Transforming Sanoma for the future

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SEB Enskilda
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President and CEO, Sanoma

Sanoma in brief

- →One of the leading media companies in Europe
- →Focusing on consumer media and learning
- →Market leader in chosen businesses and markets
- →Strong cash generator
- →Good dividend payer

Four operating segments

Net sales EUR 2,761 million • EBIT EUR 245 million* • Personnel 15,405**

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- **Sanoma Media**: Magazines, Online business, TV and radio, Casual gaming
- **Sanoma News**: Newspapers, Online business
- **Sanoma Learning**: Learning, Language services
- **Sanoma Trade**: Kiosks, Trade services

* Excluding non-recurring items
** At the end of 2010, full-time equivalents

Sanoma reaches out to 290 million potential consumers

Esmerk operates in Finland, UK, Sweden, Germany, France, Russia and Malaysia. AAC operates in Finland, Sweden, Denmark, Norway, UK, Russia and China.

Market leadership based on strong brands, excellent content and loyal customers

#1 media company
in the Netherlands and Finland

#2 TV player in the Netherlands and Finland

#1 newspaper publisher
in Finland

#2 media company
in Hungary

Among the top 2 magazine publishers
in all its 12 markets of operation

Among the top 5 magazine publishers
in Europe

#3 TV player
in Belgium

#6 educational publisher in Europe

Among the top 2 educational players in all its 6 markets of operation

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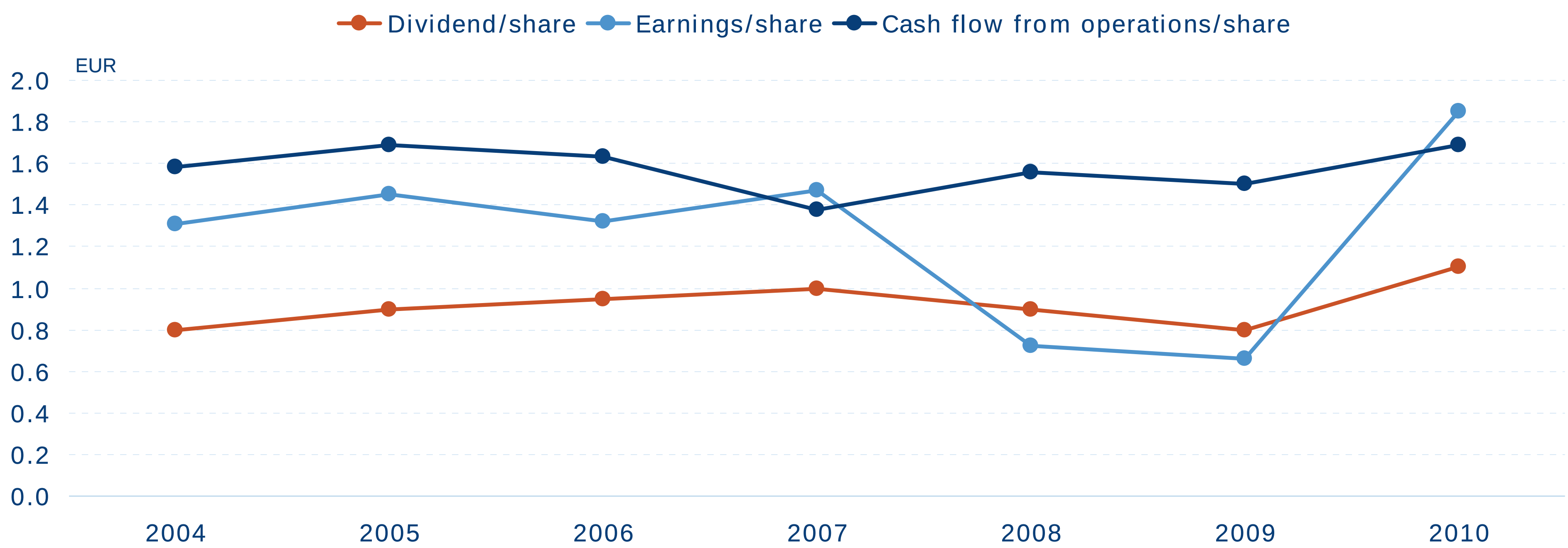
High dividend yield – based on solid cash generation

