

# Growing Expert in Learning Solutions!

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3 March 2010



# Agenda

- **Sanoma Learning & Literature today**
- **Characteristics of Learning markets**
- **Sanoma Learning & Literature's response to Learning markets' changing needs**

SLL today



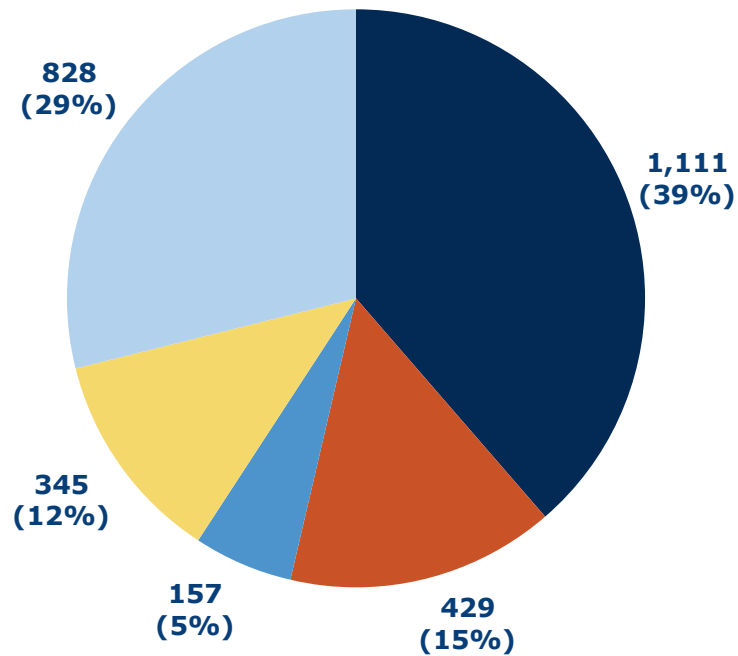
Learning markets

SLL's response

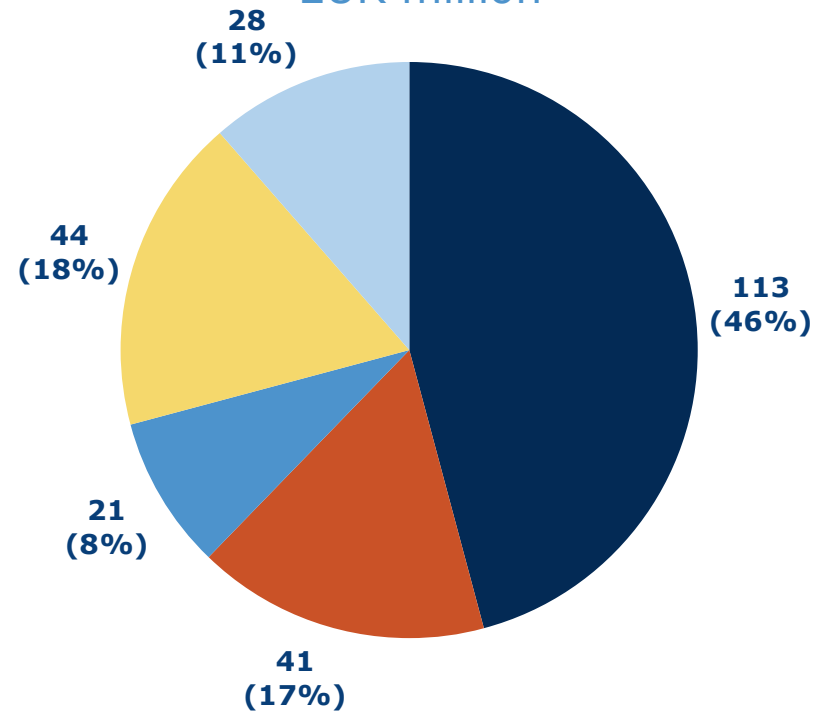
# Sanoma Learning & Literature Part of the Group

