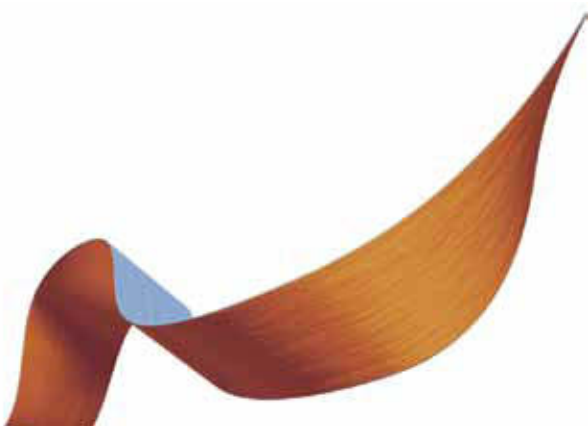


Annual Report 2009

SANOMA

ANNUAL REPORT 2009






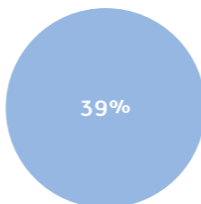











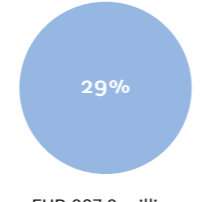

The Ribbon ties the different parts of Sanoma together and for its own part supports their actions. The Ribbon is born of the Continuum logo. The Continuum symbol crystallises Sanoma's three values of creativity, reliability and dynamism. Creativity is highlighted in the symbol's three-dimensional nature and the sense of movement this creates. Reliability is highlighted in the gold and blue colours used. Dynamism is highlighted in the energy contained in the movement underlying the symbol.

Divisions

Businesses

Share of Group net sales

Divisions in brief

 <p>PRESIDENT AND CEO EIJÄ AILASMAA</p>	<ul style="list-style-type: none"> Sanoma Uitgevers (the Netherlands) Sanoma Magazines Belgium Sanoma Magazines Finland Sanoma Magazines International 	 <p>39%</p> <p>EUR 1 111.2 million</p>	<p>Sanoma Magazines is a leading European publisher of consumer magazines and digital media that actively reaches out to a potential audience of almost 290 million consumers. Sanoma Magazines operates in 13 countries, combining the strongest international brands with leading local titles. The Division focuses on nurturing its key brand portfolio for further development, whilst actively exploring new opportunities in changing media landscape.</p>	
 <p>PRESIDENT MIKAEL PENTIKÄINEN As of 1 April 2010 Acting President will be PEKKA SOINI</p>	<ul style="list-style-type: none"> Helsingin Sanomat Ilta-Sanomat Sanoma Lehtimedia Sanoma Kaupunkilehdet (Free sheets) Sanoma Digital Finland 	 <p>15%</p> <p>EUR 428.9 million</p>	<p>Sanoma News is Finland's leading newspaper publisher, whose printed and digital products are strongly present in the everyday life of the Finnish audience. Sanoma News publishes national and regional newspapers and it is one of the most significant digital media operators in Finland.</p>	
 <p>PRESIDENT ANU NISSINEN</p>	<ul style="list-style-type: none"> TV and radio operations Cable TV and broadband internet Online services 	 <p>5%</p> <p>EUR 157.1 million</p>	<p>Sanoma Entertainment offers electronic and entertaining experiences. The Division has commercial TV and radio operations and it offers cable TV and broadband services. The newest business of Sanoma Entertainment focuses on online casual gaming.</p>	
 <p>CEO JACQUES EIJKENS</p>	<ul style="list-style-type: none"> Learning Language services Literature & other 	 <p>12%</p> <p>EUR 345.1 million</p>	<p>Sanoma Learning & Literature operates in 10 countries across Europe and is a leading European provider of learning materials and solutions in print and digital format. The Division has growing international language service operations and it is also the leading general literature publisher in Finland.</p>	
 <p>PRESIDENT AND CEO TIMO MÄNTY</p>	<ul style="list-style-type: none"> Kiosk operations Trade services Bookstores Movie operations 	 <p>29%</p> <p>EUR 827.8 million</p>	<p>Sanoma Trade is a retail specialist operating in eight countries. The Division serves its customers in 230 million sales contacts annually. Sanoma Trade's strengths lie in thorough understanding of customers' needs and solid concepts. The Division's trade services business offers logistic and marketing services, and the entire chain of below-the-line advertising.</p>	

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Sanoma is

a strong European media company. We operate in over 20 countries, offering an inspiring working environment for 20,000 people. Our net sales were EUR 2,767.9 million in 2009. Measured in net sales, Sanoma is among the top 15 media companies in Europe. Sanoma's shares are listed on the Nasdaq OMX Helsinki. Our diversified business portfolio consists of products and services for consumers and corporate customers. We meet the changing needs of our customers and cover the requirements of our business environment by constantly developing our products and services. This also ensures sustainable growth and profitability. Sanoma's strengths include its leading position in chosen businesses and markets, strong brands and competitive products. We offer millions of people information, education, entertainment and experiences, every day, in their own languages, respecting local cultures.

FINANCIALS

are available in pdf format
at Sanoma.com

Solid result in a difficult environment

In 2009, Sanoma was able to deliver a solid result despite the challenging economic situation. Sanoma's financial position is stable and the cash flow is at a good level. Efficiency improvements executed in 2009 will improve Sanoma's results in 2010.

Key indicators

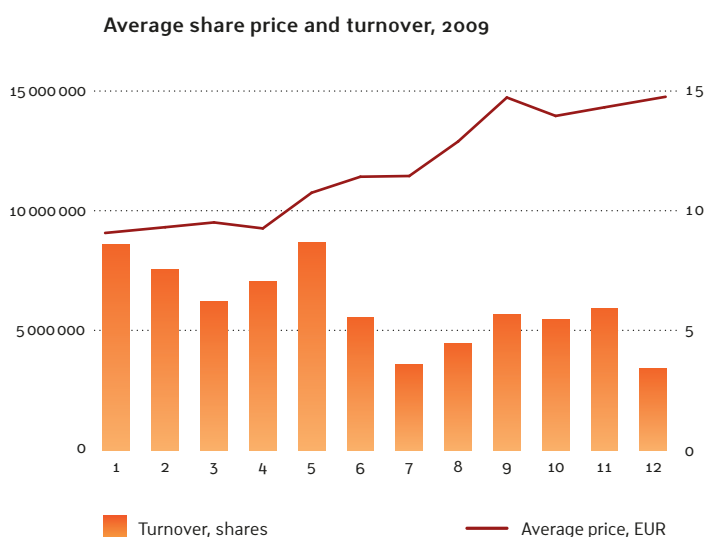
	2009	2008	%
Net sales, EUR million	2 767.9	3 030.1	-8.7
Operating profit excluding non-recurring items, EUR million	229.5	295.7	-22.4
% of net sales	8.3	9.8	
Operating profit, EUR million	195.4	236.3	-17.3
% of net sales	7.1	7.8	
Result for the period, EUR million	107.1	120.8	-11.4
Capital expenditure, EUR million	83.4	109.9	-24.2
Return on investment (ROI), %	8.9	10.7	
Net debt, EUR million	958.1	971.6	-1.4
Equity ratio, %	41.4	40.0	
Net gearing, %	79.4	78.5	
Dividend payout ratio, % *	122.0	125.1	
Effective dividend yield, % *	5.1	9.8	
P/E ratio	24.0	12.8	87.7
Market capitalisation, EUR million	2 536.5	1 479.7	71.4
Average number of employees	20 625	21 329	-3.3
Number of employees at the end of the period (full-time equivalents)	16 723	18 453	-9.4

* Year 2009 proposal of the Board of Directors

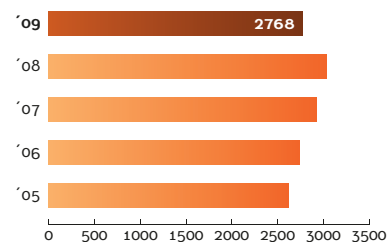
Sanoma's operating profit excluding non-recurring items in 2009 amounted to EUR 229.5 million. A year ago, when the market decline started, Sanoma was able to quickly react and focus on improving the efficiency of its operations. At the end of 2009, Sanoma had more than 1,700 employees (FTE) less than a year ago due to restructuring in different divisions. Several efficiency improvement programmes were completed during the year to strengthen Sanoma's competitive position as well as safeguard profitability and cash flow.

Sanoma conducts an active dividend policy and primarily pays out over half of the Group result after taxes in dividends. The Board's proposal for the year 2009 dividend is EUR 0.80 i.e. 122% from the Group's result after taxes.

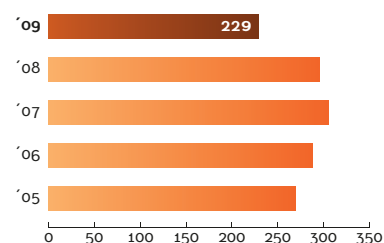
In 2010, Sanoma's net sales are expected to increase and the operating profit excluding non-recurring items is estimated to improve slightly. The outlook is affected by the overall economic development in our countries of operation, and in particular by the development of advertising and private consumption. There is no fast recovery in the advertising market in sight, although there have been some positive signals in Sanoma's main markets. That is why efficiency continues to be in our focus. At the same time, we invest in further developing our operations.



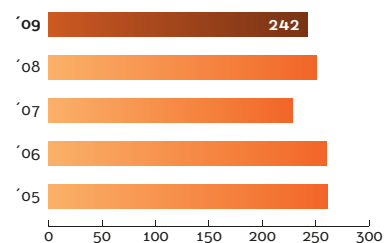
Net sales, EUR million



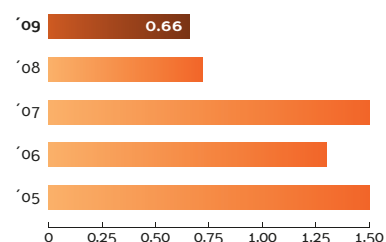
Operating profit excluding non-recurring items, EUR million



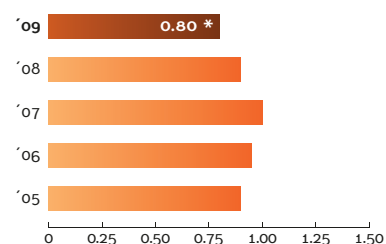
Cash flow from operations, EUR million



Earnings/share, EUR



Dividend/share, EUR



* Year 2009 proposal of the Board of Directors

"Everything from news to entertainment must be based on reliability."

Jaakko Rauramo



Progress through commitment

Chairman of the Board Jaakko Rauramo and President and CEO Hannu Syrjänen believe that a strong will to make things happen and a commitment to collaboration are Sanoma's strengths in the face of new challenges. In the next few years, Sanoma will focus on increasing and further developing its online business.

"Considering the circumstances, we can be pleased with our performance in 2009. Adjusting to the economy was challenging for everyone, but collaboration carried us through," says Rauramo. He thanks Sanoma's personnel for their exceptionally strong performance in difficult times: "Instead of stagnating, we were able to create new solutions and make many improvements."

According to Syrjänen, the company succeeded in responding to the rapidly changing market. "Although we focused on cost cutting in 2009, we never compromised our future performance. We still have muscle."

Strong market positions and the wide product portfolio helped Sanoma navigate economically challenging times. Most of the Sanoma Group's revenue comes directly from consumers, which is a less cyclical stream of income than advertising.

"Increasing efficiency will remain important. It will also offer great leverage when the economy recovers," Syrjänen points out.

Syrjänen believes that Sanoma is ready for new challenges. The changing media business requires hard work, endurance and creative solutions. "Structural changes in our divisions will continue. We still need to focus on selected areas."

Sanoma will further develop and increase its online business according to its strategy, based on the cumulative expertise and customer knowledge of its five divisions.

"Publishing companies around the world are fervently seeking to increase revenue from online content," says Rauramo. "This is an important issue and an international trend in the media business."

According to Syrjänen, many studies show that consumers are now more willing to pay for high-



"Although we focused on cost cutting in 2009, we never compromised our future performance."

Hannu Syrjänen

quality online content, such as local news services. Customised media monitoring services may also offer new opportunities in the consumer market.

"These examples show that publishing companies are finding new solutions that may develop into profitable business models. News alone is not and probably will not be enough."

Technology advances in leaps and bounds, which also presents new business opportunities. Consumers will have digital reading devices for newspapers, magazines and books. This is probably causing fundamental but positive change for the content producers. Telecommunication, information technology and television are merging, which will bring living images to all devices.

"I believe, however, that print media will remain strong," Rauramo says, "but this will require a deep understanding of the new era and changes in editorial content, advertising sales and cost structures." The need for reliable, high-quality content will remain high.

According to Rauramo, Sanoma should take a broader view of the type of talent and competence it needs. "We should be more open," he says, "to hiring new media experts who are perfectly at home in the online world. This alone, however, is not enough. Competence also includes the ability to identify real and profitable business opportunities."

Business collaboration in the rapidly changing world requires new and innovative solutions.

"Collaboration is traditionally based on selling and buying," Syrjänen says, "but it will deepen as old operating models are replaced with new ones that benefit both partners."

The Group changed its name to Sanoma in October 2008. According to Syrjänen, the more consistent division names have contributed greatly to a unified corporate culture – even more so than expected. "The new brand has had a major effect on collaboration within Sanoma. People are realising that we cannot live in silos."

An effective name also helps foster investor and customer relations. Rauramo emphasises that reliability and high quality are the core of Sanoma's brand.

"Everything from news to entertainment must be based on reliability. Our customers must know that they can turn to Sanoma whenever they need reliable, high-quality content."

Five years from now, Rauramo envisions, Sanoma will be a considerably larger and more focused company. It will also be more international, because growth will mainly come from outside Finland. In addition to its current markets, the company is likely to seek growth in new geographical areas.

"Asia is interesting," Rauramo says. "Five years from now, we will probably operate in one or more Asian countries."

Seven media market trends to watch

Media companies possess special insights into the evolving behaviours of their readers and viewing audiences. These insights can be leveraged to create value. The following extracts are from an interview with Annet Aris.

Creativity-centralisation tension:

The creative part of any magazine operation, book publisher, newspaper or television company must remain decentralised, because the people creating the content need to be as close as possible to their audience and free to interact. In contrast, media companies no longer need to be decentralised or tied down to local markets. They can share common backbones and structures to save costs and evolve with their markets. This tension needs to be understood throughout every multinational media organisation.

Unexpected growth opportunities:

Mature markets offer pockets of growth. Several segments are poised to take off, such as mobile advertising and Video On Demand (VOD) models. Market leaders, too, can grow through consolidation. The traditional concern about the dominance of local players is now less relevant as consumers can easily access news and opinions from across the globe via many channels.

The huge growth potential of emerging markets, which are now opening up, is attractive. These new markets remain volatile, so media companies must be prepared to manage the accompanying risk.

The long-accepted view that brand loyalties are formed in one's youth and that older people take longer to adapt to the digital world seems to be outdated. The cohort now turning 50 is wealthier and more open to new things than former generations.

Online social networks can be extremely valuable for media companies in figuring out what is going on in the lives of consumers. Although it remains unclear how this translates into a profitable business model for general networks like

Facebook, specialised communities like parental sites seem to offer income possibilities from memberships and working with the influential people in the network.

Changes in the advertising ecosystem:

With my students, I speak of an advertising ecosystem consisting of consumers, media companies, media agencies and advertisers. Media placement was once largely an afterthought and the objective of the ad buy was to blanket radio, television, magazines and newspapers with as much advertising as needed to reach the target audience. In the highly fragmented digital world, media is as strategically important as the ad message itself.

Media companies need to forget about just selling a page or time slots, and say to advertisers, "If you use this media mix, it will have this much impact in terms of brand awareness and willingness to purchase the product." They must provide considerably more information about who is being reached and the impact of the advertising.

In chaotic media landscapes, strong brands will be extremely important. Most people are exposed to thousands of advertising messages every day; just getting through requires reaching people at the exact moment and context they are most open to the message of the ad. Media companies have a huge advantage in these changed circumstances.

