

# **Sanoma -** **One of the Leading Media Companies** **in Europe**

Investment Highlights  
February 2009



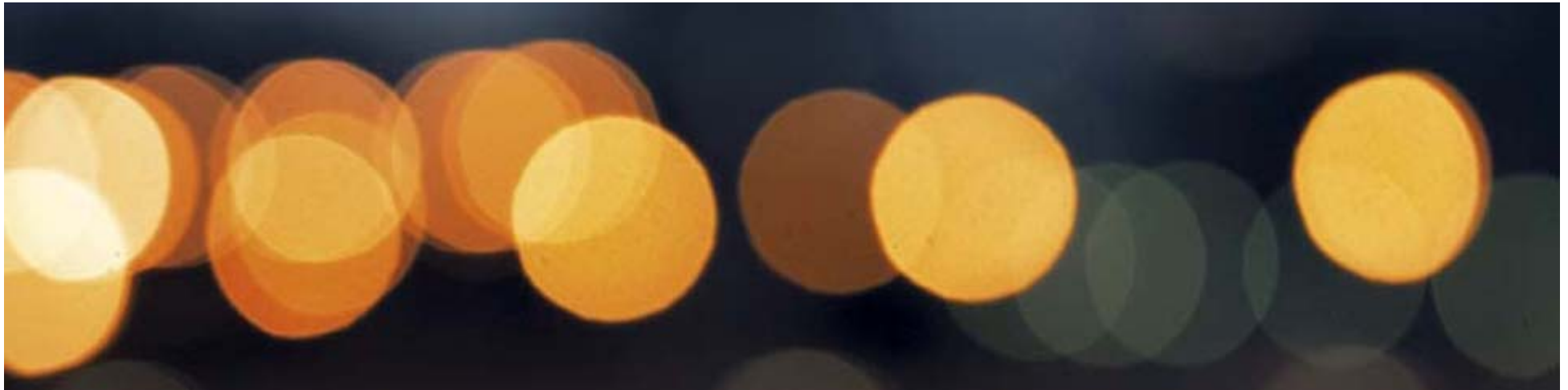
# Contents

- Investment highlights
- 4Q08 Result
- Divisions
- Shareholders



# 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
- Market leader in chosen businesses and segments
- Strong cash generator, investing in growth areas of media
- Limited advertising market exposure – only 25% of net sales coming from advertising
- Good dividend payer – over half of Group result distributed



# The Sanoma Group

Net Sales EUR 3,030 million • EBIT EUR 296 million\* • Personnel 18,168\*\*



# Strategic Objectives

## 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

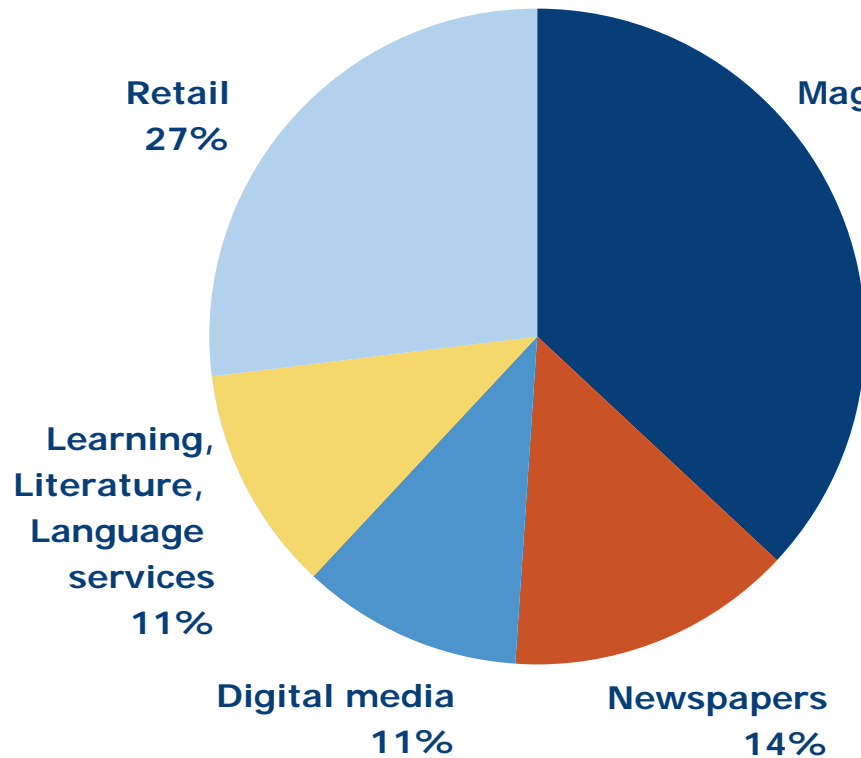
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- To maintain a balanced business portfolio of B2C and B2B products and services – Focus areas being:
  - **Magazines:** We will continue to grow in print and digital media
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  - **Learning and Language services:** We will grow via further internationalisation and entering new segments
  - **Online:** We will strongly develop and expand our online assets
- To investigate opportunities to internationalise our TV operations
- To maximise our strategic position in retail



