

# Sanoma -

One of the Leading Media Companies  
in Europe

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Carnegie Nordic Large Cap Seminar

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# The Sanoma Group

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



Magazines  
Online business



Newspapers  
Online business



TV and radio  
Broadband  
internet  
Casual gaming



Learning  
Language services  
Literature & other



Kiosks  
Trade services  
Bookstores  
Movie operations



\* Excluding non-recurring items  
\*\* At the end of 2009, full-time equivalents

# Successful Integration

Steps to a leading media company

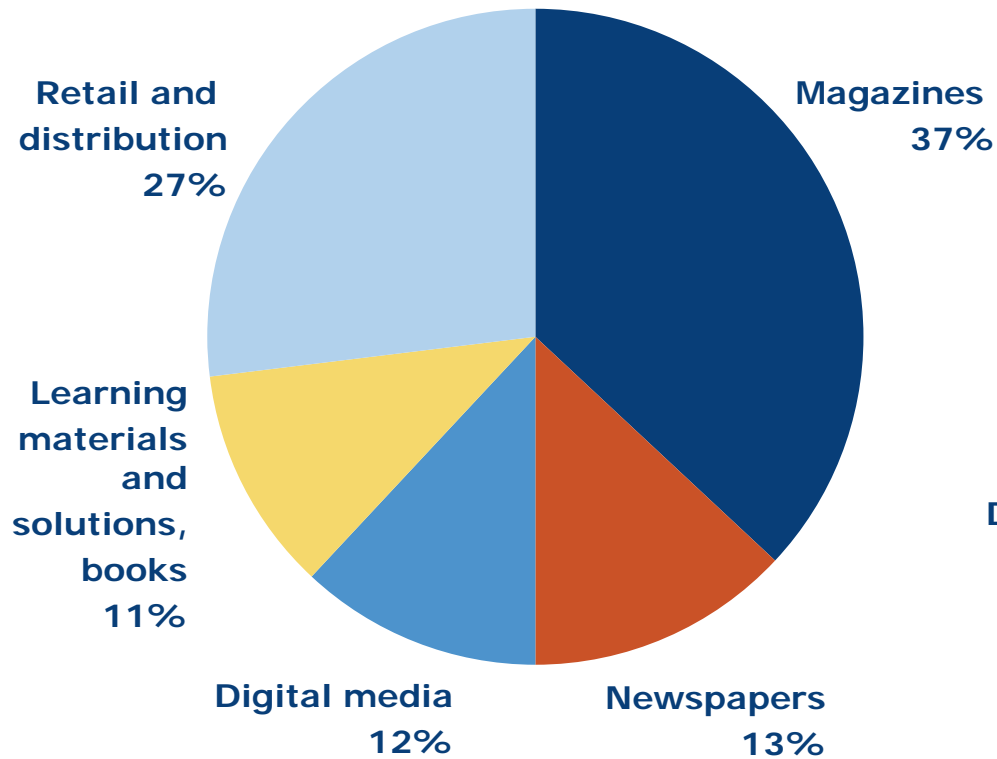
- 1999:** Sanoma and WSOY merged  
SanomaWSOY (Sanoma since 1 October 2008)  
listed on the Helsinki Stock Exchange
- 2001:** CIG acquisition  
Magazine division with operations in 9 countries
- 2003:** Rautakirja merged into SanomaWSOY
- 2004:** Malmberg acquisition  
Leading educational publisher in the Netherlands  
and Belgium
- 2005:** Independent Media acquisition  
Leading magazine publisher in Russia
- 2008:** SanomaWSOY becomes Sanoma



