

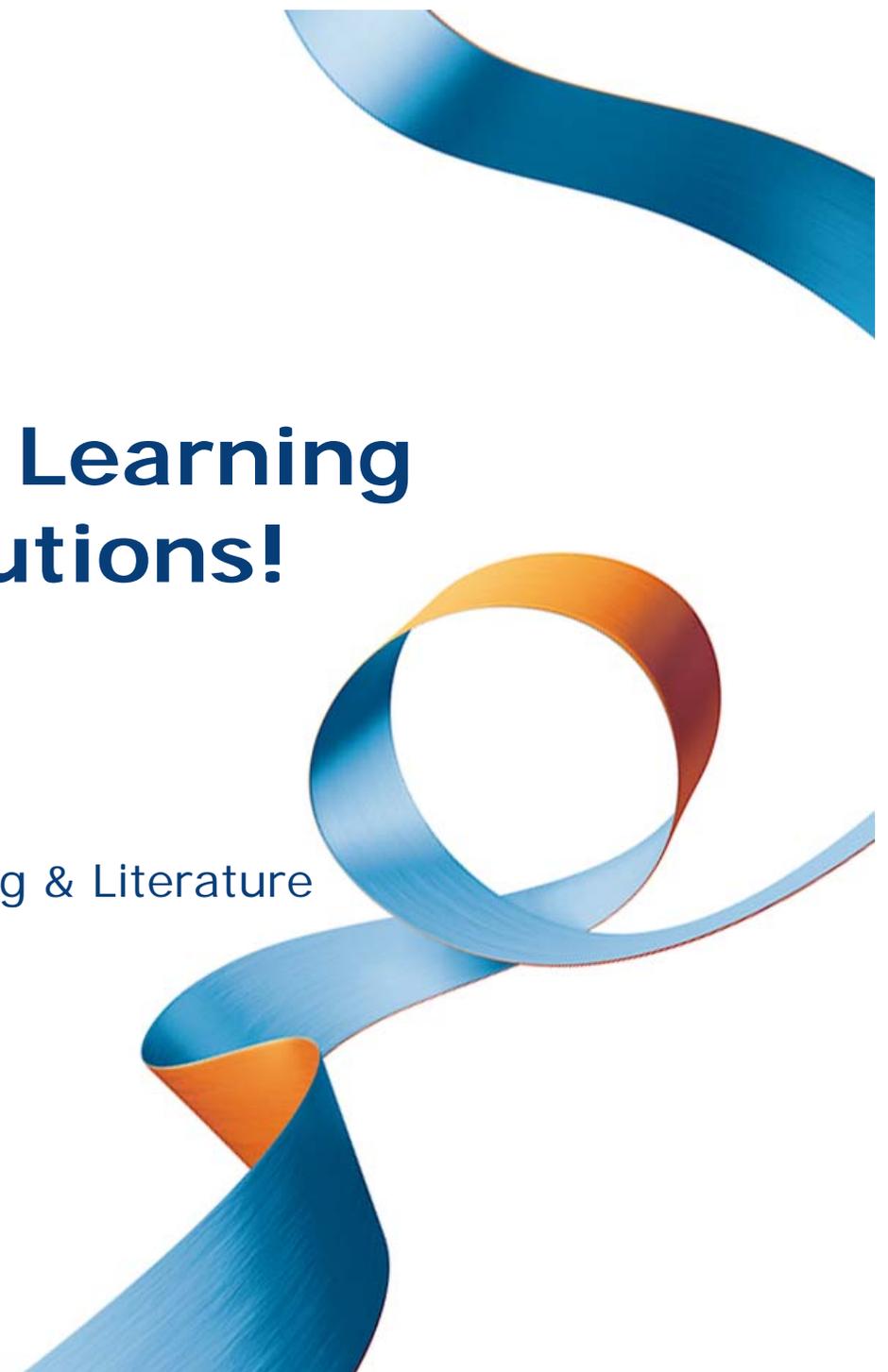
# Growing Expert in Learning and Language Solutions!

Jacques Eijkens

President and CEO, Sanoma Learning & Literature

Sanoma Capital Markets Day

12 October 2009



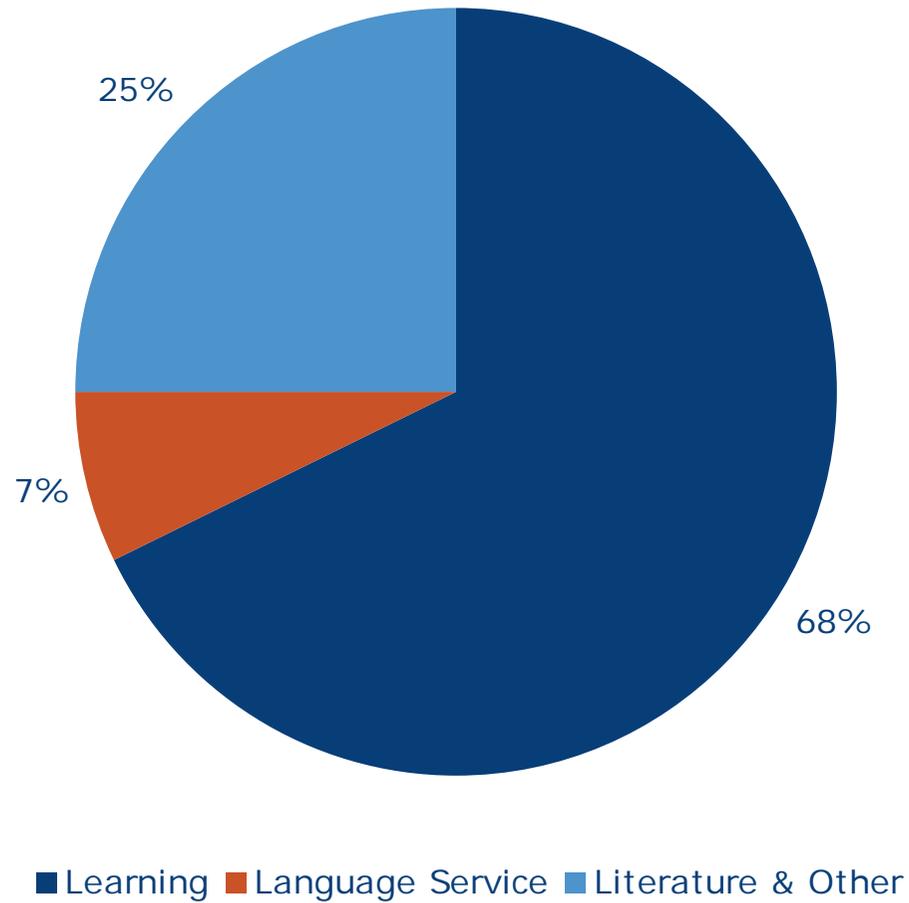
# Sanoma Learning & Literature Ready for the future

