

# A Strong European Media Group

## Sanoma

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SEB Enskilda Nordic Seminar

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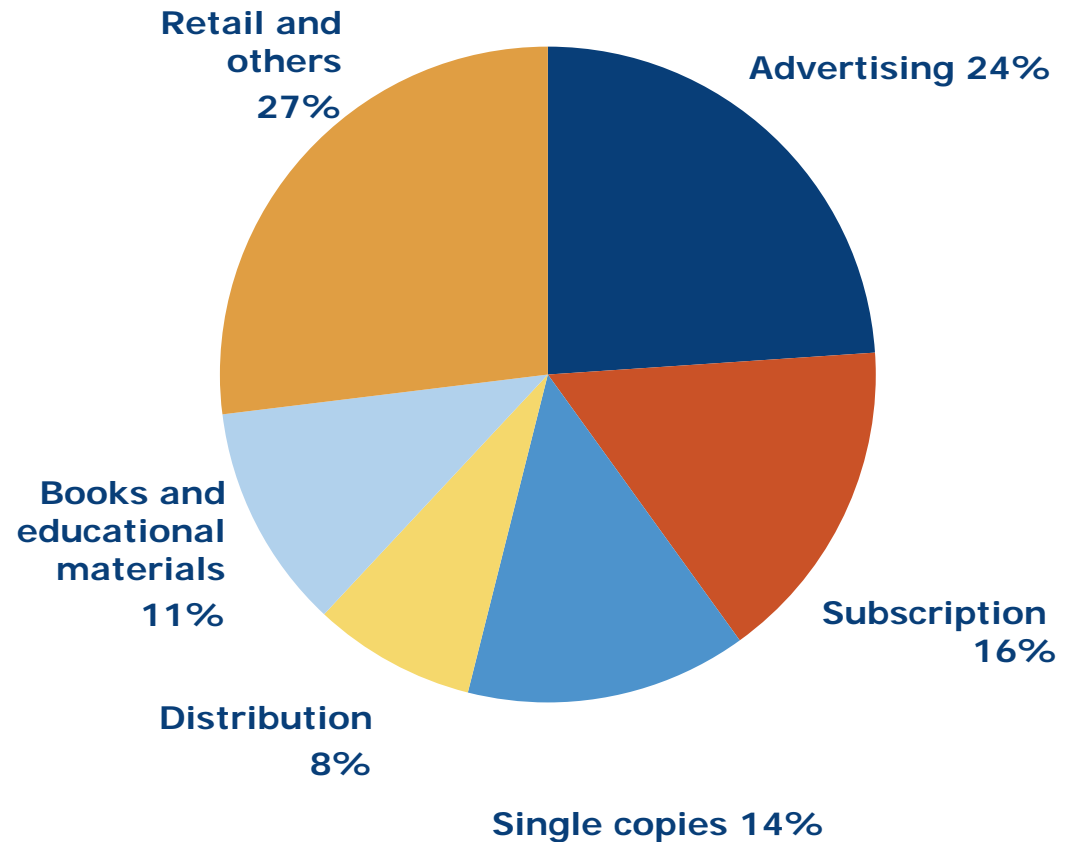
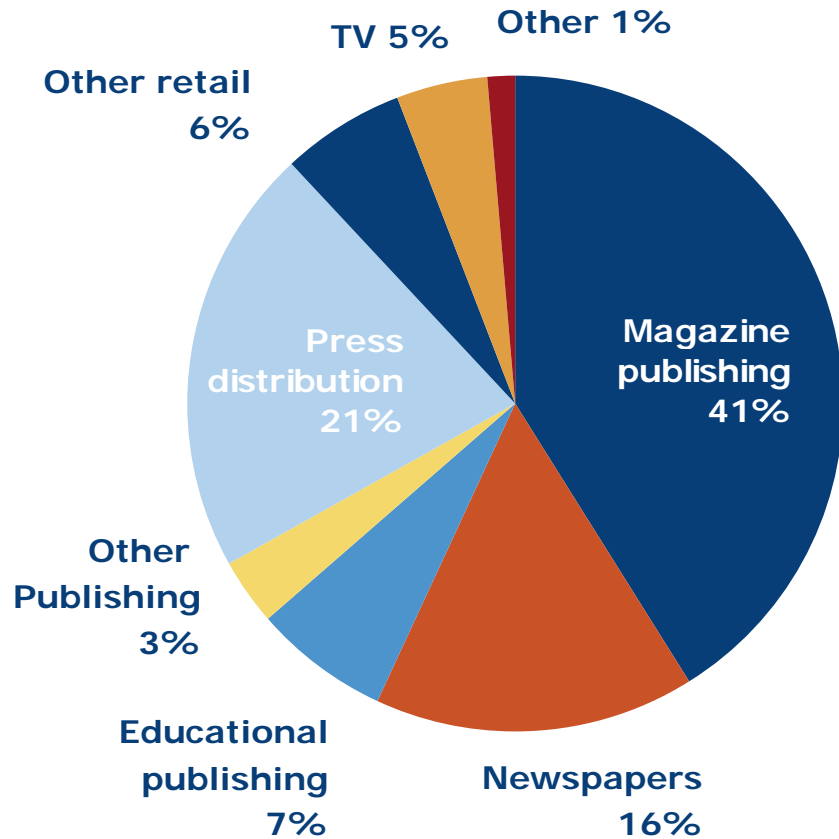
# Profitable Growth, Focus on Market Leadership

