

Sanoma - One of the Leading Media Companies in Europe

Investment Highlights
May 2010



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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 – 23% 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



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



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

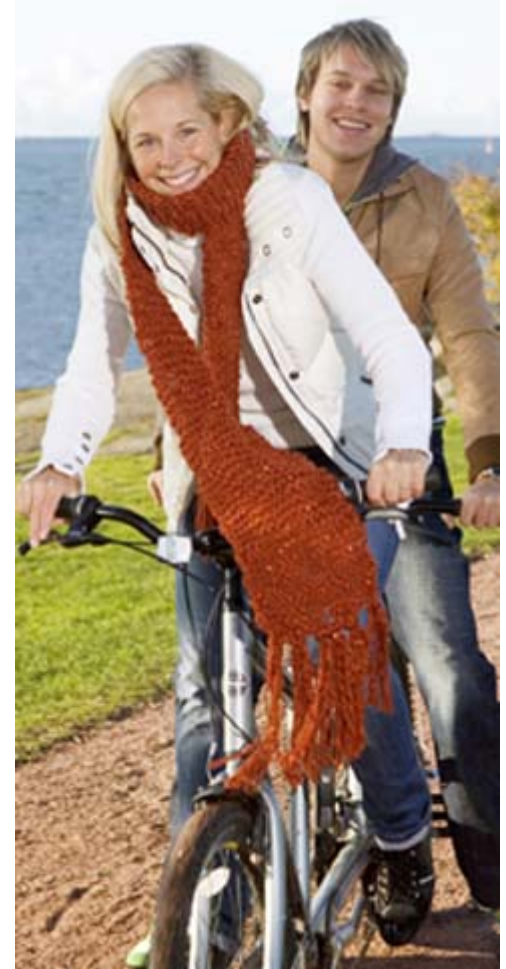
Sanoma's Strategy

Strategic goal:

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

Strategic objectives are to:

- Be the market leader in our chosen businesses and markets
 - Balance our business portfolio of B2C and B2B products and services by focusing on magazines, news, learning solutions and online business
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- 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

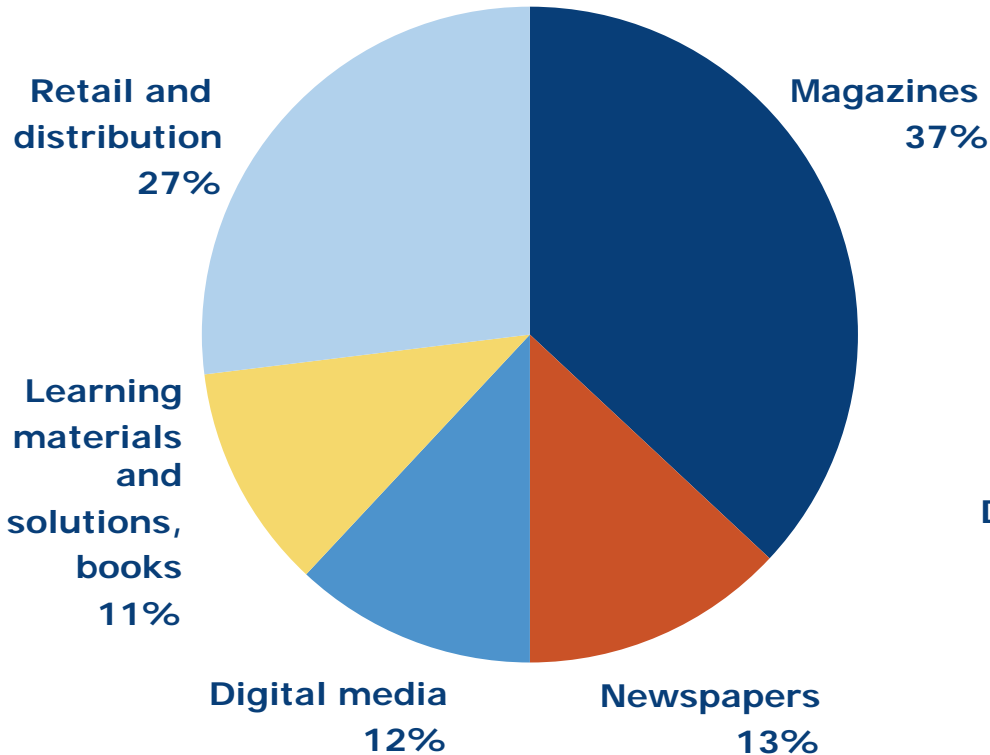
- Target: Double our online revenue to EUR 240 million by 2012
- Method: systematic innovation, R&D and acquisitions
- Focus areas
 - transactional comparison and classified sites
 - casual gaming
 - verticals
- Geographic focus in
 - Central and Eastern Europe
 - Western Europe (to complement existing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



