



SanomaWSOY Education and Books

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SanomaWSOY

SanomaWSOY Education and Books

The SanomaWSOY Group

Group Net Sales M€ 2,742 • Group EBIT M€ 292 • Group Personnel 18,434

Rautakirja

- Net sales M€ 799.9
- EBIT M€ 54.7 (6.8%)

Press distribution, Kiosk operations, Bookstores, Movie theatres

SWelcom

- Net sales M€ 131.8
- EBIT M€ 12.5 (9.5%)

Commercial TV, Cable TV, Broadband, Radio

SanomaWSOY Education and Books

- Net sales M€ 309.2
- EBIT M€ 48.0 (15.5%)

Educational publishing, General literature, Business information and services

Sanoma Magazines

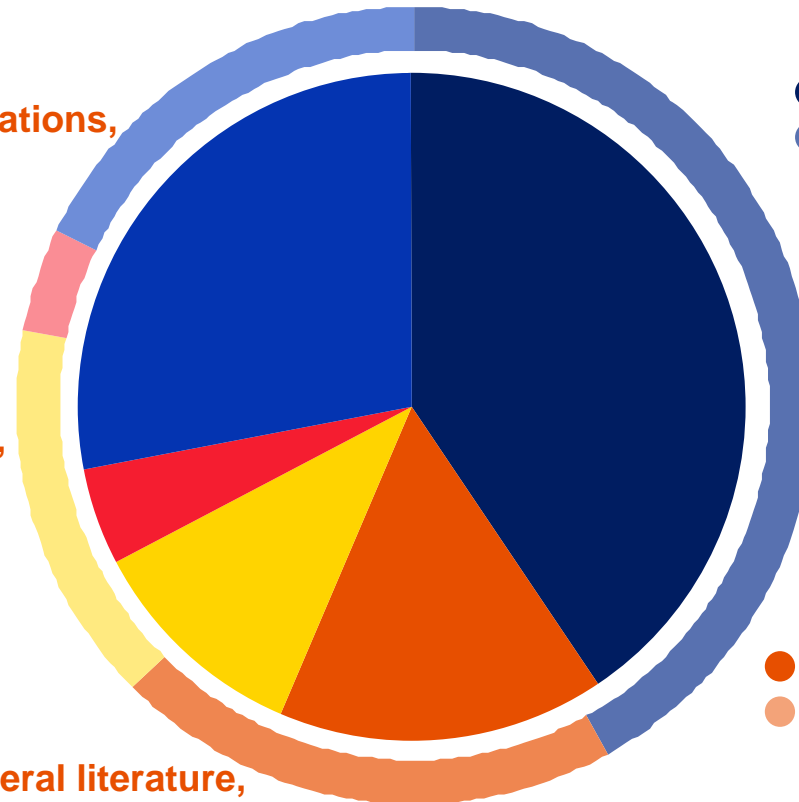
- Net sales M€ 1,155.9
- EBIT M€ 128.8 (11.1%)

Magazine publishing, Online operations

Sanoma

- Net sales M€ 457.1
- EBIT M€ 62.7 (13.7%)

