

Sanoma 1-3/2010

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Efficiency Measures Improved the Result

Good Advertising Sales Development in March



- Operating profit excluding non-recurring items improved by 53%
- Successful execution of efficiency programmes
 - total expenses: -2%
 - personnel expenses: -4%
 - advertising and marketing: -7%
 - paper costs: -10%
- Strong cash flow development
- Sales growth still slow
- Good advertising market development in March, especially in Finland, but visibility still low
- Focus on maintaining a good cash flow and improving efficiency also in 2010
- Growing digital revenues create better balance with the print revenues
- New innovation management system supports future growth

Key Events in Q1



Focusing on core

- Sanoma News sold picture agency Lehtikuva to STT
- Sanoma Learning & Literature divested multivolume publisher Bertmark's Norwegian business and reorganised its Swedish operations

Expanding product portfolio

- Sanoma Learning & Literature started co-operation with the leading Russian learning material provider
- AAC Global expanded operations to China
- Welho launched new broadband products with speeds up to 200 Mbps

Awarded performance

- Media sales of Sanoma Magazines Finland, Radio Rock/Aalto and Nelonen were ranked as the TOP 3 media sales organisations in Finland
- Malmberg won IPON Award for its e-learning solution
- Sofi Oksanen won Nordic Council's Literature Prize with her novel *Puhdistus* (Purge)

Improved Result

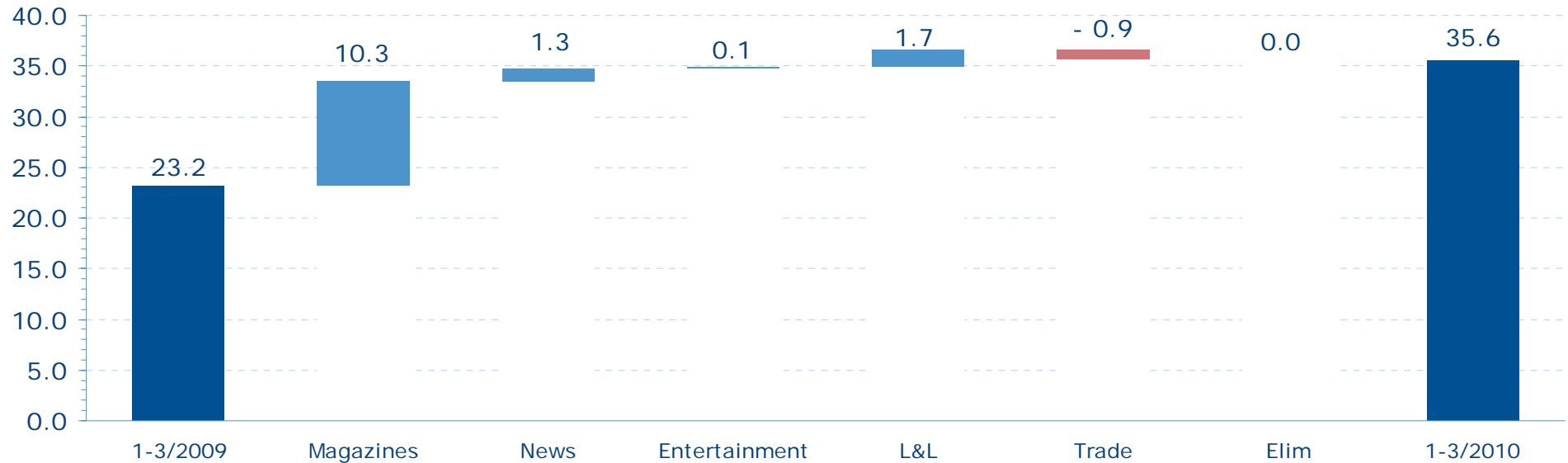


EUR million	1–3/2010	1–3/2009	Ch %	1–12/2009
Net sales	637.9	636.0	0.3	2,767.9
Operating profit excluding non-recurring items	35.6	23.2	53.4	229.5
% net sales	5.6	3.7		8.3
Operating profit	40.4	20.9	93.2	195.4
Earnings/share, EUR	0.16	0.05	209.8	0.66
Cash flow from operations/share, EUR	0.23	-0.05	542.7	1.50
Number of employees at the end of the period *	16,293	17,845	-8.7	16,723

EBIT Excl. Non-recurring Items

Sanoma Magazines Improving the Most

EUR million



- Magazines: improved profitability in all businesses due to efficiency improvements.
- News: positive development of advertising sales and efficiency improvements.
- Entertainment: good sales development especially in broadband and pay TV operations.
- Learning & Literature: efficiency improvements especially in learning and language services and timing differences in learning.
- Trade: the effect of new opening hours of other retailers to kiosk operations in Finland and the restructuring of the Russian and the Estonian operations.

Continuously Solid Financial Position

EUR million	31.3.2010	31.3.2009
Balance sheet total	3,137.5	3,215.1
Equity ratio, %	42.7	40.2
Net gearing, %	74.4	84.1
Interest-bearing liabilities	991.4	1,099.4
Interest-bearing net debt	931.3	1,016.5
Cash and cash equivalents	60.1	82.9

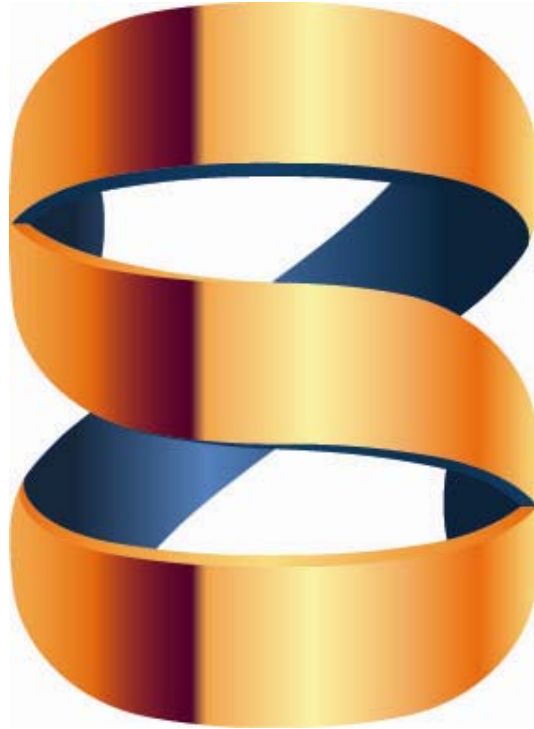


- Favourable long-term credit facility
- Net debt/EBITDA 2.4

Outlook for 2010 Unchanged



- Net sales are expected to grow
- The operating profit excluding non-recurring items is estimated to improve slightly
 - In 2009, operating profit excluding non-recurring items was EUR 229.5 million
- The outlook is based on the assumption that the advertising markets in the Group's operating countries remain stable or grow only slightly.



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