

Growing Sanoma Magazines

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President & CEO
Sanoma Magazines



AGENDA

- **INTRODUCING SANOMA MAGAZINES**
- MAJOR MARKETS:
THE NETHERLANDS AND RUSSIA

The Netherlands:

- Macro-economic development
- Time spent on media
- Overview advertising market
- Overview consumer market

Russia:

- Independent Media product lines
- Overview advertising market and relative position
- Latest developments and key challenges



Our mission

- We serve the needs of our consumers and advertisers by developing top quality magazine and digital media brands and extensions that offer sustainable profitability and growth.
- We want to be the clear number one in our markets to secure our profitability and growth.

Our vision

- We believe in the power of magazine brands and their potential to expand into digital concepts.
- We will build and secure long-lasting relationships with our consumers, advertisers and other stakeholders, on the basis of our core values: creativity, reliability and dynamism.

Structured in four businesses



- Brussels (BE)
- CEO: Aimé Van Hecke
- Net Sales 2007: €16.6 million



- Helsinki (FIN)
- CEO: Raili Mäkinen
- Net sales 2007: €202.8 million

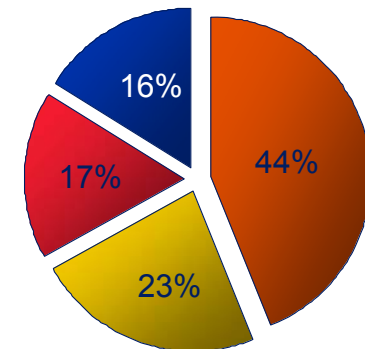


- Amsterdam (NL)
- CEO: Koos Guis
- Net sales 2007: €283.4 million



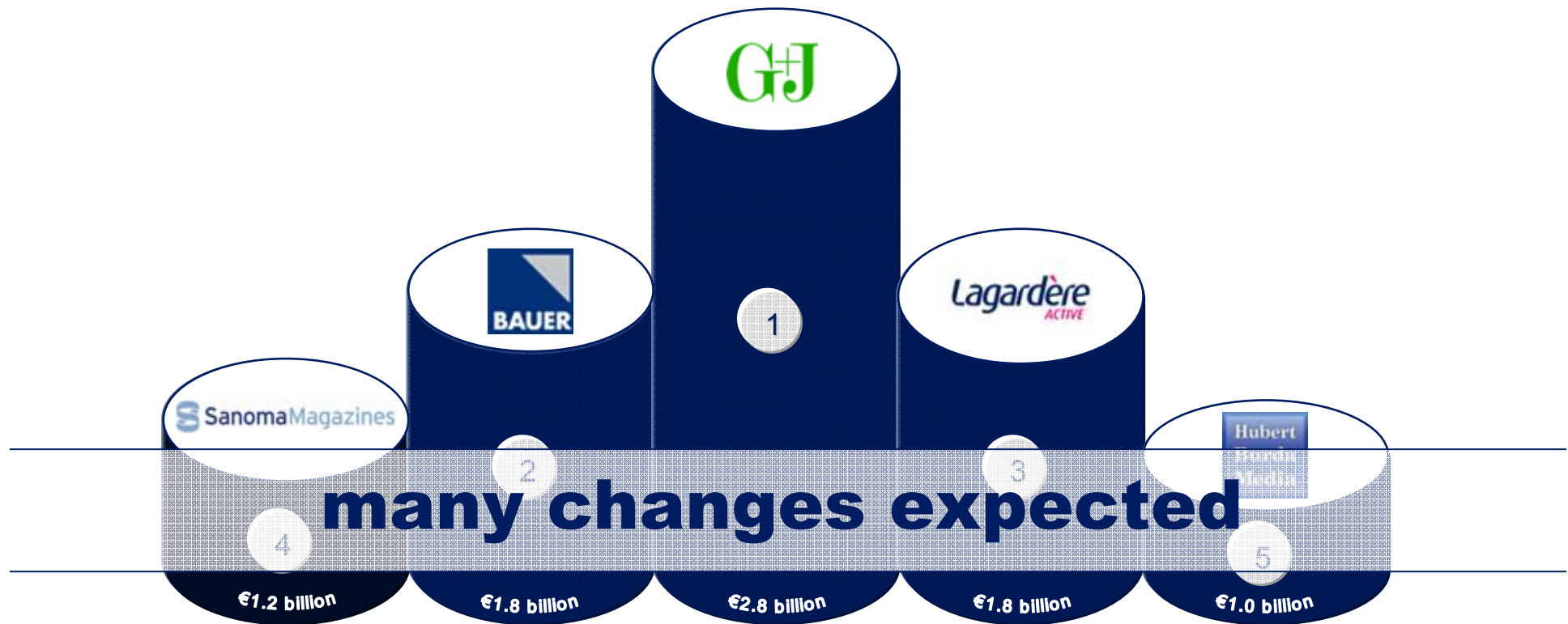
- Hoofddorp (NL)
- CEO: Dick Molman
- Net Sales 2007: €539.8 million (including RCV Entertainment)

Net Sales by business
(intracompany eliminations excluded)



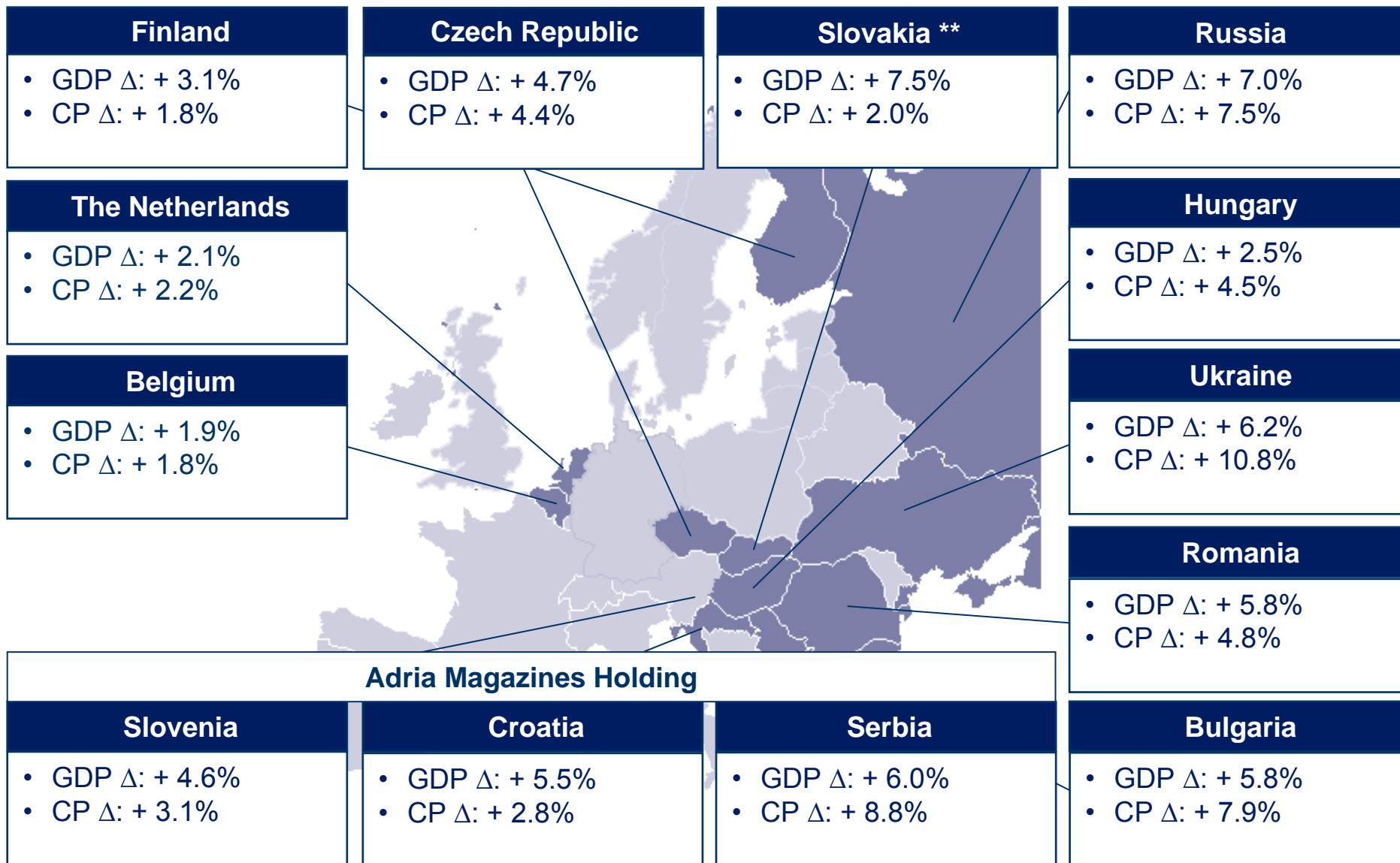
- Sanoma Uitgevers
- Sanoma Magazines International
- Sanoma Magazines Belgium
- Sanoma Magazines Finland