Newspaper publishing, Online operations



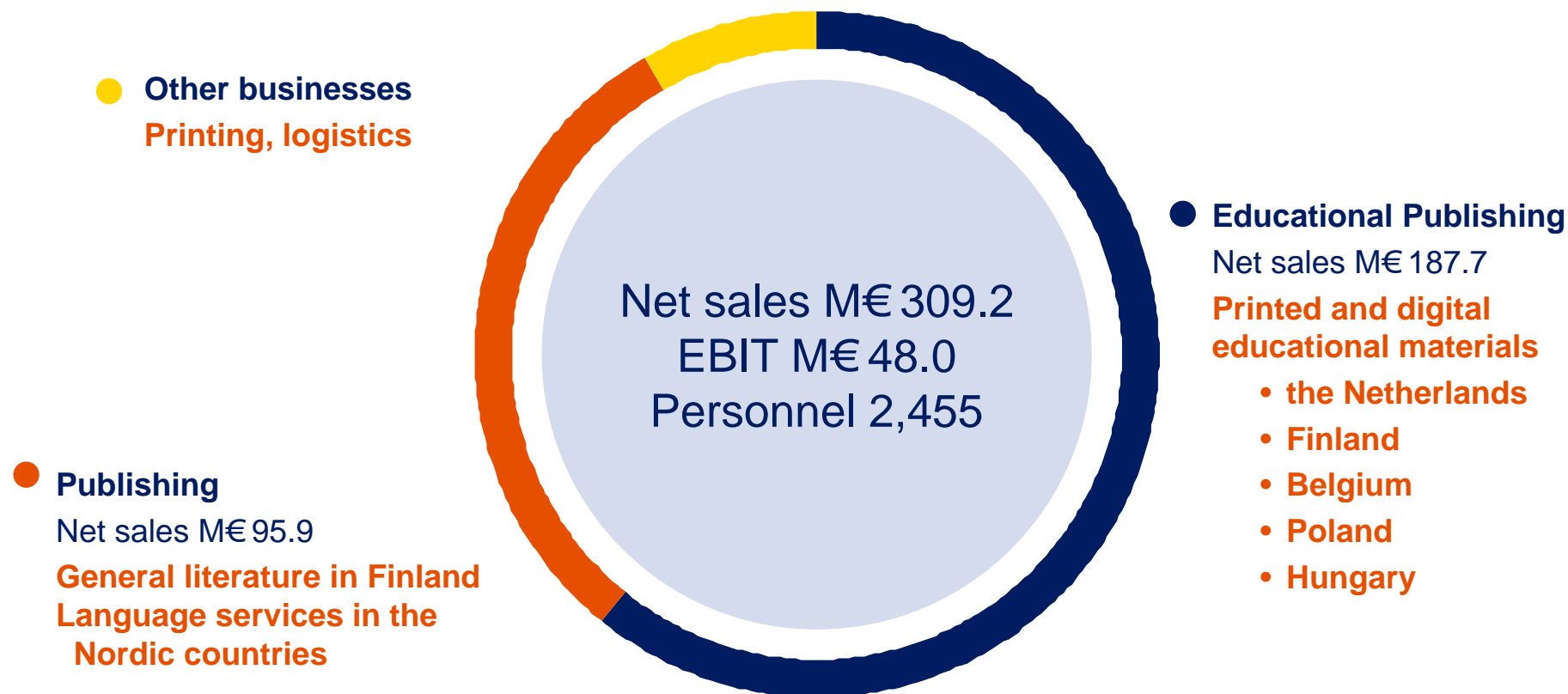
SanomaWSOY Education and Books

In Brief

- Profile
 - International educational publisher
 - Leading Finnish General Literature publisher
 - Establishing Language services provider
 - Approx. 2,500 employees
- Financial highlights
 - 2006 sales: EUR 309 million, EBIT margin: 15.5%
- Mission
 - Develop our businesses towards preferred suppliers of mixed media products and services, meeting the needs of all of our customers

