



Acquisition of VNU Consumer Information Group

July 20, 2001



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- **Transaction Highlights**
- Consumer Information Group
- Strategic Rationale
- New SanomaWSOY Group
- Financing Considerations
- Conclusion



Transaction Highlights

- **Acquisition** VNU Consumer Information Group - the leading consumer magazine publisher in the Netherlands, Belgium, Czech Republic and Hungary
- **Consideration** €1,250 million (on a debt-free basis)
- **Financing & Refinancing**
 - Fully underwritten syndicated loan facilities
 - Potential issue of convertible capital note
 - Cash reserves
 - Disposal of non-core assets
- **Closing** By beginning of Q4, subject to competition authority approval where appropriate



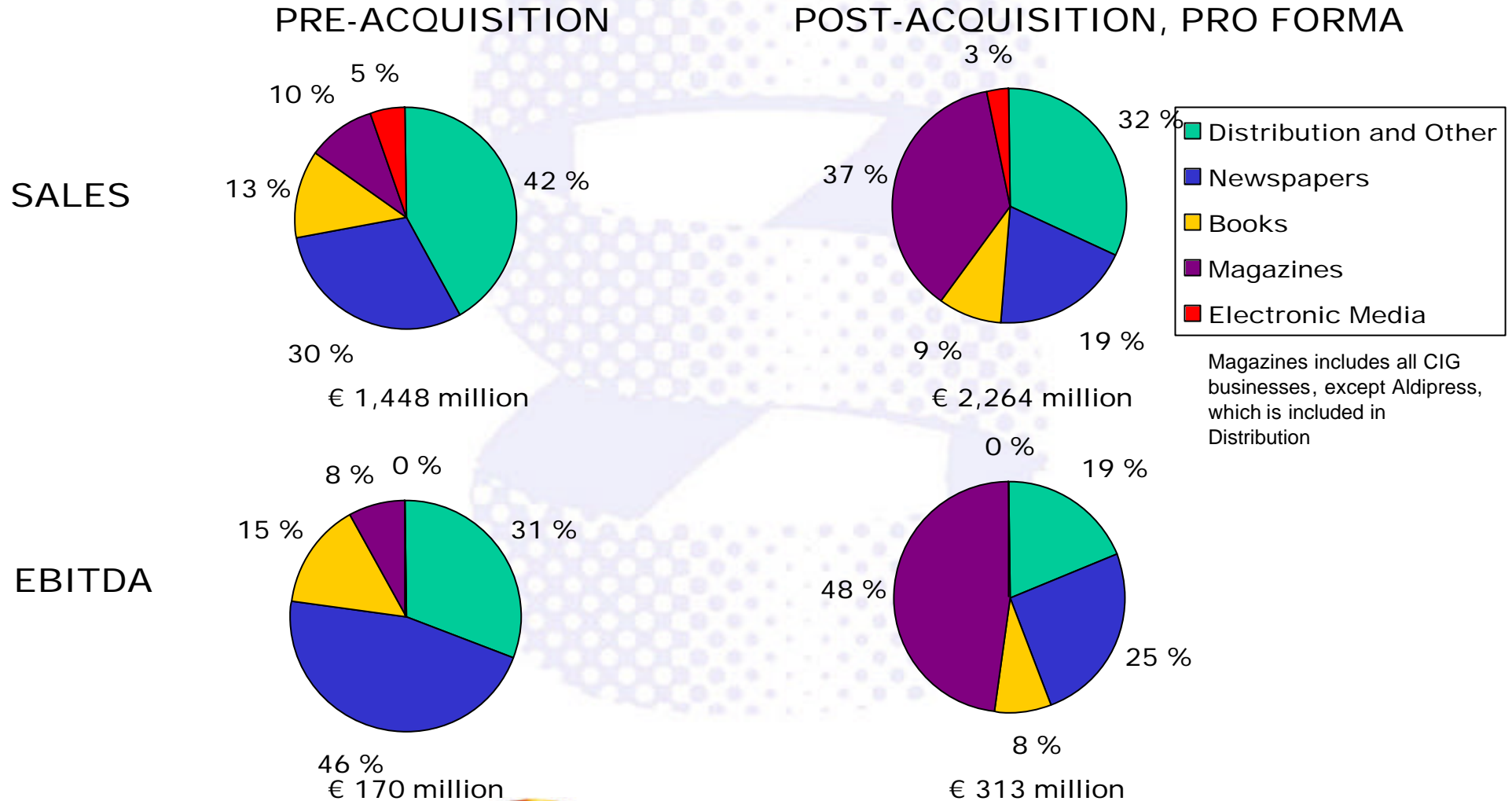
Transaction Highlights

Rationale

- **Excellent strategic fit**
 - In line with SanomaWSOY's strategic intentions to grow and internationalise