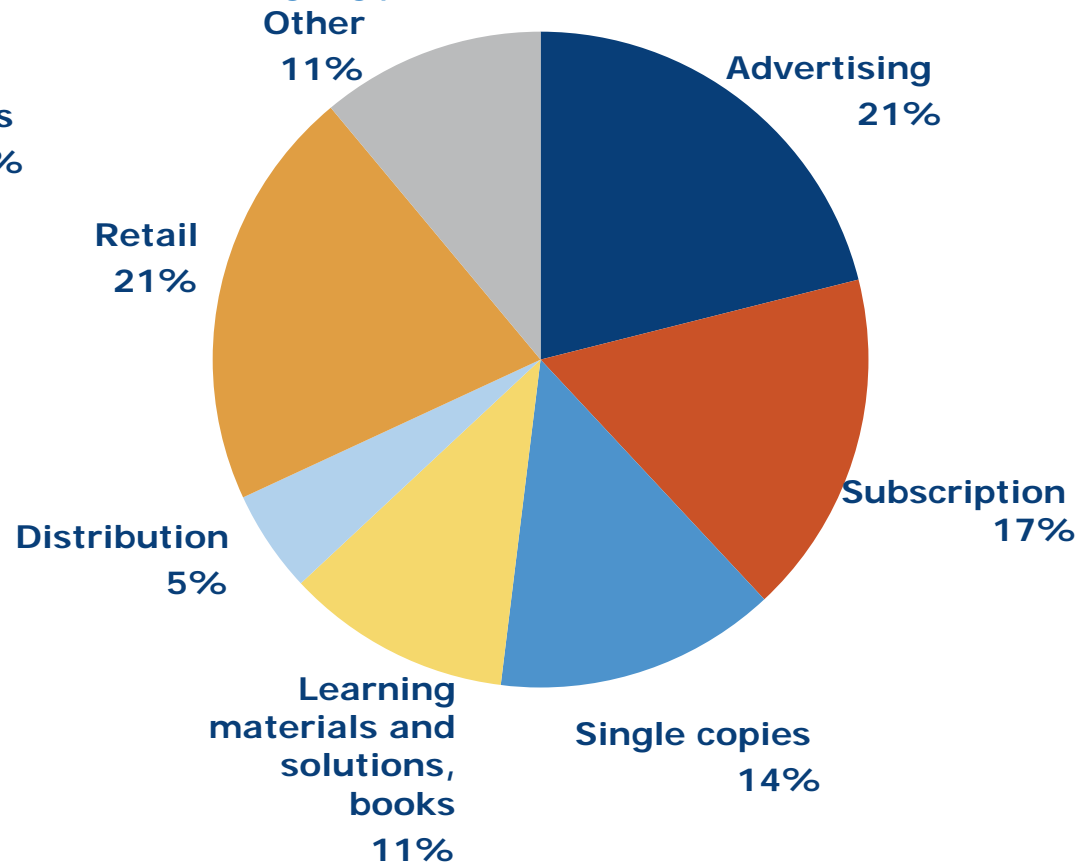
Balanced Portfolio

of B2C and B2B products and services

Net Sales Breakdown by Products and Services

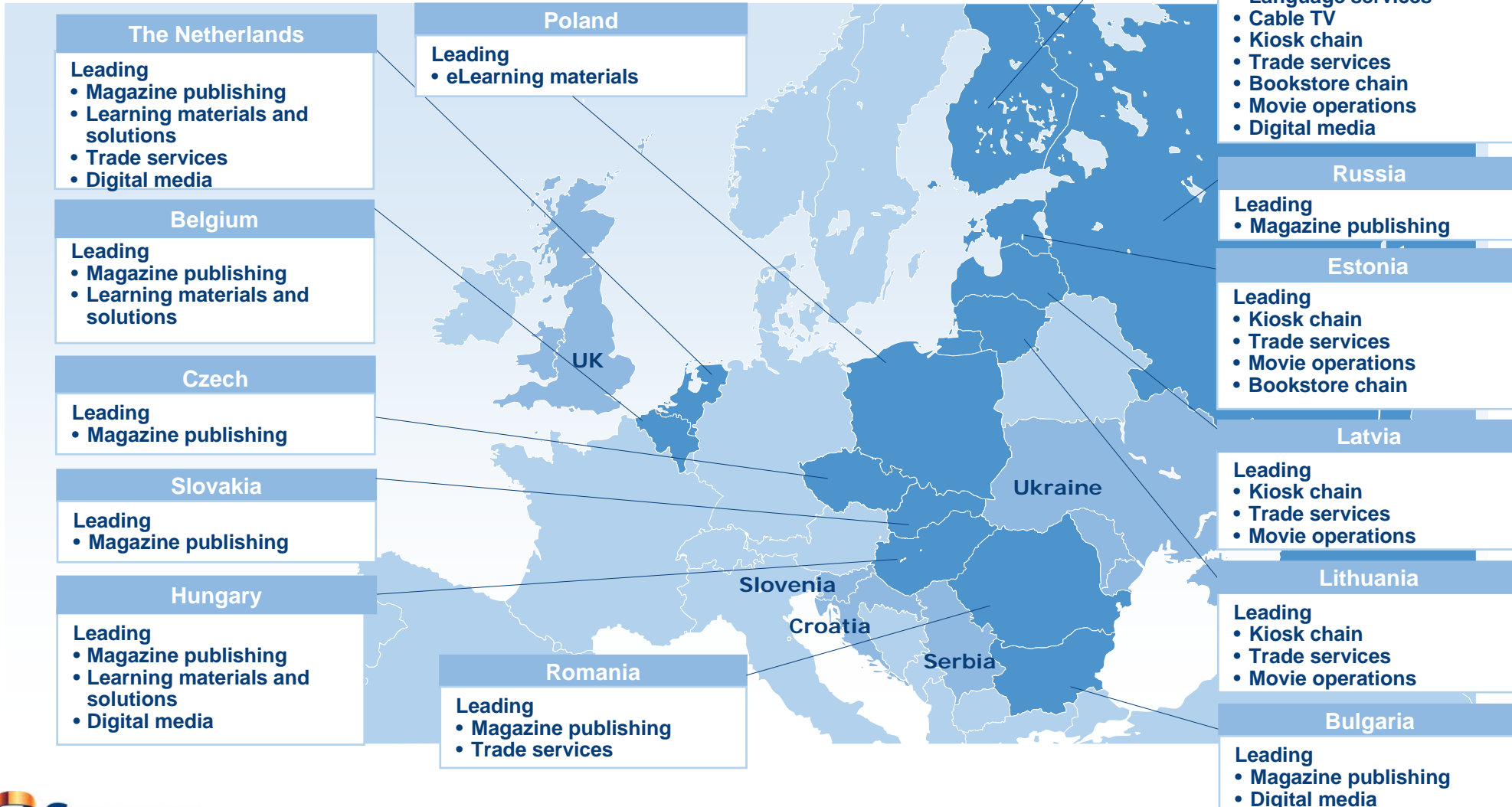


Net Sales Breakdown by Type of Revenue Source



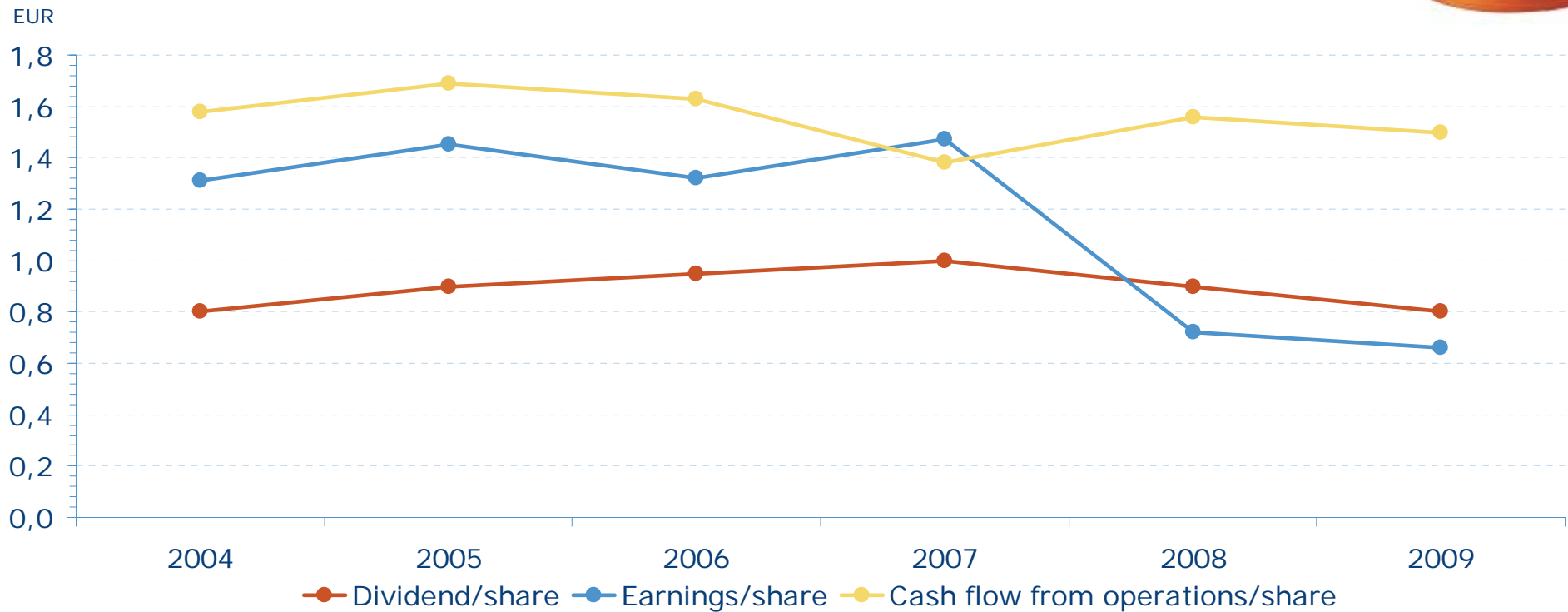
Leading Market Positions

In chosen segments



Good Dividend Payer

Over half of group result after taxes distributed in dividends



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

Improved Result



EUR million	1–3/2010	1–3/2009	Ch %	1–12/2009
Net sales	637.9	636.0	0.3	2,767.9
Operating profit excluding non-recurring items	35.6	23.2	53.4	229.5
% net sales	5.6	3.7		8.3
Operating profit	40.4	20.9	93.2	195.4
Earnings/share, EUR	0.16	0.05	209.8	0.66
Cash flow from operations/share, EUR	0.23	-0.05	542.7	1.50
Number of employees at the end of the period *	16,293	17,845	-8.7	16,723

Key Ratios at Target Levels

Key ratios

	1Q10	target level
• Annual capital expenditure	EUR 83.4 million (2009)	< EUR 100 million
• Equity ratio	42.7%	35–45%
• Gearing	74.4%	< 100%
• Net debt/EBITDA	2.4	< 3.5

Other financial targets:

- To increase net sales at a rate faster than GDP growth in main operating countries
- To double our online revenue to EUR 240 million by 2012
- EBIT margin target 12%

EBIT % excl. non-recurring items	2009	2008
Sanoma Magazines	10.2	11.1
Sanoma News	9.5	12.1
Sanoma Entertainment	13.2	11.0
Sanoma Learning & Literature	12.6	13.6
Sanoma Trade	3.3	5.2
The Group	8.3	9.8

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



Appendix 1:

1Q10 Result



Efficiency Measures Improved the Result

Good Advertising Sales Development in March



- Operating profit excluding non-recurring items improved by 53%
- Successful execution of efficiency programmes
 - total expenses: -2%
 - personnel expenses: -4%
 - advertising and marketing: -7%
 - paper costs: -10%
- Strong cash flow development
- Sales growth still slow
- Good advertising market development in March, especially in Finland, but visibility still low
- Focus on maintaining a good cash flow and improving efficiency also in 2010
- Growing digital revenues create better balance with the print revenues
- New innovation management system supports future growth

