

Sanoma Corporate Presentation

June 2015

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1. Sanoma in brief

2. Sanoma's strategy

3. Q1 2015 Interim Report

4. Appendix

Sanoma in a Nutshell

1,902

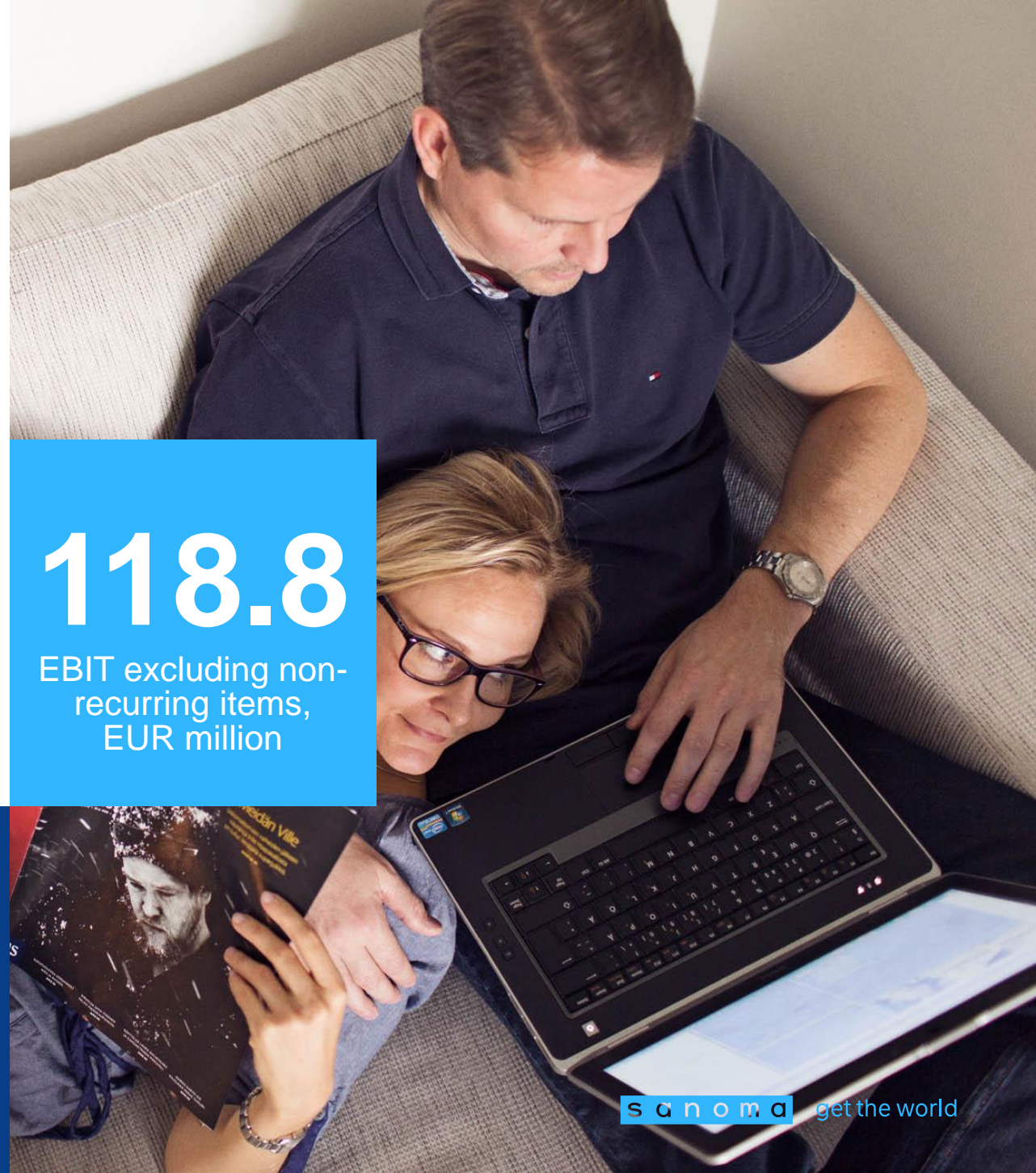
Net sales,
EUR million

118.8

EBIT excluding non-
recurring items,
EUR million

7,583

FTEs



Strong Brands, Great Content, Loyal Customers and Consumers

jim

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AKU AKKA

vauva

groove^{FM}



LINDA.

oikotie.fi



HERO

libelle

COSMOPOLITAN

Flair

HELSINGIN SANOMAT



Femmes
D'AUJOURD'HUI

RUUTU



nowa
era

vtwonen[®]



Radio
Aalto

metro

KIESKEURIG.NL

FASHIONCHICK

Story

RADICROCK

ILTA-SANOMAT



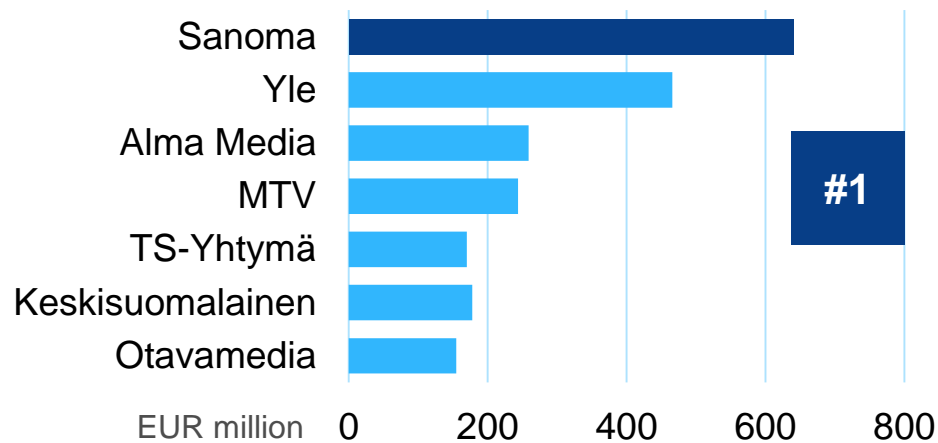
kodin
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MALMBERG

sanoma get the world

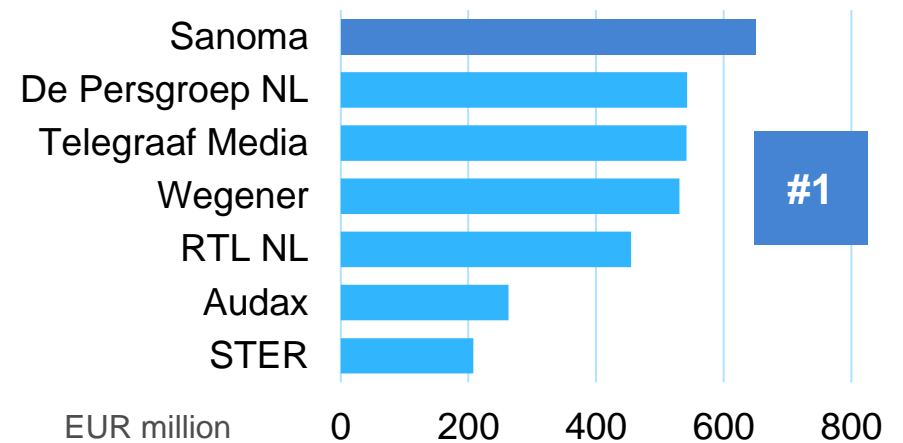
Market Leader in Consumer Media

Finland



- #1 in newspapers
- #1 in magazines
- #1 in online advertising
- #2 in commercial television
- #1 in commercial radio

Netherlands



- #1 in consumer magazines
- #1 in online advertising
- #2 in commercial television
- #1 in digital news services

