

# Sanoma Corporate Presentation

October 2013

a

s

a

o

m

n

# Market leader in chosen businesses and markets

## One of the leading media and learning companies in Europe

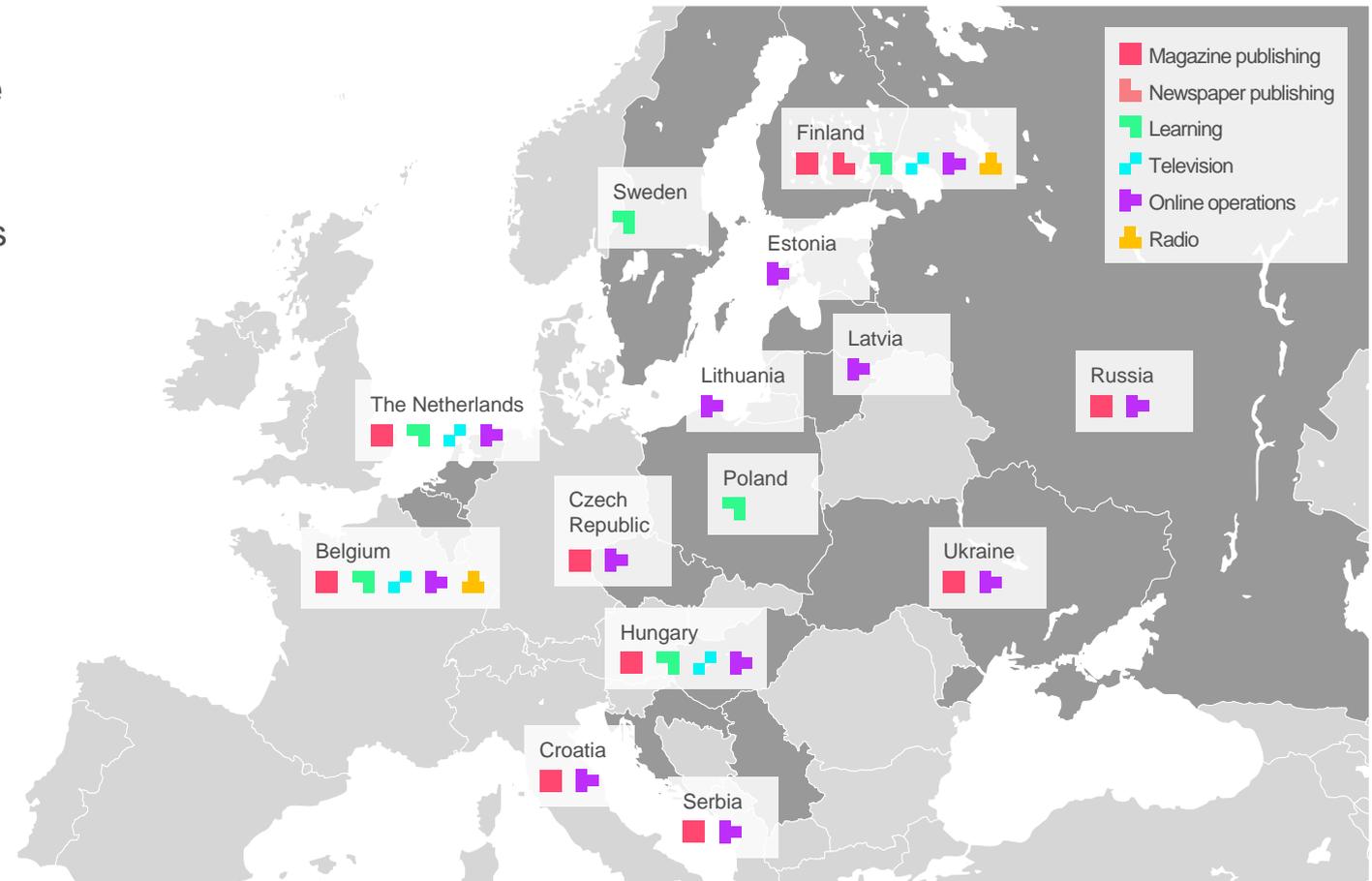
- #1 media company in the Netherlands and Finland
- Among top 2 educational players in all its 6 markets of operation
- Head office in Helsinki, Finland

## Focus on consumer media and learning

- Strategy set & main portfolio changes executed
- From holding to Group structure

## 2012 financials

- Net sales EUR 2,376 million
- EBIT\* EUR 231 million
- Personnel 10,381 (FTE)

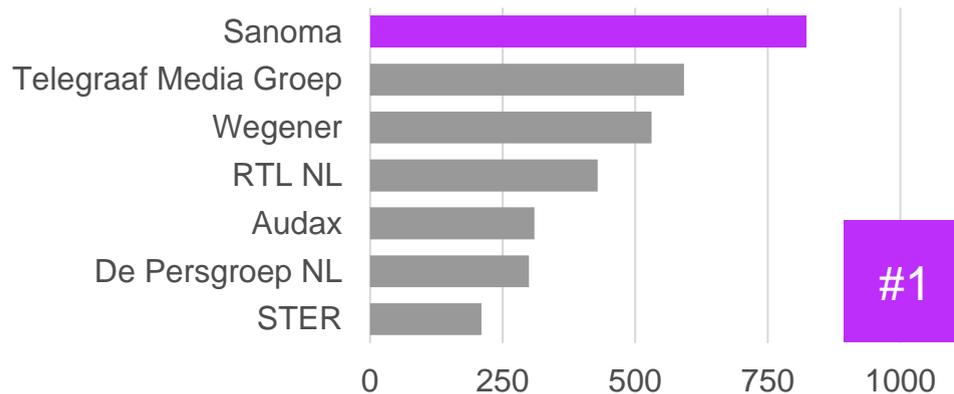


\* EBIT excluding non-recurring items.

# Sanoma's largest consumer media markets

Net sales of main media companies (in EUR million)

## Netherlands (EUR million)



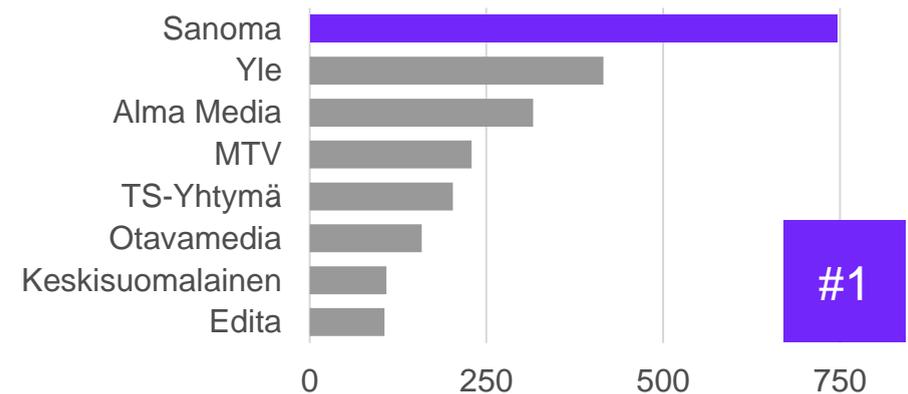
### #1 in consumer magazines

- Circulation market share ~41%\*\*\*
- Ad market share ~46%\*\*\*

### #1 in online advertising

- Ad market share ~16%\*\*\*\*
- #2 in commercial TV
- Ad market share ~25%\*

## Finland (EUR million)



### #1 in newspapers

- Ad market share ~16%\* (News segment)
- #1 in magazines
- Circulation market share ~38%\*\*\*\*
- Ad market share ~22%\*

### #1 in online advertising

- Ad market share ~38%\*
- #2 in commercial TV
- Ad market share ~34%\*
- #1 in commercial radio
- ~32% share of radio listening\*\*

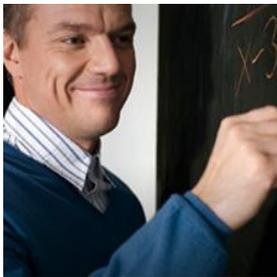
\*) H1/2013, \*\*) Q2/2013, \*\*\*) Q1/2013, \*\*\*\*) FY/2012.

# Learning – leading player in Europe

#1 or #2 in markets where present



Market: Sweden  
 Market Position: #2  
 Sales: approx. EUR 25 m  
 FTEs: approx. 60  
 Size of market: approx. EUR 90 m



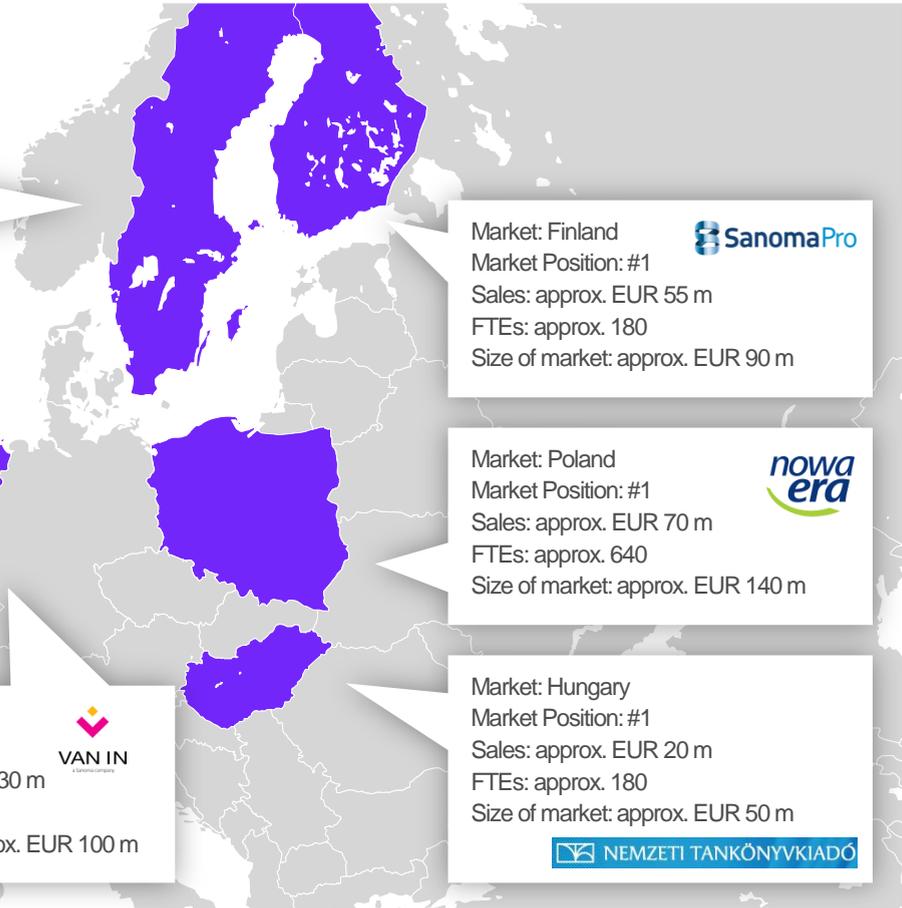
Market: Netherlands  
 Market Position: #2  
 Sales: approx. EUR 90 m  
 FTEs: approx. 280  
 Size of market: approx. EUR 300 m



Market: Global  
 Market Position: one of the leading player in e-learning  
 Sales: approx. EUR 15 m  
 FTEs: approx. 260

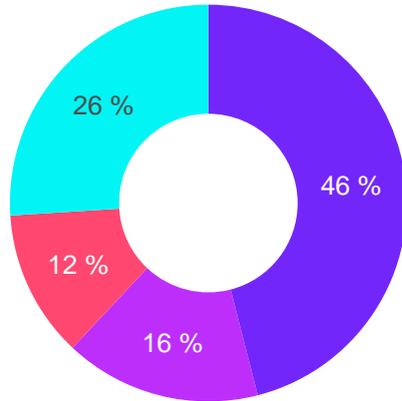


Market: Belgium  
 Market Position: #1  
 Sales: approx. EUR 30 m  
 FTEs: approx. 110  
 Size of market: approx. EUR 100 m