Dividend yield of 6.8% in 2010



- Cash flow from operations very stable over the years
- Dividend payout impacted by both earnings/share and cash flow from operations/share

Our environment is changing rapidly

- Technology ...
  - changes the way our customers consume media
  - enables advertisers to target their audiences in a new way
  - shifts the focus in learning from curricula to learning outcome
- New competitors...
  - have entered the scene and captured big growth opportunities
  - are agile and fast executors
- The recent recession...
  - has speeded up structural changes towards digital media
  - strengthened the mega-trend: From mass media to highly personalised offerings
- Regulatory pressure...
  - is increasing, e.g. planned VAT change in Finland

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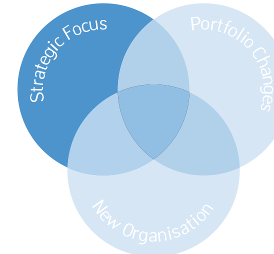
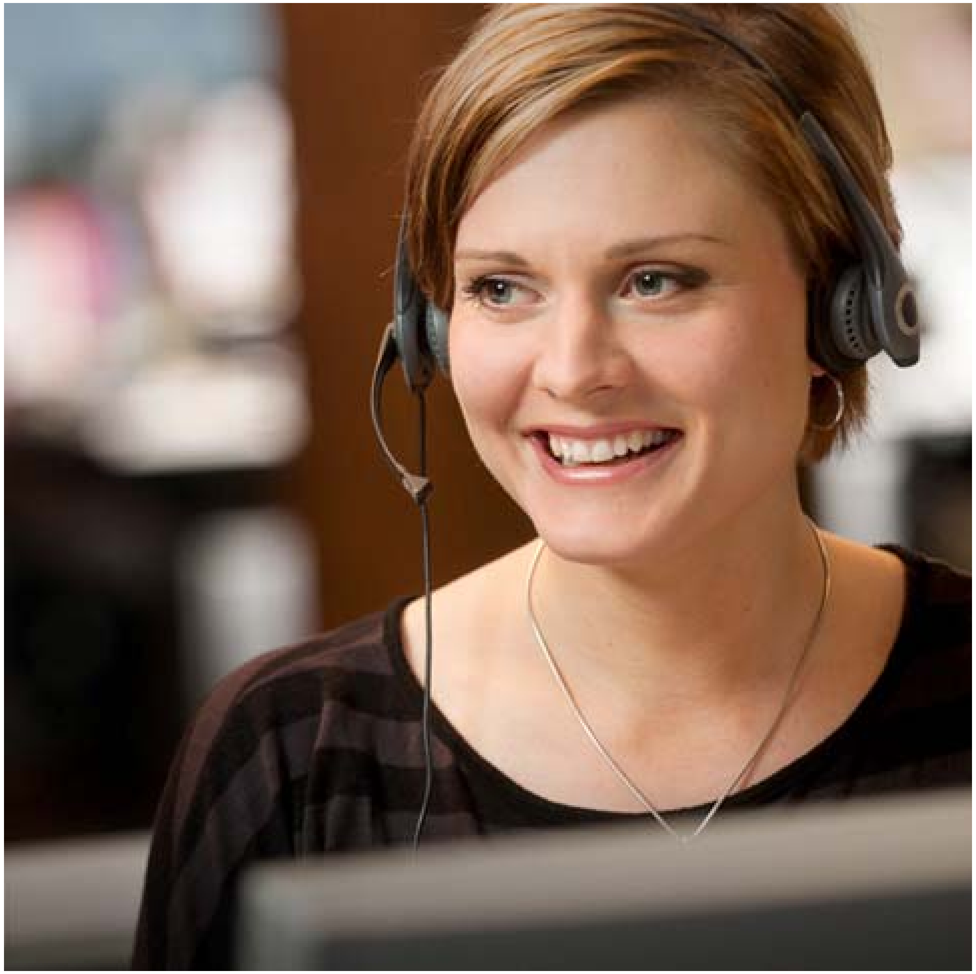
Response 1: Strategic focus