- Wide, extremely strong media portfolio in Finland; focused approach internationally
- Balanced portfolio and strong balance sheet; cash generation from mature markets, investments in growing areas
- Market leader
- Good dividend payer – over half of Group result distributed
- Net sales (2007) EUR 2.9 billion, EBIT excl. non-recurring items EUR 305 million



# Balanced Composition of Net Sales

Advertising revenues only 24% of Group net sales,  
Digital business 11% of Group net sales



# Investing in CEE Countries, Russia and Ukraine

## Leading magazine publisher:

No 1 in Belgium, the Czech republic, Finland, Hungary, the Netherlands, Slovakia, Bulgaria and Russia; No 2 in Croatia, Serbia and Slovenia; No 4 in Romania and Ukraine.

## Leading educational publisher:

No 1 in Belgium, Hungary and Finland. No 2 in the Netherlands and Poland. Strong developer of e-learning concepts.

## Leading digital operations:

Strong knowledge centres in the Netherlands, Hungary, Finland and Bulgaria.

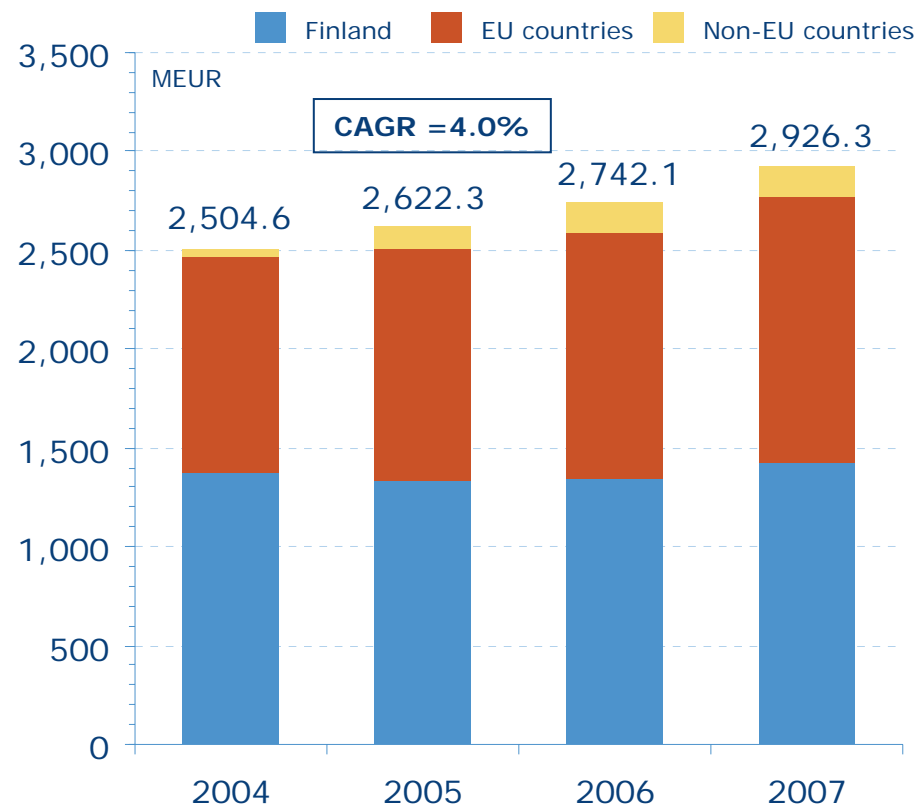
## Leading press distributor:

Kiosk operations in the Baltic countries, Finland, Romania and Russia; Press distribution operations in the Baltic countries, Finland, the Netherlands, Romania and Russia.