VOD and the role of media companies:

A significant shift away from linear viewing to Video On Demand has been triggered by catch-up television, which is already quite popular in many markets.



"In the highly fragmented digital world, media is as strategically important as the ad message itself."

Annet Aris

Few people are self-selectors. Our tastes in music, for example, are strongly influenced by our peers or what we are exposed to in the media. This same rule applies to on-demand video. Today's business isn't so much about offering a huge database of videos as providing guidance to help people find a film or show to their taste, even if they have never heard of it.

Advertising has a place in the VOD model as it offers viewers an acceptable choice – pay for ad-free programming or watch ads and get the programme free. Ads can be targeted specifically as the one-on-one relationship with the viewer is in place, and the advertiser can be precise about the frequency of ads and thus a higher spend.

Mobile: We are quite close to mass adoption of handheld media. The key drivers are availability of cheap smartphones, flat rates for data access and large communities of developers creating applications for the platform.

For media companies, smartphone revenues might be easier to generate than with the internet. Mobile content can be based on simple payment models agreed with the operator. As you know where people are, ad messages can be adapted to the occasion. Phone users, in turn, see ads more as a personal service.

There is a frustratingly widespread notion that local mobile advertising will somehow be a boon to hole-in-the-wall pizzerias. Perhaps. But small local advertisers represent a small slice of advertising potential; about half of the world's advertising volume is handled by just a few dozen companies!

Aggregators vs. content providers:

While daily printed media will survive, media companies must follow the big trend and concentrate on providing value-added content that goes deeper than a typical newswire story.

There is an increasing tension over who gets the revenues generated by digital content. Discussion in the industry is focused on how revenues should be shared between content providers and aggregators, such as search companies, cable and telecom players and device manufacturers, who have direct access to the customer. The good news is that thanks to improved targeting and metrics, and pay-for-performance models, there will be higher return-on-investment from advertising, and thus greater motivation to advertise. This revenue growth can be shared between aggregators and content providers. It is not inevitable that aggregators will take value from content providers as they can create value for advertisers by working together. There will naturally be a struggle over who gets how much, but the size of the pie overall should increase.

Focus on revenue mix: The downturn has been hardest on companies with ad-driven models. Single copy sales have been less affected as many have been able to raise prices slightly. Companies that emphasise subscriptions have come out best, with some even increasing sales. The recession has also accelerated the digital transition of advertisers that were already active in the digital world.

Sanoma is a major player in Finland and the Netherlands, the most digitised markets in Europe, and is thus at the forefront. With its focus on strong brands, a diverse product portfolio and extensive online experience, it is well poised to grow as economic expansion resumes. A good revenue mix of advertising, single copy sales, subscriptions and retail is vital for stability during this transition phase, which is exactly the time to build position.

Annet Aris is Adjunct Professor of Strategy at the INSEAD International Graduate Business School. She serves on the Boards of Sanoma and the Dutch telecoms regulator OPTA. She co-wrote, with Jacques Bughin, the book *Managing Media Companies, Harnessing Creative Value*.

Innovation in focus

There will always be need for information, entertainment, education and communities. Sanoma caters to these needs with its products and services using a variety of platforms. These platforms may change over time, but the basic needs remain.

Our strategy for the coming years is shaped by four major themes.

Firstly, we monitor very closely the timing and extent of economic recovery in our operating countries and will act accordingly. Secondly, as with all media companies, our actions will be shaped by the continuing transition to digital media. Thirdly, we have identified a clear need to find new sources of growth, both in terms of businesses and geographical areas. Finally, we will further optimise our portfolio in order to finance growth within our chosen business areas.

Our strategic goal is to be one of the leading media companies in Europe, with a focus on sustainable growth and profitability.

Our strategic objectives are to:

- Be the market leader in our chosen businesses and markets
- Balance our business portfolio of B2C and B2B products and services by focusing on magazines, news, learning solutions and online business
- Strengthen our focus on organic growth and create an innovation management system
- Restructure our business operations according to changing customer needs
- Develop our organisation further and exploit synergies across the Group

Strategic priorities of our businesses:

Magazines: We will continue to grow in print and digital media by taking good care of the core magazine business, becoming a stronger digital player, and focusing on strategy-supporting restructurings and ongoing organisational development.

Newspapers: We will actively develop our business to maintain attractive cash flows and profitability while ensuring a controlled migration to online. We will do this by gaining market share, continuous product development and laying the foundations for new revenues.

Learning solutions and language services: We will constantly strengthen our position as a leading European provider of learning solutions and build a distinctive provider of language services. We will reach these positions by M&A and organic growth. We shall create competitive edge through innovation together with our customers and renewing our internal business processes.

Online: We will strongly develop and expand our online business and aim to double our consumer media online revenues by 2012.

TV & Entertainment: We aim at becoming a market leader in the evolving commercial TV landscape and at further internationalising our business.

Retail: We will create innovative retail concepts and focus on further developing our kiosk operations and trade services.

Mission

To be the market leader in satisfying people's needs for information and education and for an easier and happier life

Vision

To be the media company of opportunities and operational excellence

Strategic goal

To be one of the leading media companies in Europe, with a focus on sustainable growth and profitability

Values

Creativity

Creative work is the essence of communications

Reliability

Creativity and reliability form the basis of all our actions

Dynamism

Our success is based on creative, reliable and dynamic people

Online strategy – a growth platform for Sanoma

The online consumer media business has been a clear success story for Sanoma. In the past three years, revenues have almost tripled. Even during the global recession and cuts in advertising budgets throughout the industry, Sanoma's online advertising business has experienced continuous growth.

Sanoma's online footprint spans several countries. The Group con-

trols its strongest market shares in Finland, Estonia and Hungary, whereas the largest absolute online revenues are generated in the Netherlands. In the Netherlands, Sanoma Magazines holds a broad portfolio of highly profitable online assets, for example the *Startpagina.nl* directory as well as the *Nu.nl* online news service. Sanoma News focuses on its news websites as well as

on online classifieds and marketplaces, and Sanoma Entertainment is internationalising its growing gaming operations.

Going forward, our aim is to double our consumer media online revenues by 2012 via organic growth and acquisitions. To achieve this target, Sanoma's strategic focus in the consumer online media space is to innovate and acquire strong traffic

Long-term financial targets

As Sanoma strives for sustainable success, our long-term financial targets stay the same as in previous years. Our long-term growth target remains to grow net sales faster than the growth of GDP in our main operating countries and to achieve an EBIT margin of 12%. We will continue

to carefully manage our balance sheet and target for a net debt to EBITDA ratio below 3.5 and an equity ratio within 35% to 45%.

We are confident that our strategy as well as the recovery of the economies in many of our main markets will enable us to reach our targets.

Long-term financial targets	Target level	2009	2008
EBIT margin, % *	12	8.3	9.8
Net debt/EBITDA	< 3.5	2.6	2.1
Equity ratio, %	35-45	41.4	40
Gearing, %	< 100%	79.4	78.5
Capital expenditure, EUR million	< 100	83.4	109.9
Net sales growth, %	Faster than GDP growth in main operating countries	-8.7	3.5
Consumer media online revenues	EUR 240 million by 2012	120	
Dividend, %	Over half of Group result after taxes distributed in dividends	** 122.0	125.1

* Excluding non-recurring items

** Year 2009 proposal of the Board of Directors

positions which can be effectively monetised. Embedded in a large network of traffic-generating sites, our Group-wide investment priorities are in transaction-related properties, including comparison sites and classifieds as well as casual gaming platforms and selected verticals. Concurrently our online experts are constantly screening the markets for the latest trends and new opportunities to further build market leading positions in the online domain.

"We aim to double our consumer media online revenues by 2012."

Sven Heistermann



Risk management

While executing strategy, Sanoma and its divisions and subsidiaries are exposed to numerous risks and risk taking opportunities. Carefully managing business risks and the opportunities associated with them is a core element in the daily responsibilities of Sanoma's management.

To further enhance Sanoma's capability of managing risks, in 2009 Sanoma updated its Risk Management Policy and introduced a renewed risk management process, which is integrated into the management, strategic planning and internal control processes. The output from the updated process is being used to manage risks in the rapidly changing business environment Sanoma operates in.

Many of the identified risks relate to the changes in customer preferences. Ongoing digitisation has been the driving force behind these changes for some time, and Sanoma has defined action plans in all divisions on how to best address the changes. Related to this development is the possibility of new entrants being able to better utilise such market disruptions and thereby gaining market share from Sanoma's established businesses. Other relevant risks include those related to successful execution of acquisitions and divestments as well as financial risks.

Sanoma is also working on introducing a new innovation management system in 2010. It will provide further focus to the Group's innovation efforts and provide the right tools and incentive systems to foster more ambitious organic growth. This will complement our existing practices of closely monitoring technological developments and changes in consumer preferences, and allow us to better collaborate with a network of partners when developing new products and services.

➔ Please read more at Sanoma.com (About Us > Corporate Governance).

Diversified media group

Sanoma's wide business portfolio provides diverse content for consumers and corporate customers. Our various divisions offer complementary products and services, ensuring that our customers' needs are met both now and in the future.

inspires infor

Sanoma has hundreds of well-known product and service brands that are leading in their own area. Trusted brands offer information, entertainment and education to tens of millions of people each day. These brands include Sanoma's own trademarks as well as international licenced products, and are a valuable asset to us.

The Group changed its name to Sanoma in October 2008, and the divisions adopted consistent names. The new names have enhanced company spirit and present a clearer picture of the company to the outside world.

Magazines create the largest share of the Group's net sales comprising 37% of the total, while retail and distribution comprise nearly one third. The growing share of digital media now represents 12% of total net sales.

The Sanoma Group consists of five divisions:

Sanoma Magazines

Sanoma Uitgevers in the Netherlands, Sanoma Magazines Belgium, Sanoma Magazines Finland and Sanoma Magazines International operating

in Central Eastern Europe and Russia constitute one of Europe's largest magazine publishers and a major digital media company. Its largest market is the Netherlands. Sanoma Magazines is the market leader in eight countries.

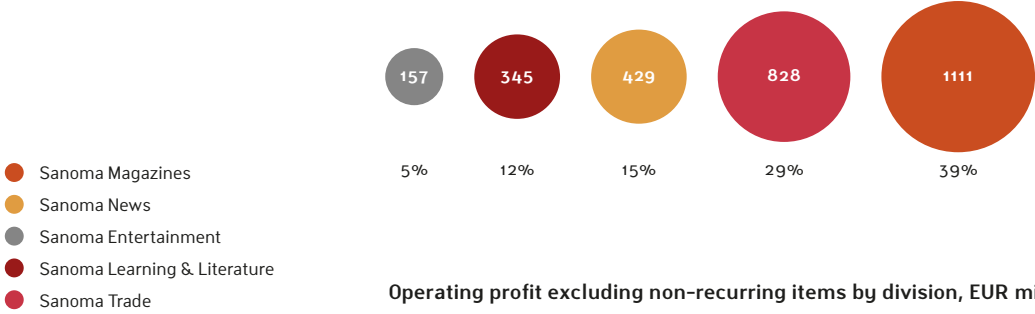
Sanoma News

The leading newspaper publisher in Finland, Sanoma News consists of Helsingin Sanomat, Ilta-Sanomat, Sanoma Lehtimedia, Sanoma Free Sheets and Sanoma Digital Finland, among others. Sanoma News is showing robust growth in digital media. Its national and regional newspapers and free sheets are market leaders in their areas.

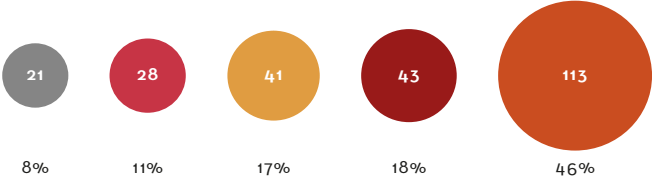
Sanoma Entertainment

Sanoma's electronic business division offers services through multiple channels, including television, radio and online. Nelonen Media operates several television and radio channels. Welho, Finland's largest cable operator, offers diverse pay TV and broadband services. Sanoma Games, a growing unit, provides online and casual gaming services.

Net sales by division, EUR million



Operating profit excluding non-recurring items by division, EUR million



ms connects

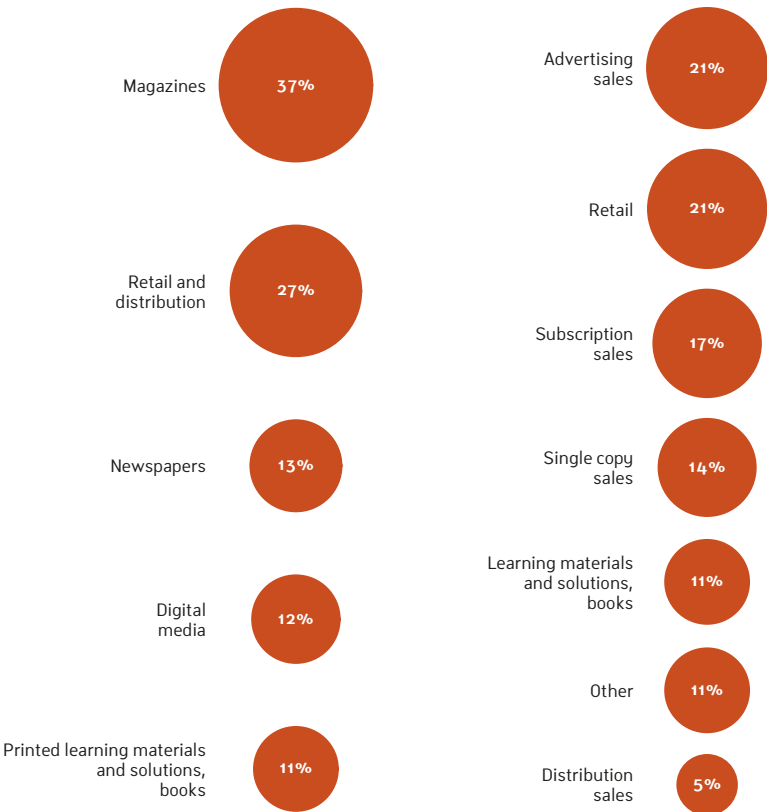
Sanoma Learning & Literature

A European leader in learning materials and solutions and the leading provider of language services in the Nordic markets. Sanoma Learning & Literature is aiming for growth in attractive learning and language markets. The Division operates in 10 countries. In Finland, Sanoma Learning & Literature is the strongest book publisher in general literature.

Sanoma Trade

In Finland, Sanoma Trade runs R-kioski, Suomalainen Kirjakauppa, Lehtipiste and Finnkino – respectively, the largest kiosk chain, bookstore chain, press distributor and movie theatre chain in the country. The Division is the market leader in kiosk operations, trade services and movie operations in the Baltic countries. Sanoma Trade also is the leading press distributor in the Netherlands.

Net sales distribution, %



Operating in Europe

Sanoma has witnessed strong internationalisation during its existence. Our 20,000 talented employees create a corporate culture where the joint know-how is utilised in the best possible manner. Sanoma operates now in more than 20 countries, respecting their local cultures. Our wide business portfolio combined with a leading position in several countries provide us with a stable foundation for future growth.

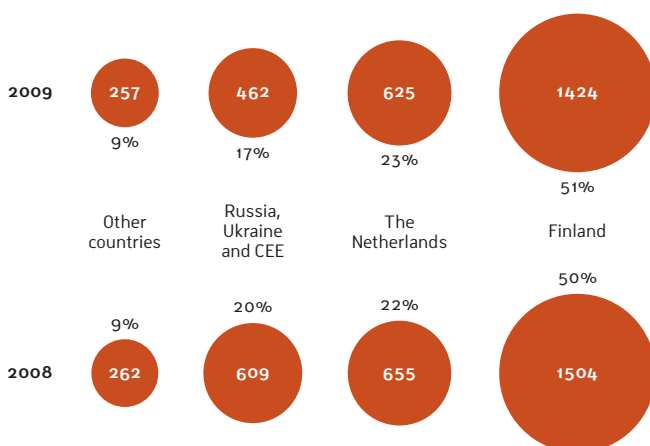
The media business is undergoing a transition. The ability to change is crucial to media companies, and employees need broad-based competence and a new mindset. At Sanoma, we are constantly developing our selection of products and services. Our values are creativity, reliability and dynamism. These are essential as we strive to make information more accessible, learning more inspiring and experiences more memorable. Although the means and media change, the basic needs remain the same.