Responding to the changing media and learning landscape





- Further deepening our consumer and customer understanding
- Accelerating the speed of digital transition
- Fostering innovation
- Improving the efficiency of our operations

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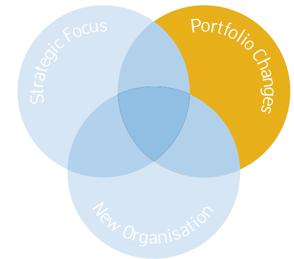
Response 2: Portfolio changes

Focus on consumer media and learning



- Media
  - acquisition of SBS TV operations to strengthen our position in the core markets
- Learning
  - entry to Sweden and further strengthening of our position in Finland
  - divestment of general literature in Finland
- Trade
  - divestment of movie operations
  - divestment of kiosk and press distribution operations in Russia and Romania
  - looking into the possibility of divesting other Trade assets

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SBS acquisition in a nutshell

- Acquisition of SBS free-to-air TV operations in the Netherlands and Belgium from ProSiebenSat.1
- Prominent partners: Talpa Media in the Netherlands, and Corelio and Wouter Vandenhaute & Erik Watté in Belgium
- Sanoma becomes a leading media player in the Netherlands and considerably strengthens its media position in Belgium
- Total enterprise value EUR 1,225 million
  - Overall EV/EBITDA multiple of 10.6x*
- Transaction was closed in the end of July

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* According to SBS accounting principles

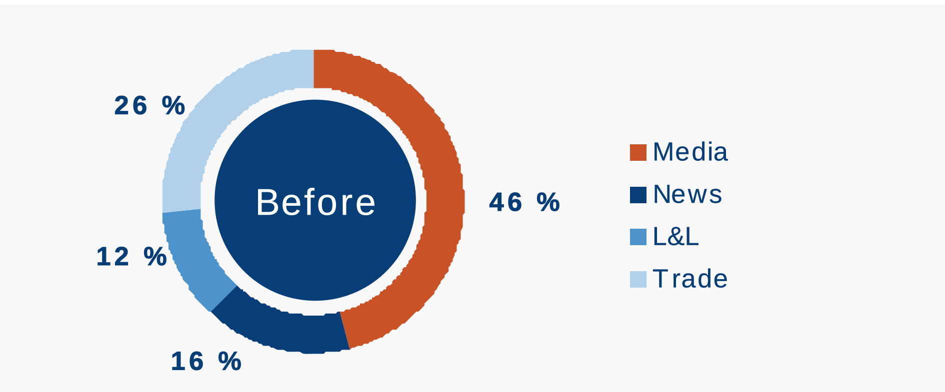
Strategic rationale behind the SBS acquisition

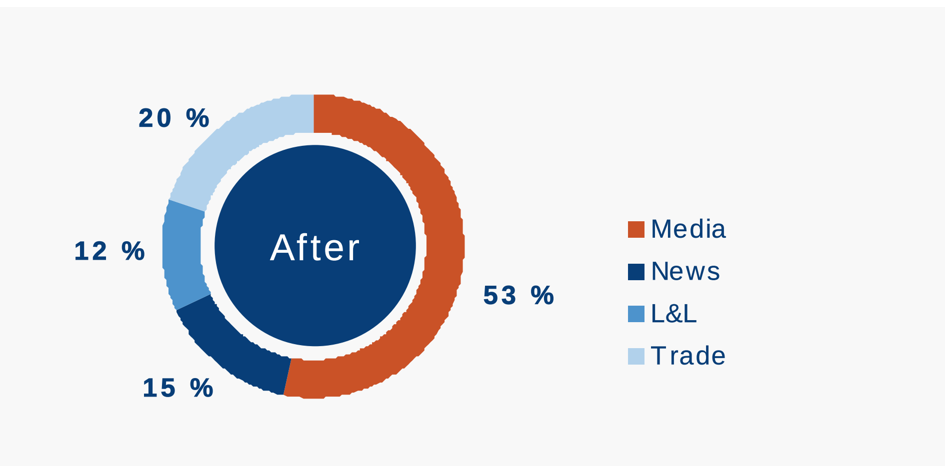
- In line with Sanoma's strategy to focus on consumer media and learning
- Strategic repositioning of Sanoma's consumer media business in the Netherlands and Belgium
  - gaining strong multimedia position: a leading media position in the Netherlands and considerably stronger position in Belgium
  - extending mass-media reach through FTA TV
  - combining TV with Sanoma's magazine and online assets provides a platform for digital growth
- Strong stand-alone value in FTA TV
  - clear rebound after financial downturn, robust outlook in the future
  - growth in non-linear channels provides additional value for advertisers
- Unique opportunity in FTA TV

