

Merging Media Platforms

Taking Sanoma Magazines Further
Eija Ailasmaa, President & CEO

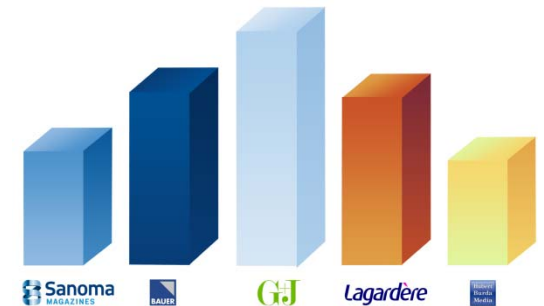
FIM, 25 November 2010

Sanoma Magazines at a Glance

State of Affairs of the Company



After VNU Acquisition, Seamless Merger to Create a European Magazine Champion

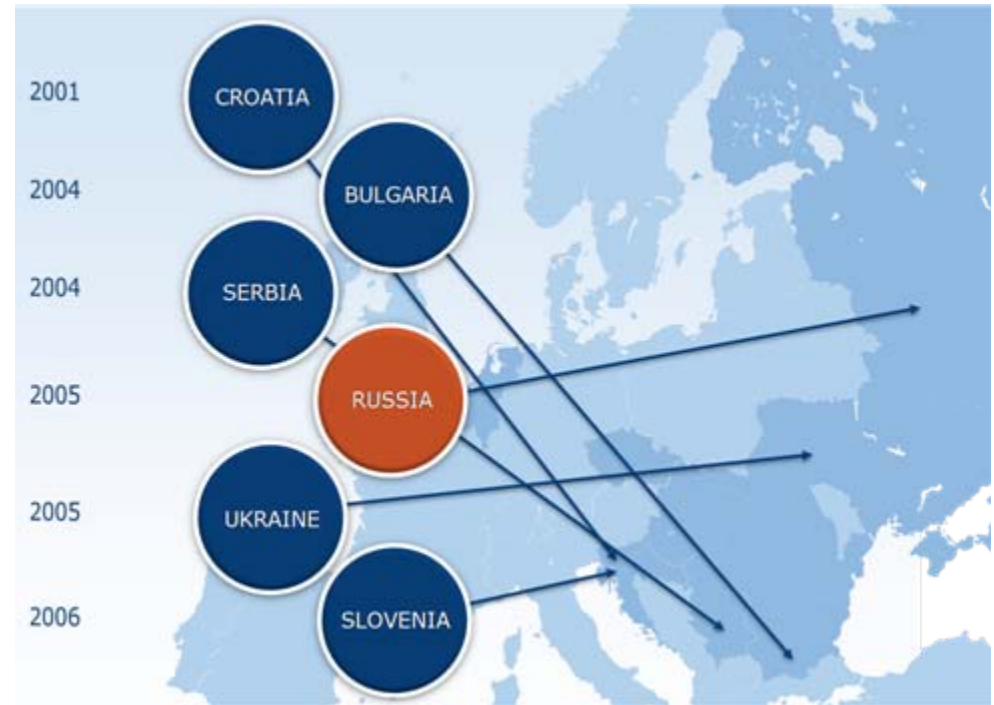


Based on 2008 figures; Burda: Verlag Inland and Verlag Ausland; Lagardère Active: magazines only; G+J: excluding printing facilities, including distribution; Bauer: aggregated group sales.