Change moves us forward. For example, the increased convergence in the media business is reflected in closer collaboration among Sanoma's different divisions. We have established a Future Media Team to co-ordinate collaborative projects related to, for example, online business in the field of consumer media.

Sanoma is well-positioned to further develop its growing and profitable businesses. Combined with efficient distribution, our market leadership, high-quality products and services, as well as our ability to really listen to our customers, help us reach our goal: to be one of the leading European media companies – a company of opportunities and operational excellence.

The diversified Sanoma has expanded to new markets over the years and now operates in over 20 countries. Nearly half of our net sales come from outside Finland. Our roots are deep in the media cultures of the countries in which we operate. Many of our products have long been market leaders and well-known brands in their areas.

Net sales by geographic area, EUR million



The main operating countries

- 1 Belgium**
 - digital media
 - learning materials and solutions
 - magazines
- 2 Bulgaria**
 - digital media
 - magazines
- 3 Croatia**
 - digital media
 - magazines
- 4 The Czech Republic**
 - digital media
 - magazines
- 5 Estonia**
 - bookstores
 - kiosk operations
 - movie operations
 - trade services
- 6 Finland**
 - bookstores
 - broadband internet
 - digital media
 - general literature books
 - kiosk operations
 - language services
 - learning materials and solutions
 - magazines
 - movie operations
 - newspapers
 - printing plants
 - trade services
 - TV and radio
- 7 Hungary**
 - digital media
 - learning materials and solutions
 - magazines
- 8 Latvia**
 - kiosk operations
 - movie operations
 - trade services

- 9 Lithuania**
 - kiosk operations
 - movie operations
 - trade services
- 10 The Netherlands**
 - digital media
 - learning materials and solutions
 - magazines
 - trade services
- 11 Poland**
 - learning materials and solutions
- 12 Romania**
 - digital media
 - kiosk operations
 - magazines
 - trade services
- 13 Russia**
 - digital media
 - kiosk operations
 - magazines
 - trade services
- 14 Serbia**
 - digital media
 - magazines
- 15 Slovakia**
 - magazines

- 16 Slovenia**
 - digital media
 - magazines
- 17 Ukraine**
 - magazines
- 18 The United Kingdom**
 - business information services

In addition, Esmerk operates in Finland, France, Germany, Malaysia, Russia, Sweden and the United Kingdom. AAC Global operates in Denmark, Finland, Norway, Sweden, the United Kingdom and Russia, and Bertmark in Norway and Sweden.





A solid and future-proof performance

Sanoma Magazines outperformed the market in many countries in 2009, although sales and profits were down. The Division's portfolio comprises some 300 magazines, including top local magazine brands and worldwide household names, as well as an expanding digital media business.

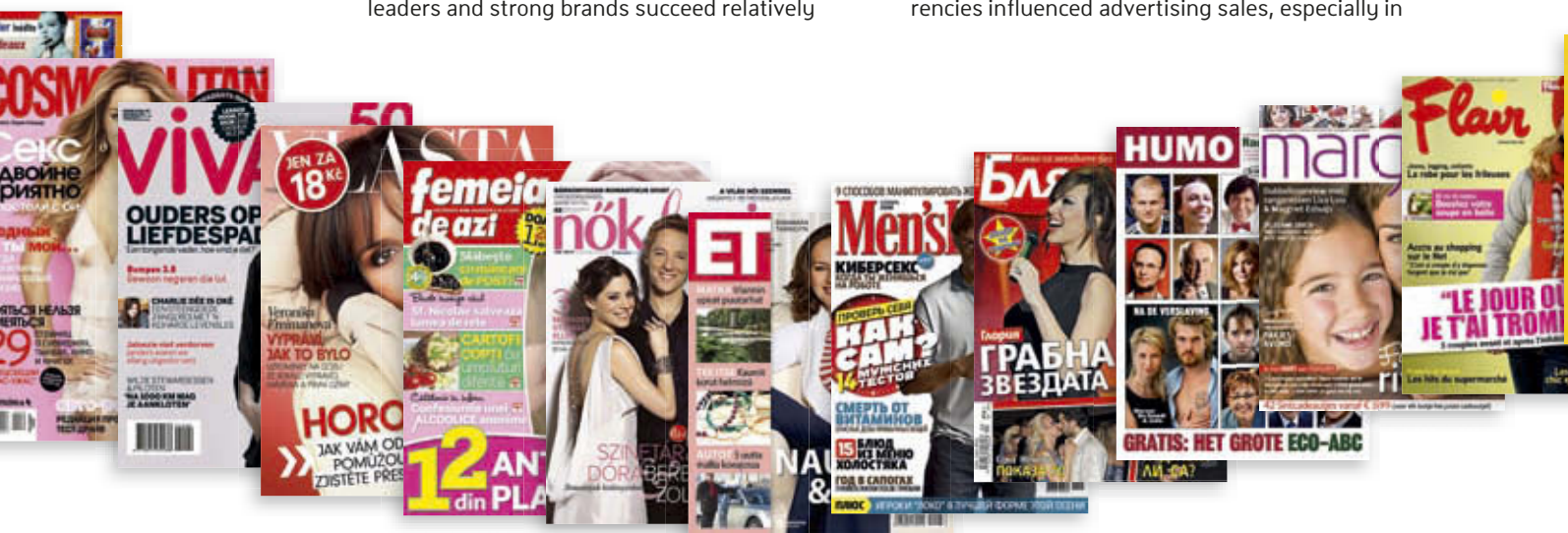
"I am very happy we have been able to manoeuvre in a very solid way through this most challenging year ever," says **Eija Ailasmaa**, President and CEO of Sanoma Magazines. "This has been a historic year globally, drastically changing many strategic agendas."

As she sees it, 2009 was a "fantastic proof of our strategy in action: focus on key brands, maintaining a leading market position and building on a geographically balanced portfolio that incorporates a future digital dimension."

"This year has proven that market leaders and strong brands succeed relatively

better when times are tight," observes Ailasmaa. "Consumers and advertisers cannot afford to be unpleasantly surprised, so they put their trust in leading, reliable brands. In our Western markets, we have leading positions with 35%–45% market share. Here our performance suffered in a limited way, and we even managed to grow our subscription base." Sanoma Magazines gained market share, especially for major women's titles such as *Me Naiset* and *Libelle*. "And we have been able to keep up our digital revenues at the previous years' level," adds Ailasmaa, "so we did well."

Still, it is clear that slumping GDPs and currencies influenced advertising sales, especially in



Desired magazines and digital media!



"This year has proven that market leaders and strong brands succeed relatively better when times are tight."

Eija Ailasmaa

Central Eastern Europe and Russia. Yet Sanoma Magazines was decisive in contingency planning for all the countries.

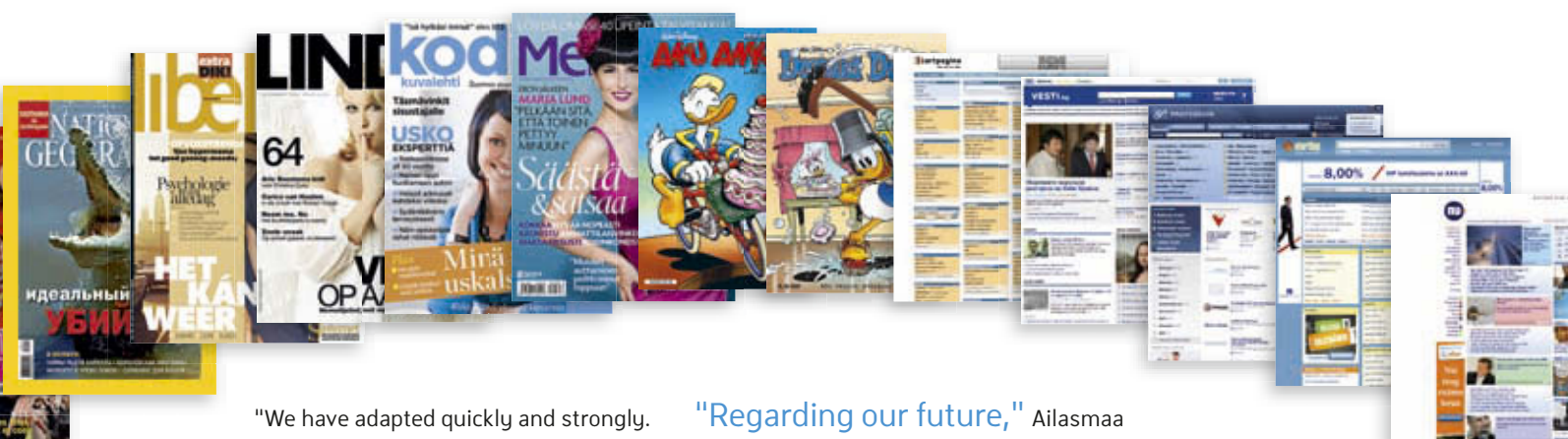
About two dozen magazines were folded. Others were published less frequently to cut costs. "It might sound like a lot, but they were small titles and not likely to have a good future after the recession," explains Ailasmaa. "And it is a proof of our dedication to focus on our key brands, safeguarding their performance – in many cases these brands have boosted their market share as a result." Important streamlining of operations included the reorganisation of Sanoma Magazines Belgium and the closure of the Felicitas hostess organisation in the Netherlands.

Due to a variety of actions the number of employees in the Division decreased by more than 700. "By taking painful but necessary measures we have created more efficient basis for the future," says Ailasmaa.

while in Hungary it boosted its top position in digital media by acquiring *Olcsobbat.hu*, a popular comparison site. The Division was able to further grow its digital business base through selective acquisitions also in other countries.

Meanwhile Sanoma Magazines was building a common platform for key processes such as subscription bases and the financial back office. "We basically moved our Finnish processes to leverage a significant ICT investment in the Netherlands and we are now expanding it to other countries, Belgium first, because the solution fits big businesses with the same characteristics and processes," explains Ailasmaa. "And we have continued to invest in our people as well. We made true on our strong belief that media is a people business by continuing to develop our management talent and their leadership skills. Looking at our performance, we have made the right choices."

Sanoma Magazines invests its core brand portfolio by investing in quality improvements and product extensions that allow its media to blossom further. We have recently invested substantially in women's weekly *Margriet* by adding more content and pages and updating the layout. As a result, one of the favourite magazines of Dutch women through many years has been able to improve its performance significantly.



"We have adapted quickly and strongly. I am proud of our people. They have proven themselves to be champions in recession fighting, and that is paying off."

Despite the general economic woes in Central Eastern Europe, there were bright spots in the region as well. Sanoma Magazines became the leading magazine publisher in Romania,

"Regarding our future," Ailasmaa continues, "the most important step that we took this year was setting up a new organisation for our digital media activities, building on successes in Bulgaria, Hungary and the Netherlands. The organisation is being led by **Michiel Buitelaar**, Chief Digital Media. We are a quality content producer that is strongly committed to expanding our current position. That is why we are keen to



Sanoma Magazines innovates
Sanoma Magazines is actively exploring new opportunities provided by technological developments. We have launched mobile websites connected to our magazines, and websites like *Startpagina.mobi* are piloting with narrowcasting at transport hubs, and have scored our first hits with smart phone applications. Both the *AutoWeek* as well as the *FN.hu* apps have reached the top spot in the iTunes store in the Netherlands and Hungary respectively.

develop future possibilities, in magazines as well as on digital platforms."

With the digital media organisation in place, the idea is to consolidate the knowledge base from various countries, leveraging know-how and some assets cross-border. The lead countries in this respect are the Netherlands, Bulgaria and Hungary, where the Division has strong stand-alone internet businesses.

In addition, Ailasmaa believes that many of the Division's strong print brands can be developed with new digital offerings. "We are building vertical services around areas where we have strengths, such as cars, parenting, home deco and celebrities," she says. This is part of the Division's magazine plus concept, which also includes extensions such as events, product licensing, DVDs and books.

Ailasmaa is confident about the future of magazines, predicting they will remain strong in the coming years. She notes that trends in this market change slowly, while magazines are dynamic and

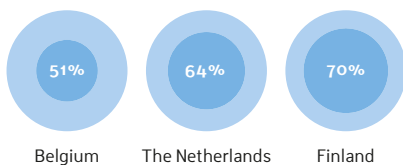
can quickly respond to new conditions and one-off events. "And we are very well positioned to profit from our position in digital media," she adds. "The latest technological developments in e-readers might even bring magazines and stand-alone digital services more back together again. For us it means that we will continue to nourish our current media portfolio to be able to expand it even further. At the same time we will explore new opportunities that are provided by developments in the market and technology. Nurture and explore is one of our strategic themes for the coming period."

"But first we have to deal with the recovery of the advertising market. That will also take time," Ailasmaa continues. "Fortunately consumer spending did not fall too steeply, but we still have to be very strict with costs in 2010. I am glad that in 2009 we have proven ourselves up for the challenge."

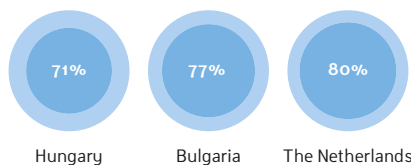
➔ Please read more: Sanomamagazines.com



Reach of our magazines in top 3 magazine countries in 2009



Reach of our digital media in top 3 digital media countries in 2009

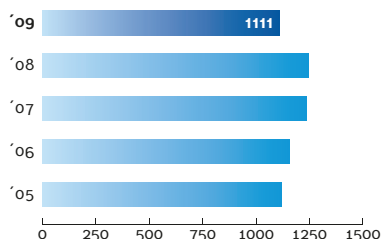


Sources:
Finland: National Readership Survey,
The Netherlands: NOM Print Monitor and STIR, Belgium: TNS Media, Hungary: NRC, Bulgaria: Gemius. The methods of measurement may differ by country.

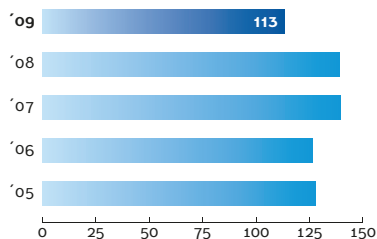
Laid-back and current

The leading Finnish women's magazine continues to strengthen its position.

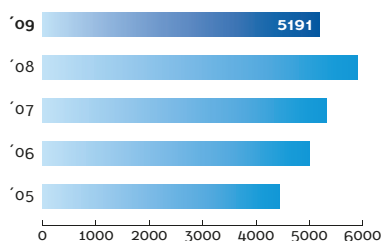
Net sales, EUR million



Operating profit excluding non-recurring items, EUR million

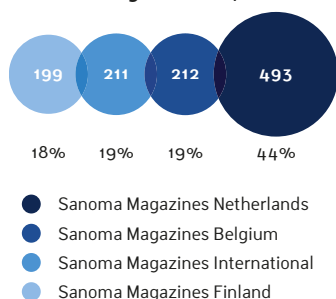


Personnel *



* At the end of period (FTE)

Net sales by business, EUR million



Laid-back, current, fun and open-minded – this is how readers describe *Me Naiset* magazine. These same descriptions are found in the brand manual, which means that the magazine is reaching its content-related goals.

The content guidelines have also fostered financial success: although advertising sales generally decreased in the media in 2009, *Me Naiset* was proud to report growth – not only in advertising but also in subscription and single copy sales.

Publisher ANNE KOSKI attributes this success to determined and consistent work that began with a major reorganisation in 2002, at which point the magazine concept was defined with great care. The magazine concept, however, has since been updated several times.