 - Creates a new major player in the European magazines market:
 - Net sales 976 million
 - Leading market positions in The Netherlands, Finland, Belgium, the Czech Republic, and Hungary
 - CIG has over 250 titles in seven countries; Helsinki Media has 48 titles in two countries
 - Opportunity to leverage brands, formats, and content across multiple markets
 - Springboard for SanomaWSOY's further expansion
- **Strong operational and financial performance of CIG**
 - Outstanding profitability and strong cash flow
 - Resilient business due to high share of revenues from circulation
- **Balanced deal**
 - 8.7 x EV/EBITDA
 - CEPS & EPS positive (pre-goodwill)



Financial Impact



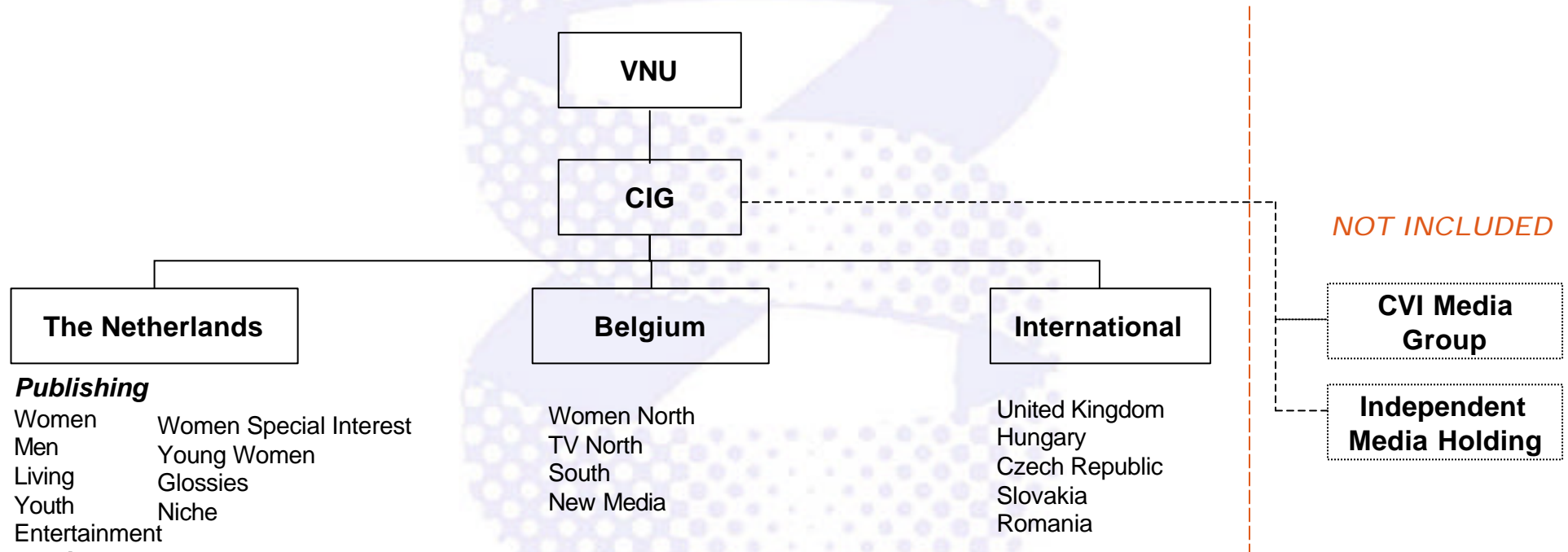
Note: All CIG figures are extracted from the Information Memorandum and are unaudited.

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Acquisition of Consumer Information Group



Publishing

Women	Women Special Interest
Men	Young Women
Living	Glossies
Youth	Niche
Entertainment	