One of the biggest European magazine publishers



Ranked according to net sales 2007; Burda and Bauer: 2006 figures;
Lagardère active net sales are magazines only; G+J net sales include newspapers and printing plants

Macro-economic developments in our markets*



* Real GDP growth and changes in consumer prices, 2008 (FC) compared with 2007. Source: Economist Intelligence Unit country reports. National sources differ considerably.

** Trade magazines only.

Sanoma Magazines Key Indicators 1–3/2008

€ million	1–3/2008	1–3/2007	Ch %	1–12/2007
Net sales	285.5	287.1	-0.6	1,238.1
Operating profit	48.2	32.1	49.9	160.9
% of net sales	16.9	11.2		13.0
Operating profit excluding major non-recurring capital gains	24.7	30.9	-20.2	139.7
% of net sales	8.6	10.8		11.3
Balance sheet total	1,965.1	1,894.8	3.7	1,937.5
Capital expenditure	5.1	3.4	51.3	20.6
Personnel under employment contract, average	5, 854	5,485	6.7	5,623
Personnel, average (full-time equivalents)	5, 393	5, 037	7.1	5,169

Strategic foundation

We aim to

- 1) Streamline, grow and consolidate our existing consumer magazine businesses through launches, partnerships and acquisitions
- 2) Build our digital media by geographically leveraging our already existing concepts and through acquisitions and alliances

We focus on small- and medium sized European markets

Magazine strategy

- We publish the strongest local brands
 - Strong foothold in women's weeklies
- Transfer concepts across geographies
 - Story available in nine countries
 - Recent launch Sensa already available in two Adria media countries
- And are a preferred licensing partner for international magazine brands
 - Donald Duck/Aku Ankka, Cosmopolitan, National Geographic, ...
- We execute an active portfolio management
 - 2007: 22 launches
 - If necessary, closures
- We focus on our key brands
 - The top 20 key brands deliver the major part of our revenue
 - Despite pressure on circulation, the business of our key brands continues to grow

Recent developments

- Closure Celebrity and Midi, The Netherlands
- Acquisition Lux Media, Russia
- Launch Marie Claire, Czech Republic
- Launch National Geographic Kids, Bulgaria
- Launch Zdraven Journal, Bulgaria
- Launch National Geographic Traveler, Czech Republic
- Launch Marie Claire, Romania
- Divesture Preview, The Netherlands
- Relaunch Story, Czech Republic
- Launch Podrugi (Cosmo Mobile), Russia
- Launch Procycling, The Netherlands
- Launch Sensa, Serbia
- Acquisition Damjana Viencanja, Croatia
- Launch Geo, Finland

Digital media strategy

- We try to obtain a leading position in top-of-mind destination sites
 - Next to Hungary and The Netherlands, we are the number one local internet publisher in Bulgaria
- In addition, we will build a position in verticals
 - In selected domains, e.g. cars, travel, home deco, women portals, bridal sites

Recent developments



- Acquisition Net Info.BG AD
- Acquisition Mobilport.hu
- Launch Moviq.nl
- Launch Kuchyne.cz
- Acquisition Webpark.ru
- Acquisition Leadz.nl
 - Acquisition Woonwebsite.nl
 - Launch woonklussen.nl
 - Launch allewoonwinkels.nl
 - Acquisition Parinti.com

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- **THE NETHERLANDS AND RUSSIA**

The Netherlands:

- Macro developments
- Overview advertising market
- Overview consumer market

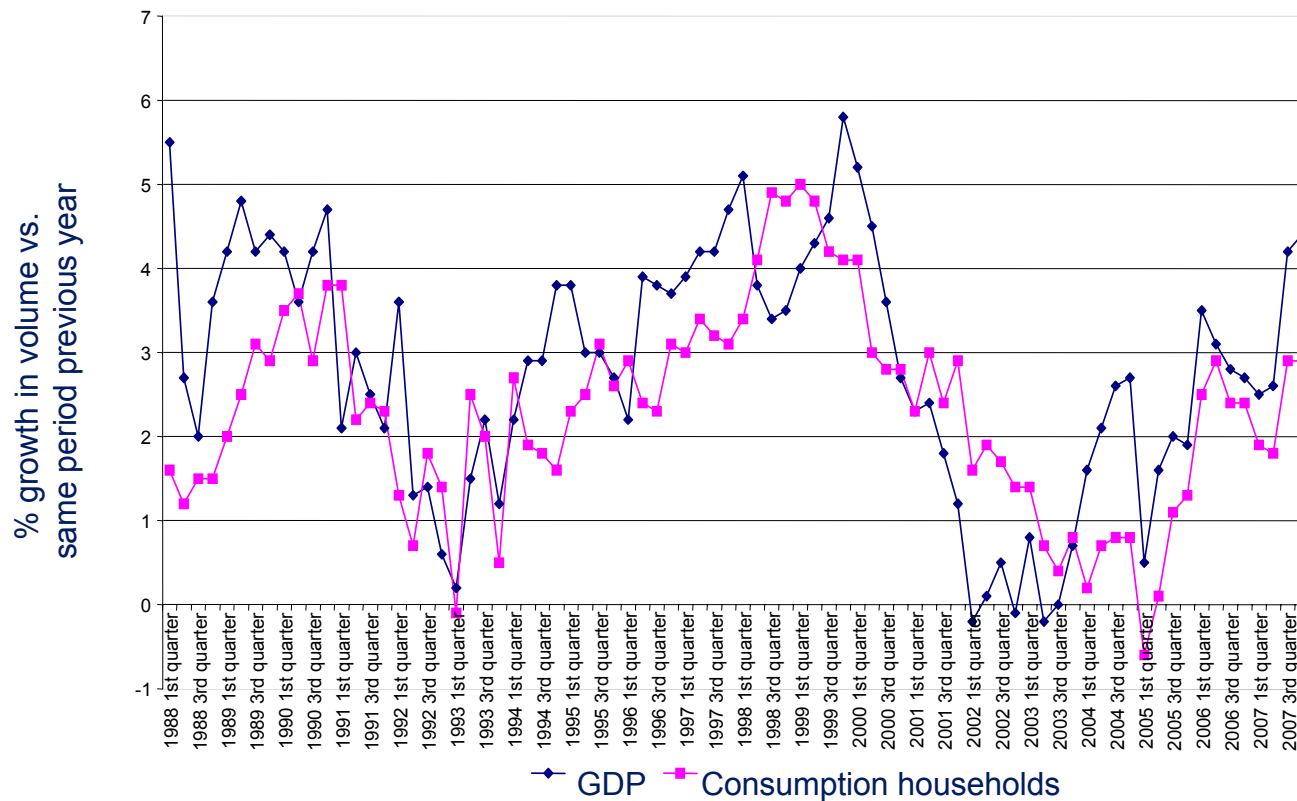
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GDP and consumption developments