- We have strong positions and brands in local markets with good results
- The world around us is full of changes, challenges and opportunities
- What does this mean for our offerings, our business models and processes?
- How to achieve future growth, profitability and number one position?



# Sanoma Learning & Literature

Revenues by businesses 2008

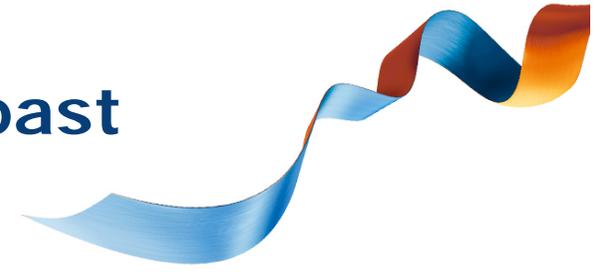


Net sales  
EUR 390 million

EBIT\*  
EUR 53.2 million

Personnel  
~3,000

\* excl. non-recurring items



# We have transformed strongly during past years to meet our goals in the future

Build up of new growth strategy for division as part of Sanoma

Consideration of various strategic initiatives within the publishing business

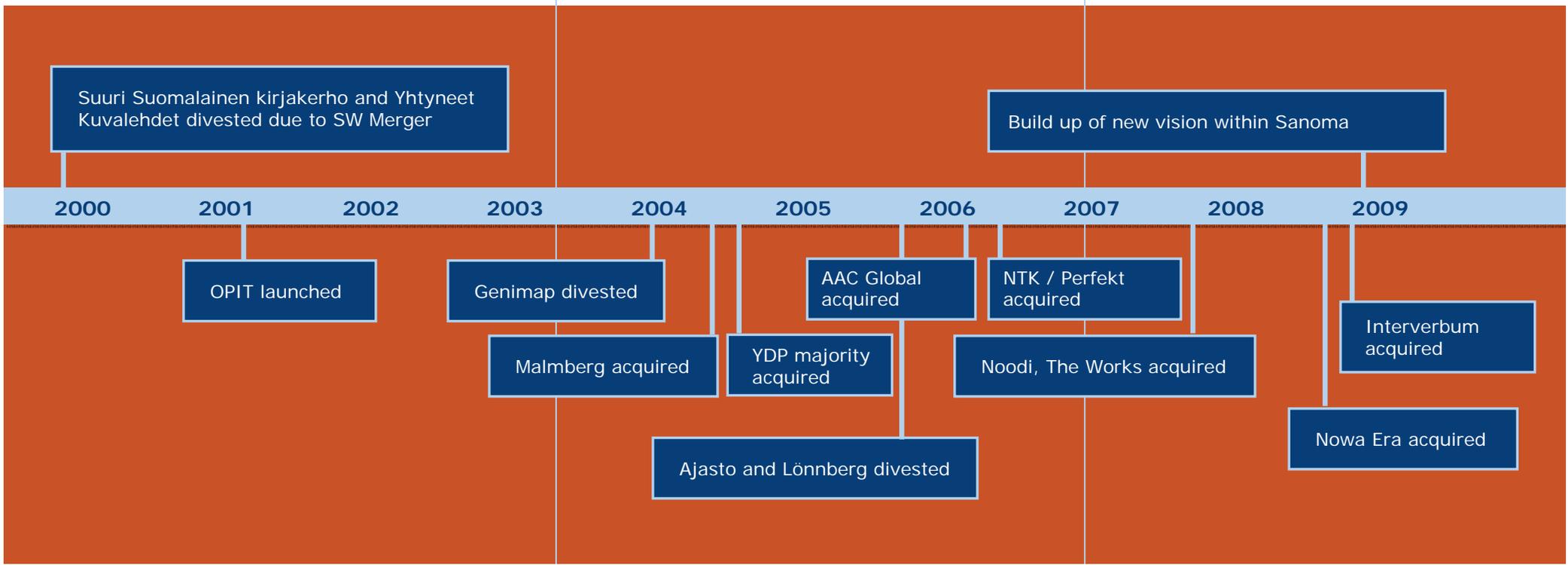
E-learning ventures intended to revitalize the division