Market Leader in Learning

Finland

Market position:
#1

Net sales:
~ EUR 50 million

s a n o m a p r o

Sweden

Market position:
#2

Net sales:
~ EUR 25 million

s a n o m a u t b i l d n i n g

Netherlands

Market position:
#2

Net sales:
~ EUR 100 million

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Belgium

Market position:
#1

Net sales:
~ EUR 35 million

VAN IN

Poland

Market position:
#1

Net sales:
~ EUR 75 million

nowa era

Global market

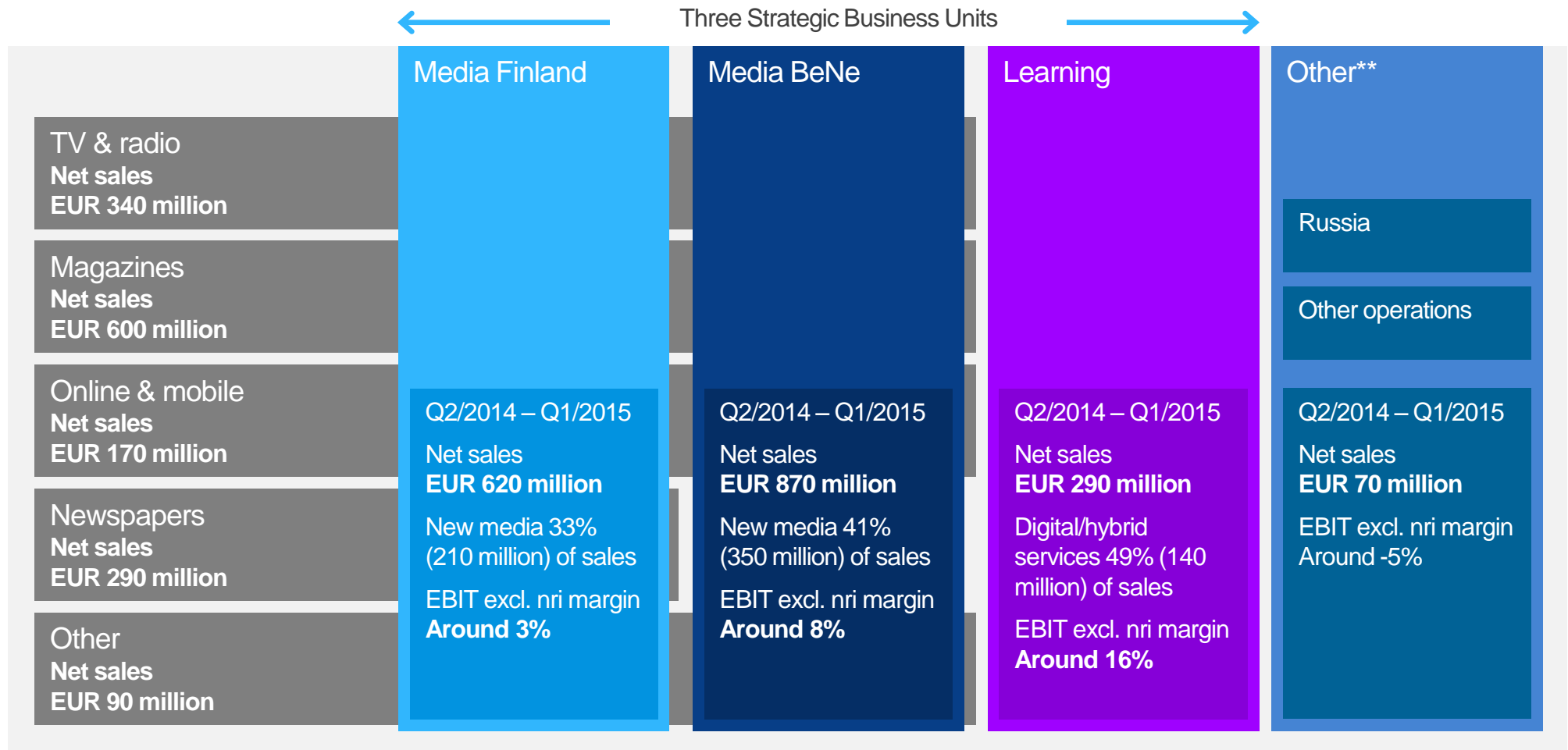
Market position: a
leading player in
online learning

Net sales:
~ EUR 15 million

Young Digital Planet

Sanoma's Structure and Key Figures

Last 12 months* – New media sales: EUR 560 million in Media Finland and Media BeNe



*Figures rounded to closest EUR 10 million.

**Figures do not include Parent company, other centralised Group costs and eliminations.

1. Sanoma in brief
2. **Sanoma's strategy**
3. Q1 2015 Interim Report
4. Appendix

Quick Look at Sanoma's Strategy

Mission: Get the world – Sanoma helps people access and understand the world

Our strategic aspiration

Market leader in consumer media and learning in our countries of operation

Our strategic goals

Growth and transformation

Renewal of products and services
Growth 2016

Profitability & balance sheet
– "fund the journey"

Cost-savings programme and divestments
Healthy balance sheet

Organisation
– "organise to win"

New organisation
Corporate culture

Strategic Implementation

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Main Achievements in Growth Story



Target to return back to organic growth in 2016

Netherlands

- Sale of 23 titles improves growth profile
- New sales generated around strong brands

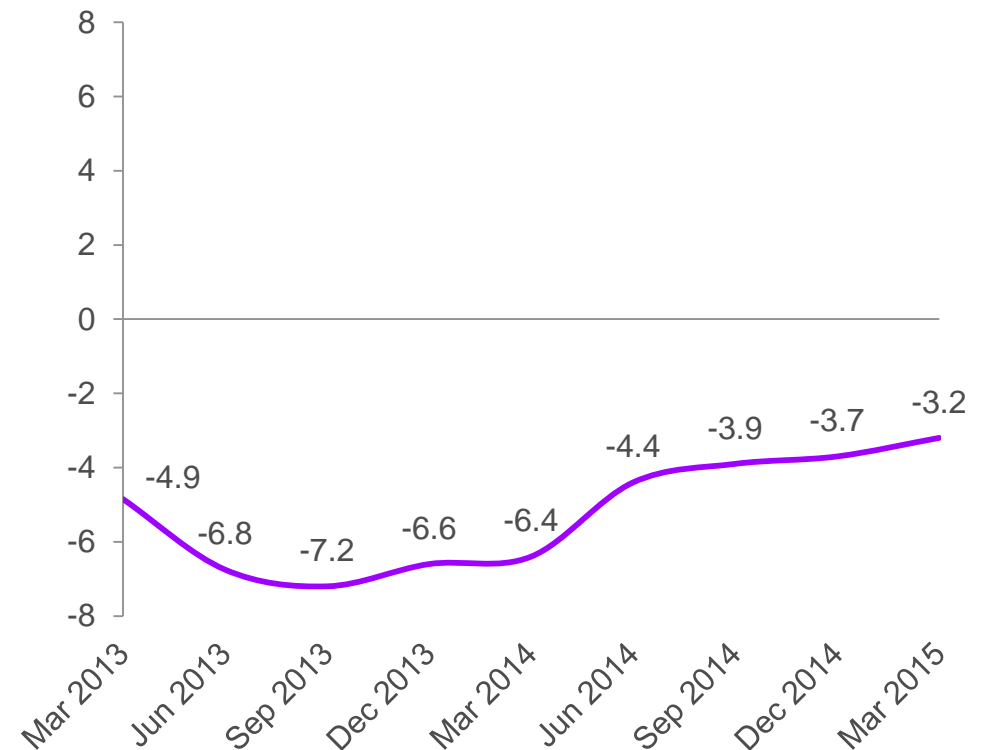
Finland

- Good growth in digital sales of news brands
- TV sales growth strong driven by success in viewing shares, VOD and radio
- Magazines transformation on its way with digital concepts such as Donald Duck Lataamo and Junior

Learning

- Transformation progressing well, successful innovations in digital learning

Sanoma Group - organic growth (%)
(rolling 12 months)



Digital is Growing

New media sales grew by 5% in Q1



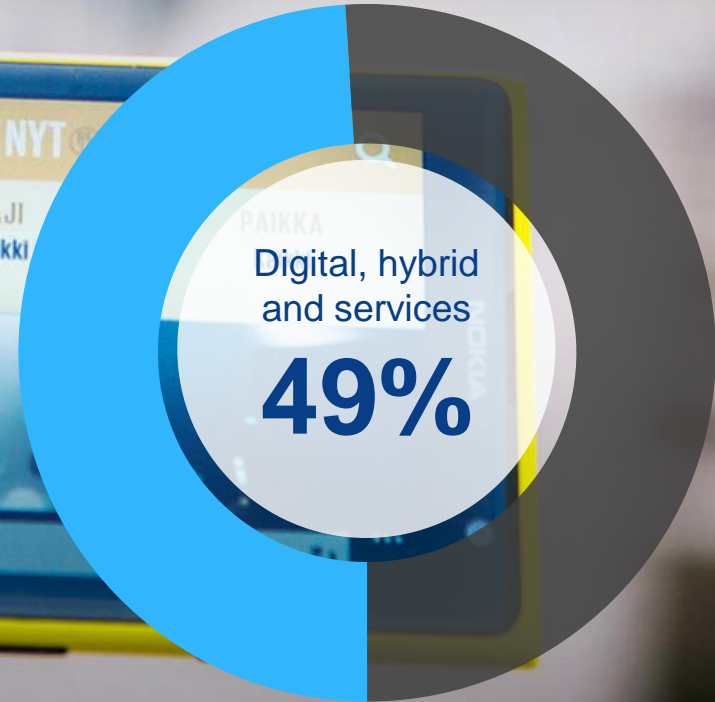
Media BeNe & Media Finland

Share of rolling 12 month net sales

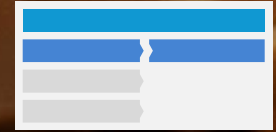


Learning

Share of rolling 12 month net sales



Media BeNe – Dutch Content Media



Circulation sales in Q1 2015

- Focus on top brands in the Netherlands is paying off
- Circulation sales have increased for many brands, however organic circulation sales development for the focus portfolio was -1% in Q1
- Advertising sales under pressure in weak market
- Integration of Belgian operations to Dutch business is underway

