

The new faces of television

Anu Nissinen

President and CEO, Sanoma Entertainment

Sanoma Capital Markets Day

12 October 2010

Agenda

Sanoma Entertainment today

Convergence

Sanoma — DNA co-operation

3 horizons of growth

Sanoma Entertainment's operations

BUSINESS OPERATIONS

nelonenmedia
a Sanoma company

Free-to-air TV



Free-to-air Radio



Pay TV



Online TV



SanomaGames

Online gaming



+ DNA OWNERSHIP

21% of



Sanoma Entertainment's present businesses

Commercial TV and Radio

nelonenmedia
a Sanoma company



JIM

liv

4 Sport

KINO TV

4 SportPro

RADIO ROCK

RADIO aALTO

ruutu

- A strong multimedia portfolio combining TV, Radio and Online
- Commercial viewing share in the 10–44 target group **36.1%** (#2) (33.6%)
- Share of the Finnish TV advertising market **34.1%** (#2) (33.5%)
- Share of radio listening in the 9–44 target group **14.1%** (#4) (15.4 %)
- Share of the Finnish radio advertising market* **13.6%** (#3) (12.7%)
- Strong position and share of online video advertising **10m** video ad impressions / month

Sanoma Entertainment's present businesses

Online Gaming

 SanomaGames

 Pelikone.fi

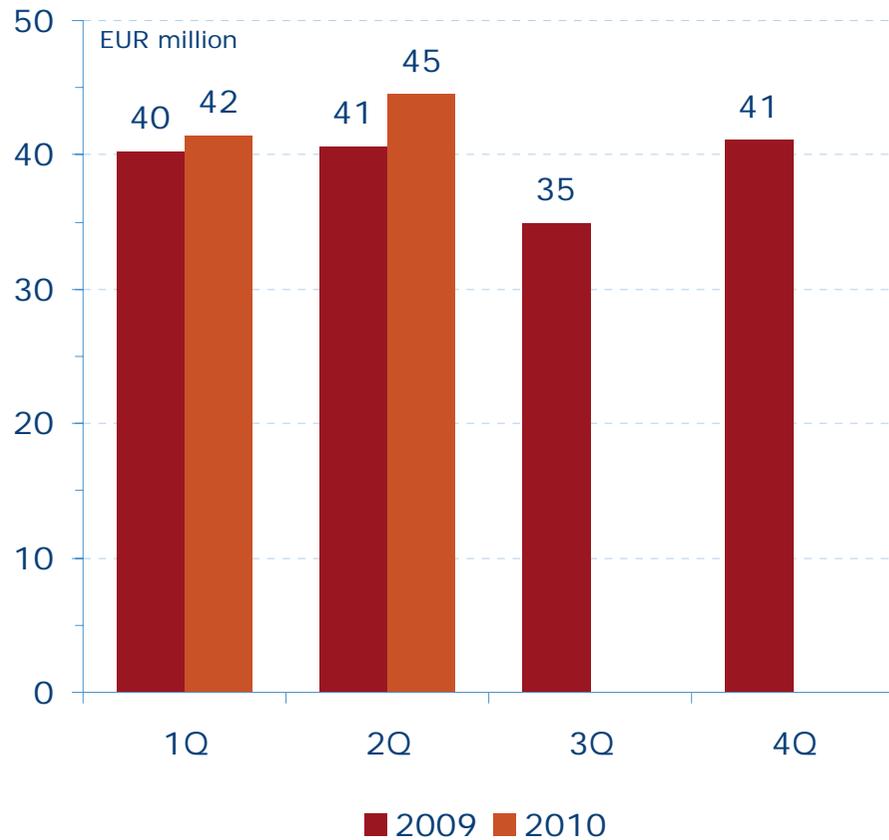
 Älypää!