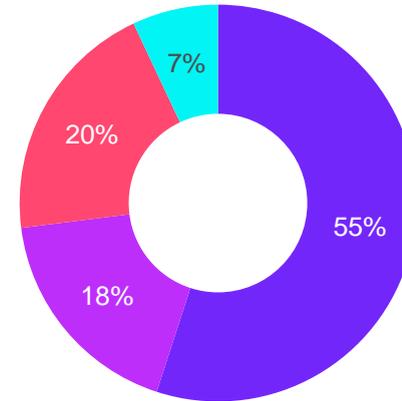
# Focus on consumer media and learning

**2010**  
Sales by operating segment



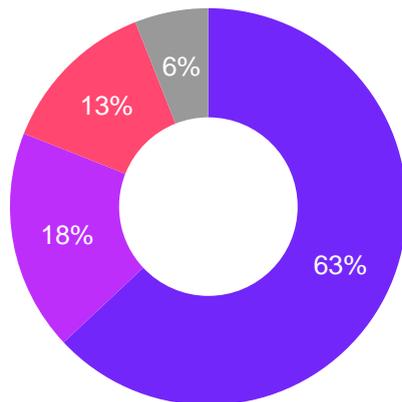
- Media
- News
- Learning
- Trade

EBIT\* by operating segment

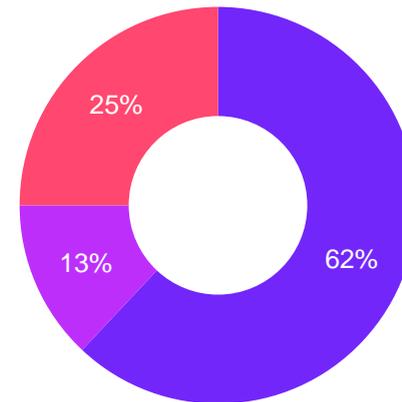


- Media
- News
- Learning
- Trade

**2012**



- Media
- News
- Learning
- Other

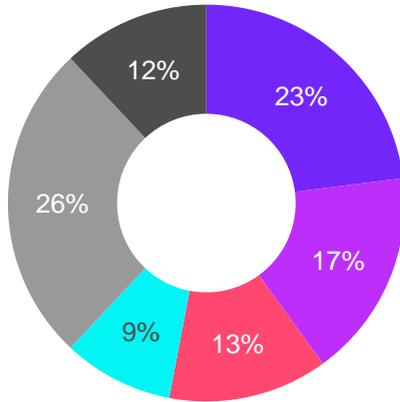


- Media
- News
- Learning

# Focus on consumer media and learning

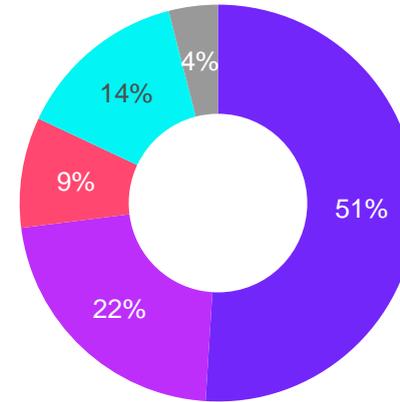
**2010**  
Sales by  
type of sales

- Advertising sales
- Subscription sales
- Single copy sales
- Learning
- Retail/Press distribution
- Other sales



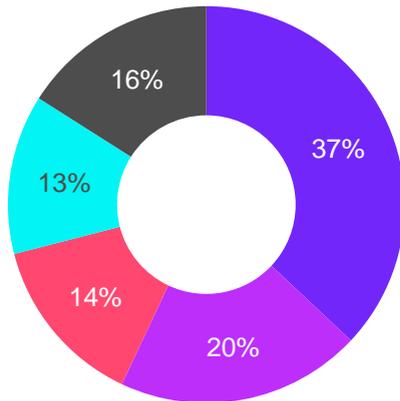
Sales by  
geographic  
area

- Finland
- The Netherlands
- Belgium
- Other EU
- Other countries

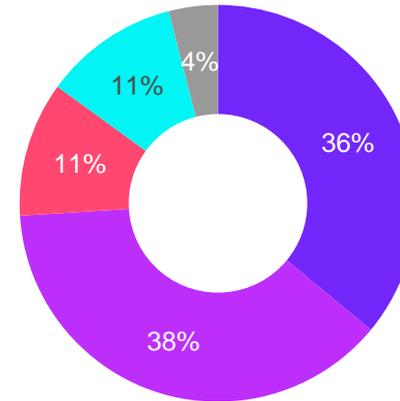


**2012**

- Advertising sales
- Subscription sales
- Single copy sales
- Learning
- Other sales\*



- Finland
- The Netherlands
- Belgium
- Other EU
- Other countries

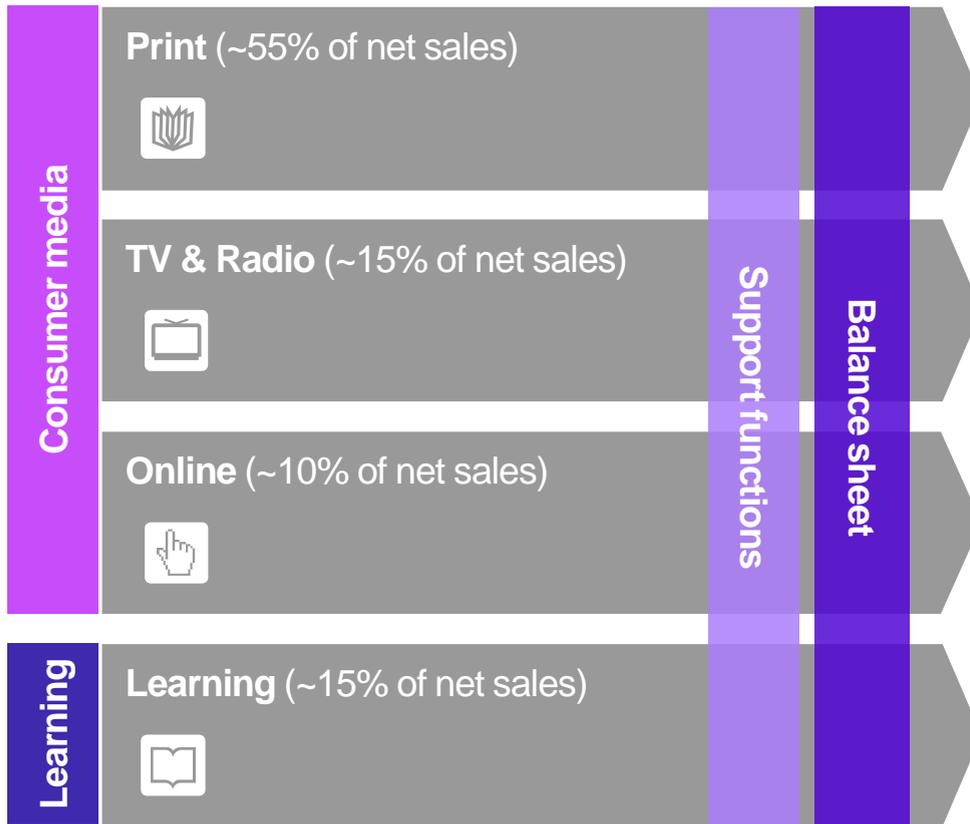


\*) Including Retail/Press distribution.

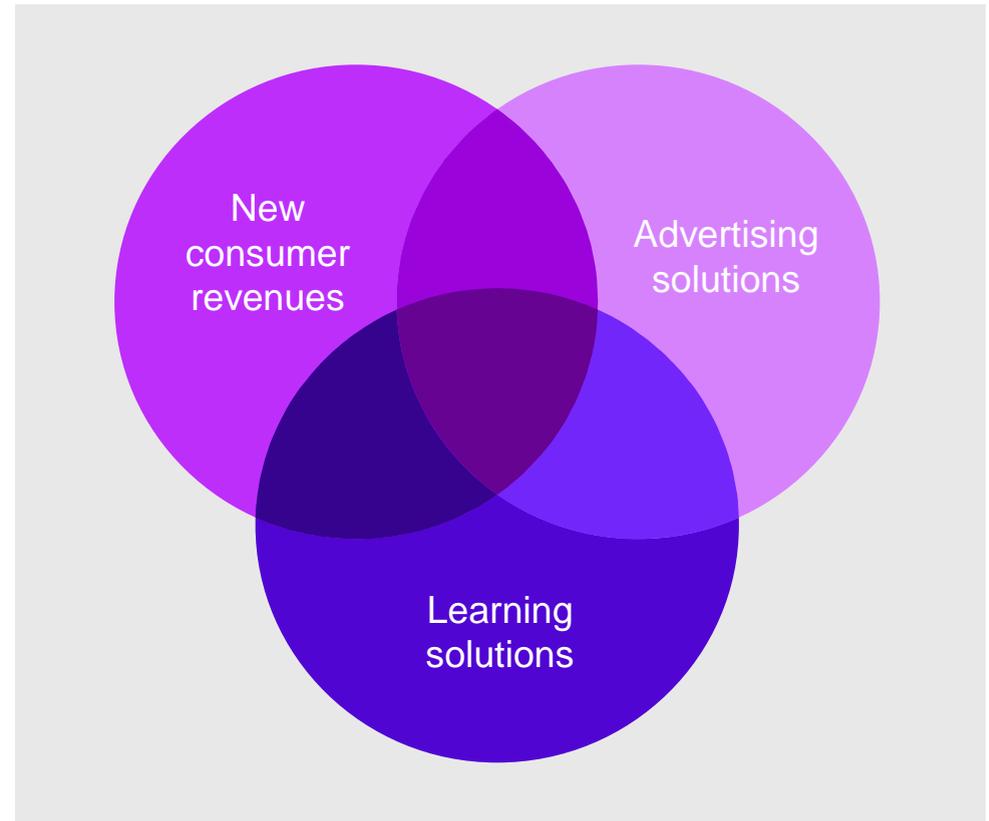
# Managing the digital transformation

Focus on consumer media and learning

Drive performance of current business



Multi-platform and digital growth



# Digital transformation in making

## Transformation of main media operations

### News

- #1 in Finland
- Growth in engagement
- Proven transformation path to digitalisation in newspapers
- Digital sales grew by more than 15% in Q2
- Ilta-Sanomat: Growth in online advertising more than offset decline in print advertising in H1
- Active role in the consolidation of printing market

### TV

- Strong positions in the Netherlands and Finland
- Total viewing times growing, linear TV's viewing times at prior years' levels
- Linear TV's share of total advertising market stable to growing
- Established position in online-TV in Finland
- Introduction of pay-VOD (video-on-demand) in Finland

### Magazines

- #1 in the Netherlands and Finland
- New business logics in digital moving forward, but still to be proven
- Digital Donald Duck download centre launched

## Growth and transformation in Learning

### Learning

- Leading learning player in 6 countries
- Sanoma at the forefront of gradual transformation to digital
  - Launch of upper secondary range of e-book series in Finland
- New portfolio expansion
  - Launch of pilot new online tutoring platform in the Netherlands and Belgium
  - Launch of testing & assessment platform in Poland

# Examples of innovation and digital development

- Consumer data and analytics

- Building capabilities and infrastructure on performance metrics, sales optimisation, targeted advertising and content recommendation

- Multi-channel content & publishing development

- Content library
- Digital distribution

- E-commerce

- Kieskeurig International, Szallas, Huuto.net, Mitä saisi olla, leef.nl

- Internal ventures

- Mobile and Content Accelerator programs for training and establishing in-house start-ups

- Sanoma Ventures

- Seed investments so far in 10 promising external start-ups, e.g. Fashionchick.nl

# Convert reach to revenues

Cross-media adds value for customers and Sanoma

Increased added value  
to consumers / communities

- Brand extensions & supplements
- Improved experience through multimedia expansion
- More targeted segmentation
- New digital businesses

Improved return on  
marketing

- Increased cross-media reach
- More targeted segmentation
- Capitalize on engaging context
- Domain 'ownership'

Increased return on  
reach and content

- Multi-format concept
- Content pooling and reusing
- ARPU centric thinking
- Monetise reach and media power
- New digital businesses



# Redesign of consumer media operations

Will change the financial profile of the Group and may affect asset valuations

- Strategic choices to enhance focus
  - Product and service portfolios
  - Cost efficiency, incl. operational structures
  - Planning commenced – next update at Q3 publication
- Investment focus on digital and learning solutions
- Continue to divest non-core assets



s

a

a

n

m

o

Environment  
& Outlook

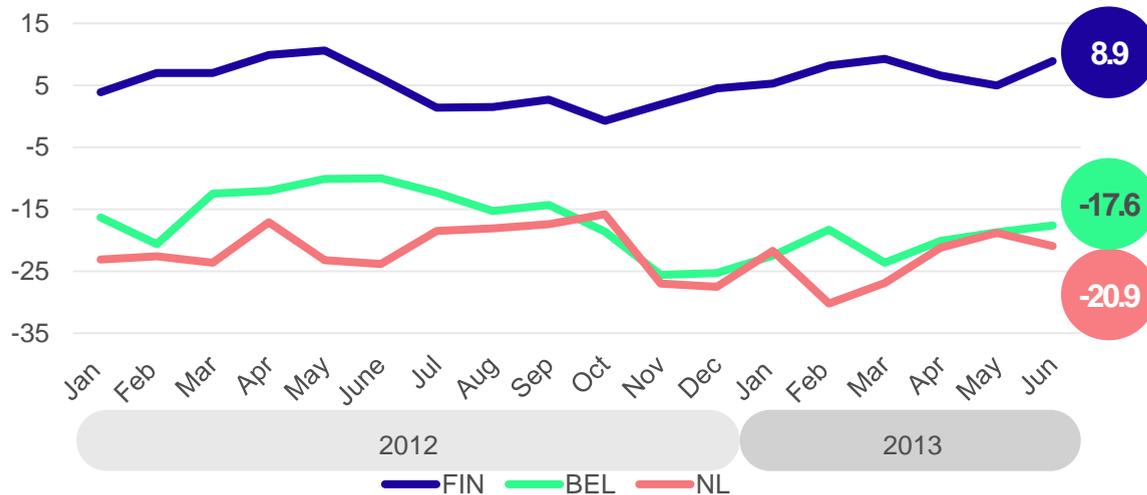
# Advertising markets under severe pressure

Market environment impacting financial performance

## Market environment

- **Economy** – subdued market conditions and likelihood of clearly improving environment low
- **Advertising** – incl. transformation from print to digital
- **Consumer behaviour** – incl. shift in time spent and continued depressed consumer confidence

## Consumer confidence\*



## Advertising market\*\* Change in % vs. prior year

Netherlands	Q1/2013	Q2/2013
Magazines	-17	-17
TV	-5	-4
Online	-10	-14
<b>Total ad market</b>	<b>Around -8***</b>	<b>Around -7***</b>

Finland	Q1/2013	Q2/2013
Newspapers	-18	-17
Magazines	-16	-15
TV	-10	+3
Online	+3	+6
<b>Total ad market</b>	<b>Around -13</b>	<b>Around -8</b>

Belgium	Q1/2013	Q2/2013
Magazines	-20	-19
TV	-10	-10
Online	0	+3
<b>Total ad market</b>	<b>Around -10</b>	<b>Around -10</b>

\*Source: European Commission.