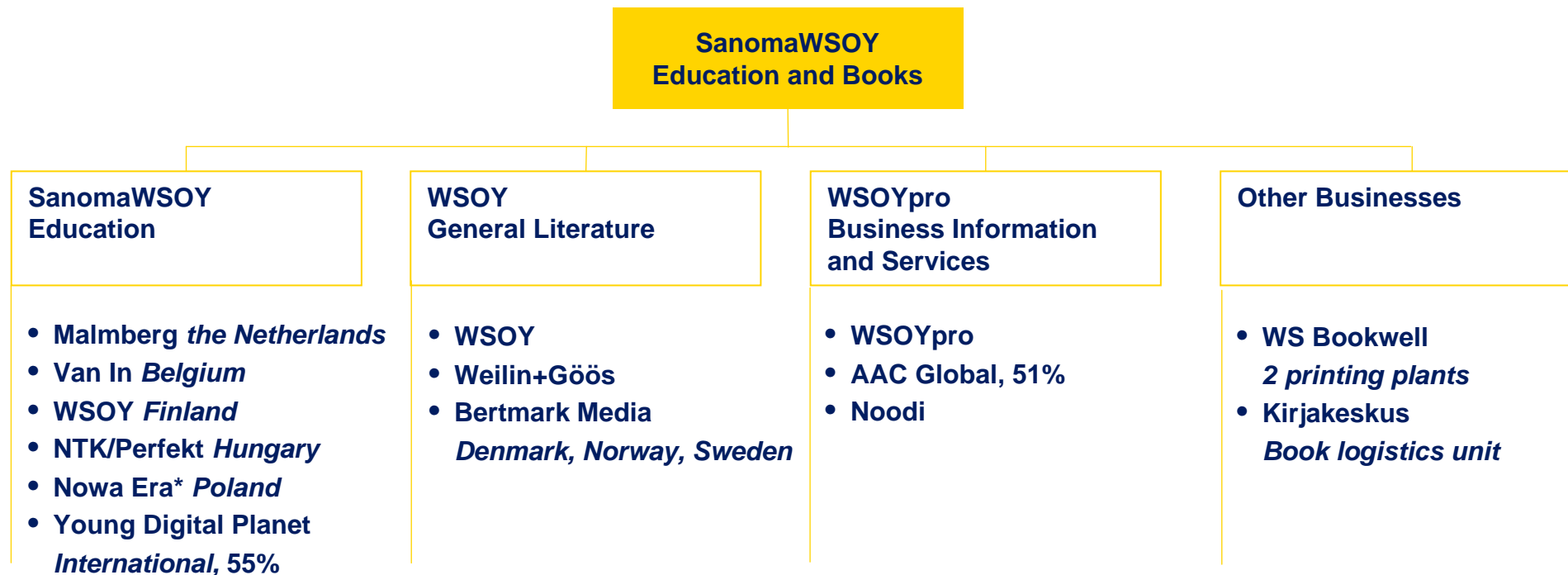
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Significant European Educational Publisher, Strong Nordic Positions in Literature Publishing and Language Services



