

# Sanoma 1–6/2009

President and CEO Hannu Syrjänen

6 August 2009



# Efficiency Improvements to Continue

- Adaptation to market conditions is working – operating expenses down by over 5% in the first six months. Structural changes to continue.
- Entertainment and learning have performed well; Finnish magazines, kiosks and movie theatres also developing positively.
- Strengthened market position in Belgian and Finnish magazine markets as well as in Finnish TV advertising
- The advertising market contraction seems to have stabilised at least in Finland.

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

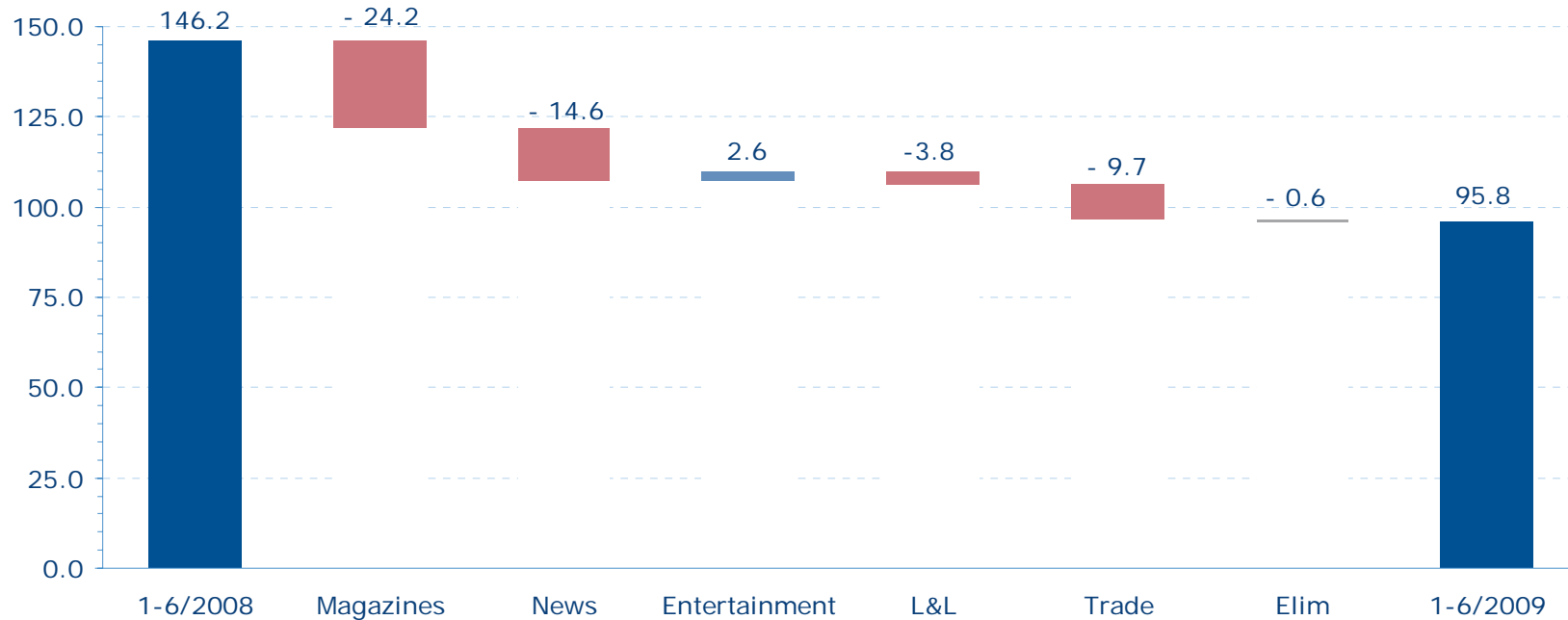
# Impact of Contingency Plans Visible

EUR million	4–6/2009	4–6/2008	1–6/2009	1–6/2008	Ch %	1–12/2008
Net sales	<b>697.2</b>	769.8	<b>1,333.2</b>	1,452.8	-8.2	3,030.1
Operating profit excluding non- recurring items	<b>72.5</b>	97.0	<b>95.8</b>	146.2	-34.5	295.7
% net sales	<b>10.4</b>	12.6	<b>7.2</b>	10.1		9.8
Operating profit	<b>65.1</b>	98.5	<b>86.1</b>	171.2	-49.7	236.3
Earnings/share, EUR	<b>0.27</b>	0.40	<b>0.32</b>	0.74	-56.4	0.72
Cash flow from operations/share, EUR	<b>0.10</b>	-0.06	<b>0.05</b>	0.23	-79.9	1.56
Average number of employees (FTE)			<b>17,725</b>	17,693	0.2	18,168

# Advertising Sales Continued to Decline

EBIT excluding non-recurring items

EUR million



- Magazines: decline in advertising and single copy sales in SU and SMI
- News: decline in advertising sales, especially in classified ads
- Entertainment: positive development in TV and broadband operations
- Learning & Literature: Nowa Era, decline in sales in language services as well as in literature and other operations
- Trade: decrease of sales in kiosk and movie operations in the Baltic countries, investments in Russia and Romania, declining press distribution sales