 Liigapörssi

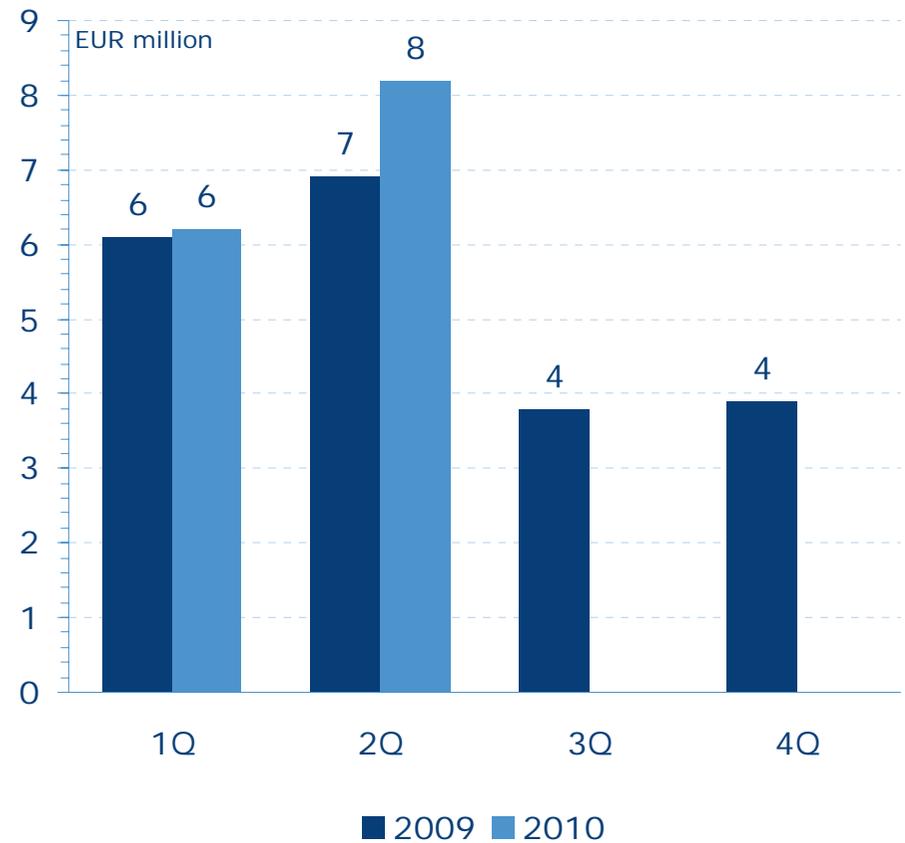
- Market leader in Finland
- Pelikone #1 gaming site in Finland
- Älypää #1 trivia site in Finland
- Liigapörssi #1 fantasy league in Finland
- 35% revenue growth expected in 2010
- International expansion underway

Sanoma Entertainment's financials 1H10

Net sales



EBIT excluding non-recurring items



Agenda

Sanoma Entertainment today

Convergence

Sanoma — DNA co-operation

3 horizons of growth

TV Business environment is changing

IP and online TV finally emerging

- Operators pushing IPTV offerings
- Content holders and broadcasters pushing online TV platforms
 - TV manufacturers pushing connected TVs

New competition in Pay TV

- New network operators: DNA & Anvia to compete with Digita
- New pay TV platform operators: Digita and DNA to compete with Plus TV

More licences available

- Developing technology enables an increasing number of licences
- Hybrid solutions emerging for terrestrial TV and IP platforms

HDTV is becoming mainstream

- Over half of all TVs sold are Full HD
 - HDTV already mainstream in satellite and growing in cable
 - Terrestrial HDTV soon to be launched