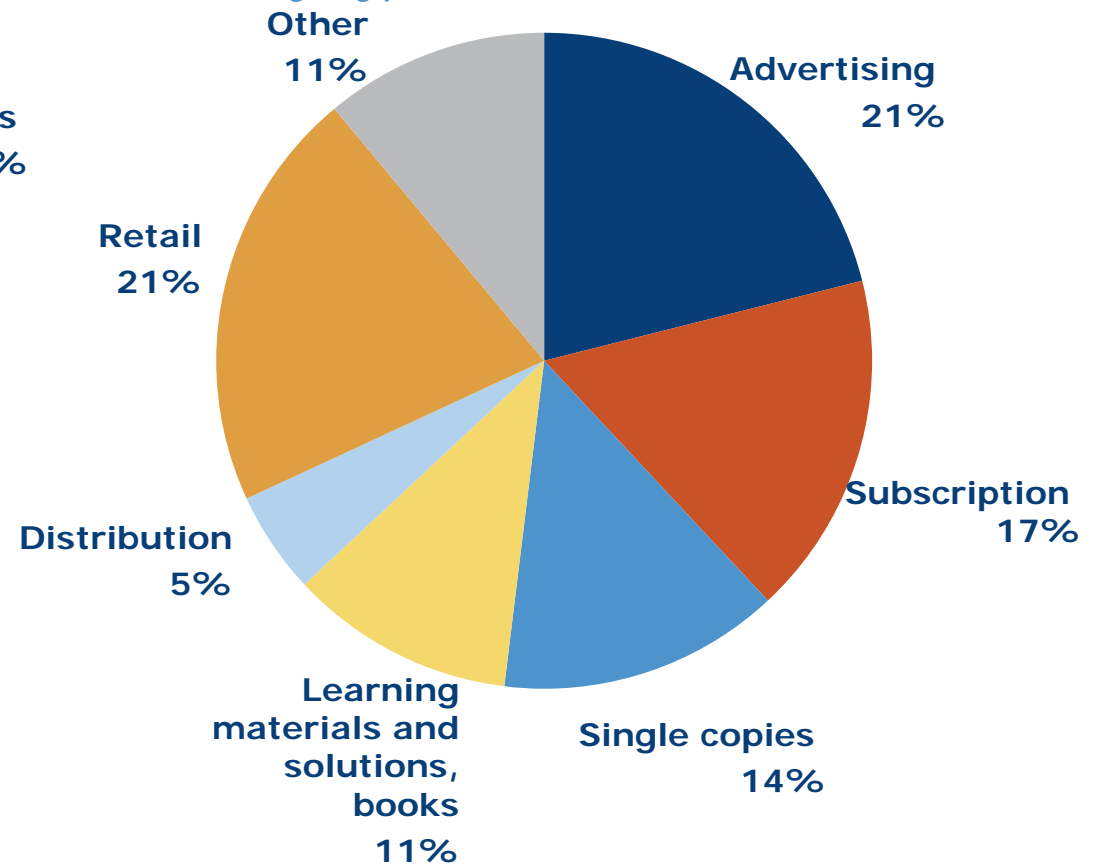
# Balanced Portfolio

of B2C and B2B products and services

Net Sales Breakdown  
by Products and Services



Net Sales Breakdown  
by Type of Revenue Source



Intra group eliminations excluded. Due to rounding, the sum of percentages of pies' slides is not always 100%

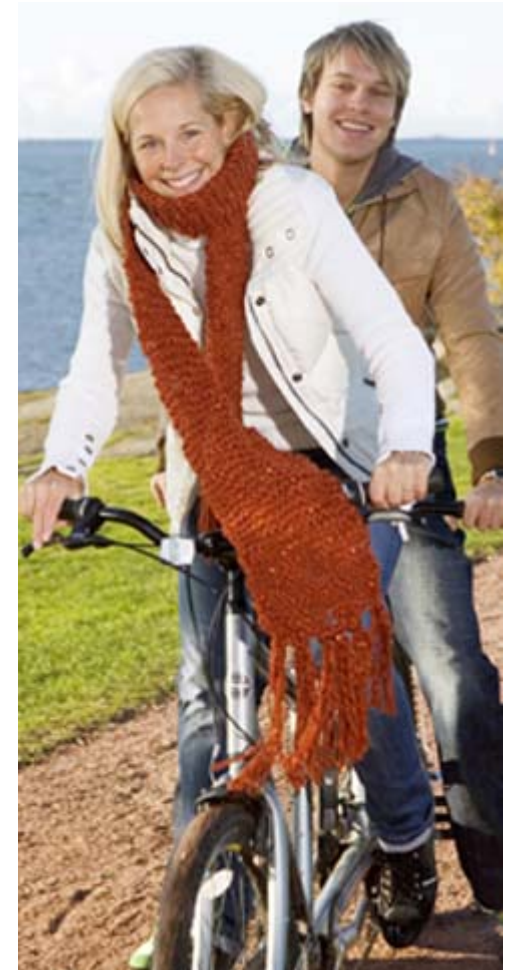
# Sanoma's Strategy

## Our goal is

- To be one of the leading media companies in Europe, with a focus on sustainable growth and profitability