"We need to differentiate ourselves from trends rather than simply follow them," says Editor-in-Chief RIITTA POLLARI. The magazine's strong market position and basic structure allow to take the necessary risks. "Experimenting means success for us, and not having the courage results in failure."

Me Naiset increasingly covers social topics, exploring everyday life in

all its fascinating forms through people in Finland and around the world. The more smoothly a story runs on the pages of the magazine, the more behind-the-scenes work it represents. "It is important that the entire organisation shares the understanding of this," Pollari says.

The magazine believes that high-quality content is the primary way of ensuring reader satisfaction. "Our subscription renewal rate, which we regard as the most important indicator, has increased rapidly. When a reader renews her subscription, we know we have done something right," says Anne Koski.

In 2006, *Me Naiset* reached market leadership in circulation. In 2009, it became also the leading Finnish paid magazine in advertising sales, measured both in pages and euros. According to Koski, single copy sales are high, suggesting growth in the future as well.

Pollari has no intention of slowing down: "We will continue to respond to reader feedback, because it's one of our most valuable assets. Luckily, we have a direct, open relationship with our readers, and the internet has made communication even easier."



All ears, in tune with the customers

The evolving media landscape requires a stronger focus on the customer. New and upgraded products, improved services and enhanced efficiency – this is how Sanoma News meets ever more diversified media needs of its customers.

Driven by the internet, the massive media transformation is still in its early stages. Nonetheless, customer behaviour has already changed profoundly: consumers and advertisers use a greater variety of media more widely – a single medium seldom meets all customer needs anymore.

A creative approach allows Sanoma News to offer a wider range of more diverse products and services. This involves fearless innovation, continuous product improvement, inventive product combinations and increased collaboration among employees.

"The media transformation affects all our employees – in editorial offices, sales organisations and printing plants alike. At the same time, it offers excellent opportunities to work together to implement a common strategy," says **Mikael Pentikäinen**, President of Sanoma News.

The changed media landscape requires a stronger focus on the customer. In media sales, for example, product organisations are adopting a customer-oriented approach: based on individual customer needs, sales professionals offer solutions that cover several media instead of a single one.

"Rather than a revolution, this is an evolution. We are enhancing our operations, step by step," says Pentikäinen.

Collaboration increases efficiency. Centralised investments cut costs, as do the new competence centres that provide services for Sanoma News as well as other divisions.

These centres include the Online Performance Unit, which serves all Sanoma News' units in search engine marketing and optimisation, web analytics and usability development. Information technology is also managed centrally; this has reduced costs and increased transparency.

Taking news into the new era!



*"Quality journalism
will always be our
main purpose."*

Mikael Pentikäinen



Rapidly changing customer expectations require faster learning and innovation throughout Sanoma News.

The quality tabloid *Ilta-Sanomat* upgraded its products and reformed its mode of operation in 2008. The online financial daily *Taloussanomat* was integrated into *Ilta-Sanomat* as an independent brand in 2009, which has improved collaboration and enhanced performance. However, the most significant change of the year was the transformation of *Helsingin Sanomat*.

"The successfully revamped layout was but a small part of the whole. Reshaped operating models and differentiated content for different channels were equally if not even more important aspects," Pentikäinen emphasises.

Joining forces helps produce more diverse content for consumers. Sanoma Lehtimedia, for example, established a virtual news desk for three of its local newspapers: *Kouvola Sanomat*, *Etelä-Saimaa* and *Kymin Sanomat*.

Innovation requires a new type of leadership that is more about managing people than managing tasks. Employees must also be offered a more diverse choice of career paths.

"Instead of focusing on what to manage, we will increasingly focus on how to manage," Pentikäinen says.

Sanoma News has compiled guidelines for supervisors.

"We discussed and deliberated on what inspiring leadership means and how best to provide feedback. We also reflected on our corporate culture – what it does and does not include."

Good leadership was needed in early 2009, during a difficult period of adjustments. Sanoma News implemented cost cutting and launched employee negotiations on downsizing.

"I am pleased that we were able to adjust our operations to the challenging economy. We were also able to create something new in the process, which makes me particularly happy. We have transformed all our products over the past couple of years," Pentikäinen says.

The recession hit the media market hard, but Sanoma News took rapid action. The necessary adjustments created higher cost cutting than expected, and the profitability improved in late 2009.

Sanoma Outlet boosts online advertising. Display-based online advertising enjoyed great success in 2009. This is partly because of Sanoma Outlet, a performance-based online advertising sales system that was launched in summer with highly promising results. Its features include automated optimisation that ensures visibility in the best possible advertising spaces with maximal results.





Radio Helsinki rules the airwaves
Radio Helsinki won Radio of the Year award for the sixth time in the annual Industry Awards gala event for Finnish music professionals. Radio Helsinki was also deemed the best in 2001, 2003, 2005, 2007 and 2008.

Sanoma News is undergoing a systematic change that is leading-edge, even in an international comparison. Predicting the future is impossible, but it is crucial to stay attuned to change.

Major challenges include integrating new digital and print products seamlessly into the existing selection. Pentikäinen believes that print newspapers will hold their position for years despite the escalating media transformation.

"We must have the courage to develop digital products, even though they may affect our print products. Understanding and meeting customer needs is essential to solving this equation," Pentikäinen points out.

Although the media market suffered from reduced sales in 2009, the sales of many digital products increased. This illustrates the depth and intensity of the transformation.

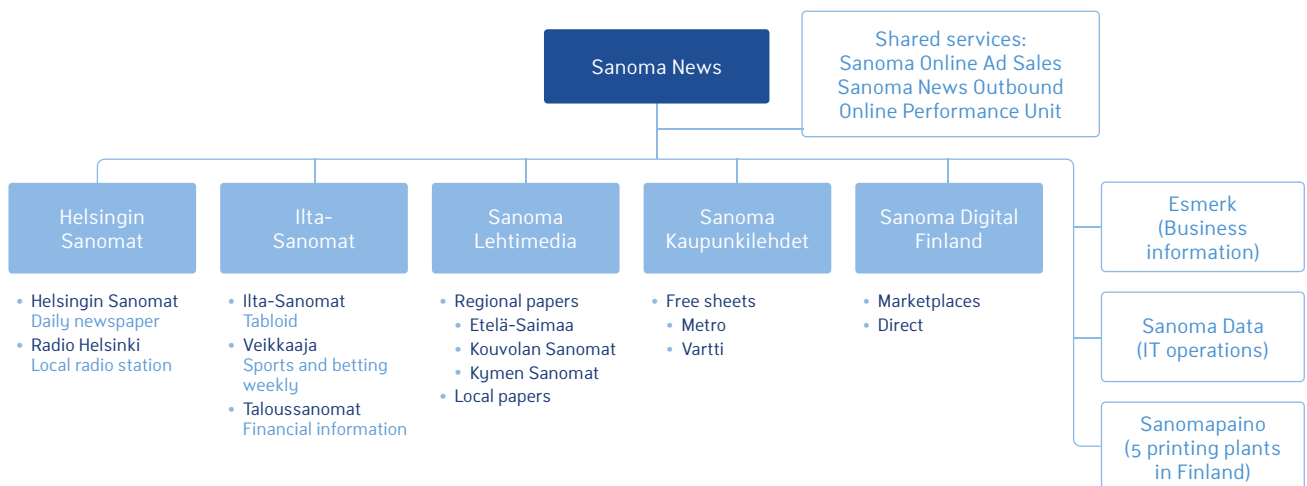
Paid online services are a big question mark to the industry, but Sanoma News is well-positioned

to develop additional fee-based services. *Helsingin Sanomat* already has more than 100,000 subscriptions that combine the print newspaper with digital services.

Technology keeps changing, and so does customer behaviour. But one thing will never change: "Quality journalism will always be our main purpose. We will continue to write well, offering our readers reliable and thoroughly researched information as well as intelligent entertainment," Pentikäinen promises.

➔ Please read more: Sanomanews.com

Mikael Pentikäinen is appointed Senior Editor-in-Chief and Publisher of *Helsingin Sanomat* as of 1 April 2010. Acting President of Sanoma News will be **Pekka Soini**.

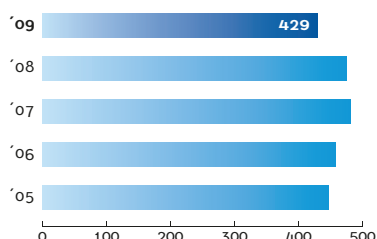


SANOMA NEWS' WEBSITES ARE INCREASINGLY POPULAR. *Iltasanomat.fi*, one of the most visited online services in Finland, had an impressive 1,929,639 unique visitors in a single week in mid-November 2009. *HS.fi*, the *Helsingin Sanomat* online service, has more than 1.3 million unique visitors each week. *Huuto.net*, the largest and most popular online auction service in Finland, reached its all-time high with 531,891 unique visitors in the first week of 2010.

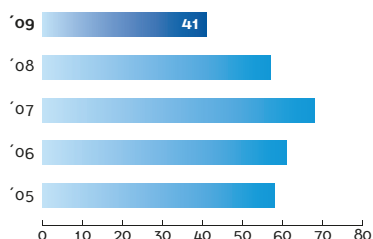
Channeling the news stream

Helsingin Sanomat has completely transformed its mode of operation.

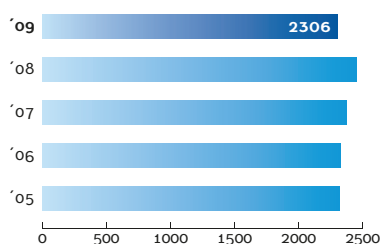
Net sales, EUR million



Operating profit excluding non-recurring items, EUR million

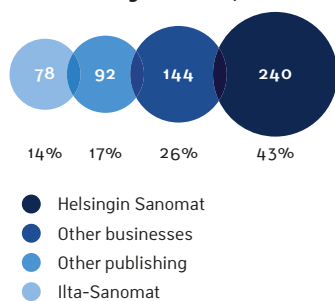


Personnel *



* At the end of period (FTE)

Net sales by business, EUR million



In November 2009, the readers of *Helsingin Sanomat* opened a revamped newspaper. Introduced on the newspaper's 120th anniversary, the new layout was but one aspect of the profound transformation Finland's leading newspaper has undergone in a little over two years.

"Everyone's job description changed," says Editor-in-Chief REETTA MERILÄINEN. According to her, the purpose of the transformation is to ensure a strong position in a world where news is available quickly, easily and free of charge.

"We needed to determine what type of editorial staff would be able to produce meaningful content for the full range of our products: newspaper, online service, radio, mobile service and, in addition, supplements and books."

The newspaper and its online service, *HS.fi*, now have clearly defined roles that complement one another instead of competing. Writers choose an angle and approach based on where and when the article will be published.

Nearly a hundred journalists from the print edition attended training in online writing. They now work flexibly for both versions of the newspaper,

and editorial meetings take a multi-channel approach. "News is a stream, not a pond," Meriläinen says.

The online editorial staff shares offices with the news staff, drawn from the former local news and domestic news departments. The staff supervisors work around the central desk in the spacious editorial offices, within shouting distance of each other and the supervisors of the photo and graphics editors.

The new working methods increased efficiency, and for a good reason: at the end of the year, the editorial staff numbered 270, down by nearly 50 employees from the beginning of the year. The transformation, however, was launched before the current recession. "We were lucky," says Meriläinen. "We had ample time to make changes that later proved unavoidable."

The transformation was intended to create a better and even more interesting *Helsingin Sanomat*. Reader opinions of topics and viewpoints are surveyed systematically in, for example, reader panels, and members of the public are more often interviewed for articles. "A newspaper should serve as a link between citizens and decision-makers."





High-quality content, multichannel enjoyment

Sanoma Entertainment brings together consumers and advertisers on television, radio and the internet. This multichannel environment calls for new operating models, but success is still based on compelling content.

"Online TV can bring an additional 20% viewers to a popular television series," says **Anu Nissinen**, President of Sanoma Entertainment.

Sanoma Entertainment's product offerings include six television channels, two radio channels and a cable and broadband operator. This multichannel approach presents great opportunities, allowing the Division to serve consumers at times that best suit their needs. It also offers advertisers a multichannel route to customers.

In this new environment, viewers and visitors build active communities around television programmes. The highly popular *Finland's Got*

Talent, for example, attracted online visitors who wanted to see how their favourite contestants fared each week. "Many programmes include multiple elements. Their role in different channels is considered early in the planning stage," says Nissinen.

Products still determine success.

Sanoma Entertainment launched *Ruutu.fi*, which offers free access to episodes of television series and additional content from popular radio and television programmes. This online TV service is off to a strong start.



Electronic entertaining experiences!



"Success is still based on compelling content."

Anu Nissinen

The cable and broadband operator Welho launched Welho Mix, a fully customisable pay TV package. Customers can choose eight favourites from a total of more than 60 channels.

In late 2009, Sanoma Entertainment and Viasat introduced Nelonen Sport Pro, a pay TV channel that will greatly expand Nelonen Media's sports programming. The programming will include the Finnish National Hockey League finals, UEFA Champions League, MotoGP World Championships and much more.

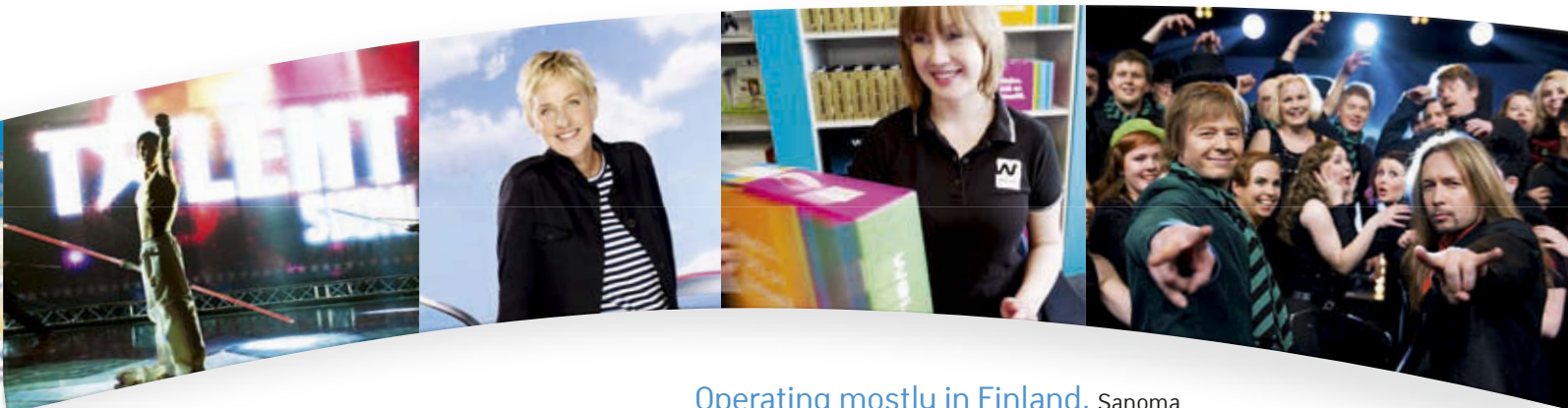
To complement the successful Jim television channel, Sanoma Entertainment launched the lifestyle channel Liv in the cable network in February 2009. With an initial one-year licence, Liv began broadcasting on the terrestrial network in December 2009.

The multichannel approach calls for new operating models. "We need to offer carefully considered and packaged services to our customers and advertisers," says Nissinen. "At the same time, we must be able to meet the needs of different customers more precisely."

New operating models present challenges, but Sanoma Entertainment has managed well. Nissinen praises her staff for rising to the occasion.

Sanoma Entertainment's performance improved substantially in 2009, owing to effective cost-saving measures, Nelonen Media's successful multichannel strategy and Welho's excellent performance in the broadband market. The Division intends to maintain this high level in 2010.

Nelonen hits the million-viewer mark. More than a million Finns, an all-time high for Nelonen, watched the season finale of Finland's Got Talent in November 2009. This season's winner was pantomime artist Miikka Mäkelä.