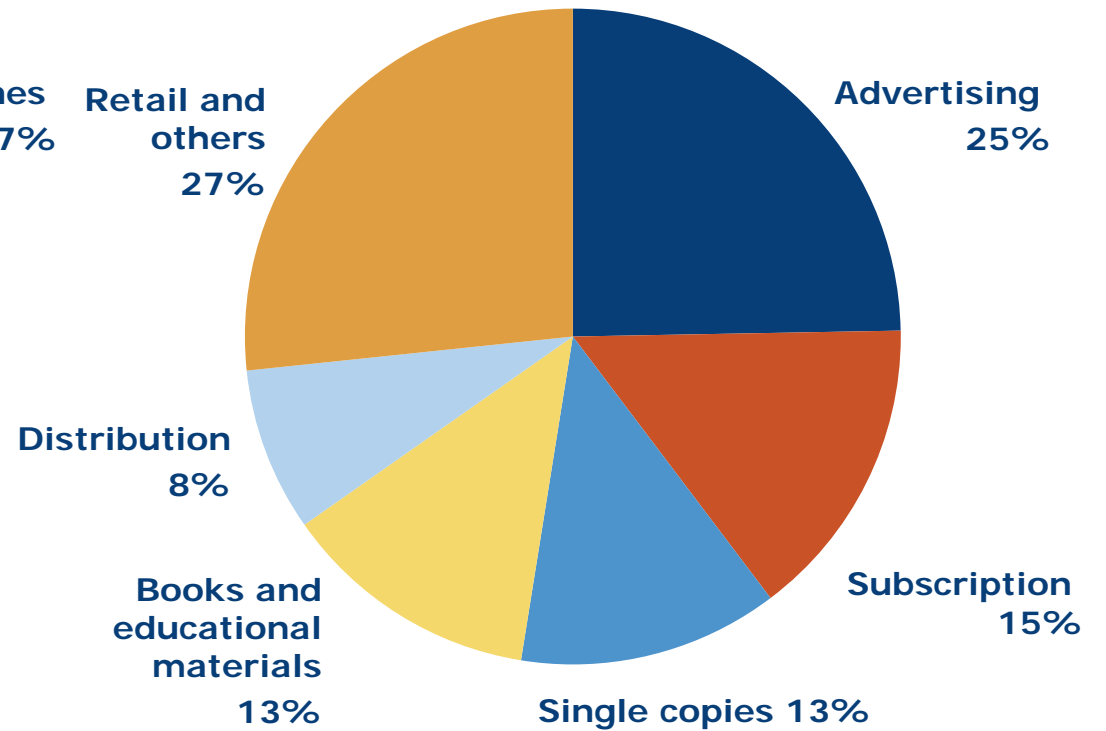
# Balanced Portfolio

of B2C and B2B Products and Services

Net Sales Breakdown  
by Products and Services

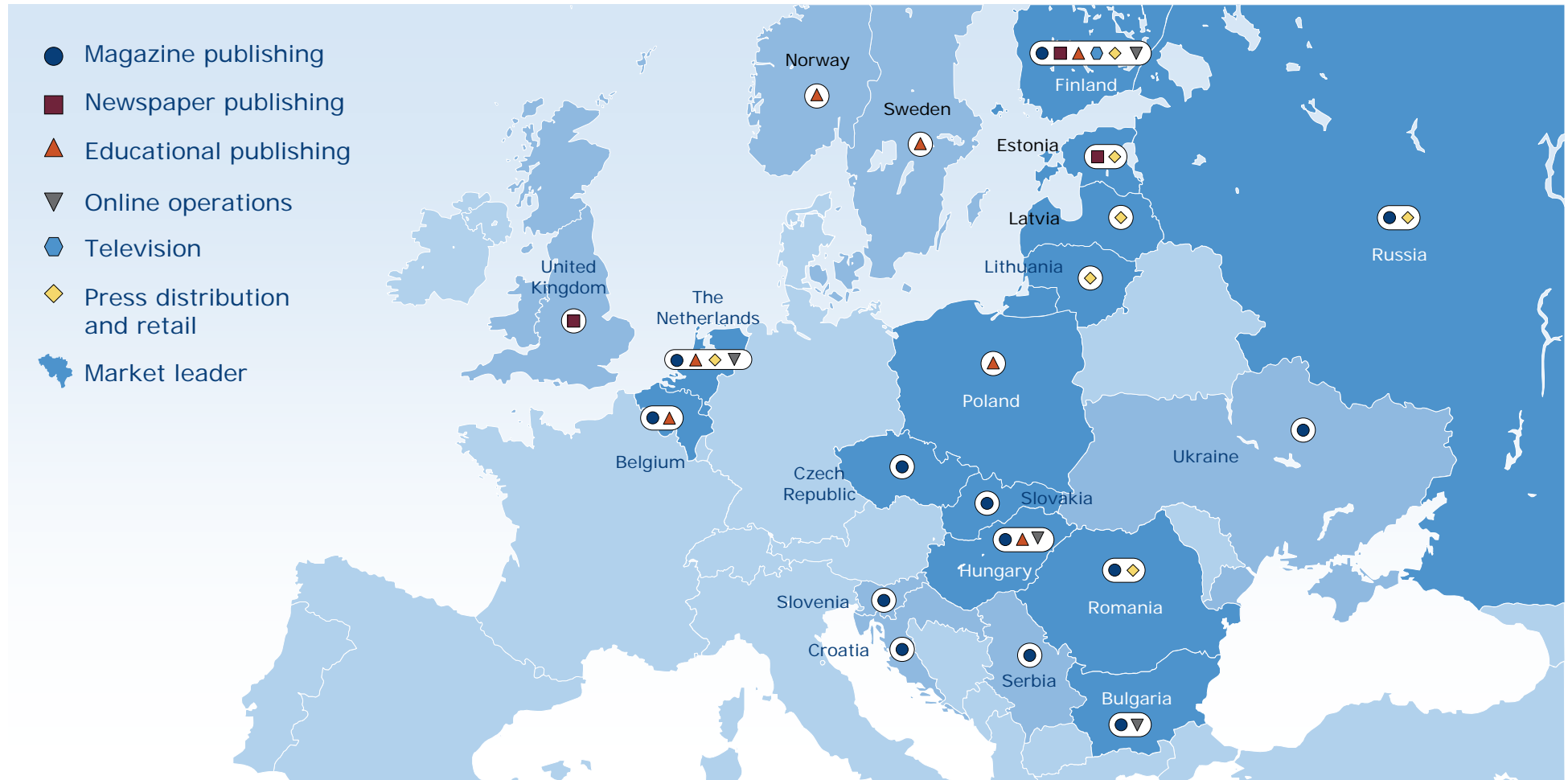


Net Sales Breakdown  
by Type of Revenue Source



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

# Market Leader In Chosen Businesses and Segments



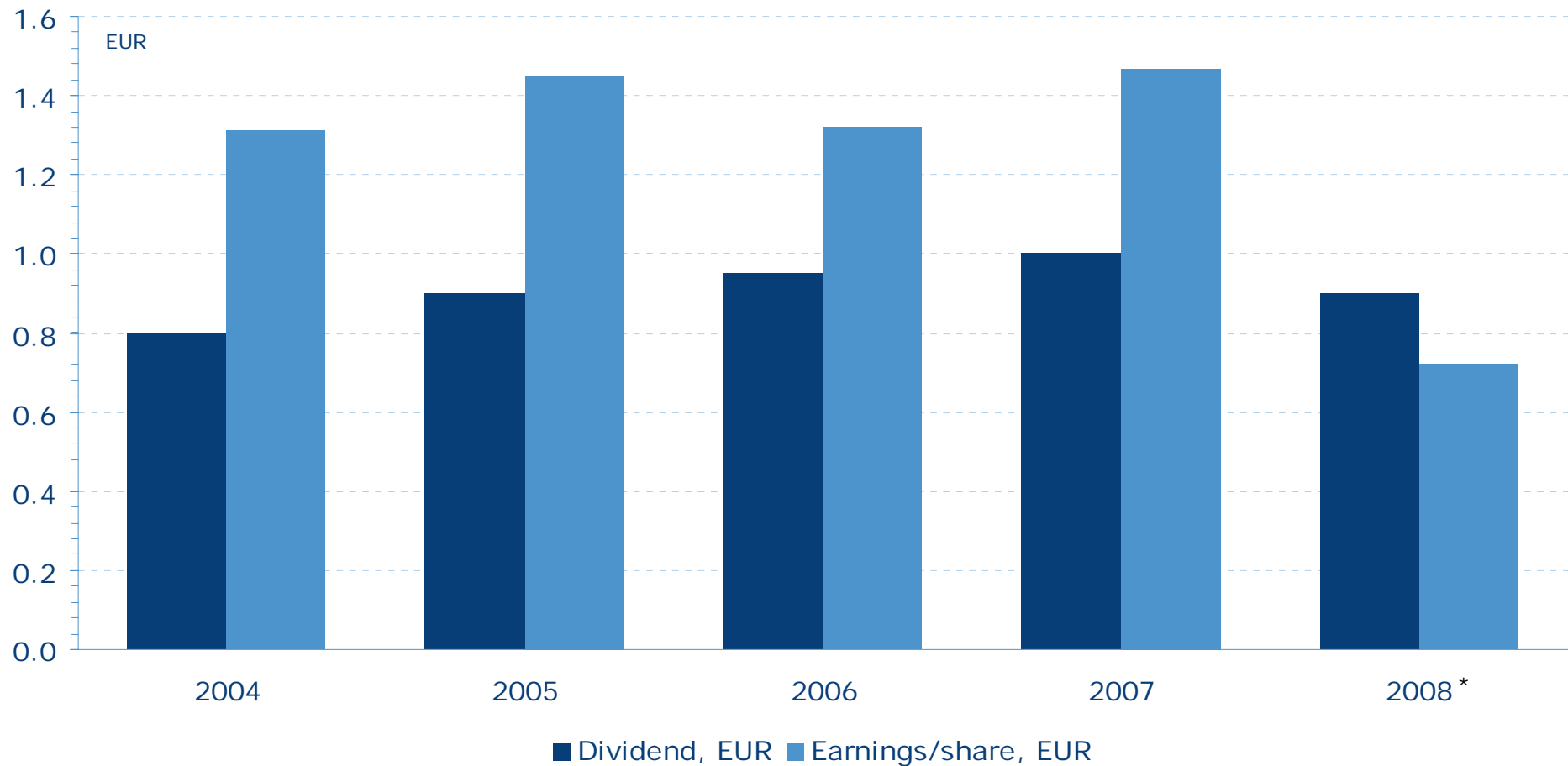
# Advertising Sales 25% of Net Sales

- The growth of advertising sales clearly slowed down in main operating countries