## Our Strategic Objectives are

- To be the market leader in chosen businesses and markets
  - To balance our business portfolio of B2C and B2B products and services by focusing on magazines, news, learning solutions and online business
- 
- Strengthen our focus on organic growth and create an innovation management system
  - Restructure our business operations according to changing customer needs
  - Develop our organisation further and exploit synergies across the Group



# Online Strategy

- Target: Double our online revenue to EUR 240 million by 2012
- Method: systematic innovation, R&D and acquisitions
- Focus areas
  - transactional comparison and classified sites
  - casual gaming
  - verticals
- Geographic focus in
  - Central and Eastern Europe
  - Western Europe (to complement existing portfolio)
- Organisation
  - Future Media Team (media divisions' presidents)
  - Online Execution Team (implementation)
  - Innovation teams (thematic teams as growth drivers)



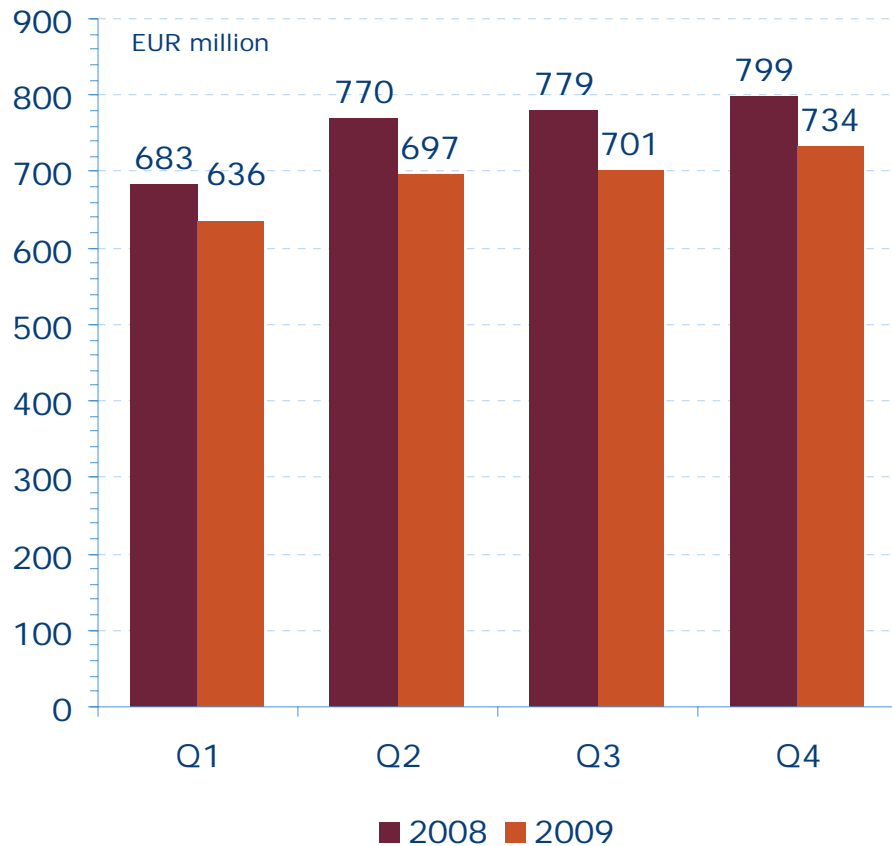
# Solid Result 2009



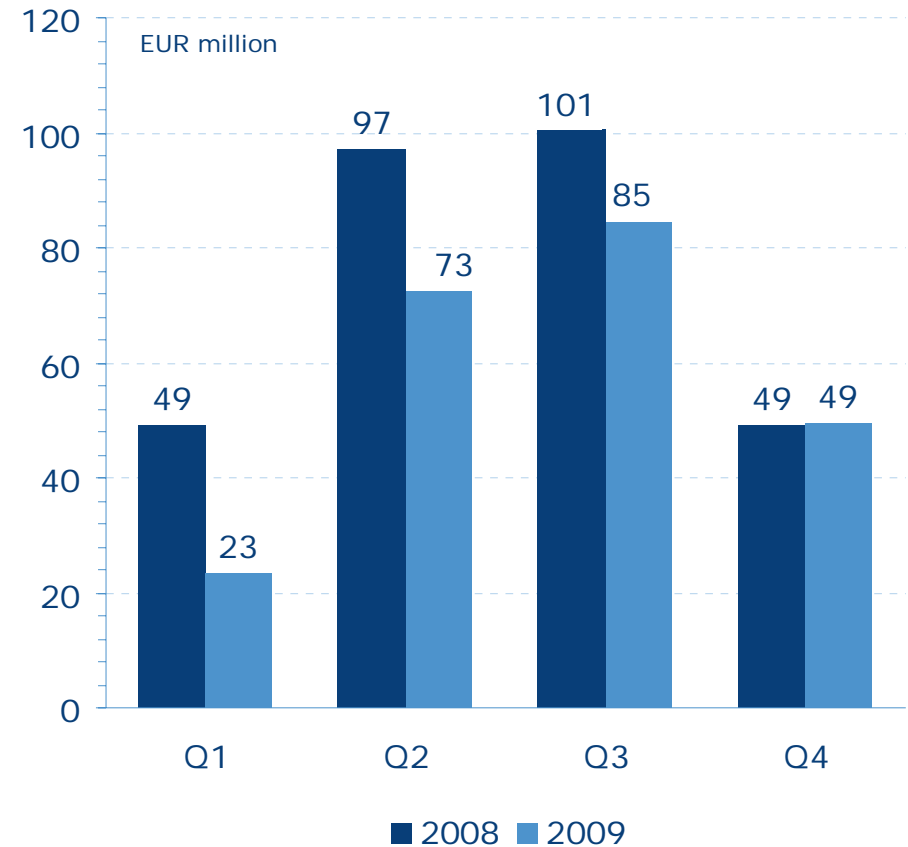
EUR million	10–12/2009	10–12/2008	Ch %	2009	2008	Ch %
Net sales	<b>733.6</b>	798.7	-8.2	<b>2,767.9</b>	3,030.1	-8.7
Operating profit excluding non- recurring items	<b>49.3</b>	49.0	0.5	<b>229.5</b>	295.7	-22.4
% of net sales	<b>6.7</b>	6.1		<b>8.3</b>	9.8	
Operating profit	<b>32.3</b>	-28.8	212.0	<b>195.4</b>	236.3	-17.3
Earnings/share, €	<b>0.04</b>	-0.39	110.2	<b>0.66</b>	0.72	-8.8
Cash flow from operations/share, €	<b>0.76</b>	0.59	28.3	<b>1.50</b>	1.56	-3.5
Number of employees at the end of the period *				<b>16,723</b>	18,453	-9.4
Average number of employees *				<b>17,343</b>	18,168	-4.5

