



SanomaWSOY Education and Books Update, challenges, and perspectives

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SanomaWSOY Education and Books

In summary

- **Profile**

- International educational publisher
- Leading Finnish publisher in core markets: fiction/non fiction, business, translation services
- Approx. 2100 employees

- **Financial highlights**

- 2005 sales: EUR 294 million, EBIT margin: 13.4%

- **Mission**

- To open minds, expand knowledge and improve the quality of life through publishing excellence and by providing comprehensive content services

New management In place

SanomaWSOY Education

Jacques Eijkens



WSOY General Literature and
Business Information & Services

Veli-Pekka Elonen



Jacques Eijkens

CEO SanomaWSOY Education

- BSc Economics
- Marketing management positions
- CEO Malmberg investments
- Former Chairman Dutch Educational Publishers Association (GEU) and board member of the Association of Books (KVB)



Veli Pekka Elonen

President WSOY General Literature and Business Information & Services

- LL.B, MBA
- Member of the board of the Association of Finnish Media Employers (VTA) and Chairman of the Committee of National Collective Negotiations for the Federation of the Finnish Media Industry
- Former Vice President, Development and Legal Affairs and President of Sanoma Data Oy in Sanoma Corporation



SanomaWSOY Education & Books

Faces key changes

Focus on growth and divestments

- Acquisitions in Education and Business Information & Services
- Divestments in non core (diaries, printing)

At a start of transition

- Focus on three businesses
- Focus on growth (organic and by acquisition)
- Focus on excellence

Our industry is changing

- Content combined with technology
 - Value added feature
 - Customer centricity
- New business models
 - Print to online
 - Products and services
- Newcomers
 - Free content providers
 - New players

One division

Three businesses, many strong brands

SanomaWSOY Education

- Malmberg
- WSOY
- Van In
- YDP
- NTK
- Perfekt

WSOY General Literature

- WSOY
- Weilin + Göös
- Bertmark

WSOY Business Information & Services

- WSOY pro
- AAC Global

SanomaWSOY Education

International growth strategy

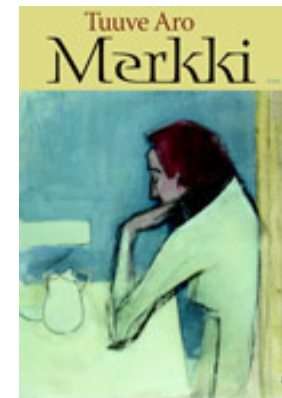
- Integral learning systems
- E-Learning solutions and technology
- Educational portals
- Educational and corporate training for professionals
- Strategic objectives
 - growth, utilizing synergies, and personnel development



WSOY General Literature

National business opportunities

- Domestic and international literature
- Children and juvenile books
- Non fiction and multi volume series
- Book clubs
- Strategic objectives
 - market leadership
 - increasing competitiveness



WSOY Business Information & Services

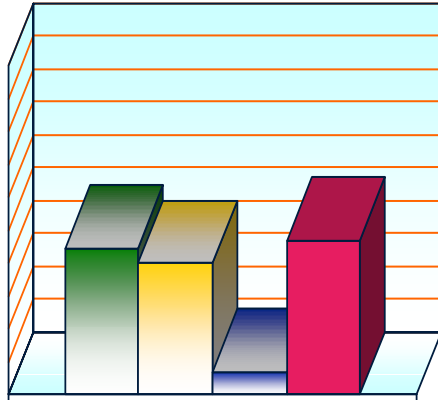
National business, international opportunities

- Professional books
- Corporate training
- Communication and translation services
- Strategic objectives
 - strengthening position as the leading B-to-B publisher in Finland
 - growth
 - customer oriented and operationally efficient organisation
 - language services as international spearhead
 - strategic acquisitions

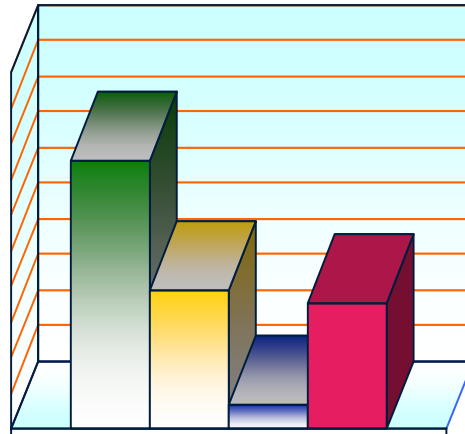


Transition ongoing

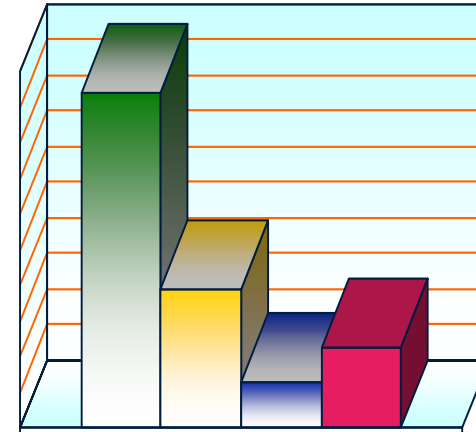
By focusing on three businesses



2004



2005



2006

Legenda

- Education
- General literature
- Business Information & Services
- Others

Strategy for 2007 and beyond

New ways of thinking and acting

- Execute organic growth and growth by acquisition
- Improve strategic and operational excellence
- Shift the product orientation to customer centricity
- Culture, sharing values, ways of doing