Ancillary

else Media and others

Distribution

Aldipress

Women North
TV North
South
New Media

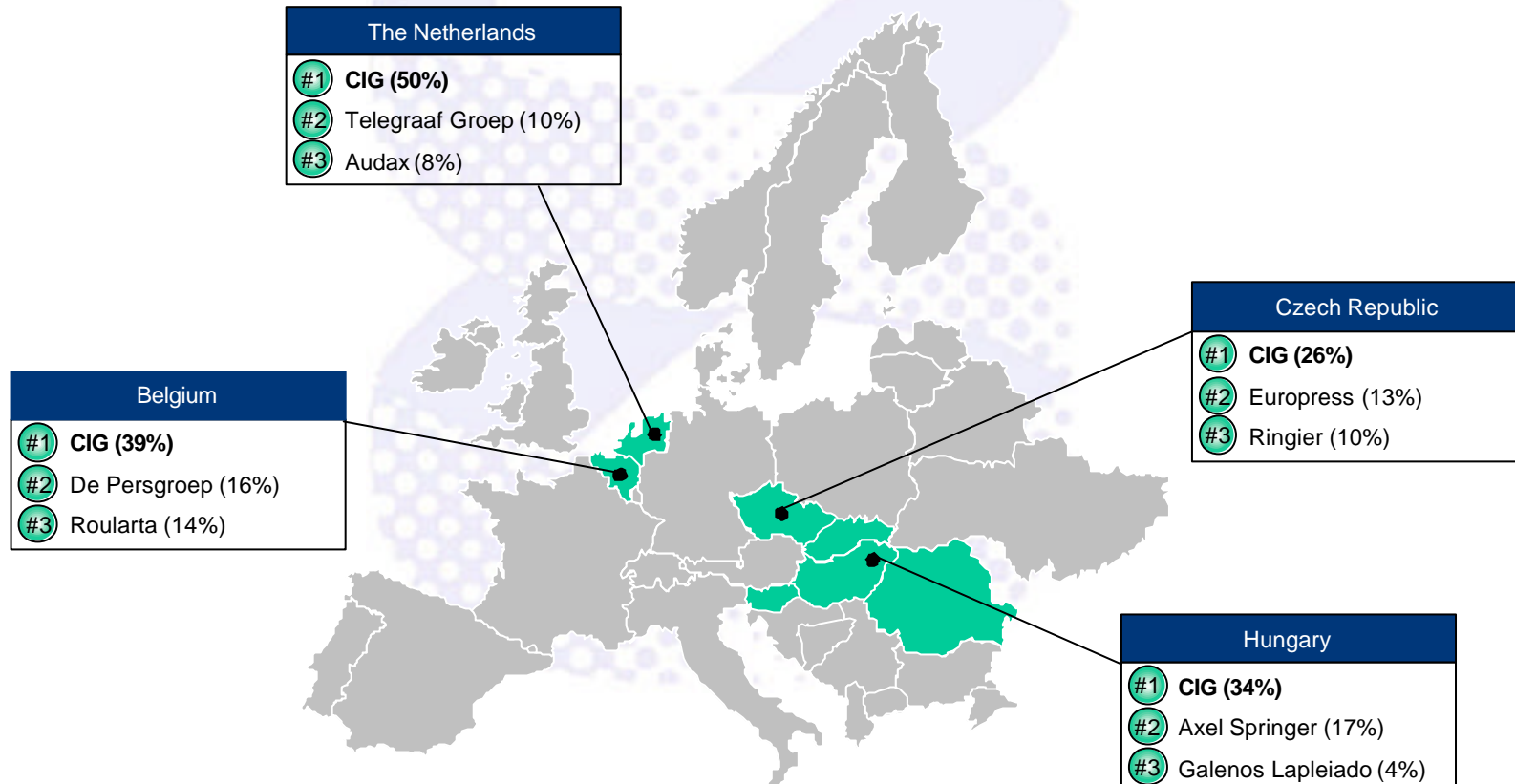
United Kingdom
Hungary
Czech Republic
Slovakia
Romania

- Attractive magazine segments: Women, Men, Special Interest, Youth, and Living
- Targeting all age groups from pre-school to 50+
- Two-thirds of revenues from circulation; over 60% of circulation revenues are subscription-based



Consumer Information Group

Leading Market Positions



¹ Based on circulation
18.8.2003 9:10

Consumer Information Group

The Netherlands



- 50% market share
- Annual circulation of 175 million
- 50 core magazines and 70 special interest magazines
- Flagship titles include women's weeklies Libelle (circulation 642,000) and Margriet (circulation 424,000)
- #1 search engine and portal (ilse Media Groep)
- Largest commercial magazine sales and distribution organisation in The Netherlands (Aldipress)



Consumer Information Group

Belgium and International



- 20 core magazines with combined circulation of over 75 million copies in Belgium; active in both Flemish- and French-speaking Belgium
- 24 consumer titles and 4 business titles in Hungary
- 16 consumer titles and 11 business titles in the Czech Republic and Slovakia
- Leading publisher of crossword and puzzle magazines in Britain (36 titles)
- Romania is a new market (3 titles)
- Partner of choice for licensed titles



Strong CIG earnings

€ million

	1998	1999	2000
Sales	659	730	816
EBITDA	117	130	143
EBITDA margin	17.7%	17.8%	17.5%