LINDA
+18%

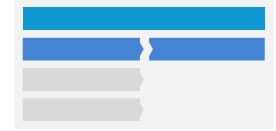
vtwonen
+51%

Ouders van Nu
+28%

Kek Mama
+25%

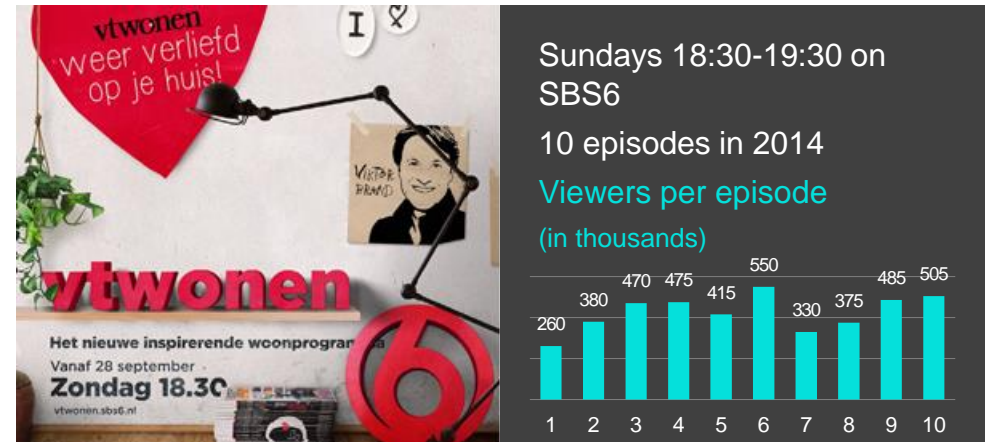
Domain Approach Paying Off

– Case vtwonen

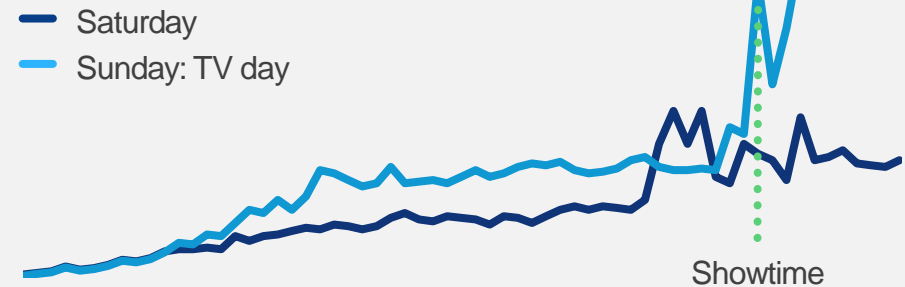


vtwonen®

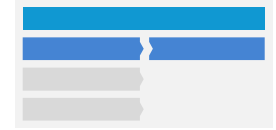
- Leading Dutch home deco brand
- New sales built around magazine brand (TV show / E-commerce / Events)
- Single copy sales increased after the launch of new TV show
- E-commerce sales is fast growing



Real-time effect on traffic vtwonen.nl



Good Growth in Digital Sales of News Brands Ilta-Sanomat and Helsingin Sanomat



Ilta-Sanomat continues strong growth growth in digital



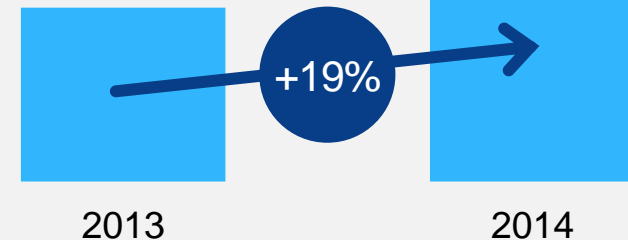
- Very strong position in mobile. Mobile sales developing extremely well
- Strong growth in ISTV video starts and sales

HS on good growth path, helped by several improvements in 2014

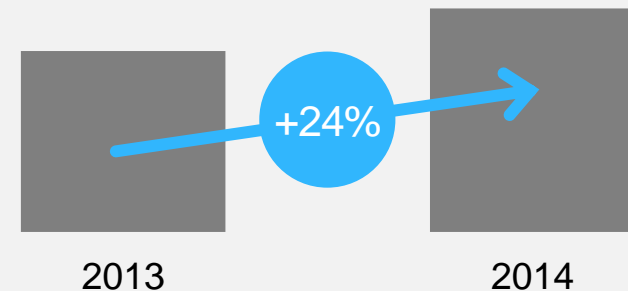
- New HS evening edition
- Wider offering of products, e.g. books on HS platform
- Reader satisfaction increased



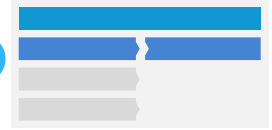
Growth in digital sales



Growth in digital sales



Nelonen Media – Growth in TV, VOD and Radio



New launches strengthen TV portfolio

- Main channel Nelonen rebranded and renewed
- New channel Hero reaching new target groups
- Ice hockey league growing but profitability unfortunately still negative

Unique content boosts VOD

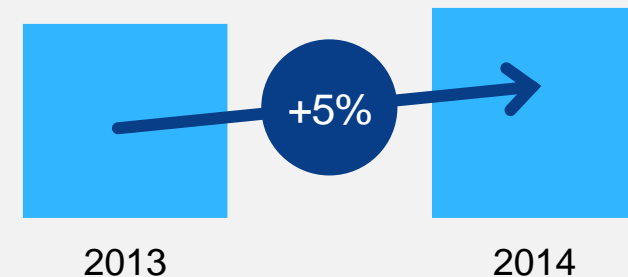
- Entertainment content drives Ruutu+ subscriptions to new record levels
- 9 million video starts of "Vain elämää"

Market position in radio even stronger

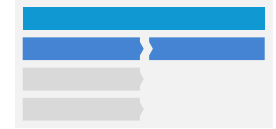
- Suomipop share of listeners from 16.8% to 17.6%
- Loop from 321.000 to 453.000 in weekly reach
- Sales growth over 30% in 2014



Sales growth in Nelonen Media



Learning – Highlights of Success



Organic sales growth in 2014 + 1.0%

- Successful new digital tools and services

Emerging markets provide growth opportunity

- Four deals > EUR 1 million in emerging markets

Already 49% of Learning's net sales (EUR 141 million) has a digital component

- Of which over EUR 50 million in pure digital and services, the highest amount among learning companies in Europe

sanoma pro

sanoma utbildning

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Teacher Online Services platform in Finland reaches 90% penetration of teachers

75%

Of primary school pupils in Netherlands and Belgium use Sanoma Learning platforms



Exercise platform Bingel used in 80% of Belgian primary schools, also launched in Sweden



First in market with 6 new fully digital courses (methods) launched in Netherlands



Partnership with Knewton to develop personalised learning products

Strategic Implementation

Mission: Get the world – Sanoma helps people access and understand the world

Our strategic aspiration

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Cost-savings programme and divestments
Healthy balance sheet

Organisation
– “organise to win”

Significant Cash Flow from Sale of Real Estate and Non-Core Operations



Sold media operations

- Belgium (only TV)
- Bulgaria (all operations)
- Croatia (all operations)
- Czech Republic (all operations)
- Finland (regional newspapers)
- Hungary (all operations)
- Netherlands (23 non-focus titles)
- Russia (Fashion Press)*
- Romania (all operations)
- Serbia (all operations)
- Slovenia (all operations)

Other operations

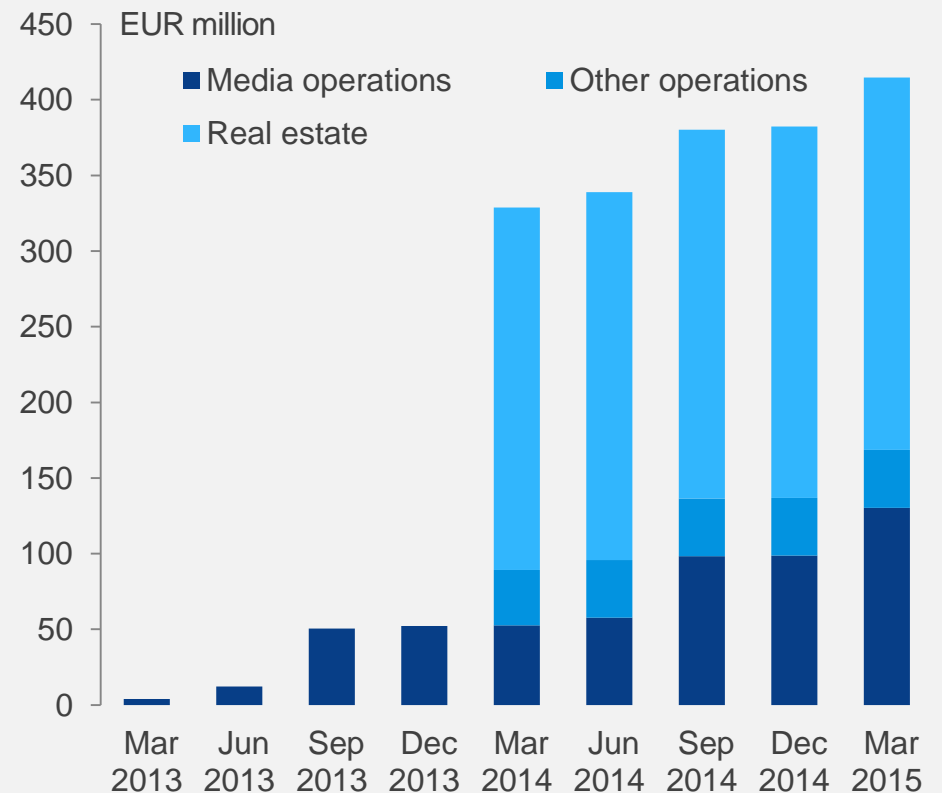
Press distribution Lehtipiste

Real Estate

Sale and leaseback of Sanoma House and Sanomala
Sale of two printing facilities



Cash flow from divestments (cumulative)



* Deal not closed on 31 March 2015 and therefore cash flow not shown in the graph.