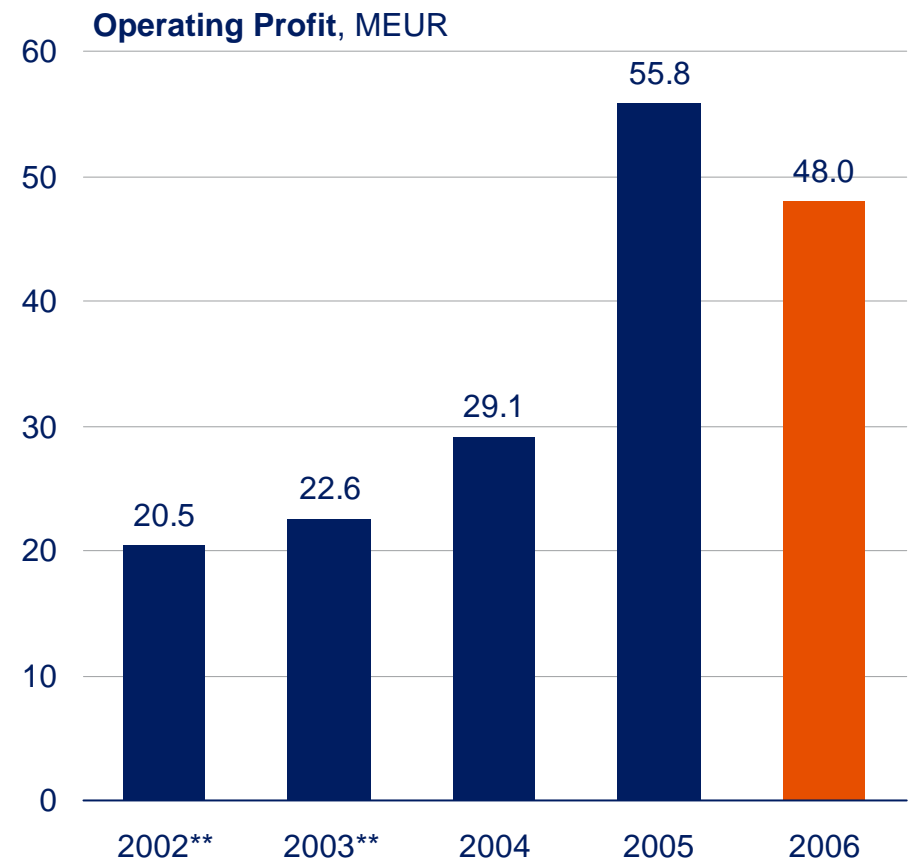
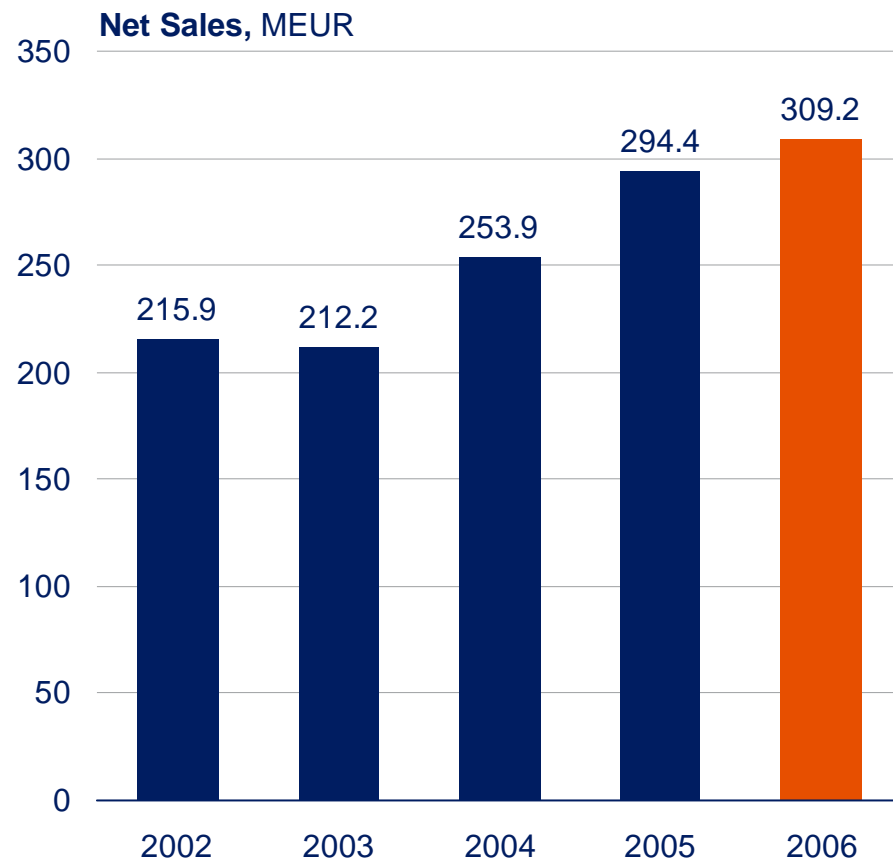
SanomaWSOY Education and Books

Significant European Educational Publisher and
Finland's Leading Book Publisher



SanomaWSOY Education and Books

Significant European Educational Publisher and
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SanomaWSOY Education & Books

Faces Key Changes

- **Focus on growth and divestments**

- Acquisitions in Education and Language 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

SanomaWSOY Education

In Brief

- Profile
 - International educational publisher
 - Leading positions in the Netherlands, Finland, Belgium, Hungary, Poland and International
 - Approx. 1200 employees
- Financial highlights
 - 2006 sales EUR 187.7 million
- Vision
 - Enable and support customers, enhancing education by making learning processes attractive and effective