Convergence is happening on multiple dimensions

1
Consumer behaviour:
Changing viewing habits
into consuming video
(and other content)
online & on demand

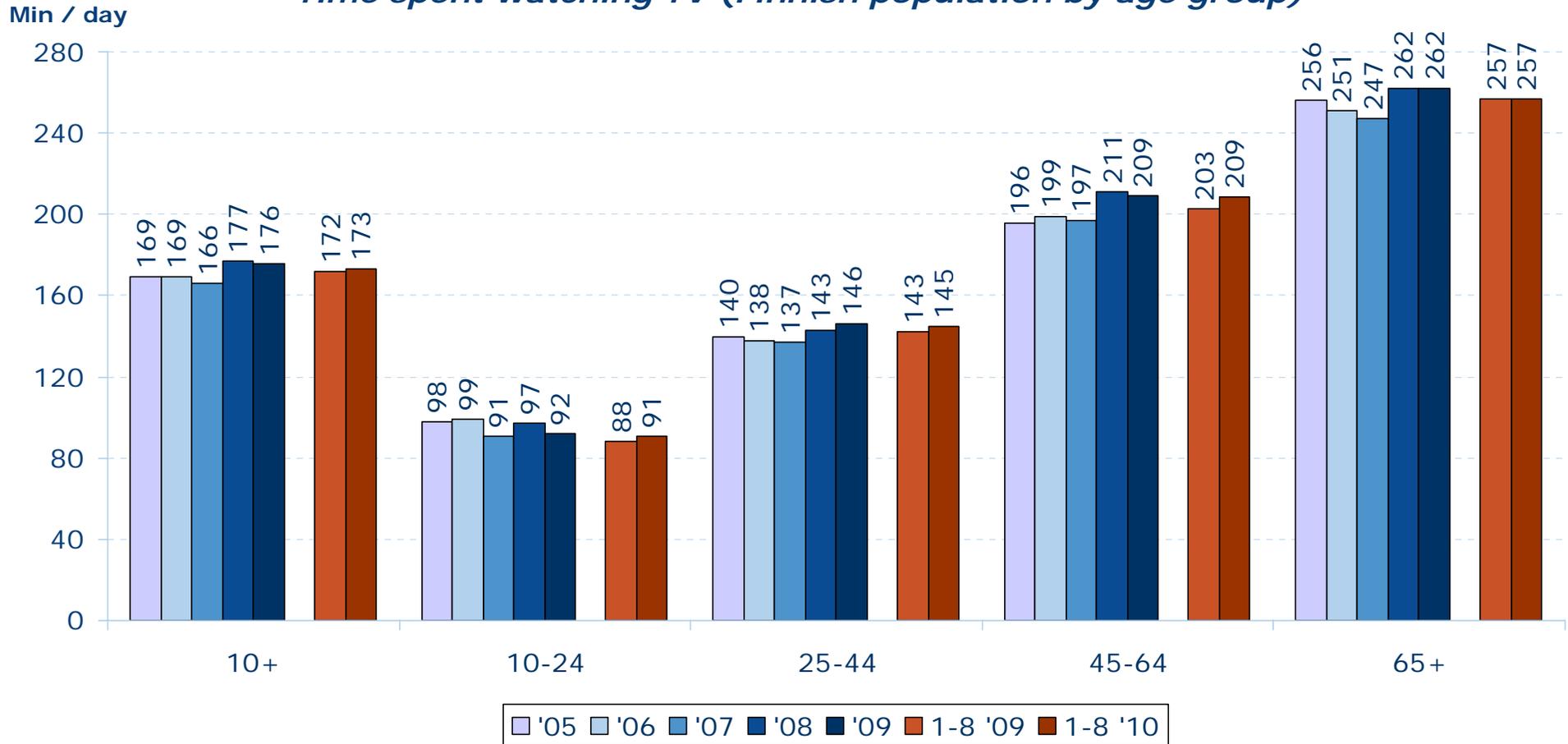


2
Devices: Manufacturers
launch consumer devices
that combine linear and
digital media