	1-12/2008	1-12/2007
Sanoma Magazines	33%	30%
Sanoma News	53%	53%
Sanoma Entertainment	52%	54%
The Group	25%	24%

# Good Dividend Payer

Over Half of Group Result After Taxes Distributed in Dividends



# Solid Performance

EUR million	10–12/2008	10–12/2007	1–12/2008	1–12/2007
Net sales	<b>798.7</b>	799.6	<b>3,030.1</b>	2,926.3
Operating profit excl. non-recurring items	<b>49.0</b>	63.4	<b>295.7</b>	305.2
% net sales	<b>6.1</b>	7.9	<b>9.8</b>	10.4
Operating profit	<b>-28.8</b>	68.3	<b>236.3</b>	343.8
Earnings/share, EUR	<b>-0.39</b>	0.32	<b>0.72</b>	1.47
Cash flow from operations/share, EUR	<b>0.59</b>	0.67	<b>1.56</b>	1.38
Dividend/share, EUR **			<b>0.90</b>	1.00
Average number of employees *			<b>18,168</b>	16,701

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

# 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 % excl. non-recurring items	2008	2007
Sanoma Magazines	11.1	11.3
Sanoma News	12.1	14.1
Sanoma Entertainment	11.0	10.4
Sanoma Learning & Literature	13.6	13.8
Sanoma Trade	5.2	6.2
<b>The Group</b>	<b>9.8</b>	10.4

Other key ratios:

- Annual capital expenditure < EUR 100 million (EUR 109.9 million in 2008)
- Equity ratio 35–45% (40.0% in 2008)
- Gearing < 100% (78.5% in 2008)
- Net debt/EBITDA < 3.5 (2.1 in 2008)

# One of the Leading Media Companies in Europe, with a Focus on Sustainable Growth and Profitability

- Steady performer also in the current financial turmoil
- Market leader in chosen businesses and segments
- Balanced portfolio of B2C and B2B products and services helps in keeping the good profitability and investing in the growth areas of media
- Clear strategy forms the base for long-term development
- Strong financial position and cash flow enables investor friendly dividend policy



# Appendices:

Appendix 1: 4Q08 Result

Appendix 2: About Group divisions

Appendix 3: About owners and coverage

# Appendix 1:

4Q08 Result



# Good Sales Development in 4Q08

- Net sales at previous year's record level
- Advertising market reacted at the end of the year strongly to general economic uncertainty
- Impairment in magazine operations in CEE countries and Russia
- Forecasting advertising in 2009 difficult
- Divisions' measures to improve cost-effectiveness

Our goal is to be one of the leading media companies in Europe,  
with a focus on sustainable growth and profitability

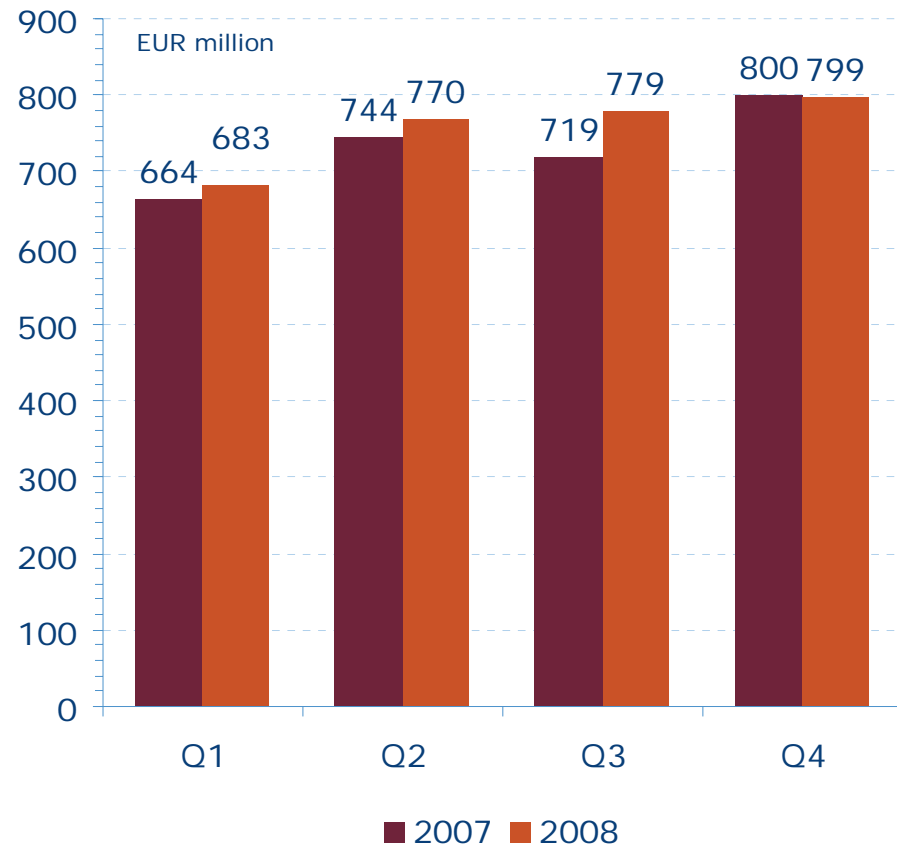
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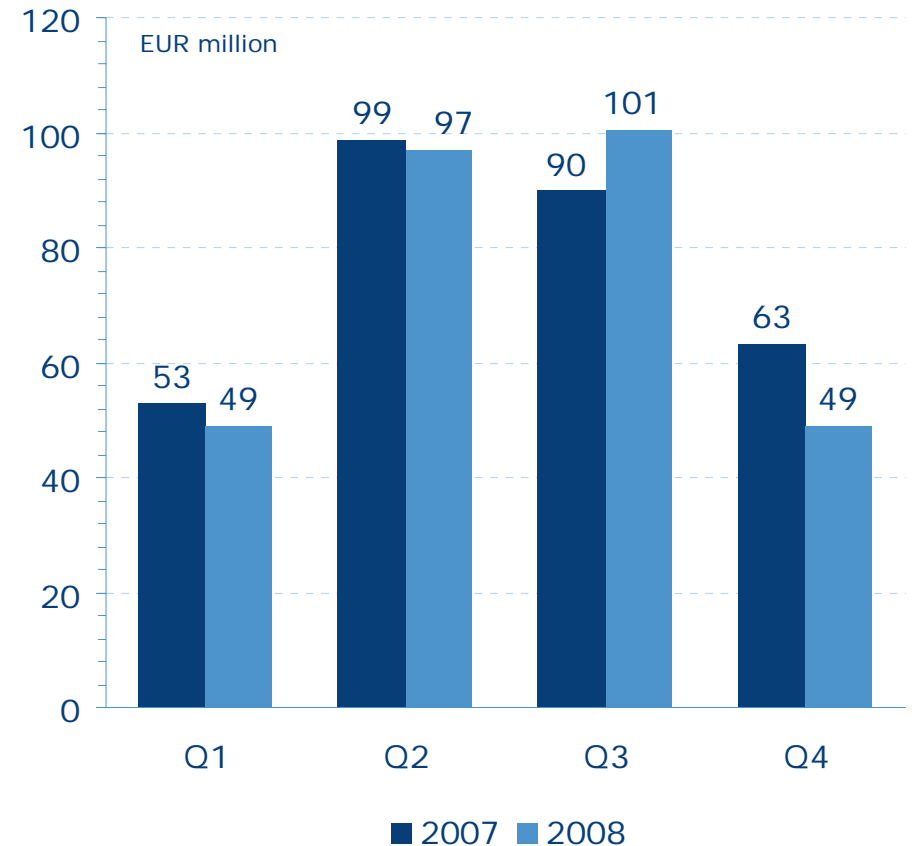
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- Operating profit grew in Learning & Literature and Entertainment

