



Maximising Opportunities in Retail

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Sanoma Capital Markets Day
12 October 2009



Content

- Sanoma Trade 2009
- Efficiency improvement
- Mission and key trends
- Strategic themes



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- Net sales 2008: EUR 866.6 million
- EBIT 2008: EUR 45.1 million
- The leading kiosk operator in Finland and the Baltic Countries
 - With its more than 700 kiosks, R-kioski is one of Finland's most visited retail chains (around 120 million visits annually)
 - Operations in Russia began in May 2007 and in Romania in July 2008
- The leading press distributor in Finland, the Netherlands and the Baltic countries
 - Operations also in Romania and Russia
- The leading bookstore chain in Finland and Estonia
- The leading movie theatre chain in Finland and the Baltic countries

Kiosk Operations

Net sales	EUR 409.4 million
Kiosks	1,729
Personnel	4,833

Finland, Estonia, Latvia & Lithuania:
Market leader

Romania & Russia:
Start-up position

Press Distribution

Net Sales	EUR 244.5 million
Personnel	1,599
Points-of-sale	22,547

Finland, Estonia, Latvia, Lithuania,
the Netherlands & Romania:
Market leader

Russia:
Start-up position



Bookstores

Net sales EUR 139.3 million

Bookstores 78

Personnel 900

Finland: Market leader

Estonia: Market leader

Olen oppaasi
lukemattomiin
maailmoihin

Movie Operations

Net Sales	EUR 94.3 million
Movie theatres	25
- screens	155
DVD retail outlets	43
Personnel	982

Finland, Estonia, Latvia, Lithuania:
Market leader

Ukraine:
Start-up position

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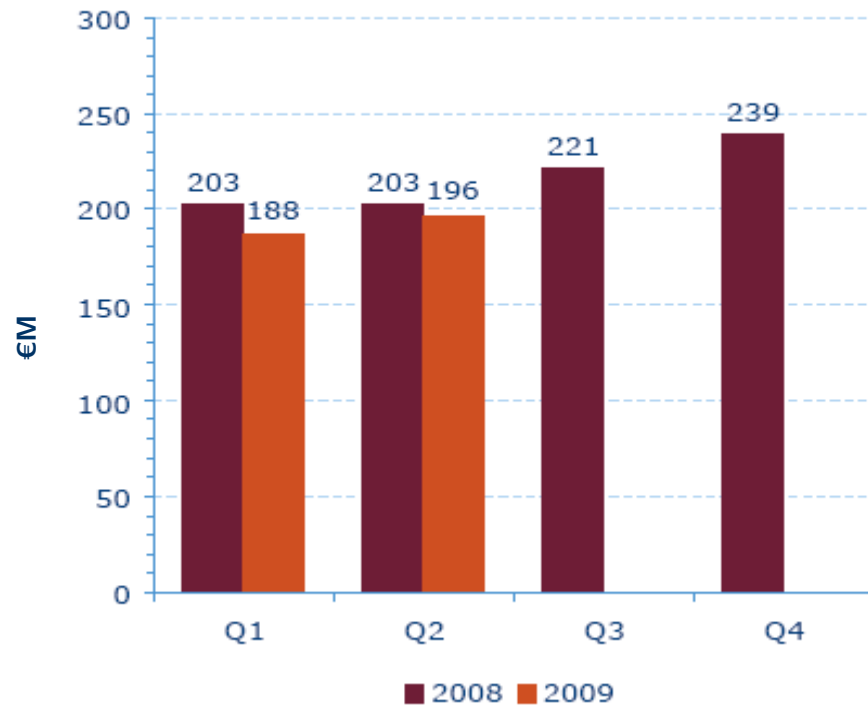
Key figures