Learning chosen as spearhead for growth

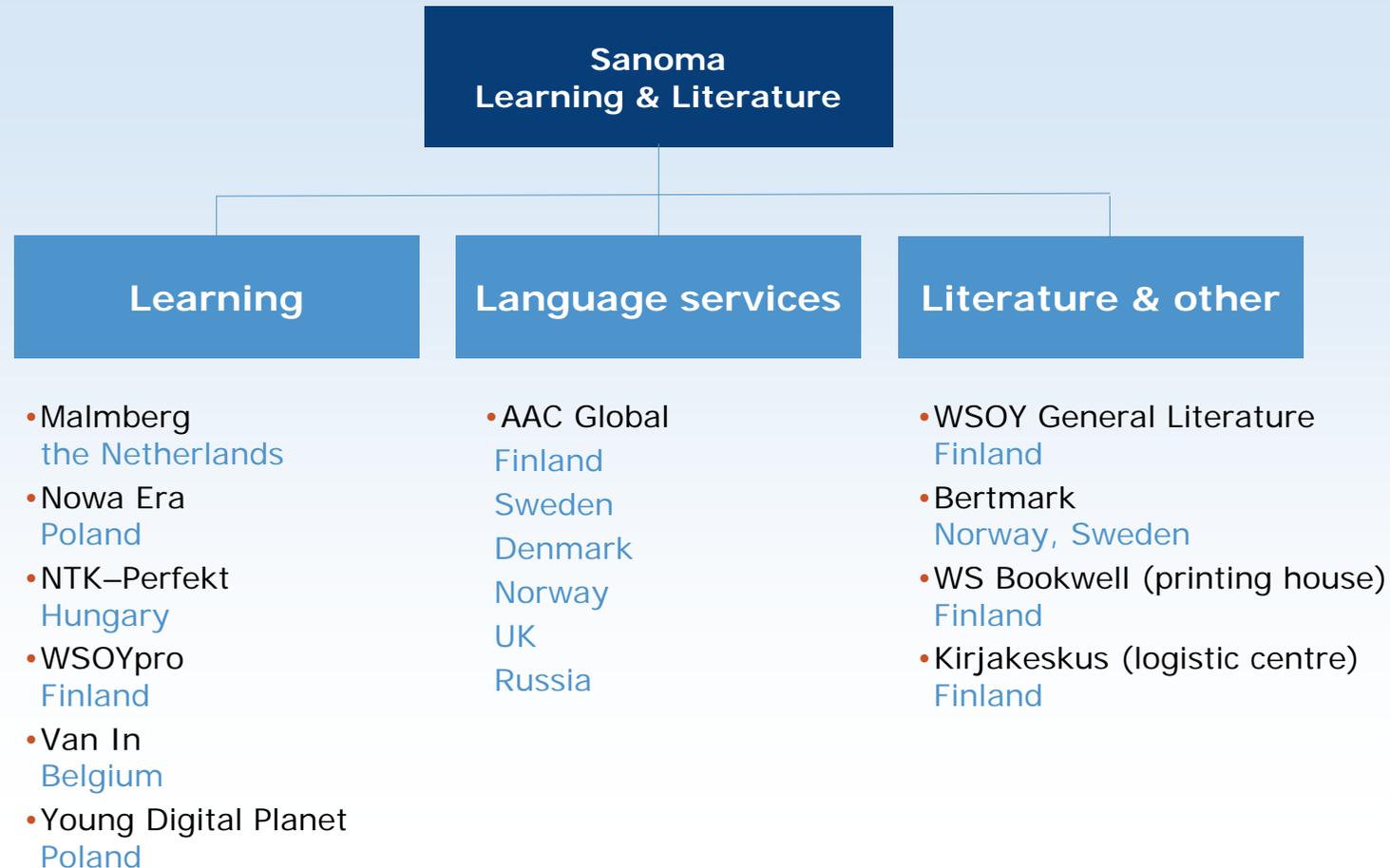
Strategic refocusing led to divesting Printing and Diary assets

Execution and internal strategy work took time

Language Services emerges as the second platform for growth



# We have organized our operations in three business areas



# We are focused on products and services for professionals

- **Learning**
  - one of Europe's largest educational publishers
- **Language services**
  - a leading multilingual communications service provider in the Nordic market
- **Literature & other**
  - the market leader in general literature in Finland



# We have leading positions and strong local brands and companies



# We are successfully executing our growth strategy

Sustainable growth is our main objective



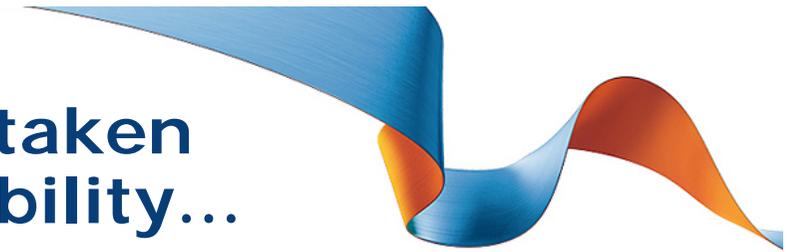
Net sales



Operating profit  
(excl. non-recurring items)