The ratings for Radio Aalto improved after the station adopted a repositioned focus. Radio Rock also enjoys an increasing number of listeners.

New products and successful collaboration helped Nelonen Media reach an all-time high share in advertising. The company's proportion of all television advertising in Finland rose to 32.6% in 2009, compared to 29.5% in the previous year.

Operating mostly in Finland, Sanoma Entertainment is also interested in international opportunities. International business has gained momentum primarily through Sanoma Games, a new business unit specialising in online casual gaming. This unit already operates in Sweden and is seeking further expansion.

International operations in the television business would require acquisitions. Sanoma



Flourishing Ruutu.fi

Launched before the summer holiday season in 2009, Ruutu.fi became the most popular online TV service in Finland in just a few months. In November, visitors clicked the play button more than four million times. The revised concept for Radio Aalto also proved successful. In October, Sanoma Entertainment's radio stations broke their previous records in advertising sales.

Entertainment is open to opportunities that may present themselves.

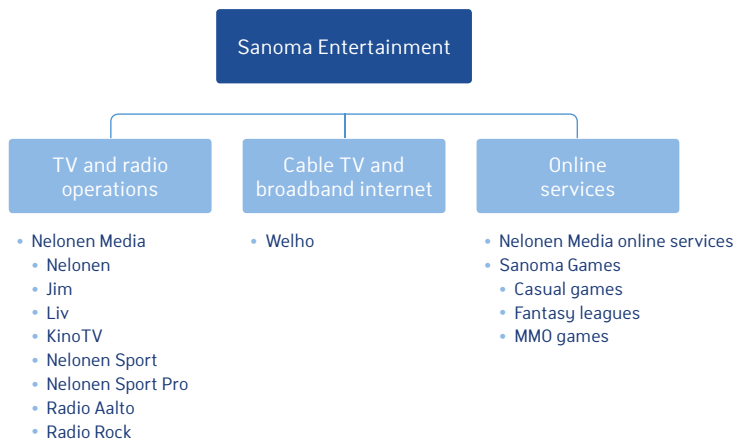
The fast pace will continue in 2010, as Sanoma Entertainment will launch many new products and services. Welho will introduce a 200 MB broadband connection in addition to the present 110 MB offering. Welho is also planning to launch commercial 3DTV services in 2010. Nelonen Media is continually developing new programme formats.

New collaborations include innovative partnerships. Many of the partners are multinational companies that need a strong local partner. "Our

deep understanding of the Finnish viewers' needs is a strength that must be enhanced," Nissinen points out.

Collaboration within the Sanoma Group is increasing as well. Sanoma's Future Media Team, consisting of consumer media divisions' presidents Eija Ailasmaa, Anu Nissinen and Mikael Pentikäinen, explores opportunities for more efficient co-operation. In February 2010, Sanoma Entertainment and Sanoma News combined their finance and administration functions to improve collaboration and share best practices.

➔ Please read more: Sanomaentertainment.com

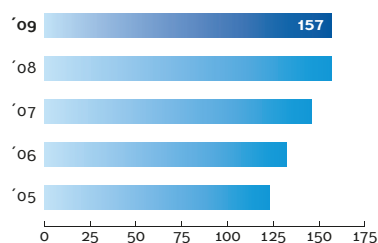


Operational indicators	2009	2008
TV channels' share of Finnish TV advertising	32.6%	29.5%
TV channels' national commercial viewing share	29.8%	29.6%
TV channels' national viewing share	14.8%	14.1%
Number of connected households, thousands (31 Dec)	326	323
Number of pay TV customers, thousands (31 Dec)	76	68
Number of broadband internet connections, thousands (31 Dec)	116	105

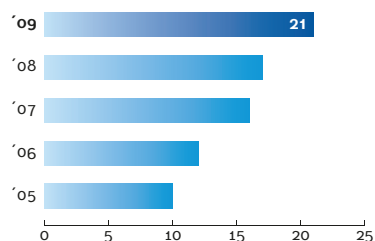
Recommended for all ages

Gaming enjoys growth and looks for new opportunities abroad.

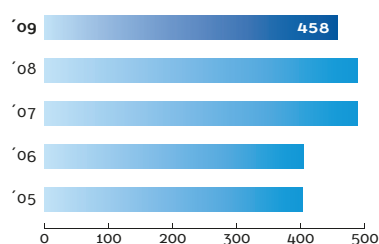
Net sales, EUR million



Operating profit excluding non-recurring items, EUR million

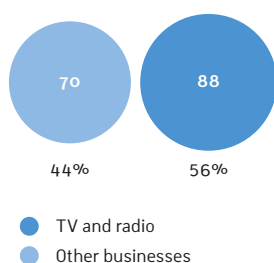


Personnel *



* At the end of period (FTE)

Net sales by business, EUR million



- TV and radio
- Other businesses

Sanoma Entertainment has tapped into the growing interest for games, one of the fastest developing markets online.

The Division first introduced the online casual gaming site *Pelikone.fi* in autumn 2007, and followed it later with the acquisition of *Älypää.fi*, a site featuring quizzes and puzzle games.

"Everyone said the market is crowded. We proved this wrong, in part because we found an interest among women in our casual games," says FERNANDO HERRERA, Director of Gaming and Online, Sanoma Entertainment. It is estimated that about 70% of casual gamers in Finland are women.

Cross division co-operation with Sanoma News has also proven beneficial. *Pelikone.fi* is found on the tabloid site *Iltasanomat.fi*, while *Älypää.fi* is part of the online version of Finland's leading daily, *HS.fi*.

"To get *Pelikone.fi* going, we created a 'YouTube for flash games' that allowed people to upload their games to the site for free," explains Herrera. *Pelikone.fi* is currently the most popular gaming site in Finland and has thousands of games under different

categories. The online environment for casual gaming sites differs from other sites. It's relaxed, fun, people have more time to spend there and they are more active in familiarising themselves with the ads, which is how the sites generate revenue.

Sanoma Games has now moved into fantasy sport games with the creation of *Liigapörssi.fi*, developed in co-operation with the Finnish Hockey League and *Iltta-Sanomat*. For a fee, users create a hockey team by selecting actual players from the league within certain budget constraints and track their team's fortunes by following the performance of players in the actual matches.

With its launch in Sweden, the concept has now gone abroad. A fantasy sport game *Coach LeMat* works in co-operation with the Swedish Hockey League and the leading Swedish daily, *Aftonbladet*. More countries may follow.

"As people of all ages are playing games online these days," says Herrera, with a smile, "we are constantly looking for new ways to accommodate their needs."





Local winners, shared experiences

Sanoma Learning & Literature is shifting the focus of learning and language services from offering products and services to offering a solution-based approach. This means better service for customers. The change also creates growth opportunities for business.

"The year 2009 was a twofold story," says **Jacques Eijkens**, CEO of Sanoma Learning & Literature. "We were dealing with the recession while transforming our business portfolio to include more solutions for learning and language services."

The Division's core business is learning, focused on learning materials and solutions in Belgium, Finland, Hungary, the Netherlands and Poland. Language services are provided through AAC Global in Finland, Sweden, Denmark, Norway, the UK and Russia, and the general literature business through WSOY in Finland.

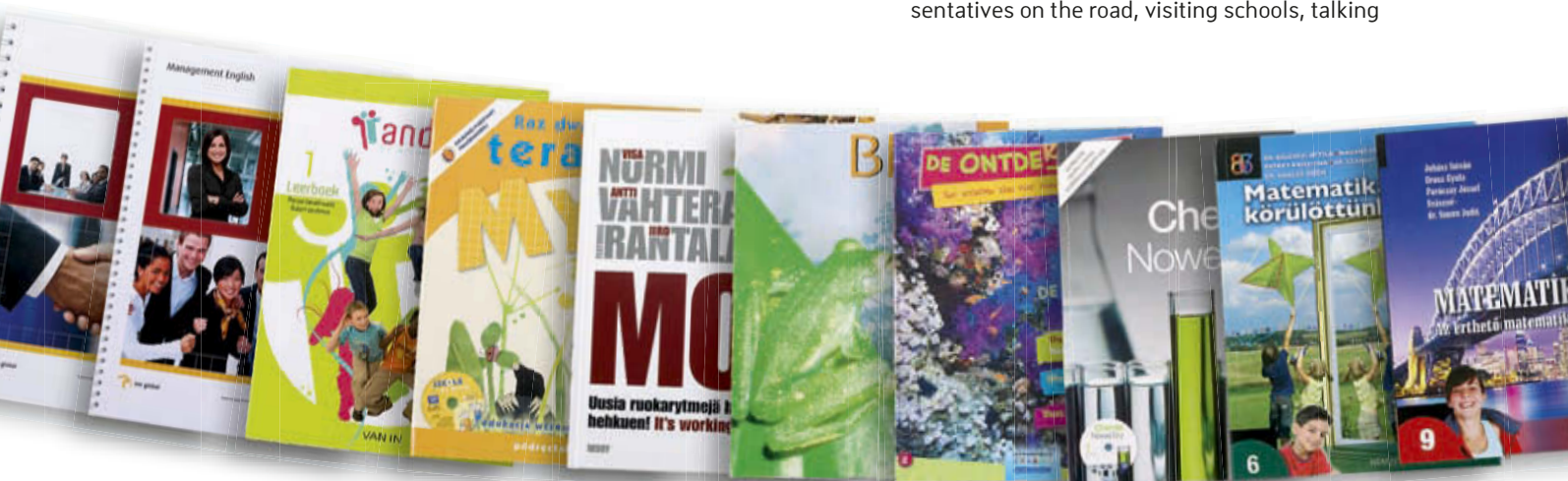
Each took steps forward in 2009 despite the difficult conditions. Sales of learning materials and solutions remained steady. The language service

business was vulnerable to cost cutting measures by corporations. The Finnish general literature market experienced pressure.

Citing some of the bright spots in 2009, Eijkens mentions the strong growth in Poland, where the educational publisher Nowa Era boosted its market share.

"Poland reformed the entire curriculum of its first levels in primary and secondary schools," he says, "a huge change which Nowa Era very successfully anticipated with a completely new generation of learning solutions. This change enabled Nowa Era to gain substantial market share, which now amounts to 25% of the total market."

"We had more than 200 Nowa Era representatives on the road, visiting schools, talking



*"In learning,
our aim is to be among
the top three in Europe."*

Jacques Eijkens



to teachers, telling them how to implement these changes with dedicated products and services. This customer focused method reflects a broader change toward a more solution-based approach in our learning business."

"**Teachers and schools** are looking for support in their management of the learning process," continues Eijkens. "Content remains important, but will be more and more widely available on the internet. What makes our solutions unique is that the content can be personalised and will be embedded in our total offering. This really allows the teacher to manage the learning process, especially in the digital learning environment."

Language services, too, took a step forward. "We just established an AAC Global office in Norway and the year before we acquired a leading Swedish language service provider with offices in Sweden, Denmark and the UK, so now we have stronger coverage in the Baltic Rim area," says Eijkens. "It's essential to be close to our customers!"

In general literature, it was a year of major bestsellers: Stieg Larsson, Stephenie Meyer and Dan Brown guaranteed a successful year. Sofi Oksanen, the award-winning Finnish-Estonian playwright and novelist made history and became a true national – and international – phenomenon. "WSOY launched her novel *Puhdistus* (*The Purge*) in spring 2008. It won all the major book awards and stayed at the top of the bestseller lists during 2008 and 2009. What makes the phenomenon particularly encouraging is that we are here talking about serious quality fiction."

"WSOY's foreign rights department made a major breakthrough by selling 140 Finnish titles to foreign publishers, much more than the year before. Our foreign sales department has been building up connections with publishers all over the world for several years now, and that approach is really paying off now!"

Innovative tools for education
Young Digital Planet has developed a family of software applications which allows publishers to develop e-book content, writers to develop interactive courses and schools to use educational software.



*For better knowledge, competence,
performance and wellbeing!*



New technology, free online content and globalisation trends have provided new challenges and opportunities for the Division. "We believe that a customer-driven and solution-based approach will definitely make the difference in our markets. Therefore we create new ways and opportunities for personnel's development and innovation." An example of this is the Leaders-in-Learning training programme, where employees from different business units created innovative products and services offering clear potential for future growth. One of the programme's main objectives was to facilitate collaboration and knowledge sharing between business units.

The goal for language services is to be the leading provider in the Baltic Rim area, offering globalisation services for big international

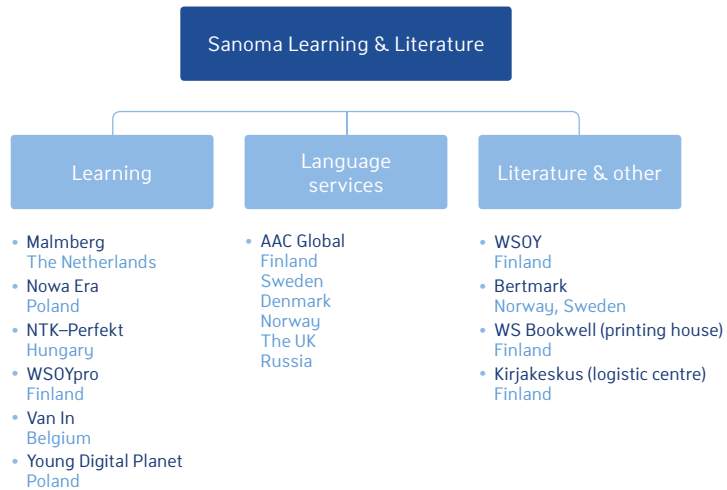
corporations. "We support our customers in their multilingual communication needs, taking care of all translation as well as language and cultural training."

"In learning, our aim is to be among the top three in Europe," says Eijkens. "We're now operating in five countries. Acquisitions and entering new markets are on our agenda; they may have been put on hold during the recession year of 2009, but in 2010 we shall continue."

"In general literature, our target is to be Finland's most exciting publisher; attractive for well-known authors and new talent, attractive for foreign publishers, attractive for all our sales channels and, of course, for all our readers."

As for the coming year, Eijkens says: "We need to be cautious and prudent – we can't assume it will be all sunshine!"

Joyful learning experiences
 Our online services offer a wide range of content and learning methods for millions of pupils, teachers and other professionals around Europe.



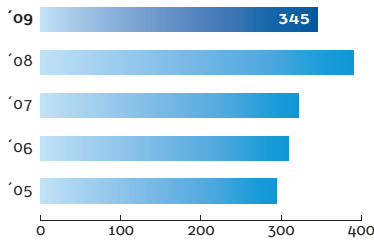
Net sales distribution



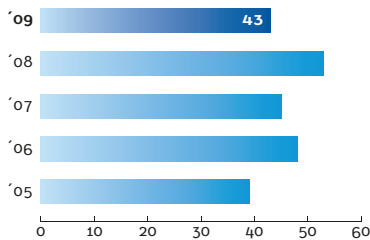
Personalised and efficient

Malmberg's new learning solution provides individual study paths for pupils and reduces workload for teachers.

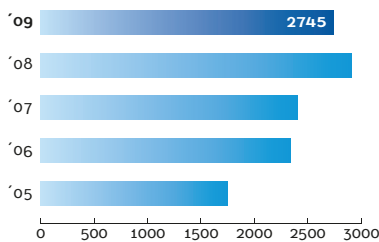
Net sales, EUR million



Operating profit excluding non-recurring items, EUR million

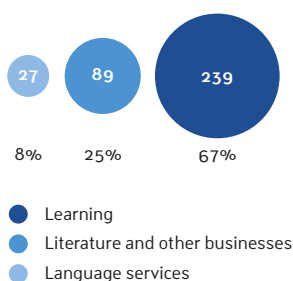


Personnel *



* At the end of period (FTE)

Net sales by business, EUR million



In the next 10 years, the educational landscape will change significantly. The change is being driven by the move to a digital society combined with a lack of teachers caused by the approaching retirement wave of the baby-boomers.

Malmberg has developed a learning platform that serves as a teacher's workflow solution and aims to improve learning outcomes by providing personalised learning pathway for pupils and increase the efficiency of the teaching process by reducing workload.