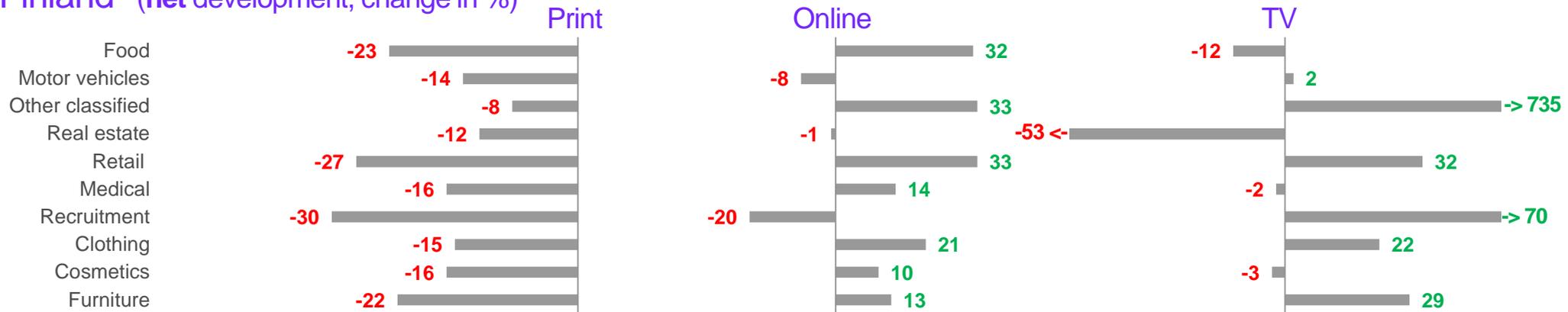
\*\*Net figures, excluding online search. NL & BEL: Sanoma estimates, FIN: TNS Gallup.

\*\*\*Weighted average of magazines, TV and online (excluding search).

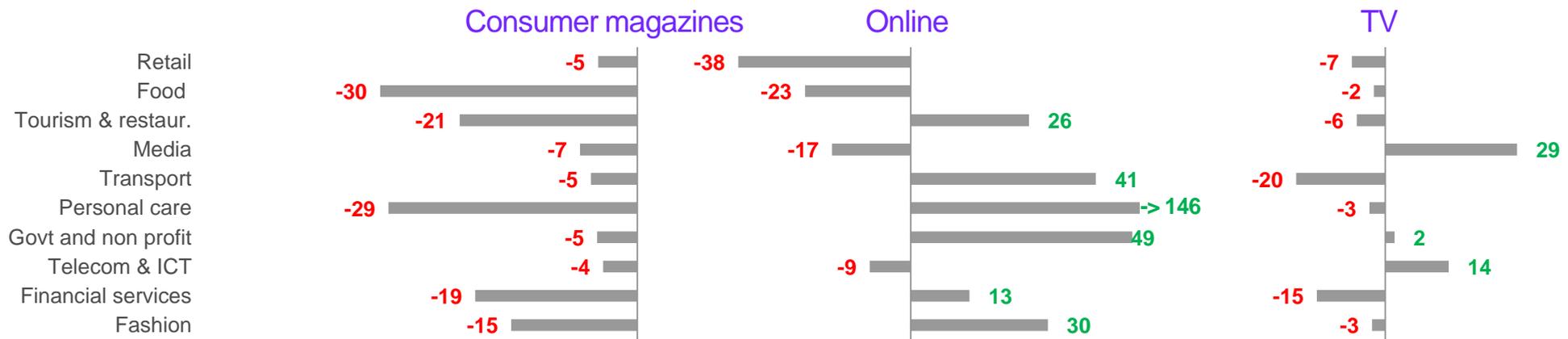
# Advertising markets by category H1/2013 vs. H1/2012

Print advertising declining in all main categories, mixed development in online and TV

## Finland\* (net development, change in %)



## Netherlands\*\* (gross development, change in %)



\*Source: TNS Gallup, online excluding search.

\*\*Source: Nielsen, online excluding search.

**sanoma** get the world

# Group outlook for 2013

Published on 23 July 2013

In 2013, Sanoma expects that the Group's consolidated net sales will decline more than 4% compared to 2012 and operating profit excluding non-recurring items is estimated to be below EUR 180 million.

Sanoma's outlook is based on the assumptions that the European economic environment remains under pressure and adversely impacts advertising markets in Sanoma's main operating countries. The likelihood of clearly improving market conditions in the second half of the year is estimated to be low.



# Group long-term financial targets

## Financial targets\*

Net sales growth	Faster than GDP growth in main operating countries
EBIT margin excl. non-recurring items	12%
Net debt / EBITDA**	<3.5
Equity ratio	35–45%
Gearing	<100%
Dividend per share	>50% of EPS excl. non-recurring items
CAPEX	< EUR 100 million

\* Group long-term financial targets published on 14 June 2012.

\*\* EBITDA is calculated based on 12-month rolling EBITDA excl. non-recurring items, where acquired operations are included and divested operations excluded for the rolling period, and where programming rights and prepublication rights have been raised above EBITDA.

s

a

n

a

o

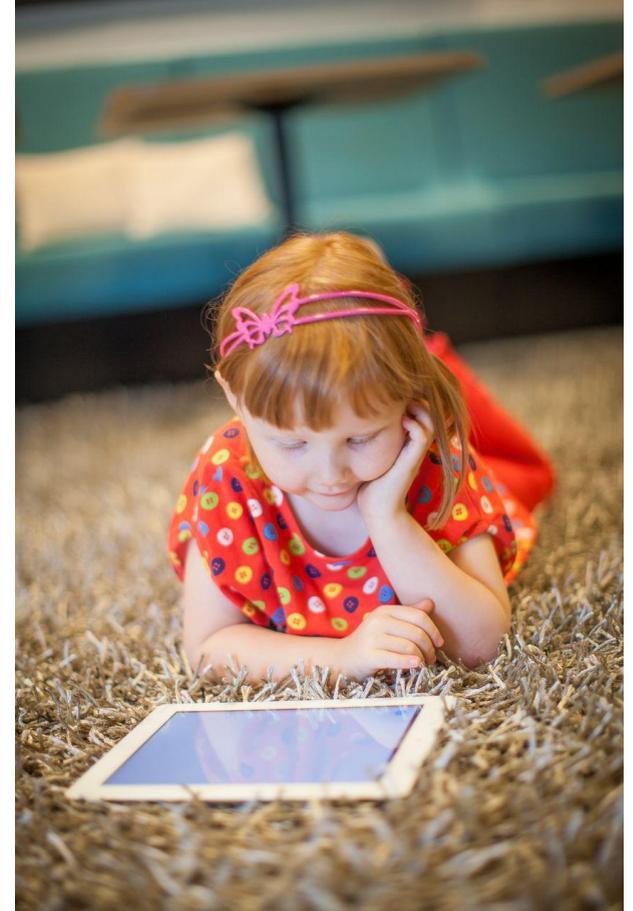
m

**Financials**

# Learning solid – structural changes accelerating in media

Q2 2013

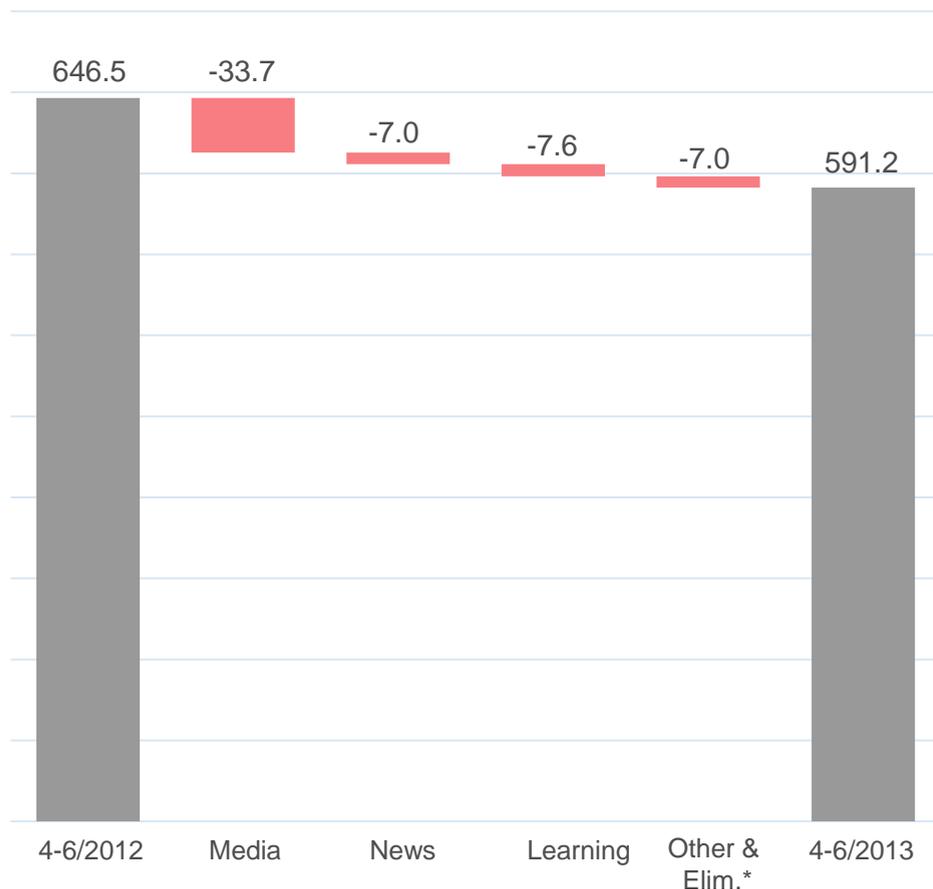
- Net sales for the Group EUR 591 million (647)
  - Learning – solid performance impacted by timing shift in sales recognition between quarters
  - Media – continued deterioration of advertising markets and circulation
  - News – continued deterioration of print advertising and circulation
- EBIT excl. non-recurring items EUR 68.0 million (103.8)
  - Learning – impacted by timing shift between quarters
  - Media – decline in sales not offset by efficiency measures
  - News – improved its EBIT excl. non-recurring items compared to comparable period for the first time since Q4 2011
- Three-year EUR 60 million (gross) savings programme
  - Proceeding according to plan
- Divestments of non-core assets



# Net sales development

Q2 2013

EUR million



(%)	4-6/2013 organic growth	4-6/2013 share of net sales	2012 organic growth
Group	-9.3		-3.3
Media	-9.7	60.0	-5.8
News	-6.5	16.9	-3.6
Learning	-6.6	17.5	+8.6

- Media:** Advertising adversely affected net sales, especially in the Netherlands. Lower circulation volumes not offset by price increases.
- News:** Decline in net sales is mainly attributable to lower print advertising sales, whereas online advertising sales increased.
- Learning:** Timing shift from Q2 to Q1 in sales recognition in Netherlands led to lower sales compared to previous year. Underlying performance solid.
- Other:** Non-core operations under pressure.

\*The line item 'Other companies and eliminations' includes non-core operations, head office functions, real estate companies and Group eliminations.

# EBIT excl. non-recurring items development

Q2 2013

EUR million



\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

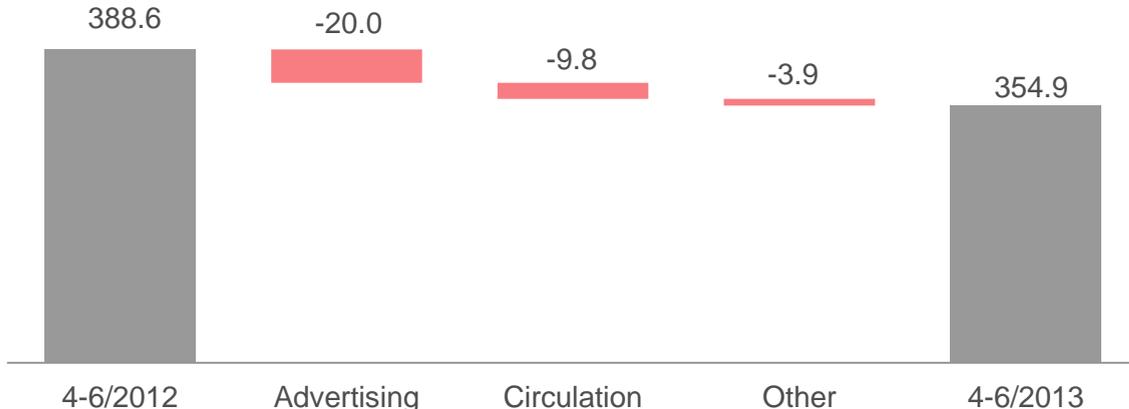
\*\*The line item 'Other companies and eliminations' includes non-core operations, head office functions, real estate companies and Group eliminations.