Net Sales EUR 2,768 million • EBIT EUR 230 million\* • Personnel 16,723\*\*

Net Sales, EUR million

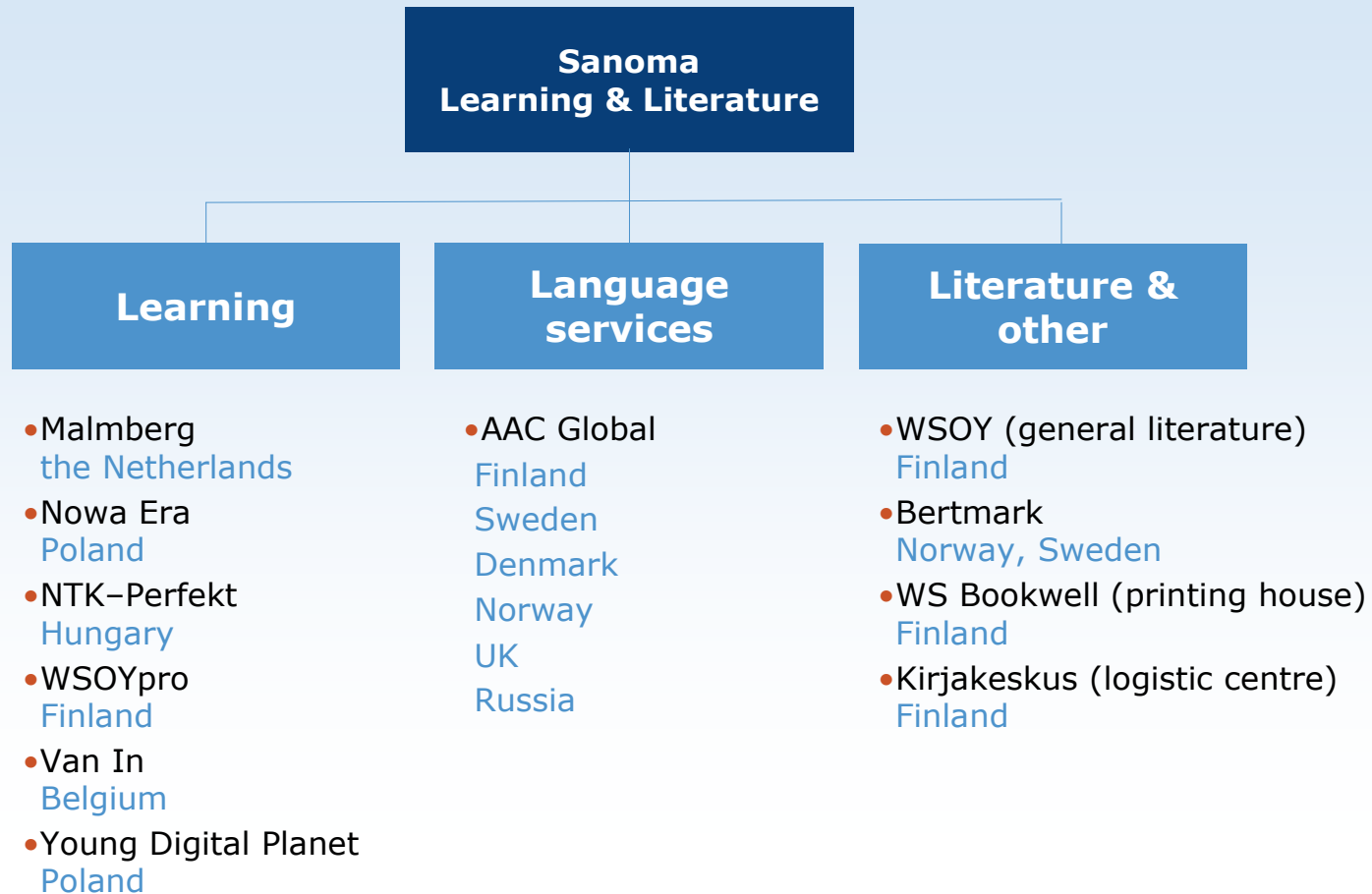


EBIT incl. non-recurring items, EUR million



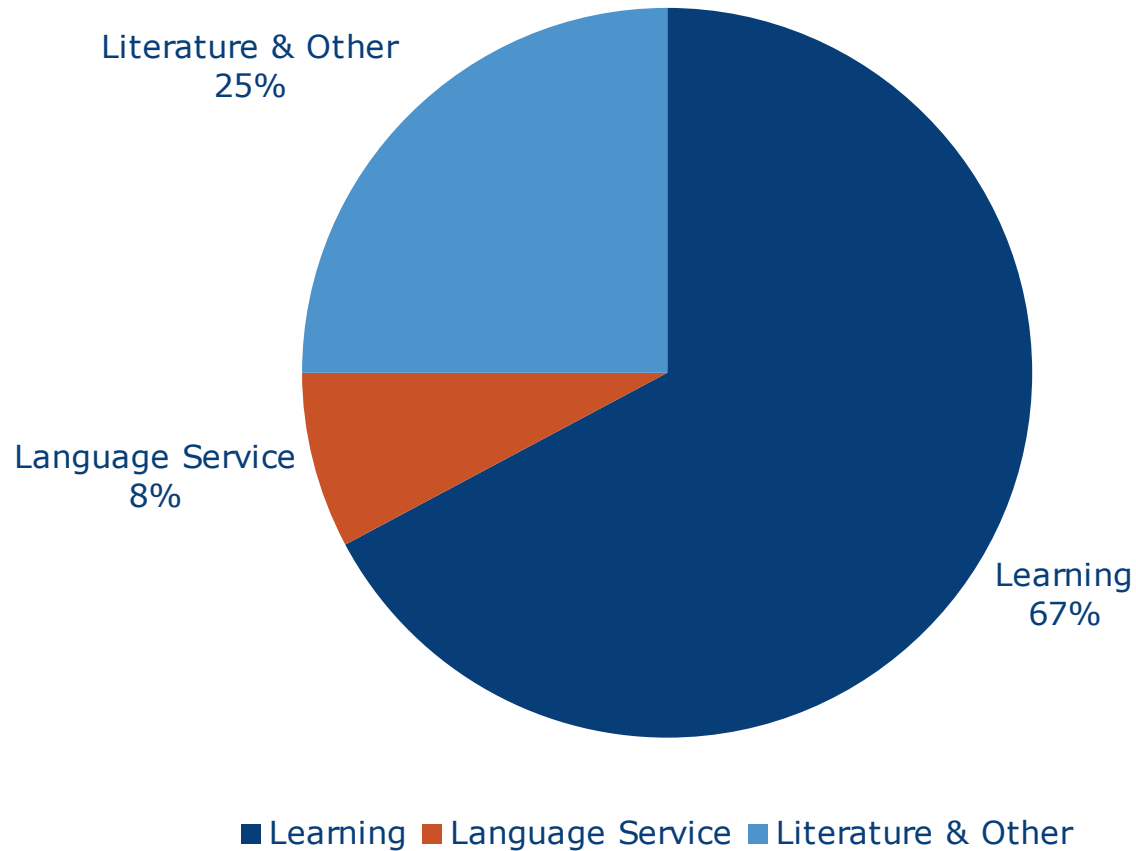
■ Magazines ■ News ■ Entertainment ■ Learning & Literature ■ Trade

