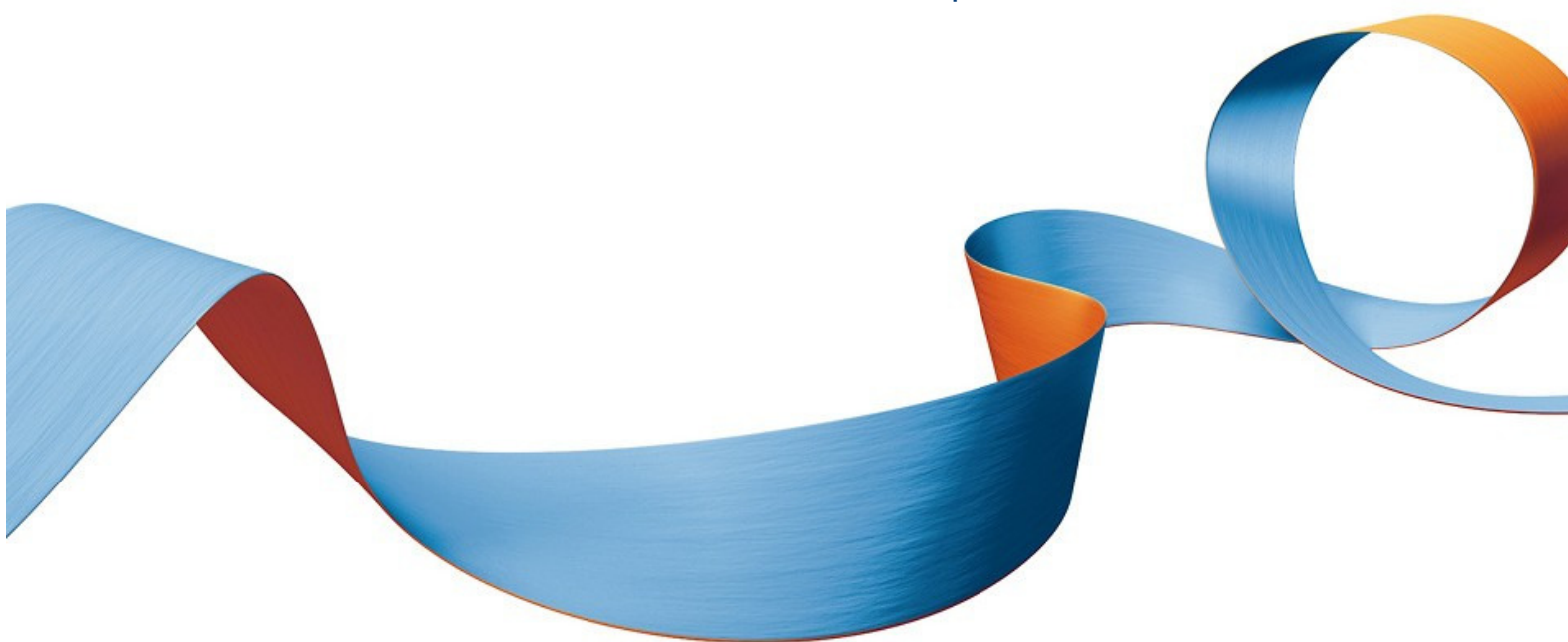


## SANOMA MAGAZINES 2Q09 INTERIM REPORT April-June 2009



### HIGHLIGHTS

- Sanoma Magazines' online advertising sales continued to grow in the second quarter.
- Sanoma Magazines Belgium and Sanoma Magazines Finland strengthened their market leading positions.
- Active portfolio management continued: four new online sites were launched and six magazines discontinued in the second quarter.



## ABOUT SANOMA MAGAZINES

Sanoma Magazines is a leading publisher of magazines and has a strong digital media presence in 13 European countries. The company actively reaches out to an audience of 290 million consumers at every life stage, and aims to strengthen its market leader positions in each of the markets it operates in.

\* Sanoma Magazines is active in Belgium, Bulgaria, Croatia, Czech Republic, Hungary, Finland, the Netherlands, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.



## KEY FIGURES

KEY INDICATORS (€ million)	4-6/ 2009	4-6/ 2008	change %	1-6/ 2009	1-6/ 2008	change %	1-12/ 2008
• Net sales	275.9	318.5	-13.4	538.1	603.9	-10.9	1,246.8
• Operating profit excl. major non-recurring capital gains	31.5	46.6	-32.3	47.1	71.2	-1.3	139.7
- % of net sales	11.4	14.6		8.7	11.8		11.1
• Operating profit	30.2	46.6	-35.1	45.8	94.7	-51.7	85.7
• Capital expenditure				12.3	12.2	1.5	26.8
• Average number of employees (full-time equivalents)				5,611	5,520	1.7	5,731
OPERATIONAL INDICATORS (including Joint Ventures)				1-6/ 2009			1-6/ 2008
• Number of magazines published				306			323
• Magazine copies sold, thousands				187,066			205,160
• Advertising pages sold				26,284			33,153

 NET SALES

Sanoma Magazines' net sales in January–June decreased by 10.9% to EUR 538.1 (603.9) million. The general economic situation affected advertising sales in all operating countries with Sanoma Magazines International's net sales being impacted the most. The Division's net sales adjusted for changes in the Group structure decreased by 12.0%. Of the Division's net sales, 18% (17%) came from Finland. In April–June, the Division's net sales decreased by 13.4% to EUR 275.9 (318.5) million. The decrease mostly came from Sanoma Magazines International, but sales in the Netherlands also weakened.