# Media – net sales and EBIT excl. non-recurring items

Q2 2013

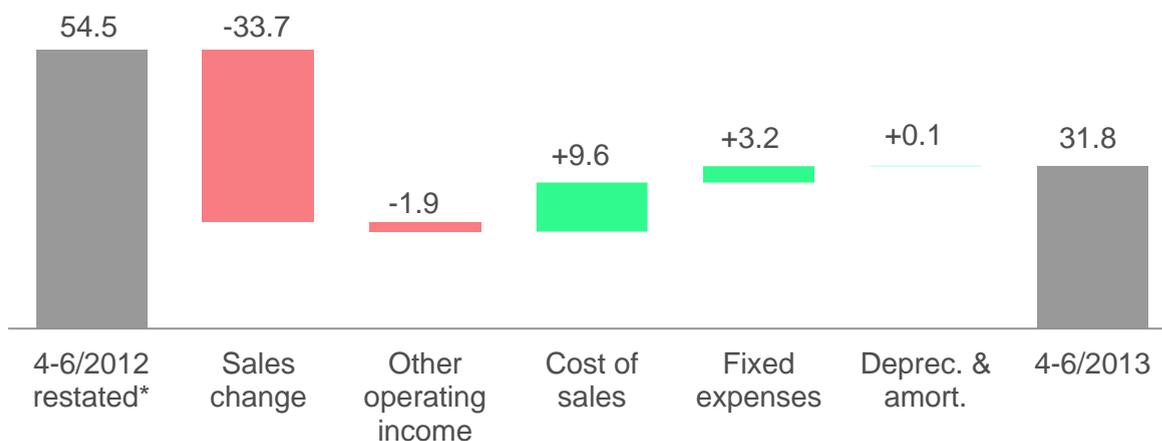
## Net sales

EUR million  
388.6



## EBIT excl. non-recurring items

EUR million



- Sales declined mainly due to weak advertising market
  - ¾ of decline in advertising explained by weak advertising market in the Netherlands
- Decline in magazine circulation not offset by price increases

- Operating profit excluding non-recurring items impacted mainly by:
  - Weak advertising sales
  - Efficiency measures not able to offset the decline in sales

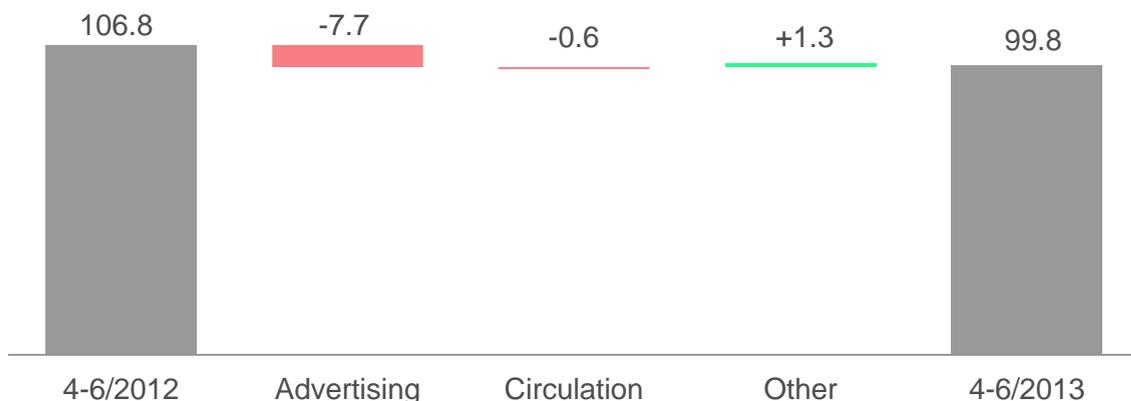
\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

# News – net sales and EBIT excl. non-recurring items

Q2 2013

## Net sales

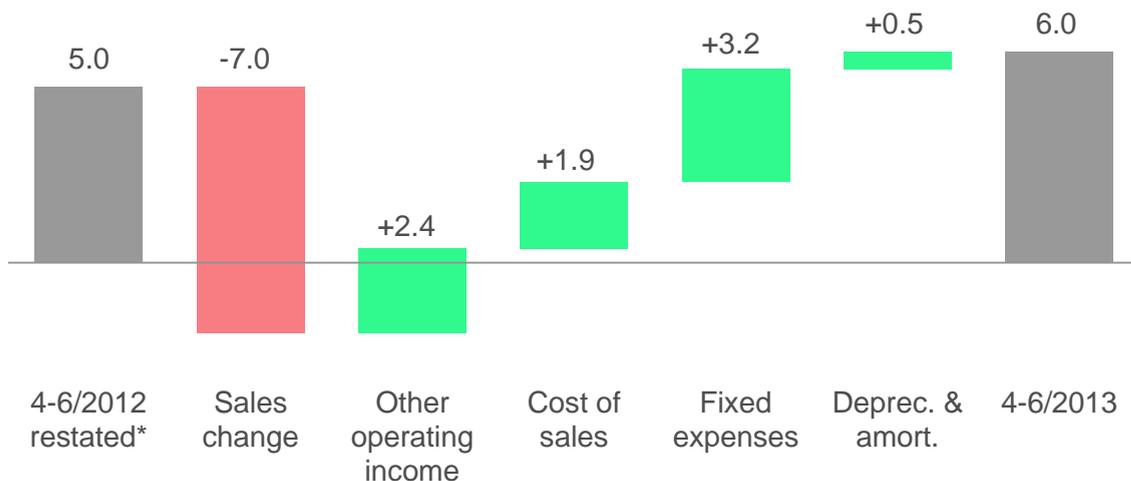
EUR million



- Sales declined mainly due to weak print advertising market
- In Ilta-Sanomat online advertising more than off-set the decline in print advertising

## EBIT excl. non-recurring items

EUR million



- EBIT excluding non-recurring items increased mainly due to cost savings
- News improved its EBIT excluding non-recurring items compared to comparable period for the first time since Q4 2011

\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

# Non-recurring items

Q2 2013

- **Restructuring expenses** – approx. EUR 7 million related to cost savings programme
- **Netherlands** – approx. EUR 6 million tax-deductible impairment of intangible assets related to equestrian sports magazines
- **Belgium** – approx. EUR 11 million tax-deductible impairment of intangible assets related to Sanoma's share of the Belgium De Vijver operations and approx. EUR 2 million tax-deductible impairment related to Belgium magazine operations

EUR million	4–6/2013	4–6/2012	1–6/2013	1–6/2012	1–12/2012
Gain on sales	0.0	7.0	1.5	7.0	10.2
Loss on sales	-1.9	0.0	-1.9	0.0	-1.1
Restructuring expenses	-10.0	-5.2	-13.9	-5.2	-24.2
Impairment of goodwill and intangible assets	-19.1	-7.5	-53.9	-7.5	-35.0
<b>Total non-recurring items in operating profit</b>	<b>-31.0</b>	<b>-5.7</b>	<b>-68.3</b>	<b>-5.7</b>	<b>-50.0</b>
<b>Total non-recurring items in associated companies</b>	<b>1.3</b>	<b>-3.2</b>	<b>1.3</b>	<b>-20.5</b>	<b>-17.5</b>

# Free cash flow

Cash flow from operations less cash CAPEX

EUR million	4–6/2013	Restated* 4–6/2012	1-6/2013	Restated* 1-6/2012	Restated* 1–12/2012
<b>EBITDA excl. non-recurring items</b>	<b>141.1</b>	<b>178.3</b>	<b>217.0</b>	<b>265.2</b>	<b>523.0</b>
TV programming costs	-34.7	-40.3	-94.8	-89.0	-179.3
Prepublication costs	-8.1	-7.4	-14.6	-13.6	-28.2
Change in working capital	-60.5	-79.8	-95.8	-100.2	-11.4
Interest paid	-7.7	-13.5	-34.7	-21.2	-35.7
Other financial items	-1.5	-1.1	-4.0	-4.5	-9.2
Taxes paid	-16.7	-10.5	-19.8	-33.7	-49.3
Other adjustments	-9.4	-7.0	-13.4	-6.2	-18.0
<b>Cash flow from operations</b>	<b>2.6</b>	<b>18.8</b>	<b>-60.2</b>	<b>-3.1</b>	<b>192.0</b>
Cash CAPEX	-20.8	-13.4	-33.7	-29.7	-63.5
<b>Free cash flow</b>	<b>-18.3</b>	<b>5.4</b>	<b>-93.9</b>	<b>-32.8</b>	<b>128.5</b>

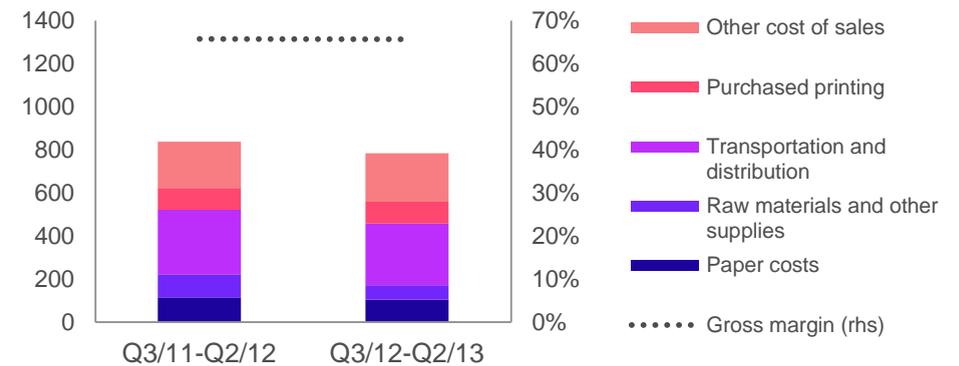
\* 2012 figures have been restated due to a change in IAS19 'Employee benefits' and include continuing and discontinued operations.

# Cost structure & savings programme

- **Gross margin** – at the level of comparable period
- **Fixed costs** – lower in absolute terms
- **Group-wide cost savings programme** – targeting around EUR 60 million gross savings compared to 2012
  - Savings fully effective by the end of 2015
- **Savings programme** – proceeding according to plan
  - Decisions made so far are estimated to generate around half of targeted EUR 60 million gross savings
    - Realised gross savings more than EUR 3 million in Q2 2013
  - Around EUR 16 million of non-recurring items recognised so far
    - Some EUR 7 million in Q2 2013

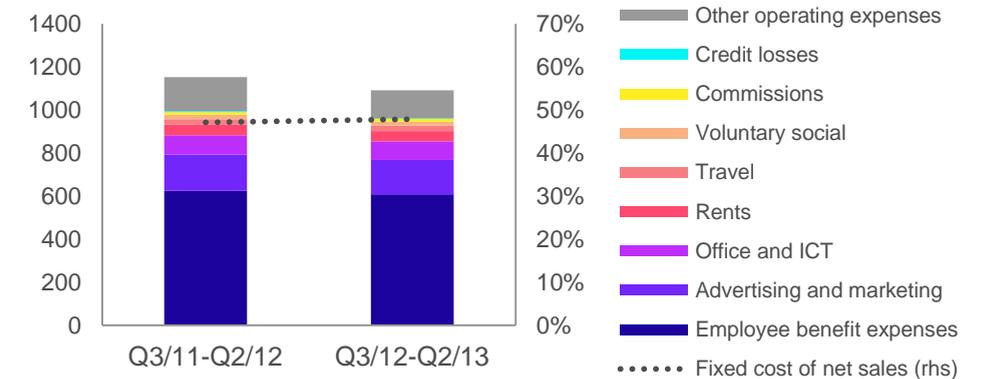
**Cost of sales split (EUR million) and Gross Margin**