Starting From the Core



Expanding to Central and Eastern Europe



Now Developing Market Leadership in Seven European Countries



Combining the Strongest Local Brands & Renowned International Brands



Transferring Concepts Across Markets



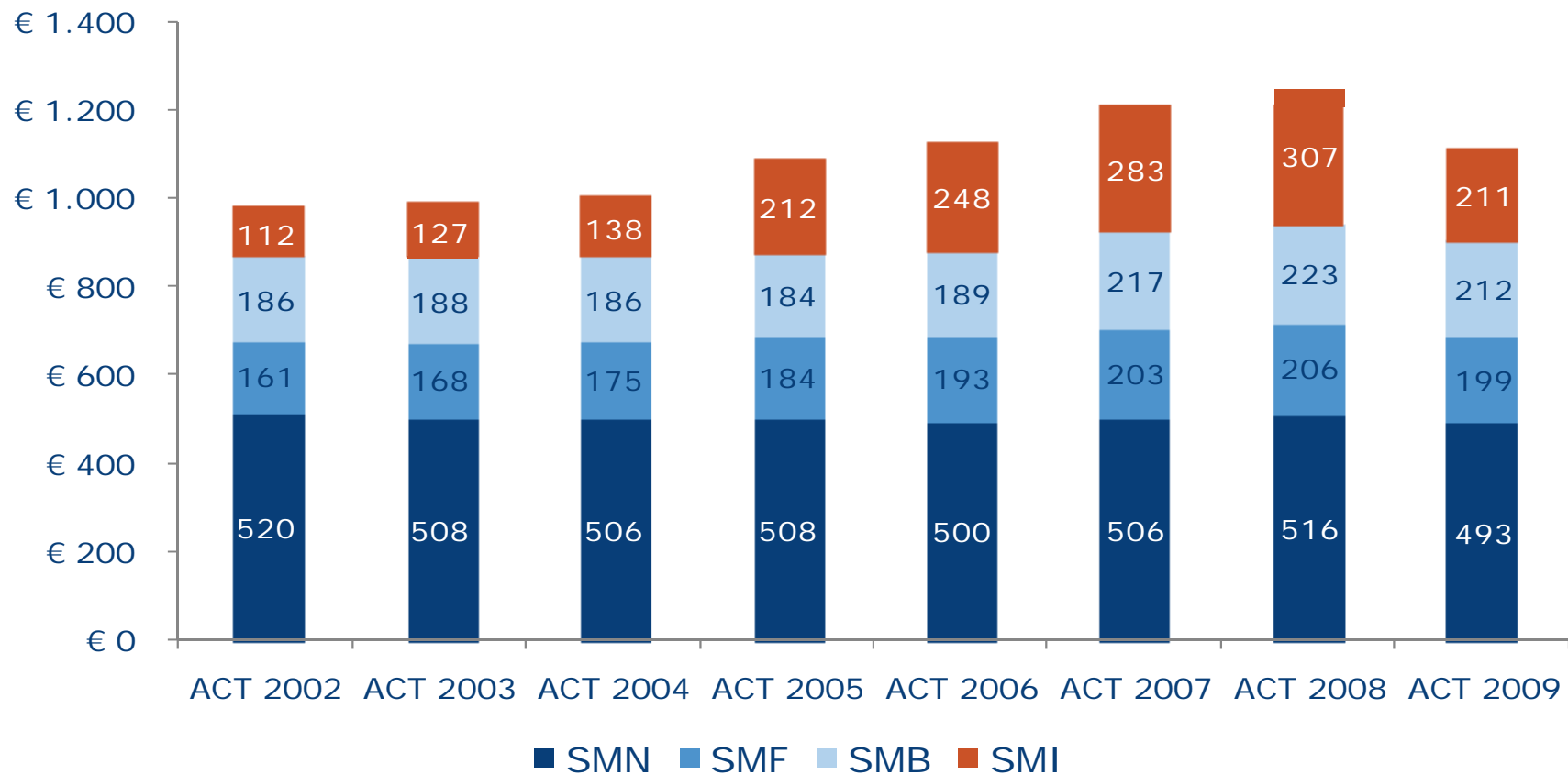
Magazine Brands Transcend the Printed Product

Activating the Power of Communities



Leading to Nearly a Decade of Growth

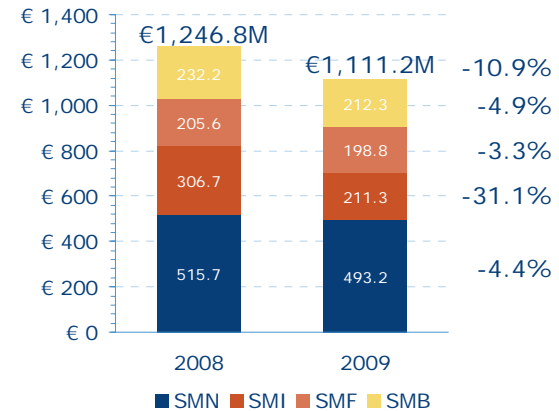
(Net Sales Development in €M) *



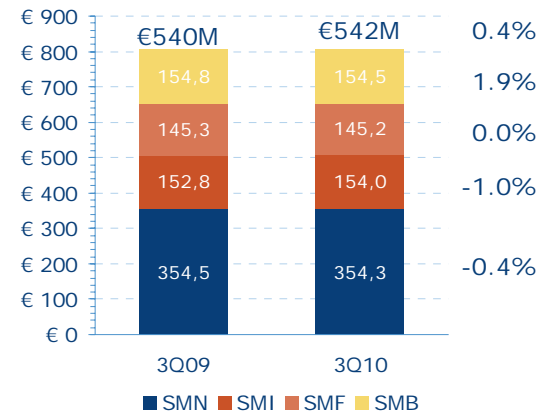
2009 Was a Rough Year for Growth, 2010 Shows Stability and Strong EBIT Growth



- Due to the recession media budgets were cut, putting huge pressure on advertising sales
- Online advertising was neither recession resistant nor brought growth



- Net revenue is slowly recovering from 2009's steep fall
- A strong, overall improvement in bottom-line result is manifest
- 4Q10 development will be different because of investments in marketing