SanomaWSOY Education

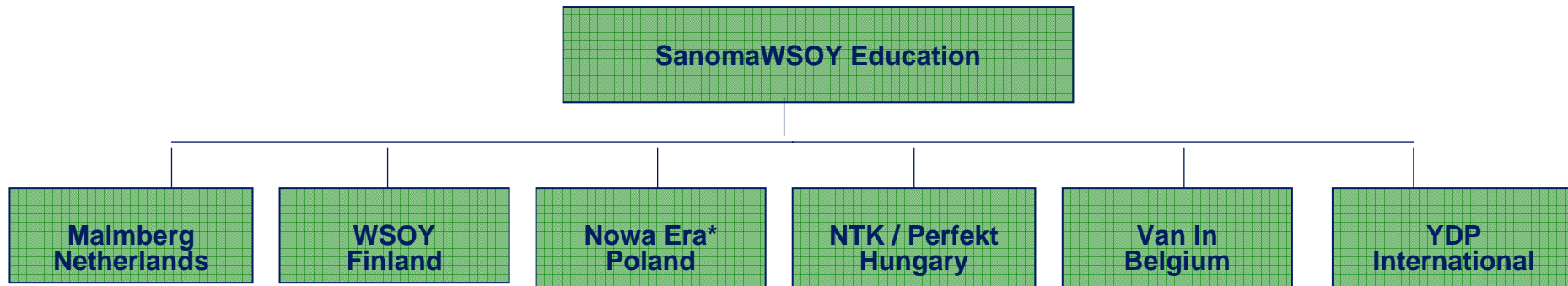
Runner up in the European Educational Publishing Market

- One of Europe's largest educational publishers with leading positions in Finland, the Netherlands, Belgium, Poland and Hungary
- Strong and leading local brands: WSOY, Malmberg, Van In, NTK/Perfekt, Nowa Era
- Global eLearning brand: YDP
- Proven ability to take advantage of curriculum changes and educational reforms
- Strong focus on K-12 markets
- Forerunner in the 'digitalisation' of educational materials