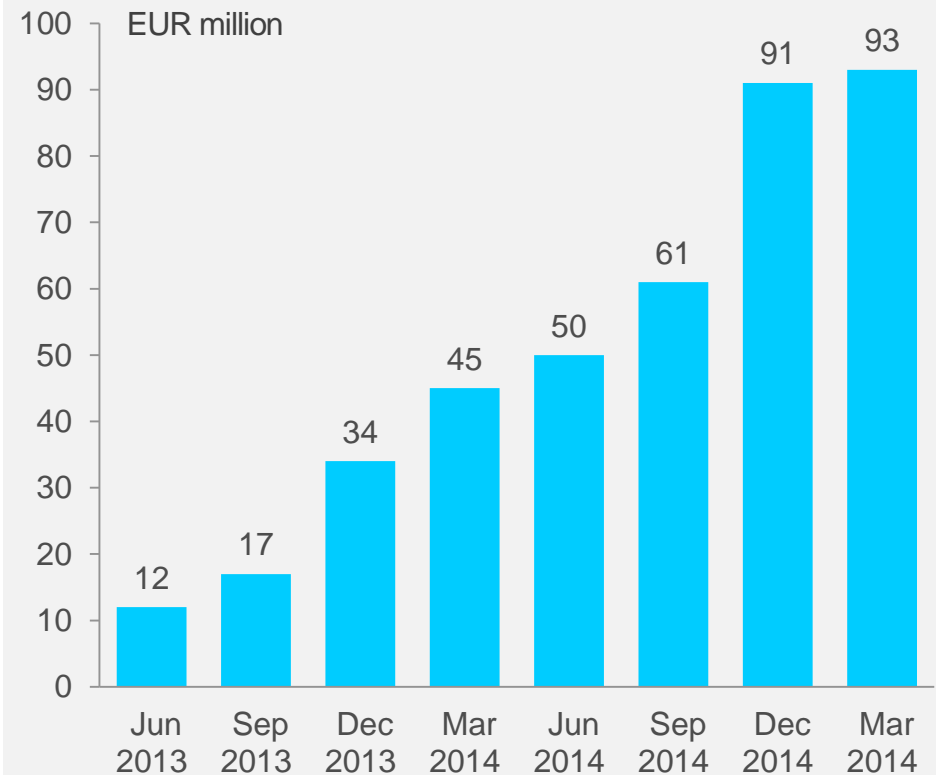
Cost Savings Programme – EUR 100 Million will be Achieved in Advance



EUR 100 million run-rate soon accomplished

- Savings of around EUR 23 million in Q1
- Run-rate at the end of March EUR 93 million
- Outsourcing of ICT and finance shared services completed
- EUR 100 million cost savings programme will be completed almost one year earlier than initially communicated

Cost savings - annual run rate



Strategic Implementation in 2014

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New organisation
Corporate culture

Major Changes in Organisation During 2014



- Finnish organizations combined, restructuring and new operation model in multiple business units
- New talents secured in top management layers
- New Digital unit + new Head of Digital
- Renewal of commercial operations, new CCOs in Netherlands and Finland
- Centralised operations to fewer locations
- Capabilities enhanced in digital transformation



2015 Business Priorities

Growth

Media

- Improve performance of core brands and domains
- Grow media market share
- Speed up digital growth
- Boost performance of SBS
- Integrate BeNe
- Drive cost savings beyond EUR 100 million

Learning

- Digital transformation
- Secure ecosystem
- Extend to new markets
- Develop the enablers
- Cost effectiveness

Culture

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Q1 – Mixed Performance in Challenging Environment



Q1 in brief

- Organic growth trend improving
- Mixed performance across businesses
 - Media BeNe – stable development, underlying profitability flat
 - Media Finland – operating performance not satisfactory
 - Learning – solid, Q1 impacted by major changes in ordering pattern and investments to support digital growth

Key figures

Q1 2015, EUR million

Net sales	380.1 (438.3), organic growth -3.8%
New media sales	126.2 (120.1), growth +5.1%
EBIT excl. non-recurring items	-19.9 (-4.0), -5.2% (-0.9%) of net sales

Advertising Market* Change in % vs. Prior Year

Netherlands	FY'14	Q1'15
Newspapers	-4	-3
Magazines	-13	-17
TV	+2	-4
Radio	+6	+3
Online	+11	+8
Total market**	+4	+2
Finland	FY'14	Q1'15
Newspapers	-9	-7
Magazines	-16	-14
TV	-4	-2
Radio	+9	-4
Online	+12	+6
Total market	-4	-3



*NL: Sanoma estimates, FIN: TNS Gallup, excl. online search. Total market in the countries includes also other smaller categories such as cinema and outdoor advertising.

Group Outlook for 2015 and Mid-Term Unchanged

Outlook	2014 actuals	2015 outlook	Mid-term outlook (2016)
Net sales growth (organic)	EUR 1,901.6 million, organic growth -3.7%	'Around previous year's development (2014: -3.7%)'	'Return to organic growth'
Operating profit margin, excluding non-recurring items	EUR 118.8 million, 6.2% of net sales	'At or above previous year's level (2014: 6.2%)'	'Around 10% of net sales'
Divestments and acquisitions done estimated to have impact on net sales of around EUR -90 million in 2015			

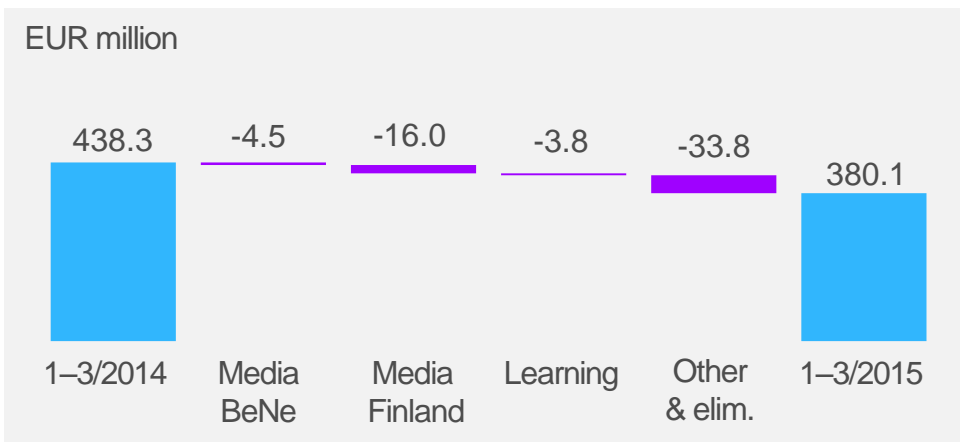
Income Statement

EUR million	1-3/2015	1-3/2014	1-12/2014	1-12/2013
Net sales	380.1	438.3	1,901.6	2,083.5
EBITDA excl. non-recurring items	51.9	65.5	392.0	436.6
<i>of net sales</i>	<i>13.6%</i>	<i>14.9%</i>	<i>20.6%</i>	<i>21.0%</i>
Amortisations related to TV programme rights	-48.9	-43.1	-159.9	-171.1
Amortisations related to prepublication rights	-6.7	-6.3	-25.1	-23.4
Other amortisations	-10.7	-13.0	-61.4	-53.4
Depreciation	-5.4	-7.0	-26.9	-34.0
EBIT excl. non-recurring items	-19.9	-4.0	118.8	154.6
<i>of net sales</i>	<i>-5.2%</i>	<i>-0.9%</i>	<i>6.2%</i>	<i>7.4%</i>
Non-recurring items	8.8	166.0	15.0	-412.4
Total financial items	-2.2	-13.5	-41.9	-53.0
Profit before taxes	-13.3	148.7	90.7	-309.5
Earnings per share	-0.06	0.77	0.32	-1.89
EPS excl. non-recurring items, EUR	-0.15	-0.09	0.33	0.44
Cash flow from operations / share, EUR	-0.45	-0.32	0.45	0.73

Net Sales Development

Q1 2015

	1–3/2015 EUR million	1–3/2014 EUR million	1–3/2015 organic growth, %
Group	380.1	438.3	-3.8
Media BeNe	189.5	194.0	-1.6
Media Finland	143.0	159.0	-3.3
Learning	37.4	41.2	-6.7
Other & elim.	10.2	44.0	-31.7



Media BeNe: Sales decline is mainly related to divestments of non-focus magazine titles and lower sales in print business. TV distribution sales and Aldipress developed positively.