The Division's advertising sales decreased by 21% in the first six months and represented 29% (33%) of net sales. The economic downturn has hit Sanoma Magazines International's advertising revenues in particular. The Division's online advertising sales were up by 5%, with the growth rate slowing down in the second quarter.

#### Sanoma Magazines Netherlands

Sanoma Magazines' circulation sales decreased by 4% and represented 60% (56%) of the Division's net sales. Subscription sales remained stable during the first six months and even increased in Belgium. Single copy sales declined clearly in the CEE countries and in the Netherlands.

In January–June Sanoma Magazines Netherlands' net sales amounted to EUR 233.9 (246.9) million. New online assets increased Sanoma Magazines Netherlands' online revenues, which grew by 12%. Total advertising sales decreased due to a decline in the print advertising revenues. However, Sanoma Magazines Netherlands outperformed the consumer magazine advertising market. According to Nielsen Media Research, the consumer magazine advertising market in the Netherlands decreased by 18% in January–May 2009 and magazine advertising's share of the total advertising market declined. In total, advertising sales represented 27% (27%) of Sanoma Magazines Netherlands' net sales. The readers market in the Netherlands continued to decrease. Sanoma Magazines Netherlands' subscription sales were at the comparable period's level but single copy sales were lower and the total circulation sales decreased. Sanoma Magazines Netherlands launched four online sites in the second quarter.

#### Sanoma Magazines International

Sanoma Magazines International's net sales in January–June were EUR 104.0 (146.9) million. The economic downturn has affected Sanoma Magazines International's operations strongly. Advertising sales decreased in all countries, especially in Russia and Ukraine as well as in the Czech Republic,

where a number of magazine titles were discontinued. The reported net sales were also clearly affected by the negative exchange rate developments, especially in Russia and Hungary. In total, advertising sales represented 49% (55%) of Sanoma Magazines International's net sales. Circulation sales were clearly below the comparable period. This is partly attributable to the reduced number of magazines published and in some cases the number of issues. The publication frequency of various titles has been adjusted in order to save costs. In the second quarter, Sanoma Magazines International discontinued six magazine titles.

### Sanoma Magazines Belgium

Net sales at Sanoma Magazines Belgium totalled EUR 104.0 (109.7) million. Advertising sales decreased and represented 27% (29%) of Sanoma Magazines Belgium's net sales. Circulation sales remained stable with subscription sales increasing and single copy sales decreasing slightly. In Belgium, both the advertising and readers market have declined. With its strong brands, Sanoma Magazines Belgium has been able to increase its market share in the advertising market and kept its strong position in the readers market. Sanoma Magazines Belgium has renewed its strategy and initiated a restructuring programme to respond to changes in the media environment.

### Sanoma Magazines Finland

Sanoma Magazines Finland's net sales amounted to EUR 98.3 (102.6) million with advertising sales declining. Circulation sales remained stable. Advertising sales represented 14% (17%) of Sanoma Magazines Finland's net sales. According to TNS Gallup Adex, advertising in consumer magazines in Finland decreased by 22% in January–June and the magazine single copy market decreased in volume by 21%. Sanoma Magazines Finland outperformed the market development both in advertising and the readers market and has increased its market shares. In particular the key titles, like the women's weekly Me Naiset, have clearly strengthened their position in both markets.



### OPERATING PROFIT

OPERATING PROFIT (€ million)	1-3/ 2009	1-6/ 2009	1-3/ 2008	4-6/ 2008	7-9/ 2008	10-12/ 2008
• Sanoma Magazines	15.5	31.5	48.2	46.6	31.6	-40.6

In January–June, Sanoma Magazines' operating profit excluding non-recurring items decreased by 34.0% to EUR 47.1 (71.2) million. Decreasing advertising sales affected results in all businesses and the decline in operating profit was only partly offset by cost savings. Non-recurring items totalled EUR -1.3 million and were related to restructuring in Sanoma Magazines Belgium. In the comparable

period, operating profit included a EUR 23.5 million non-recurring gain on the divestment of movie distributor R.C.V. Entertainment. Operating profit for the first six months amounted to EUR 45.8 (94.7) million. In April–June, the Division's operating profit excluding non-recurring items decreased 32.3% and totalled EUR 31.5 (46.6) million.

Sanoma Magazines Netherlands' operational result was affected by the lower sales and increased personnel expenses. The operating profit was down significantly since the comparable period included the non-recurring gain from the sale of R.C.V. Entertainment. The decline in advertising sales decreased Sanoma Magazines International's operating result markedly. Sanoma Magazines Belgium increased its result. Sanoma Magazines Finland reached the comparable period's operating profit levels thanks to efficient cost-saving measures.

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## OUTLOOK

Sanoma Magazines continues to develop its magazine portfolio and online businesses as well as invest in strengthening its market positions in all countries it operates in, with a special focus on its key titles in each operating country. At the same time Sanoma Magazines is strongly focused on improving efficiency and saving costs. The Division has initiated several programmes to improve the profitability of its business units.

In 2009, Sanoma Magazines' net sales are expected to decrease and it is estimated that operating profit excluding non-recurring items will be clearly below the previous year's level.

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## PUBLICATION NEXT INTERIM REPORT

Sanoma Corporation will publish its interim report July–October on 6 November 2009 at approximately 8 am Finnish time.