EUR million	1-6/2009	1-6/2008	Ch %	1-12/2008
Net sales	383.4	405.8	-5.5	866.6
Kiosk operations	197.6	197.1	0.3	409.4
Press distribution	105.0	118.4	-11.3	241.5
Bookstores	46.9	55.0	-14.7	139.2
Movie operations	41.7	43.8	-4.8	94.3
Eliminations	-7.9	-8.5	7.5	-17.8
Operating profit excluding non-recurring items	7.6	17.3	-56.2	45.1
% of net sales	2.0	4.3		5.2
Operating profit	7.6	17.3	-56.2	45.1
Capital expenditure	15.2	12.4	22.7	33.8
Average number of employees (FTE)	6,282	6,527	-3.7	6,633

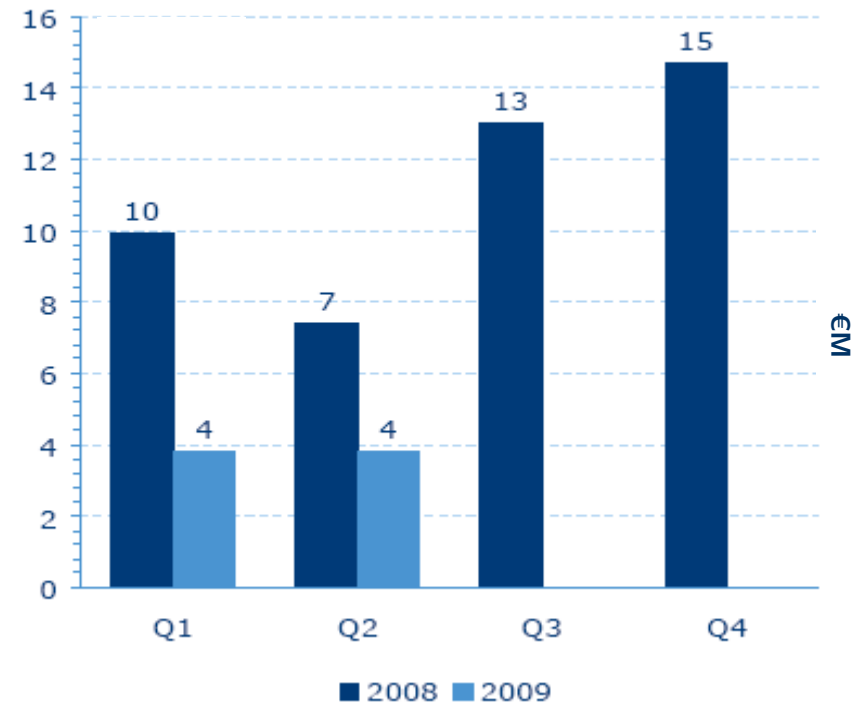
Outlook for 2009: Net sales are expected to decrease somewhat and operating profit excluding non-recurring items to decrease clearly.

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Net sales



Operating profit excluding non-recurring items



Year 2009

- In Finland, a good year
 - Record year for Finnkino
 - A good year for R-kioski
 - Suomalainen Kirjakauppa, The retail chain of the year
- In Baltic countries, a challenging year
 - Overall retail trade development between -15 and -30%
 - Strong market positions, but recession has an impact to our revenue and profitability
- In Russia and Romania
 - Still in start up phase
 - Difficult economic situation