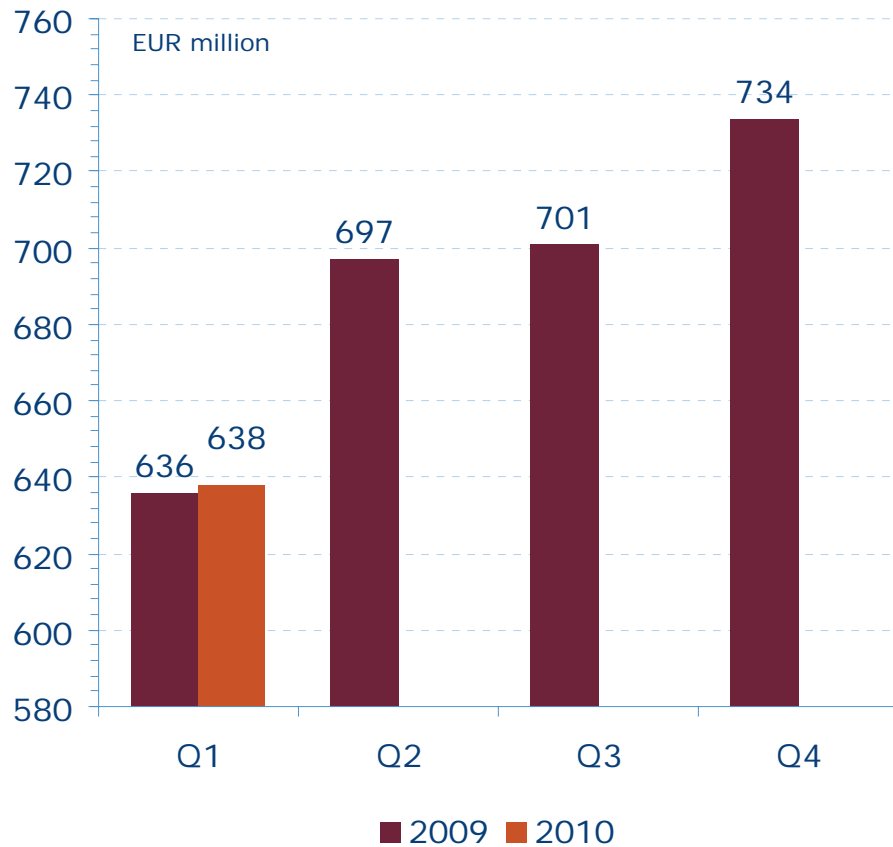
Improved Result



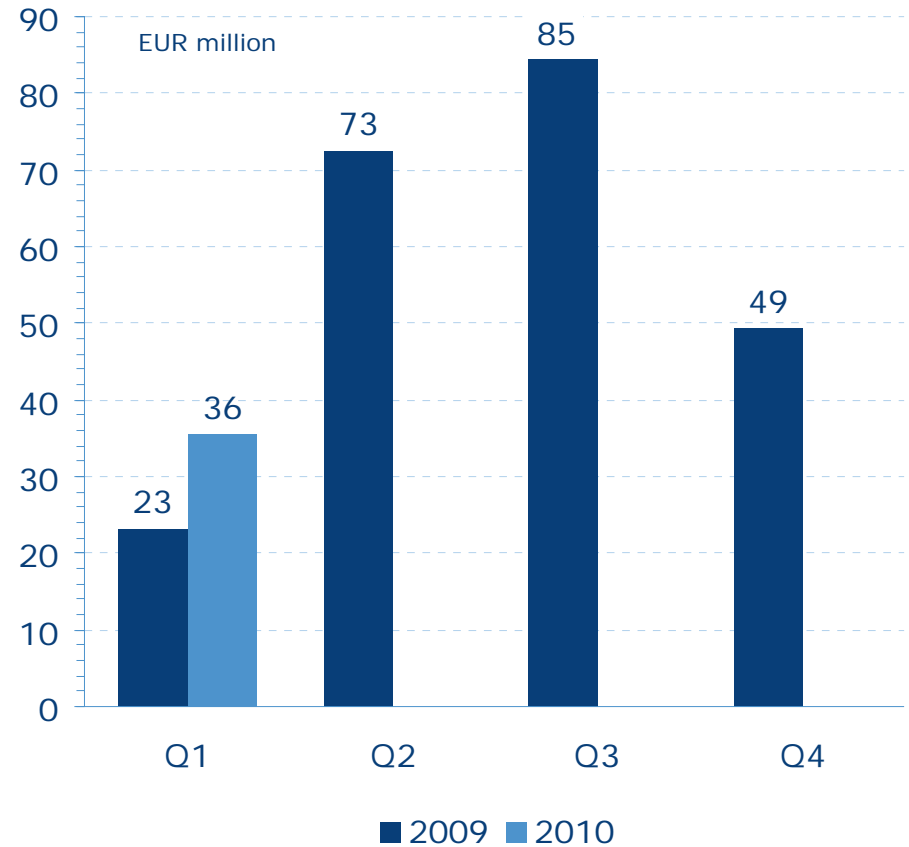
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Strong EBIT Growth

Net sales



EBIT excluding non-recurring items



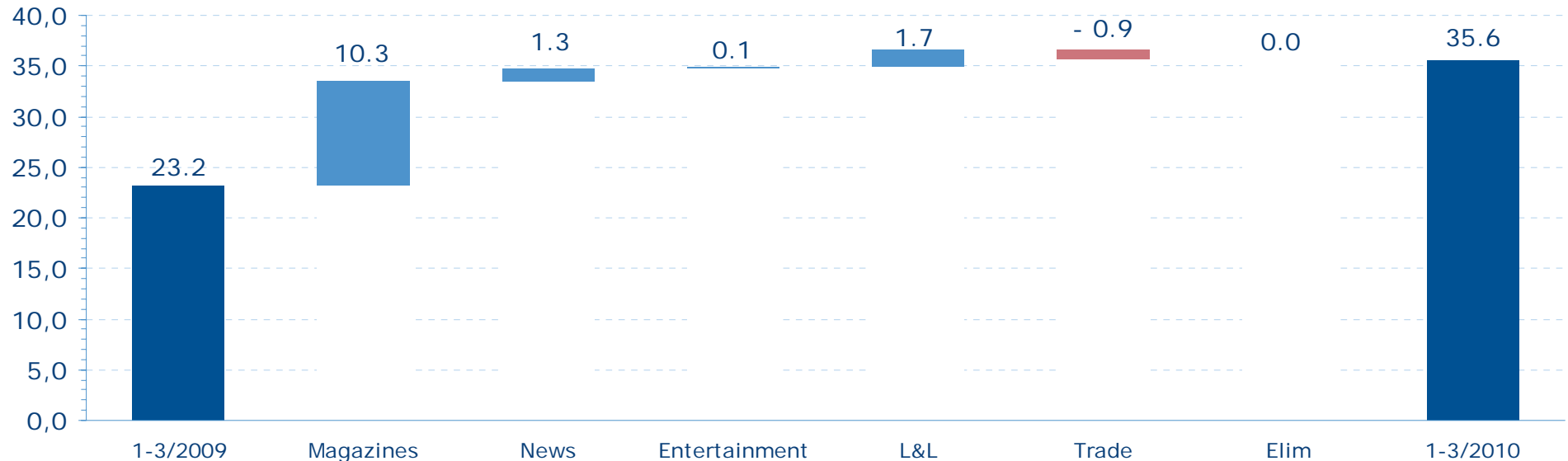
EBIT Improving on a Wide Front

EUR million	Net sales 1–3/2010	Ch %*	EBIT** 1–3/2010	Ch %*
Magazines	259.9	-0.8	25.8	66.0
News	109.4	1.6	9.6	15.3
Entertainment	41.5	3.0	6.2	1.0
Learning & Literature	58.2	-4.3	-5.2	24.4
Trade	191.8	2.2	2.9	-24.6
Other companies + eliminations	-23.0	1.3	-3.7	0.0
Sanoma Group Total	637.9	0.3	35.6	53.4