3
Services and platforms:
Different players in the
value chain build new
converged services

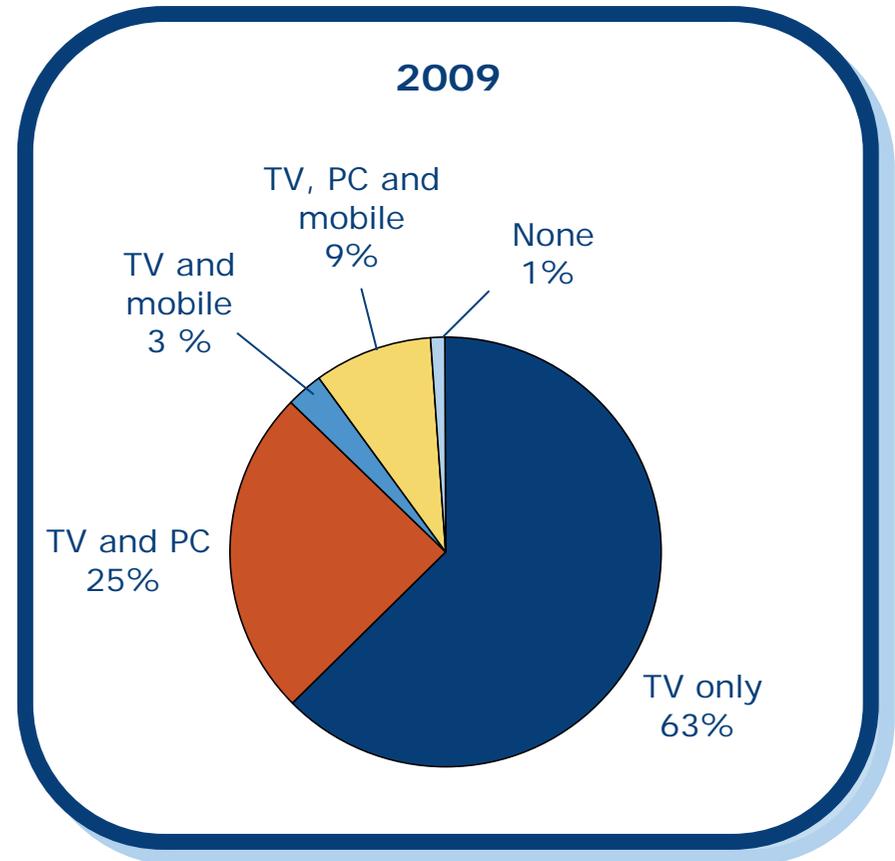
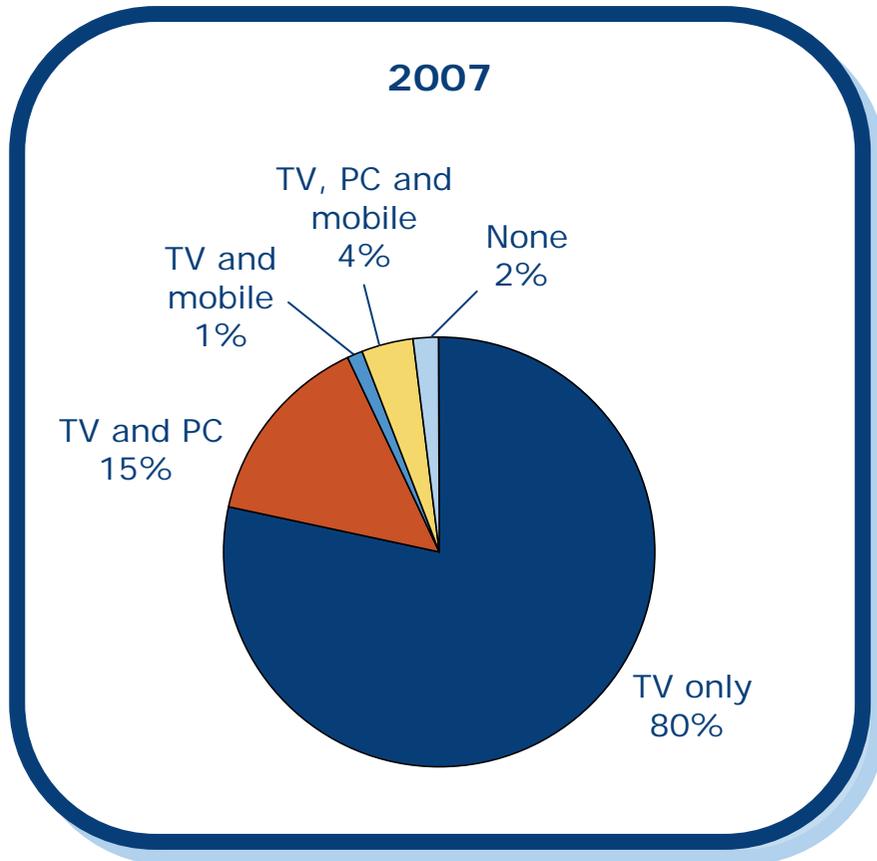
1 Consumer behaviour: TV viewing stronger than ever

Time spent watching TV (Finnish population by age group)