Rolling 12 months



**Fixed cost split (EUR million) and share of net sales**

Rolling 12 months

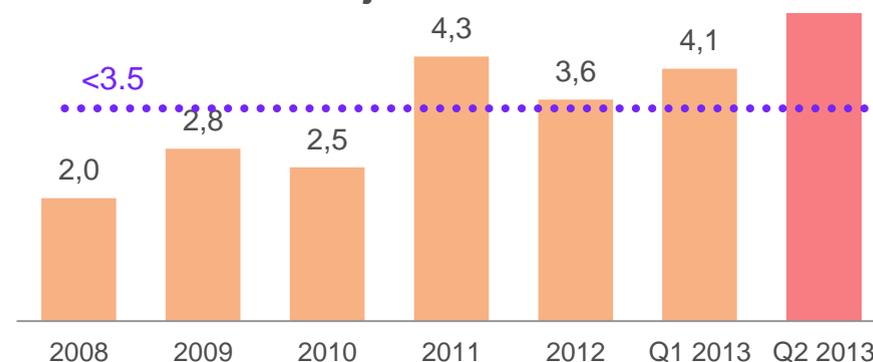


# Capital structure

30 June 2013

- Funding secured for the coming years
  - Diversification of funding through sale and leaseback arrangements under consideration
- Q2 is seasonally the weakest for the balance sheet
- Net debt EUR 1,418 million (1,457)
  - Net debt / EBITDA adjusted 5.0 times (4.7)
    - EBITDA adjusted is calculated based on 12-month rolling EBITDA excl. non-recurring items (continuing operations), where acquired operations are included and divested operations excluded for the rolling period, and where programming rights and prepublication rights have been raised above EBITDA
  - Average interest rate around 3.5% p.a.
  - Interest sensitivity\* is around EUR 3 million and the duration is 18 months
- Equity totalled EUR 1,444 million (1,533)
- Clear headroom to financial loan covenants
  - Net debt / EBITDA based on covenant calculation method 3.1 times (2.7)
  - Equity ratio 38.2% (39.6%)

## Net debt / EBITDA adjusted



## Committed credit facilities profile\*\*

EUR million

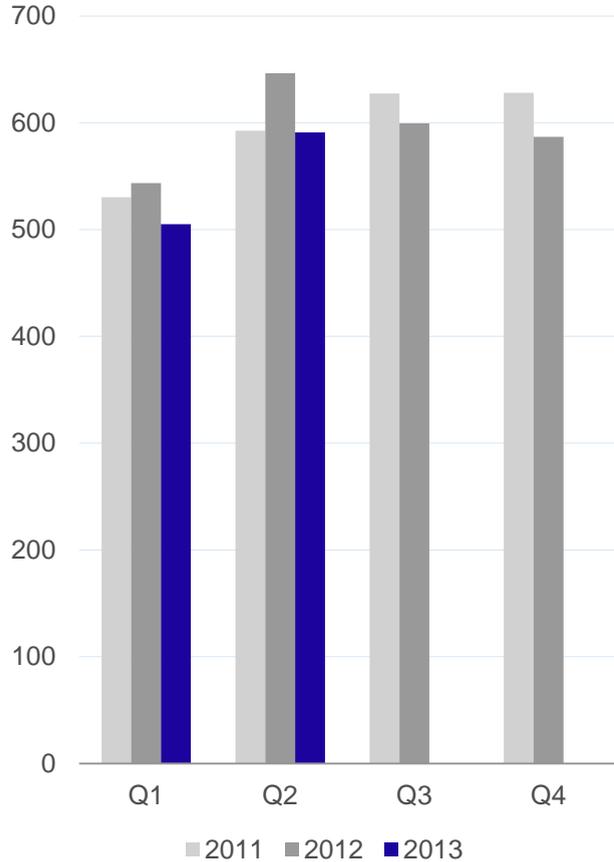


\* Should the level in market interest rates make a parallel shift of one percentage point.

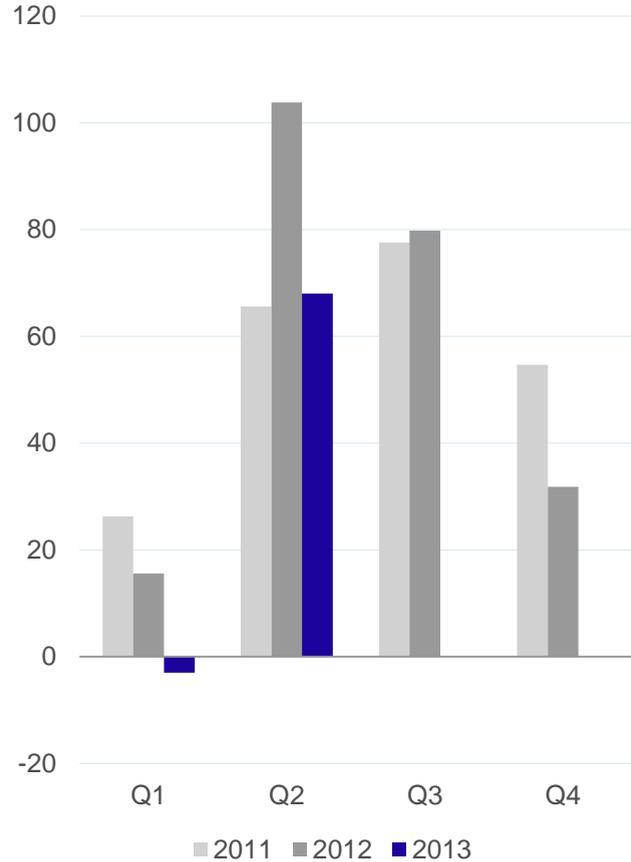
\*\* Including the EUR 400 million bond maturing in 2017 and excluding current account limits.

# Seasonality between quarters visible in EBIT and cash flow

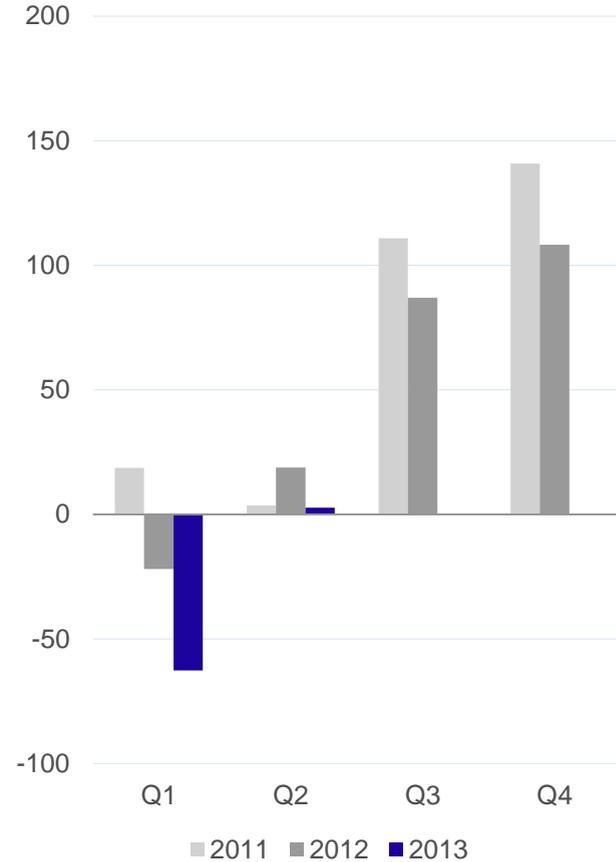
Net sales (EUR million)



EBIT excl. non-recurring items (EUR million)\*



Cash flow from operations (EUR million)\*



\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

# Appendix 1

–

## Sanoma's business units

s

a

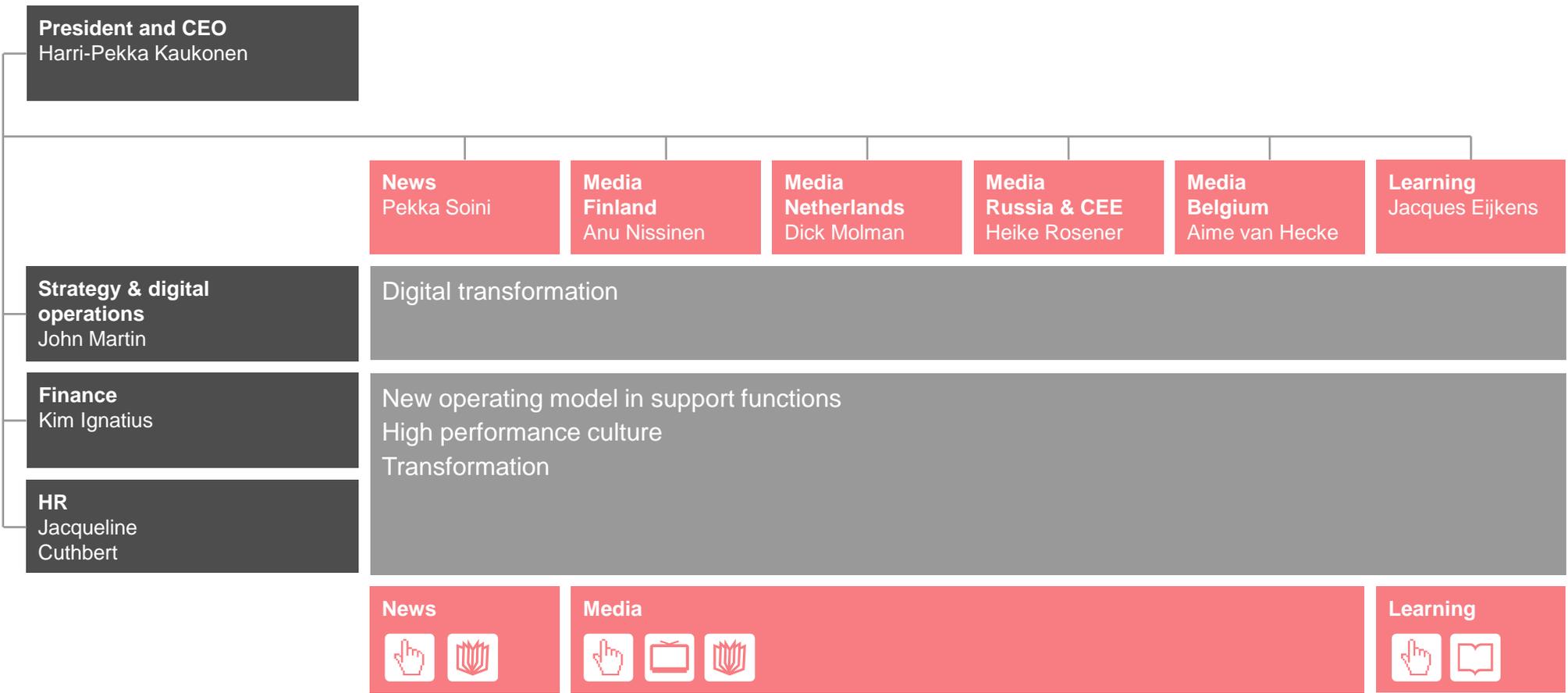
o

m

n

a

# Organisational structure



# Sanoma Media

## Key figures

EUR million	4–6/2013	1–3/2013	FY 2012	10–12/2012	7–9/2012	4–6/2012	1–3/2012	FY 2011
<b>Net sales</b>	<b>354.9</b>	<b>323.5</b>	<b>1,487.1</b>	<b>406.3</b>	<b>338.1</b>	<b>388.6</b>	<b>354.1</b>	<b>1,369.2</b>
The Netherlands	184.6	157.2	760.4	207.2	173.5	208.1	171.6	642.0
Finland	73.7	69.6	301.7	82.2	65.4	76.7	77.4	309.7
Russia & CEE	43.9	42.8	199.5	53.5	46.9	50.1	49.0	213.1
Belgium	53.2	54.3	228.3	64.1	52.9	54.6	56.8	209.1
Other businesses and eliminations	-0.5	-0.5	-2.7	-0.7	-0.6	-0.8	-0.7	-4.8
<b>EBIT excluding non-recurring items*</b>	<b>31.8</b>	<b>-1.3</b>	<b>151.5</b>	<b>46.9</b>	<b>23.0</b>	<b>54.5</b>	<b>27.0</b>	<b>149.5</b>
<i>% of net sales</i>	<i>9.0</i>	<i>-0.4</i>	<i>10.2</i>	<i>11.5</i>	<i>6.8</i>	<i>14.0</i>	<i>7.6</i>	<i>10.9</i>
Number of employees (FTE)**	5,512	5,536	5,718	5,718	5,824	5,770	5,785	5,638

\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

\*\* At the end of the period.

