



Annual General Meeting 2007

President and CEO Hannu Syrjänen

April 4, 2007

A Developing European Media Company

- Leading media company in the Nordic countries
 - Net sales EUR 2.7 billion in 2006
 - Personnel 18,434
- One of the largest consumer magazine and educational publishers in Europe
- Wide, extremely strong media portfolio in Finland, selected growth areas
- Leading media assets in the chosen markets with strong cash generation, combined with fast growing digital businesses
- Excellent position in the attractive Central Eastern European (CEE) countries and Russia



Wide Media Portfolio

Rautakirja

- Net sales M€ 684.3
- EBIT M€ 51.3

Press distribution, kiosk operations, bookstores, movie theatres

SWelcom

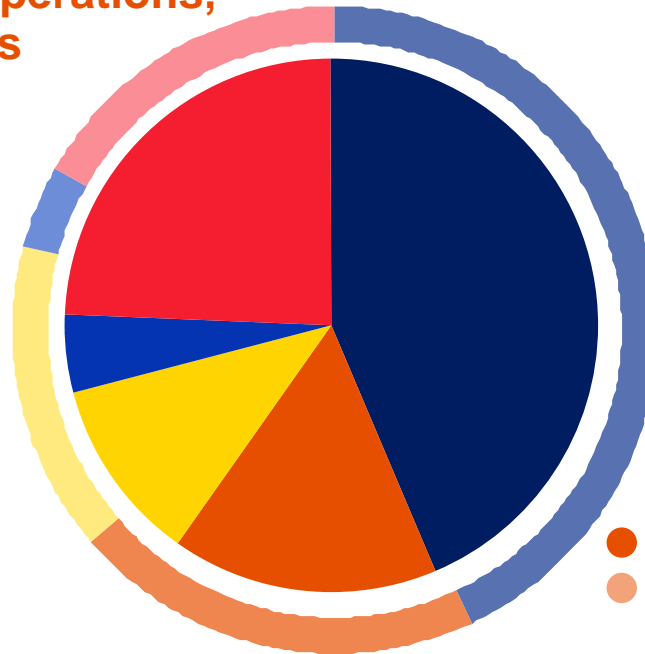
- Net sales M€ 131.8
- EBIT M€ 12.5

Commercial TV, cable TV, broadband, radio

SanomaWSOY Education and Books

- Net sales M€ 309.2
- EBIT M€ 48.0

Educational publishing, general literature, business information and services



Sanoma Magazines

- Net sales M€ 1,218.9
- EBIT M€ 132.2

Magazine publishing, online operations

Sanoma

- Net sales M€ 457.1
- EBIT M€ 62.7

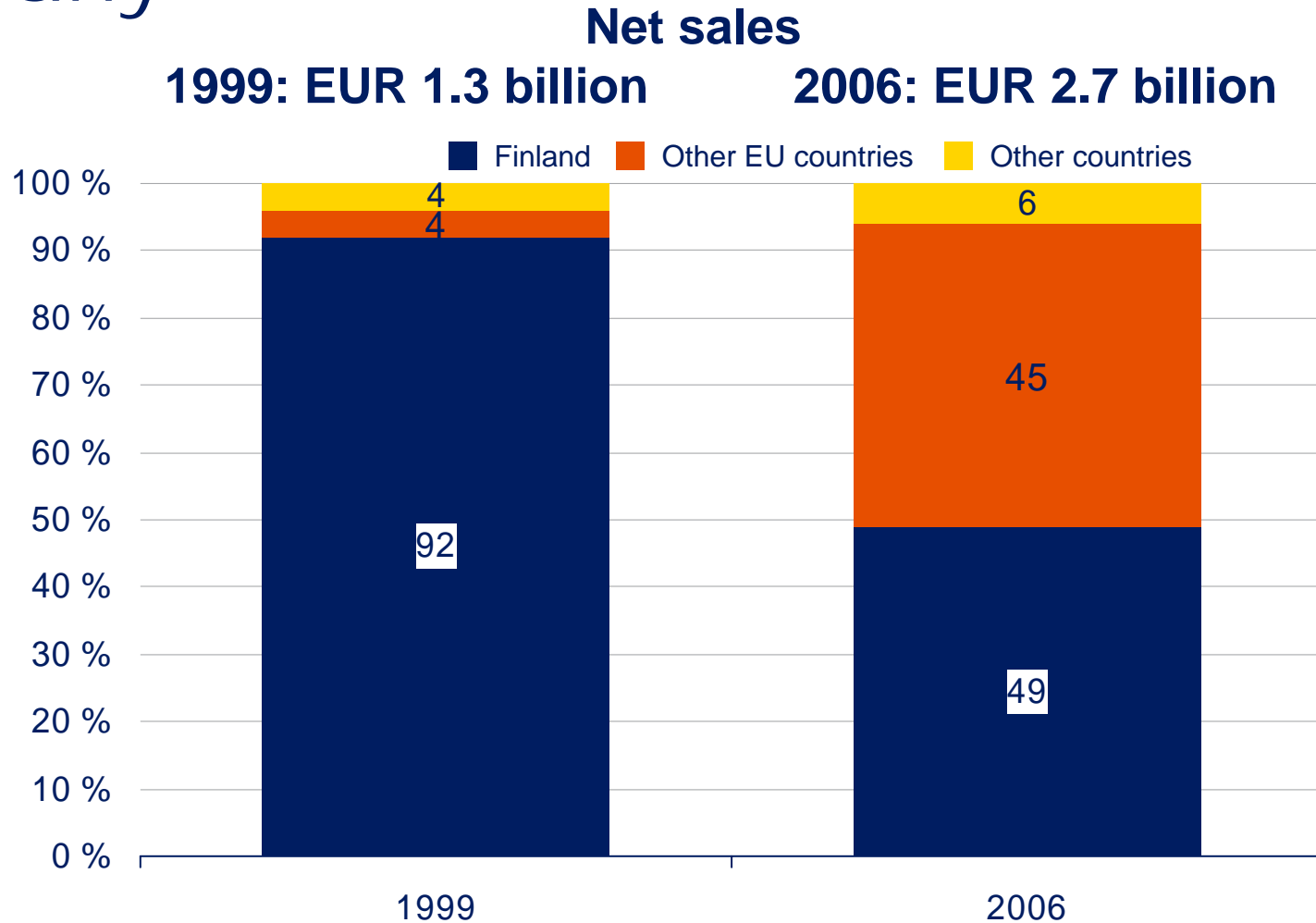
Newspaper publishing and printing, online operations