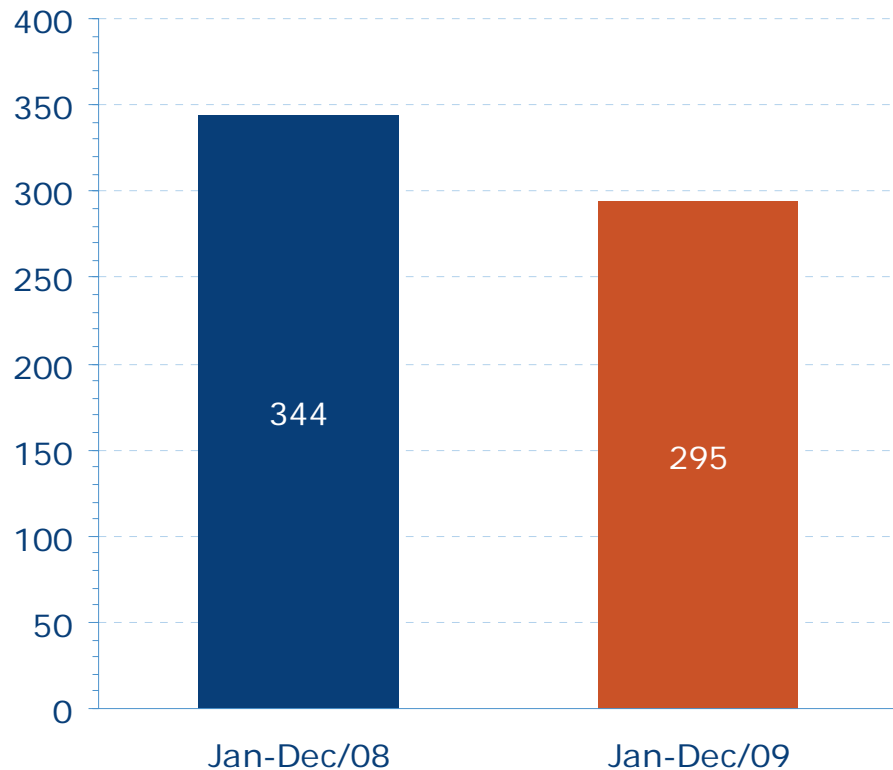


Sales Improve Gradually, EBIT Improves Strongly After Restructuring Measures

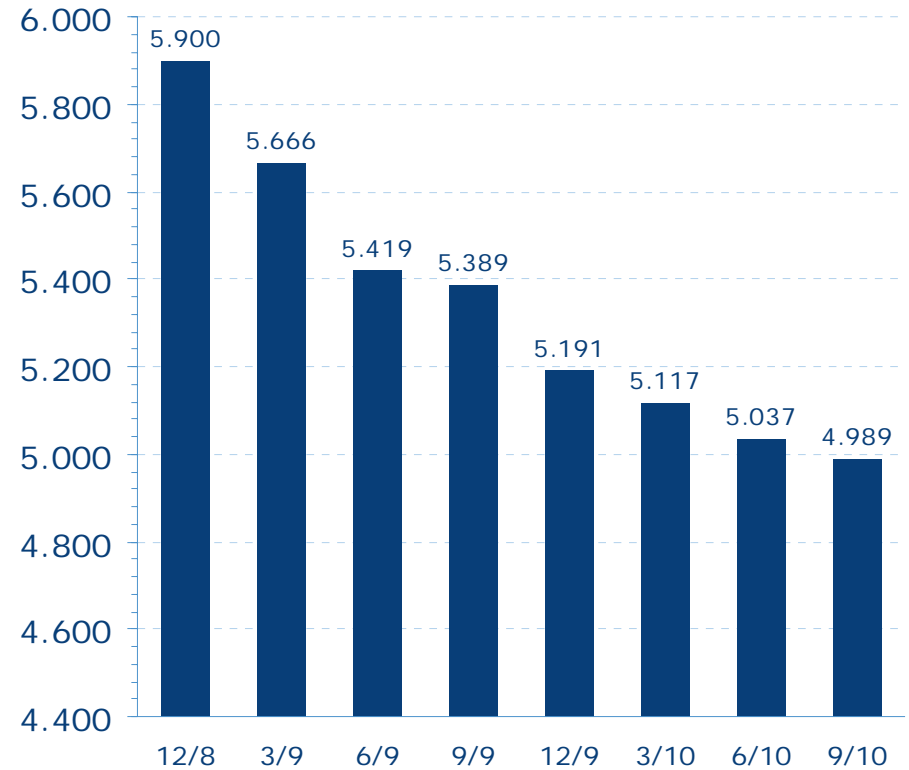
in €M	7-9/10	7-9/09	change	1-9/10	1-9/09	change	1-12/09
Net sales	264.4	266.1	-0.6%	804.9	804.2	0.1%	1,111.2
Operating profit excl. major non-recurring capital gains	28.9	27.9	3.6%	93.1	75.0	24.2%	113.4
% of net sales	10.9	10.5		11.6	9.3		10.2
Operating profit	22.6	23.1	-2.2%	89.4	68.9	29.8%	96.3
Capital expenditure				12.8	17.8	-27.8%	24.4
Average No. Of employees (fte)				5,062	5,521	-8.3%	5,452
No. of magazines published*				280	298		
No. of copies sold, thousands*				257,426	280,874		
Advertising pages sold*				35,865	37,788		