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Strategic Rationale

SanomaWSOY 2000 Strategy Highlights

- To develop current businesses and grow through selected acquisitions and alliances
- To achieve net sales of €2.5 billion by 2005 and strengthen the Group's market positions by drawing on SanomaWSOY's broad base of know-how and expertise
- To focus acquisitions on areas where the Group is strong and on markets where a significant market share can be achieved within reasonable time
- Identified magazines as core growth area because of resilience and leisure aspects
- To generate 20% of net sales from international operations
- To exploit Internet, wireless solutions, and digital-TV opportunities
- To grow our businesses in line with our commitment to maintain significant dividend payout ratio



Strategic Rationale

CIG Acquisition: Four Key Drivers of Value

- Combining leadership positions in selected European magazine markets
- Diversification of earnings through international growth
- Leveraging respective management expertise
- Opportunities for enhanced revenue growth and cost synergies in selected areas



Strategic Rationale

Combining Leadership Positions

- Leading position in smaller and medium-sized markets in Western Europe
- Opportunity to increase value through growth, restructuring, and consolidation in Nordic and Central & Eastern European markets
- Potential for leveraging successful brands, formats, concepts, and content across multiple markets
- Partner of choice for licensed titles
- Unique offering to pan-European brand advertisers, particularly strong in attractive segments (women, special interest, youth, lifestyle)
- Springboard for further acquisitions and potential to create European magazine champion



Strategic Rationale

Earnings Diversification Through International Growth

- Diversification of earnings and growth potential over countries and markets at different stages of the economic cycle
- Strategically unique position
- Addition of excellent management and human resources
- Stronger international presence
- New potential opportunities for expansion in other parts of the SanomaWSOY portfolio
- Opportunity to increase value through growth, restructuring, and consolidation in European markets



Strategic Rationale

Leveraging Respective Management Expertise

- Leading market positions
- Expertise in maximising revenue in smaller markets
- Strong presence in high-value magazine segments
- Successful licensing arrangements
- High ratio of revenue from subscriptions
- Focus on concept publishing
- Brand extension opportunities
- Complementary geographies



Strategic Rationale

Key Sources of Synergies

- Revenue
 - Customer Relationship Management
 - Licensing
 - Opportunities between publishing and distribution
 - Cross utilisation of brands, concepts, formats, and content
 - Cost
 - Purchasing
 - IT systems
 - Logistics
 - Benchmarking and transfer of best practises
 - Strengthening of core competencies
 - Improved topline growth and profitability
- 



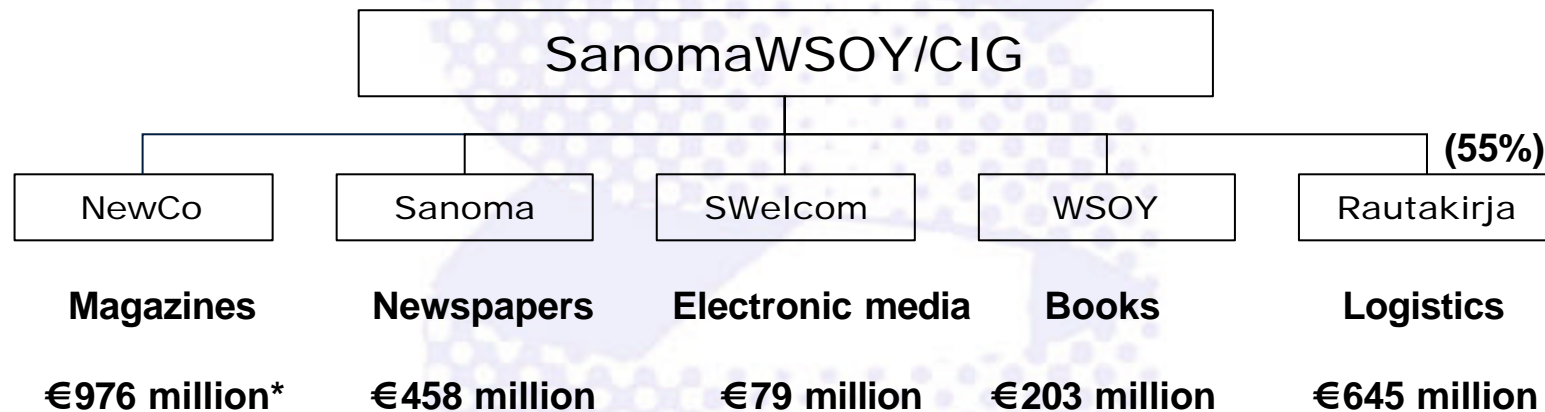
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The New SanomaWSOY Group