Market Leader

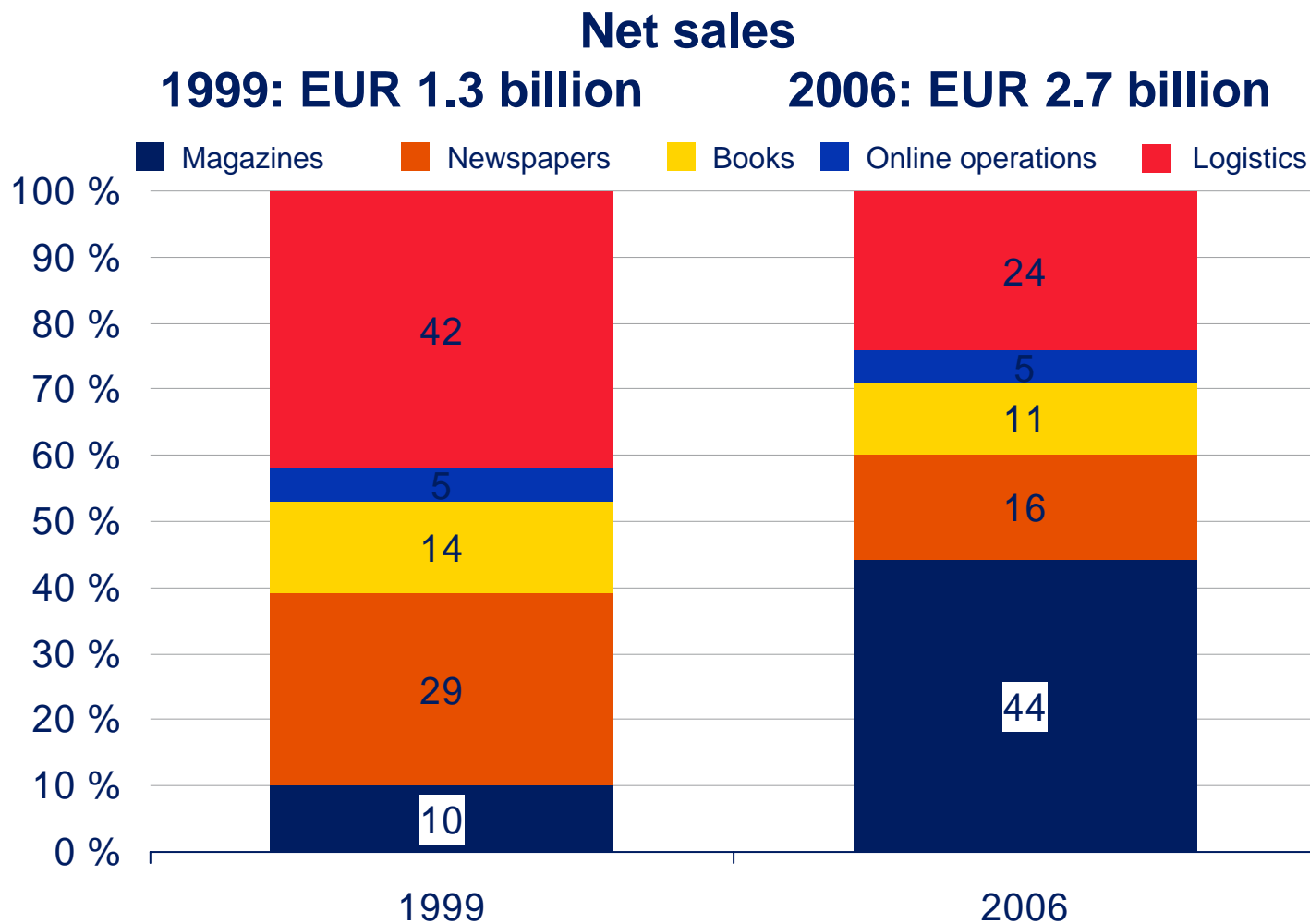
In Chosen Segments



From Finland to European Media Company



Strong Business Entity



Digital Media

- Net sales of SanomaWSOY's digital media in 2006 EUR 236 million, 8.6% of net sales
 - Sanoma Magazines' online advertising sales in the Netherlands grew by 55%
 - Sanoma's online advertising grew by 42%

KIESKEURIG
interactieve koopgids voor en door consumenten

1 **wat zoekt u?**
 winkel(prijzen)
 productinfo
 reviews

2 **in welke categorie?** * alles

3 **zoekwoord(en)?**

Zoekt u **muziek, films, boeken** of **software/games**?
Selecteer hierboven dan eerst de juiste categorie.

home

Online enquête

Geef nu uw mening over multimedia toegevoegd aan winkelvergelijk

12% 12% 12% 12% 12%

Ja, ik doe mee! Nee, ik doe niet

Camera & Foto
digitale camera's, videocamera's, flitsers, fotoprinters, geheugenkaarten, objectieven, spiegelreflex camera's, [meer >>](#)

Financieel
zorgverzekering 2007, autoverzekeringen, gouden handdruk, hypotheken, koopsommen, overlijdensrisicoverzekeringen, [meer >>](#)

Computers
adsl-abonnementen, dvd-(re)writers, inkjet printers, TFT-monitoren, mp3-spelers, notebooks, palmtops /pda's, pc's, [meer >>](#)

Telecom
mobiele telefoons, gsm abonnementen, adsl-abonnementen, navigatiesystemen, telefoons, [meer >>](#)

Persoonlijke Verzorging & Fitness
crosstrainers, hometrainers, ladyshaves, epilatoren, epilatoren, scheerschuimers

Valentijn
Valentijn

Televisie & Video
Televisie & Video

Audio & Hi-Fi
Audio & Hi-Fi

Huishouden
Huishouden

Baby & Kinder
Baby & Kinder

Op KIESKEURIG vinden consumenten productvergelijk, prijsvergelijk, winkelvergelijk, reviews en betrouwbare informatie over kopen op internet.

Nieuw bij KIESKEURIG

KIESKEURIG als Google Gadget!

Best Reviewed februari 2007 KIESKEURIG.nl

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[disclaimer](#)