How does Sanoma look like after all this?

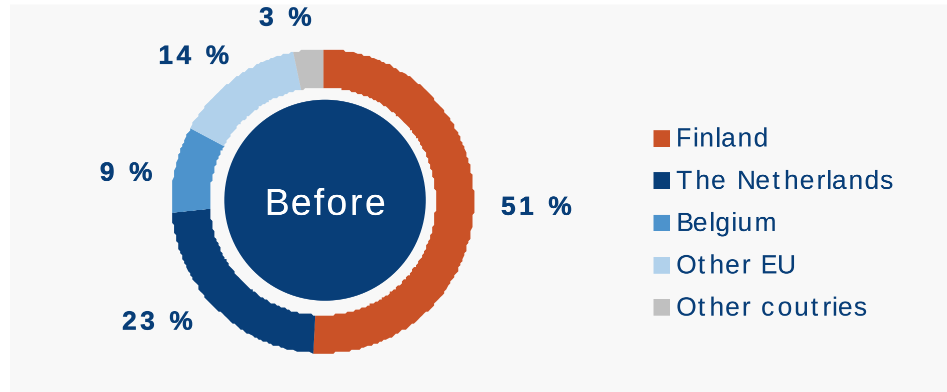
2010 Pro forma net sales

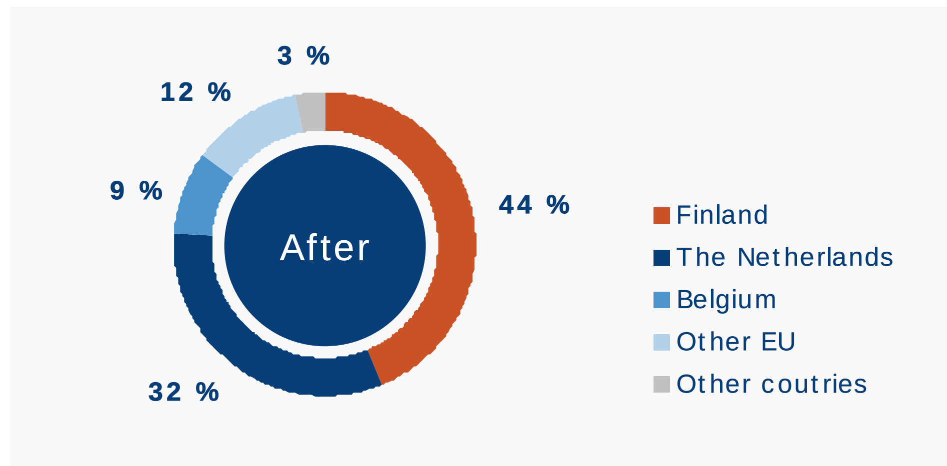
by division*





by geographic area*





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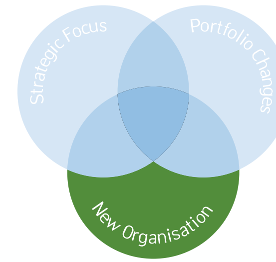
* Net sales split after the transactions of SBS, movie operations, Trade's Romanian operations, Welho, Humo, learning in Finland and Sweden as well as general literature

Response 3: New organisation

Seven strategic business units, four corporate functions



CEO

- Sanoma News
- Sanoma Media Finland
- Sanoma Media Netherlands
- Sanoma Media Russia & CEE
- Sanoma Media Belgium
- Sanoma Learning
- Sanoma Trade