Malmberg Business Unit Manager ANNE BRUINENBERG explains, "In the Netherlands, 12 to 17 year olds are expected to do two to three hours of homework a day on top of their six-hour school day. The traditional homework cycle means a pupil does an assignment, hands

it in the next day and waits for the teacher's comments."

"We launched a project in 2007 to build an e-learning platform that allows for the creation, management and delivery of content specific to each Secondary Education levels. Our goal was a tool that allowed us to put all of Malmberg's relevant Dutch learning methods onto the platform."

Malmberg's learning solution creates additional benefits in three key areas. First, it assists in student assessment. Test results at the end of each module are used to generate the appropriate study path for the next module. Thus, slower learners get remedial support and high-performing children are challenged with extra tests and activities. This avoids the shortcomings of the one-size-fits-all solution and guides each student to their goals with positive reinforcement. Second, e-exercises are vetted to assure they teach the desired skill effectively. Any decision to use a simulation, process feedback or other approach in an assignment must be justified by the author as the best option for practising the skill demanded by the exercise. Finally, teachers retain full control of the process. They can monitor the progress of a group or an individual student, and modify or add content whenever the need arises.

"Looking back, we learned a lot and this project will definitely benefit Sanoma Learning & Literature over the long run," says Anne Bruinenberg. The learning businesses in the Division actively share knowledge and experiences, which means that new concepts will be exploited in other companies and markets.





Creating concepts for further growth

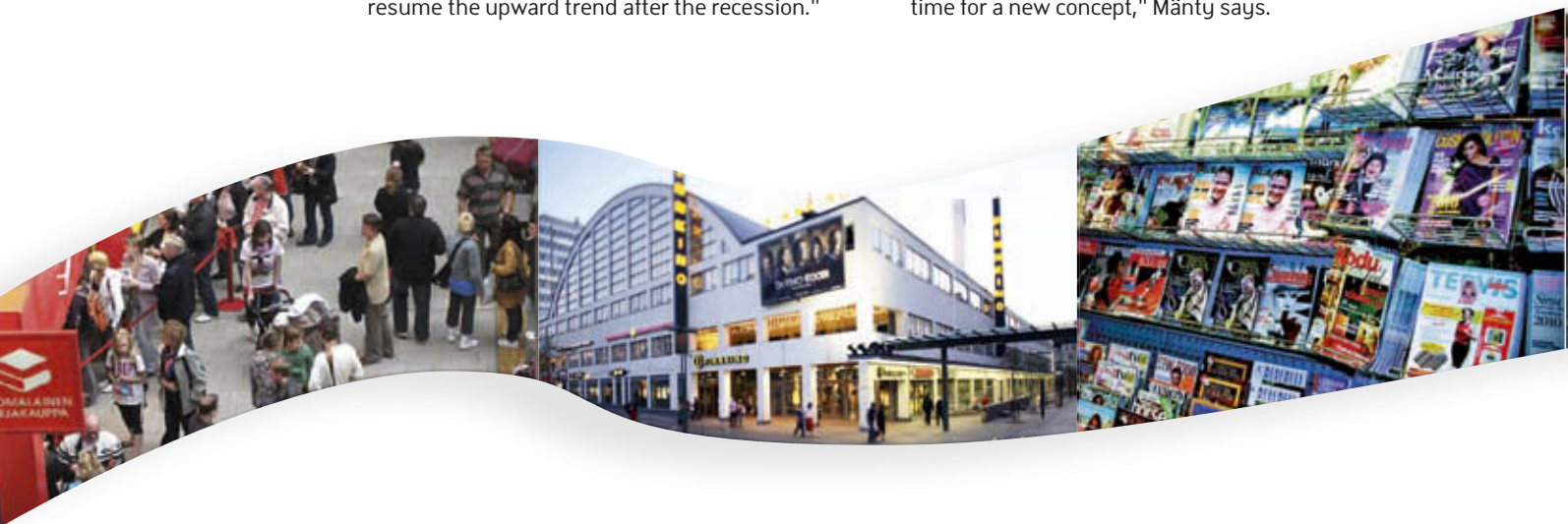
New concepts provide a foundation for further growth in Sanoma Trade. The new kiosk concepts have already reached the testing phase, and bookstores will soon follow suit. These changes offer new opportunities for customers, personnel and partners alike.

"**We cannot be disappointed.** Despite the recession, we made profits and our net sales were nearly as good as those in the previous year," says **Timo Mänty**, President and CEO of Sanoma Trade. "Our performance in Finland was excellent, but Russia and the Baltic countries fell short of expectations."

But Mänty will not settle for merely restructuring unprofitable operations: many profitable concepts will be transformed as well. Concept development will remain the most substantial issue in Sanoma Trade in 2010. "It's difficult to achieve growth in the current economy, but we must resume the upward trend after the recession."

The goal is to introduce a new mindset: instead of merely selling chocolate, books, movie tickets and other products, Sanoma Trade provides entertainment, information and experiences. This opens up countless opportunities, and Sanoma Trade seeks to tap into the hidden potential in its millions of customer encounters every year.

The reform has already reached the testing phase in kiosk operations, Sanoma Trade's largest business. "The current concept for our R-kiosks was created in the early 1990s. The world has changed a great deal in 20 years, so it is high time for a new concept," Mänty says.



Convenience, entertainment and little extras every day!



"We need to offer consumers entertainment, information and experiences."

Timo Mänty

The reform will revolutionise the idea of identical kiosk designs. Different locations require different services, and because the demand may vary greatly, the company is testing several designs. Customer reactions will eventually determine their success.

In its first stage, the reform only applies to Finland, but some of the ideas may prove transferable to other countries. National differences in consumption habits, however, are so significant that nothing is a given.

Bookstores also need new service models for different types of locations. Presently, their offerings are basically the same, whether the potential visitor base is 10 million or 30,000 people.

Concept development involves dozens of people in different teams. The goal is to collect a wide range of ideas from the entire field. Mänty stresses the importance of raising innovation levels in all operations. He wants to enhance innovation by encouraging open discussion, commitment and learning.

Movie theatres have already become experience centres. Live broadcasts from the Metropolitan Opera in New York were the first step in this direction, and the opportunity to see Robbie Williams' comeback concert live on the big screen sold out in an hour. Finnkino has realised

New dispatch centre for new business opportunities
Trade services' new dispatch centre brings the efficiency, speed and accuracy of the operations to a new level. Its three picking lines enable the handling of bigger press volumes and also other product groups.



Bookstores want to broaden their service concept from books to human needs. All employees need to adopt a new mindset if bookstores develop into, for example, entertainment centres. "This calls for the ability to see consumers' needs in a new light. Our personnel are a great asset in this respect," Mänty says.

that movie theatres have many uses: the Payazzo World Championships are an excellent example of this – it's not just movies that gather like-minded people together in a theatre.

But nothing will replace movies. They continue to provide a solid foundation for all Finnkino's operations.

More strength to business development

Sanoma Trade's Estonian operations and brands were brought together to ensure the competitive ability of the organisation also in the future. A unified Rautakirja Estonia can offer its customers a faster and more versatile concept development as well as a better product and service offering than before.

Sanoma Trade has reorganised its operations rapidly in its most challenging markets. The Division is combining its operations in Estonia to boost marketing efficiency, enhance concept development and cut costs. Sanoma Trade is considering transferring this operating model to other countries as well.

The Division has closed down more than 100 unprofitable kiosks, mostly in Latvia and Lithuania. The market situation, however, keeps changing in the Baltic countries. Demand has clearly decreased in Latvia but increased in Lithuania. In Estonia, movie operations have gained momentum, whereas kiosk operations have suffered setbacks.

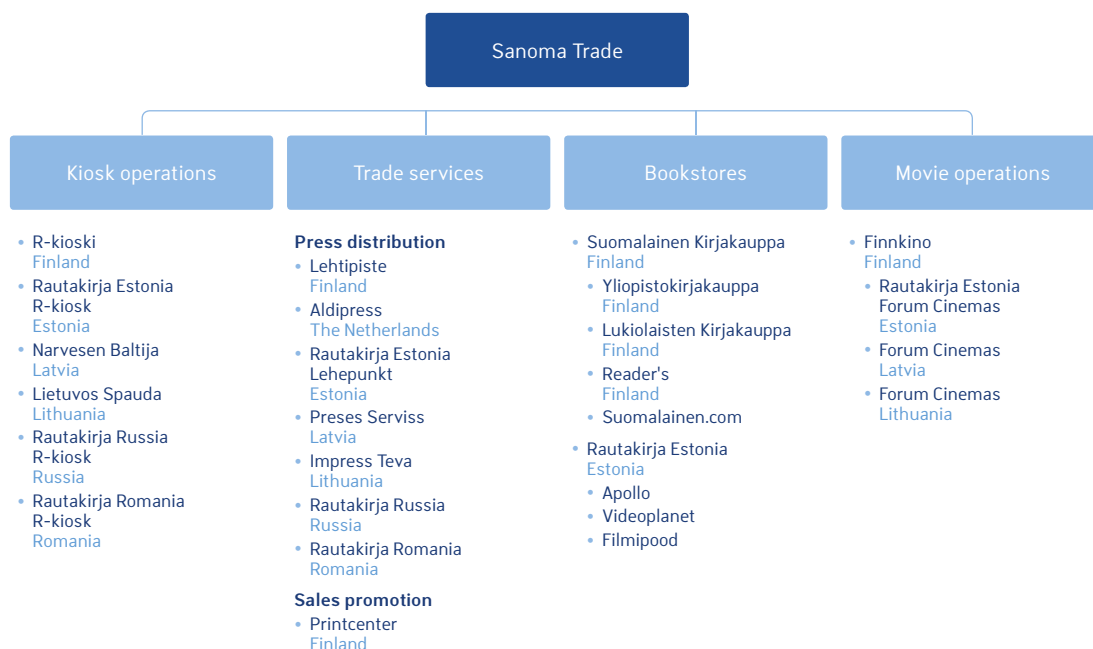
Sanoma Trade is carefully re-evaluating its operations in Russia, its toughest market. In Romania, the newest market, the Division has completed the initial phase of operations.

Concept development offers opportunities for new partners. Movie theatres can be used for testing events that have not been arranged previously. Product offerings at bookstores may include innovative and surprising products in the future – businesses need to think outside the box.

Kiosk operations are not limited by four walls. The electronic Oiva system, for example, has opened a whole new dimension: every year, R-kiosks sell event tickets, transport tickets, recreational fishing licences and other electronic products worth more than EUR 700 million. This makes the R-kiosk chain Finland's largest online store.

"The sky is the limit. We haven't even had time to inform all companies of the opportunities we offer. It's a communication challenge," Mänty says.

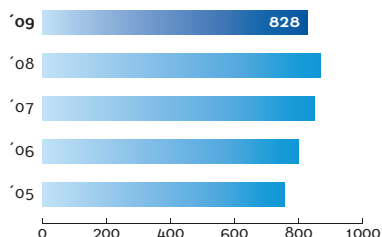
➔ Please read more: www.Sanomatrade.com



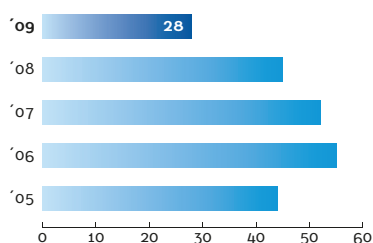
Operational indicators	2009	2008
Number of customers in kiosks, thousands	194 692	212 171
Number of customers in bookstores, thousands	7 239	7 484
Number of customers in movie theatres, thousands	9 501	10 192
Number of copies sold (press distribution), thousands	350 186	383 289



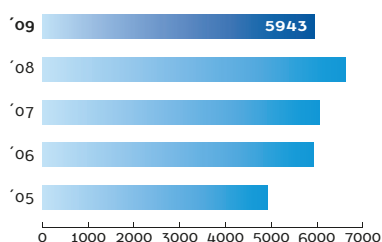
Net sales, EUR million



Operating profit excluding non-recurring items, EUR million

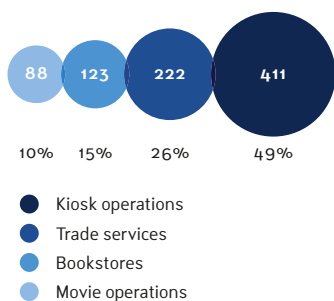


Personnel *



* At the end of period (FTE)

Net sales by business, EUR million



A new era for R-kiosk

R-kiosks will adopt a new concept that makes services and products more accessible to different customer groups.

Rautakirja celebrates its 100th anniversary in 2010 by introducing a new concept for its R-kiosks. "This historic change compares to the reform implemented 20 years ago, when traditional kiosks were replaced with walk-in facilities," says JARI HEINO, Senior Vice President of Kiosk Operations.

The reform is largely based on what customers in different areas want to buy in kiosks: some kiosks have a high demand for take away products, and others for magazines or paperbacks. In some areas, R-kiosks bring services closer to customers, offering a quick and easy solution for shopping needs. The bases for evaluation are many. The company is testing different kiosk designs, which will be further developed based on feedback.

The first pilot kiosks were opened in the Helsinki metropolitan area in late 2009, and all R-kiosks will adopt a new look in the next few years. The carefully designed new concept is based on several studies on purchasing behaviour. "Customers will have easier access to the services they need

– quick and convenient shopping, as our brand promise puts it," Heino says.

Despite increased specialisation, approximately 80% of the product mix will remain the same in all kiosks. In addition, rapidly increasing electronic products allow the kiosks to offer a wider selection of services. Customers can load their travel cards, purchase event tickets and prepaid cards and collect deliveries from online stores – many customers are already familiar with these services.

Personal, quick and friendly service is a cornerstone of R-kiosk operations. The 4 x T training programme will continue in 2010. All of our 4,000 salespersons will complete this training.

"Our strong concept and the constant development of our offering have proven to be effective solutions, even in challenging economies. We are the market leader, and our new concept will provide an excellent foundation for sustainable growth in the future – for the next 100 years."

People create success

Nearly all of Sanoma's employees faced changes in their workplaces in 2009. This is one of the reasons why the Sanoma Group has increasingly invested in good management and leadership skills.



Sanoma believes that success depends on creative, reliable and dynamic people who work in an inspiring and supportive environment with opportunities for professional development.

The recession and market changes in 2009 forced the Sanoma Group, among many other companies, to adjust its operations. Our total number of personnel decreased from 21,329 to 20,625 employees. The reductions concerned all divisions in almost all of our operating countries. Sanoma provided support to those who left the Group as well as to those who stayed. Even more than before, wellbeing at work was our main consideration in issues concerning all employees.

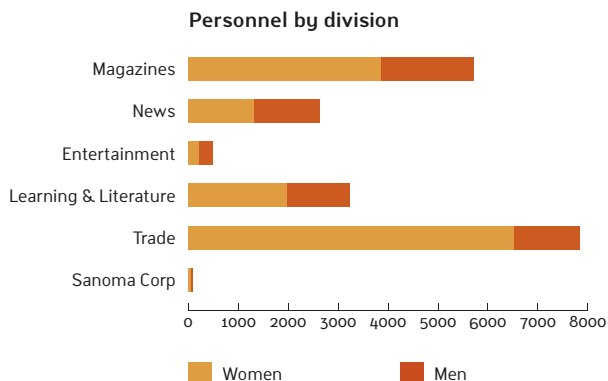
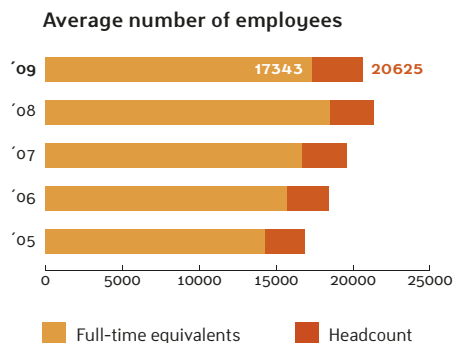
"In addition to fair treatment, wellbeing at work presupposes that employees have the

opportunity to influence their work and professional development. In practice, this is largely a question of leadership and good management practices," says **Tuula Jokipaltio**, Human Resources Development Director.