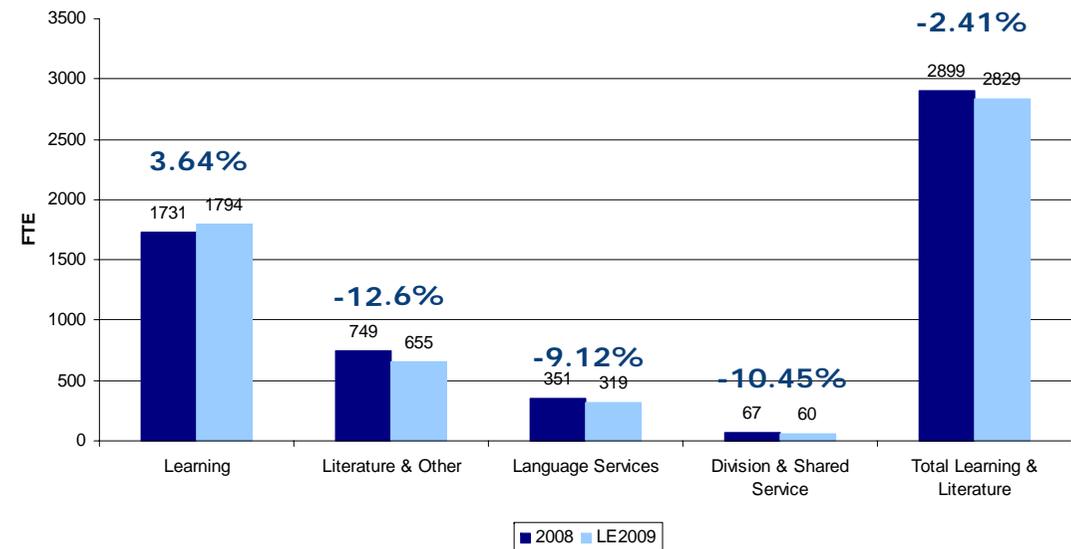


# 2009 has been difficult, we have taken tough measures to secure profitability...



- The recession has hit us most within training business, both in Learning and Language services
- Actions we have taken to improve our efficiency
  - workforce has been aligned to the reduced level of business
  - non-core activities divested
  - operations in lossmaking units adjusted

Change in FTE 2008–E2009



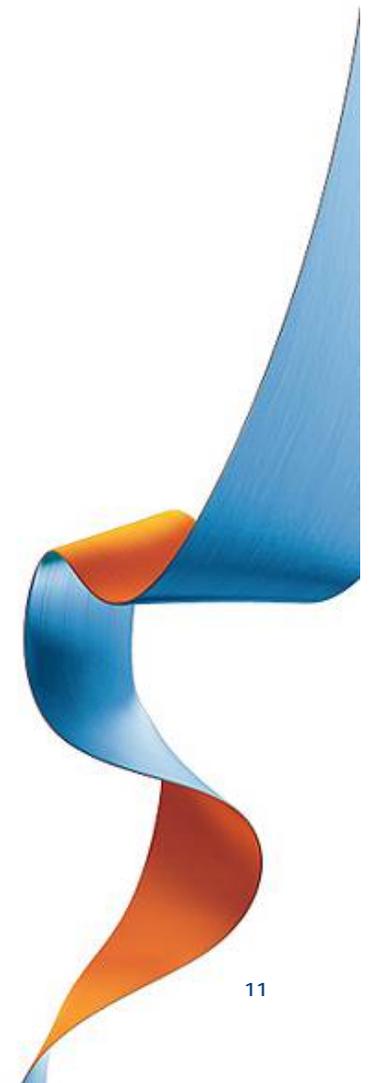
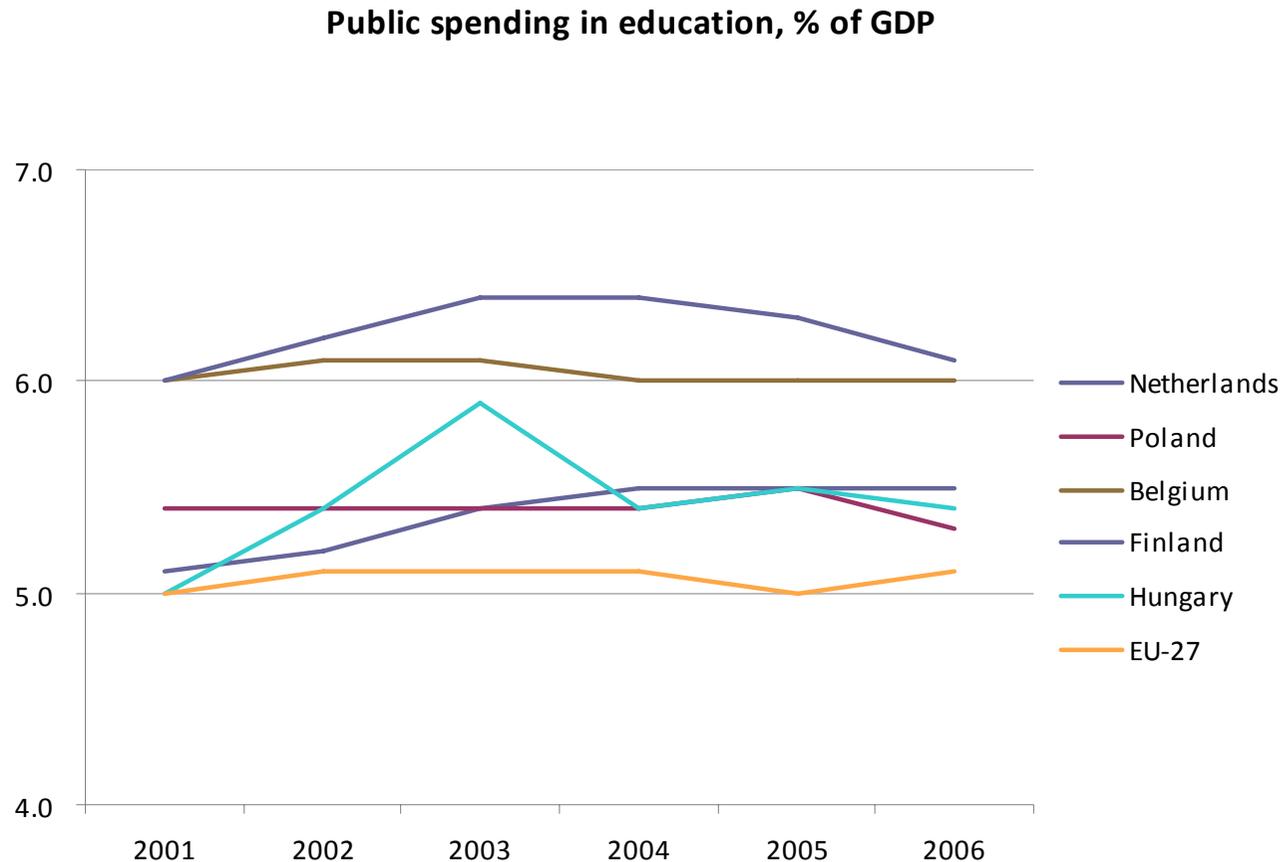
## ...but not at the expense of the future