# Quarterly Development

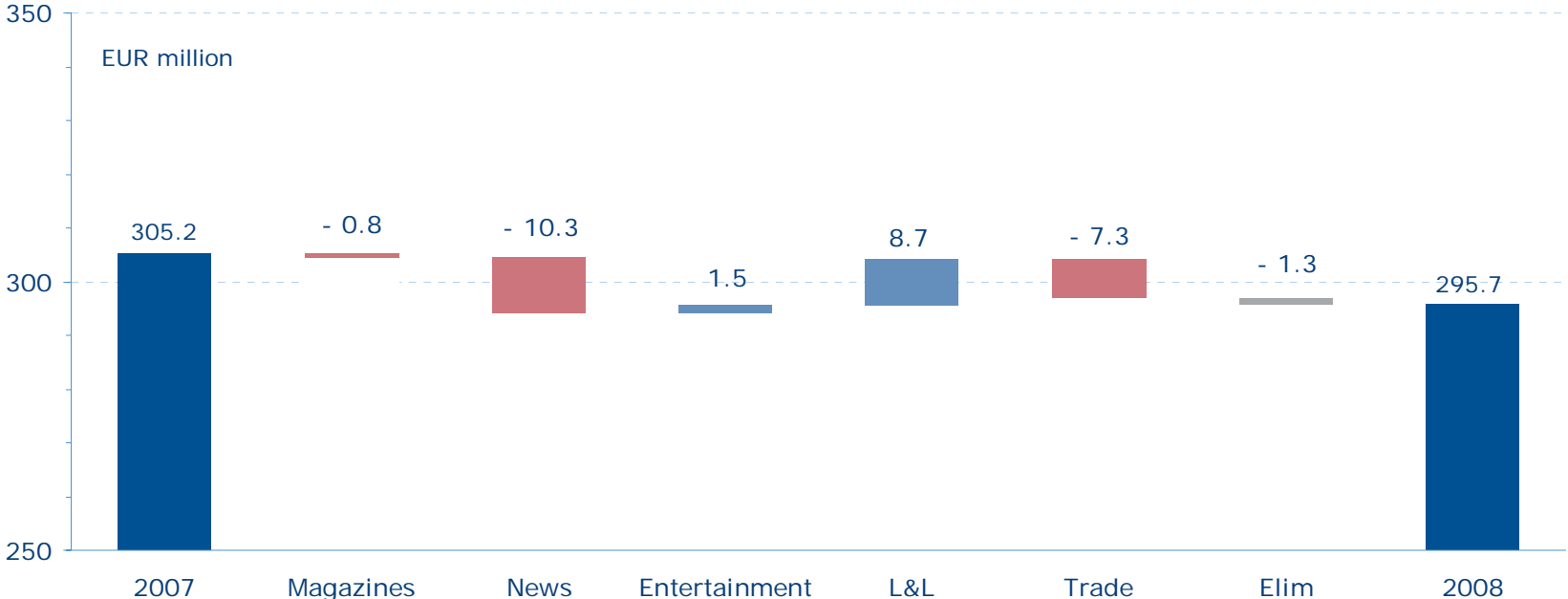
## Net sales



## Operating profit excl. non-recurring items



# EBIT Excluding Non-recurring Items



- Magazines: Profitability at the previous year’s level
- News: Decrease of classified advertising and tabloid market as well as investments in digital business
- Entertainment: Growth of broadcast operations and the positive development of Welho
- Learning & Literature: New educational publishing business in Poland
- Trade: Investments in kiosks and press distribution in Russia and Romania, decrease of distribution volumes in the Netherlands and launch costs of online bookstore

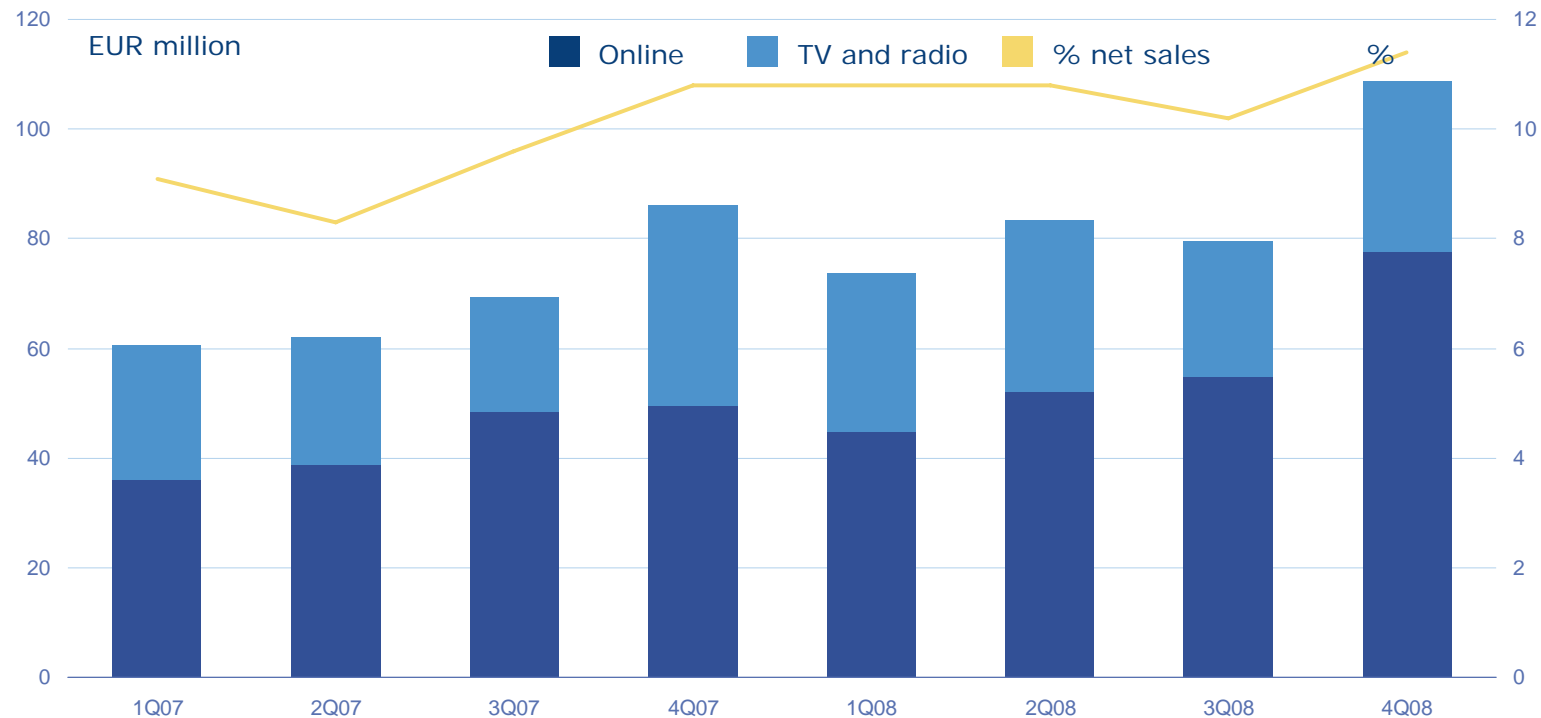


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# Digital Business Increases



- Digital business (excl. TV and radio) 10% of net sales in Sanoma's media business
- Online business continued to grow strongly
- TV advertising in Finland strongest in the second and fourth quarter