Strategy for 2007 and beyond

Clear objectives

- Grow our leading positions
- Capture key adjacencies
- Exploit divisional scale
- Institutionalise excellence

SanomaWSOY Education

In summary

- **Profile**

- International educational publisher
- Leading positions in NL, FI, BE, HU, PO
- Approx. 900 employees

- **Financial highlights**

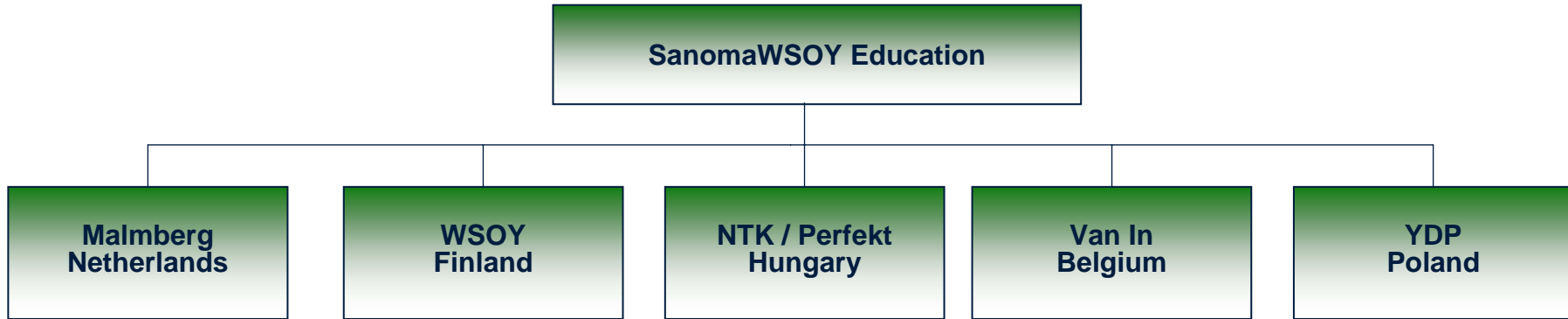
- 2005 sales EUR 151.2 million

- **Vision**

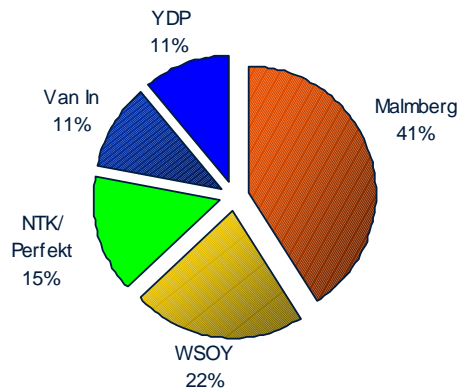
- Enable and support customers, enhancing education by making learning processes attractive and effective

SanomaWSOY Education

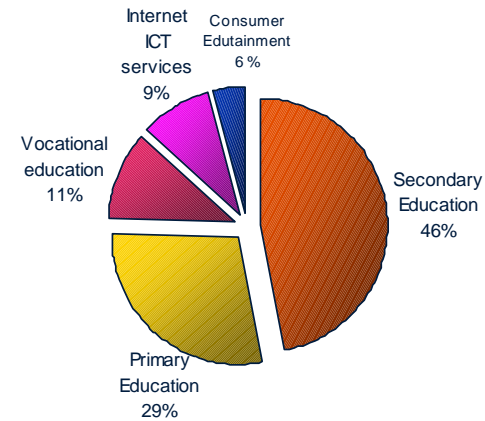
The group is well balanced and focusses on K-12



Net Revenues by operating unit



Net Revenues per PMC



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Key market drivers

Implication to our strategy

Market drivers

Strategic implications

Curriculum changes	↔	Ongoing anticipation in core portfolio
Declining demographics	↔	Customer value through extended learning solutions
Use of ICT in learning processes	↔	ICT products and services to support attractivity and effectivity
Accountability for schools	↔	Implement assesment tools and solutions
Fragmentation in demand	↔	Excellence in internal processing
Education key in EU policy	↔	Leverage intra group concepts and models

Strong core positions

Basis for continuous further growth

Expand the range of integrated offerings will accelerate core market growth:

- Product improvements
- Price leadership
- Re-currency
- Market share gains
- Sales en marketing excellence



Target specific adjacent segments

Build out core markets, creating new business opportunities

New business opportunities that support growth and secure future positions

- New money flows
- New customer segments
- New content specialities
- New educational 'environments'



Leverage scale & know-how internationally

To expand in new markets focusing on European markets

- Potential to market maturity
- Synergy potential
- New business areas (university and training)



Our internationalisation priorities

Main focus on CEE countries, anticipate interesting other European opportunities

CEE

Acquisitions of leading educational publishers in markets with high growth potential (market development)

Added value:

- *optimisation of portfolios and concepts*
- *professionalisation of processes and formats*

Europe

Acquisitions in existing markets: add on's, major mergers and e-learning ventures (market consolidation)

Added value in scale and strenghtening positions

Acquisition of leading players in new, mature markets

Added value in adjacent and digital publishing operations and conceptual and business innovation

SanomaWSOY Education

So far, lessons learned

- Strategy and execution is equally important
- Customer and market understanding is key
- Innovation is an important driver for future success
- Leadership throughout the whole group

SanomaWSOY Education

Our aims and challenges

- Continue our growth rate, maintain ebit margin
- Leadership in our core markets
- Local focus, European scale
- More depth and breadth in our offerings
- Strong organisational qualities