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|-----------------------|-------|-------|-----------------------|-------|
| Opt new energy f | 8,2 | 19,00 | Postb. hong div aandf | 8,40 |
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| Opt enr. goed | 31,8 | 31,80 | Postb. japan c.f. | 31,30 |
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| Opt biotech fd | 20,80 | 21,00 | Postb. obli. f. | 26,00 |
| Opt europe fd D | 26,00 | 26,00 | Postb. opk. landf. | 61,40 |
| Opt income fd C | 61,60 | 36,35 | Postb. vastgoedf. | 36,30 |
| Opt mix fd E | 36,35 | 24,15 | Rente plus f. 1 | 8,37 |
| Opt tech. fd A | 24,15 | 24,20 | Rob amerika | 29,30 |
| Orange deelnd fd | 8,45 | 7,30 | Rob balanced mix | 7,30 |
| Orange eur comp fd | 29,30 | 11,45 | Rob dynamic mix | 11,35 |
| Orange eur mc f | 7,30 | 10,60 | Rob econ recovery | 12,20 |
| Orange eur prop fd | 11,45 | 19,90 | Rob emerob.mark. | 5,55 |
| Orange eur smc f | 10,60 | 5,45 | Rob euroland aand | 5,45 |
| Orange fund | 11,9 | 12,20 | Rob euro midcaps | 12,20 |
| Orange eur. largecapf | 19,90 | 19,90 | Rob eur. obl div. | 19,90 |
| Orange largecapf | 5,45 | 5,55 | Rob growth mix | 28,60 |
| Orange sense fd | 1,30 | 1,30 | Rob high yield o. | 43,30 |
| Orange wine fund | 1,30 | 1,30 | Rob holl. bezit | 23,69 |
| Pacific r.c.f. | 1,30 | 1,30 | Rob holl t-0 | 16,25 |
| Pan glob conv f. | 1,30 | 1,30 | Rob holl t-20 | 32,80 |
| Postb. aandf | 28,80 | 28,80 | Rob holl t-50 | 12,55 |
| Postb. aex clicker | 42,82 | 23,70 | Rob hypotheek | 7,90 |
| Postb. amerit | 23,70 | 16,30 | Rob milieu techn | 16,00 |
| Postb. com tech f | 16,30 | 12,50 | Rob private eq | 19,40 |
| Postb. duurz aandf | 32,80 | 8,02 | Rob safe mix | 16,85 |
| Postb. easy bluefd | 12,50 | 15,90 | Rob solid mix | |
| Postb. eur aandf | 8,02 | 19,60 | | |
| | 15,90 | 16,60 | | |



Result 2006

Key Indicators

| EUR million | 1–12/2006 | 1–12/2005 | Ch % |
|--|------------------|------------------|-------------|
| Net sales | 2,742.1 | 2,622.3 | 4.6 |
| Operating profit | 292.5 | 301.3 | -2.9 |
| % of net sales | 10.7 | 11.5 | |
| Operating profit excluding major non-recurring capital gains | 288.2 | 269.1 | 7.1 |
| % of net sales | 10.5 | 10.3 | |
| Balance sheet total | 3,132.2 | 2,972.5 | 5.4 |
| Capital expenditure * | 81.9 | 93.8 | -12.7 |
| Return on equity (ROE), % | 17.7 | 22.3 | -0.3 |
| Return on investment (ROI), % | 14.3 | 15.4 | |
| Equity ratio, % | 45.0 | 41.3 | |
| Gearing, % | 59.2 | 72.9 | |
| Interest-bearing liabilities | 863.9 | 928.7 | -7.0 |
| Net debt | 782.4 | 843.8 | -7.3 |
| Earnings/share, EUR | 1.32 | 1.45 | -9.3 |
| Cash flow from operations/share, EUR | 1.63 | 1.69 | -3.5 |
| Dividend/share, EUR ** | 0.95 | 0.90 | |
| Market capitalisation, EUR million | 3,521.8 | 3,121.5 | 12.8 |
| Personnel under employment contract, average | 18,434 | 16,885 | 9.2 |

* Definition of capital expenditure has been changed in 2006. Comparative data has been adjusted accordingly.

** Year 2006 proposal of the Board of Directors

Consolidated Income Statement

| EUR million | 1-12/2006 | 1-12/2005 | Ch % |
|---|----------------|-----------|-------|
| NET SALES | 2,742.1 | 2,622.3 | 4.6 |
| Other operating income | 57.2 | 80.7 | -29.1 |
| Materials and services | 1,243.3 | 1,177.8 | 5.6 |
| Personnel expenses | 595.5 | 574.7 | 3.6 |
| Other operating expenses | 532.2 | 518.6 | 2.6 |
| Depreciation and impairment losses | 135.8 | 130.6 | 3.9 |
| OPERATING PROFIT | 292.5 | 301.3 | -2.9 |
| Share of result of associated companies | 8.4 | 9.8 | -14.5 |
| Financial income | 12.5 | 10.6 | 17.5 |
| Financial expenses | 37.0 | 35.7 | 3.7 |
| RESULT BEFORE TAXES | 276.3 | 286.0 | -3.4 |
| Income taxes | -68.0 | -57.6 | 17.9 |
| RESULT FOR THE PERIOD | 208.4 | 228.4 | -8.8 |
| Attributable to: | | | |
| Equity holders of the Parent Company | 209.5 | 224.0 | -6.5 |
| Minority interest | -1.1 | 4.4 | |

Consolidated Balance Sheet

| EUR million | 31.12.2006 | 31.12.2005 | Ch % |
|--------------------------------------|----------------|------------|-------|
| ASSETS | | | |
| Non-current assets, total | 2,511.3 | 2,396.1 | 4.8 |
| Current assets, total | 620.9 | 576.4 | 7.7 |
| Assets, total | 3,132.2 | 2,972.5 | 5.4 |
| EQUITY AND LIABILITIES | | | |
| Equity, total | 1,322.7 | 1,157.7 | 14.3 |
| Non-current liabilities | 241.8 | 325.4 | -25.7 |
| Current liabilities | 1,567.7 | 1,489.4 | 5.3 |
| Liabilities, total | 1,809.5 | 1,814.8 | -0.3 |
| EQUITY AND LIABILITIES, TOTAL | 3,132.2 | 2,972.5 | 5.4 |



Divisions



Sanoma Magazines

Sanoma Magazines Key Developments

Acquisitions

- EPN International, publisher of home and decoration magazines
- Wegener Golf, publisher of golf titles
- eStranky.cz, website producer
- Kieskeurig.nl, product and price comparison site

Launches

- The most significant one: women's weekly Gloria (Russia)
- Others include: SmartMoney (Russia), Moete Dete (Bulgaria), Sara (Finland), National Geographic (Russia), National Geographic (Serbia), Casa si Gradina (Romania), HELLÒ V.I.P.! (Hungary), Story (Bulgaria), National Geographic Kids (Hungary)

Appointments

- Sanoma Uitgevers: Dick Molman as CEO, Paul Molenaar as COO, Online and New Media Innovation, and Henk Scheenstra as COO Print
- Sanoma Magazines Belgium: Aimé Van Hecke as CEO