# Strong Financial Position

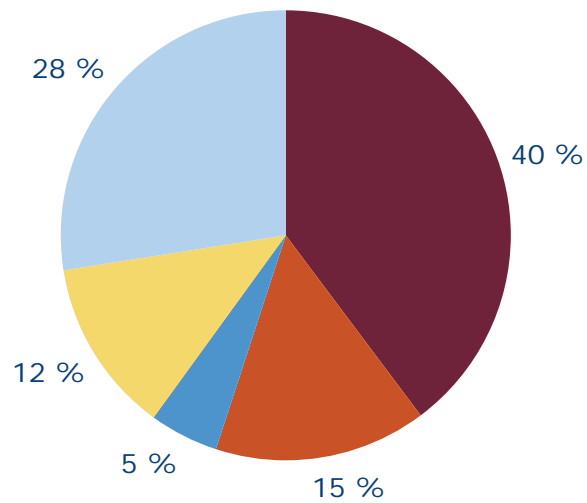
EUR million	31.12.2008	31.12.2007
Balance sheet total	<b>3,278.7</b>	3,192.3
Equity ratio, %	<b>40.0</b>	45.4
Net gearing, %	<b>78.5</b>	58.2
Interest-bearing liabilities	<b>1,082.6</b>	881.4
Interest-bearing net debt	<b>971.6</b>	793.3
Cash and cash equivalents	<b>110.9</b>	88.1

- Favourable long term credit facility
- Net debt/EBITDA 2.1
- Strong cash flow
- Steady and high dividend yield

# Balanced Entity

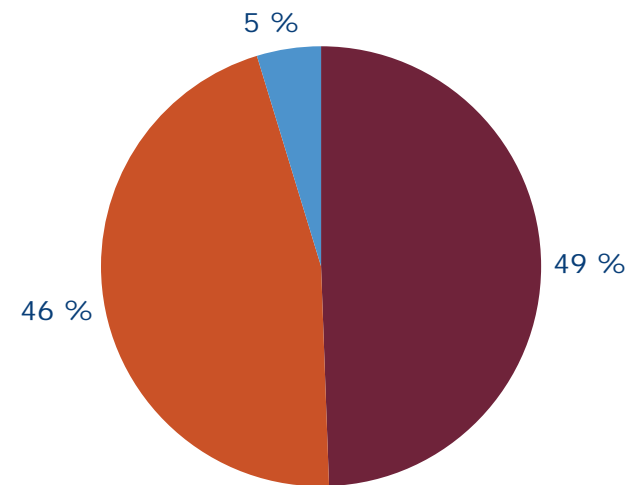
## Net sales

By division



■ Magazines ■ News ■ Entertainment ■ Learning & Literature ■ Trade

By geographic area



■ Finland ■ Other EU countries ■ Other countries

The Netherlands 22%  
CEE + Russia and Ukraine 20%

# Key Events 4Q08

## Launches

- Home deco magazine Villa Design, Romania
- Women's monthly magazine Harper's Bazaar, Ukraine
- National Geographic Traveler, Romania
- Innovative women's magazine Flow, Holland
- Playhouse Disney for pre-schoolers, Holland
- RUN for runners, Slovakia
- Women's weekly Story, Slovenia

## Acquisitions

- Increased holding in Hungarian educational publisher NTK to 96%
- Belgian educational publisher Van In acquired publisher specialised on traffic safety



# Outlook for 2009

- Net sales expected to decrease somewhat
- Operating profit excluding non-recurring items estimated to decline from the previous year
  - In 2008, operating profit excluding non-recurring items was EUR 295.7 million. The Group's financial expenses are expected to decrease, and, as a result, Sanoma's net result for 2009 is expected to decrease less than its operating profit.
- In the first quarter of 2009, development is expected to be significantly weaker than in the full-year due to especially decreasing newspaper advertising affecting the Sanoma News division and currency exchange rate fluctuations and the growth of seasonal educational publishing business impacting the Sanoma Learning & Literature division.

# The Sanoma Group

Net Sales M€ 3,030 • EBIT M€ 296\* • Personnel 18,168\*\*



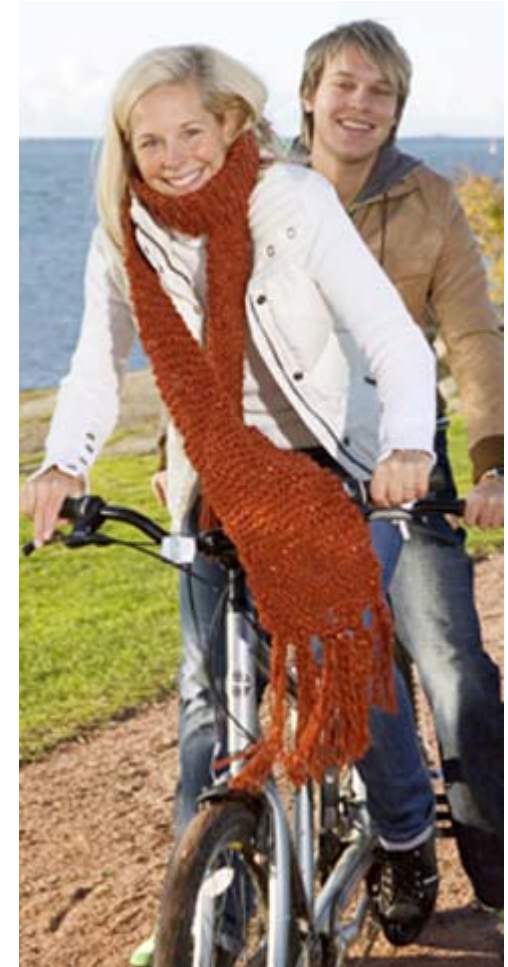
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# Sanoma Magazines

## Key figures

EUR million	10–12/2008	10–12/2007	1–12/2008	1–12/2007
Net sales	338.9	352.4	1,246.8	1,238.1
Sanoma Magazines Netherlands	143.9	154.2	515.7	539.8
Sanoma Magazines International	82.4	83.2	306.7	283.4
Sanoma Magazines Belgium	59.8	60.1	223.2	216.6
Sanoma Magazines Finland	53.9	56.0	205.6	202.8
Eliminations	-1.1	-1.2	-4.3	-4.6
Operating profit excluding non-recurring items	36.1	37.2	138.9	139.7
% of net sales	10.6	10.5	11.1	11.3
Operating profit	-40.6	37.2	85.7	160.9
% of net sales	-12.0	10.5	6.9	13.0
Capital expenditure			26.8	20.6
Average number of employees *			5,731	5,169

**Outlook for 2009:** Net sales and operating profit excluding non-recurring items are expected to remain somewhat below the previous year's level.

# Sanoma News

## Key figures

EUR million	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	119.2	124.6	474.7	480.8
Helsingin Sanomat	68.6	72.4	279.5	278.9
Ilta-Sanomat	21.9	23.6	91.0	94.8
Other publishing	24.6	25.9	92.4	97.5
Others	38.9	39.1	152.5	152.6
Eliminations	-34.8	-36.4	-140.7	-143.0
Operating profit excluding non-recurring items	9.4	13.6	57.3	67.6
% net sales	7.9	10.9	12.1	14.1
Operating profit	9.4	13.6	57.3	67.6
% net sales	7.9	10.9	12.1	14.1
Capital expenditure			19.6	17.7
Average number of employees *			2,491	2,411

**Outlook for 2009:** Net sales and operating profit excluding non-recurring items are estimated to decline clearly from the previous year due to the decline of the advertising market.

# Sanoma Entertainment

## Key figures

EUR million	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	41.0	42.5	157.1	146.0
TV and radio	23.8	26.5	88.9	83.2
Others	17.9	16.2	69.4	63.6
Eliminations	-0.6	-0.2	-1.1	-0.8
Operating profit excluding non-recurring items	4.1	5.4	17.3	15.8
% net sales	10.0	12.6	11.0	10.8
Operating profit	4.1	5.4	17.3	15.8
% net sales	10.0	12.6	11.0	10.8
Capital expenditure			13.5	14.8
Average number of employees *			482	457

**Outlook for 2009:** Net sales and operating profit excluding non-recurring items are expected to be at the previous year's level.