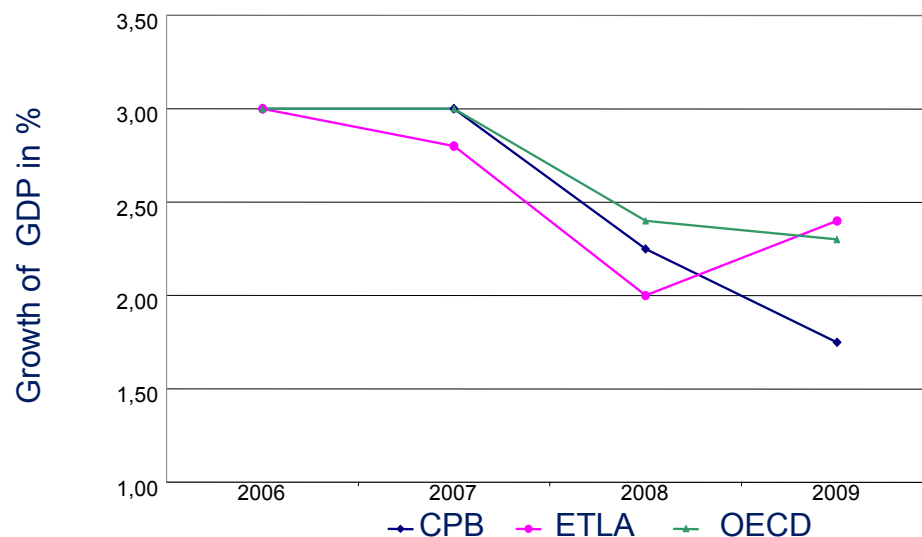
Highest GDP-growth since 2000 in 2007



Source: CBS feb. 2008

Short term GDP and inflation forecasts

GDP-growth declines, inflation grows



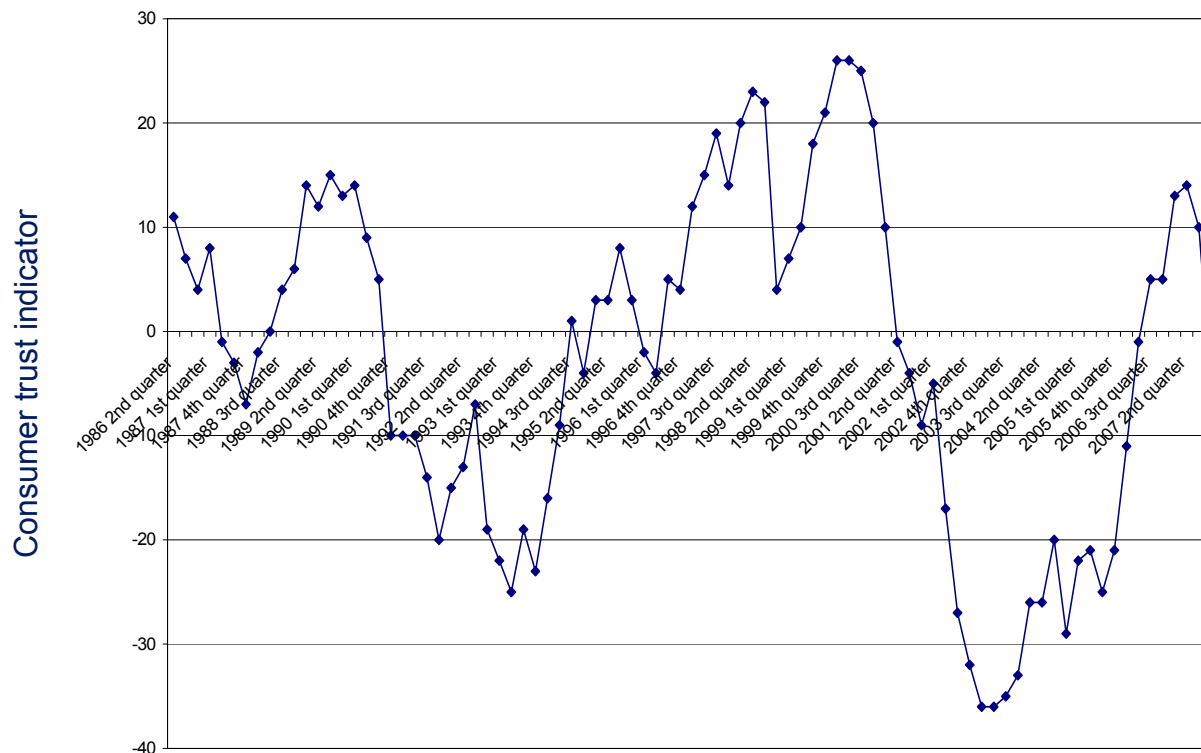
GDP forecast by three different sources

Annual % changes	CPB				ETLA				OECD			
	December 2007				December 2007				December 2007			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
GDP	3	3	2,25	1,75	3,0	2,8	2,0	2,4	3,0	3,0	2,4	2,3
Private consumption	-0,8	2	2	na	-0,8	2,1	2,6	na	-0,8	1,9	2,0	2,3
CPI (Consumer Price Index)	1,1	1,5	2,25	na	1,7	1,7	2,4	na	1,7	1,6	2,0	2,4
Unemployment rate	5,5	4,5	4	na	3,9	3,3	3,5	na	4,1	2,2	2,9	2,7

Source: CPB - Netherlands Bureau for Economic Policy Analysis, ETLA Kansainväliset suhdanteet 4/2007, OECD Economic Outlook No. 82, December 2007

Consumer confidence*

Sloping downwards

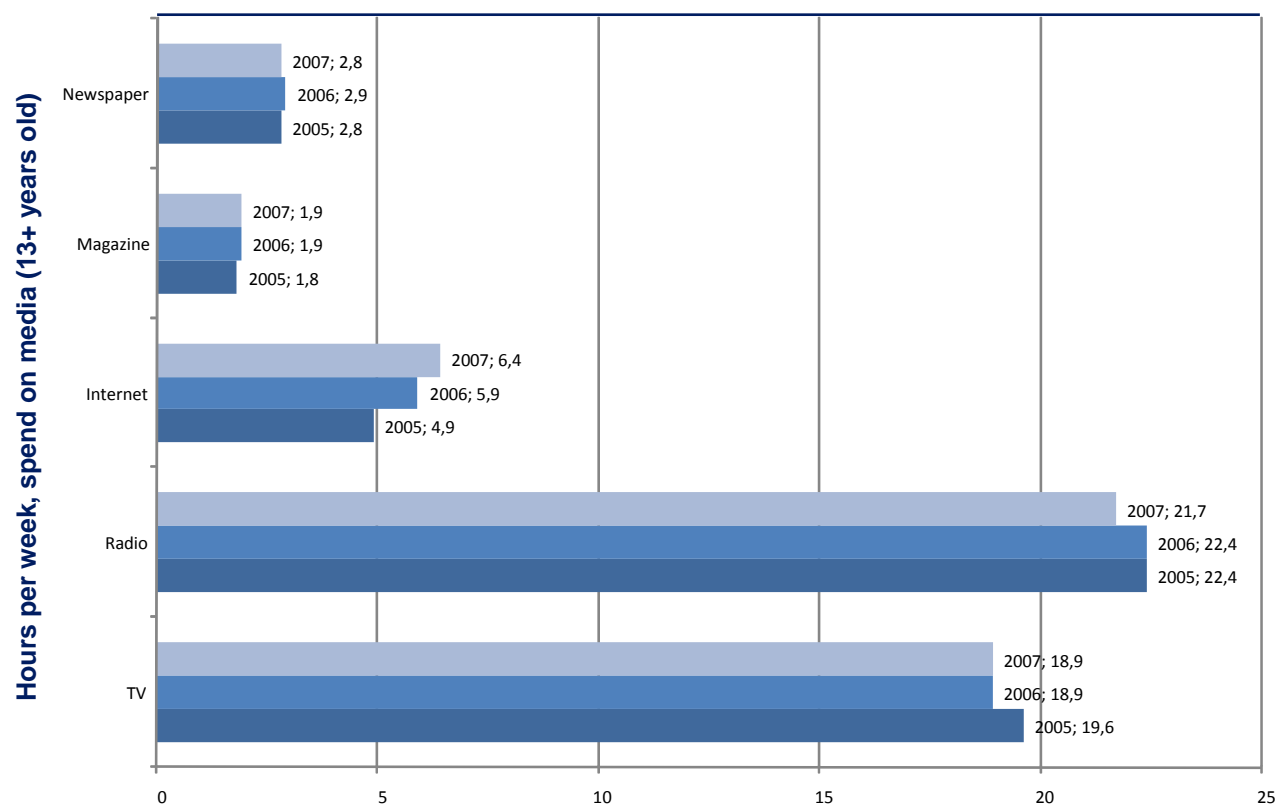


*Consumer confidence is based on the sentiments of households about
 1. the economic climate in general and
 2. about their willingness to buy.