1 Consumer behaviour: Multiscreen TV audience is growing fast

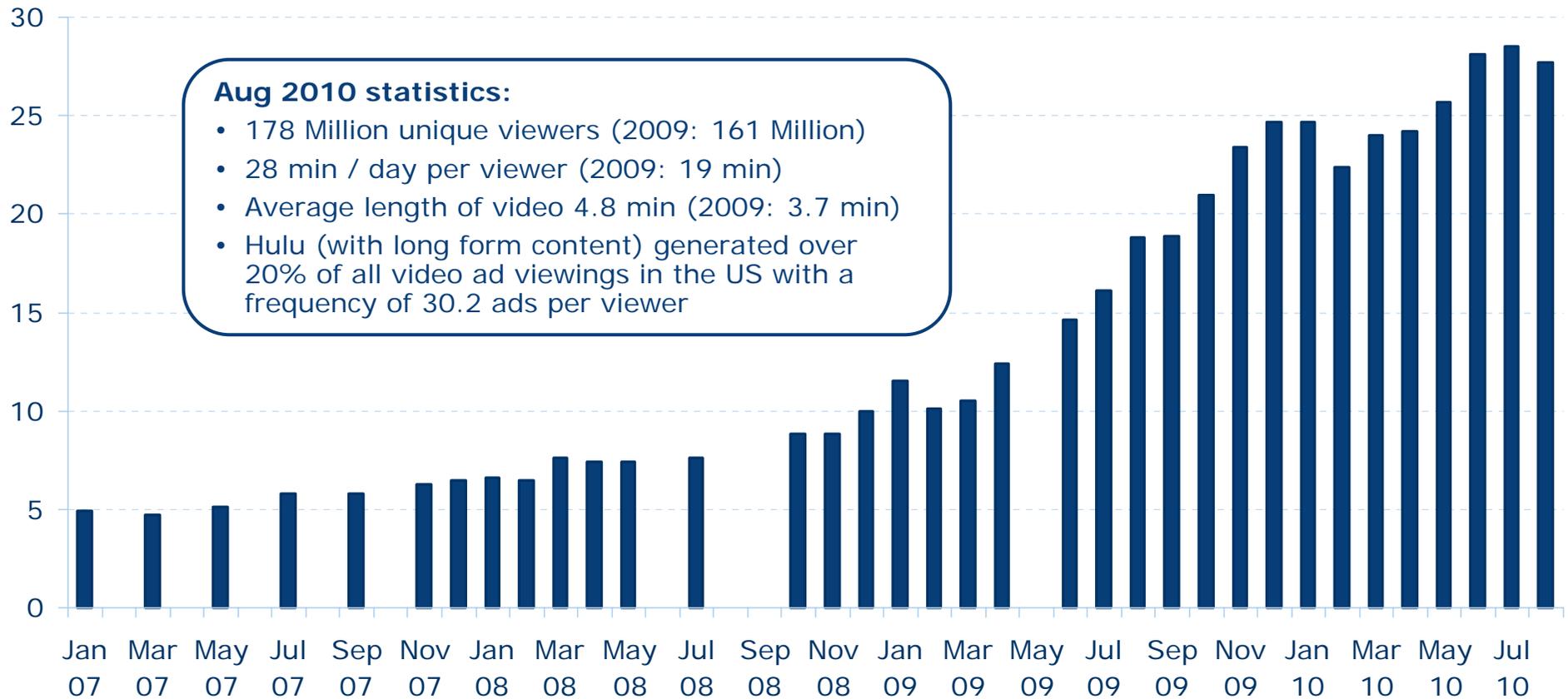
European TV use by screen type (% of viewers)



1 Consumer behaviour: Time spent viewing online videos keeps on growing

Time spent viewing online video by average viewer in the US

Min / day



2 Devices: Major brands have launched connected TVs that bring online and linear television together

SONY



SAMSUNG



LG



PANASONIC



PHILIPS



2 Devices: Tablets are bringing along the mobile aspect and new multimedia concepts

APPLE



SAMSUNG



RIM



ASUS (Q1/2011)



HTC (Q1/2011)