# Sanoma Learning & Literature

## Key figures

EUR million	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	88.0	68.5	390.0	322.5
Educational publishing	48.1	30.6	259.4	197.7
Publishing	33.3	29.6	104.2	97.3
Others	12.3	14.0	49.8	51.1
Eliminations	-5.7	-5.7	-23.3	-23.7
Operating profit excluding non-recurring items	-11.6	-6.6	53.2	44.5
% net sales	-13.2	-9.7	13.6	13.8
Operating profit	-12.7	-6.6	45.6	44.5
% net sales	-14.4	-9.7	11.7	13.8
Capital expenditure			15.6	7.7
Average number of employees *			2,737	2,345

**Outlook for 2009:** Net sales and operating profit excluding non-recurring items are estimated to decrease slightly from the previous year's level. The development of net sales and operating profit is also strongly affected by the exchange rates of Sanoma Learning & Literature's operating countries.

# Sanoma Trade

## Key figures

EUR million	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	239.3	241.1	866.6	849.3
Kiosk operations	108.6	103.8	409.4	385.5
Press distribution	61.3	66.5	241.5	245.5
Bookstores	47.3	50.0	139.2	140.3
Movie operations	26.7	25.5	94.3	85.5
Others	0.0	1.1	0.0	10.4
Eliminations	-4.5	-5.8	-17.8	-18.0
Operating profit excluding non-recurring items	14.7	18.2	45.1	52.4
% net sales	6.2	7.5	5.2	6.2
Operating profit	14.7	23.1	45.1	55.6
% net sales	6.2	9.6	5.2	6.5
Capital expenditure			33.8	28.4
Average number of employees *			6,633	6,234

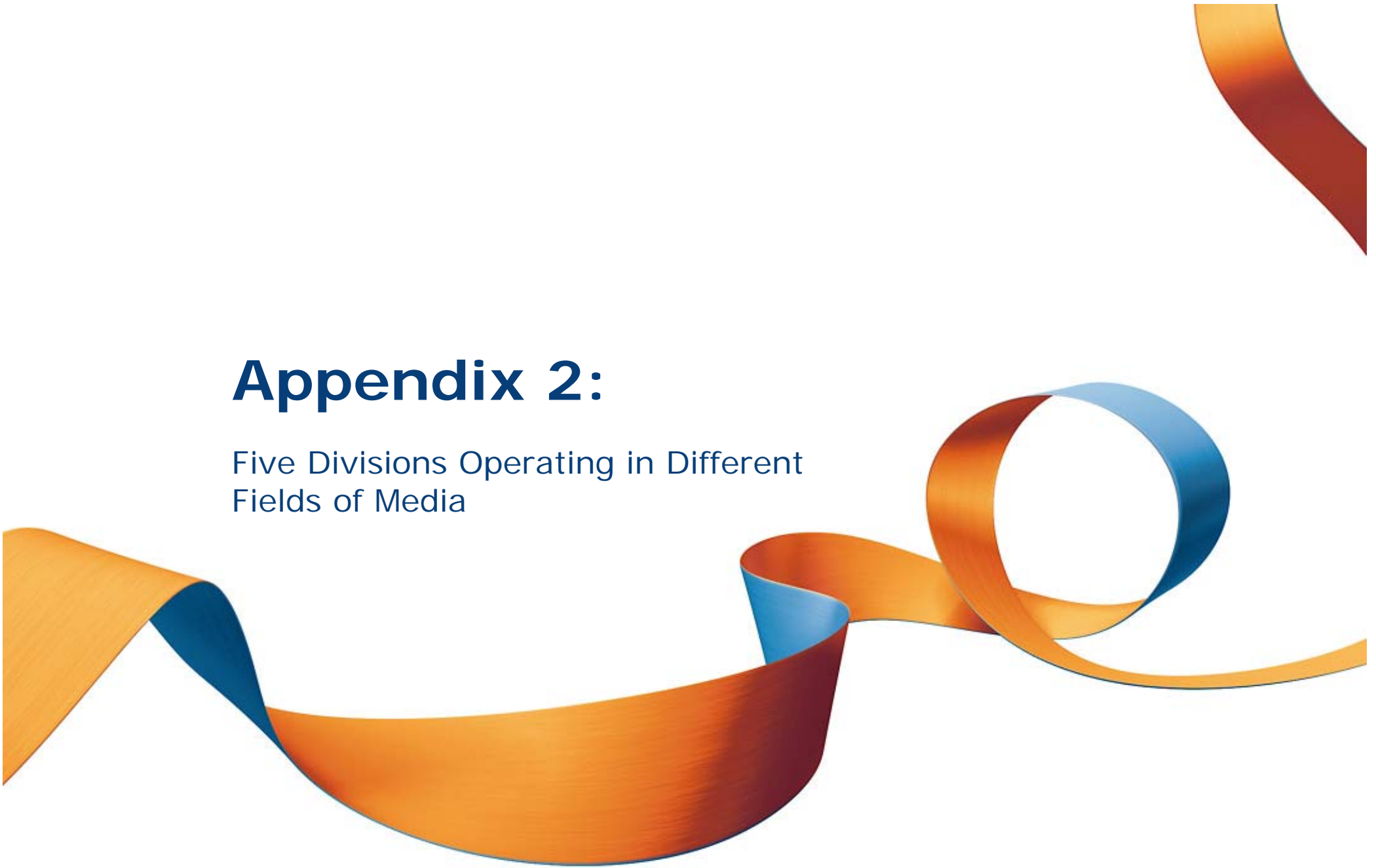
**Outlook for 2009:** Net sales and operating profit excluding non-recurring items are expected to be at the previous year's level.

# Non-Recurring Items Per Quarter in 2008 and 2007 (EUR million)

Division	1Q08	2Q08	3Q08	4Q08	1Q07	2Q07	3Q07	4Q07
Magazines	23.5 (RCV)	--	--	7.0 (online assets) -83.7 (impairment)	1.2 (magazines)	20.0 (magazines)	--	--
News	--	--	--	--	--	--	--	--
Entertainment	--	--	--	--	--	--	--	--
Learning & Literature	--	--	-6.5 (multi- volume & year book)	-1.1 (multi- volume & year book)	--	--	--	--
Trade	--	--	--	--	--	--	-1.7 (press distribution)	4.9 (multi-purpose arena + real estates)
Sanoma Corporation	--	1.5 (real estates)	--	--	--	14.2 (real estates)	--	--
<b>Group total</b>	<b>23.5</b>	<b>1.5</b>	<b>-6.5</b>	<b>-77.8</b>	<b>1.2</b>	<b>34.2</b>	<b>-1.7</b>	<b>4.9</b>

# Appendix 2:

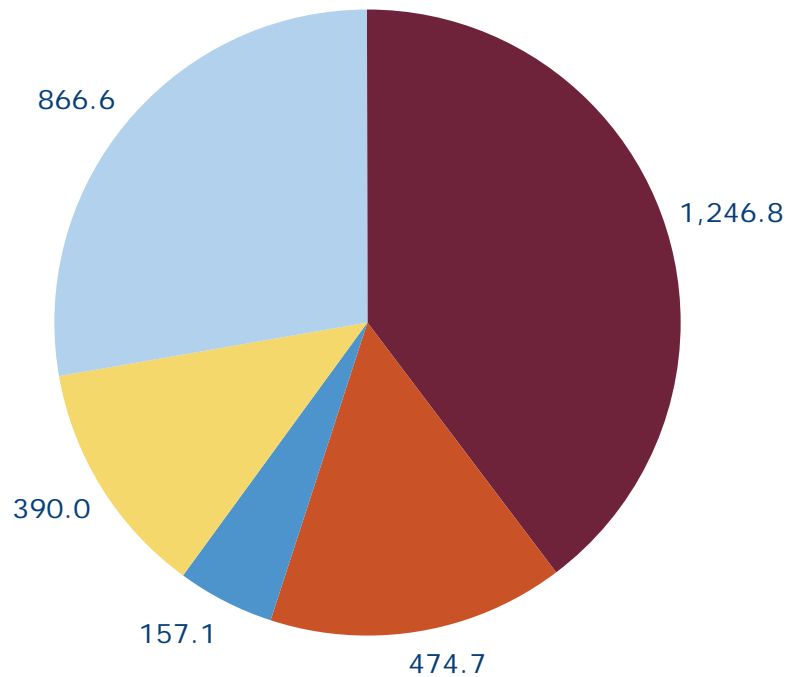
Five Divisions Operating in Different  
Fields of Media



