40.2	36.9	15.6	98.1	61.5	5.7	181.0

Operating profit excluding non-recurring items by segment

EUR million	1-3/	4-6/	Restated	Restated	Restated	Restated	Restated
	2013	2013	1-3/ 2012	4-6/ 2012	7-9/ 2012	10-12/ 2012	1-12/ 2012
Media	-1.3	31.8	27.0	54.5	23.0	46.9	151.5
News	5.9	6.0	8.8	5.0	8.3	10.0	32.2
Learning	-4.4	35.9	-15.0	46.9	49.4	-22.1	59.2
Other companies and eliminations	-3.2	-5.7	-5.2	-2.6	-0.9	-3.1	-11.9
Continuing operations	-3.0	68.0	15.6	103.8	79.8	31.8	231.0

Segment information

The Group includes three reportable segments: Media, News and Learning. The segmentation is based on business model and product differences. Media, operating in 11 countries, is responsible for magazines and TV operations. Sanoma News is responsible for newspapers in Finland. Both segments also have a great variety of online and mobile services. Learning's business is mainly B2B business. In addition to the Group eliminations column, unallocated/eliminations includes non-core operations, head office functions, real estate companies as well as items not allocated to segments.

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

Sanoma segments 1.1.–30.6.2013

EUR million	Media	News	Learning	Other companies/ eliminations	Continuing operations	Dis-continued operations	Total
External net sales	676.9	200.3	149.2	70.0	1,096.4		1,096.4
Internal net sales	1.6	0.6	0.0	-2.1			
Net sales, total	678.4	200.9	149.2	67.9	1,096.4		1,096.4
Operating profit	-30.3	7.4	31.5	-11.8	-3.2		-3.2
Share of results in associated companies	0.0	0.1	0.0	1.3	1.4		1.4
Financial income				5.9	5.9		5.9
Financial expenses				-33.6	-33.6		-33.6
Result before taxes					-29.6		-29.6
Segment assets	2,729.3	293.2	555.8	154.4	3,732.6		3,732.6

Sanoma segments 1.1.–30.6.2012 (Restated)

EUR million	Media	News	Learning	Other companies/ eliminations	Continuing operations	Dis-continued operations	Total
External net sales	741.3	216.3	148.7	83.2	1,189.5	116.4	1,305.9
Internal net sales	1.3	0.6	0.8	-2.2	0.5	1.5	
Net sales, total	742.7	216.8	149.5	81.0	1,190.1	117.9	1,305.9
Operating profit	78.9	13.9	36.0	-15.1	113.7	80.4	194.1
Share of results in associated companies	-20.7	0.3	-0.1	0.8	-19.8		-19.8
Financial income				11.9	11.9	0.1	11.8
Financial expenses				-39.8	-39.8	-0.1	-39.8
Result before taxes					66.0	80.3	146.4
Segment assets	2,807.9	317.2	574.8	192.2			3,892.1

Changes in property, plant and equipment

EUR million	30.6.2013	30.6.2012	31.12.2012
Carrying amount at the beginning of the period	283.4	343.6	343.6
Increases	13.3	15.2	29.0
Acquisition of operations	0.1	0.1	2.3
Decreases	-4.7	-4.3	-5.2
Disposal of operations	-3.6	-44.9	-45.0
Depreciation for the period	-18.2	-21.7	-40.7
Impairment losses for the period	-0.3	-0.1	-1.3
Exchange rate differences and other changes	-2.2	0.8	0.6
Carrying amount at the end of the period	267.7	288.7	283.4

The Group had no commitments for acquisition of tangible assets at the end of the reporting period or in the comparative period.

Changes in property, plant and equipment include continued and discontinued operations.

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 222.1 million (2012: 239.9).

Effect of acquisitions on the consolidated balance sheet

EUR million	1-6/ 2013	1-12/ 2012
Acquisition costs	6.8	27.3
Fair value of acquired net assets	5.2	4.1
Goodwill	1.5	23.2

Contingent liabilities

EUR million	30.6.2013	30.6.2012	31.12.2012
Contingencies for own commitments			
Mortgages	8.3	9.7	9.7
Pledges	2.4	2.4	2.4
Other items	45.6	45.7	45.8
TOTAL	56.3	57.8	57.9
Other contingencies			
Operating lease liabilities	210.3	148.3	199.4
Royalties	14.3	18.0	17.5
Other items	47.1	48.9	46.0
TOTAL	271.7	215.2	262.9
TOTAL	328.0	273.0	320.8

Derivative instruments

EUR million	30.6.2013	30.6.2012	31.12.2012
Fair values			
Interest rate derivatives			
Interest rate swaps	-10.1	-17.4	-16.1
Currency derivatives			
Forward contracts	0.0	2.6	-1.1
Nominal values			
Interest rate derivatives			
Interest rate swaps	740.0	740.0	740.0
Currency derivatives			
Forward contracts	82.0	57.9	102.5

The fair value of the foreign currency forward contracts is determined using forward exchange market rates on the balance sheet date. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows.

Key exchange rates

	1-6/ 2013	1-6/ 2012	1-12/ 2012
Average rate			
EUR/CZK (Czech Koruna)	25.67	25.25	25.19
EUR/HUF (Hungarian Forint)	295.85	295.47	290.24
EUR/PLN (Polish Zloty)	4.17	4.25	4.19
EUR/RUB (Russian Rouble)	40.74	40.20	40.24
EUR/SEK (Swedish Crown)	8.53	8.88	8.70
EUR/USD (US Dollar)	1.31	1.30	1.29
Closing rate			
	30.6.2013	30.6.2012	31.12.2012
EUR/CZK (Czech Koruna)	25.95	25.64	25.15
EUR/HUF (Hungarian Forint)	294.85	287.77	292.30
EUR/PLN (Polish Zloty)	4.34	4.25	4.07
EUR/RUB (Russian Rouble)	42.85	41.37	40.33
EUR/SEK (Swedish Crown)	8.78	8.77	8.58
EUR/USD (US Dollar)	1.31	1.26	1.32

January–June 2013 Interim Report webcast

The event for investors and analysts will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius today at 11:00 Finnish time (9:00 UK time) at Nelonen studio, Sanomatalo, Töölölahdenkatu 2, Helsinki. The webcast can be viewed on Sanoma's website at www.sanoma.com/en/investors.

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Sanoma will publish its Interim Reports in 2013 on a quarterly basis

— Interim Report January–September 2013 on 31 October, at approximately 8:30 CET+1

Additional information

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