EBIT Excl. Non-recurring Items

Sanoma Magazines Improving the Most

EUR million



- Magazines: improved profitability in all businesses due to efficiency improvements.
- News: positive development of advertising sales and efficiency improvements.
- Entertainment: good sales development especially in broadband and pay TV operations.
- Learning & Literature: efficiency improvements especially in learning and language services and timing differences in learning.
- Trade: the effect of new opening hours of other retailers to kiosk operations in Finland and the restructuring of the Russian and the Estonian operations.

Continuously Solid Financial Position

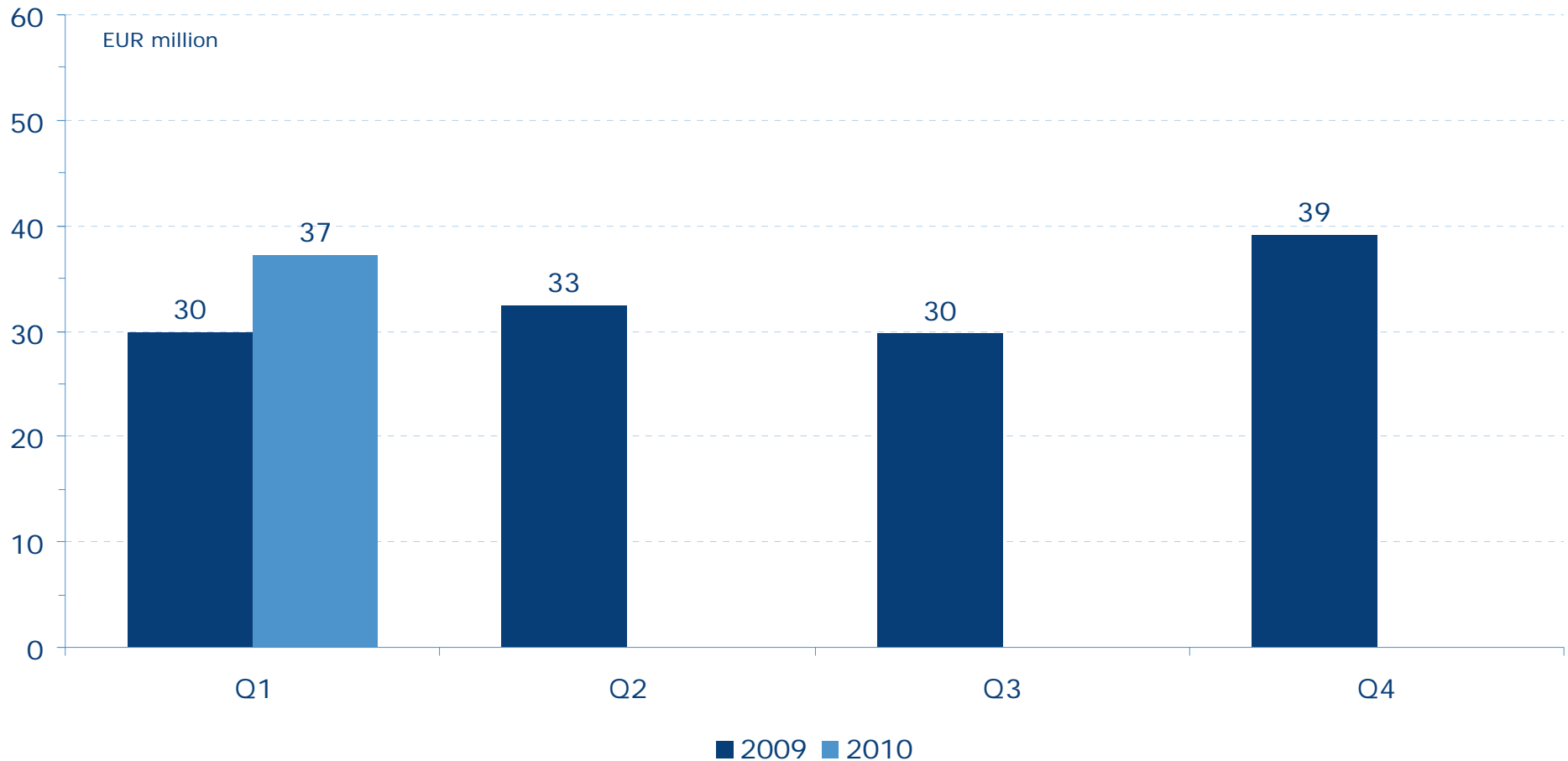
EUR million	31.3.2010	31.3.2009
Balance sheet total	3,137.5	3,215.1
Equity ratio, %	42.7	40.2
Net gearing, %	74.4	84.1
Interest-bearing liabilities	991.4	1,099.4
Interest-bearing net debt	931.3	1,016.5
Cash and cash equivalents	60.1	82.9