# Sanoma Media Netherlands

- Net sales 2012: EUR 760 million
- Has an extensive portfolio with over 100 different brands in print, TV and online
- Is the dominant player in the Dutch magazine market
  - Libelle, Margriet, LINDA., Donald Duck, Story, Veronica magazine
- No 2 commercial TV player in the Netherlands
  - SBS6, NET5 and Veronica together have 25% share of the TV advertising
- Has a rich online portfolio of 120 websites
  - Grazia.nl, NU.nl, Startpagina.nl, Styletoday.nl, Vrouwonline.nl and many more
  - Developing actively mobile applications



# Sanoma Media Finland

- Net sales 2012: EUR 302 million
- Around 40 quality titles and a readership of over 3 million
  - Finland's number-one publisher of children's and juvenile publications
  - Popular titles include Aku Ankka (Donald Duck), Kodin Kuvalehti, ET-lehti, Me Naiset
- No 2 commercial TV player in Finland
  - Commercial TV channel Nelonen complemented with seven other TV channels and five radio channels in Finland
  - Nelonen Media's share of TV advertising is 34%
  - Online TV service Ruutu.fi is one of our strongest-growing online services



# Sanoma Media Belgium

- Net sales 2012: EUR 228 million
- Operates in both the Dutch and French speaking markets
- Market leader in women's magazines and TV titles (Libelle, TeVe-Blad, Story)
- Has a number of popular internet sites in Belgium
- 33% of De Vijver
  - Free-to-air TV channels VIER and VIJF
  - Weekly magazine Humo
  - TV production company Desert Fishes



# Sanoma Media Russia & CEE

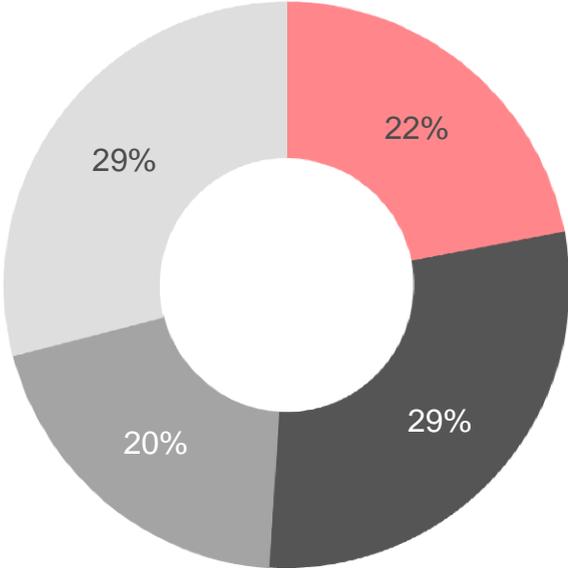
- Net sales 2012: EUR 200 million
- Operates in eight markets: Bulgaria, Croatia, the Czech Republic, Hungary, Russia, Serbia and Ukraine
- Publishes over 120 consumer magazines mainly targeted at women
  - Cosmopolitan, Men's health, National Geographic
- Online and mobile media products include both magazine websites and independent online services
- Two cable TV channels in Hungary
  - Story4 and Story5



# TV – net sales and EBIT seasonality

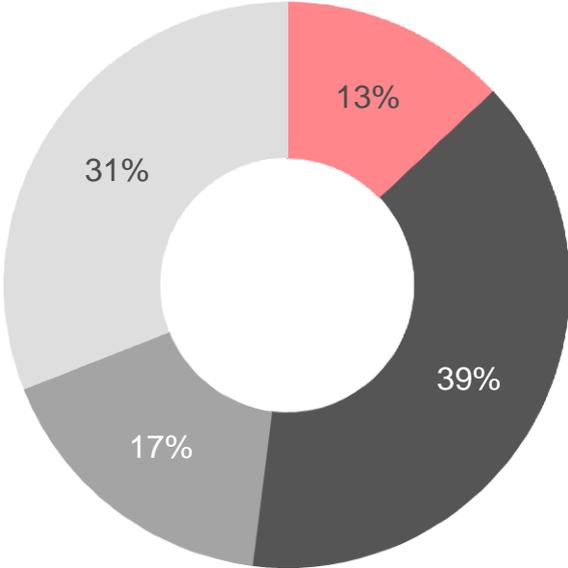
2010-2012 average for TV\*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT\*\* split



■ Q1 ■ Q2 ■ Q3 ■ Q4



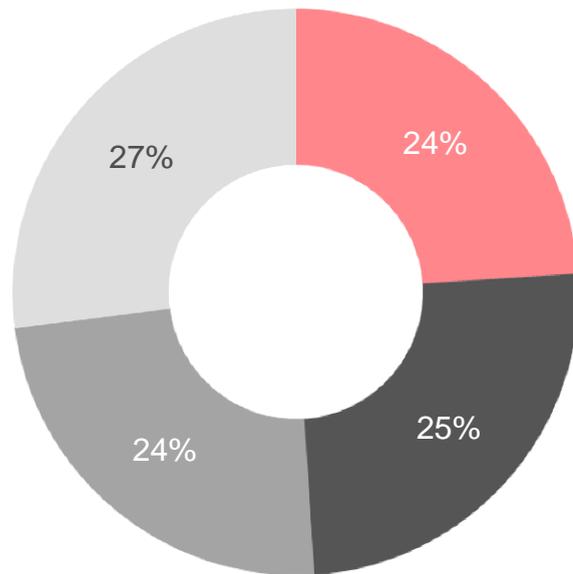
\*Includes SBS Netherlands (excluding PPA amortization) and Nelonen Media Finland.

\*\*Excluding non-recurring items.

# Magazines – net sales and EBIT seasonality

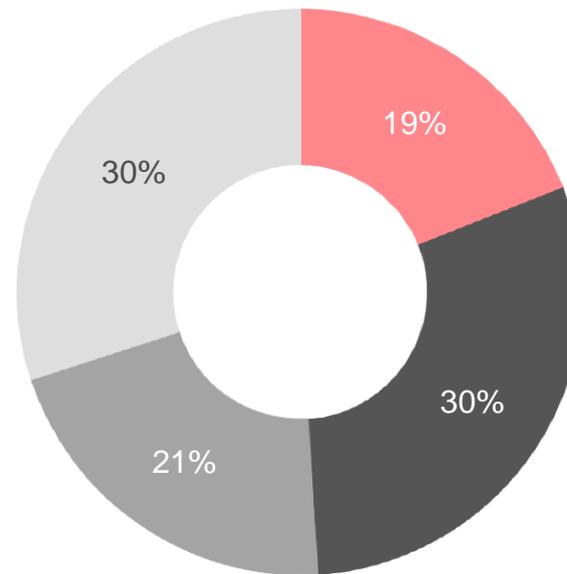
2010-2012 average for Magazines\*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT\*\* split



■ Q1 ■ Q2 ■ Q3 ■ Q4

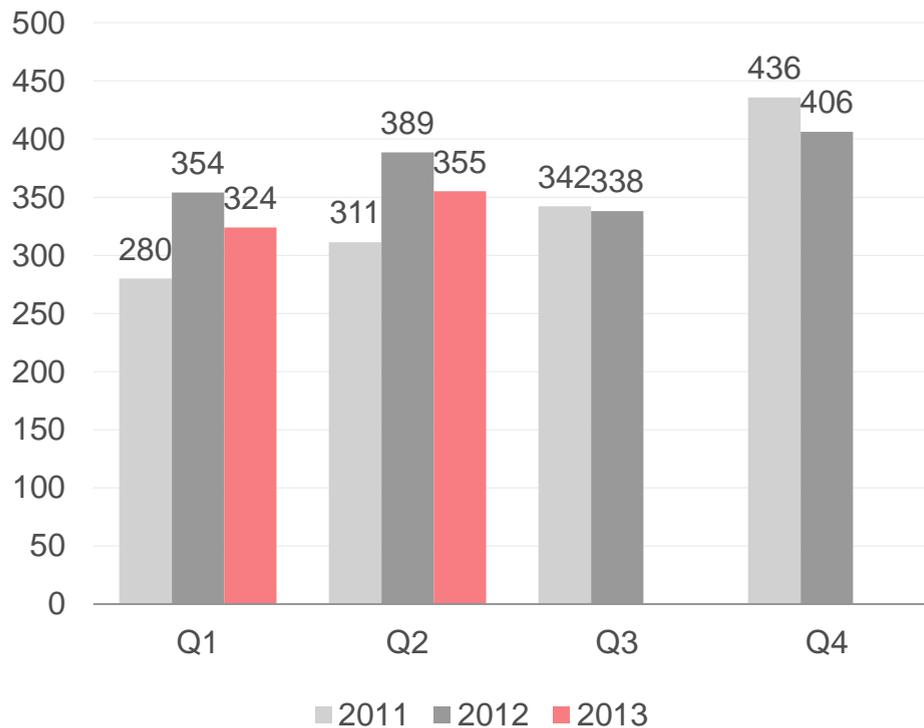


\*Includes Dutch, Finnish, Belgium and Russian operations.

\*\*Excluding non-recurring items.

# Sanoma Media

Net sales  
EUR million



EBIT excluding non-recurring items\*  
EUR million



\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

# Sanoma News

## Key figures

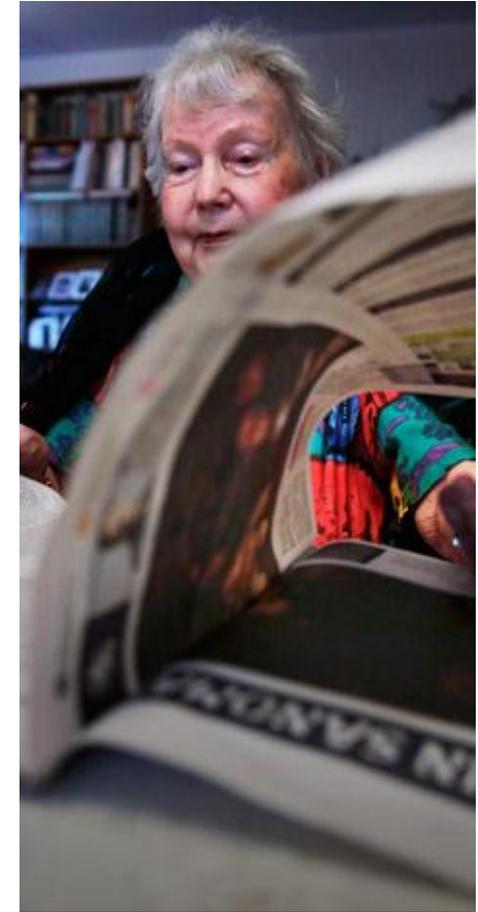
EUR million	4-6/2013	1-3/2013	FY 2012	10-12/2012	7-9/2012	4-6/2012	1-3/2012	FY 2011
<b>Net sales</b>	<b>99.8</b>	<b>101.0</b>	<b>422.8</b>	<b>107.6</b>	<b>98.3</b>	<b>106.8</b>	<b>110.0</b>	<b>435.8</b>
Helsingin Sanomat	<b>53.0</b>	56.3	224.9	57.1	52.2	<b>56.2</b>	59.3	238.5
Ilta-Sanomat	<b>22.7</b>	20.0	84.3	21.1	20.0	<b>22.0</b>	21.2	84.4
Other businesses and eliminations	<b>24.1</b>	24.8	113.5	29.4	26.1	<b>28.6</b>	29.5	112.9
<b>EBIT excluding non-recurring items*</b>	<b>6.0</b>	<b>5.9</b>	<b>32.2</b>	<b>10.0</b>	<b>8.4</b>	<b>5.0</b>	<b>8.8</b>	<b>49.4</b>
<i>% of net sales</i>	<b>6.0</b>	5.8	7.6	9.3	8.5	<b>4.7</b>	8.0	11.3
Number of employees (FTE)**	<b>2,127</b>	2,026	1,928	1,928	2,002	<b>2,213</b>	2,033	2,025

\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

\*\* At the end of the period.

# Sanoma News

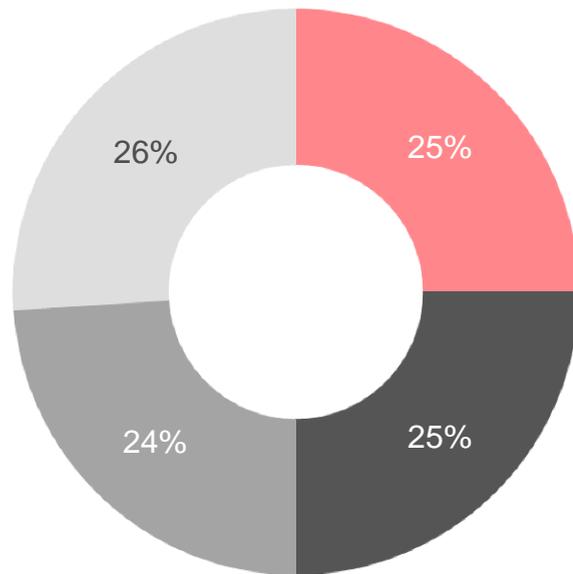
- Net sales 2012: EUR 423 million
- Finland represents 99% of the segment's sales
- Helsingin Sanomat and Ilta-Sanomat are the leading newspapers in Finland
- Metro is the leading free sheet in Finland
- Etelä-Saimaa, Kouvolan Sanomat and Kymen Sanomat are the leading regional papers
- Digital media, a growth area:
  - Market leader in online classified ad services (Huuto.net, Keltainen Pörssi and Oikotie) – in addition in Estonia and Latvia
  - Iltasanomat.fi the second largest online newspaper in Finland
  - Strong internet news service Taloussanomat.fi
- Printing plants at five locations
- Sanoma News was established in 1889