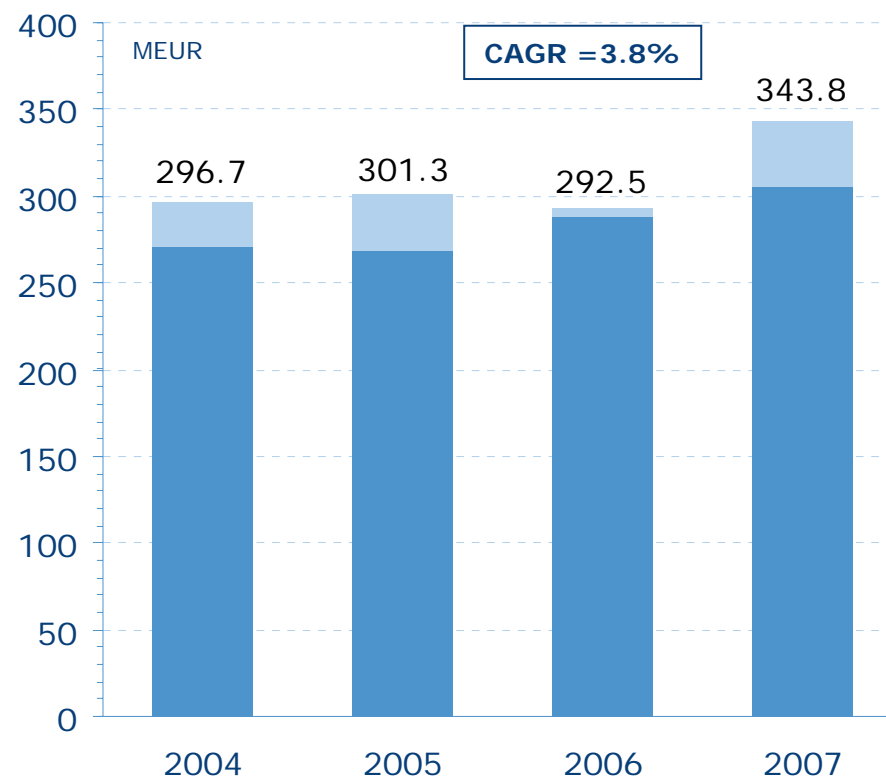


# Sustained Growth and Profitability

## Net sales



## Operating profit (non-recurring items in opaque)



# EBIT Margin Target of 12%

Other financial targets:

- To increase net sales at a rate faster than GDP growth in main operating countries
- To increase digital business significantly

EBIT margin (excl. non-recurring items)	2007
Magazines	11.3
News	14.1
Learning & Literature	13.8
Entertainment	10.8
Trade	6.2
<b>Sanoma</b>	<b>10.4</b>

Other key ratios:

- Annual capital expenditure < EUR 100 million (EUR 90.5 million in 2007)
- Equity ratio 35–45% (45.4% in 2007)
- Gearing < 100% (58.2% in 2007)
- Net debt/EBITDA < 3.5 (1.6 in 2007)

# Strong 3Q08

- Net sales and operating profit developed well in 3Q08
- Structural changes to improve mid-term cash flow and profitability
- International growth continued, both organically and through acquisitions
- Overall economic uncertainty increased

Our strategic objective is to be one of the leading European media companies, with focus on sustainable growth and profitability