Media Finland: Good development in new media sales was not able to offset declining print circulation and advertising sales. Absolute sales declined due to divestments.

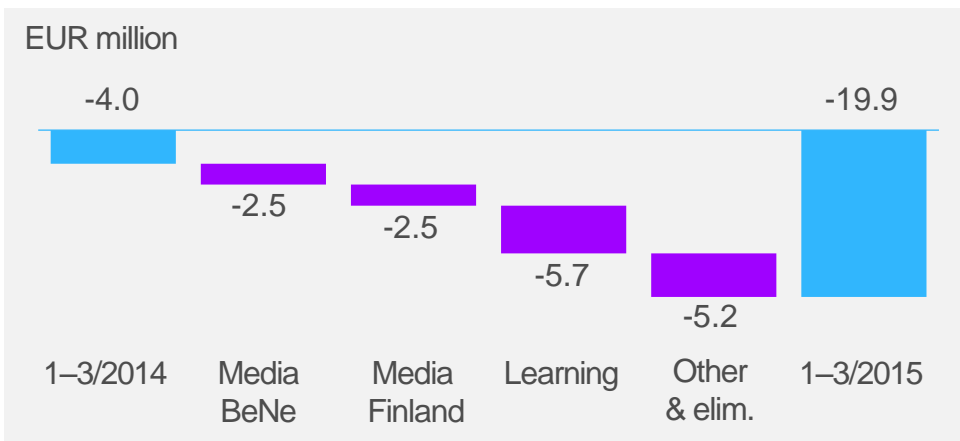
Learning: Seasonally minor quarter. Net sales declined mainly due to postponed orders in the Netherlands.

Other: Decline is mostly related to divestments of Finnish press distribution business Lehtipiste and Hungarian media operations.

EBIT Excluding Non-Recurring Items Development

Q1 2015

EUR million	1-3/2015	1-3/2014
Group	-19.9	-4.0
Media BeNe	5.8	8.3
Media Finland	-2.1	0.4
Learning	-12.7	-7.0
Other & elim.	-10.9	-5.7



- Media BeNe:**
- + Cost efficiency
 - + Aldipress performance supported by new clients
 - Print sales, mainly due to divestments
 - Higher TV programming amortisations
- Media Finland:**
- + Cost savings
 - Higher TV programming amortisations
 - Print advertising sales
 - Increased rents due to sale and leasebacks
- Learning:**
- Timing shift from Q1 to Q3 in the Netherlands
 - Investments in digital
- Other:**
- Sale of Lehtipiste and other divestments
 - Weaker result in non-core businesses

Free Cash Flow

Cash flow from operations less cash CAPEX

EUR million	1-3/2015	1-3/2014	1-12/2014	1-12/2013
EBITDA excl. non-recurring items	51.9	65.5	392.0	436.6
TV programme costs	-46.4	-44.8	-184.7	-186.4
Prepublication costs	-6.8	-7.1	-28.5	-31.2
Change in working capital	-30.4	-27.8	22.9	19.8
Interest paid	-22.5	-24.3	-35.1	-47.3
Other financial items	-7.4	-2.5	-14.6	-4.2
Taxes paid	-5.9	-6.0	-23.9	-25.7
Other adjustments	-5.5	-5.0	-54.5	-42.5
Cash flow from operations	-73.1	-52.1	73.7	119.1
Cash CAPEX	-11.3	-10.3	-51.0	-66.1
Free cash flow	-84.4	-62.3	22.8	53.0

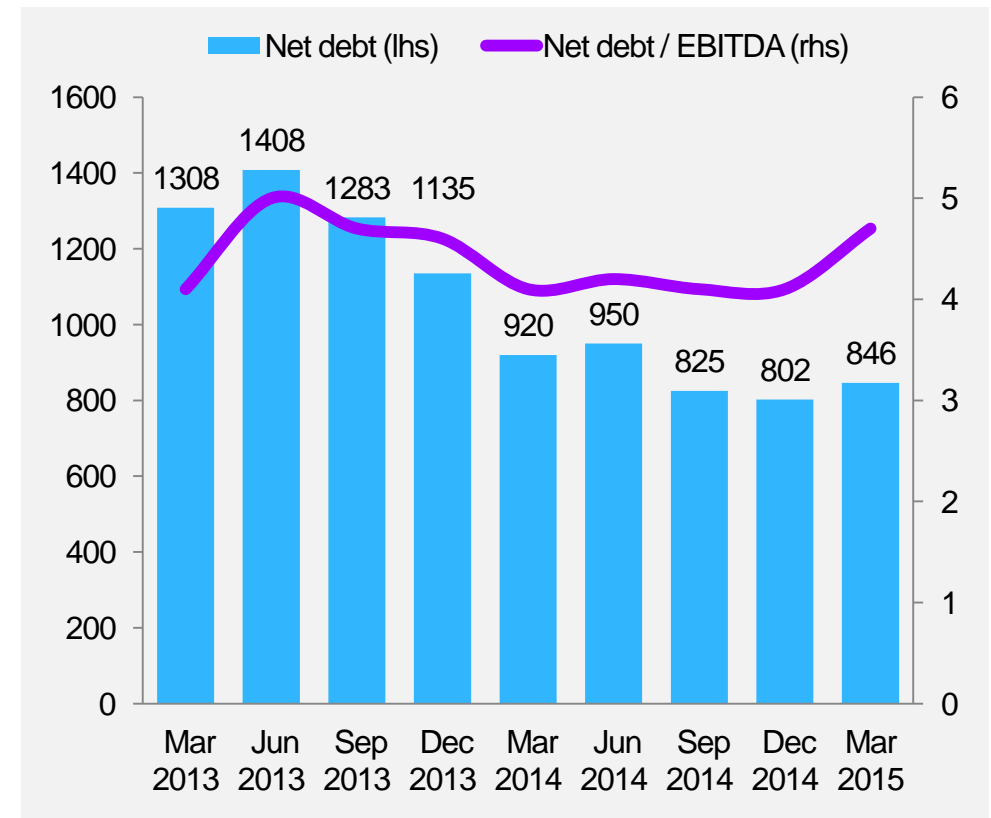
Note: Proceeds from sale of assets and operations in Q1/2015 amounted to EUR 32 million and EUR 330 million in 2014

Capital Structure

31 March 2015

- Net debt: EUR 846 million (Q1 2014: 920)
 - Net debt / EBITDA adjusted 4.7 times (4.1)
 - EBITDA adjusted: 12-month rolling EBITDA excl. non-recurring items, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA
 - Net debt / EBITDA based on covenant calculation method 2.3 times (1.6)
 - Average interest rate around 3% p.a.
 - Interest sensitivity is around EUR 2 million and duration is 18 months
- Total equity: EUR 1,155 million (1,291)
- Equity ratio: 40.4% (42.3%)
- Gearing: 73.2% (71.3%)