Training at the Sanoma Academy

increasingly focused on leading people instead of managing tasks. This was clearly reflected in the training programmes, such as the Growth Leader Programme for leadership development. The STEP training programme, on the other hand, provides experts with self-leadership skills.

"We want to foster expertise, because developing as an expert offers an interesting career path option within Sanoma," Jokipaltio says.



The international JUMP programme trains future experts and leaders; the third round started in 2009. "In the future, we will concentrate even more on international collaboration."

The second Media Sales Trainee Programme started in March 2009, shortly after the first one was completed. Guided by mentors and colleagues, six future media sales professionals work in different units within the Sanoma Group, learning their work through practice. The programme lasts for a year.

In addition, our divisions offer training programmes in different countries. "Sanoma has a tradition of investing in personnel development, and we strive not to compromise this principle during cost cutting programmes. While develop-

ing professional skills, people create valuable networks and contribute to a consistent way of working – the Sanoma way," Jokipaltio says.

The best ideas for competence development in Sanoma are often based on experiments in a single unit or division. According to Jokipaltio's estimate, good practices spread more widely and smoothly every year. Sanoma also increasingly uncovers hidden expertise and potential.

"Fine-tuning basic processes in human resources management offers enormous potential, as does learning from what works best in different units," says **Ritva Vuorinen**, Human Resources Director, Compensation and Benefits. She expects shared practices to enhance

From the left: Joose Palonen, Vesa Rantanen, Petteri Linnavalli, Ilkka Lomppi, Sini Kervinen, Agata Zygadlo, Agnieszka Mróz, Kasper Haikala and Merije Groen



operational efficiency and support Group-wide goals. "Performance and development discussions translate these goals into individual level action."

The annual Sanoma Awards were granted to three teams that had considerably contributed to the operational excellence of the Sanoma Group. In 2009, the winning projects were related to alternative programming for movie theatres, innovative concepts for developing online casual games into a significant business, and brand extensions – a television channel, online portal and more – for a celebrity magazine

as part of the Gossip 360° concept. Each winning team was awarded EUR 12,000, and all finalists were granted EUR 3,000. All employees are eligible for the Sanoma Awards.

Sanoma promotes equality systematically. One-third of all our personnel were men in 2009, but men represented two-thirds in management. "In leadership development programmes, however, the distribution has been even for several years now," Jokipaltio points out.

JUMP programme brings professionals together



Elena Buryakova

"I was promoted a while ago and felt a need to gather additional knowledge to succeed in my new job," says ELENA BURYAKOVA, Publisher of Independent Media Sanoma Magazines. She participated in Sanoma Academy's international JUMP training, a programme aimed at future managers and experts. "It was a great chance for me to join this programme and share time with a team of professionals."

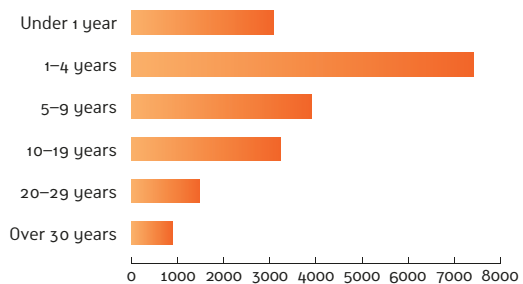
The objective of the training is to promote participants' leadership and managerial skills. For Buryakova, it was a success. "The programme was not only about learning new things but also about summarising and structuring the experience and knowledge you already had, which I really enjoyed," she says. "It was also great to exchange opinions with colleagues from different organisations within the Sanoma Group and benefit

from this shared knowledge."

The JUMP programme is divided into four modules, each designed to challenge the participants in different ways. "The owners of the modules were top managers from Sanoma. It really helped me learn more about the Group, particularly about its structure and strategy," Elena Buryakova says enthusiastically. "The worst thing about the programme was that the time flew by so quickly!"



Work experience at Sanoma

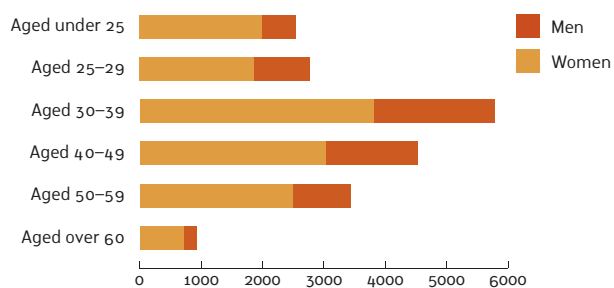


Personnel by country, 31 Dec. 2009

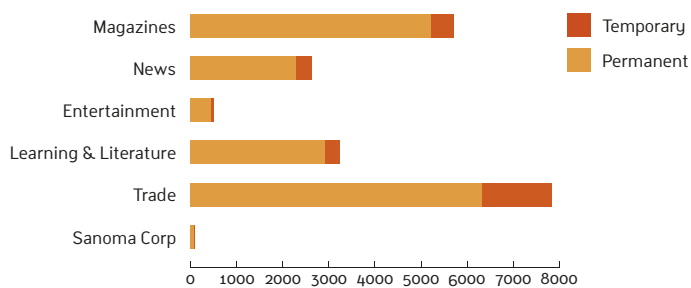


From the left: Ria Savolainen, Boris Stefanov, Marije van Akkerveeken, Katarzyna Derenda, Karolina Leoniak, Sami Sykkö and Noora Al-Ani

Personnel by age



Type of employment



Respecting the environment

Sanoma is a cutting-edge company with a heart for the environment. We closely monitor our environmental impact and seek to reduce our carbon footprint through modern and efficient operations.

Paper, our most important raw material, is renewable, biodegradable and recyclable. Our Paper Procurement Principles ensure that we use responsibly produced paper. Our main environmental impacts come from material and raw material use in our printing plants, product transportation and water and energy consumption.

In 2009, we purchased 237,800 tonnes of paper: newsprint, magazine paper, book and fine paper and graphical board. Compared to the previous year our paper consumption decreased by some 10% because of reduced page counts during the recession. We purchased paper from six suppliers, with deliveries from 35 paper plants.

Sanoma's eight printing plants produce newspapers, books and marketing materials. All operations are based on efficient use of materials and energy. Sanomapaino's five newspaper printing plants will implement an ISO 14001 environmental management system and the related quality and safety management systems in 2010.

Most of the electricity that we used in 2009 was consumed by printing plants and Sanoma Trade's operations, such as kiosks and movie theatres. We managed energy use efficiently in offices by adjusting heating, cooling and lighting.

Paper procurement makes a difference

As a major paper purchaser, Sanoma leads the way by promoting sustainable forest use in all of its operations. "We require responsible wood procurement from our suppliers. We also require that they consider social issues," says SATU KAIVONEN, Environmental Specialist at Sanomapaino.

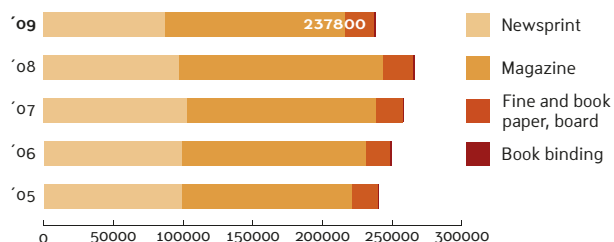
Kaivonen is one of the people behind the Sanoma Group's Paper Procurement Principles introduced in October 2009. "We wanted to establish a comprehensive set of guidelines that specifies our environmental requirements. Sanoma uses these guidelines to monitor its suppliers and their

commitment to the environment," she continues. "We decided to publish the principles, because the need for corporate communication about environmental issues has increased significantly in recent years."

The guidelines ensure that the paper supplied to Sanoma has been produced

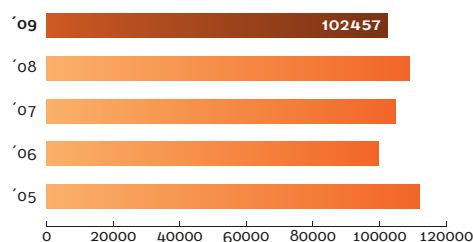
responsibly. For one, the origin must be legal and traceable. In addition to sustainable forestry, the supplier must also commit to reducing the environmental impact of paper manufacturing. The supplier must also be socially responsible – in other words, respect human rights and

Sanoma's paper usage, tonnes



Includes the paper used in Sanoma's printing plants as well as the paper acquired for products printed elsewhere.

Sanoma's electricity consumption in Finland, MWh



Some 30% for printing operations and the rest for premises and points-of-sale.

We seek to minimise environmental impacts from transportation through carefully optimised deliveries. Sanoma Magazines handles all deliveries for single copy sales jointly with other publishers. Sanoma Trade's trade services collects unsold magazines and newspapers, delivering them to be recycled as raw material for paper and other products. Logistics is a special consideration in Sanoma Trade's kiosk operations as well.

Responsible value chains require high environmental awareness. Although not all-inclusive, the carbon footprint helps determine which phases of a product's life cycle cause the heaviest environmental impact. The newspaper *Helsingin Sanomat* and the quality tabloid *Ilta-Sanomat* have started calculations of the greenhouse gas emissions from their print editions. The purpose is to better understand how newspaper production affects the environment and how this impact can be reduced.

Based on customer needs and a long-time commitment to the environment, our book printing business, WS Bookwell, has introduced a web-based eco-calculator. Created in collaboration with WWF and the VTT Technical Research Centre of Finland, the calculator indicates how different materials and production stages affect a book's carbon footprint, covering the entire life cycle from woodcutting to warehousing. It also expresses the equivalent of a book's carbon footprint in kilometres driven by car. This innovation helps customers make sustainable choices.

Did you know that:

- One home-delivered newspaper causes approximately the same amount of CO2 emissions as driving one kilometre by car
- One week's newspapers have the same sized carbon footprint as one wash by a washing machine
- Taking a sauna causes a carbon footprint equivalent to three weeks of home-delivered newspapers

Source: Kungliga Tekniska Högskolan

comply with applicable laws, regulations and international agreements.

Environmental certificates issued to forests, factories and supply chains are important in monitoring these principles. Sanoma gives priority to suppliers of certified paper, because the certification criteria lay the framework for sustainable forestry. Sanoma also favours suppliers with an ISO 14001 environmental

management system, as this system encourages companies to constantly improve their environmental performance.

Naturally, environmental work involves more than guidelines: the Paper Procurement Principles are included in contract obligations, and Sanoma will increase information exchange with suppliers. The Group uses recycled fibres in magazines and

newspapers when possible and aims at increasing the proportion of certified fibre in its printing papers. "The Paper Procurement Principles will be reviewed annually to ensure high standards," Kaivonen adds.

➔ Please read more at Sanoma.com (About Us > Corporate Responsibility > Environmental Dimension).

Satu Kaivonen



Reliable content, responsible deeds

Responsibility is an integral part of our business operations. Corporate responsibility at Sanoma is founded on committed and considerate personnel management, transparent corporate governance and high-quality content.

Our publishing operations are based on independence and freedom of speech, as defined in our Business Principles. The content we create reflects Sanoma as a responsible media company. Reliable information and high-quality content are more important than ever, as the internet continues to make the media landscape more diverse.

Sanoma's businesses are involved in a broad variety of social projects. Our women's magazines in Holland – *Viva*, *Cosmopolitan*, *Marie Claire*, *Margriet*, *Libelle* and *MIND* – frequently address United Nations Millennium Development Goals, such as gender equality and health in pregnancy. Despite the recession, Sanoma Magazines published the sixth *Pink Ribbon* magazine in the Netherlands and Belgium. The Dutch magazine has already raised a total of EUR 3.7 million for the Pink Ribbon Foundation, an international breast cancer charity.

We supported child welfare organisations through several projects in Finland. The Help the Child campaign recruited volunteers for child protection organisations, and the Reading for Life programme, organised by Save the Children Finland, provided textbooks for a hundred teenagers living in difficult conditions, allowing them to continue their studies beyond compulsory education. The daily newspaper *Helsingin Sanomat* helped launch the UNICEF Tap Project in Finland, with 70 restaurants participating in the Helsinki metropolitan area. The donations were used for UNICEF's water programmes.

We also supported the Clean Baltic Sea project in Finland by donating funds and advertising space in our media. In addition to contributions made by our business units, the Board of Directors donates part of Sanoma's earnings each year to projects and foundations supporting culture, free speech and journalism research. In 2009, the Annual General Meeting assigned EUR 500,000 for this purpose; the recipients included the newly established Aalto University in Helsinki.

High-quality content for readers of all ages is crucial. Sanoma has a long tradition of promoting media literacy in schools by, among other ways, allowing children and teenagers to contribute to news stories. The World Association of Newspapers and News Publishers (WAN-IFRA) awarded the tabloid *Ilta-Sanomat* a Jury Commendation in the World Young Reader Prize competition for its *Obama Extra* supplement; the jury described the supplement as fun and educational. Published in February 2009, *Obama Extra* was circulated in Finnish schools.

Our personnel have many opportunities to contribute to the common good. In Independent Media Sanoma Magazines in Russia, half of the employees regularly donate a portion of their salaries to charities of their choice through an online service specifically tailored for the company. One of these charities is Good Deed, an organisation helping the elderly. Through this organisation, our employees can also donate their time to assist elderly in need.

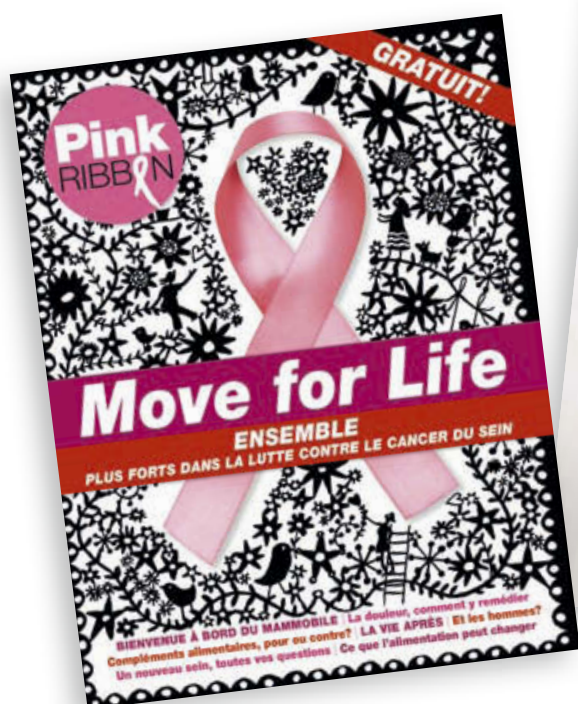
Corporate governance in the Sanoma Group is based on a clear organisational structure, specifically defined powers and responsibilities, and consistent planning and reporting systems and guidelines. The Board of Directors confirms all Group-wide guidelines, such as Sanoma's business, management and risk management principles.

Sanoma offers its shareholders a stable dividend yield: as a rule, the Group pays out over half of its result after taxes in dividends each year. Good management and a long-term perspective are the key principles of financial responsibility.

Our actions and operations are guided by common ethical principles. Our Business Principles emphasise reliability, one of Sanoma's three values. They also address the importance of treating all employees equally, offering independent content, respecting immaterial property rights and promoting good business practices in all of our markets.

Sanoma's different divisions and operations have more detailed guidelines. All of our newspapers, for example, have specific editorial directives that are consistent with our Group-wide principles.

➔ Please read more at Sanoma.com (About Us > Corporate Governance).



Board of Directors



From the left: Robert Castrén, Rafaela Seppälä, Hannu Syrjänen, Paavo Hohti, Annet Aris, Seppo Kievari, Jane Erkko, Jaakko Rauramo, Sakari Tamminen and Sirkka Hämäläinen-Lindfors

Jaakko Rauramo

born 1941, M.Sc. (Tech.), D.Sc. (Tech.) h.c. (Helsinki University of Technology)

Chairman of the Board of Sanoma since 2001, Chairman and CEO 2001–2005, and member since 1999. Term ends in 2012.