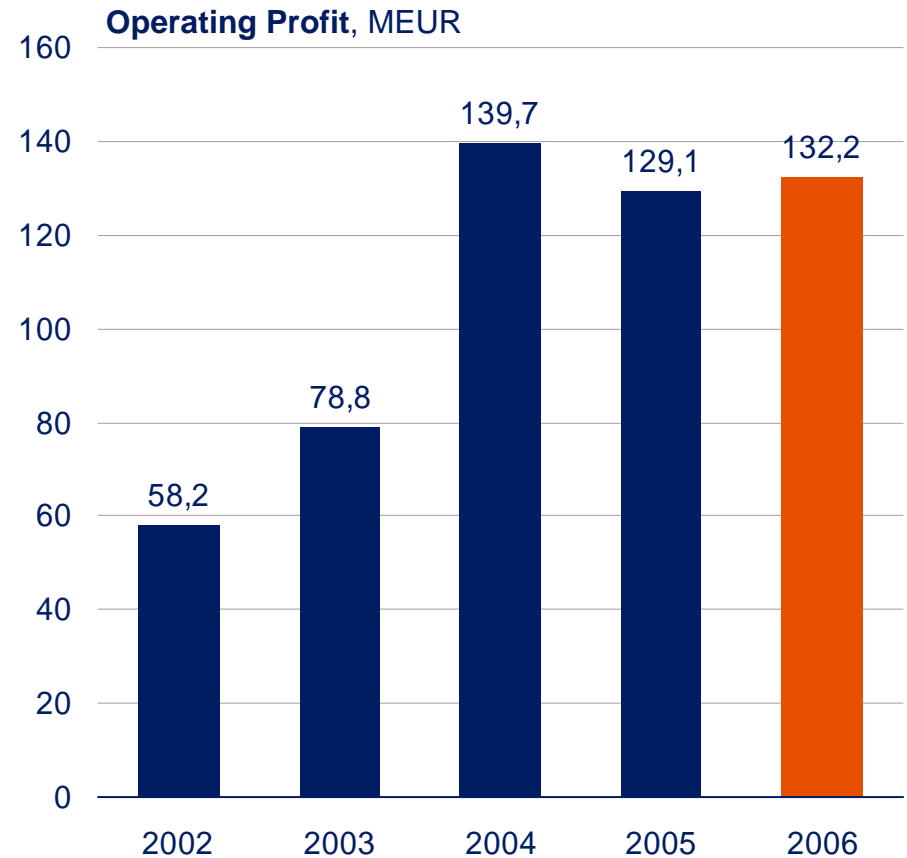
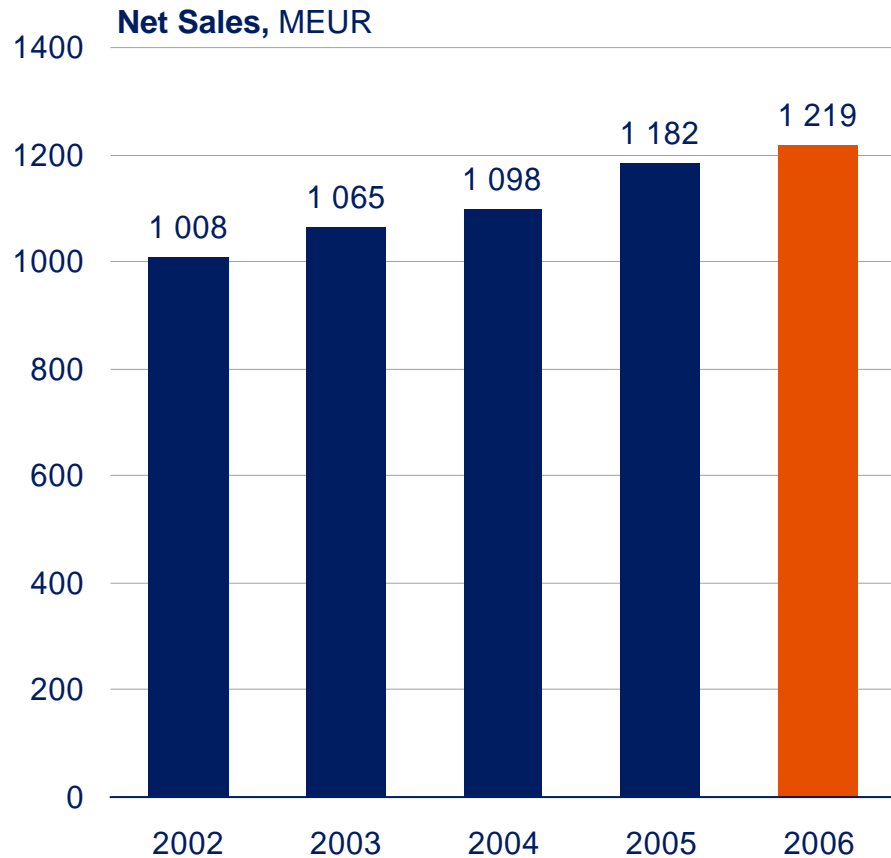
In 2007

- Investments in print and digital business continue



Growth Continues

Sanoma Magazines' Key Figures



2001–2003 figures according to FAS. Since 2004 according to IFRS. The entire Sanoma Magazines is incorporated as of October 1, 2001. Net sales of 2003 are not comparable with the earlier years due to changes in accounting practices



Sanoma

Sanoma

Key Developments

Newspaper brands reach more people than ever

- Helsingin Sanomat: 1.1 million readers, over 700,000 unique weekly visitors
- Ilta-Sanomat: some 1 million readers, nearly 1 million unique weekly visitors

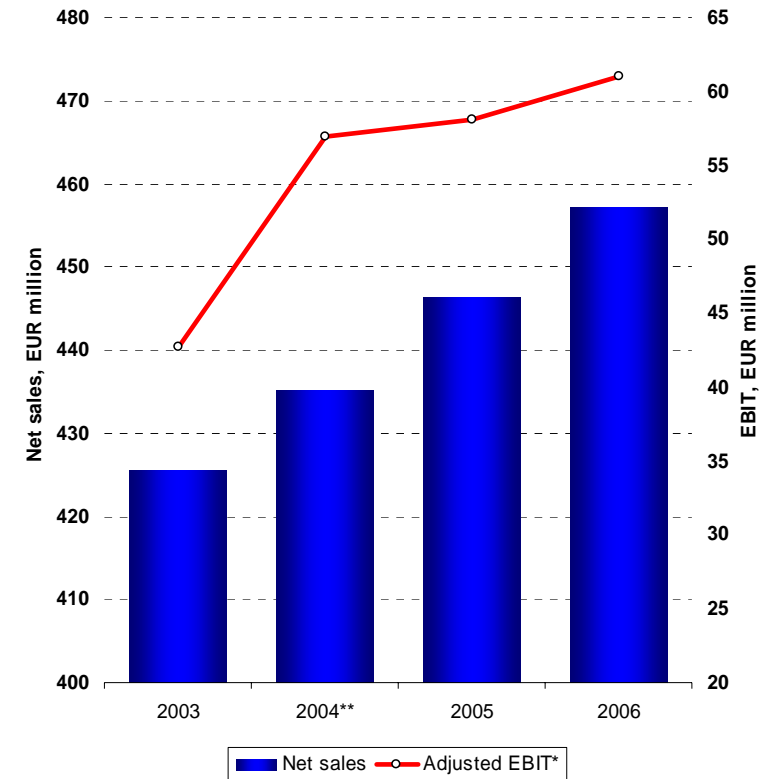
Investments in digital business

- Establishing Sanoma Digital business unit
- Taloussanomat strengthens its online presence
- Heavy investments in free sheets
 - Acquisition of the Finnish operations of Metro