Restructuring Measures Focused on Efficiency

No. of Magazine Titles Published

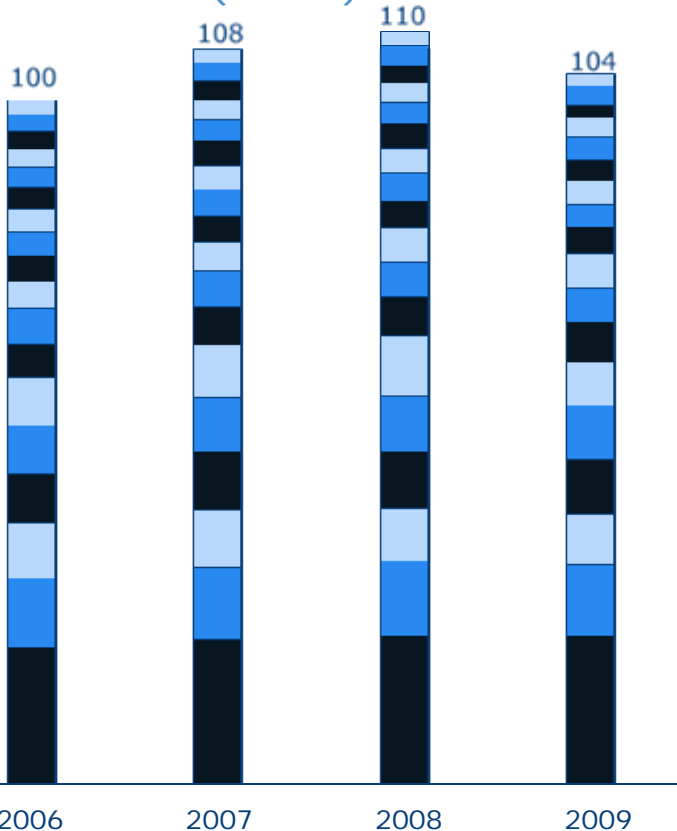


No. of FTE's, Ultimo

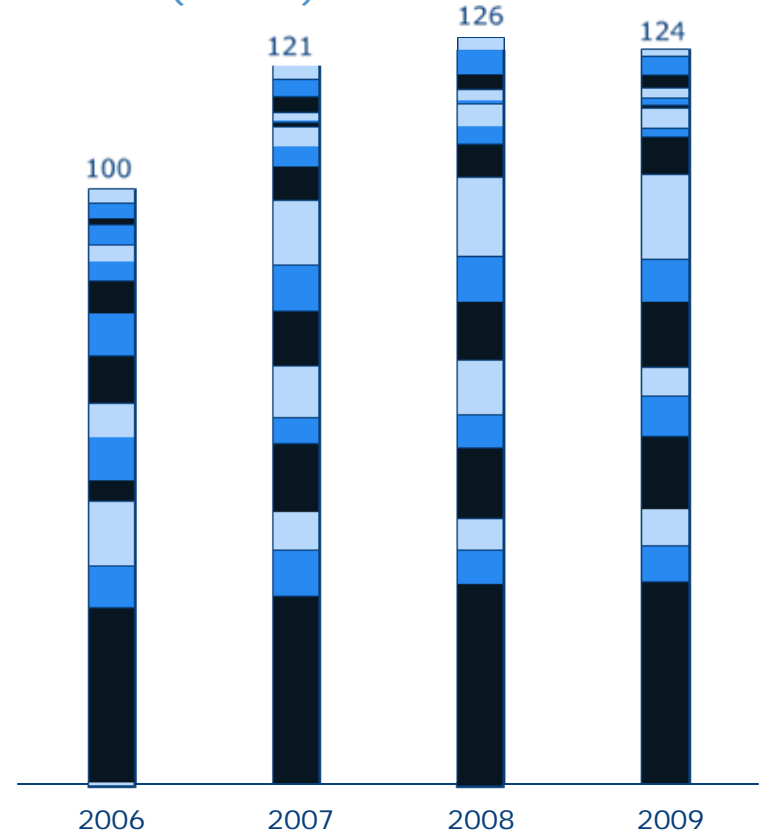


Focus on Key Brands Proves Successful

Net sales (index)



EBIT (index)



- feeling
- LINDA.**
- vtwonen
- Femmes
- MeNaiset
- tele
mous
tique
- kodin
kuvalehti
- nök lapja
- ET
- Startpagina
- AMU ANKA
- Donald Duck
- COSMOPOLITAN
- Flair Elair
- margriet
- HUMO**
- Story Story story®
- libelle Libelle

Sample Of Latest Developments Demonstrate Market Dynamism

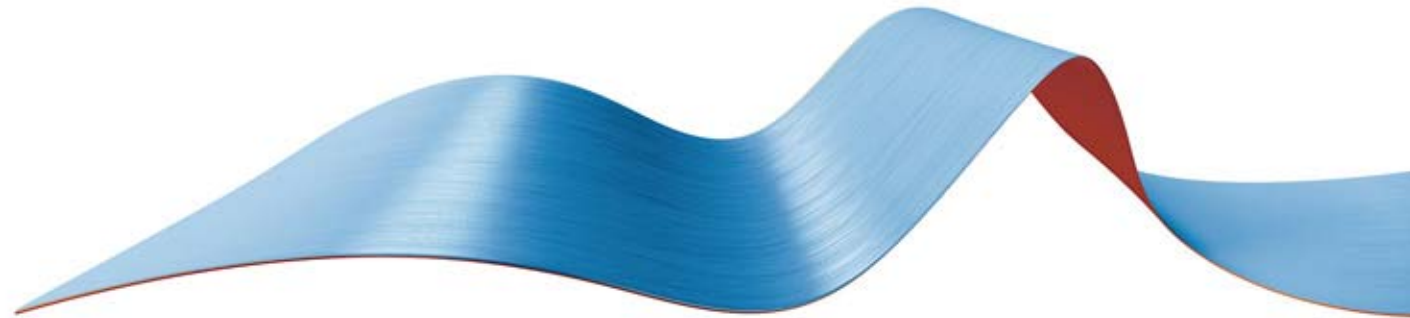
- Launches:
 - Sensa in DE, RO (trial), UA and SI
 - autóMAGAZIN in HU
 - Several iPad editions
 - New editions Pink Ribbon magazine (NL, BE) and Pink Ribbon magazine TV (BE)
 - Several iPhone apps and mobile sites
 - StyleToday (BE)
 - Soft launch: Vindsnel.be
- Relaunches & Renewals:
 - Cosmopolitan Psychology (was Cosmopolitan Magic; RU)
 - Feeling (BE): take your pleasure seriously
 - Revu (NL): Nieuwe Revu
 - CosMOREpolitan: investment 72 extra pages (NL)
 - Gloria (FI)
- Divestments & Closures:
 - Sanoma Magazines Slovakia (B2B publishing)
 - Mind Magazine (NL)
 - Yes (NL)
 - Men's Health (SI)
- Upcoming:
 - Libelle Winter Fair (BE): 10-12/12, Antwerp
- Other:
 - SMF titles stabilise and grow readership (FI)
 - Woestijnvis JV in working order (BE)