# News – net sales and EBIT seasonality

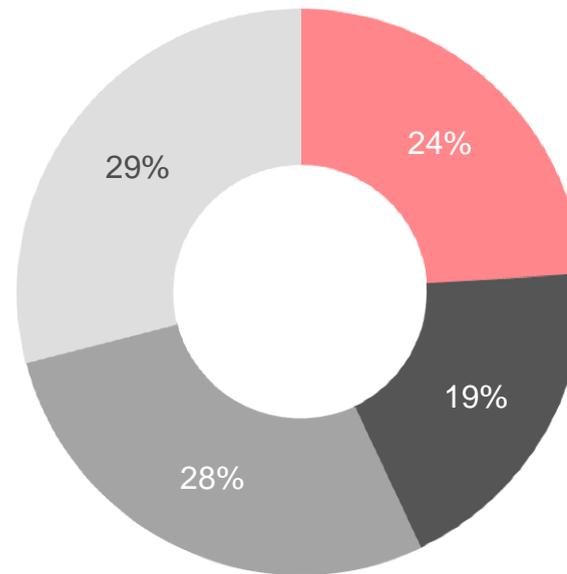
2010-2012 average for News

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT\* split



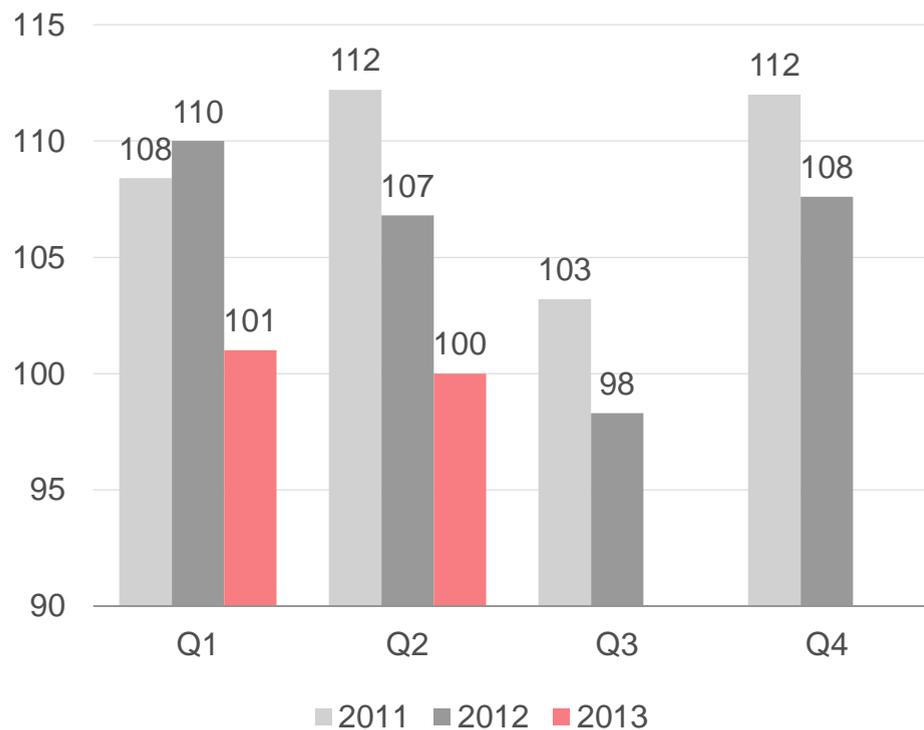
■ Q1 ■ Q2 ■ Q3 ■ Q4



\*Excluding non-recurring items.

# Sanoma News

Net sales  
EUR million



EBIT excluding non-recurring items\*  
EUR million



\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

# Sanoma Learning

## Key figures

EUR million	4-6/2013	1-3/2013	FY 2012	10-12/2012	7-9/2012	4-6/2012	1-3/2012	FY 2011
<b>Net sales</b>	<b>103.5</b>	<b>45.7</b>	<b>312.4</b>	<b>35.5</b>	<b>127.4</b>	<b>111.1</b>	<b>38.4</b>	<b>290.6</b>
Learning	103.7	45.7	306.4	35.5	127.4	109.3	34.2	256.6
Other businesses			6.5	0.0	0.0	1.8	4.6	36.1
Eliminations	-0.2	0.0	-0.5	0.0	0.0	0.0	-0.4	-2.1
<b>EBIT excluding non-recurring items*</b>	<b>35.9</b>	<b>-4.4</b>	<b>59.2</b>	<b>-22.1</b>	<b>49.4</b>	<b>46.9</b>	<b>-15.0</b>	<b>47.7</b>
<i>% of net sales</i>	<b>34.6</b>	-9.6	19.0	-62.2	38.7	<b>42.2</b>	-39.0	16.4
Number of employees (FTE)**	<b>1,741</b>	1,750	1,735	1,735	1,719	<b>1,715</b>	2,011	2,011

\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

\*\* At the end of the period.

# Sanoma Learning

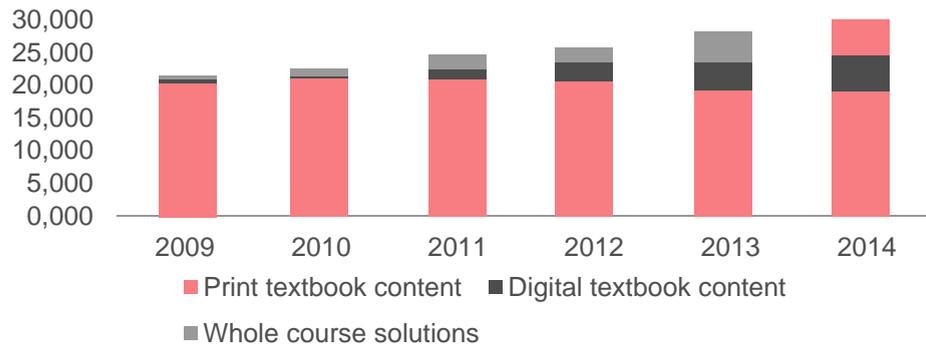
- Net sales 2012: EUR 312 million
- One of Europe's largest providers of learning materials and solutions operating in Finland, Hungary, Belgium, the Netherlands, Poland and Sweden
- Among top 2 learning players in its all 6 operating countries
- The roots of our educational publishing goes back to the 19th century
  - Van In established in 1833, Malmberg 1885



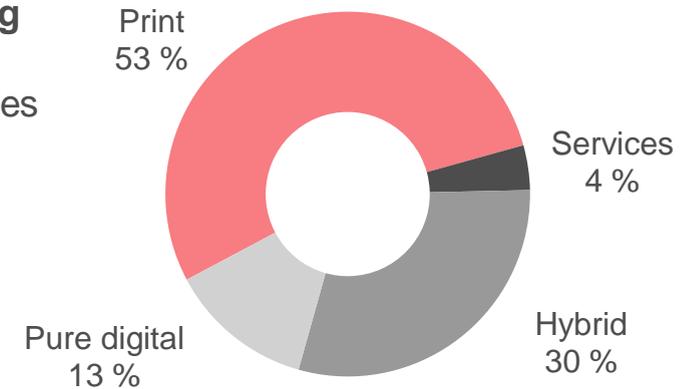
# Sanoma at the forefront and well positioned

Learning transformation still in infancy Sanoma at the forefront and well positioned

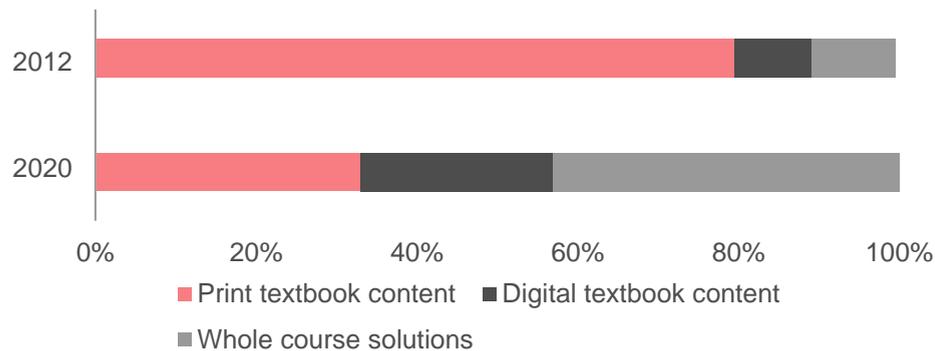
**Global textbook revenue by product type (USD million)**



**Sanoma learning business unit**  
Pro forma net sales by type of sales



**Global education textbook marketplace by format**



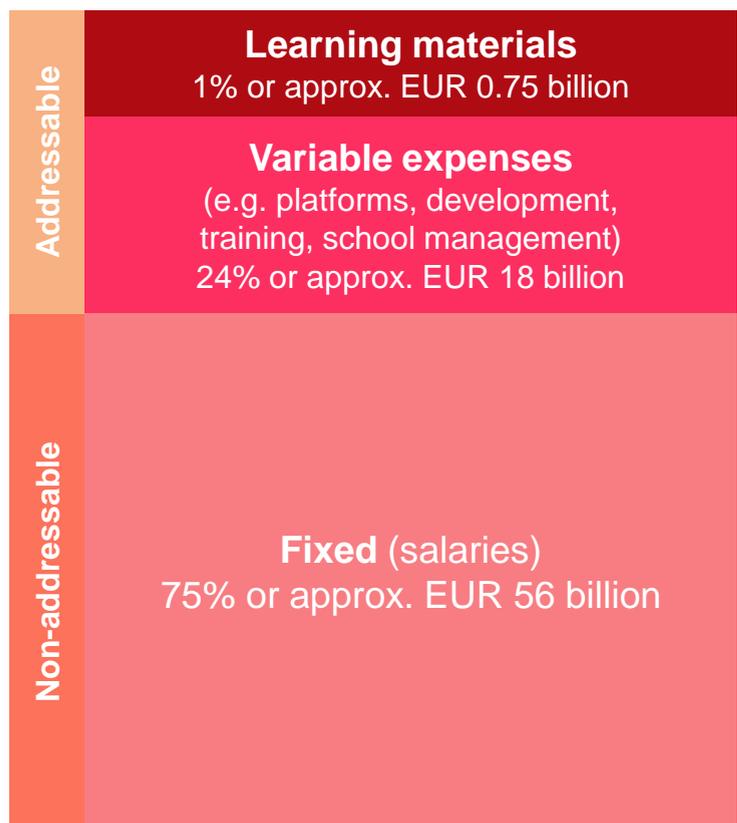
**Expanded value proposition opportunity**

- Pupils need to improve their learning outcomes and workflow
- Teachers need support in teaching and workflow process
- Headmasters need tools for school management
- Parents need tutoring for their children

Source: Outsell Analysis.

# Organic expansion opportunity

## Total educational budget for the countries where we are present



This part of the budget will hardly grow because

- Commoditization of content
- Demographic development

... but there is potential organic growth by

- Sanoma in the forefront of digital transformation and well positioned to create value through new learning solutions and services

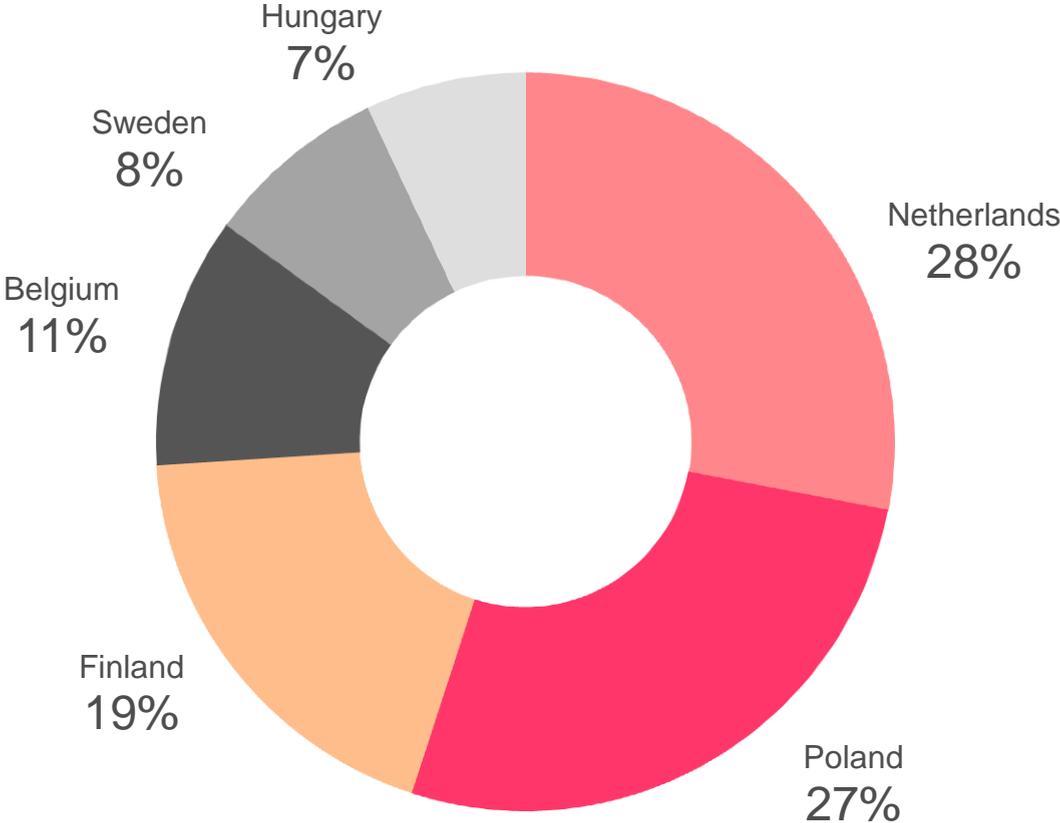
## Total spending on education, 2009 (EUR million)

Country	Total	Fixed	% of total	Learning materials	% of total	Variable expenses	% of total
Belgium	13,000	11,200	86%	100	0.8%	1,700	13%
Hungary	4,700	3,700	78%	50	1.1%	1,000	21%
Netherlands	20,000	16,400	82%	300	1.5%	3,300	17%
Poland	19,000	12,800	67%	135	0.7%	6,200	32%
Finland	6,100	3,900	64%	85	1.4%	2,100	35%
Sweden	11,800	8,000	68%	80	0.7%	3,700	31%
<b>Total</b>	<b>74,500</b>	<b>55,800</b>	<b>75%</b>	<b>750</b>	<b>1%</b>	<b>17,900</b>	<b>24%</b>

Source: Eurostat and OECD.