# Good Growth of Net Sales

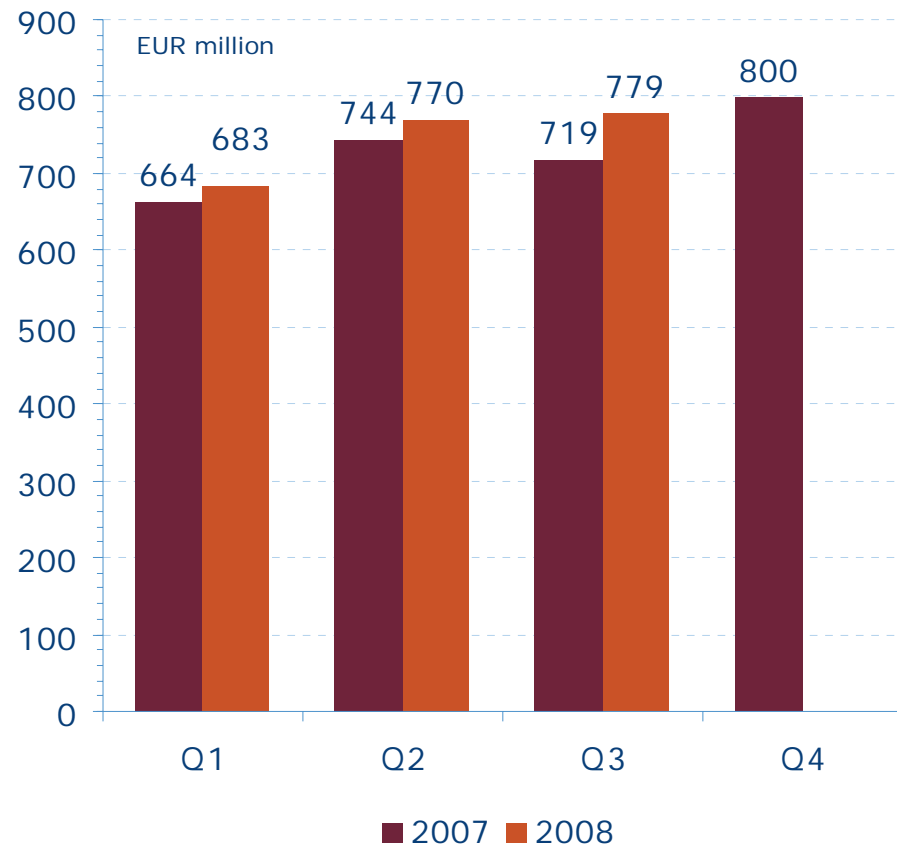
EUR million	7–9/2008	7–9/2007	1–9/2008	1–9/2007
Net sales	<b>778.6</b>	718.6	<b>2,231.4</b>	2,126.7
Operating profit excluding non-recurring items	<b>100.5</b>	90.2	<b>246.6</b>	241.8
% of net sales	<b>12.9</b>	12.6	<b>11.1</b>	11.4
Operating profit	<b>94.0</b>	88.5	<b>265.2</b>	275.5
Earnings/share, EUR	<b>0.37</b>	0.36	<b>1.10</b>	1.16
Cash flow from operations/share, EUR	<b>0.74</b>	0.46	<b>0.97</b>	0.71
Average number of employees *			<b>18,031</b>	16,603

- Net sales increased in Magazines, Learning & Literature, Entertainment and Trade
- Operating profit increased in Magazines, Learning & Literature and Entertainment