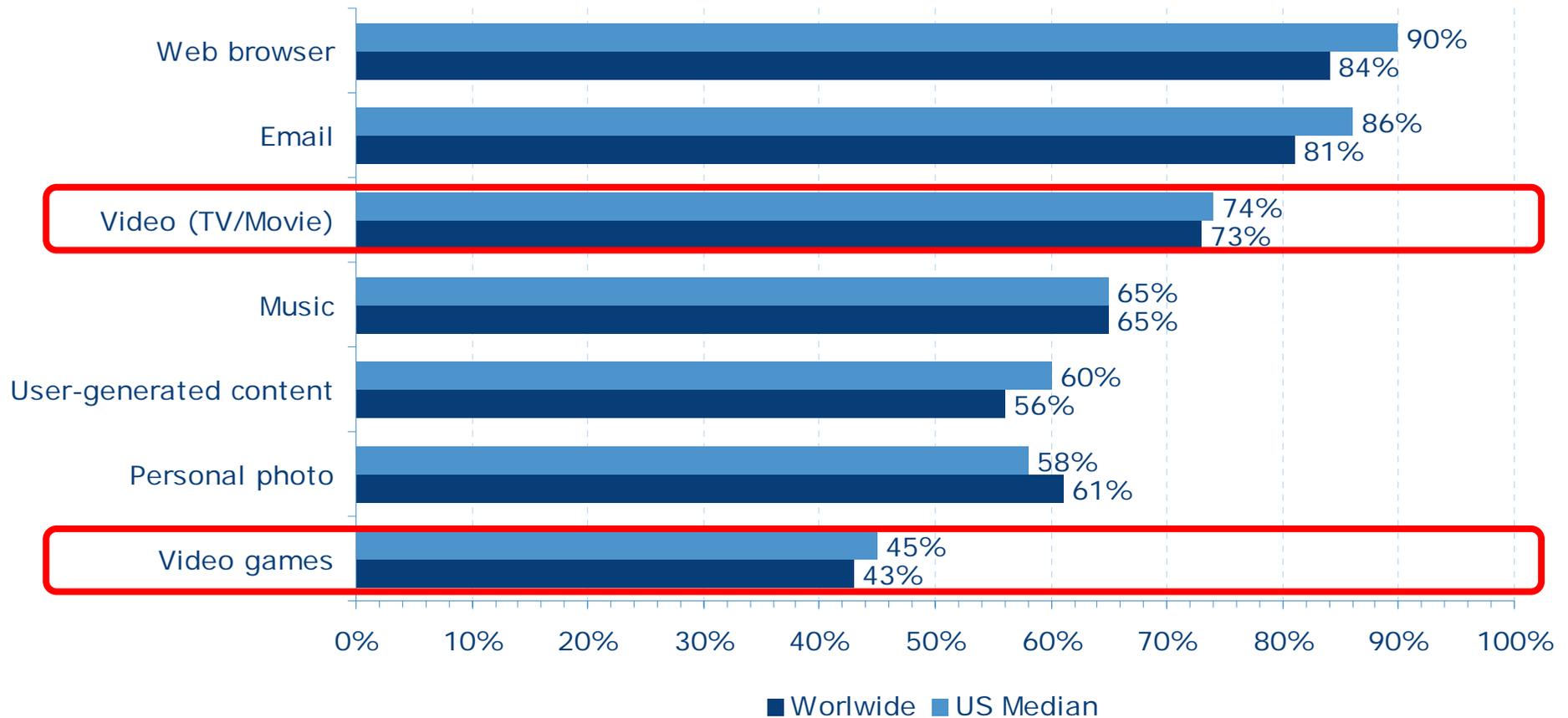


LG (Q1/2011)



2 Devices & behaviour: Consumers expect to watch videos with tablets

"What would you expect to use on your tablet?"



2 Devices: BluRay players, game consoles, STBs are also bringing online content to the living room

GAME CONSOLES



BLURAY PLAYERS



HYBRID STBs



ONLINE MEDIA PLAYERS



3 Services: Different players in the value chain build new converged services



However, it is also about convergence of different media



CROSS-PLATFORM CONTENT
CROSS-PROMOTION
CROSS-TRAFFIC



Media is changing more than ever before. Media is more interesting than ever before.
We are part of the change.

TV/Video is becoming a natural part of all online content

Entertainment

ILTA-SANOMAT
ruutu

News

HS.fi
ruutu

Culture

HS.fi
ruutu

Case example: Embedded video

The screenshot shows the Iltasanomat website in a Mozilla Firefox browser. The main article is titled "JYP nousi liigakärkeen Blues-voitolla - katso huippuhetket" and is dated 28.09.2010. The article text describes a hockey game where JYP defeated Blues 3-0. An embedded video player is visible, showing a highlight from the game. The video player has a play button and the title "JYP - Blues 28.09.2010". The website layout includes a navigation menu on the left, a search bar at the top, and various advertisements and news snippets on the right.

ILTA-SANOMAT

Story in www.iltasanomat.fi

- For example, description of last night's hockey game

Display ads on the site by Iltasanomat

ruutu

Embedded video from Ruutu.fi

- For example, a highlight video of the game that starts by clicking

Video ads (pre-roll etc.) by Ruutu.fi

Embedded video offers also multiple entry points to social media



Case example: Fantasy sports

Promotion and cross-traffic

Video service and player

Editorial co-operation

Cross-selling and cross-promotion

Statistics shown during the live game on TV

(early 2011)