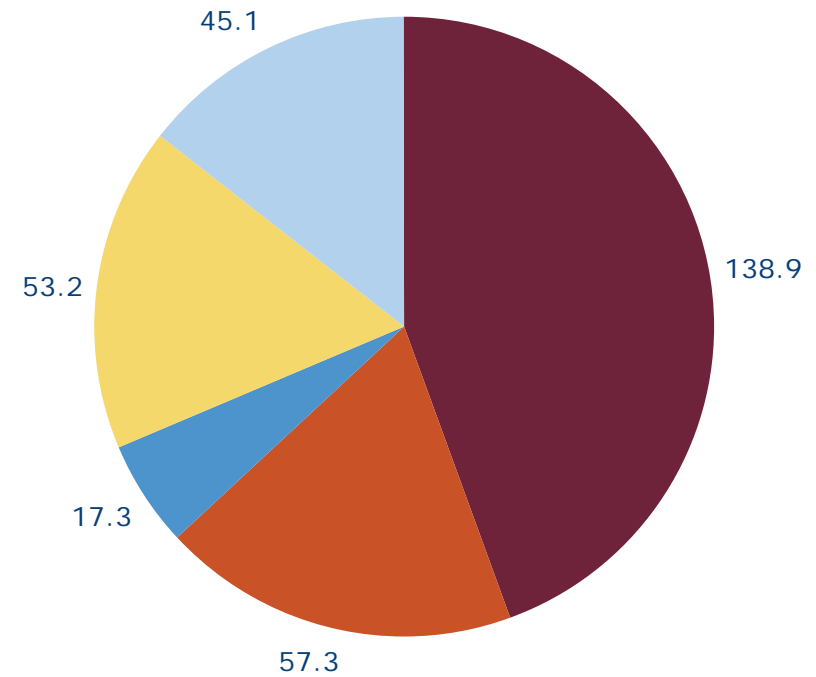
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### Net Sales



### EBIT excl. non-recurring items



■ Magazines ■ News ■ Entertainment ■ Learning & Literature ■ Trade



# Successful Integration

## Steps to a Leading Media Company

- 1999:** Sanoma and WSOY merged and SanomaWSOY (Sanoma since 1 October 2008) listed on the Helsinki Stock Exchange
- 2001:** CIG Acquisition  
Magazine Division with activities in 9 countries
- 2003:** Rautakirja merged into SanomaWSOY
- 2004:** Malmberg Acquisition  
Educational publisher, leading in the Netherlands and Belgium
- 2005:** Independent Media Acquisition  
Magazine publisher, with activities in Russia and Ukraine
- 2008:** SanomaWSOY becomes Sanoma



## European Magazine Publisher with a Strong Focus on Interactivity

# Sanoma Magazines

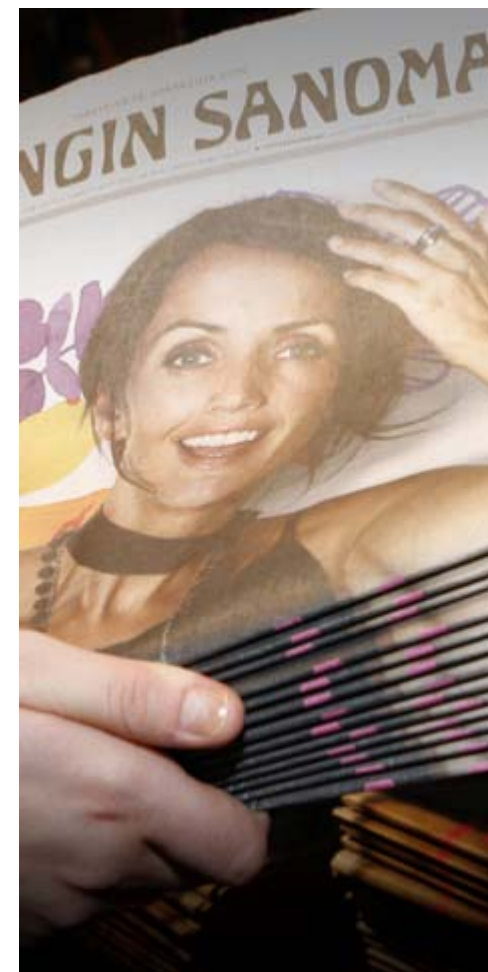
- Net sales 2008: EUR 1,246.8 million
- EBIT 2008: EUR 138.9 million\*
- One of Europe's leading magazine publishers
- Over 300 magazines for all segments
- Active in 13 countries
- Strong brand developer:
  - Libelle, Margriet, (NL)
  - Kodin Kuvalehti, ET, Me Naiset (FI)
  - Humo, Libelle
  - Story (10 countries)
- Preferred license partner:
  - Cosmopolitan (11 countries), Elle (4 countries), Donald Duck (2 countries), National Geographic (6 countries)...
- Increasing digital operations (ilse media, Sanoma Budapest)
  - Search engines, web portals, virtual communities, news services, ...



## Finland's Leading Newspaper Publisher

# Sanoma News

- Net sales 2008: EUR 474.7 million
- EBIT 2008: EUR 57.3 million\*
- Sanoma publishes 4 out of 5 Finland's most read newspapers and free sheets
  - The largest morning paper in the Nordic region and the leading ad medium in Finland (Helsingin Sanomat)
  - The leading tabloid in Finland (Ilta-Sanomat)
  - Finland's two most read free sheets (Metro and Kaupunkilehti Vartti)
- Leading online services
  - The leading service entity for classified advertisements (Oikotie.fi, Keltainenporssi.fi, Huuto.Net)
  - Among the largest online services in Finland by the number of visitors (Iltasanomat.fi, HS.fi)
  - Strong financial site (Taloussanomat.fi)



# Sanoma Entertainment



- Net sales 2008: EUR 157.1 million
- EBIT 2008: EUR 17.3 million\*
- Third-largest ad medium in Finland, targeted especially on city dwellers (TV channel Nelonen)
  - 30% share of Finnish TV advertising
  - Five other TV channels
- Two semi-national commercial radio stations
- Finland's largest cable TV operator and a major provider of broadband services (WELHO)
  - Triple-play operator with TV, broadband and VoIP services
  - 323t connected households, 106t pay TV customers and 105t broadband customers
- Start-ups in online casual gaming

Significant European Educational Publisher and Finland's  
Leading Book Publisher

# Sanoma Learning & Literature

- Net sales 2008: EUR 390.0 million
- EBIT 2008: EUR 53.2 million\*
- One of Europe's largest educational publishers
  - Leading positions in its present operating countries
    - Finland, the Netherlands, Belgium, Poland and Hungary
  - Optimizing the use of ICT to ensure growth
  - Taking advantage of curriculum changes and educational reforms
  - Expanding product portfolio with edutainment business
- Increasing offering of business information and services including language training and services
- The market leader in general literature in Finland



Market Leading Press Distributor in Finland,  
the Netherlands, and the Baltic Countries