# Sanoma Learning & Literature's three business areas



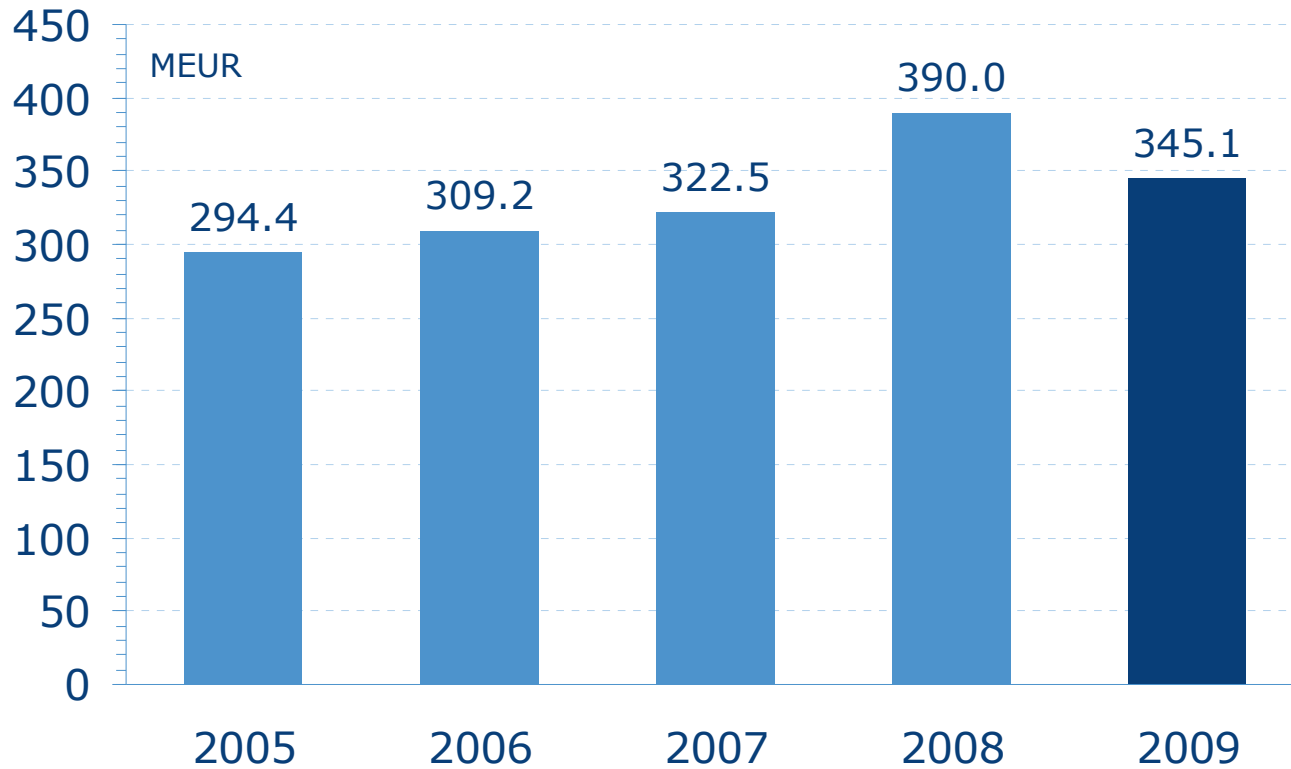
# Sanoma Learning & Literature

Revenues by businesses 2009



# Sustainable Growth

Net sales



# Sanoma Learning & Literature

## Key figures

EUR million	2009	2008	Ch %
Net sales	<b>345.1</b>	390.0	-11.5
Learning	<b>239.1</b>	273.3	-12.5
Language services	<b>27.5</b>	28.8	-4.7
Literature and other businesses	<b>88.9</b>	101.2	-12.1
Eliminations	<b>-10.4</b>	-13.3	21.9
Operating profit excluding non-recurring items	<b>43.5</b>	53.2	-18.3
% of net sales	<b>12.6</b>	13.6	
Operating profit	<b>38.5</b>	45.6	-15.7
Capital expenditure	<b>13.1</b>	15.6	-16.2
Number of employees (FTE) at the of the period	<b>2,745</b>	2,908	-5.6

**Outlook for 2010:** Net sales and operating profit excluding non-recurring items are estimated to increase somewhat from the previous year's level.

# We have leading positions and strong local brands



# We are focused on products and services for professionals

- **Learning**
  - a European leader in learning materials and solutions
- **Language services**
  - the leading multilingual communications service provider in the Nordic market
- **Literature & other**
  - the market leader in general literature in Finland



# Agenda

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- **SLL's response to Learning markets' changing needs**