Source: CBS feb. 2008

Media time spent

Online is growing fastest, at the expense of TV and radio



	CAGR 06-07	CAGR 05-07
TV	0%	-2%
Radio	-3%	-2%
Internet	8%	14%
Magazines	0%	3%
Newspapers	-3%	0%
Total	-1%	0%

Source: STIR Establishment Survey 05/06 an 06/07

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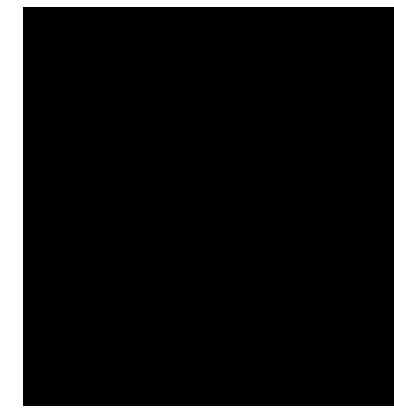
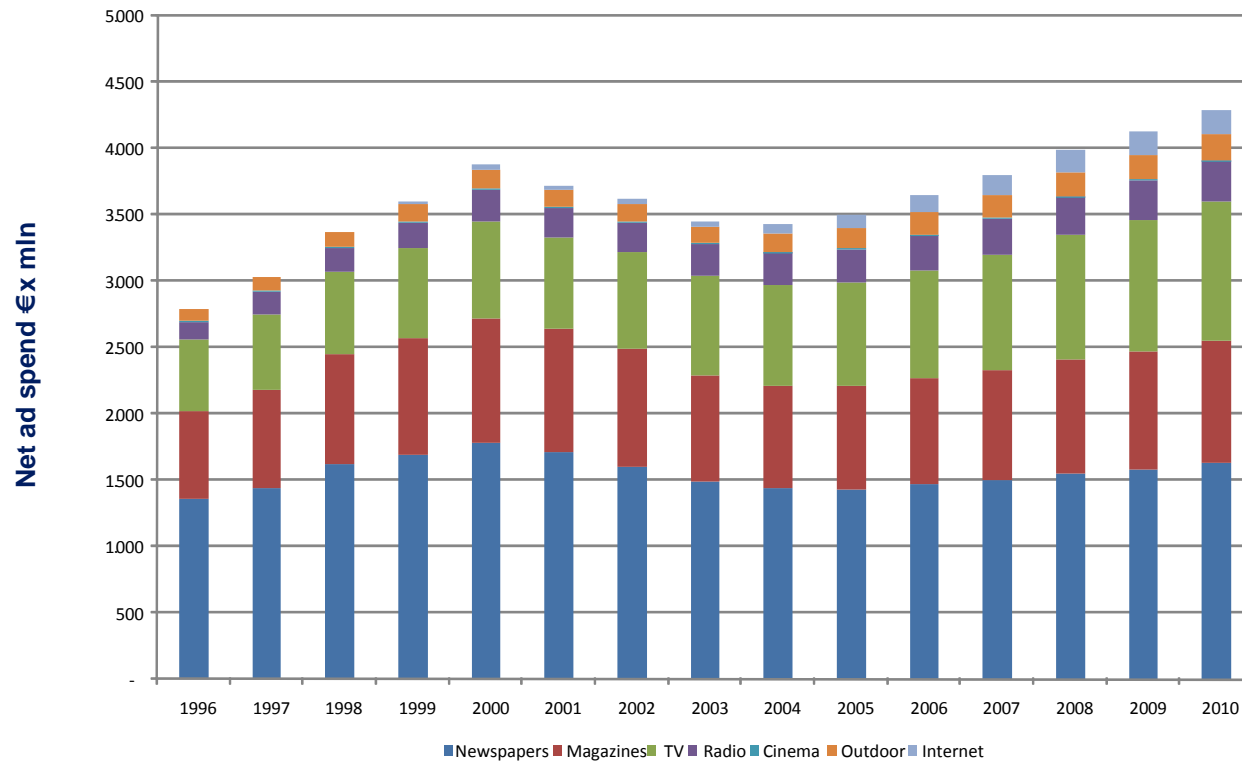
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Total Dutch ad spend

Growth is forecasted despite declining GDP-growth



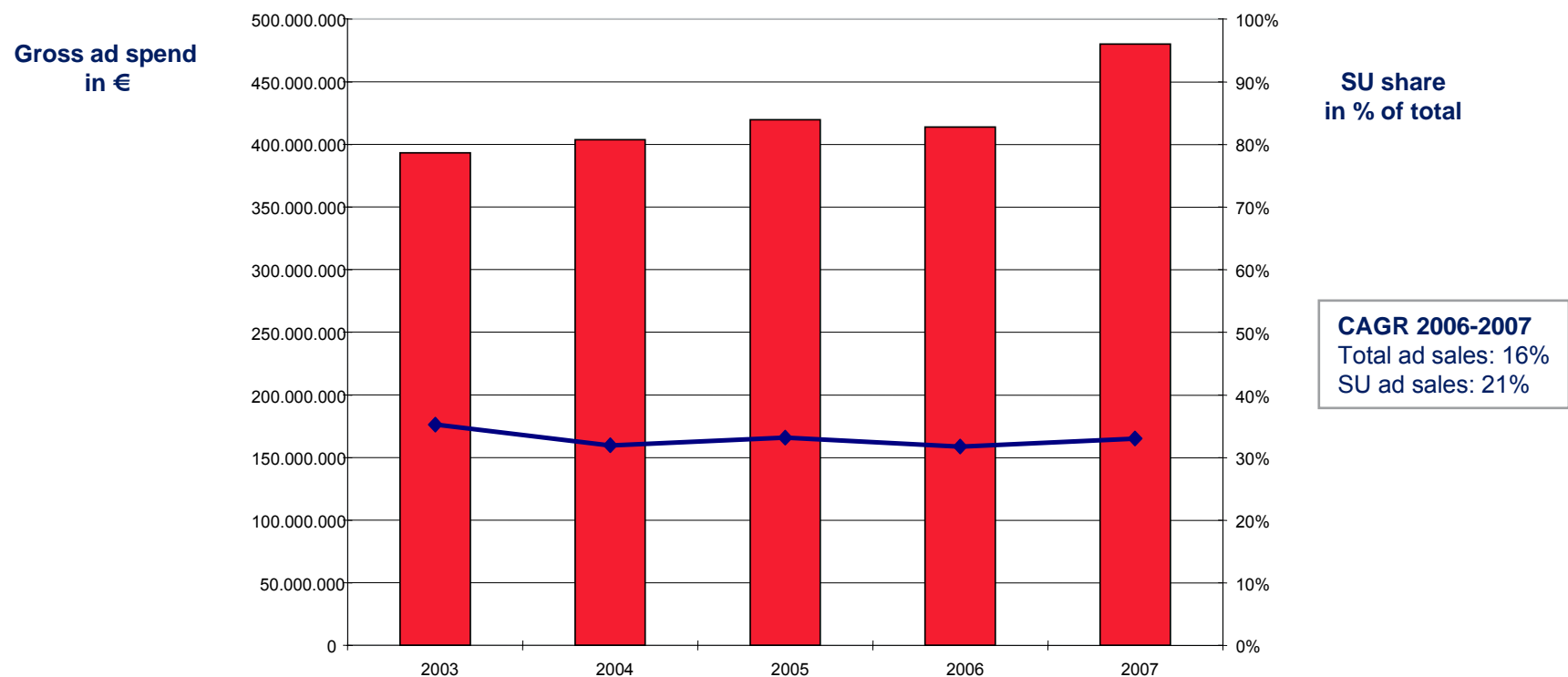
Growing share of TV, internet and magazines, declining share of newspapers

* Internet includes display, email, sponsorship, barter; excludes search.