# Learning net sales split (business unit)

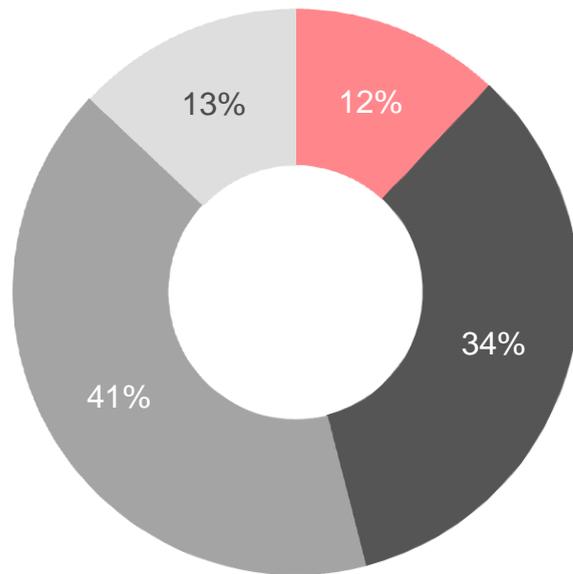
2012 net sales



# Learning – net sales and EBIT seasonality

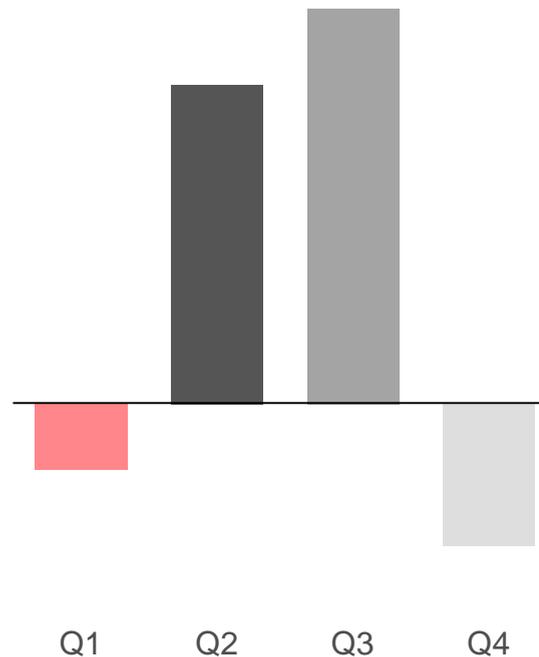
2010-2012 average for learning\*

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

EBIT\*\* split in relative terms

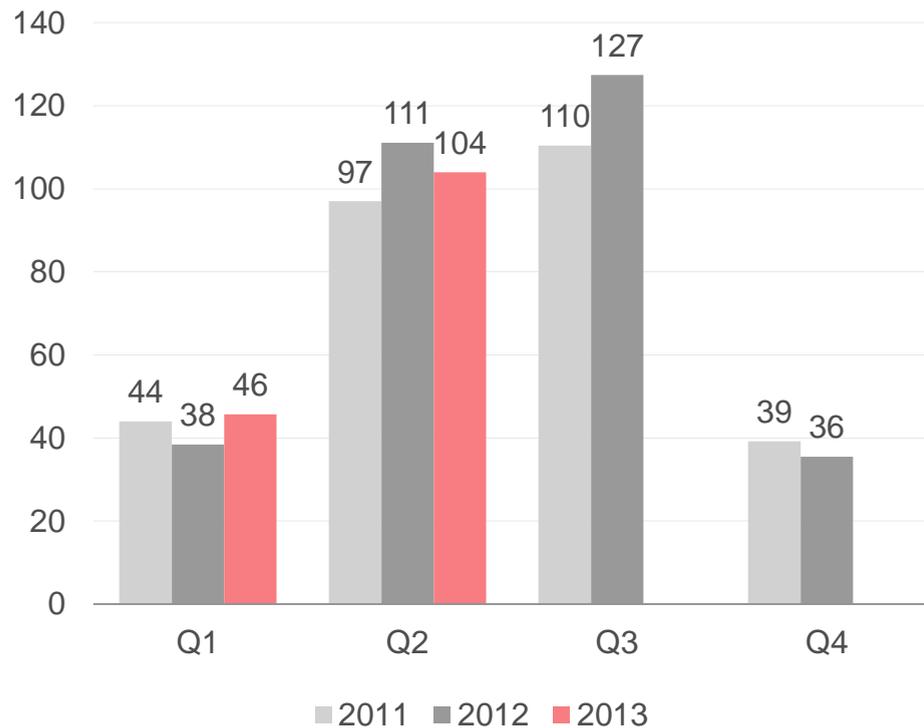


\*Includes only learning business of the Learning segment.

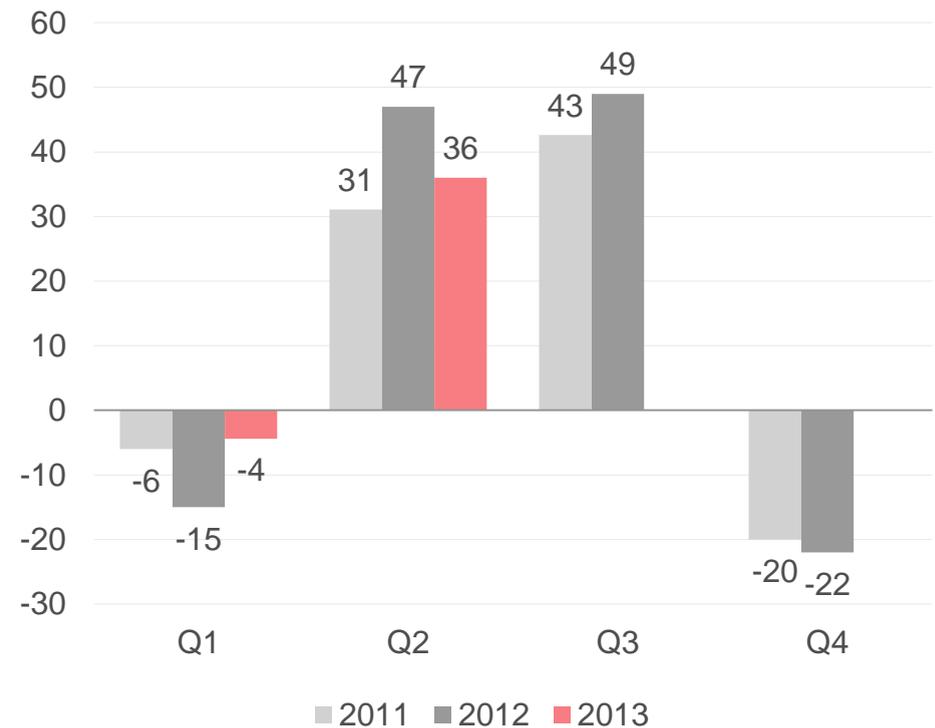
\*\*Excluding non-recurring items.

# Sanoma Learning

Net sales  
EUR million



EBIT excluding non-recurring items\*  
EUR million



\* 2012 figures have been restated due to a change in IAS19 'Employee benefits'.

s

a

n

a

o

m

## Appendix 2

–

### About owners and coverage

# Sanoma – largest shareholders

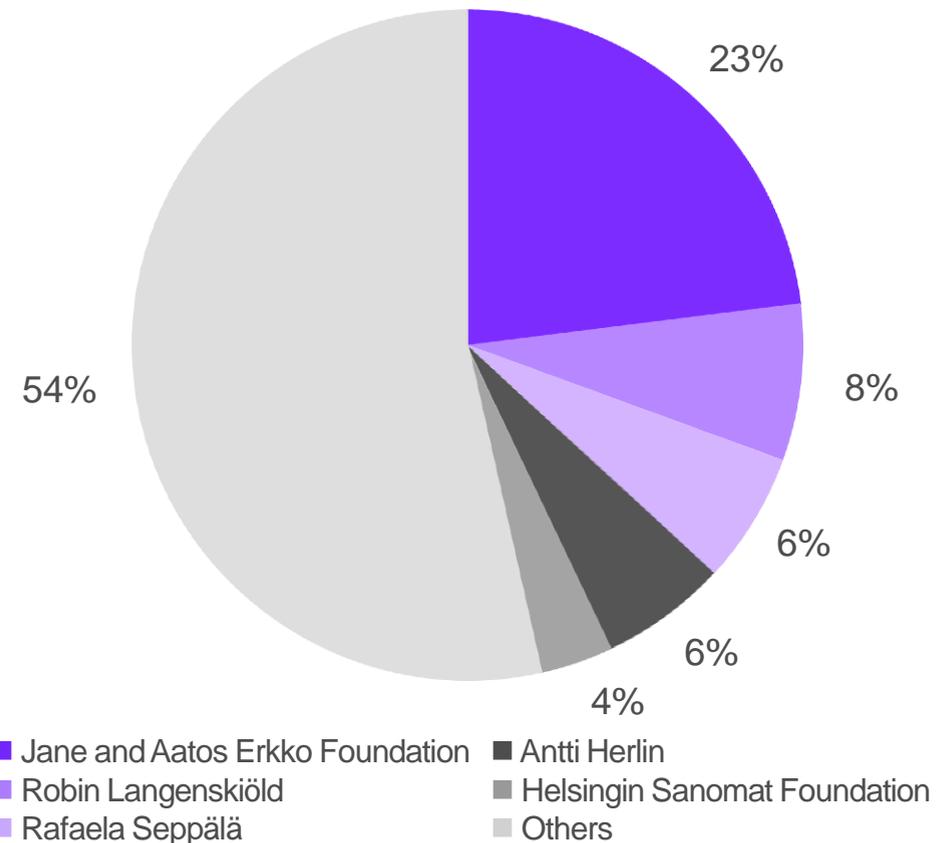
30 September 2013

% of shares  
and votes

1. Jane and Aatos Erkko Foundation	23.02
2. Robin Langenskiöld	7.54
3. Rafaela Seppälä	6.31
4. Antti Herlin (Holding Manutas Oy: 4.98%, Security Trading 1.11%, personal: 0.02%)	6.10
5. Helsingin Sanomat Foundation	3.50
6. Ilmarinen Mutual Pension Insurance Company	2.60
7. Foundation for Actors' Old-age-home	1.38
8. The State Pension Fund	1.28
9. The WSOY's Literature Foundation	1.27
10. Alfred Kordelin Foundation	1.25
<b>Foreign ownership in total</b>	<b>9.1</b>
<b>Total number of shares</b>	<b>162,812,093</b>
<b>Total number of shareholders</b>	<b>32,757</b>

Institutional investors: around 65% of shares

Private investors: around 35% of shares



# Analyst coverage

- **Carnegie Investment Bank**  
Matti Riikonen  
tel. +358 9 6187 1231  
Carnegie.fi
- **Danske Markets Equities**  
Panu Laitinmäki  
tel. +358 10 236 4867  
Danskeequities.com
- **Deutsche Bank**  
Mark Braley  
tel. +44 207 545 9904  
Db.com
- **Evli Bank**  
Mikko Ervasti  
tel. +358 9 4766 9205  
Evli.com
- **FIM**  
Mona Grannenfelt  
tel. +358 9 6134 6503  
Fim.com
- **Handelsbanken Capital Markets**  
Mikael Doepel  
tel. +358 10 444 2450  
Handelsbanken.com/  
capitalmarkets
- **Inderes**  
Sauli Vilén  
tel. +358 44 025 8908  
Inderes.fi
- **Nordea**  
Sami Sarkamies  
tel. +358 9 165 59928  
Nordea.com/markets
- **Pareto Securities**  
Teemu Vainio  
tel. +358 9 8866 6038  
Paretosec.com
- **Pohjola**  
Kimmo Stenvall  
tel. +358 10 252 4561  
Pohjola.fi
- **SEB Enskilda**  
Jutta Rahikainen  
tel. +358 9 6162 8058  
Enskilda.fi

# Sanoma's IR team

- **Mr Martti Yrjö-Koskinen**  
tel. +358 40 684 4643  
martti.yrjo-koskinen@sanoma.com
- **Mr Olli Turunen**  
tel. +358 40 552 8907  
olli.turunen@sanoma.com
- **Ms Katariina Hed**  
tel. +358 50 412 5120  
katariina.hed@sanoma.com

**IR team's joint email address:** [ir@sanoma.com](mailto:ir@sanoma.com)

# Important notice

The information above contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance, including, but not limited to, expectations regarding market growth and development as well growth and profitability of Sanoma. In some cases, such forward-looking statements can be identified by terminology such as “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements included herein are based on information presently available to Sanoma and, accordingly, Sanoma assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Sanoma or otherwise to engage in any investment activity.