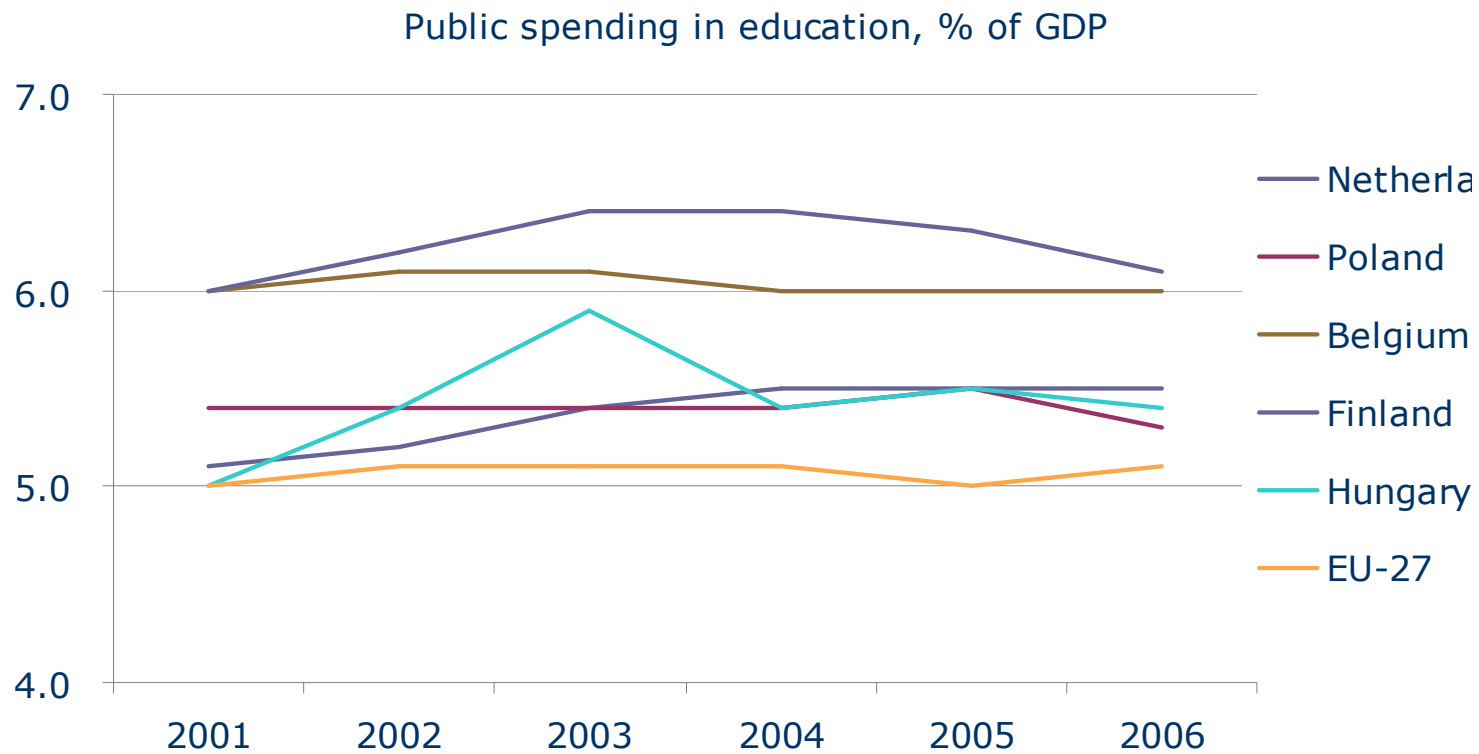
SLL today



Learning markets

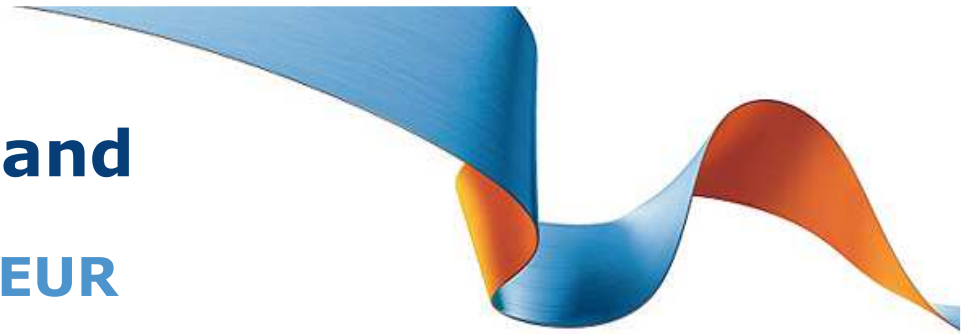
SLL's response

# Public spending on learning is relatively stable

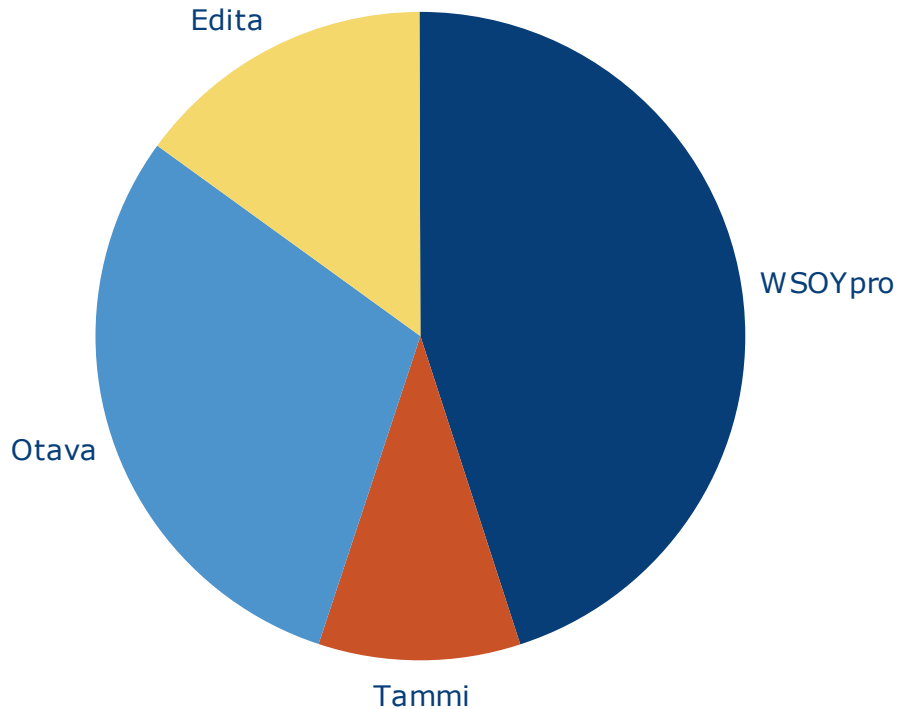


# Learning markets in Finland

Total Learning Market ~80 MEUR



Market divided between key players

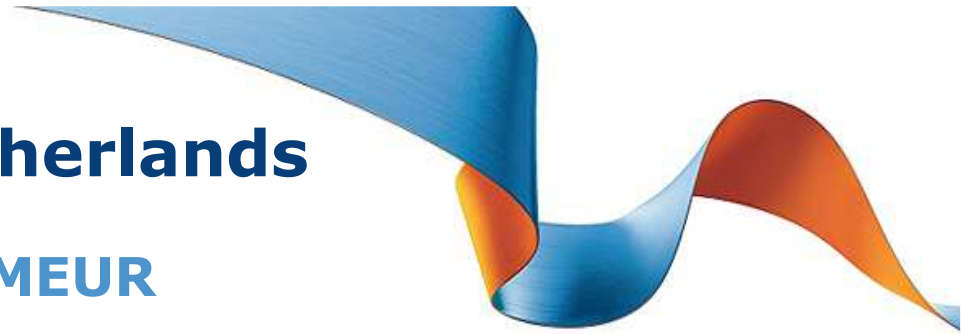


## Key Characteristics

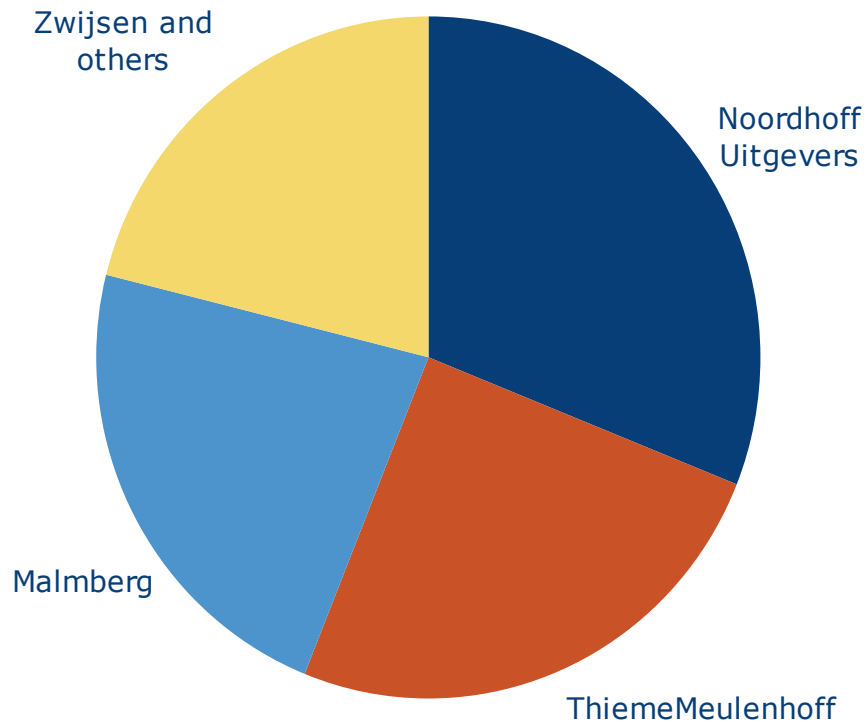
- We are in the middle of a curriculum renewal cycle (ca 10 years); market is flat
- Digitization is starting to take effect; many schools finally have the adequate technical equipment in place
- WSOYpro is focusing to position itself as a “Teaching and learning solutions provider”
- Professional training services for educational professionals