Source: Zenith Optimedia, dec. 2007

Total gross advertising sales magazines

After decline in 2006, back on growth track

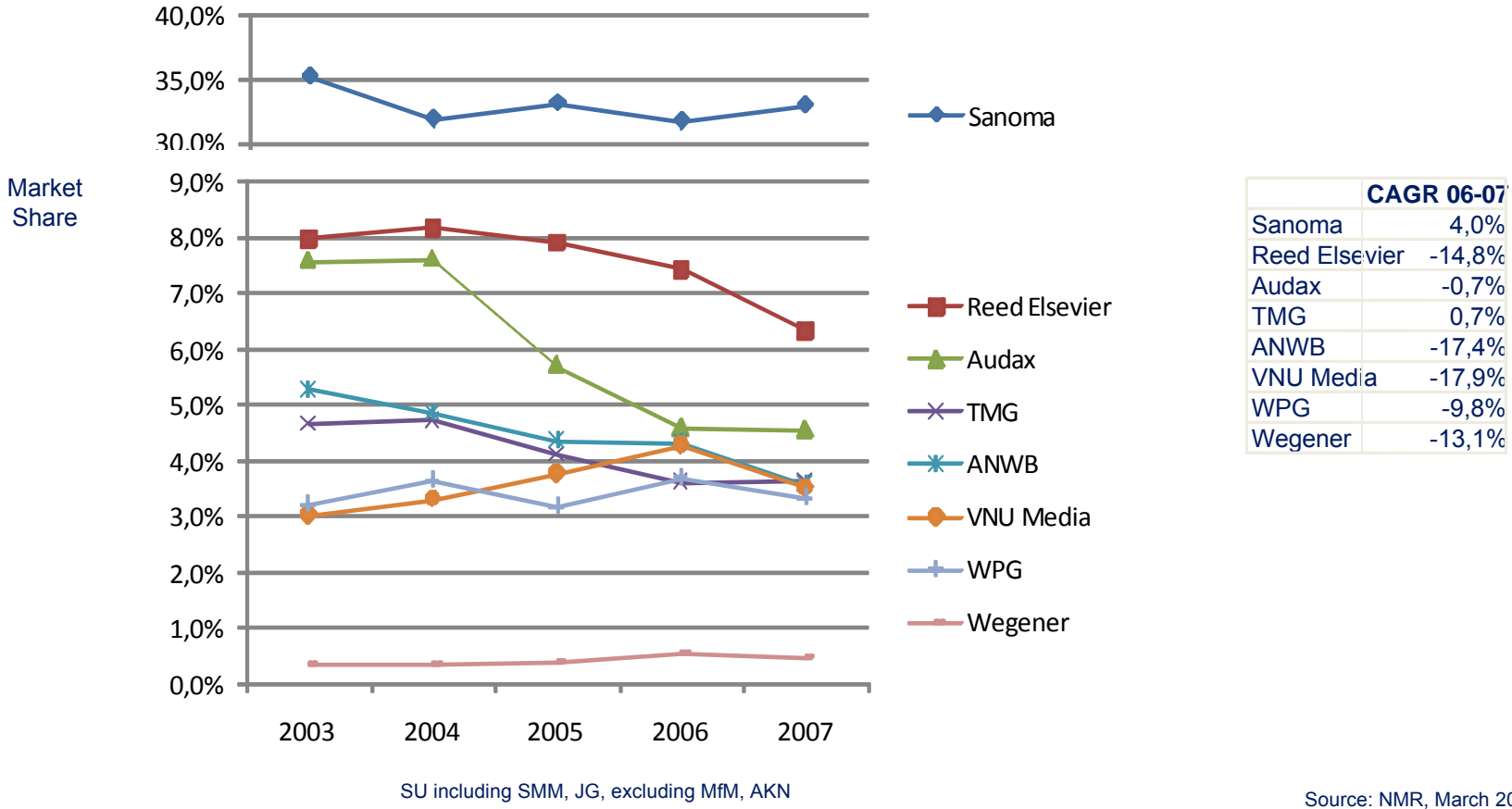


SU including SMM, JG, excluding MfM, AKN

Source: NMR March 2008

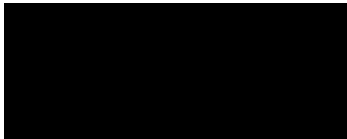
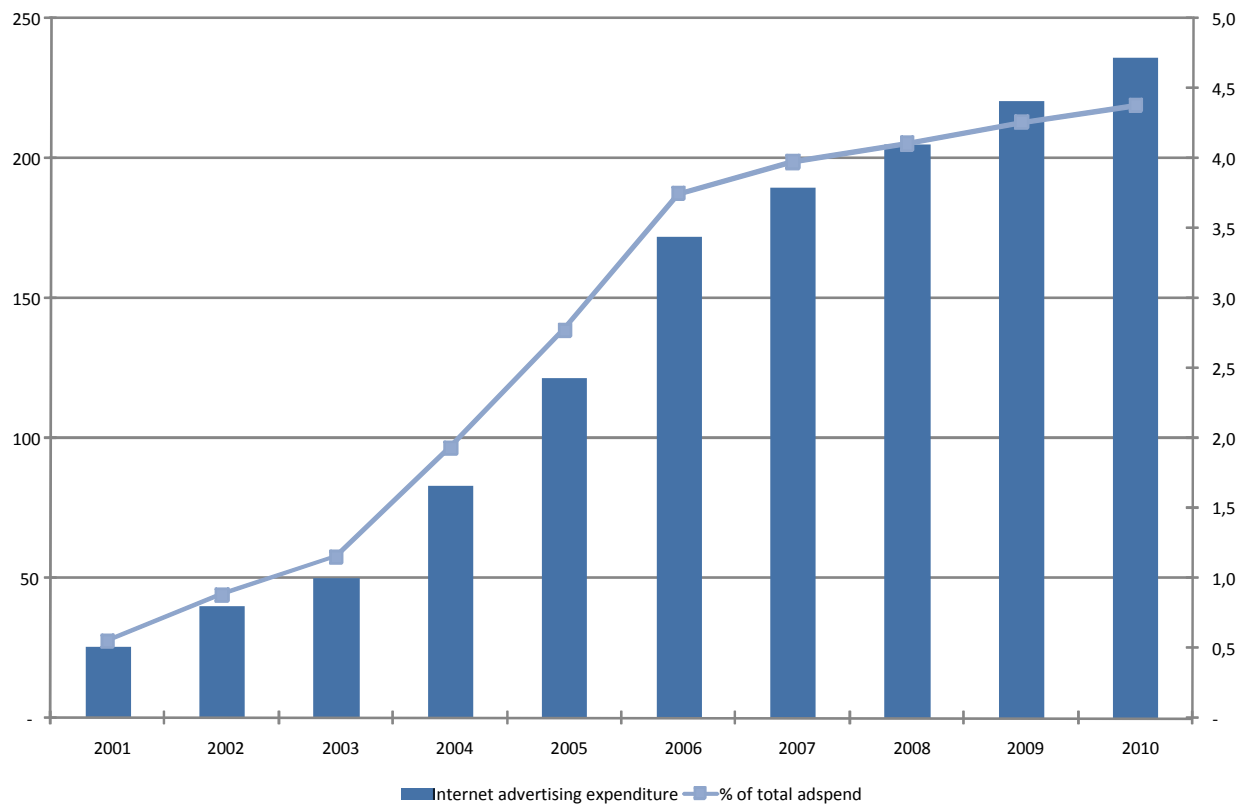
Gross ad sales magazines

Market share Sanoma Uitgevers stabilizes



Net online ad sales

Forecasted growth is flattening



* Internet includes display, email, sponsorship, barter; excludes search.