- **Actions we have taken to secure our readiness when markets pick up**
  - comprehensive scenario work to understand the future
  - investments in future products and services
  - developing common culture and new more integrated ways of working
  - building new scalable systems and platforms to support growth



# Public spending on learning is relatively stable

- We expect it will remain like this also in the future

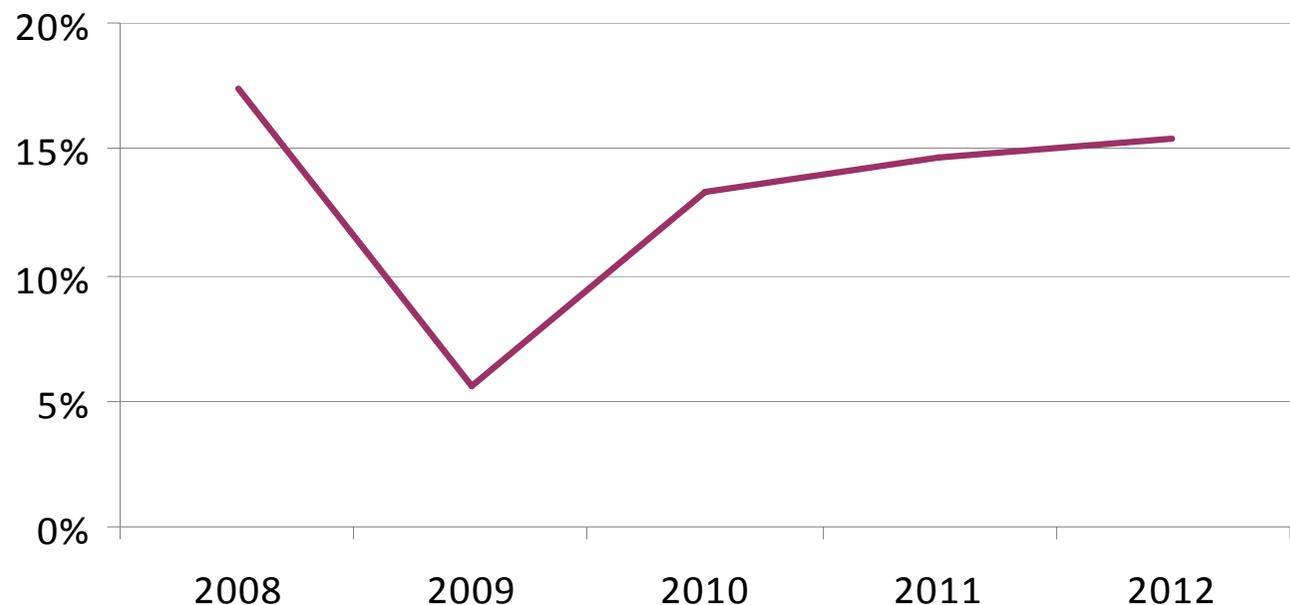


# Customer needs will turn language markets to grow again after recession passes

- During 06-08, growth in our Language business was double digit. In 2009, the recession has slowed down the growth.

**Growth of language service market, %**

- The growth equates to a compound annual growth rate (CAGR) of 10.76 percent over the next five years



# Technology is the most important factor affecting our businesses now and in the near future

*"The presence of technology in society is a major factor in changing the entire learning environment"*

**Seymour Papert, MIT Media Lab**



# Customer needs are transforming from traditional products to customised solutions

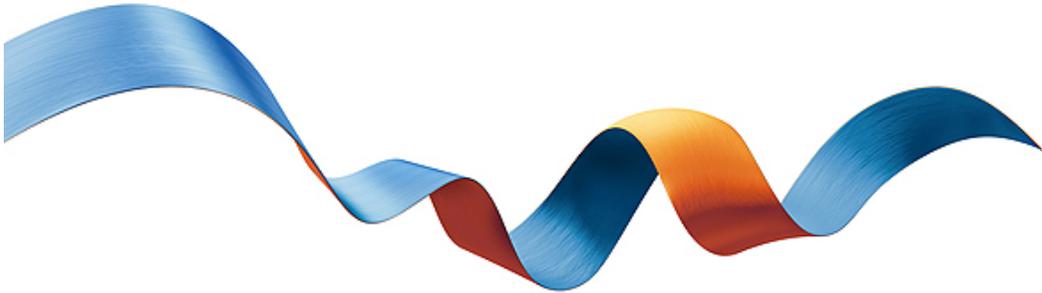
- individual learning
  - use of technology
  - accountability of the learning process
  - demand for flexible learning
- 
- cross border and global organisations
  - world trade and global product launches



# What does a Learning Solution look like?



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

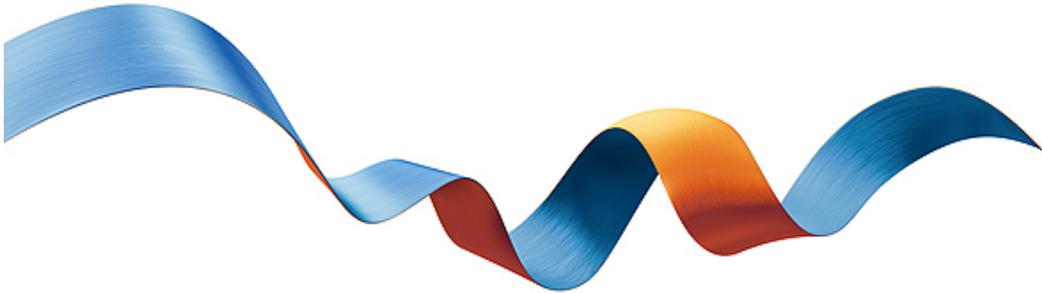


# Our vision:

The **mix** of print and digital brings the best results



# Each student is different, learns differently



# Individual attention is very time-consuming



# We anticipate this with the new generation learning solutions

1.