Developing Our Strong Position In Consumer Media Further



Sanoma
MEDIA



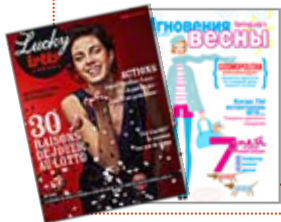
Secure Leading Market Positions In Consumer Magazines

Maintain strong position in magazines



- Consolidation
- Keep key brands healthy
- Expand key brands across media
- Active portfolio management

Develop custom media



bluewings
Yunomi
bierblad

- Grow existing business
- Consolidate market positions if possible

Optimize print organization



- Ongoing efficiency operations geared at creating synergies
- New production models

Digital Media Contains Online Services and Related Mobile Media



Online Services
Mobile Media



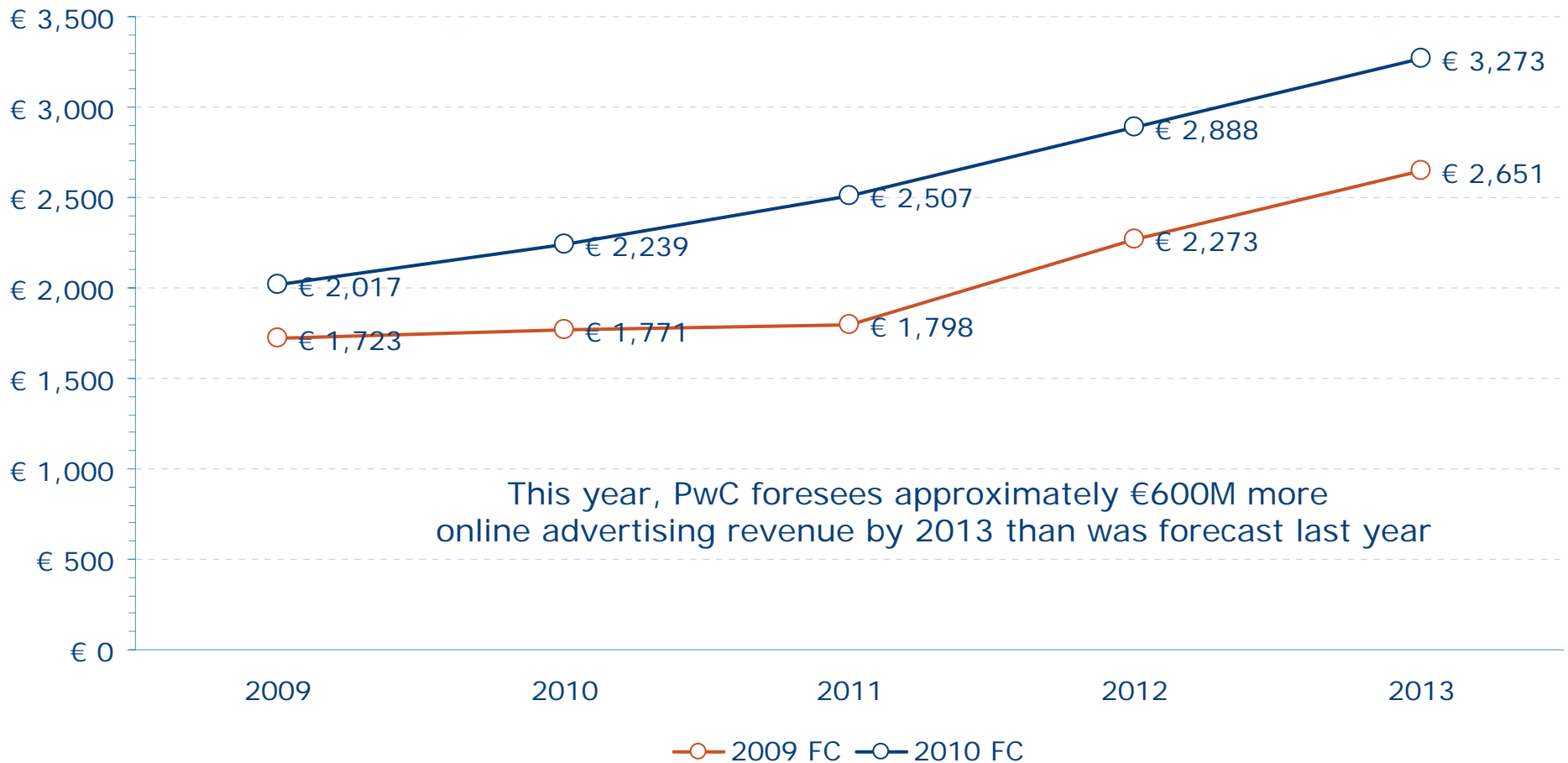
iPhone/Smart Phone Apps



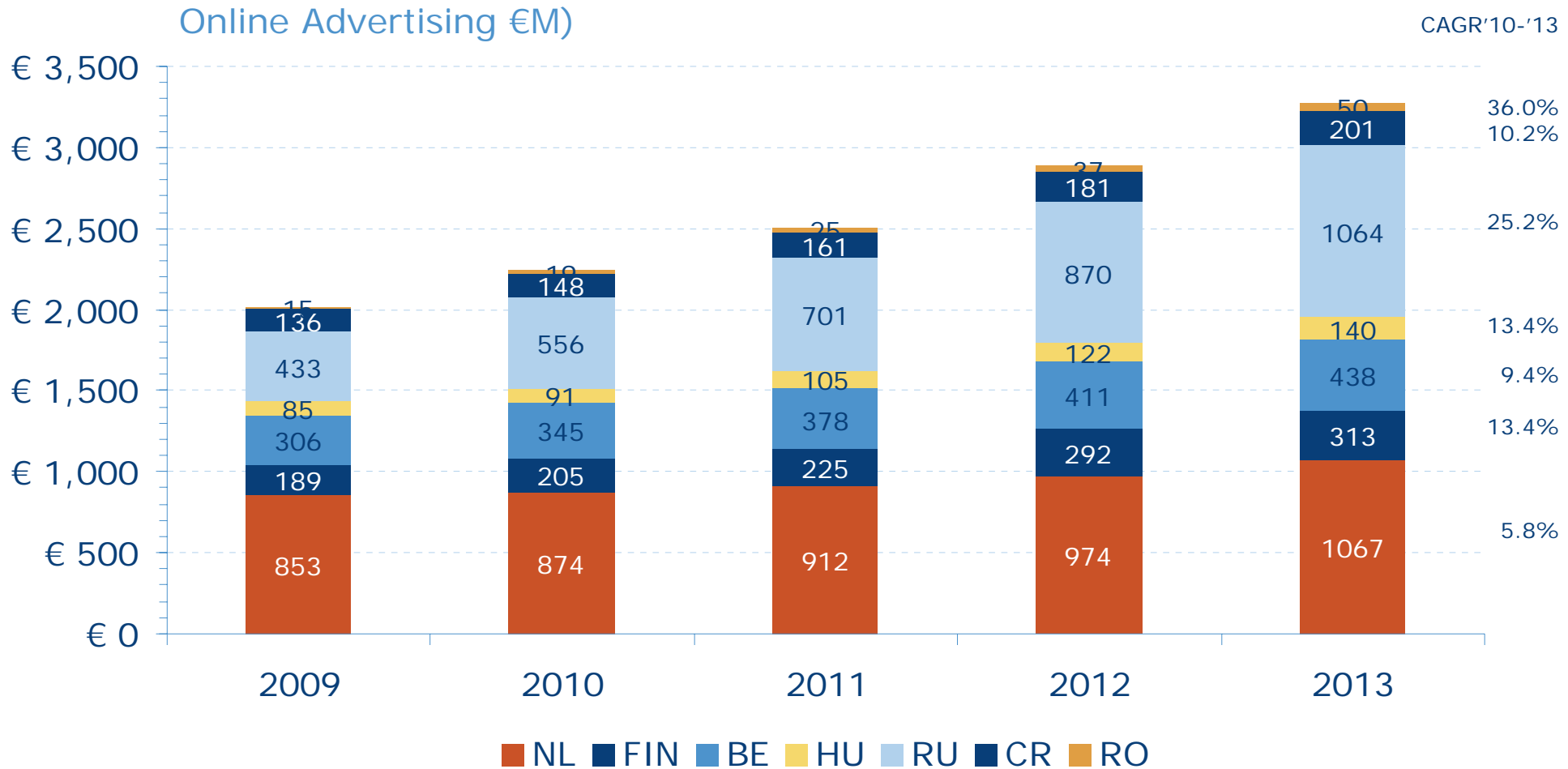
iPad/Tablet Apps

The Post-Recession Shift of Ad Spend to Online Seems to Occur Faster Than Expected Last Year

Online Advertising Expenditure (€M)

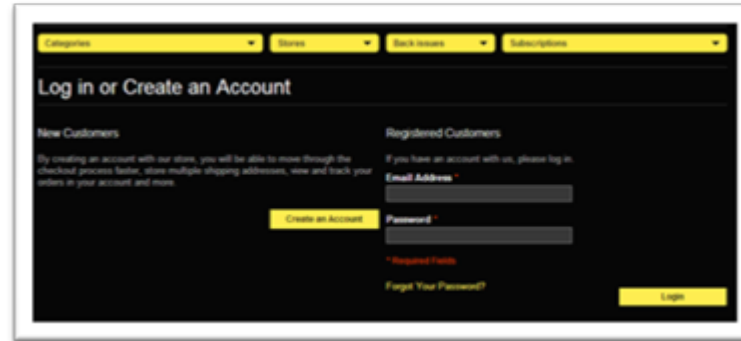


Overall Online Advertising Shows Double-Digit Growth, Although Rates Vary Heavily Per Country