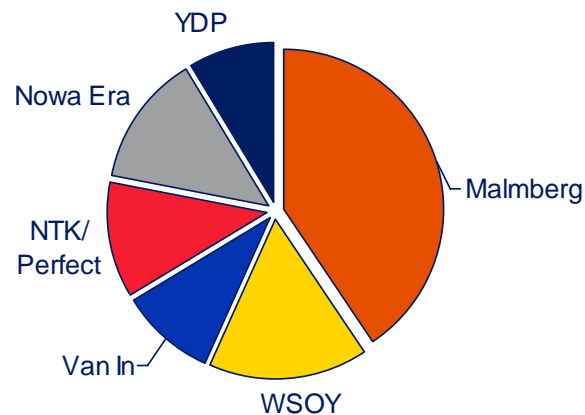


The Business is Well-Balanced

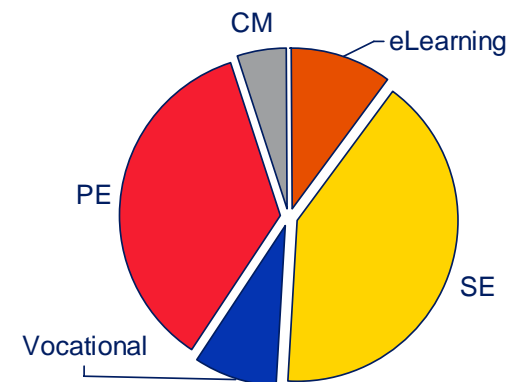
And Strongly Focused on K-12 Markets



Net Revenues per country

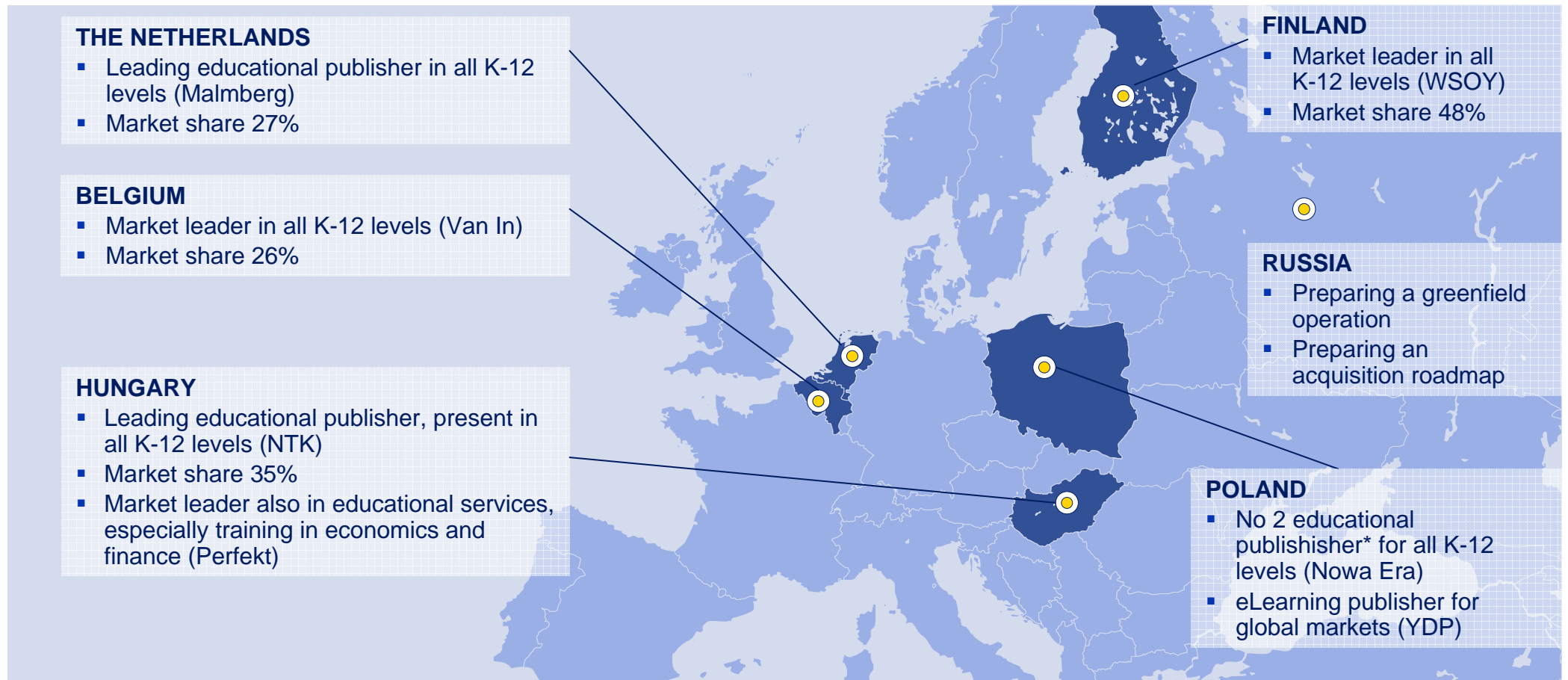


Net Revenues per PMC



SanomaWSOY Education

Building Geographical Positions in SanomaWSOY Core Markets



Nowa Era

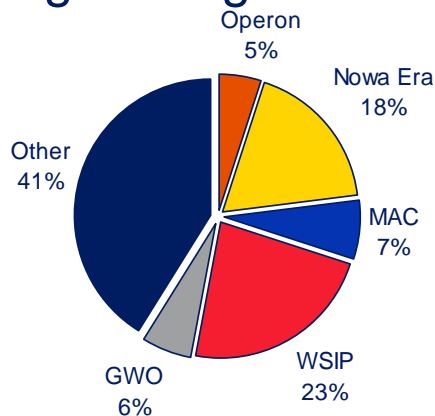
Our Latest Acquisition



- High quality player in the Polish educational market:
 - Proven growth track record
 - Market challenger and innovation capacity
 - Excellent financial performance
 - Strong management team