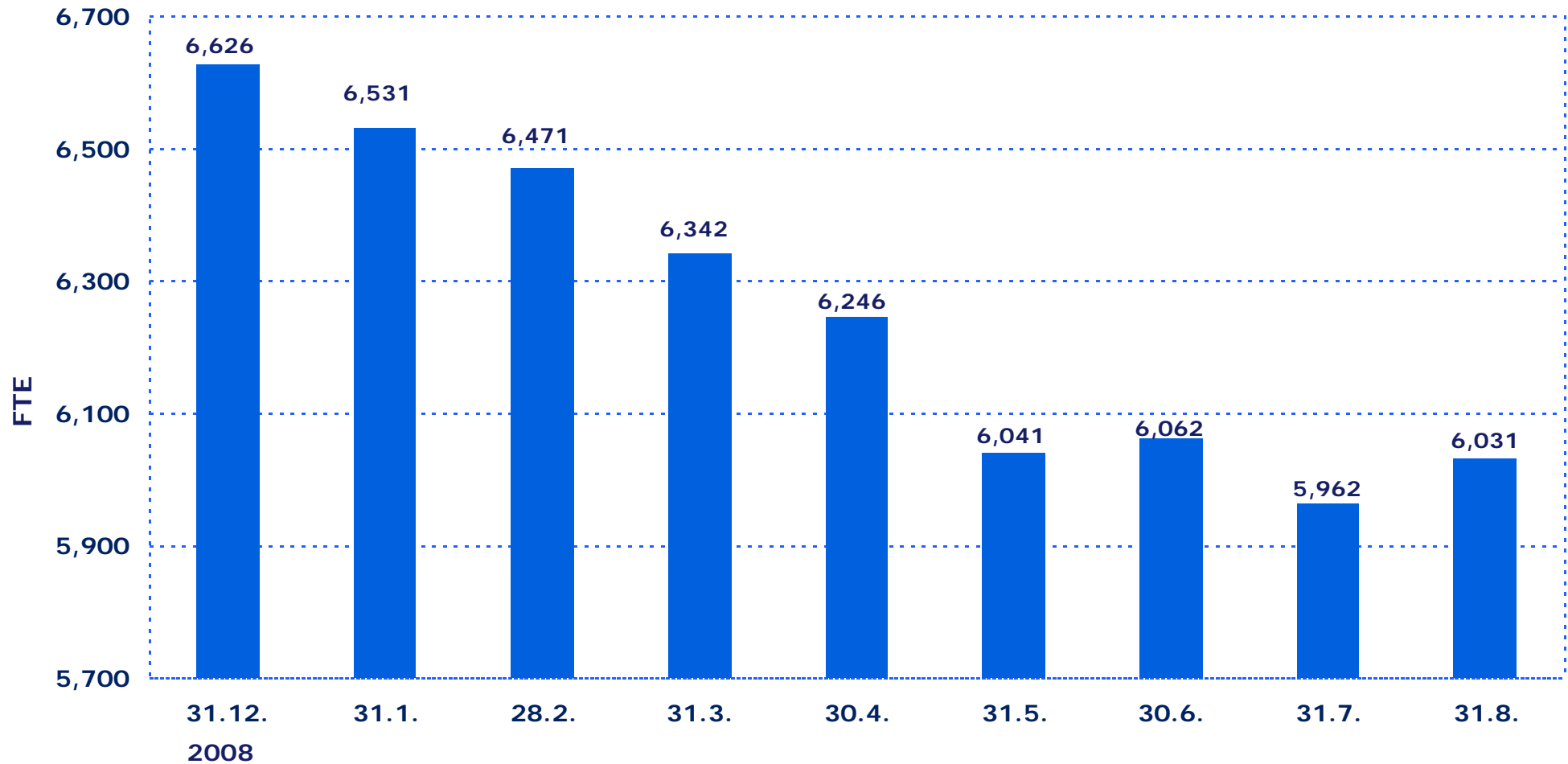


Efficiency improvement programmes 2009–2010

- Retail is detail and the cost is in constant focus
- Key items in efficiency improvements 2009 and 2010
 - **Salary and other employment benefit expenses**
 - decrease the number of FTE's, decrease the salaries, postpone holiday allowances
 - **Rents**
 - renegotiate the rents
 - **Other operating costs**
 - travelling, marketing expenditure
 - **Close down unprofitable units**
 - 114 unprofitable kiosks closed down, mainly in Latvia and Lithuania
 - **Restructuring**
 - Rautakirja Estonia
- Total targeted OPEX savings some EUR 20 million in 2009