By offering everyone a familiar basic route:

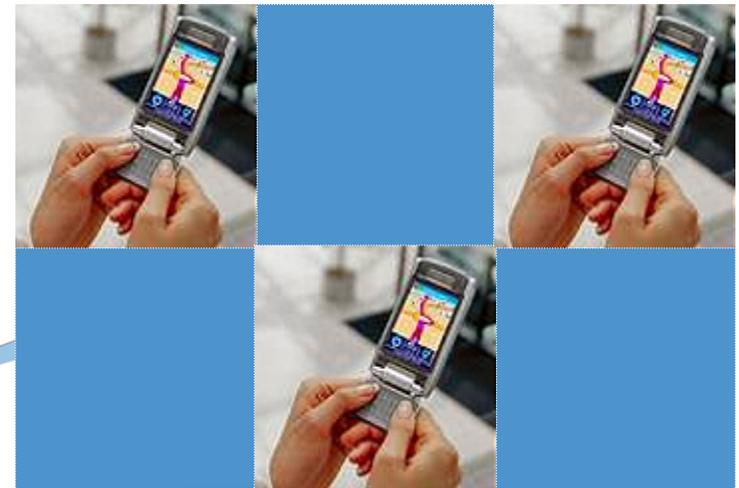
**compact and complete**



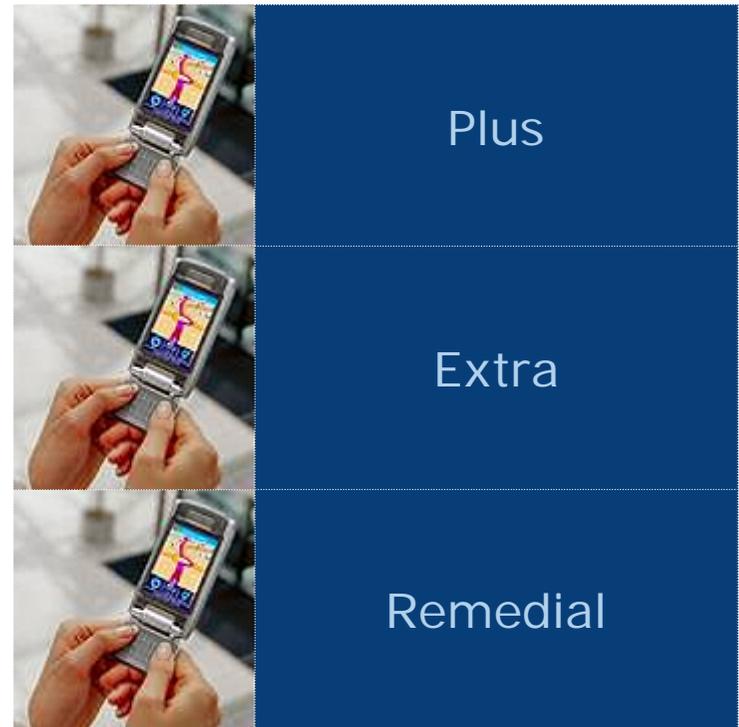
2.

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

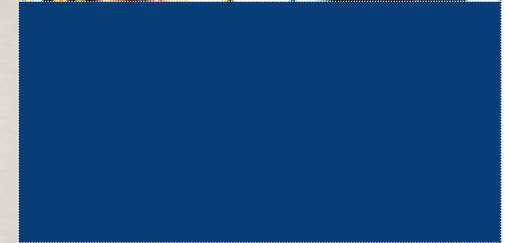
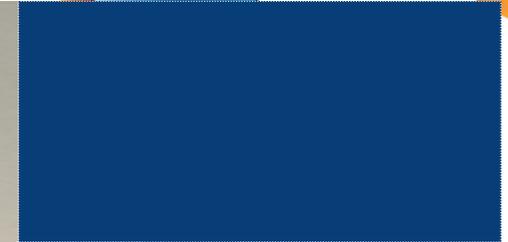
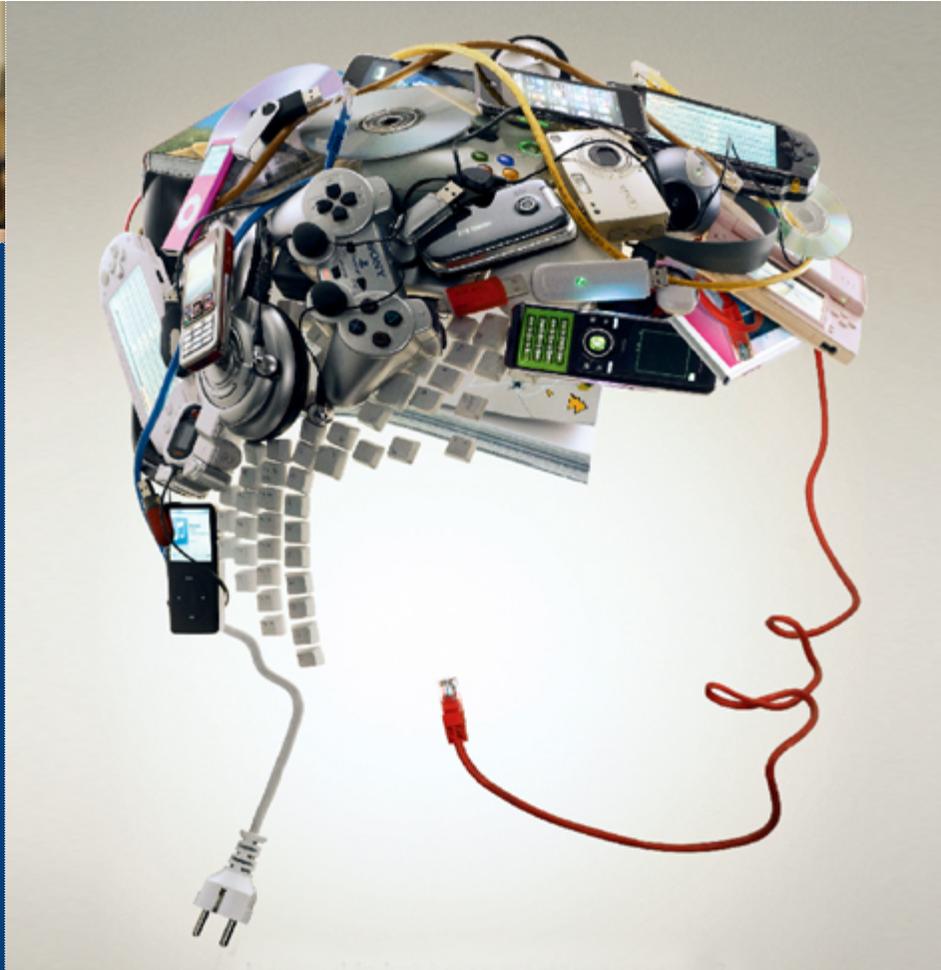
The screenshot shows a Mozilla Firefox browser window displaying the Nova ePack teacher interface. The address bar shows the URL: [http://nova.prd.malmberg.nl/levels/37/results/student\\_lu\\_type\\_results?chapter\\_id=89&group\\_id=69&learning\\_](http://nova.prd.malmberg.nl/levels/37/results/student_lu_type_results?chapter_id=89&group_id=69&learning_). The interface includes a search bar, a user profile for Jaap van den Broek, and navigation tabs for 'Mijn bureau', 'Hoofdstuk', 'Lesmateriaal', and 'Lesvoorbereiding'. A 'Resultaten van mijn leerlingen' section is visible, along with a 'Coördinatiepunt' section. The Malmberg logo and 'Contact | Copyright' are at the bottom of the interface.