Source: Zenith Optimedia, dec. 2007

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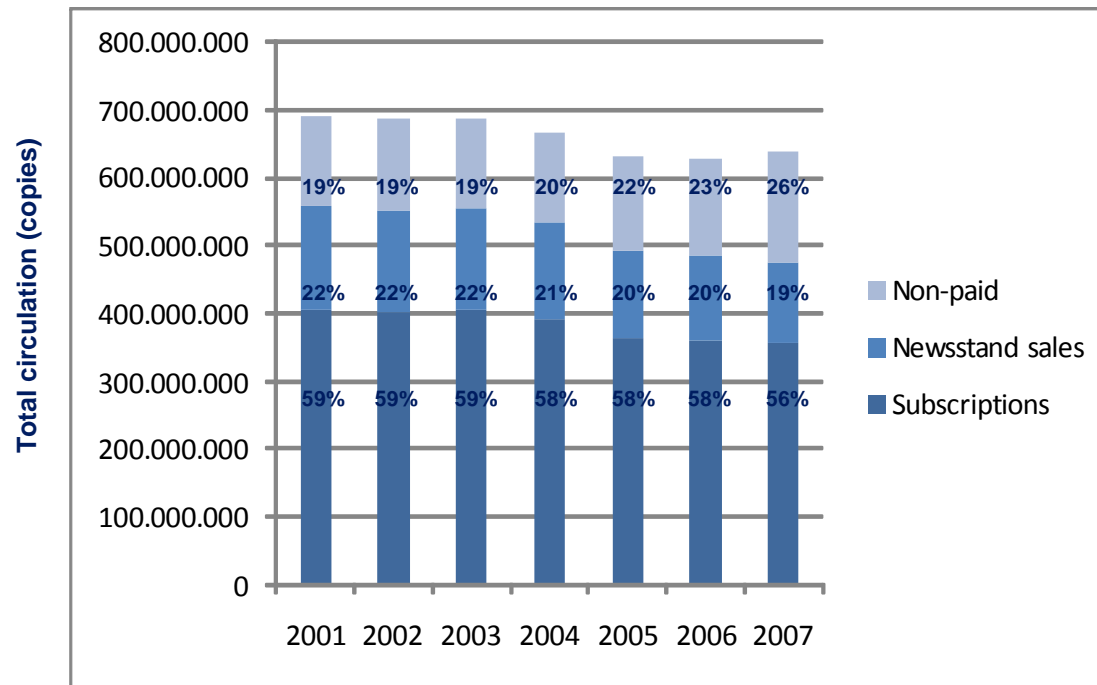
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Total magazine circulation

Increase due to strong growth of non-paid circulation

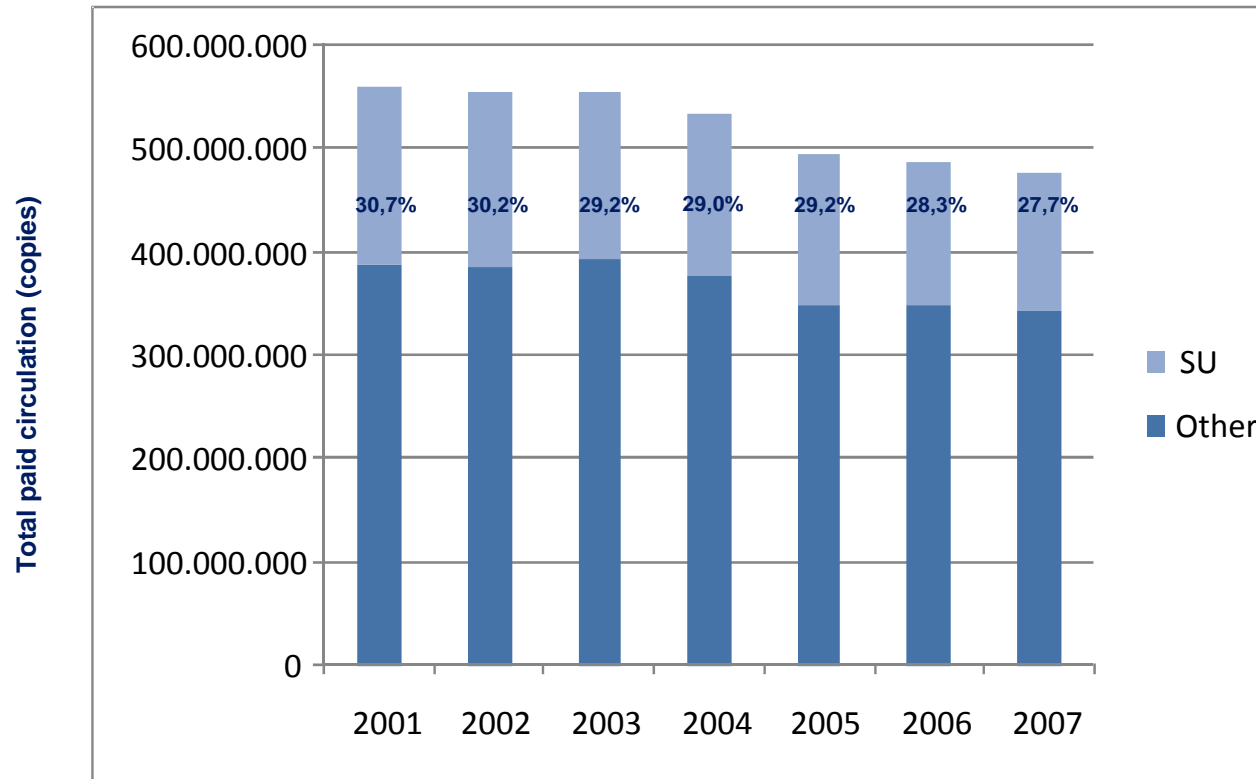


share of newsstand sales decreases further

Total circulation consumer magazines: including RTV magazines; Non-paid: including sponsored magazines; SU: excluding AKN, excluding MfM

Source: HOI, April 2008

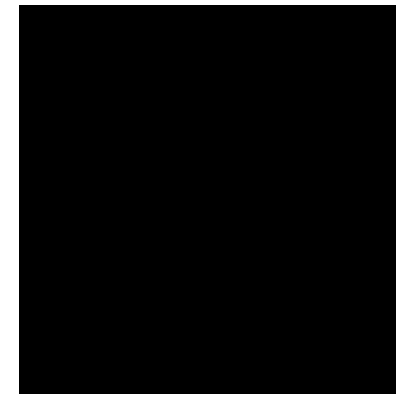
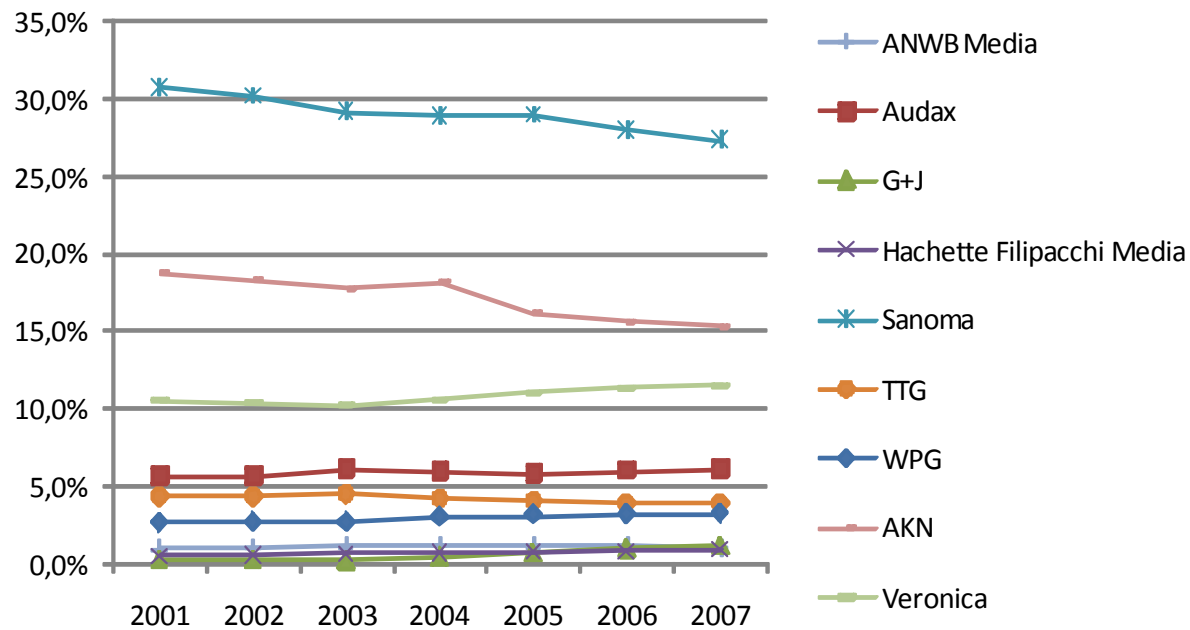
Paid magazine circulation