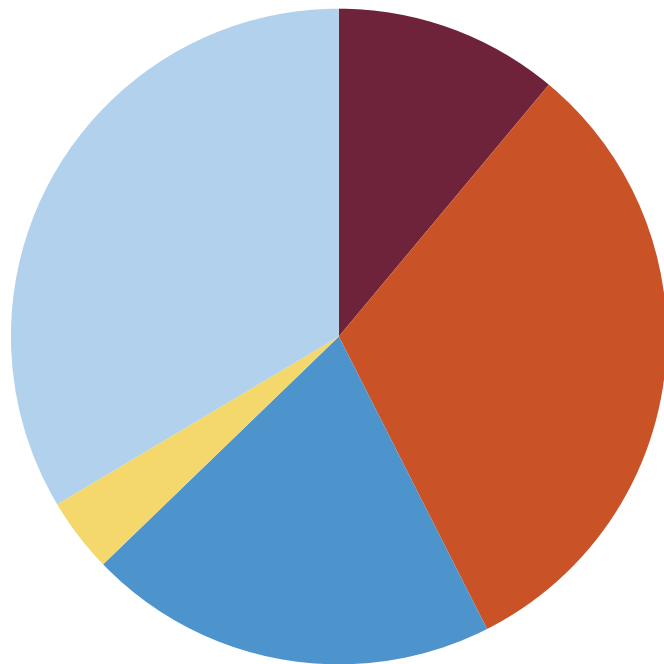
## Sanoma Trade

- Net sales 2008: EUR 866.6 million
- EBIT 2008: EUR 45.1 million\*
- The leading kiosk operator in Finland and the Baltic countries
  - With its more than 700 kiosks, R-kioski is one of Finland's most visited retail chains (around 120 million visits annually)
  - Operations in Russia began in May 2007 and in Romania in July 2008
- The leading press distributor in Finland, the Netherlands, and the Baltic countries
  - operations also in Romania and Russia
- The leading bookstore chain in Finland and Estonia
- The leading movie theatre chain in Finland and the Baltic countries



# Digital Business 11% of Group sales

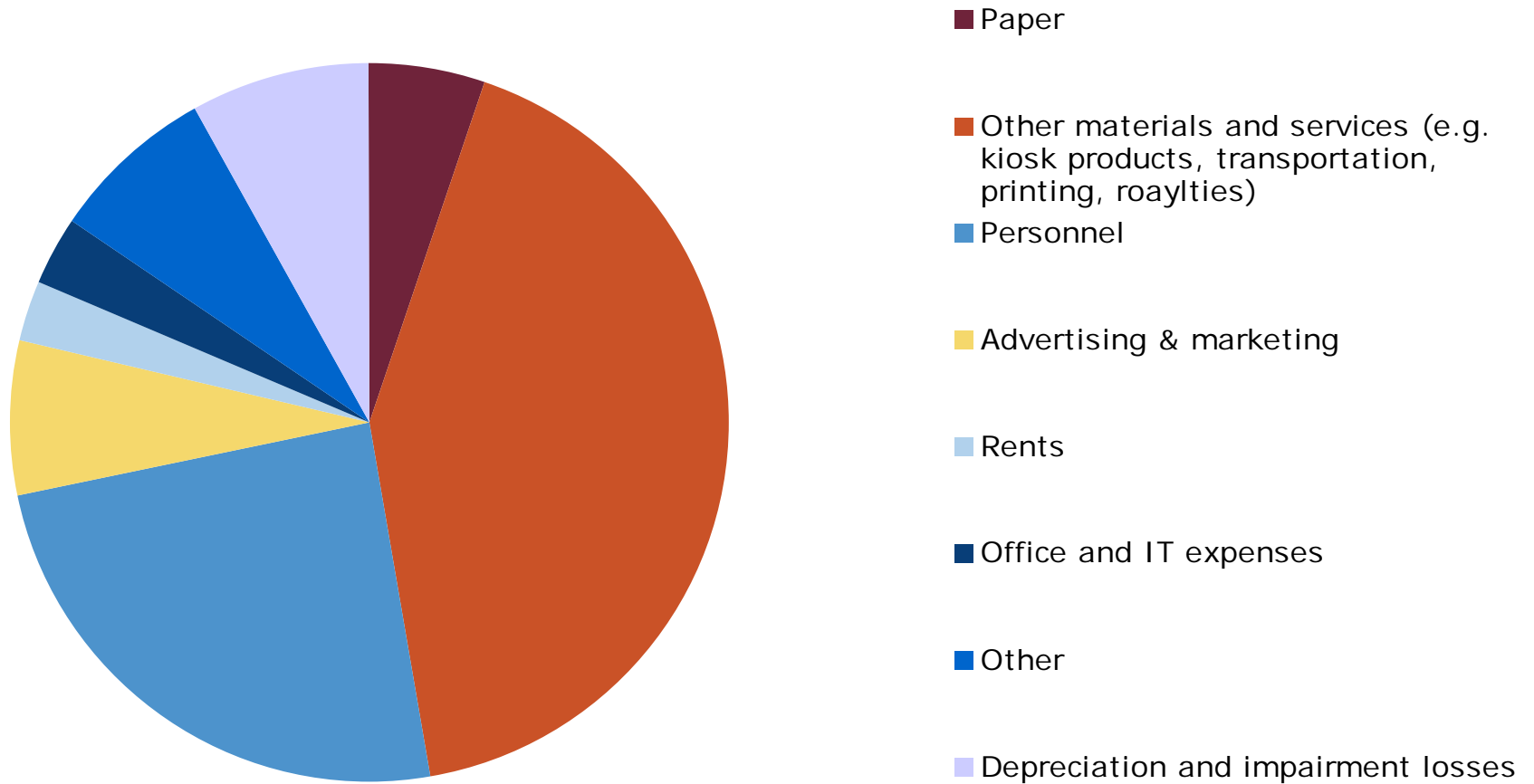
8% Excluding TV operations



■ Access      ■ Advertising      ■ Digital content  
■ eCommerce      ■ TV and radio

- Digital businesses, especially online, one of Group's international growth areas
- Strong positions already in the Netherlands, Hungary, Finland and Bulgaria
- Concepts mainly based on advertising revenue
- Growth through own concepts and selected acquisitions

# Sanoma's Cost Structure 2008



# Appendix 3:

About Owners and Coverage



# Largest Shareholders

31 January 2009

% of shares and votes

Aatos Erkkö (of which through Oy Asipex Ab: 7.23%)	22.94
Robin Langenskiöld	7.51
Rafaela Seppälä	7.15
Helsingin Sanomat Foundation	3.67
Alfred Kordelin Foundation	2.21
Ilmarinen Mutual Pension Insurance Company	2.04
Mandatum Life Insurance Company Limited	1.66
Varma Mutual Insurance Company	1.58
Sanoma Corporation	1.48
Foundation for Actors' Old-age-home	1.38
<b>Foreign ownership in total</b>	<b>10.6</b>
<b>Total number of shares</b>	<b>163,368,658</b>
<b>Total number of shareholders</b>	<b>19,097</b>

Institutional investors: 56 % of shares

Private investors: 44 % of shares



\* Full time equivalents

# Analyst coverage

## **Carnegie Investment Bank AB**

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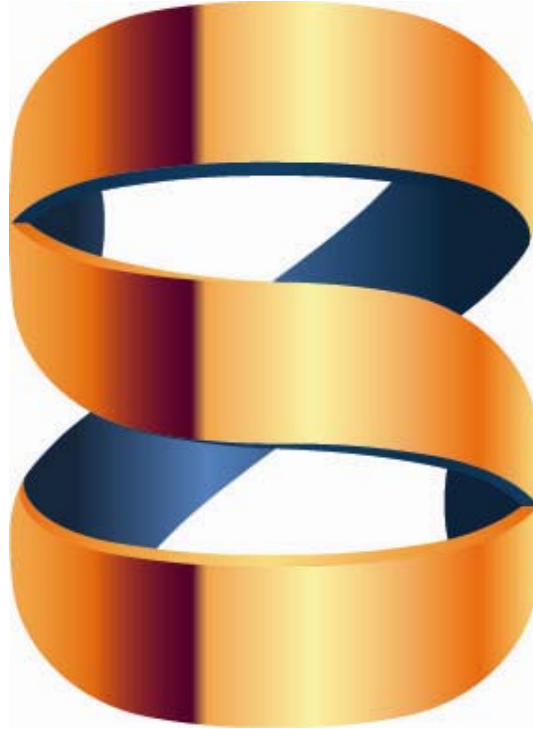
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