Key figures



1. Sanoma in brief
2. Sanoma's strategy
3. Financials

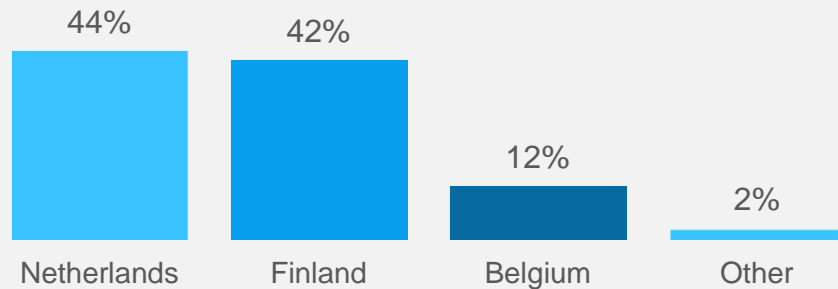
4. Appendix

Net Sales Split

Rolling 12 months

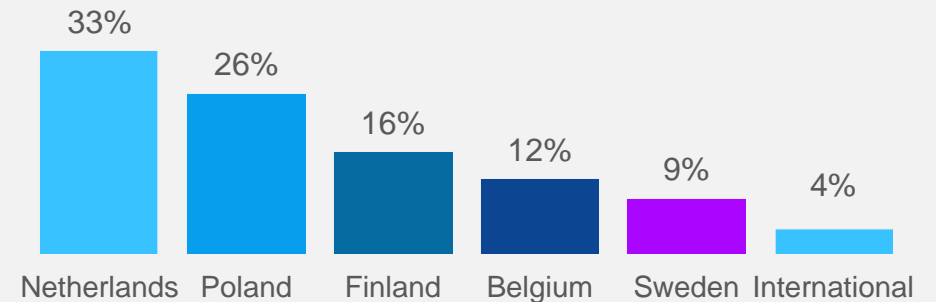
Media operations

Netherlands and Finland 86% of net sales



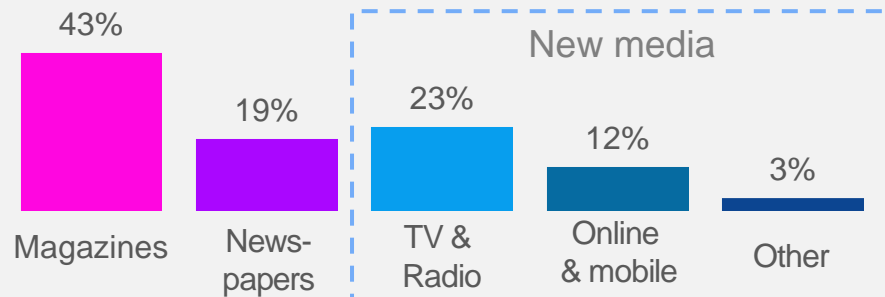
Learning

Diversified portfolio with several key markets



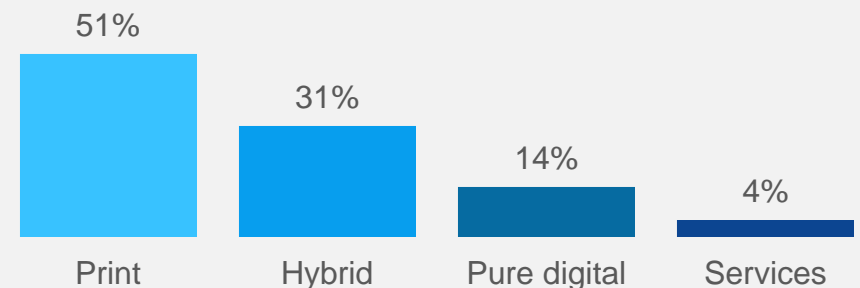
Consumer media (BeNe and Finland)

38% of net sales in new media (EUR 559 million)

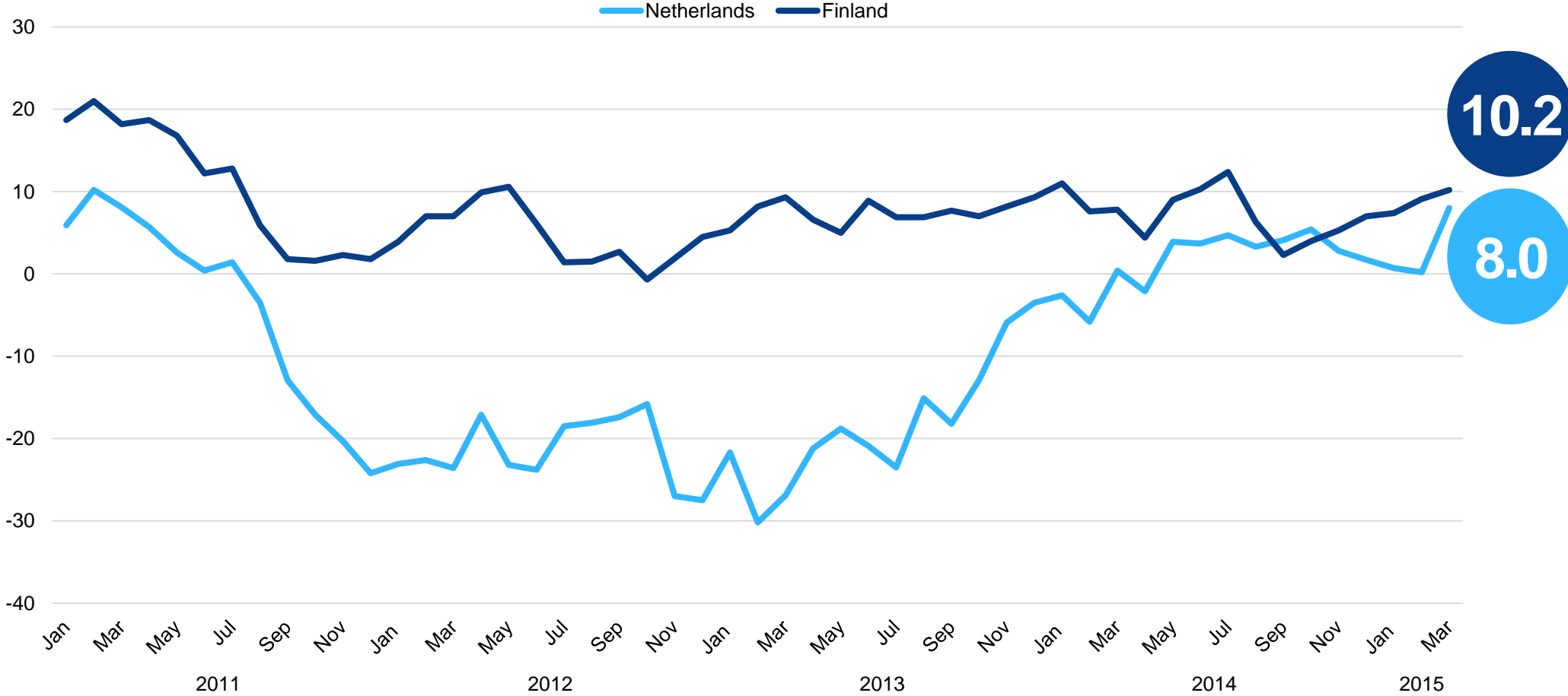


Learning

49% of sales is digital / hybrid / services (EUR 141 million)



Consumer confidence



Media BeNe

Key figures

	2015	2014					2013
EUR million	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	189.5	870.8	241.5	203.6	231.7	194.0	896.8
Digital	67.1	308.6	90.3	67.8	84.6	65.9	305.3
Online & mobile	20.9	87.2	24.9	20.1	21.8	20.4	90.3
TV	46.2	221.4	65.4	47.7	62.8	45.5	215.0
Print	105.6	479.4	123.2	115.6	125.7	114.9	517.9
Magazines	105.6	479.4	123.2	115.6	125.7	114.9	517.9
Other	16.8	82.8	28.0	20.2	21.4	13.2	73.6
EBIT excluding non-recurring items	5.8	71.2	23.3	13.9	25.7	8.3	77.4
<i>% of net sales</i>	<i>3.1</i>	<i>8.2</i>	<i>9.7</i>	<i>6.8</i>	<i>11.1</i>	<i>4.3</i>	<i>8.6</i>
Number of employees (FTE)*	2,250	2,483	2,483	2,550	2,744	2,756	2,845

* At the end of the period.

Media Finland

Key figures

	2015	2014					2013
EUR million	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	143.0	637.2	165.5	148.0	164.6	159.0	675.4
Digital	50.0	198.7	53.2	43.5	53.4	48.6	185.9
Online & mobile	21.9	84.8	23.2	18.3	22.1	21.3	74.7
TV & radio	28.0	113.8	30.1	25.1	31.4	27.3	111.2
Print	90.5	432.5	110.6	103.1	109.9	108.8	438.8
Magazines	29.5	134.4	35.0	31.8	33.6	34.0	160.9
Newspapers	62.3	300.3	76.2	71.8	77.0	75.3	325.2
Eliminations	-0.2	-2.2	-0.6	-0.4	-0.7	-0.5	-2.2
Other	1.4	6.0	1.7	1.4	1.3	1.6	5.6
EBIT excluding non-recurring items*	-2.1	23.5	5.6	9.9	7.5	0.4	30.7
<i>% of net sales</i>	<i>-1.5</i>	<i>3.7</i>	<i>3.4</i>	<i>6.7</i>	<i>4.5</i>	<i>0.3</i>	<i>4.5</i>
Number of employees (FTE)**	2,095	2,508	2,508	2,539	2,865	2,675	2,759

* Sale and leasebacks of real estate impacts negatively EBIT figures starting Q1 2014.