- Favourable long-term credit facility
- Net debt/EBITDA 2.4

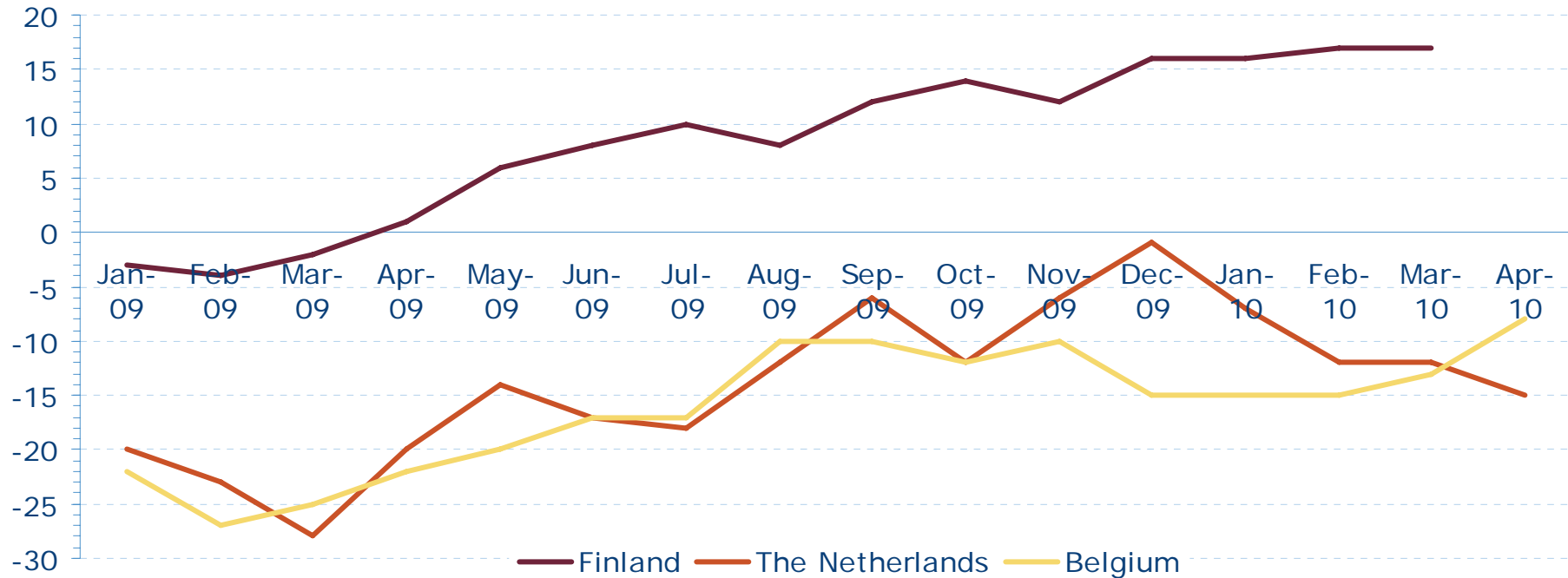
Consumer Online Revenues Grew by 24%

Target to reach annual revenues of EUR 240 million by 2012



Consumer Confidence Improving

But unemployment expected to grow



Unemployment estimates for 2010:

- Finland 10.2%
- The Netherlands 6.5%
- Belgium 9%

Outlook for 2010 Unchanged



- 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 remain stable or grow only slightly.

Appendix 2:

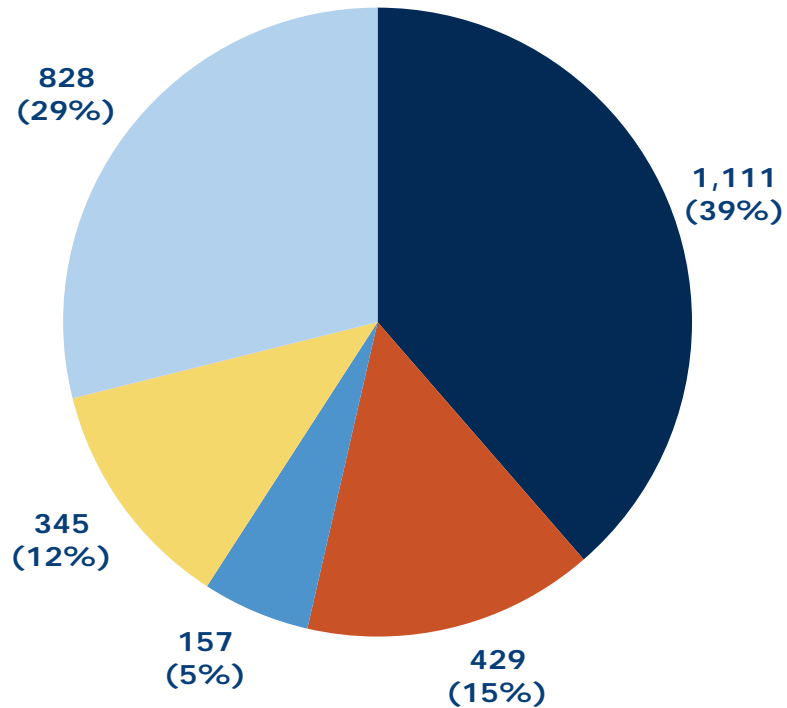
Five Divisions Operating in Different
Fields of Media