Total paid circulation consumer magazines, including RTV magazines; SU excluding AKN, excluding MfM

Source: HOI, April 2008

Market shares paid circulation

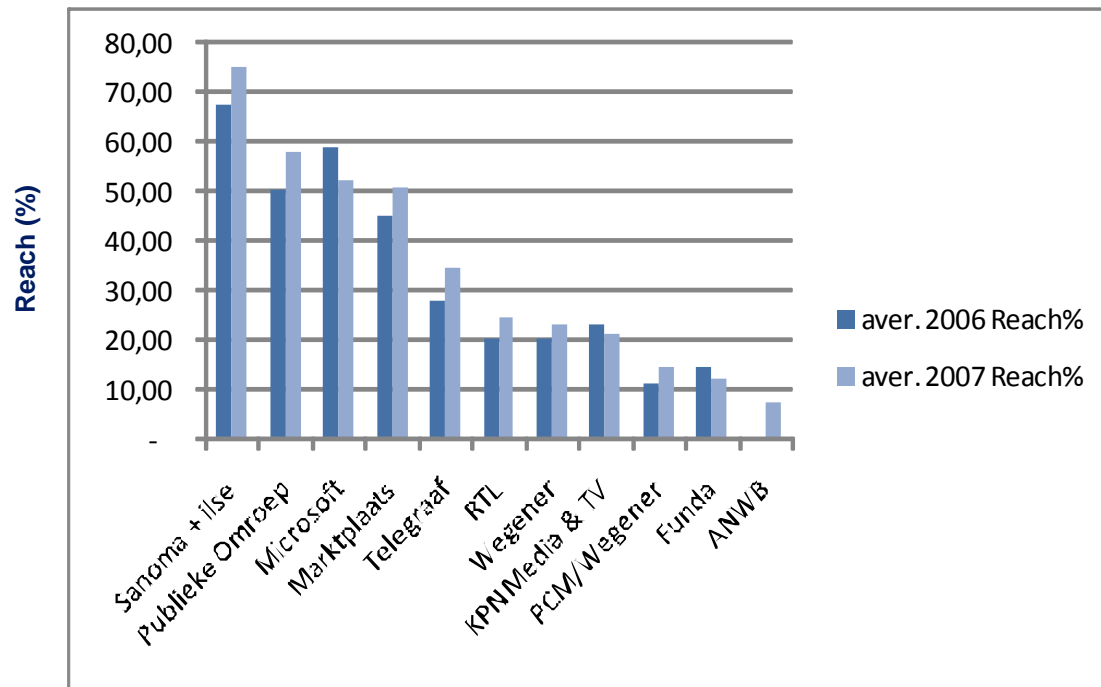


Paid circulation consumer magazines, including RTV magazines; SU excluding AKN, excluding MfM

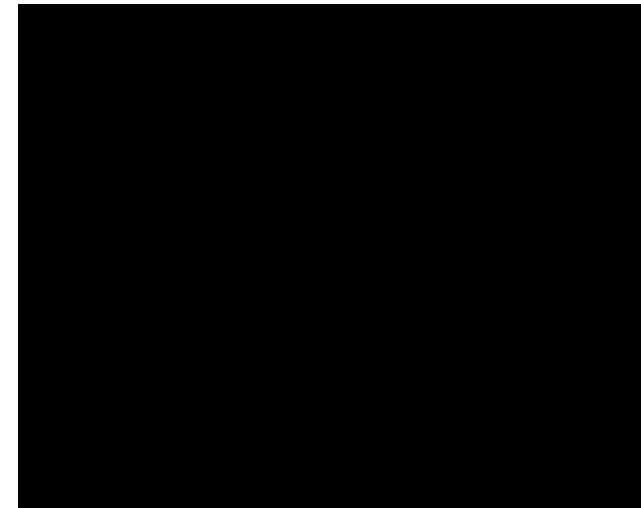
Source: HOI, april 2008

Online Reach

SU market leader in online reach



Stir figures are excluding **Google**. Based on Multiscope figures, Google has a reach of 90%



Source: Stir, March 2008

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IMSM Product Lines

<p>Women's titles</p>	<p>Men's titles</p>	<p>Business titles</p>	<p>Custom publishing</p>	
	<p>Internet projects</p>	<p>Travel & geographic titles</p>	<p>Youth titles</p>	
		<p>Special titles</p>	<p>Interior titles</p>	<p>Local newspapers</p>

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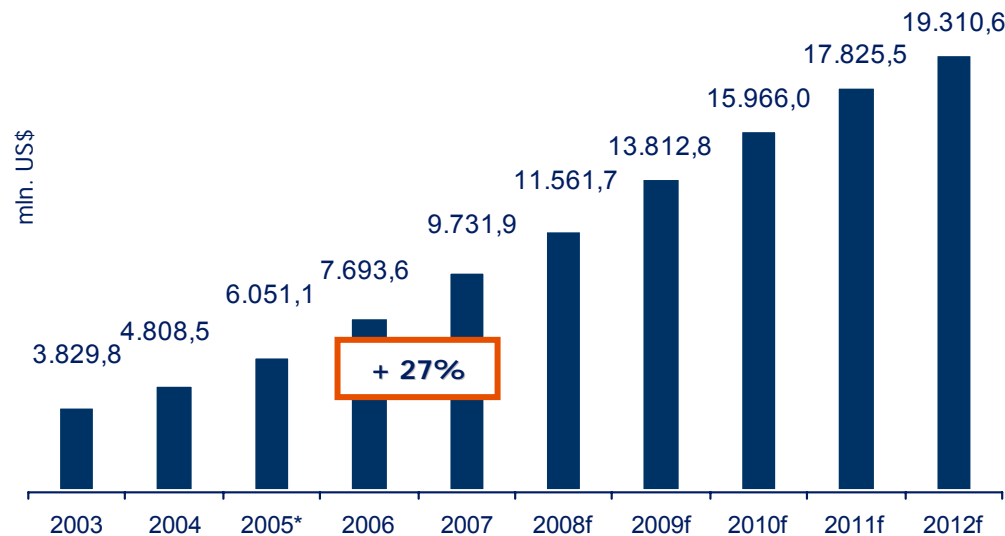
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Russia:

Advertising market continues to grow rapidly



- ▶ Total advertising market in 2007 was around 9,744.7 mln. US\$.
- ▶ Russian ad market is №9 in the world and №6 in Europe.
- ▶ Growth is expected to continue in the next years, but will slow down.