# Learning markets in Netherlands

Total Learning Market ~300 MEUR



## Market divided between key players

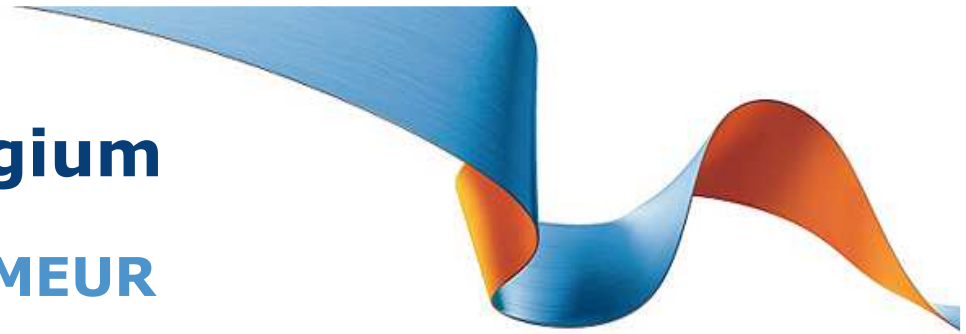


## Key Characteristics

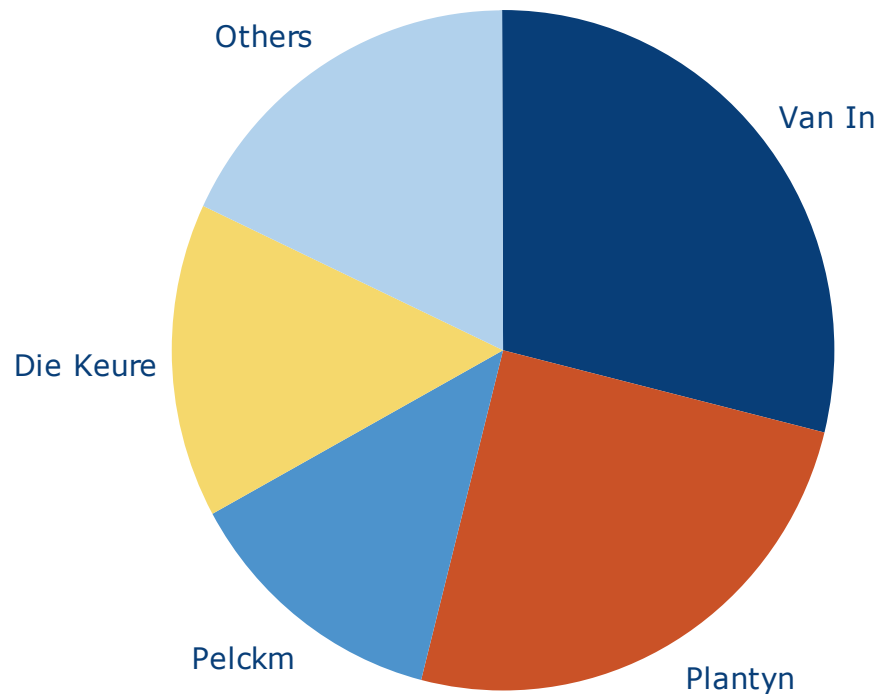
- Mature market, growth outlook flat, tough competition
- PE remains mainly stable
- SE under pressure/uncertain
  - Big change in buying of school books
    - schools instead of parents
  - Power of wholesalers increasing
- Malmberg focusing on
  - new launches in PE
  - digital solutions
- Digital solutions strongly supported by Dutch government

# Learning markets in Belgium

Total Learning Market ~100 MEUR



Market divided between key players

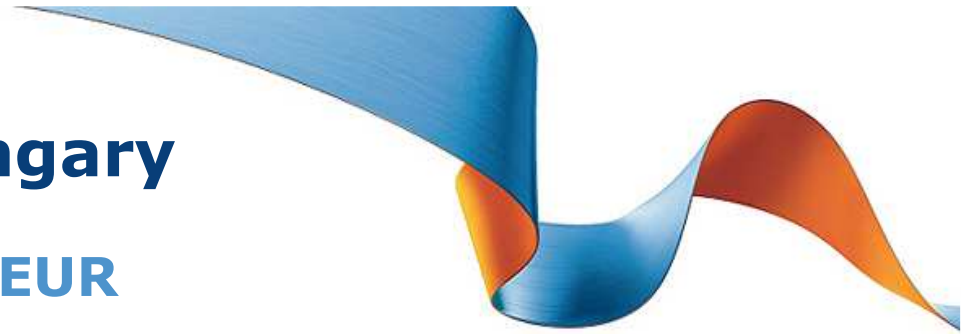


## Key Characteristics

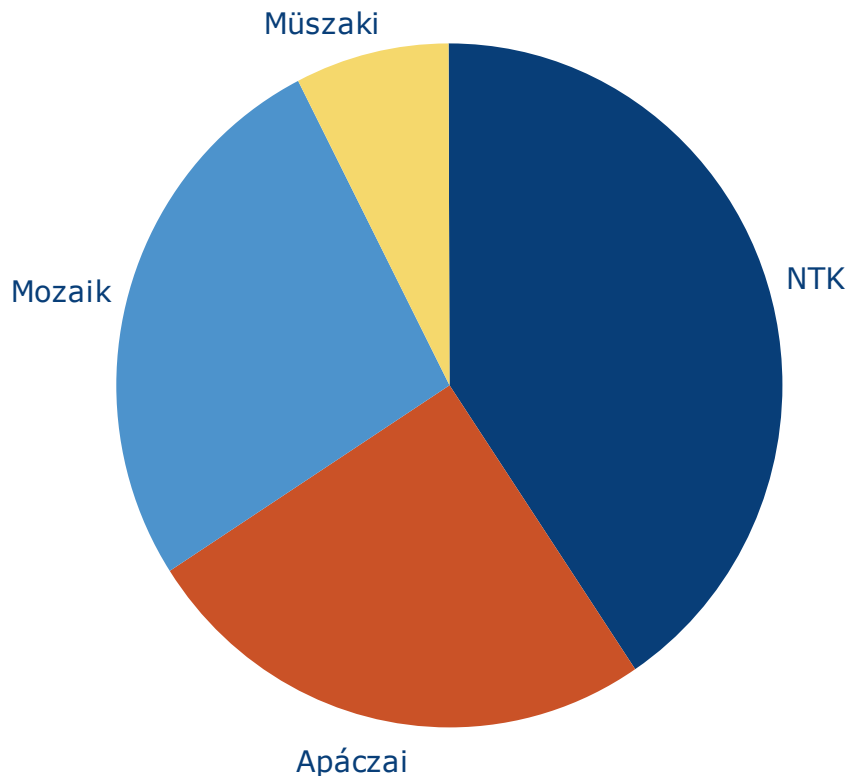
- Mature and competitive market: growth mainly by curriculum change
- Significant differences between Flanders and Walloon market
  - Flanders more developed, higher spending/pupil
  - Walloon offers room for improvement, low spending/pupil
- Introduction of whiteboards starting, but overall adaptation of digital solutions still very low