Digital operations	Digital transition
Customer market operations	Customer, consumer insight
Finance	New operating model in support functions High performance culture Transformation
HR	

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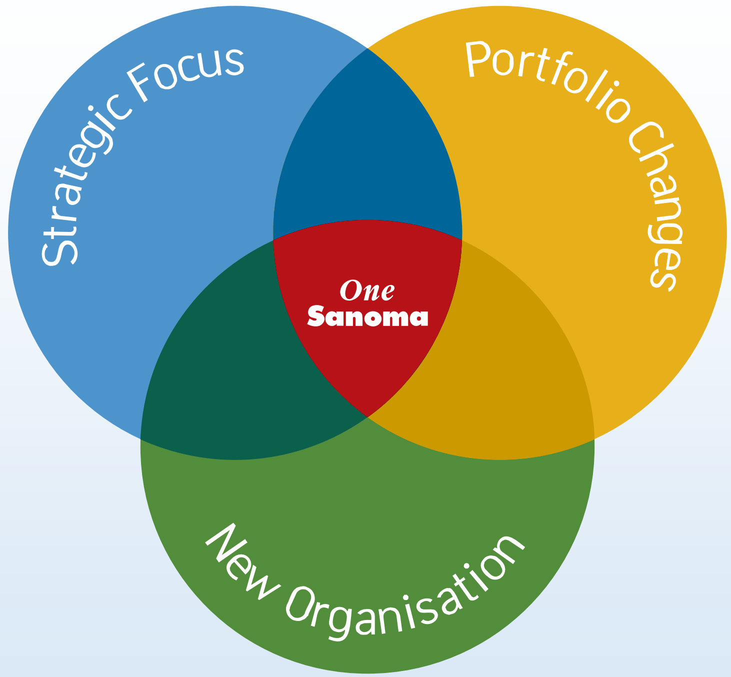
Year of restructuring and refocusing

Towards One Sanoma



→ Goal: **Improved performance & clearly faster growth than in the recent years**

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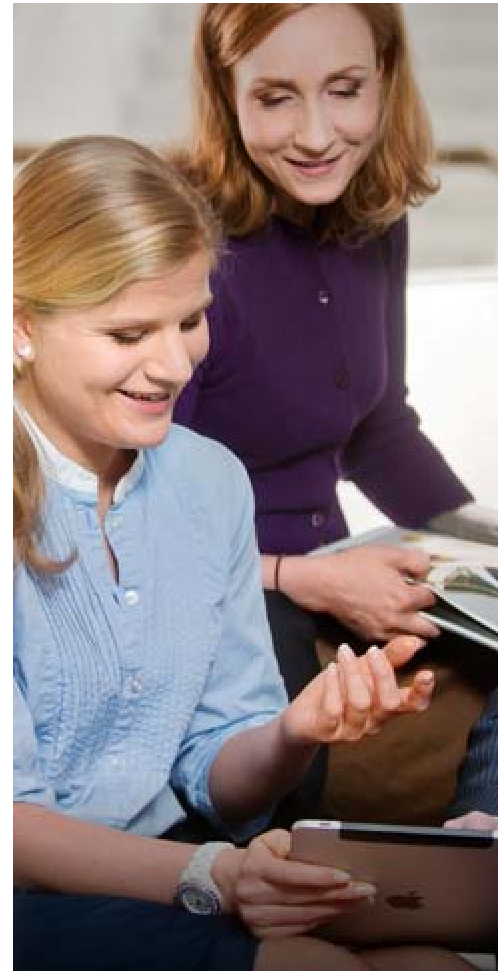
Q2 in a nutshell

- Net sales EUR 689.7 million (EUR 715.4 million in 2010)
  - net sales adjusted for structural changes +2%
- Advertising sales +7%
- Circulation sales -1%
- Operating profit excl. non-recurring items EUR 72.6 million (EUR 80.3 million)
- Group's outlook 2011 downgraded on 29 July
- New structure and organisation for speeding up digital transition and growth



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Divestment of operations visible