Case example: Miljonääriäidit



Case example: Ruutu.fi on PS3 and iPad

PS3 version to be launched in 4Q/10

iPad pilot to be launched in 1H/11



Agenda

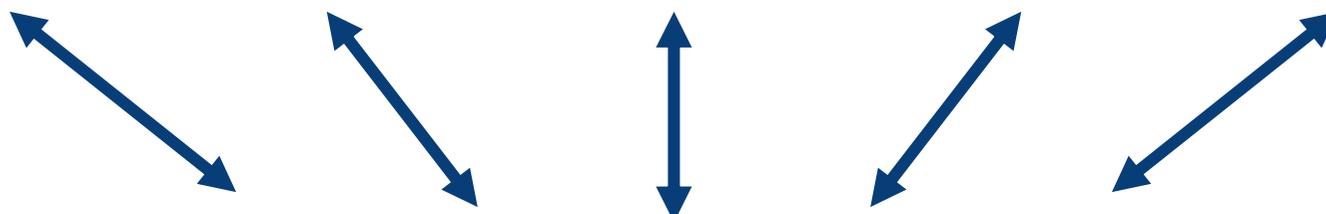
Sanoma Entertainment today

Convergence

Sanoma — DNA co-operation

3 horizons of growth

Who reaches the new media consumer?



Convergence of Media & Telecommunications



Sanoma – DNA co-operation

- Development within online media consumption, mobility and devices is very fast and offers several co-operation opportunities.
- The most natural areas for co-operation are in combining online media assets and new platforms and devices.
- Target setting is to offer new, easy and interesting ways to consume media with new technology.



Agenda

Sanoma Entertainment today

Convergence

Sanoma — DNA co-operation

3 horizons of growth

Our future involves growth in 3 horizons

HORIZON I

Multimedia within SE



HORIZON II

Combining media assets across Sanoma



ROCK



HORIZON III

Leveraging innovations and assets in multiple markets



Let us entertain!



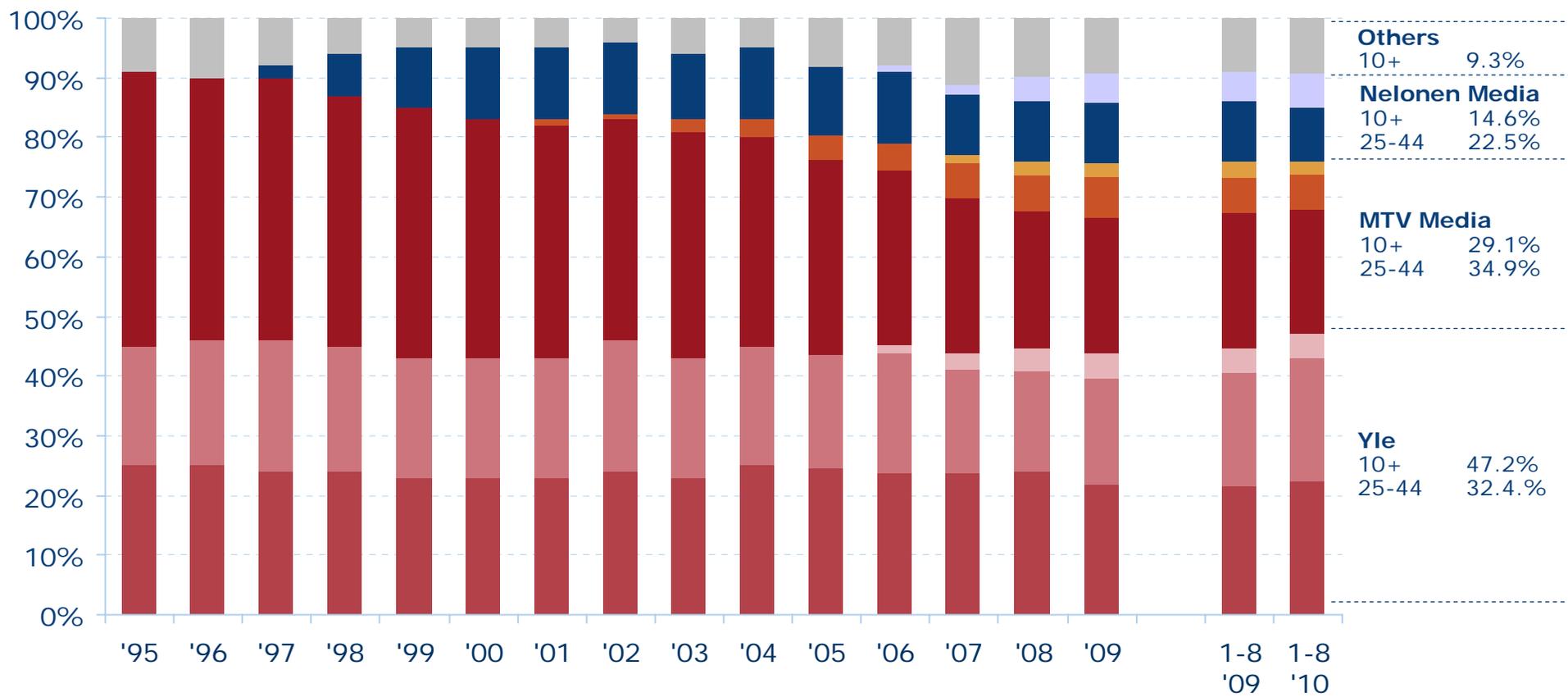
Thank you.