# Learning markets in Hungary

Total Learning Market ~50 MEUR



Market divided between key players

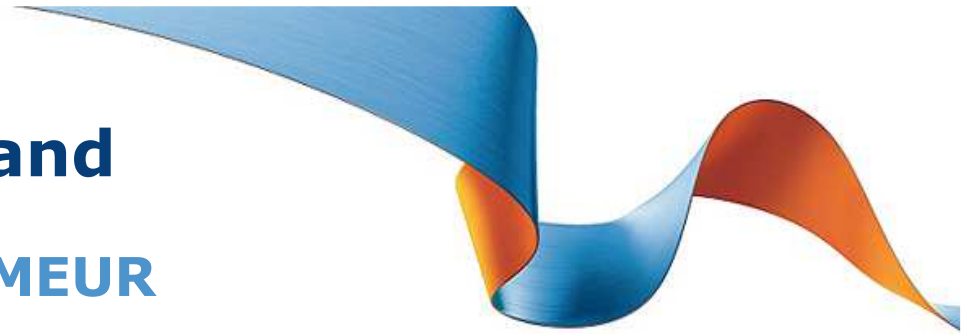


## Key Characteristics

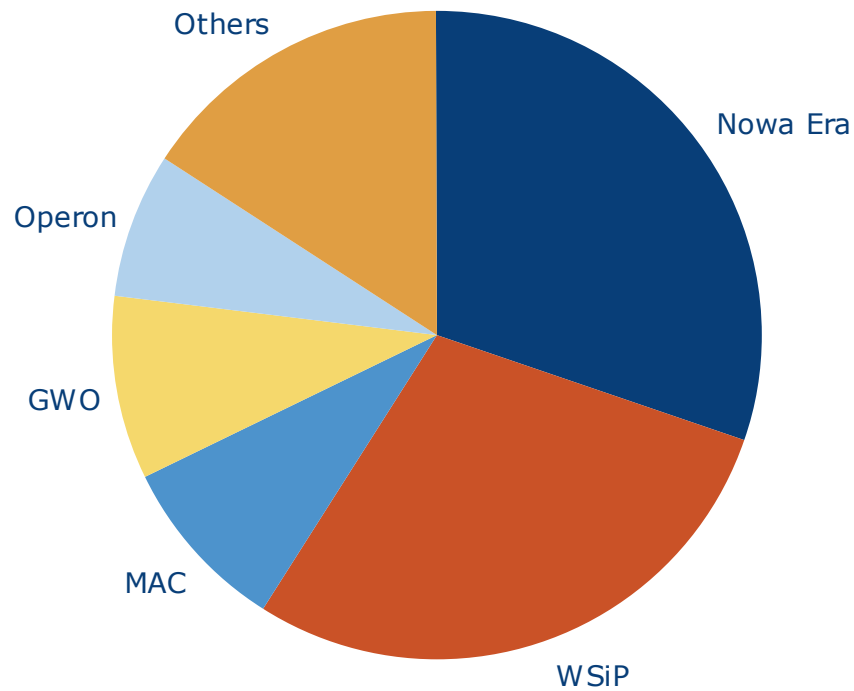
- Overall market is decreasing slightly, product differentiation is important:
  - the demand for high-value products will decrease
- Decline number of teachers may increase demand for learning solutions
- Substantial growth in Internet boosts market potential for digital solutions

# Learning markets in Poland

Total Learning Market ~135 MEUR



## Market divided between key players



## Key Characteristics

- Big reform of curriculum started in 2009, will continue for several years, advancing grade by grade
- Role of digital solutions increasing, whiteboard implementation starting
- Nowa Era investing heavily in foreign languages

# European top 10 learning publishers

Name	Revenues*	Markets
<b>Pearson</b>	GBP 866 m	Europe (UK, Italy), South Africa, AsiaPac (excl. US)
<b>Klett</b>	EUR 434 m	Germany, Aus/ Sw, CEE
<b>Santillana</b>	EUR 371 m	Spain, Latin America
<b>Cornelsen</b>	EUR 354 m	Germany, Aus/ Sw, CEE
<b>Lagardère</b>	EUR 346 m	France, Spain, UK
<b>Infinitas</b>	EUR 317 m	UK, Germany, Sweden, Benelux
<b>Sanoma Learning &amp; Literature</b>	EUR 260 m	Finland, Benelux, Hungary, Poland
<b>Westermann</b>	EUR 247 m	Germany, Aus/Sw
<b>Editis</b>	EUR 242 m	France
<b>RCS</b>	EUR 97 m	Italy

\*2008

- Pearson is largest learning publisher worldwide, strong in all markets, English Language Teaching and Testing & Assessment
- Local winners are those:
  - integral concepts
  - innovations

# Agenda

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- **SLL's response to Learning markets' changing needs**

SLL today



Learning markets

SLL's response

# Customer needs are transforming from traditional products to customised solutions

## Trends in demand:

### Learning

- Personalised learning
- Apply technology in process
- Accountability of the learning
- Flexibility in way of learning

### Language Services

- Managing cultural diversity in an international group
- Group wide consistency in language terminology
- Efficiency in internal processes to lower costs

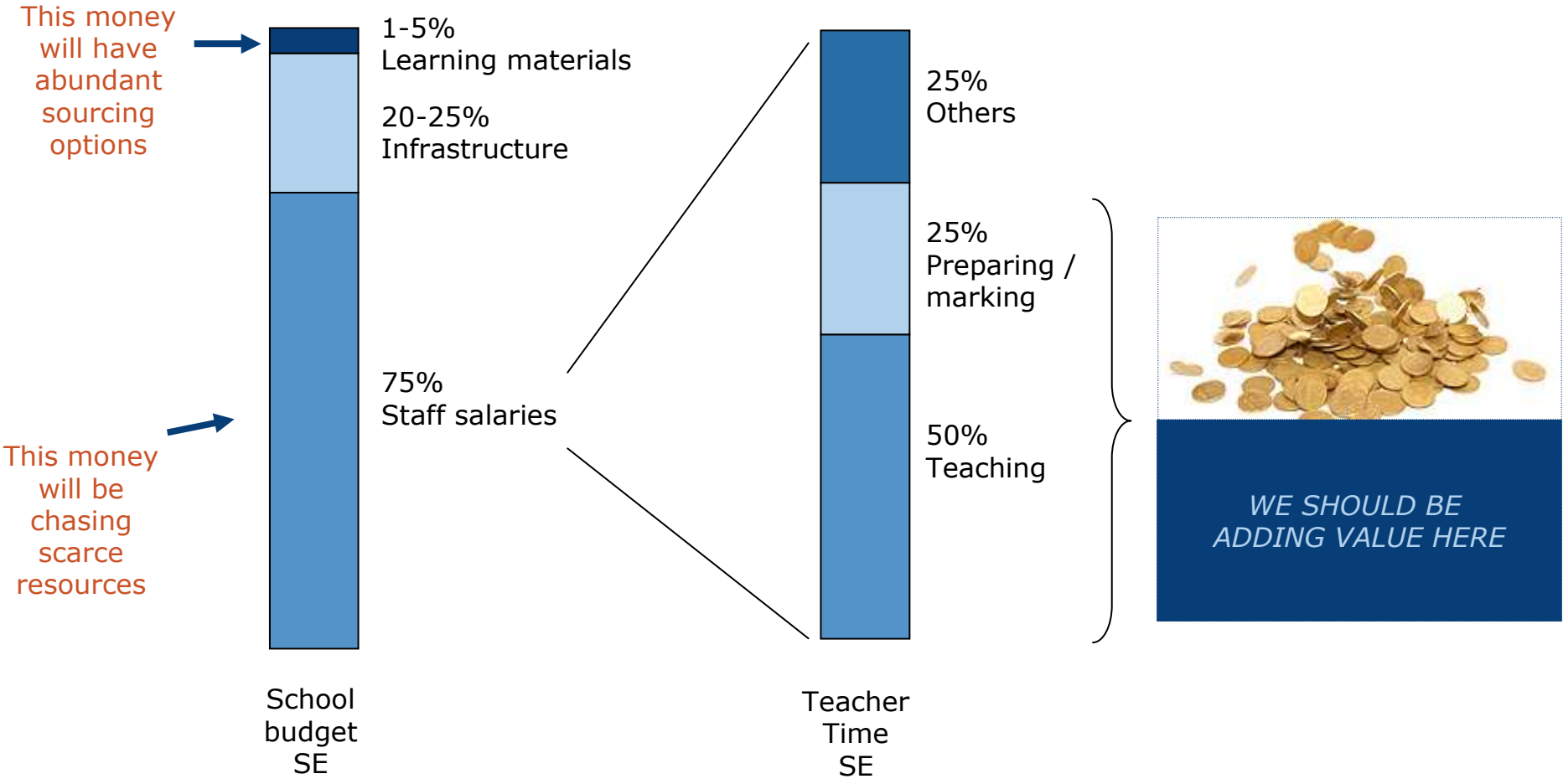


# We need to re-position to solutions to create value for customers

- Basic approach to value creation: provide solutions for scarcity
  - Content likely to become increasingly abundant
  - Teachers' time is likely to become scarce
    - demography
    - interest in profession
    - funding for education under pressure
    - move to personalised learning
    - demands for professionalisation and accountability
- ➔ We will help the problem of teacher scarcity to create value for schools and profits Sanoma