Two-pronged Media Business Model Needs to Transition to Digital Space

Advertising alone is NOT sufficient



Paid content expected to grow to 10-25% in B2C publishing

Paid content offerings need to feature more than content

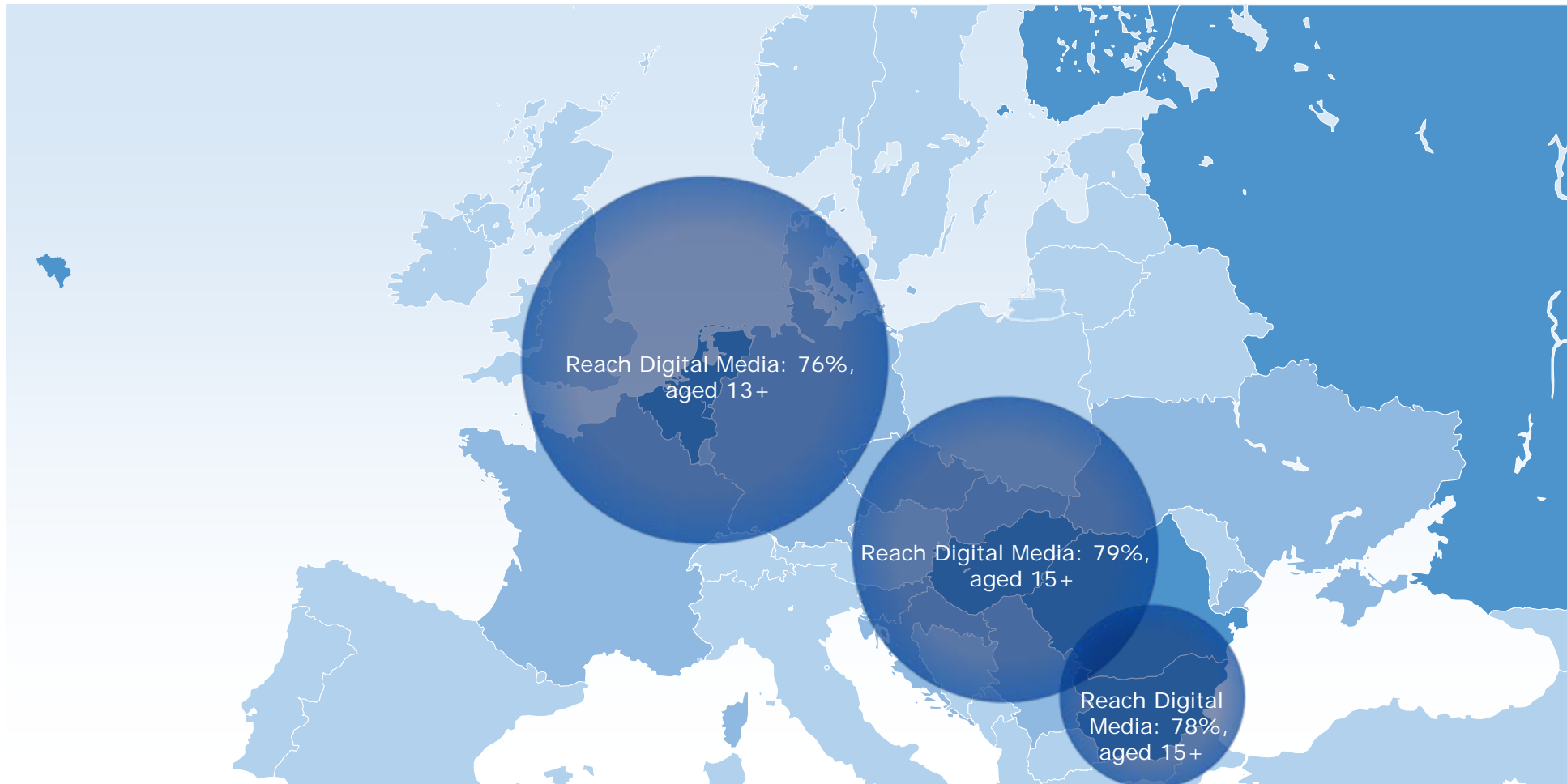
New user interfaces, interactivity, dedicated services, product offerings bundled together (brand subscriptions)

Differentiation in product offerings based on platform: the internet, mobile apps, e-readers

Key Success Factors:

1. Compelling content
2. Controlling the customer experience
3. Controlling the customer data generated by those transactions

Digital Media Development Through International Leverage



Aiming for Market Leadership In Identified Strategic Areas and Mobile Publishing

Align with/contribute to Sanoma Group ambition



- Strengthen position in price and services comparison
- Selectively acquire positions in verticals and classifieds
- Safeguard positions in directories, pursue growth options opportunistically