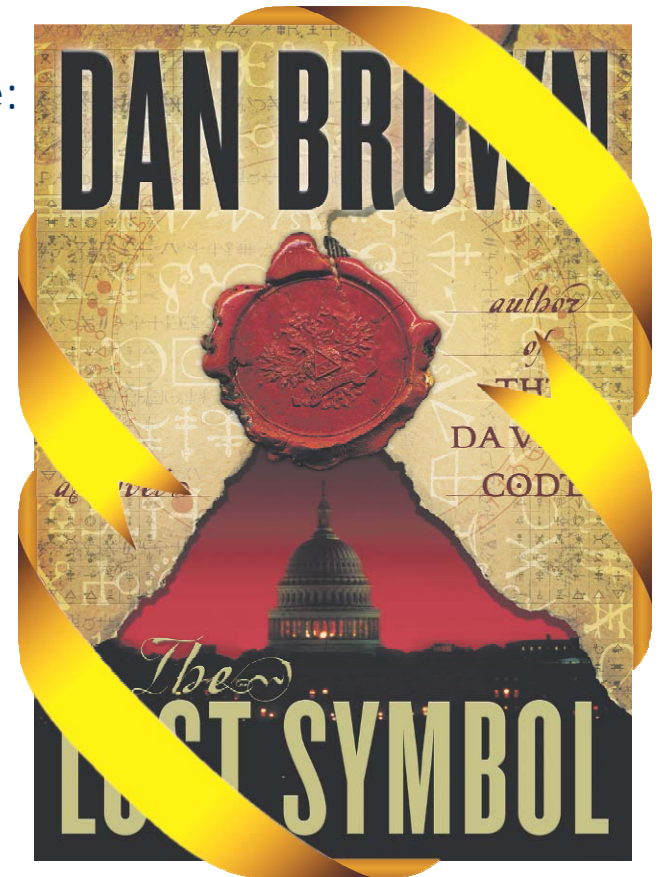
Monthly development of FTEs

Sanoma Trade 2009



Sanoma Trade mission and basic needs of consumers

- Our mission is to offer convenience and little extras every day
- The basic consumer needs we try to fulfil are:
 - Convenience for their daily life
 - Entertainment, excitement and experiences
 - Their daily innocent addictions
 - To make their life easier
 - To know and learn more
 - To communicate and meet with each other
 - To buy gifts
- Annual consumer contacts:
 - Kiosks 212 million
 - Bookstores 8 million
 - Movie theatres 10 million



Key trends and changes give us opportunities in many ways

- Digitalisation:
 - ➔ opportunity to build true multichannel retail concepts
 - ➔ growth driver in movie operations (alternative content – 3D)
 - ➔ new ways to read and learn
 - ➔ travelling, communication, ticketing
- Growing demand for convenience
- Recession
 - Instead of big investment people spend money for little indulgences



Future

Focus areas and strategic themes

- Growth
 - Kiosk Operations
 - ➔ concept development
 - ➔ next steps Russia & Romania
 - ➔ new markets
 - Press Distribution
 - ➔ in-store merchandising opportunities
 - ➔ adjacent businesses in distribution and logistics
 - Bookstores
 - ➔ concept development
 - ➔ multichannel
 - Movie operations
 - ➔ domestic development through continued innovation
 - ➔ the next step abroad



Future

Focus areas and strategic themes

- Concept development
 - New store concept for R-kioski
 - first pilot kiosks during 2009
 - new layout, visuals and furniture, new categories like food to go
 - New store concept for Suomalainen Kirjakauppa
 - from books to entertainment
 - true multichannel concept Suomalainen Kirjakauppa and Suomalainen.com
 - Movie theatres
 - alternative content
 - 3D
 - corporate events



Future

Focus areas and strategic themes

- International business
 - Future growth by strengthening positions
 - New markets
 - European consolidation
 - Focus on kiosk / convenience store business