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



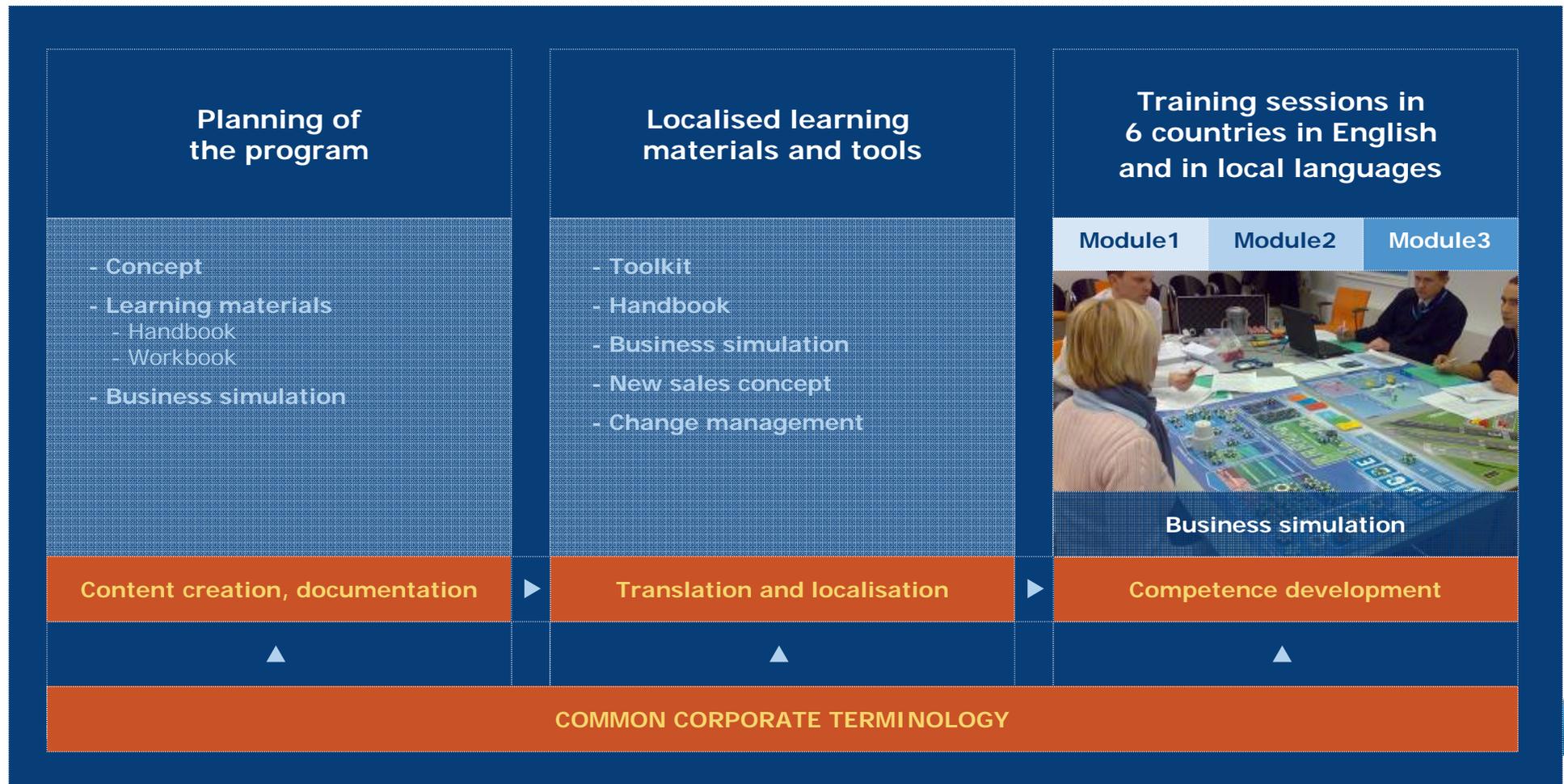
With  
blended  
learning  
solutions  
it works!