*** At the end of the period.

Learning

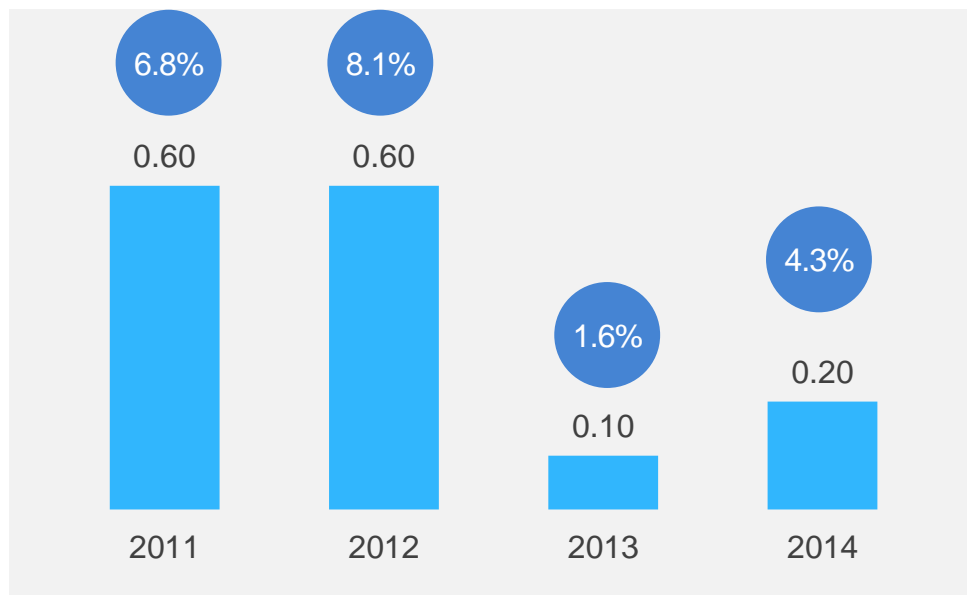
Key figures

	2015	2014					2013
EUR million	Q1	FY 2014	Q4	Q3	Q2	Q1	FY 2013
Net sales	37.4	292.0	30.9	113.0	106.9	41.2	304.6
Netherlands	21.5	98.1	8.3	24.6	40.7	24.5	95.3
Poland	6.6	86.8	12.6	51.1	17.8	5.2	83.8
Finland	3.8	48.3	4.1	10.6	28.8	4.8	53.5
Belgium	1.5	34.8	2.6	16.7	13.6	1.9	33.8
Sweden	4.1	26.1	3.9	10.7	6.5	4.9	29.3
Other and eliminations	-0.1	-1.9	-0.6	-0.7	-0.5	-0.1	8.9
EBIT excluding non-recurring items	-12.7	51.4	-27.1	44.4	41.2	-7.0	56.2
<i>% of net sales</i>	-33.9	17.6	-87.6	39.3	38.5	-16.9	18.5
Number of employees (FTE)*	1,515	1,563	1,563	1,580	1,591	1,613	1,564

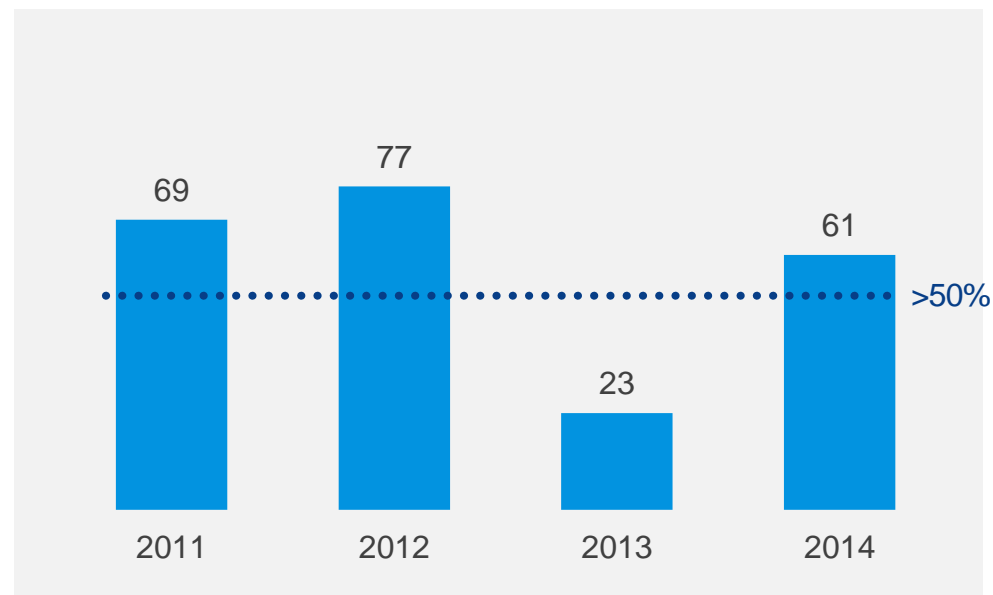
* At the end of the period.

Dividend Per Share EUR 0.20

Dividend per share and dividend yield*



Payout ratio (DPS / EPS excluding non-recurring items, %)



Dividend policy

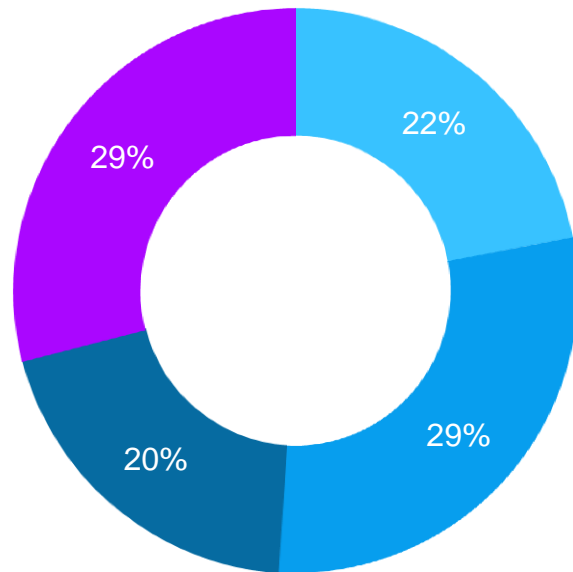
Sanoma conducts an active dividend policy and primarily pays out over half of Group result excluding non-recurring items for the period in dividends

* Closing price of last trading day of the respective year.

TV – Net Sales and EBIT Seasonality

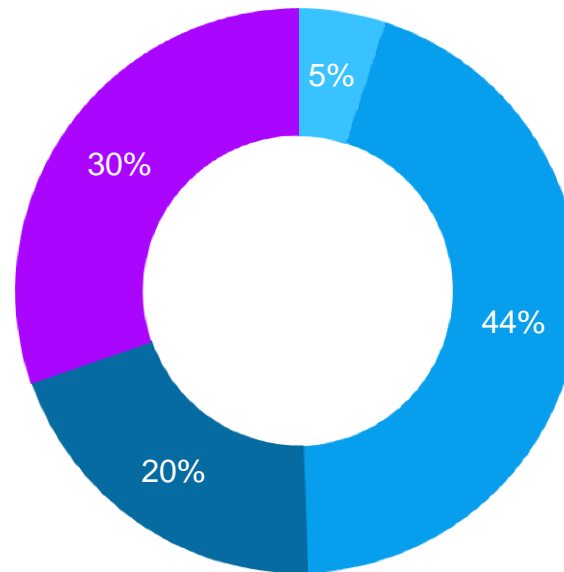
2010–2014 average for Dutch and Finnish TV*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



■ Q1 ■ Q2 ■ Q3 ■ Q4

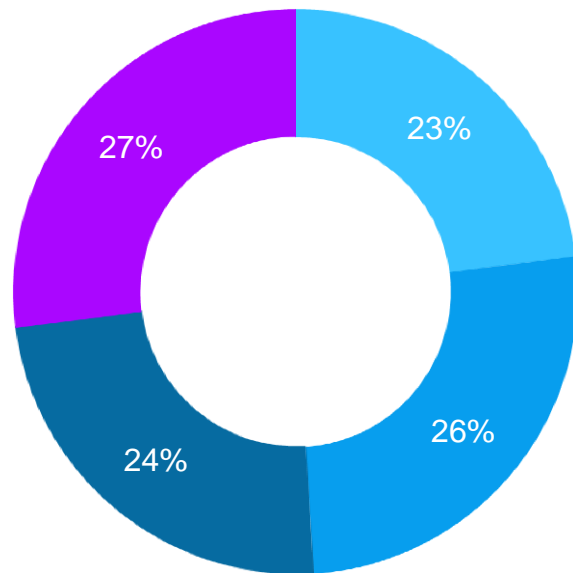
*Includes SBS Netherlands (excluding PPA amortization) and Nelonen Media Finland.
**Excluding non-recurring items.