# We will “follow the money” to grow





**Creating  
“solutions for teachers”  
will inspire our thinking  
in developing the business**

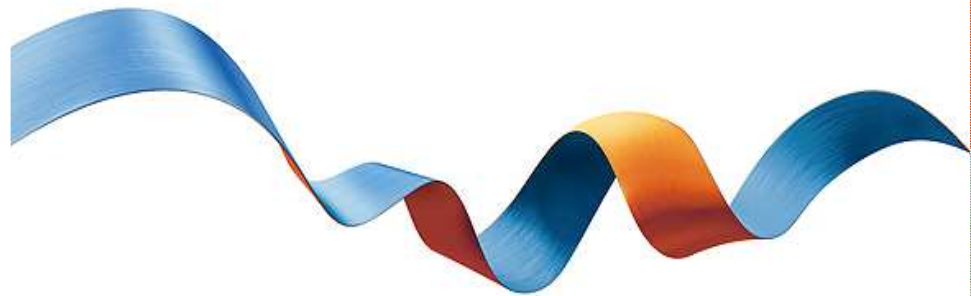
- improving learning outcomes**
- reducing amount of work**
- saving time and money**

**“Workflow  
solutions for  
teachers”**

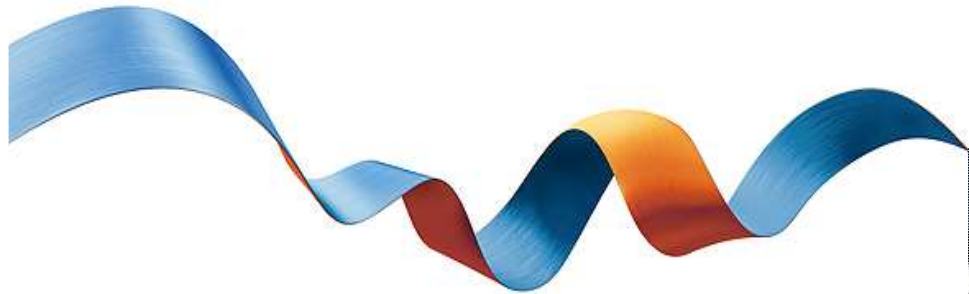
# What does a Learning Solution look like?



# The world of young people is getting more and more digital

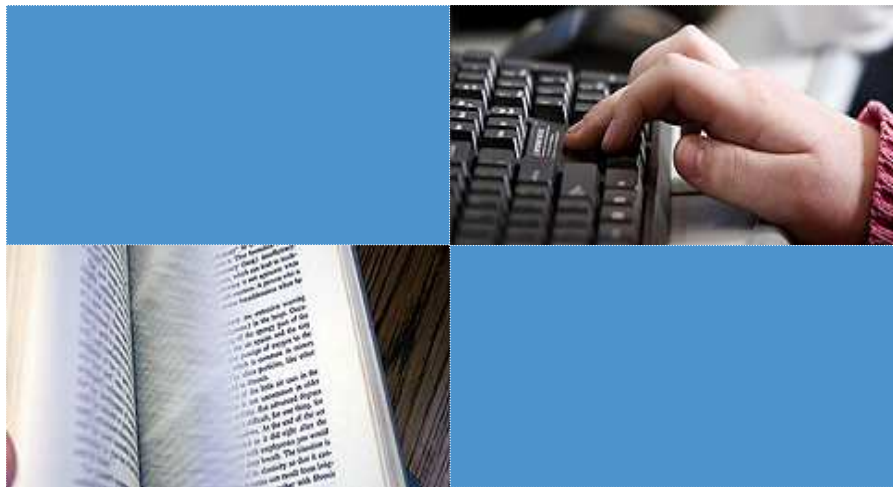


# Each student is different, learns differently

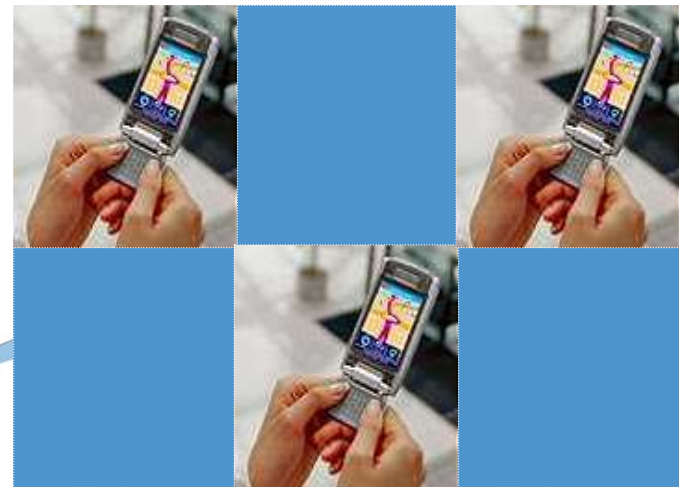


# We anticipate this with the new generation learning solutions

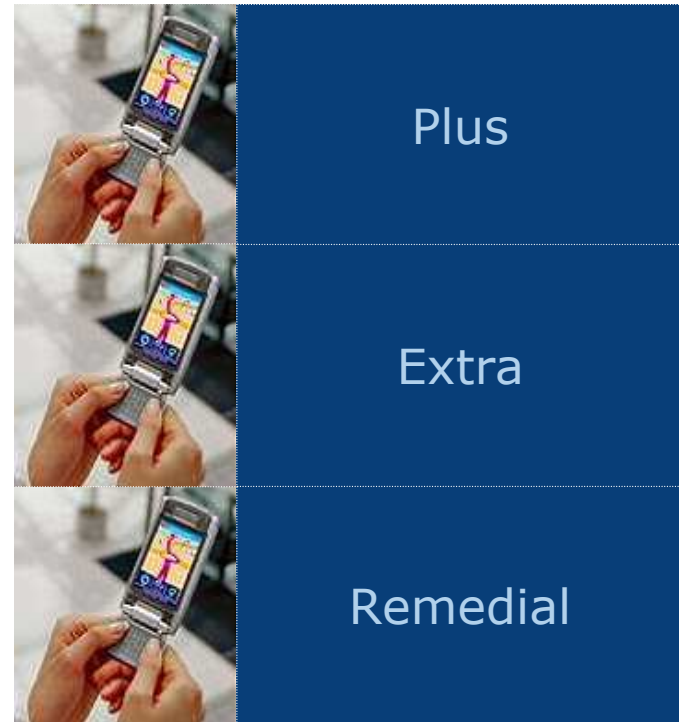
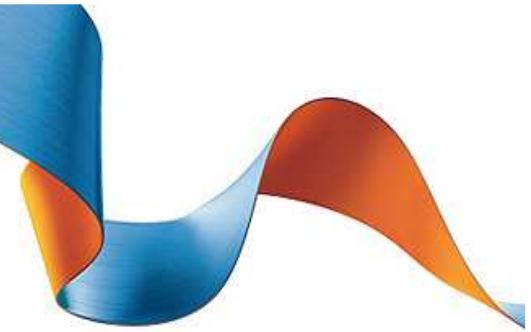
1.  
By offering everyone  
a familiar basic route:  
**compact and complete**