APPENDIX



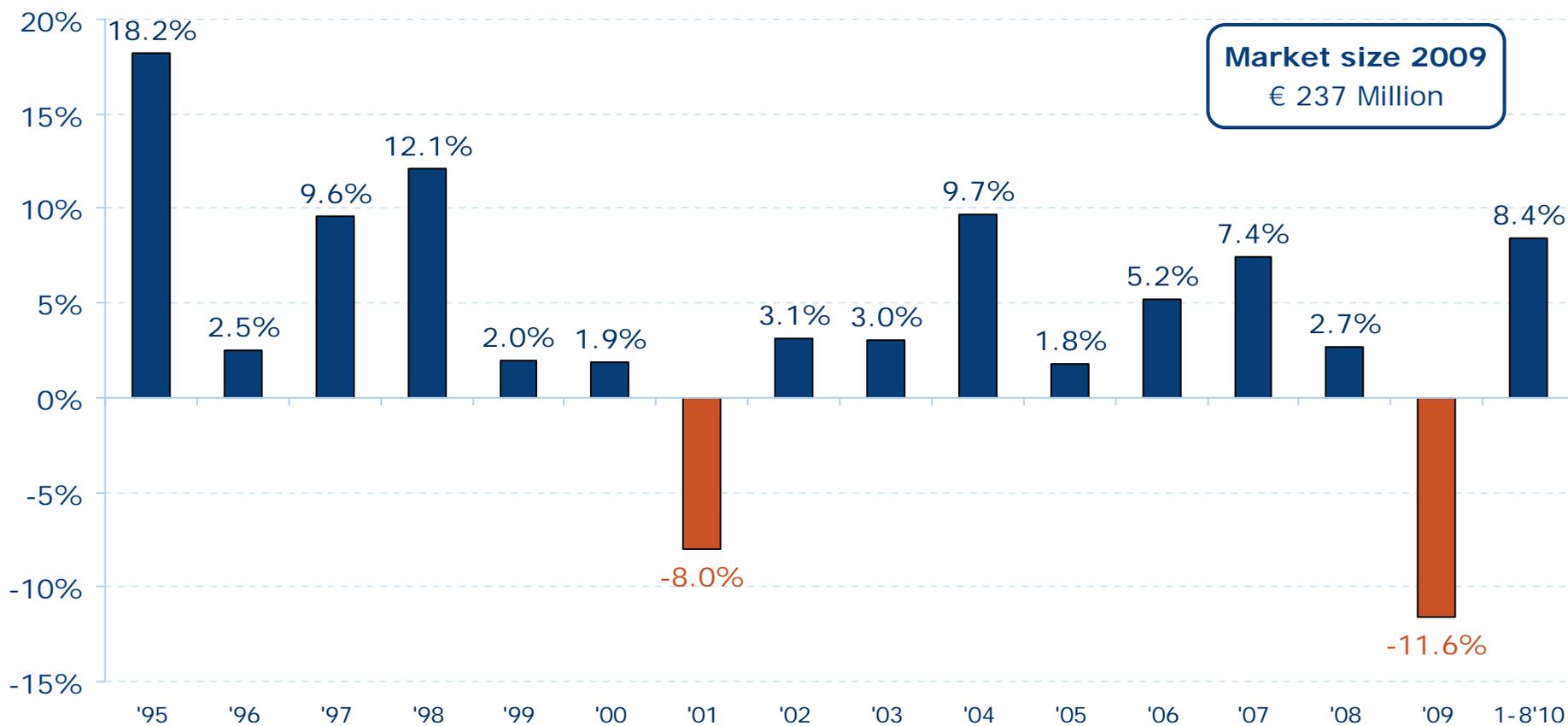
Targeted channels still gaining share

Channel shares of viewing (Finnish population 10+)



Finnish TV ad market is back on the growth track

Year-on-year growth of the Finnish TV ad market



Online display/classified ad market is also back on the usual growth track

Year-on-year growth of the Finnish online display/classified ad market