- Key positions in:
 - All levels of Primary and Secondary Education
 - Outstanding positions in integrated subjects, sciences, history and humanistics
 - ICT has been strong driver behind marketshare gains

Polish market:



European market environment

Good and Solid Perspectives

- European educational publishing market still unconsolidated (no big players)
- Local content, but global platforms
- Education has great growth potential:
 - Education top priority in Europe, catch up investments especially in CEE countries
 - ICT main driver behind growth
 - eLearning increases the market
 - Internet based services
 - Modularisation of educational solutions (sharing of concepts, assets and technology)



Key Market Drivers

Implication to Our Strategy

Market drivers

- Curriculum changes
- Declining demographics
- Use of ICT in learning processes
- Accountability for schools
- Fragmentation in demand
- Education key in EU policy



Strategic implications

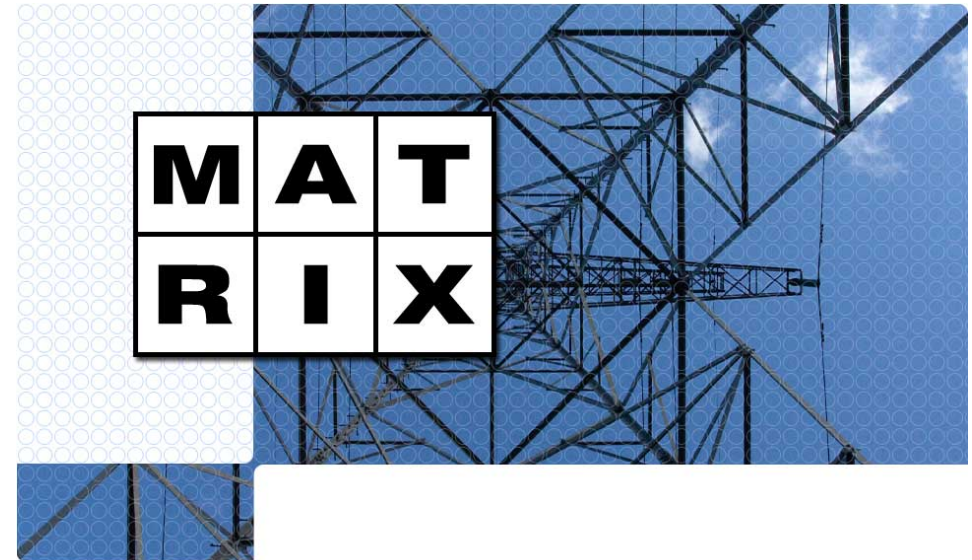
- Ongoing anticipation in core portfolio
- Customer value through extended learning solutions
- ICT products and services to support attractivity and effectivity
- Implement assesment tools and solutions
- Excellence in internal processing
- Leverage intra group concepts and models

Strong Core Positions

Basis for Continuous Further Growth

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

- Product improvements
- Re-currency
- Market share gains
- Sales and 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 Geographical Markets Focusing on CEE

- 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 eLearning 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

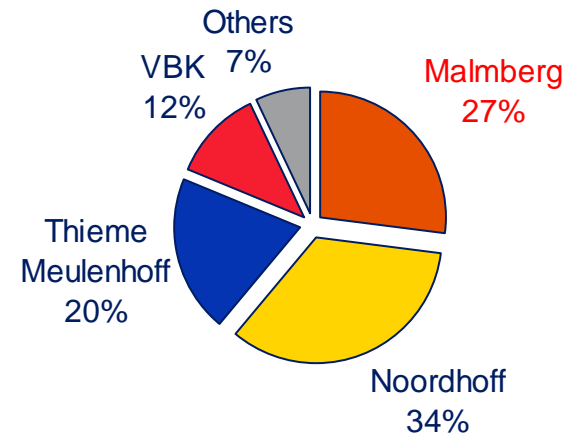


Content for your life.