# Improved Profitability in Q4

## Net sales

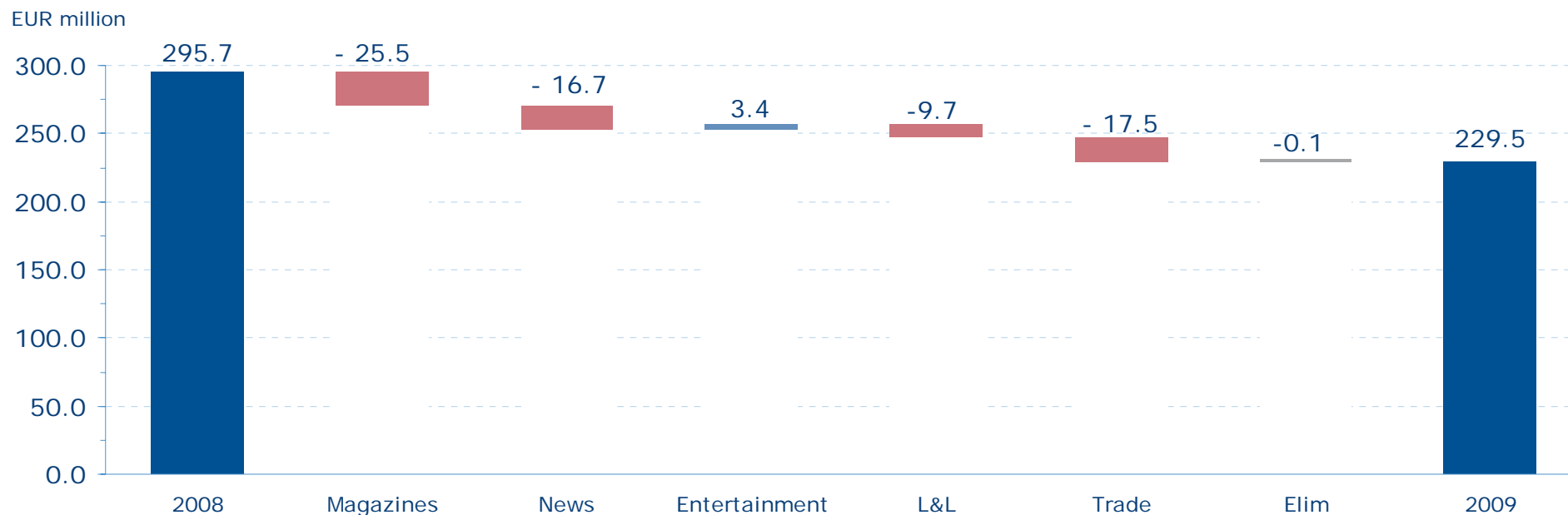


## EBIT excluding non-recurring items



EBIT Excl. Non-recurring Items

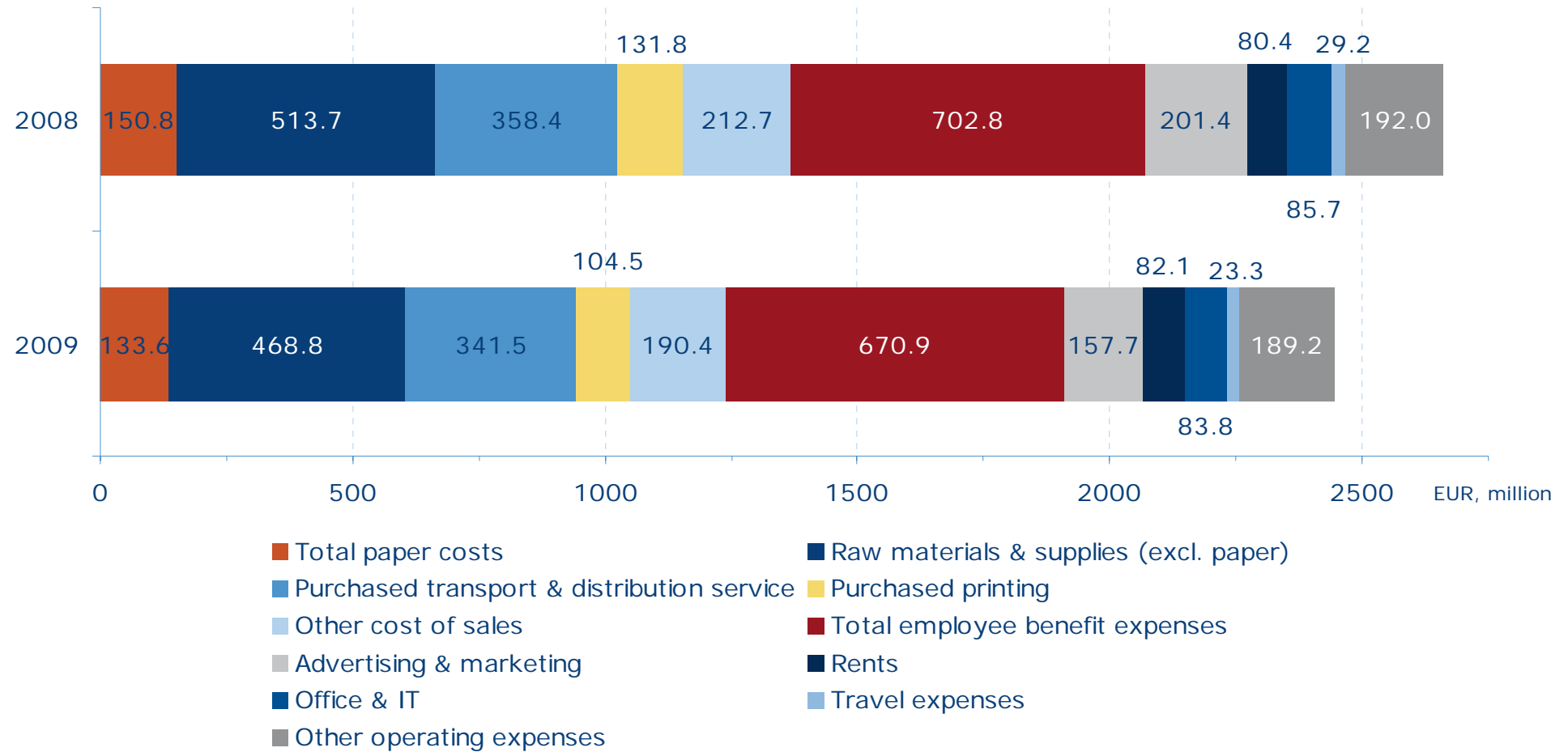
## Effects of Cost cutting increasing during second half of the year