In 2007

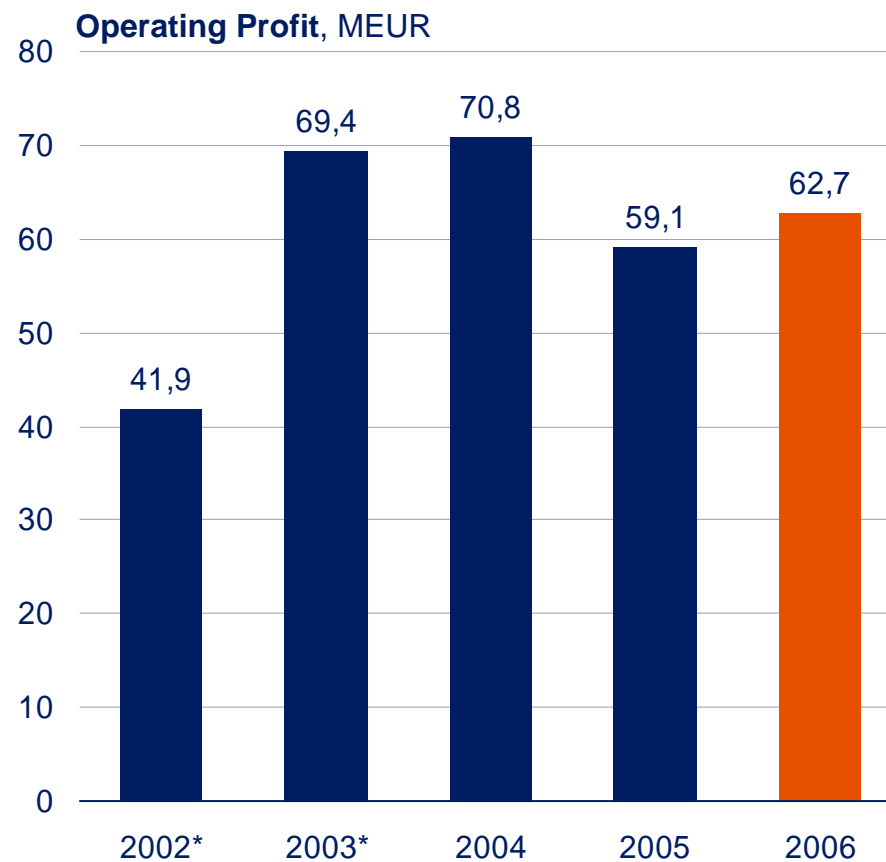
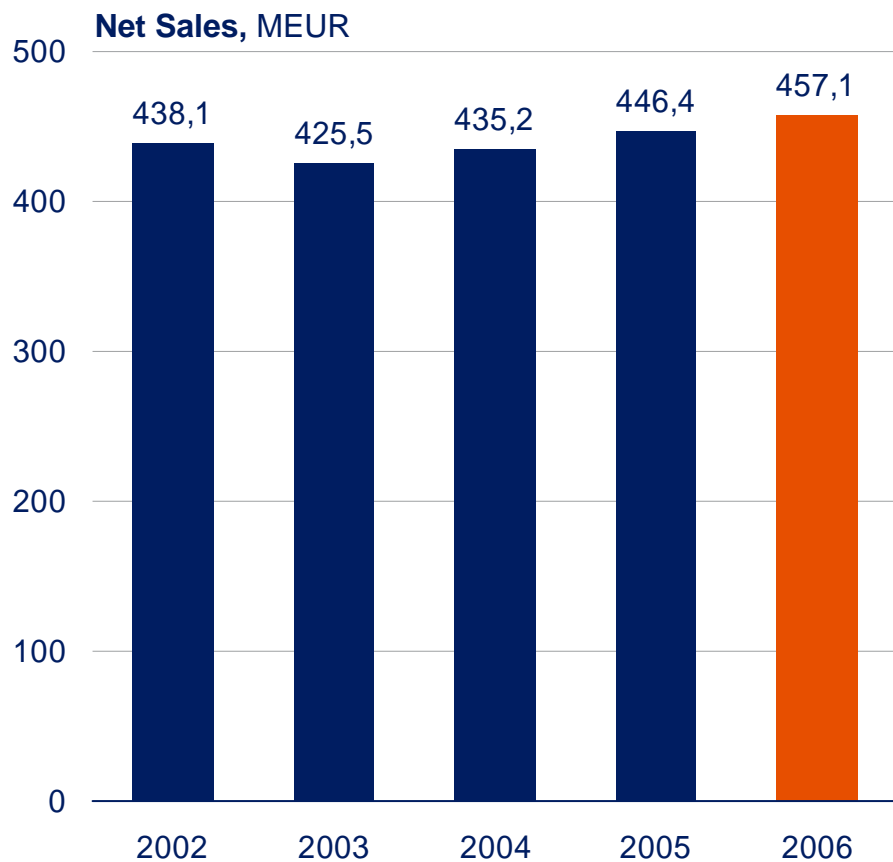
- Investments in digital business continue
- Further rationalisation of operations

Net sales and adjusted EBIT*, EUR million



Profitable Publisher

Sanoma's Key Figures





SanomaWSOY Education and Books

SanomaWSOY Education and Books Key Developments

- A new name for the Division; SanomaWSOY Education and Books. The Division is headed by Jacques Eijkens

Acquisitions

- Láng, the leading Hungarian educational publishing and training company
- Aromedia and LDC, Dutch career orientation and study consulting companies
- AAC Global, provider of language services

- Finlandia Junior Prize for WSOY's children's book *Keinulauta*
- Remes the best seller of domestic fiction