Business Overview



* Including all CIG operations
Intergroup sales not eliminated

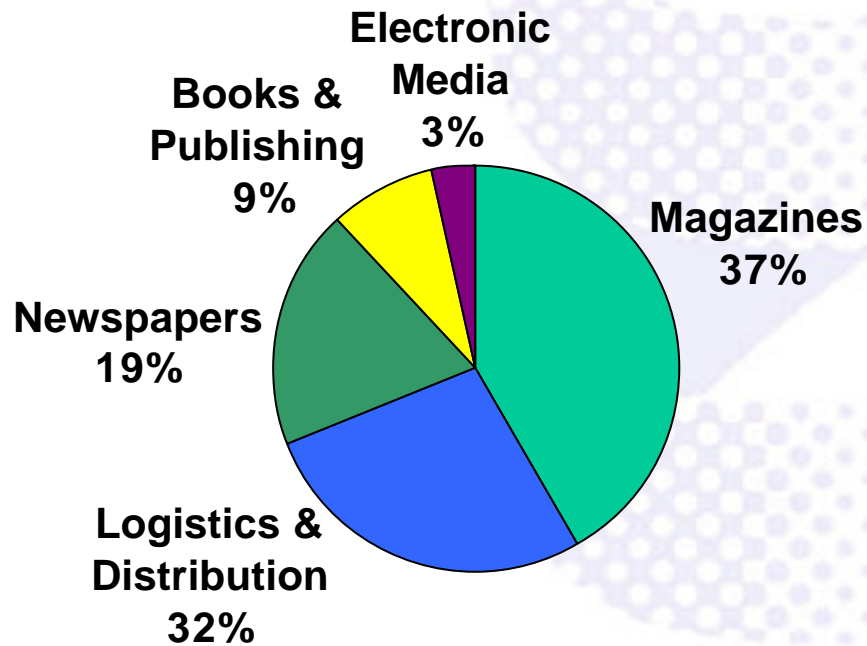


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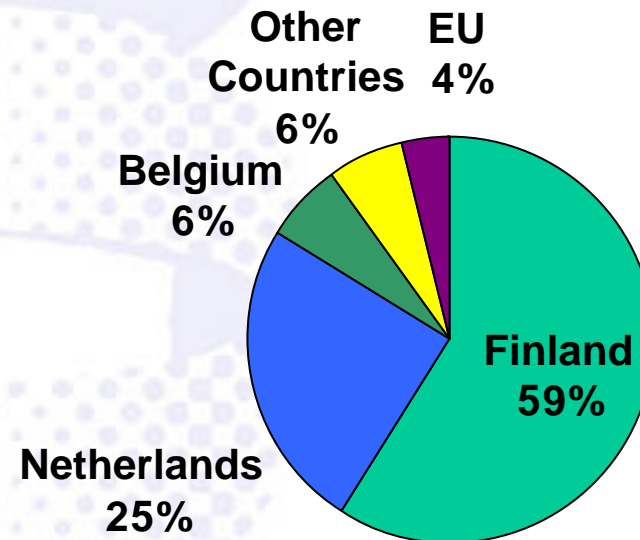
New SanomaWSOY Group

Revenue Breakdown

By Business



By Country



Pro forma 2000 net revenues: €2,264m

Note: "Magazines" includes all CIG businesses, except Aldipress, which is included in "Logistics & Distribution"



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Financing the CIG acquisition

- **Enterprise value of EUR 1,250 million financed through combination of:**
 - Syndicated loan facilities fully underwritten by Goldman Sachs and Nordea (€ 1.2 billion)
 - Potential convertible capital note issue later in 2001
 - Existing cash reserves
 - Sale of non-core assets and holdings at a later date



Financing Considerations

Capital Markets Perspective

- Increased critical mass and competitive position
- Enhanced international capital markets profile
- Commitment to maintaining investment grade credit quality
- Cash EPS enhancing transaction from first full year onwards
- Committed to sustained dividend payments
- Strong cash flow
- New goodwill of approximately €1,150m to be amortised over 20 years



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Conclusion

- Compelling strategic rationale
- Excellent platform for further growth and consolidation
- Extensive possibilities for value creation
- Balanced deal and strong financials
- Earnings enhancing transaction

CIG is a perfect partner for SanomaWSOY's transformation towards establishing itself as a leading European media company



Forward- looking statement:

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group's targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group's patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group's products and the pricing pressures thereto, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group's principal geographic markets or fluctuations in exchange and interest rates.