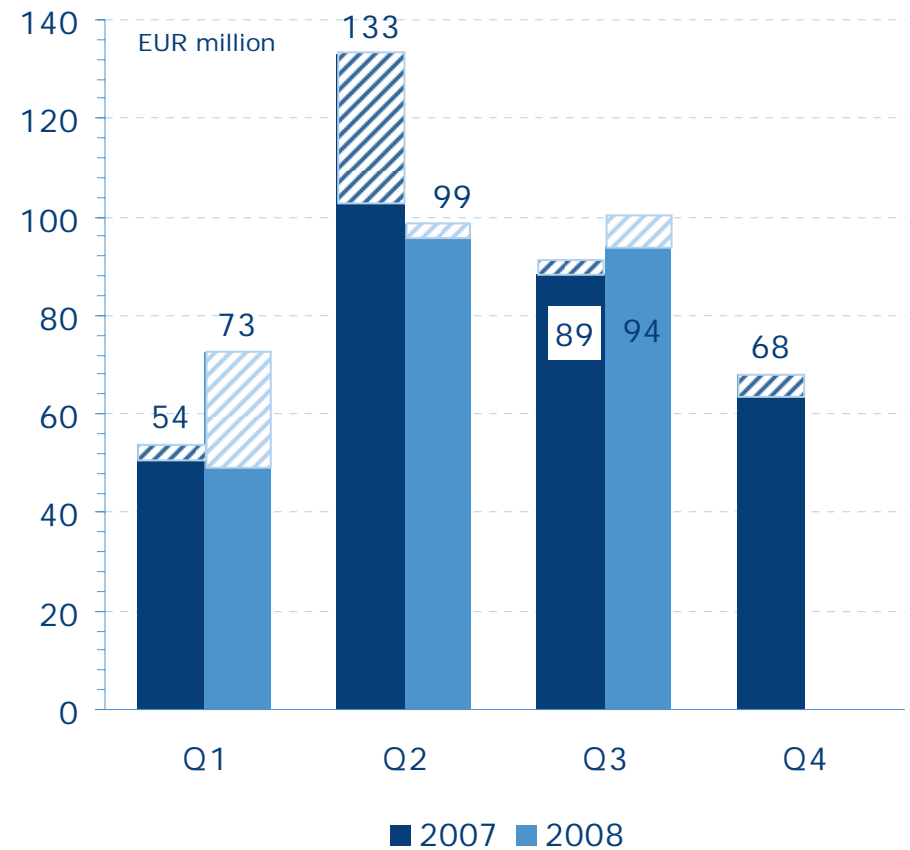
\* Full-time equivalents

# Growth Continued

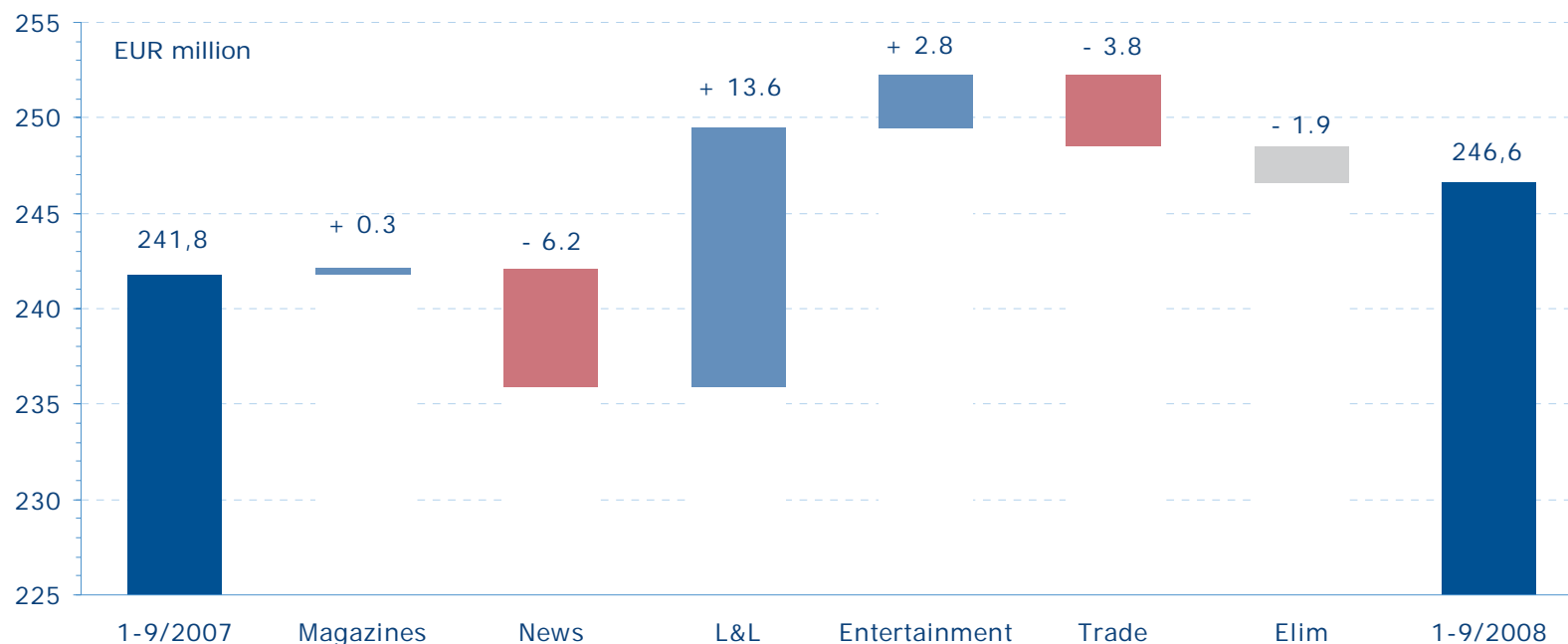
## Net sales



## Operating profit



# EBIT Excluding Non-recurring Items Increased



- News: Decrease of tabloid market and investments in digital business
- Learning & Literature: New educational publishing business in Poland
- Entertainment: Growth of TV and radio operations, good development of Welho
- Trade: Investments in kiosks and press distribution in Russia and Romania, decrease of distribution volumes in the Netherlands and launch costs of the renewed online bookstore

# Strong Balance Sheet

EUR million	30.9.2008	31.12.2007
Balance sheet total	<b>3,649.1</b>	3,192.3
Equity ratio, %	<b>39.0</b>	45.4
Net gearing, %	<b>75.9</b>	58.2
Interest-bearing liabilities	<b>1,326.7</b>	881.4
Interest-bearing net debt	<b>1,021.5</b>	793.3
Cash and cash equivalents	<b>305.1</b>	88.1

- Net debt/EBITDA 2.1
- Long term credit facility
- Preparing for the instability of the financial markets by increasing the cash balance
- High dividend yield

# The Outlook for 2008

- In 2008, operating profit excluding non-recurring items is expected to be at the previous year's level
  - In the comparable year, operating profit excluding non-recurring items was EUR 305.2 million
- In 2008, net sales are projected to grow, albeit at a somewhat slower rate than last year
  - In 2007, Group net sales increased by 6.7%