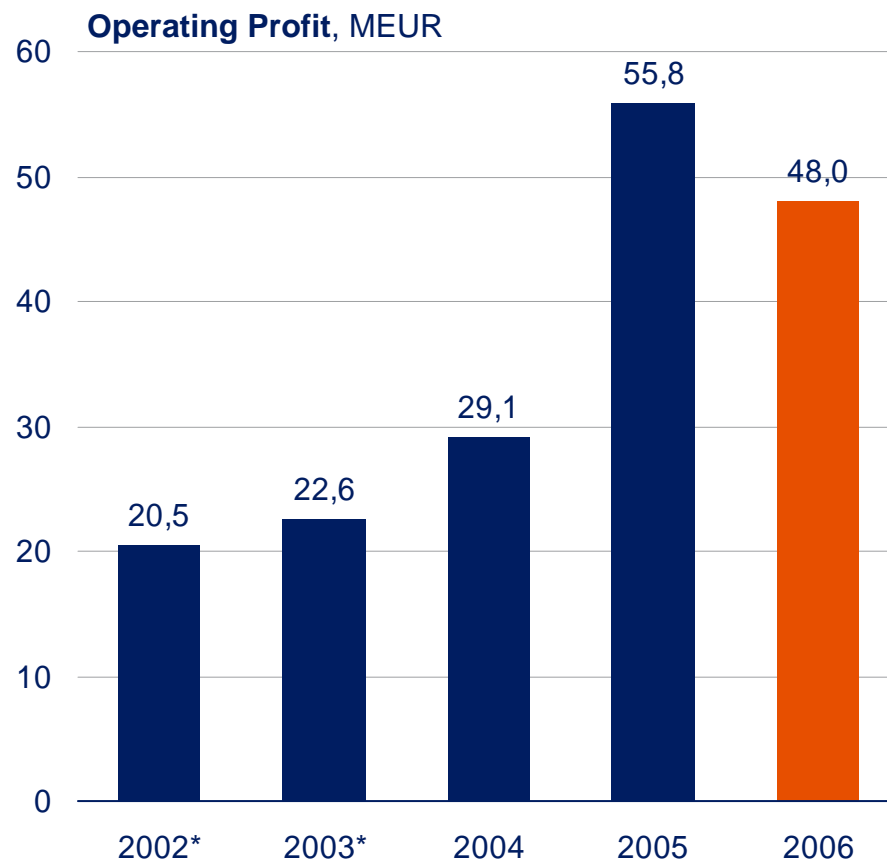
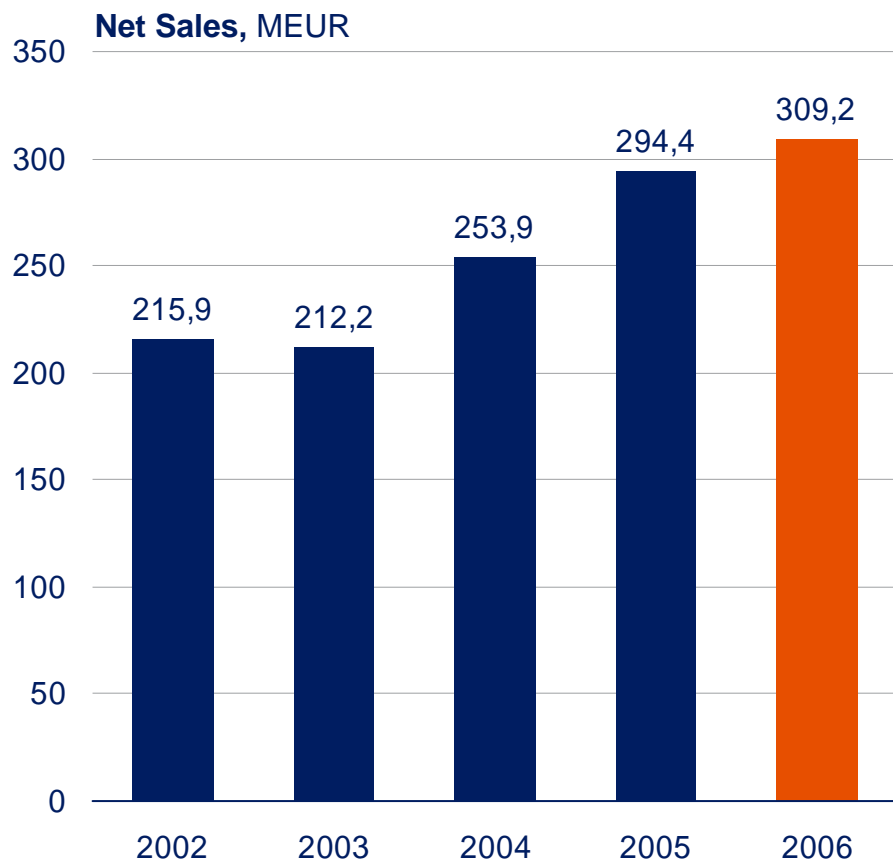
In 2007

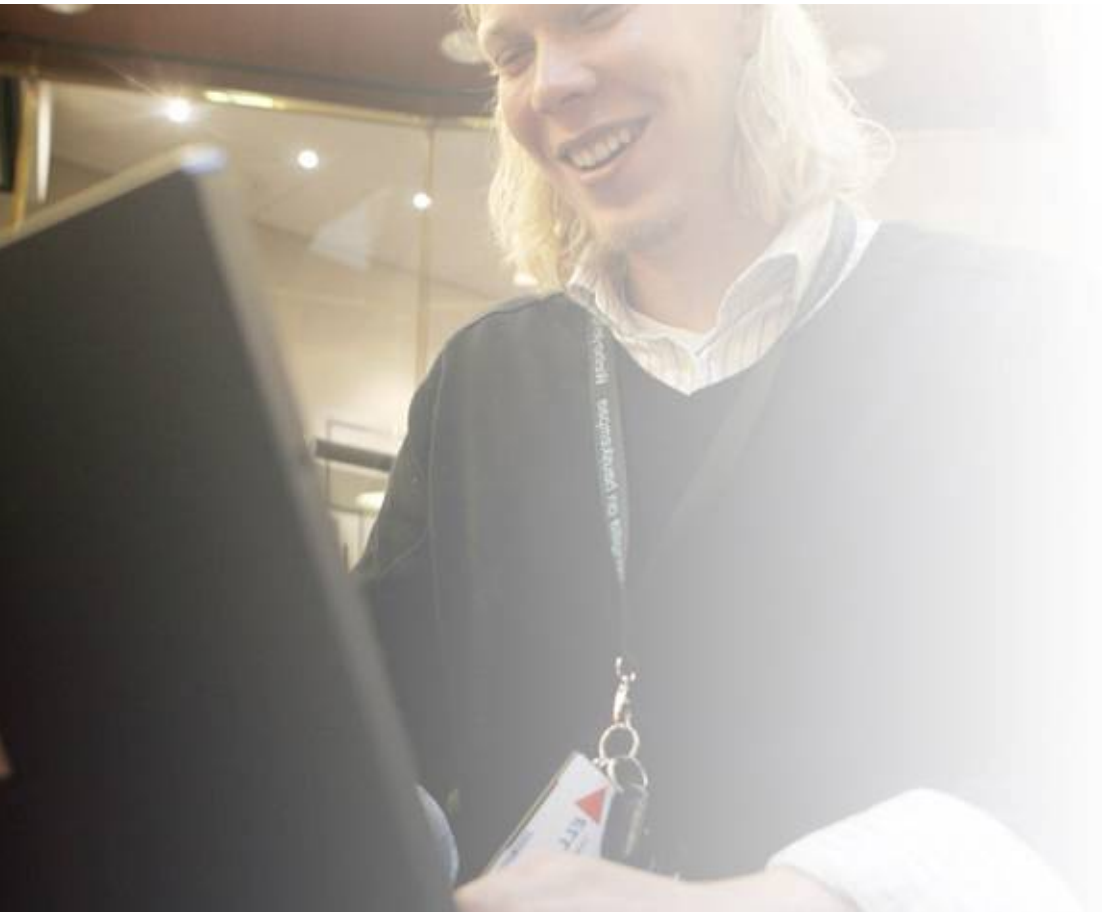
- Expansion of educational publishing continues