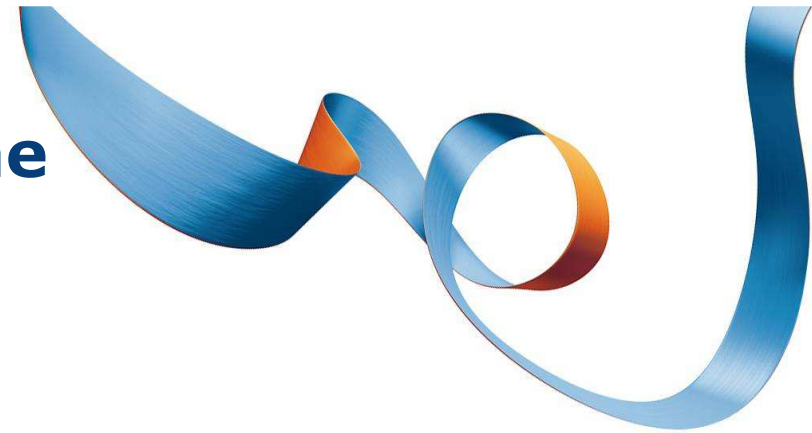
2.  
Individual continuation  
routes possible:  
**prepared simply and  
automatically**



A digital test **automatically** offers an advice for the continuation route which will be prepared automatically



# Digital tests save a lot time



Ready-made  
get to work immediately

All tests are being checked  
automatically

Add / delete questions **yourself**  
if you want to

# Insight in the progress of students, at one glance

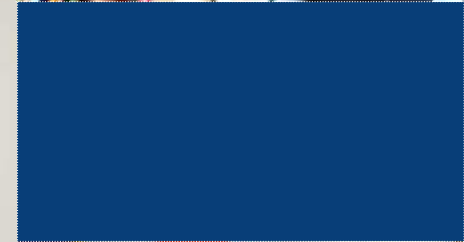
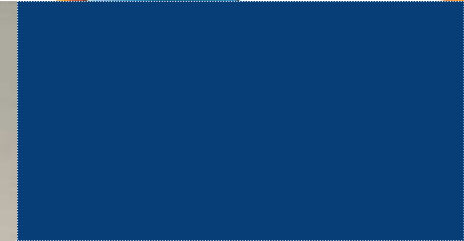
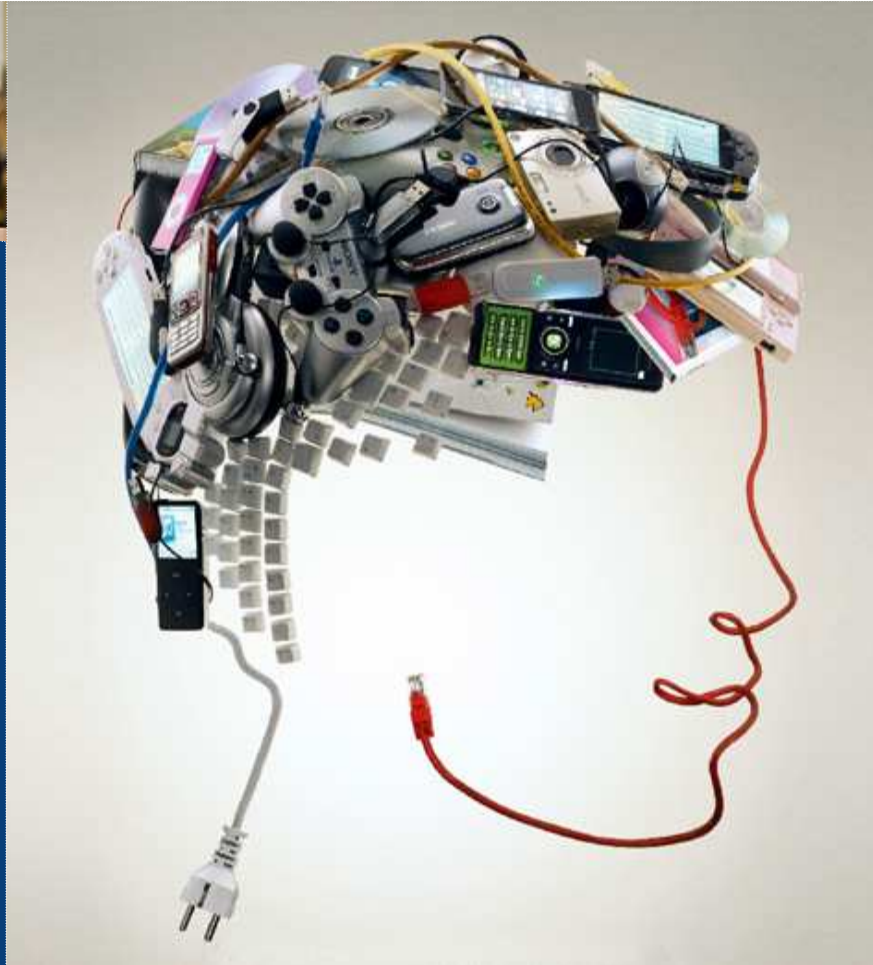
The screenshot shows a Mozilla Firefox browser window displaying the Nova ePack teacher dashboard. The address bar shows the URL: [http://nova.prd.malmberg.nl/levels/37/results/student\\_lu\\_type\\_results?chapter\\_id=89&group\\_id=69&learning\\_](http://nova.prd.malmberg.nl/levels/37/results/student_lu_type_results?chapter_id=89&group_id=69&learning_). The dashboard is titled "U bent ingelogd als docent" and includes a search bar, a user profile for "Jaap van den Broek", and navigation tabs for "Mijn bureau", "Hoofdstuk", "Lesmateriaal", and "Lesvoorbereiding". Below these are sections for "Resultaten van mijn leerlingen" and "Coördinatiepunt". The Malmberg logo and "Contact | Copyright" are visible at the bottom of the dashboard. The Windows taskbar at the bottom shows the Start button, several application icons, and the system tray with the time 16:41.



# How do you get the best out of this generations young people?



With  
workflow  
learning  
solutions  
it works!



# MALMBERG

For better knowledge, competence, performance and well being