# What does a Language Solution look like?



# Implementing new way of working internationally across the organisation with operations in 6 countries



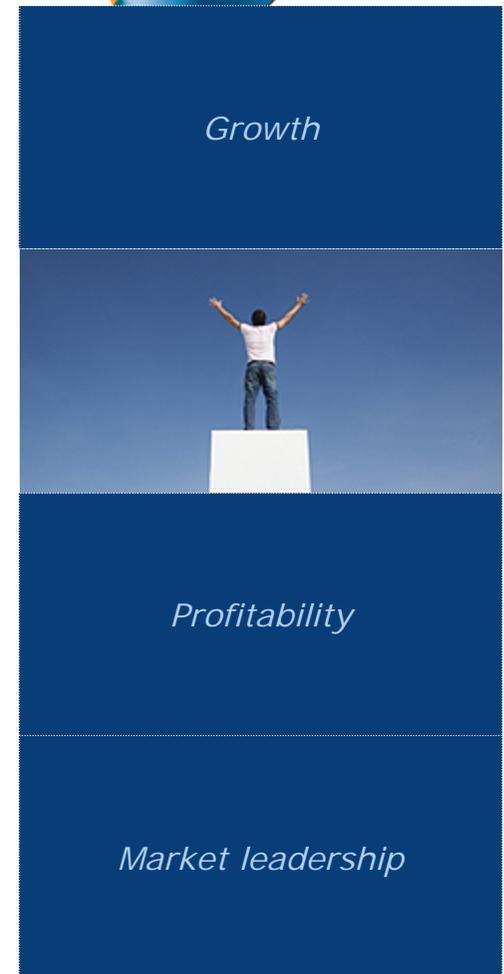
# What makes us successful language solutions providers

- Clear and appealing customer promise
- Building blocks to tailor the right solution
  - sophisticated content creation competencies
  - translation resources to support 80+ languages
  - digital learning
- Extensive experience in supporting major Nordic customers



# We aim for growth, profitability and winning positions in our markets

- **Becoming a top 3 player in the European learning market**
  - with skills and ambition to exploit the opportunities of many learning areas and create an opening to emerging markets
- **Building a distinctive language service provider in the Nordic market**
  - to serve our Nordic customers' global communication needs and actively participate in consolidating the market of language services



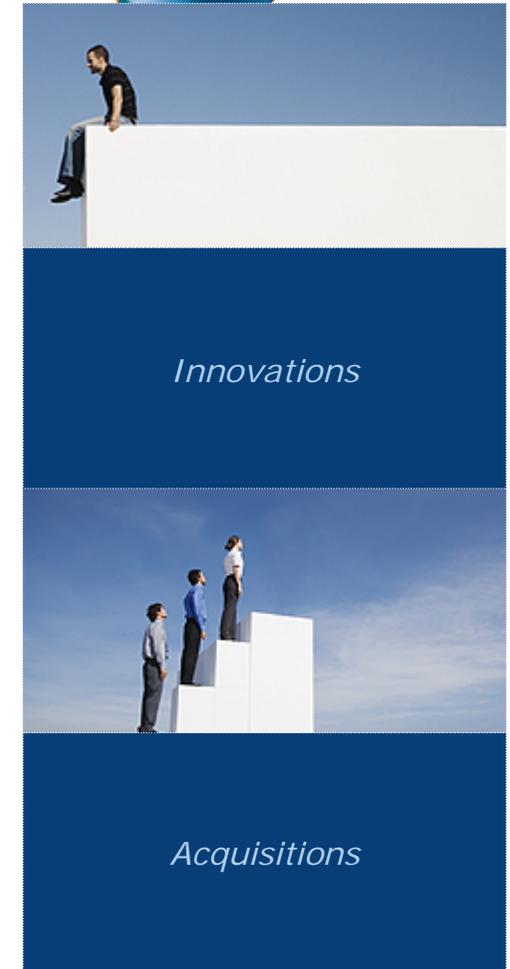
# How are we going to achieve growth?

## Organic growth through innovations

- Developing traditional products into customised solutions
- Using technology as the driving force
- Implement division wide knowhow and experiences to empower local market positions

## Acquisitions, building up a focused international group of companies

- In K-12 learning and in language services
- In core and adjacent areas
- In content, technology and services



# How are we going to achieve sustainable profitability?

By taking advantage from

## Adding high value to the offerings

- Support customers in their processes
- Integral blended solutions

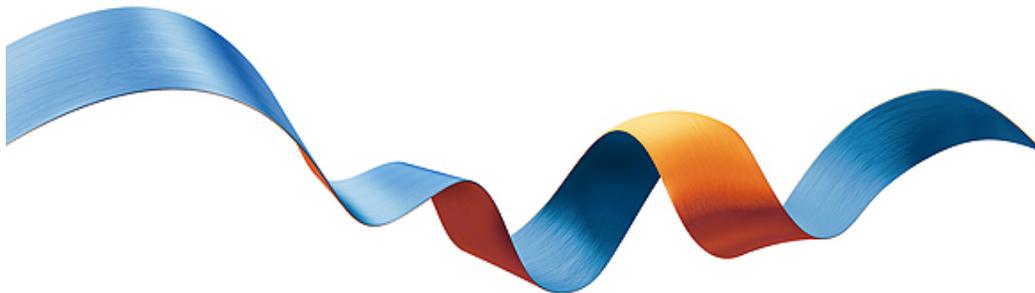
## Division wide synergies

- Scalable concepts, platforms, tools and technology
- Apply best ways of working



# How are we going to achieve winning positions?

- **Customer in the lead**
  - To lighten his process management
  - To secure high quality output
- **Innovation as a driver**
  - Simple and sophisticated
  - Content and technology and services



For better knowledge, competence, performance and well being