- Magazines: decline in particular in advertising sales in Sanoma Magazines International
- News: decline in advertising sales, especially in classified ads
- Entertainment: positive development both in TV and broadband operations
- Learning & Literature: currency translations, decline in sales in language services and training, full-year consolidation of Nowa Era
- Trade: decreasing sales in the Baltic countries, problems in Russia and Romania

# Operating expenses down by 8% in 2009

- Target achieved: operating expenses clearly below the level of 2008



# Continuously Solid Financial Position

EUR million	31.12.2009	31.12.2008
Balance sheet total	<b>3,106.3</b>	3,278.7
Equity ratio, %	<b>41.4</b>	40.0
Net gearing, %	<b>79.4</b>	78.5
Interest-bearing liabilities	<b>1,017.7</b>	1,082.6
Interest-bearing net debt	<b>958.1</b>	971.6
Cash and cash equivalents	<b>59.7</b>	110.9
Return on investment, %	<b>8.9</b>	10.7

- Favourable long-term credit facility
- Net debt/EBITDA 2.6

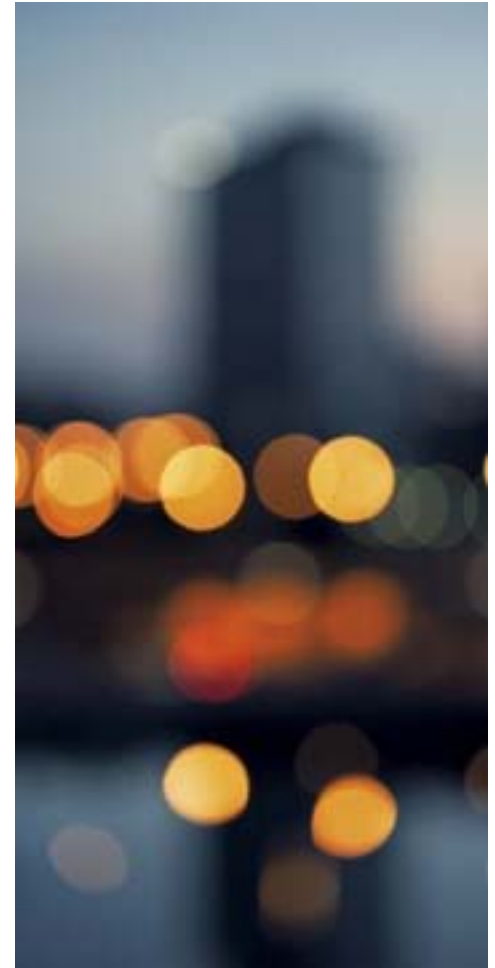
# Outlook for 2010

- Net sales are expected to grow
- The operating profit excluding non-recurring items is estimated to improve slightly
  - In 2009, operating profit excluding non-recurring items was EUR 229.5 million
- The outlook is based on the assumption that the advertising markets in the Group's operating countries are stable.



# Investment Highlights

- One of the leading media companies in Europe, with a focus on sustainable growth and profitability
- Balanced portfolio of B2C and B2B products and services
- Magazines, news, learning solutions and online operations as focus areas
- Market leader in chosen businesses and segments
- Limited advertising market exposure – only 21% of net sales coming from advertising
- Strong cash generator, investing in growth areas of media
- Good dividend payer – over half of Group result after taxes distributed





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