EUR million	**4–6 / 2011**	4–6/ 2010	Ch %	**1-6 / 2011**	1-6/ 2010	**1–12 / 2010**
Net sales	**689.7**	715.4	-3.6	**1,299.9**	1,353.3	2,761.2
EBIT excluding non-recurring items	**72.6**	80.3	-9.6	**98.9**	115.9	245.4
% net sales	**10.5**	11.2		**7.6**	8.6	8.9
EBIT	**121.3**	261.0	-53.5	**148.5**	301.4	392.7
Earnings/share, EUR	**0.60**	1.45	-58.6	**0.71**	1.61	1.85
Cash flow from operations/share, EUR	**0.02**	0.14	-84.1	**0.14**	0.37	1.69
Number of employees (FTE)*	**14,233**	16,332	-12.9			15,405

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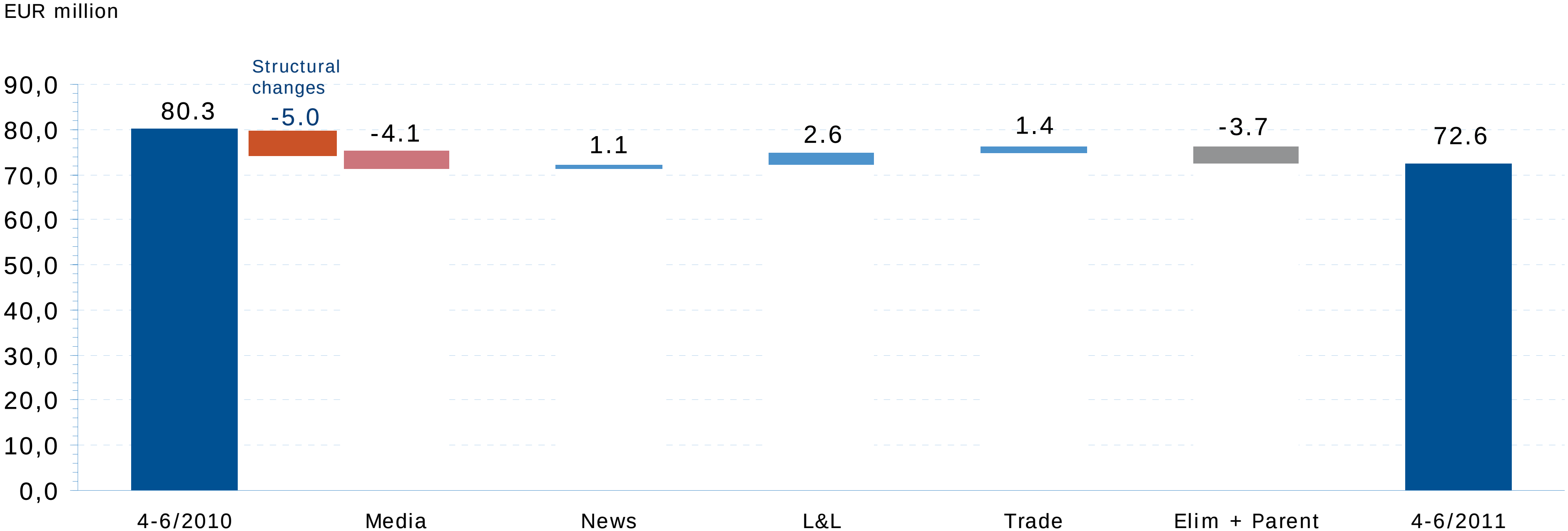
* At the end of the period

EBIT excl. non-recurring items

News, Learning and Trade improved in Q2



- Media: Decreased circulation sales, changing market environment and increasing costs, excellent performance of the Finnish broadcasting operations → leading to increased amortisation of programming costs
- News: Increased advertising sales, both in print and online
- Learning & Literature: Higher sales in Learning
- Trade: Efficiency improvements, stopping of customer volume decrease in kiosk operations
- Parent: Increased costs related to Group’s development programmes

Outlook for 2011

The Sanoma Group's

→ Net sales are expected to **be at the previous year's level**

and

→ Operating profit excluding non-recurring items is expected to **decrease somewhat** in 2011

→ In 2010, operating profit excluding non-recurring items was EUR 245.4 million

Inspires, Informs and Connects