Malmberg

Market size, competition, and positions

- (net) € 238 million
- Expected CAGR 0.7%
- Primary market no 1
- Secondary market no 2
- Vocational market no 4
- Consumer market no 1



Characteristics

- High market shares
- Strong brands
- Innovative quality

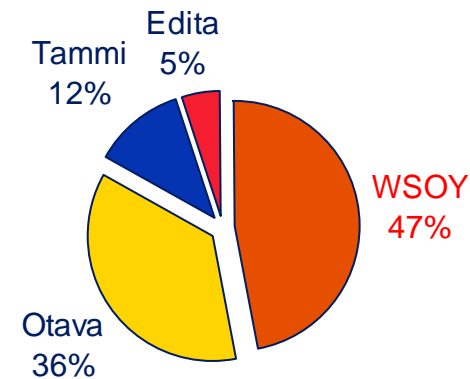
Strategic priorities

- Commercial anticipation to changed market structures
- Expand in new businesses and segments
- Redesign processes

WSOY Oppimateriaalit

Market size, competition, and position

- (net) €83 million
- Expected CAGR 4%
- Primary market no 1
- Secondary market no 1
- Vocational market no 1



Characteristics

- Strong brands
- High quality
- OPIT learning services

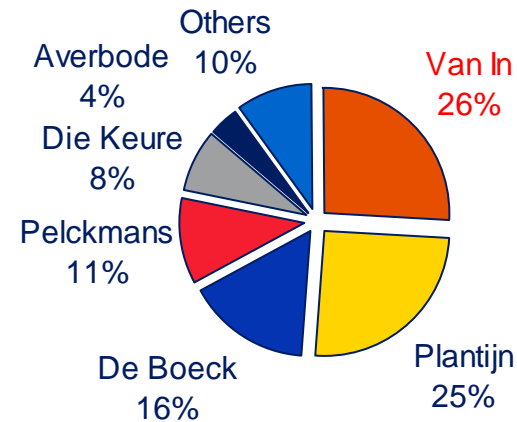
Strategic priorities

- Capitalize on curriculum changes
- Integrate ICT in learning systems
- Expand in new businesses

Van In

Market size, competition, and positions

- (net) €74 million
- Expected CAGR 5.2%
- Flanders market no 1
- Walloon market no 1



Characteristics

- Strong brands
- Market challenger
- Dynamic player

Strategic priorities

- Capitalize on new generation learning systems
- Improve commercial power
- Expand in new businesses and segments

Young Digital Planet

Market size and competition

- Global market
- Expected CAGR >10%



Characteristics

- Innovative company
- Strong brands in international markets
- Market challenger

Strategic priorities

- Capitalize on Universal Curriculum
- Expand in new markets
- Switch profile from a software house to a publishing partner



Láng publishing

Market size, competition, and positions

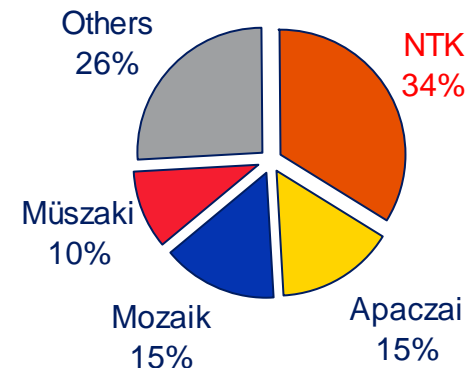
- (net) €60 million (education), €52 million (training)
- Expected CAGR 5% (education), 1% (training)

NTK

- Primary market no 2
- Secondary market no 1

Perfekt

- Vocational courses no 1 (market share 10,5%)



Characteristics

- Strong brands
- Strong position in educational networks

Strategic priorities

- Integrate ICT in the portfolio
- Redesign business operations