Magazines – Net Sales and EBIT Seasonality

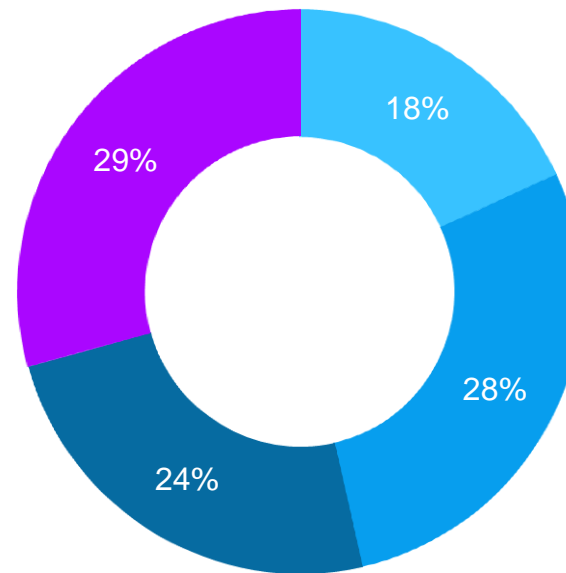
2010–2014 average for Dutch and Finnish Magazines*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT** split



■ Q1 ■ Q2 ■ Q3 ■ Q4



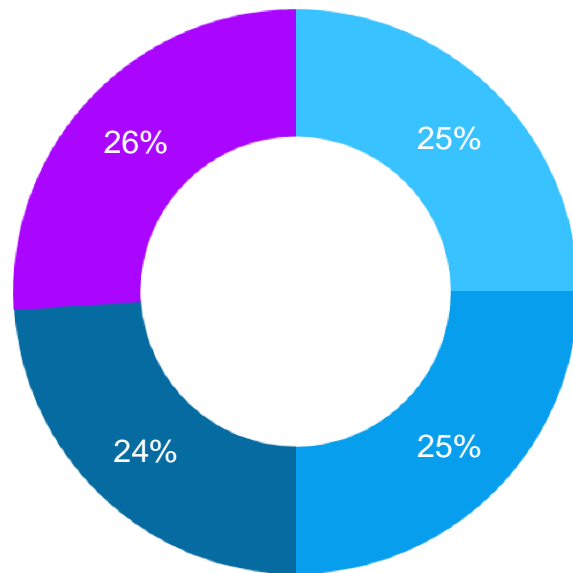
*Includes Dutch and Finnish operations, excluding TV guides. 2010-2012 not restated with IFRS 11 'Joint Arrangements'.

**Excluding non-recurring items.

Newspapers – Net Sales and EBIT Seasonality

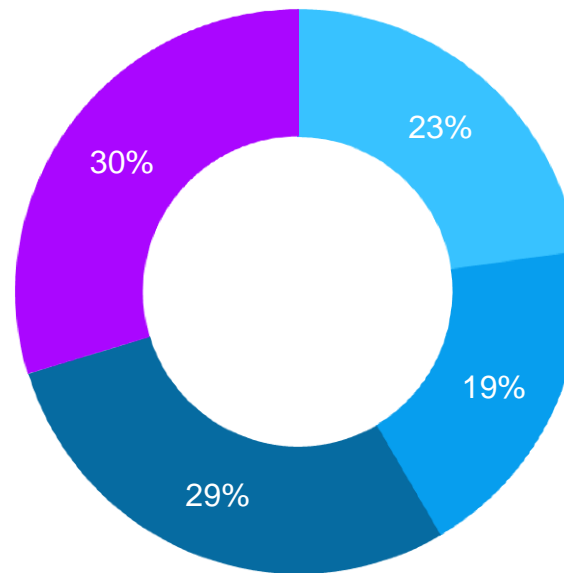
2010–2014 average for Newspapers (Finland) incl. digital business

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT* split



■ Q1 ■ Q2 ■ Q3 ■ Q4

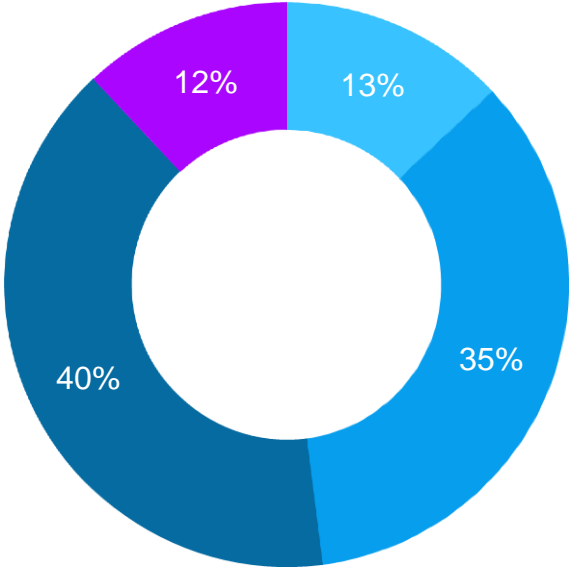
*Excluding non-recurring items.



Learning – Net Sales and EBIT Seasonality

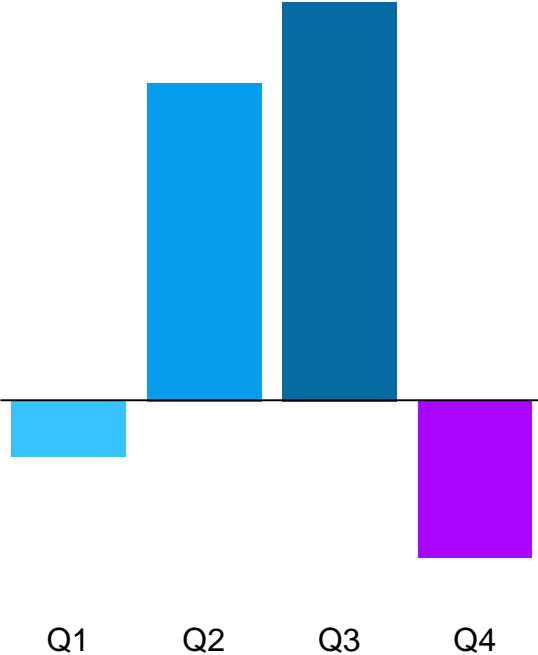
2010–2014 average for Learning

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT* split in relative terms



*Excluding non-recurring items.

Sanoma – Largest Shareholders

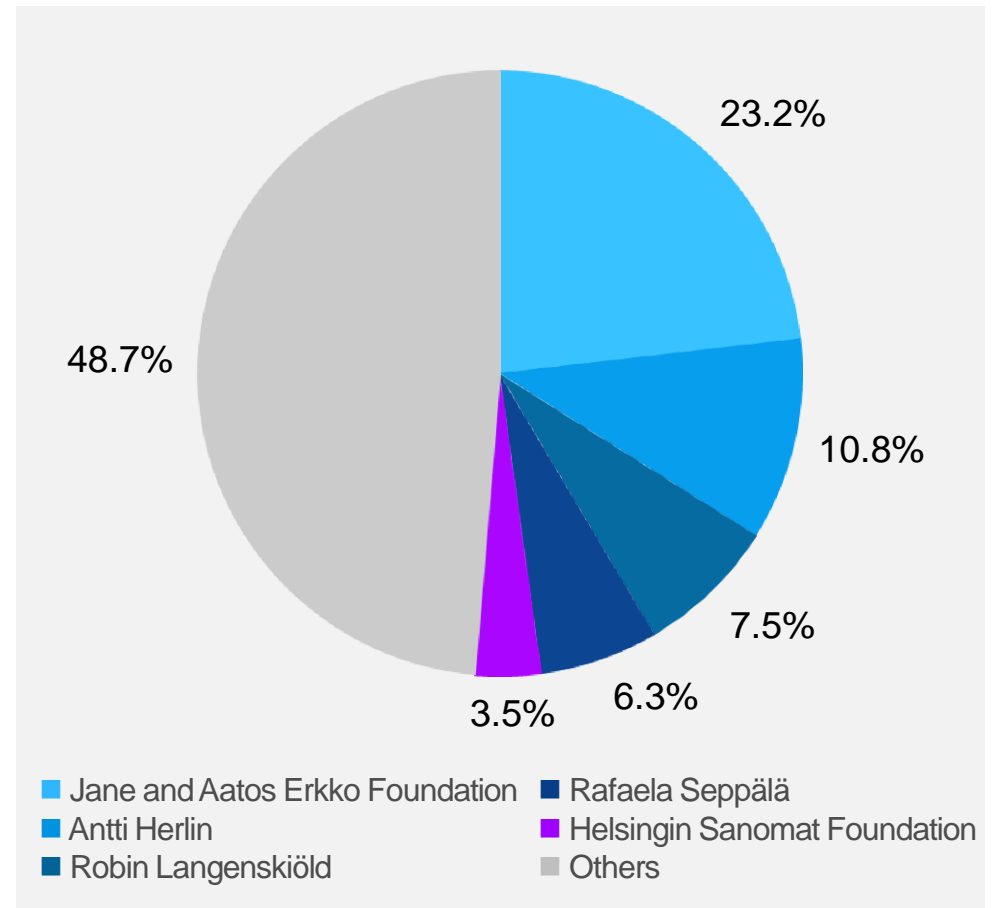
31 May 2015

% of shares
and votes

1. Jane and Aatos Erkko Foundation	23.18
2. Antti Herlin (Holding Manutas Oy: 10.46%, personal: 0.02%)	10.79
3. Robin Langenskiöld	7.54
4. Rafaela Seppälä	6.31
5. Helsingin Sanomat Foundation	3.50
6. Ilmarinen Mutual Pension Insurance Company	2.19
7. Foundation for Actors' Old-age-home	1.38
8. State Pension Fund	1.28
9. Alex Noyer	1.21
10. WSOY Literary Foundation	1.18
Foreign ownership in total	10.2
Total number of shares	162,812,093
Total number of shareholders	26,492

Institutional investors: around 67% of shares

Private investors: around 33% of shares



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