Create position in mobile publishing



- Develop and launch apps exponentially
- Expand mobile App Factory

Stepping Up Efforts In Mobile Media

- *Getting on the learning curve*
- *Piloting and Copying Successful Concepts*
- *Opportunity to Bridge Magazine Skills & USPs with Digital Media*
- *Combination of Aspirational/Inspirational Magazine Features with Technology Features Offers Something Extra*
- With the Right Brands, Mobile Media Adaption is Lightning Fast:
 - NU HD iPad app (NU.nl news):
 - Launch date: July 22 (release iPad device in NL: July 23)
 - Downloads: >65,000
 - Pageviews: 7,000,000/month (August 2010)
 - NU.nl smart phone apps:
 - NU iPhone app downloads: >425,000
 - NU Android app downloads: >75,000
 - NU sport iPhone app downloads: >72,000



Hungarian Apps Factory Leads the Way to International Leverage of Apps Production

- Sanoma Magazines World Cup Soccer 2010 iPhone app
 - In iTunes App store in time for kick-off
 - Seven languages including English and German
 - Worldwide release
 - One-off development costs; free re-use
 - No. 1 in iTunes store in CR, FIN, HU and NL
 - Sponsored by Coca-Cola in Hungary
 - Branded FHM in Romania
 - Paid app (€1.59) in Netherlands (>5,000 downloads), competing apps were free
 - Aggregated no. of downloads: >50,000



Magazines and Digital Are Converging In Tablet Publishing in a Tactile Way

The first Sanoma Magazines iPad app

The first Sanoma Magazines iPad magazine app; the first Cosmo on iPad in the world



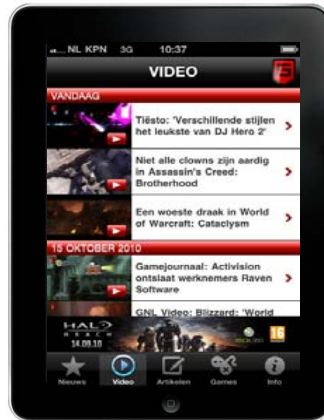
Free, advertising-funded



Free, in-app purchase \$2.99/issue



Free, in-app purchase €2.99/issue



Free, advertising-funded



Free, in-app purchase



€3.99/issue



Vision: A leading European B2C Media company

Vision

To become a leading European Media company

- Market leader of the B2C media in selected European markets and domains
- Proactive explorer of future media opportunities

Strategic priorities

- Establish media positions in selected countries with a clear focus on most attractive target groups
- Combine and grow selected magazine, tv & digital capabilities and assets to respond to and explore future media opportunities
- Nurture & secure market leading position in our core business

The big opportunity: create winning propositions for convergent platforms



- The digital future has arrived, convergence is happening:
 - Consumer media habits change
 - Digital business models become viable
 - Enabling platforms and services are finally there
- It opens a range of promising growth opportunities close to our core
- It requires to combine AV media, digital, radio and print capabilities

The big opportunity: Establish 360° media positions in selected countries around core brands/communities/domains

(Possible examples)



Celebrities
HomeDeco
Wedding
Lifestyle
Cooking Parenting Fashion
Kids Sports



Sanoma Media will have several assets to create synergies and to provide a platform for growth

Consumer reach

- Readers & online visitors
- TV viewers

Advertiser relationships

- Access to advertisers & media agencies
- Strong Sanoma position

Capabilities & knowhow

- Local market & business knowledge
- Medium specific knowledge

Concepts & Brands

- Proven, tested & scalable print, tv, radio and digital concepts
- Strong local brands, potential to expand into tv channel/ program brands

Footprint

- Strong position of Magazines in European markets to be leveraged by Entertainment

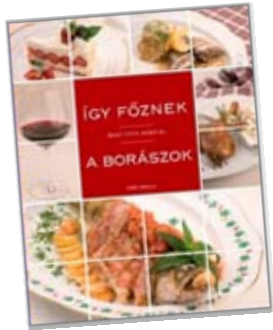
Cross-promotion potential

- TV offering can be promoted in magazines and online, and vice versa



Market leader position in selected markets and domains

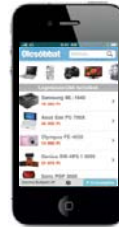
Engaging Consumers Wherever They Are



(e-) books



Vertical Portals



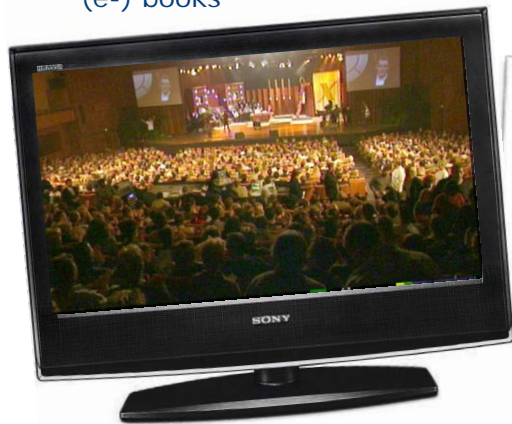
Mobile Apps



Magazines



Augmented Reality



Audiovisual content



Events



Tablet Apps



Custom Publishing

First row: Nök Lapja cookbook, NLCafé.hu portal, Olcóbbat iPhone app, Goedele and LINDA. Magazine, StyleToday layar app, Second row: De XII Werken van Van Oudenhoven, Truckstar Festival, AutoWeek iPad app, Energiqueonline.be and bluewings magazine,

THANK

YOU




Sanoma
MAGAZINES