# Stable Financial Position

EUR million	30.6.2009	30.6.2008	31.12.2008
Balance sheet total	<b>3,211.1</b>	3,369.2	3,278.7
Equity ratio, %	<b>37.3</b>	40.8	40.0
Net gearing, %	<b>103.0</b>	81.6	78.5
Interest-bearing liabilities	<b>1,220.3</b>	1,148.5	1,082.6
Interest-bearing net debt	<b>1,161.0</b>	1,058.4	971.6
Cash and cash equivalents	<b>59.3</b>	90.2	110.9

- Favourable long term credit facility
- Net debt/EBITDA 3.0

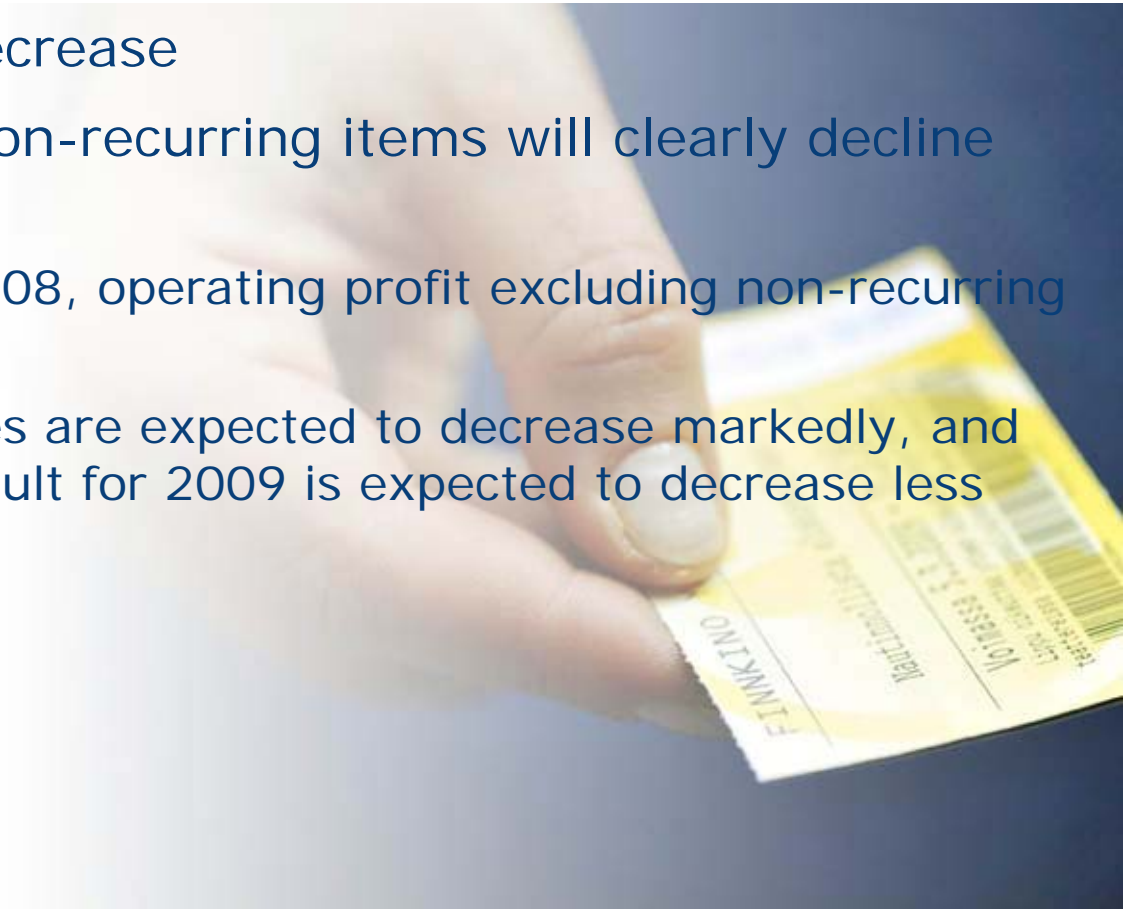
# Continuous Rationalisation

- Structural changes and adaption to market environment
  - Sanoma News, Sanoma Magazines Belgium, retail operations in Estonia, language services as well as literature and other businesses unit, among others.
  - Six magazines closed down in second quarter (26 altogether in 2009)
- Target to have operating expenses in 2009 clearly below the level of 2008.



# Outlook for 2009 Unchanged

- Net sales are expected to decrease
- Operating profit excluding non-recurring items will clearly decline from the previous year.
  - In the comparable year of 2008, operating profit excluding non-recurring items was EUR 295.7 million.
  - The Group's interest expenses are expected to decrease markedly, and as a result, Sanoma's net result for 2009 is expected to decrease less than its operating profit.



**Inspires, Informs and Connects**