Growth from Educational Publishing

SanomaWSOY Education and Books' Key Figures





SWelcom

SWelcom

Key Developments

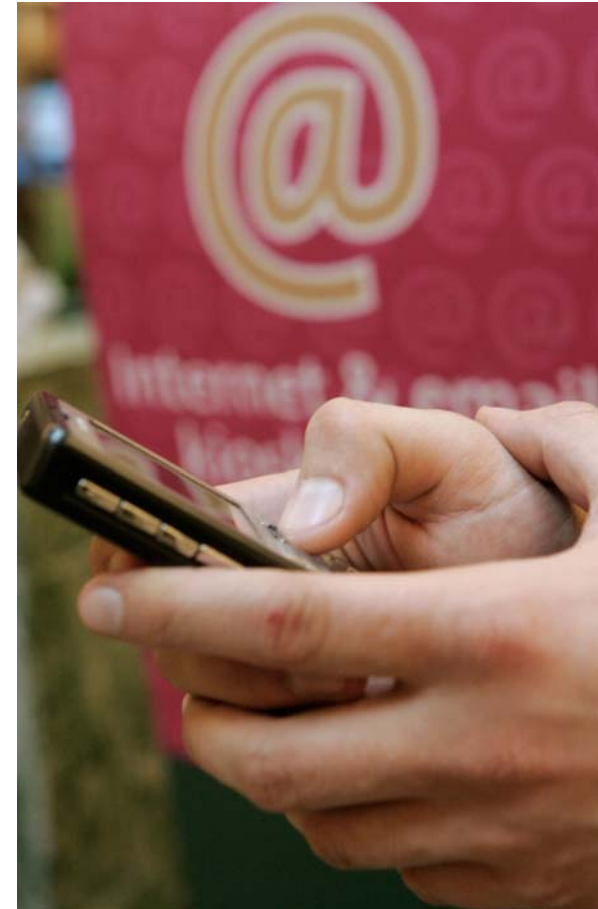
- Nelonen's share of TV advertising in Finland grew to 31.4%
- Significant growth in broadband and pay TV services, over 300,000 households connected to Welho's cable network
 - New services: WLAN hotspots in Helsinki, PCTV service enabling watching TV via pc, first in Finland to offer HDTV for its customers
- New licence for a digital pay TV channel

After the review period

- Two new commercial radio stations (Radio Rock, Radio Aalto)
- New, free-to-air TV channel JIM

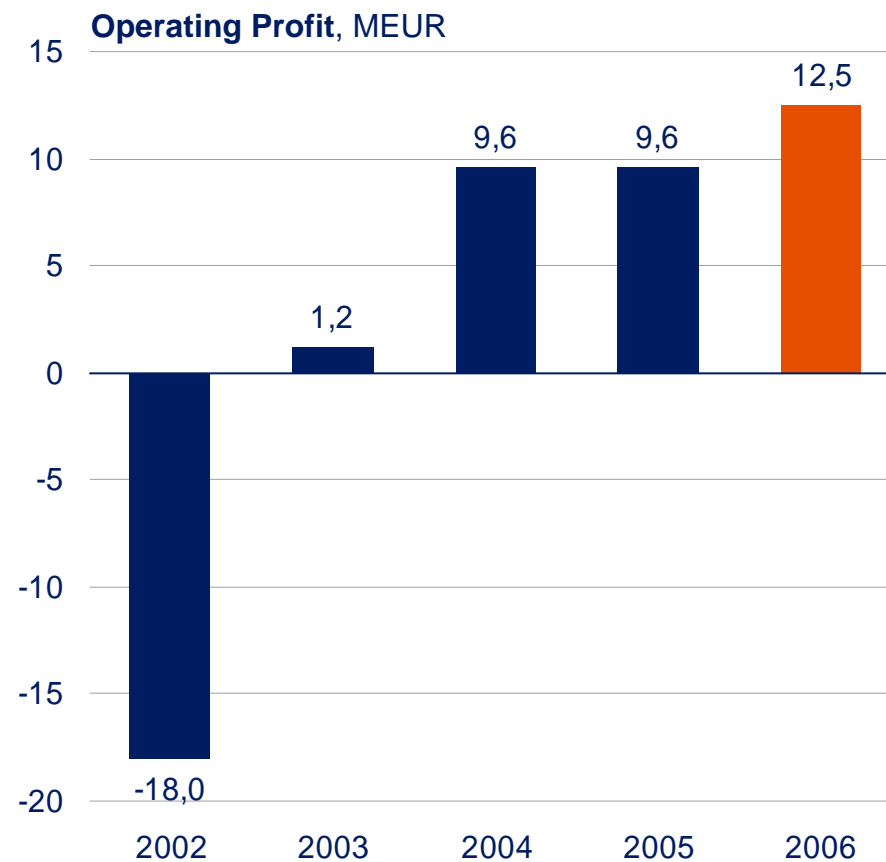
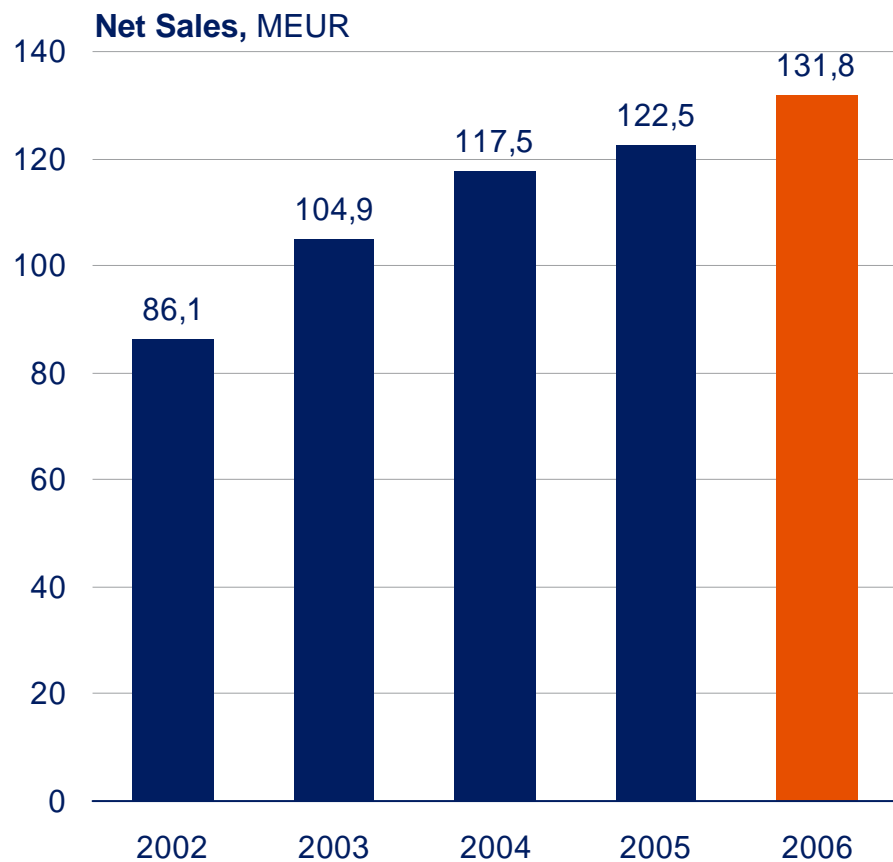
In 2007