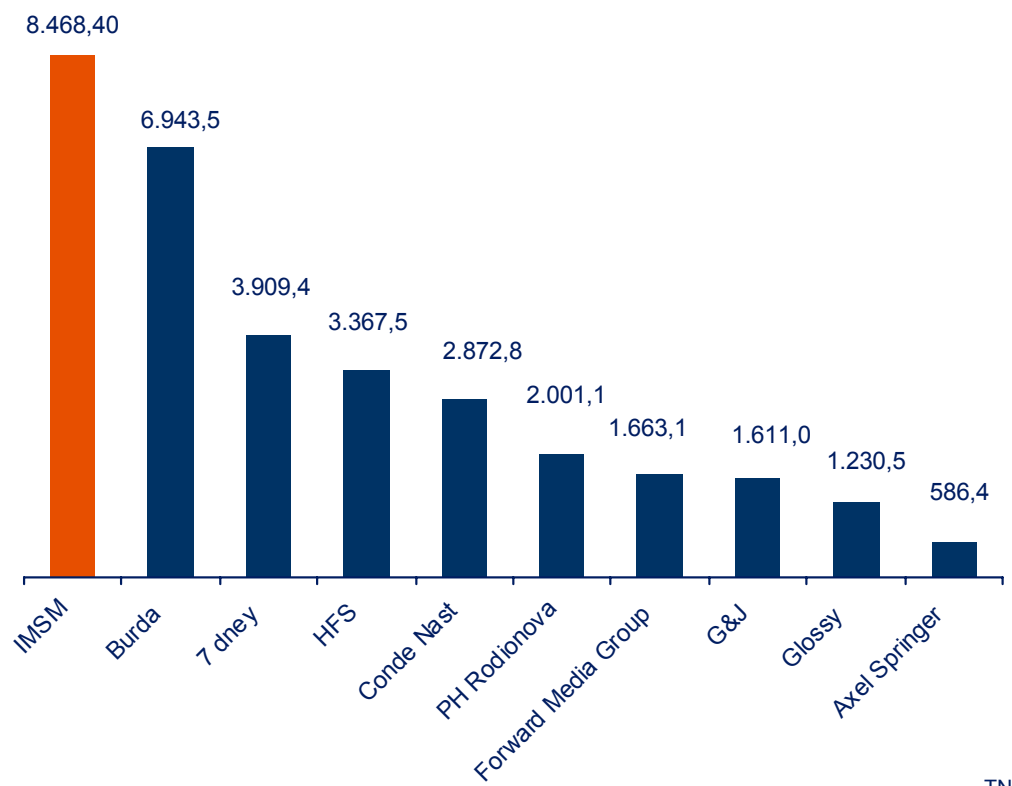
advertising spending (mln. US\$)	2003	2004	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Magazines	455.3	578.7	697.9	817.0	995.7	1191.5	1395.7	1574.5	1702.1	1787.2
% of growth		27.1%	20.6%	17.1%	21.8%	19.7%	17.1%	12.8%	8.1%	5.0%
advertising spending (mln. US\$)	2003	2004	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Newspapers	259.6	306.4	348.9	400.0	493.6	617.0	748.9	851.1	936.2	1000.0
% of growth		18.0%	13.9%	14.6%	23.4%	25.0%	21.4%	13.6%	10.0%	6.8%

f - forecast * total ad market includes indoor advert since 2005

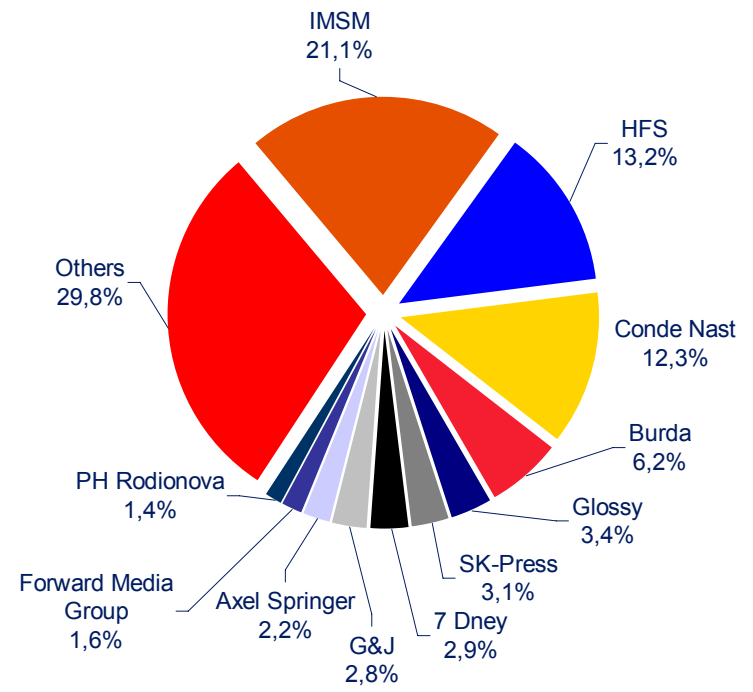
Source: Russian Advertisement Agencies Association

Independent Media Sanoma Magazines №1 on the Glossy Media Market

2007 Readership, Russia



2007 Ad revenues %



Source: TNS Gallup Media, NRS-Russia (100+), 16+, Sep '07-Feb '08; TNS Gallup AdFact, 2007, by Rate Card, without discounts, incl. suppl., only glossy magazines

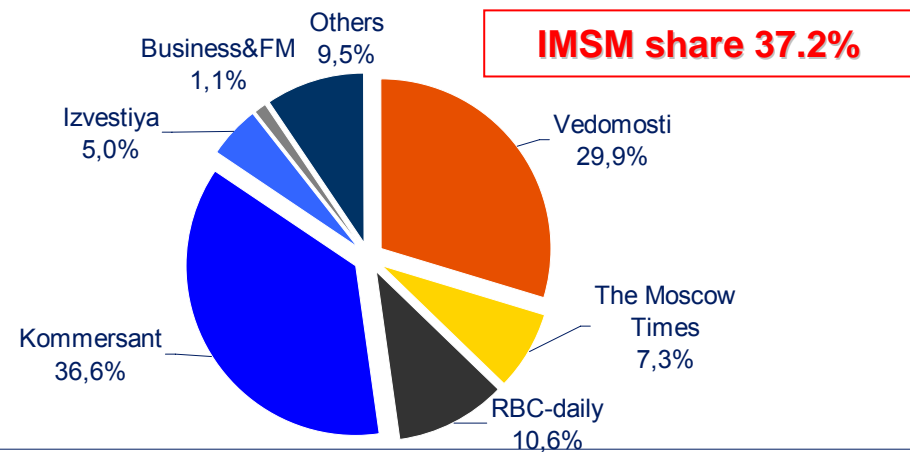
Newspapers in Russia



Readership, Moscow



Ad revenues %



Source: TNS Gallup Media, NRS-Moscow (16+), Sep '07-Feb '08;
TNS Gallup AdFact, 2007, by Rate Card, without discounts, incl. suppl.

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Latest developments and key challenges

- **IMSM main ways of growth, 2007-2008 :**
 - Launches (Grazia, Prime Traveller, Interni, Agrotechnika i technologii), others in development
 - Regional expansion (Cosmopolitan Rostov-on-Don, Cosmopolitan Shopping Kazakhstan, Domashny Ochag Kazakhstan, Vedomosti Kazan)
 - Aquisitions (50% PH Lux Media, National Geographic Traveler magazine)
 - Custom publising portfolio enlargement (five new projects, participation in several tenders)
 - Internet launches and aquisitions (RB.ru, Webpark.ru, Ameno.ru)
- **Market developments**
 - Increasing pressure on independent press
 - Active M&A, especially in digital media
 - Acquisition prices are high
 - Many media companies turn to Russia
 - Russian tycoons re-enter the media market
 - Rising cost and pressure on margins
 - Pressure on circulation levels
 - Distribution sector is undeveloped, subscription institute absence
 - Tight labour market
 - High pressure on salaries, especially in internet

Thank you for your attention