Joined Sanoma Group in 1966. Served as President and CEO of SanomaWSOY 1999–2001, President of Sanoma Corporation 1984–1999 and Board member since 1979, Sanoma Corporation's Executive Vice President, General Manager of the Newspaper division and General Manager at Sanomaprint, among others.

Board memberships, companies

Metso Corporation (Finland)
(Vice Chairman)

Annet Aris

born 1958, M.Sc. Land planning and operations research, MBA INSEAD

Sanoma Board member since 1 April 2009. Term ends in 2012.

Serves as Adjunct Professor of Strategy and Management at INSEAD since 2003. A Visiting Professor at a variety of European universities since 2004. Previously she worked for McKinsey & Co 1985–2003.

Board memberships, companies

Hansa Heemann AG (Germany)
(Vice Chairman)

➔ The complete list of all board memberships, the share ownership information as well as stock options of Sanoma's management can be found at Sanoma.com.

Robert Castrén

born 1957, B.Sc. (Econ.)

Sanoma Board member since 2001.
Term ends in 2011.

Serves as Sales Director at UPM-Kymmene Corporation. Held various marketing positions with UPM-Kymmene Corporation and its predecessor, Kymmene Oy, since 1991. Previously he worked for Finnpap and Lamco Paper Sales, among others. Served at Sanoma Corporation's Board as member 1994–1999 and Vice Chairman 1999–2002.

Jane Erkko

born 1936

Sanoma Board member since 1999.
Term ends in 2011.

Served as member of Sanoma Corporation's Board 1990–1999 and as Vice Chairman of the Board of Helsinki Media Company Oy 1995–1999.

Board memberships, companies
Oy Asipex Ab (Finland)

Paavo Hohti

born 1944, Ph.D., Professor

Sanoma Board member since 1999.
Term ends in 2011.

Serves as Managing Director of the Council of Finnish Foundations since 2004. Served in the Finnish Cultural Foundation 1980–2004. Previously served WSOY's Supervisory Board as member 1991–1994 and as Vice Chairman 1994–1999.

Sirkka Hämäläinen-Lindfors

born 1939, D.Sc. (Econ.), Doctor h.c. (Econ. & Bus. Adm.) (Turku School of Economics and Business Administration)

Sanoma Board member since 2004.
Term ends in 2010.

Served as member of the Executive Board of the European Central Bank 1998–2003 and as Governor and Chairman of the Board of the Bank of Finland 1992–1998, among others.

Board memberships, companies
Investor AB (Sweden), Kone Corporation (Finland) (Vice Chairman)

Seppo Kievari

born 1943

Sanoma Board member since 2003.
Term ends in 2010.

Served Sanoma Corporation 1966–2004 as President and Publisher of Sanoma's newspapers as well as Executive Vice President of Sanoma Corporation and Editor-in-Chief of Helsingin Sanomat, among others.

Board memberships, companies
Hämeen Sanomat Oy (Finland)

Rafaela Seppälä

born 1954, M.Sc. (Journalism)

Sanoma Board member since 2008.
Term ends in 2011.

Served as President of Lehtikuva Oy 2001–2004, Project Manager at Helsinki Media Company Oy 1994–2000, member of SanomaWSOY Board 1999–2003 and member of Sanoma Corporation Board 1994–1999, among others.

Hannu Syrjänen

born 1951, B.Sc. (Econ.), Master of Laws

President and CEO of Sanoma, President and COO 2001–2005.
Sanoma Board member since 2001.
Term ends in 2010.

Served Rautakirja Corporation 1989–2001 as President and CEO, Vice President, and Executive Vice President and Deputy CEO. Previously served as Vice President at the TS Group, Vice President at Wihuri Oy and Managing Director of Finnish Lawyers' Publishing Oy.

Board memberships, companies
Ilmarinen Mutual Pension Insurance Company (Finland) (Chairman), Orion Corporation (Finland)

Sakari Tamminen

born 1953, M.Sc. (Econ.)

Vice Chairman of the Board of Sanoma since 1 April 2009. Sanoma Board member since 2003. Term ends in 2012.

Serves as President and CEO of Rautaruukki Corporation. Served Metso Corporation 1999–2003 as Senior Vice President and CFO, Executive Vice President and CFO, and Deputy to the President and CEO. Previously served as Executive Vice President and CFO, as well as Senior Vice President and Chief Financial and Accounting Officer of Rauma Oy, as Vice President, Finance of Rauma-Repola Oy's Engineering Industry, and as Financial Manager of Metal Industry division of Oy W. Rosenlew Ab.

Board memberships, companies
Confederation of Finnish Industries EK (Chairman), Varma Mutual Pension Insurance Company (Finland)

Executive Management Group



Hannu Syrjänen

*President and CEO,
Sanoma Corporation
born 1951, B.Sc. (Econ.),
Master of Laws*

Member of the Executive Management Group of Sanoma since 1999, Chairman since 2001. Sanoma Board member since 2001.

Served Rautakirja Corporation 1989–2001 as President and CEO, Vice President, and Executive Vice President and Deputy CEO. Previously served as Vice President at the TS Group, Vice President at Wihuri Oy and Managing Director of Finnish Lawyers' Publishing Oy.

Board memberships, companies
Ilmarinen Mutual Pension Insurance Company (Finland) (Chairman), Orion Corporation (Finland)

Eija Ailasmaa

*President and CEO,
Sanoma Magazines B.V.
born 1950, M.Pol.Sc.*

Member of the Executive Management Group of Sanoma since 2000. Director of the Sanoma Magazines division.

Joined Sanoma Group in 1973. Served as President of Sanoma Magazines Finland Oy 2001–2003 and Helsinki Media Oy 2000–2001, as Executive Vice President and General Manager, Magazines at Helsinki Media Company Oy 1998–2000. Previously served as Vice President, Publishing at Sanoma Corporation's Sanomaprint and Helsinki Media Company Oy, as Editor-in-Chief of Kodin Kuvalehti, and in various editorial positions at Ilta-Sanomat.

Board memberships, companies
Huhtamäki Corporation (Finland), Solidium Oy (Finland) (Vice Chairman)

Jacques Eijkens

*CEO, Sanoma Learning
and Literature B.V.
born 1956, B.Sc. (Econ.)*

Member of the Executive Management Group of Sanoma since 2006. Director of the Sanoma Learning & Literature division.

Served as CEO of Malmberg Investments 2001–2004 and Educational Information Group (part of VNU) 1998–2001. Joined Malmberg B.V. in 1981 (part of Sanoma Learning and Literature since 2004) and served in various management and marketing functions.

Sven Heistermann

*Chief Strategy Officer (CSO),
Sanoma Corporation
born 1972, M.Sc. (Tech.)*

Member of the Executive Management Group of Sanoma since 1 October 2009.

Served Booz Allen Hamilton as Principal 1998–2008 leading projects related to strategy development in communications, multimedia, internet and high-tech industries.

→ The complete list of all board memberships, the share ownership information as well as stock options of Sanoma's management can be found at Sanoma.com.



Kim Ignatius

Chief Financial Officer (CFO),
Sanoma Corporation
born 1956, B.Sc. (Econ.)

Member of the Executive Management Group of Sanoma since 2008.

Served TeliaSonera 2000–2008 e.g. as Executive Vice President and CFO. Previously worked as CFO and member of the Executive Board of Tamro Corporation, among others.

Board memberships, companies
Fruugo Oy (Finland)

Timo Mänty

President and CEO,
Rautakirja Corporation
born 1960, M.Sc. (Econ.)

Member of the Executive Management Group of Sanoma and Director of the Sanoma Trade division since 1 January 2009.

Served Sanoma Trade as Senior Vice President of Special Trade Division 1998–2008. Previously served as Managing Director of Finnkino Oy, Executive Vice President of Suomalainen Kirjakauppa Oy, Vice President of Lehtipiste, Marketing Director and member of Executive Board of Hartwall Oyj and in managerial capacity in Suomen Unilever Oy.

Board memberships, companies
Revenio Group Oyj (Finland)

Anu Nissinen

President, Sanoma
Entertainment Ltd
born 1963, M.Sc. (Econ.)

Member of the Executive Management Group of Sanoma since 2008. Director of the Sanoma Entertainment division.

Served Sanoma Entertainment since 2001 as President of SW Television Oy (Welho) and as Marketing Director of Helsinki Televisio Oy. Previously served Oy Sinebrychoff Ab as Marketing Director and Cultor Group as Deputy Product Manager, among others.

Mikael Pentikäinen

President, Sanoma News Ltd
born 1964, M.Sc. (Agriculture
and Forestry)

Member of the Executive Management Group of Sanoma since 2004. Director of the Sanoma News division.

Served the Finnish News Agency as Editor-in-Chief and President 1999–2004. Previously served as Editor-in-Chief of Etelä-Saimaa 1996–1999 and as Editor in political news of Helsingin Sanomat 1992–1996.

Board memberships, companies
Esan Kirjapaino Oy (Finland),
The Finnish News Agency (Finland),
Suomalainen Yhteiskoulu Corporation
(Finland)

Mikael Pentikäinen is appointed Senior Editor-in-Chief and Publisher of Helsingin Sanomat as of 1 April 2010. Acting President of Sanoma News will be Pekka Soini.

Management Groups of Divisions

Sanoma Magazines

Eija Ailasmaa (Chairman), born 1950

President and CEO, Sanoma Magazines

Clarisse Berggårdh, born 1967

CEO, Sanoma Magazines Finland

Michiel Buitelaar, born 1962

Chief Digital Media, Sanoma Magazines

Koos Guis, born 1947

CEO, Sanoma Magazines International

Aimé Van Hecke, born 1959

CEO, Sanoma Magazines Belgium

Dick Molman, born 1954

CEO, Sanoma Uitgevers

Walter van der Schaaff, born 1958

CFO, Sanoma Magazines

Sanoma News

Mikael Pentikäinen (Chairman), born 1964

President, Sanoma News (until 31 March 2010)

Senior Editor-in-Chief and Publisher,

Helsingin Sanomat (as of 1 April 2010)

Titta Halme, born 1968

President, Sanoma Kaupunkilehdet

Pekka Harju, born 1962

President, Ilta-Sanomat

Pia Huhdanmäki, born 1969

Senior Vice President, Administration,

Sanoma News

Jarmo Koskinen, born 1961

President, Sanoma Lehtimedia

Ari Kurenmaa, born 1967

Senior Vice President, Finance, Sanoma News

Pekka Laakeristo, born 1955

President, Sanoma Data

Pekka Soini, born 1957

President, Helsingin Sanomat (until 31 March 2010)

Acting President, Sanoma News (as of 1 April 2010)

Marja-Leena Tuomola, born 1962

Senior Vice President, Business and Digital

Operations Development, Sanoma News

Ismo Vuoksio, born 1962

President, Sanomapaino

Sanoma Entertainment

Anu Nissinen (Chairman), born 1963

President, Sanoma Entertainment

Hans Edin, born 1959

President, Nelonen Media

Johan Flykt, born 1965

President, Welho

Pia Huhdanmäki, born 1969

Senior Vice President, Administration,

Sanoma Entertainment

Ari Kurenmaa, born 1967

Senior Vice President,

Finance, Sanoma Entertainment

Sanoma Learning & Literature

Jacques Eijkens (Chairman), born 1956

CEO, Sanoma Learning & Literature

Jyri Ahti, born 1962

CSO, Sanoma Learning & Literature

Barend de Graaff, born 1956

CFO, Sanoma Learning & Literature

Mark Marseille, born 1963

CHRO, Sanoma Learning & Literature

John Martin, born 1970

COO, Learning

Tuomo Räsänen, born 1969

COO, Language Services

Sanoma Trade

Timo Mänty (Chairman), born 1960

President and CEO, Rautakirja

Jari Heino, born 1965

Senior Vice President, Kiosk Operations

Liisi Jauho, born 1968

Senior Vice President, Movie Operations

Hellevi Kekäläinen, born 1953

Senior Vice President,

Finance and Administration, Rautakirja

Raimo Kurri, born 1953

Senior Vice President, Trade Services

Jukka Nikkinen, born 1962

Senior Vice President,

Business Development, Rautakirja

Jarmo Oksaharju, born 1961

Senior Vice President, Bookstores



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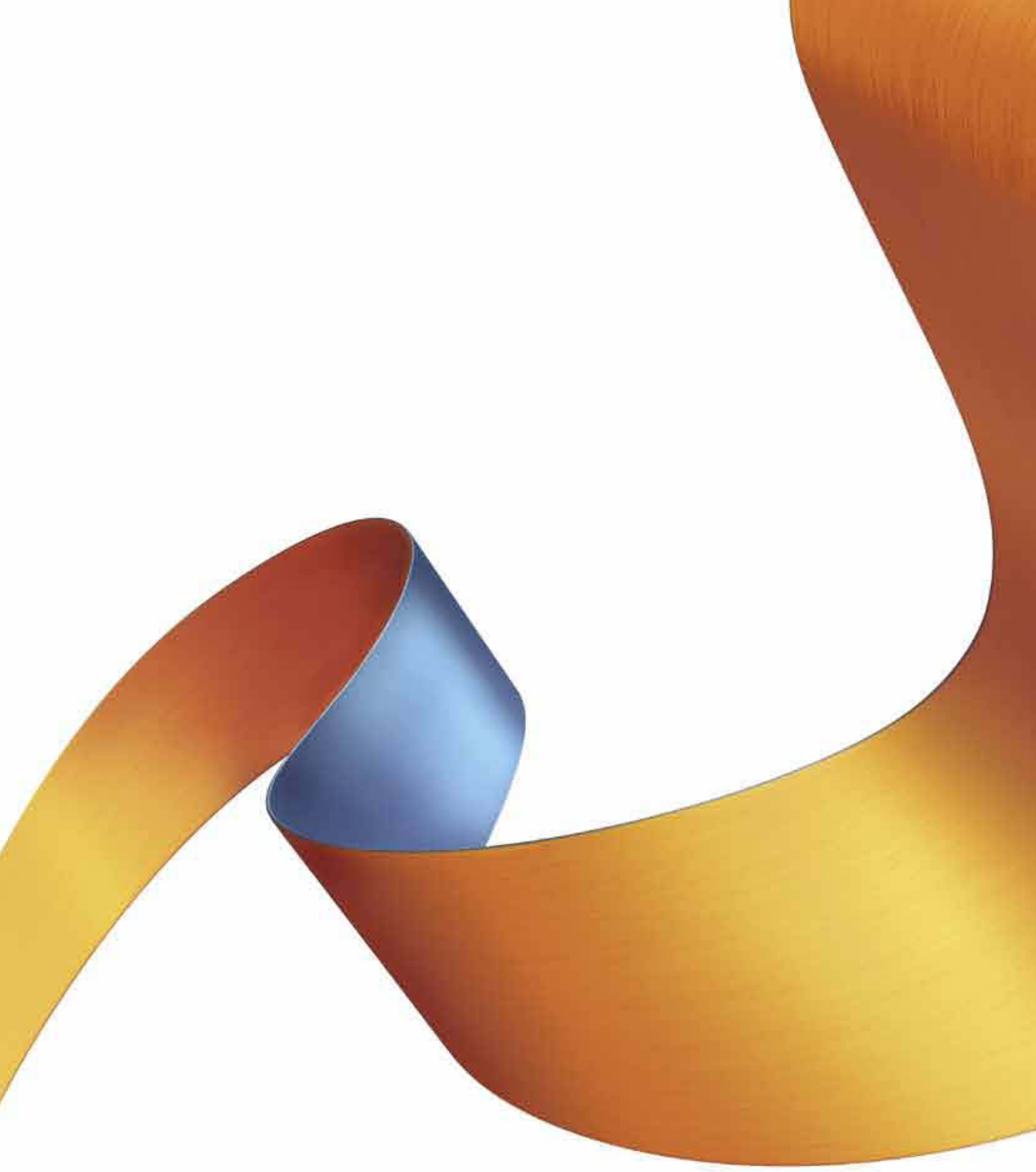
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