- Current excellent portfolio enables investments in new businesses



Improving Profitability

SWelcom's Key Figures





Rautakirja

Rautakirja

Key Developments

- All businesses successful
- Integration of Lietuvos Spauda kiosk chain
- Increased customer volumes in kiosk operations
 - New POS system in Finland
- Centralising press distribution
 - Aldipress transferred to Rautakirja from Jan 1, 2007
- Bookstore chains in Finland and Estonia expanded
 - A total of 60 stores in Finland and 7 in Estonia
- 2006 best year ever for movie theatres

In 2007

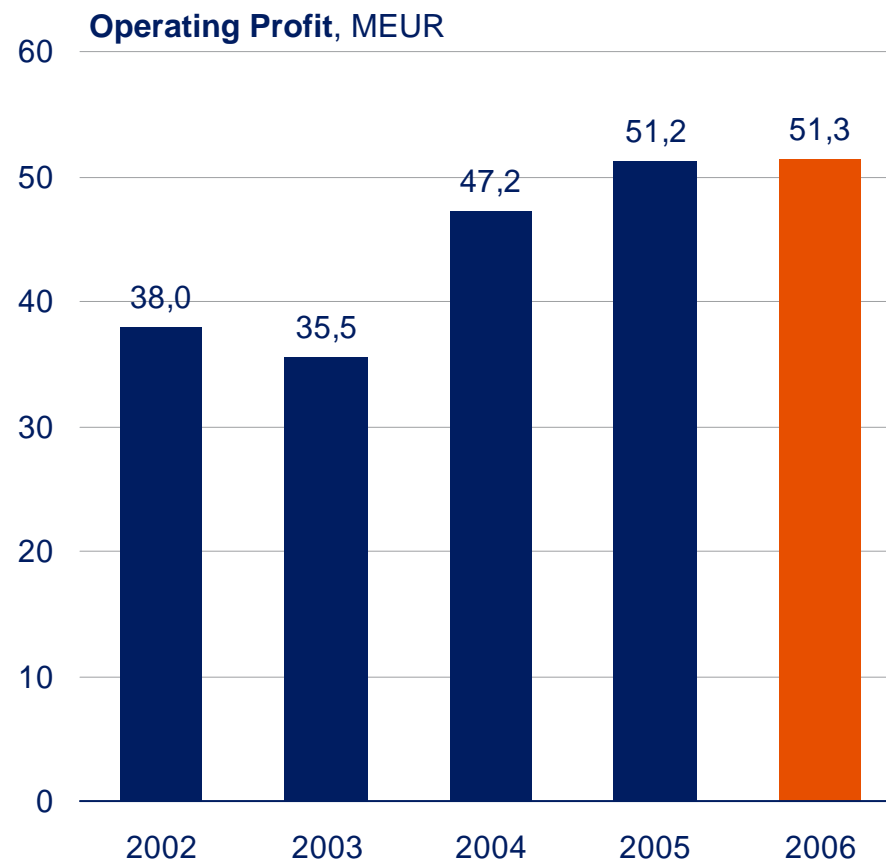
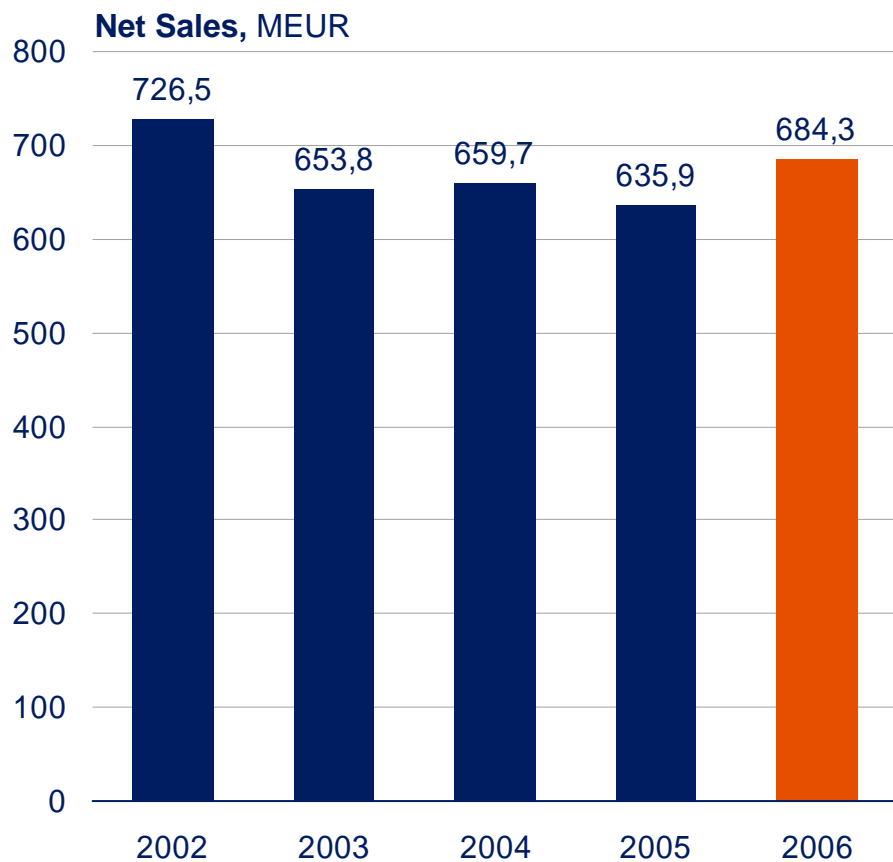
- Integration of Aldipress, expansion of press distribution





Stable Operations

Rautakirja's Key Figures





Strategy and Outlook for 2007

Strategic frame

- Multimedia strategy in Finland
- Focused growth areas
 - magazines
 - educational publishing
 - digital media
 - press distribution/kiosks



Strategic Objectives

Growth and profitability

- Expansion especially in growth markets
- Value-adding consolidation
- Controlled increase of investments in digital media at optimal pace and to optimal extent
- Efficiency efforts in all businesses

Market leadership

- Value-adding market leadership in chosen businesses and markets
- One of the leading European magazine and educational publishers

Way of doing

- Respect for local cultures
- Clear principles of business conduct
- Customer centric product and service development
- Result-oriented, talented, and cooperative people
- Value-adding cross-divisional and international cooperation
- Fast and flexible processes

Group's Outlook for 2007

Outlook:

- Net sales to increase more than in the previous year
- Operating profit excluding the major non-recurring capital gains to improve

- In 2006, operating profit excluding these capital gains totalled EUR 288.2 million



Content for Your Life