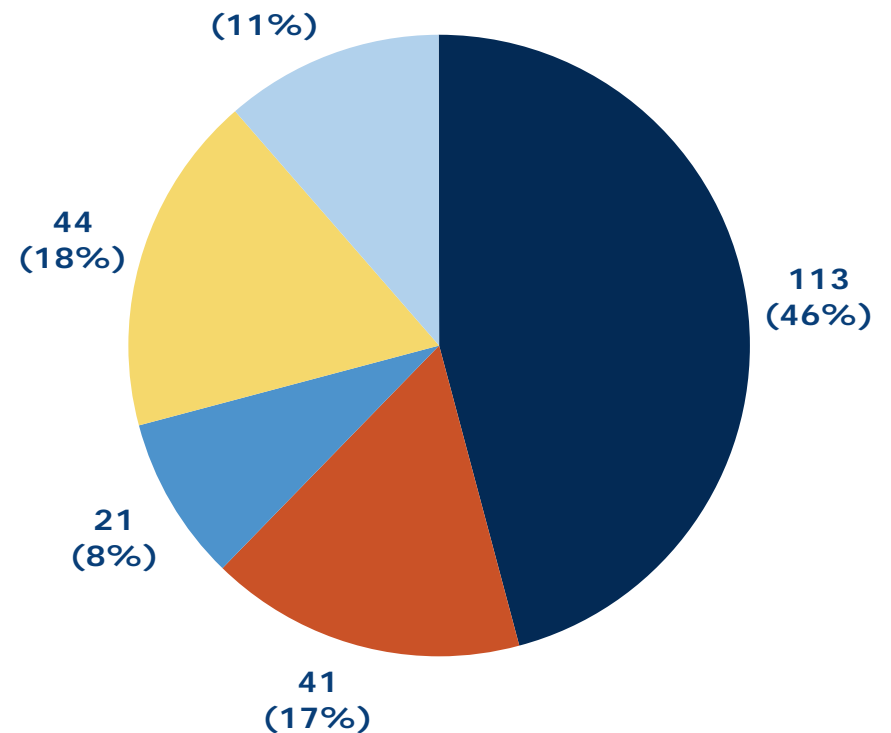
The Sanoma Group 2009:

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

Net Sales, EUR million



EBIT incl. non-recurring items, 28 EUR million



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

Sanoma Magazines

One of the leading magazine publishers in Europe



- Net sales 2009: EUR 1,111.2 million
- EBIT 2009: EUR 113.4 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 (9 countries), Elle (4 countries), Donald Duck (2 countries), National Geographic (7 countries)...
- Increasing digital operations (ilse media, Sanoma Budapest)
 - Search engines, web portals, virtual communities, news services...

Sanoma Magazines

Key figures

EUR million	1–3/2010	1–3/2009	Ch %	2009
Net sales	259.9	262.1	-0.8	1,111.2
Sanoma Magazines Netherlands	107.4	110.6	-2.9	493.2
Sanoma Magazines International	48.7	50.9	-4.3	211.3
Sanoma Magazines Belgium	53.5	51.3	4.3	212.3
Sanoma Magazines Finland	51.2	50.3	1.9	198.8
Eliminations	-1.0	-1.0	0.6	-4.3
Operating profit excluding non-recurring items	25.8	15.5	66.0	113.4
% of net sales	9.9	5.9		10.2
Operating profit	25.8	15.5	66.0	96.3
Capital expenditure	4.5	4.6	-1.3	24.4
Number of employees (FTE) *	5,117	5,666	-9.7	5,191

Outlook for 2010: Net sales are expected to grow slightly and it is estimated that operating profit excluding non-recurring items will be at the previous year's level.

Sanoma Magazines

Key themes

- Care for core
 - Focus on key magazine brands to safeguard market positions and profitability
 - Growth from adjacent operations (e.g. online, custom publishing)
- Strengthen position in digital media
 - Primarily leveraging current capabilities and assets
- Ongoing organisational improvement
 - Restructuring operations to execute strategy (Sanoma Magazines Belgium, the Dutch digital and print operations) or to improve efficiency (Felicitas)
- Improving operational efficiency
 - Joint advertising operations (resource centre, advertising systems), ICT integration
 - Closing down loss-making titles which do not have short term turn-around potential (some 30 titles)



Sanoma News

Finland's leading newspaper publisher



- Net sales 2009: EUR 428.9 million
- EBIT 2009: EUR 40.6 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 News

Key figures

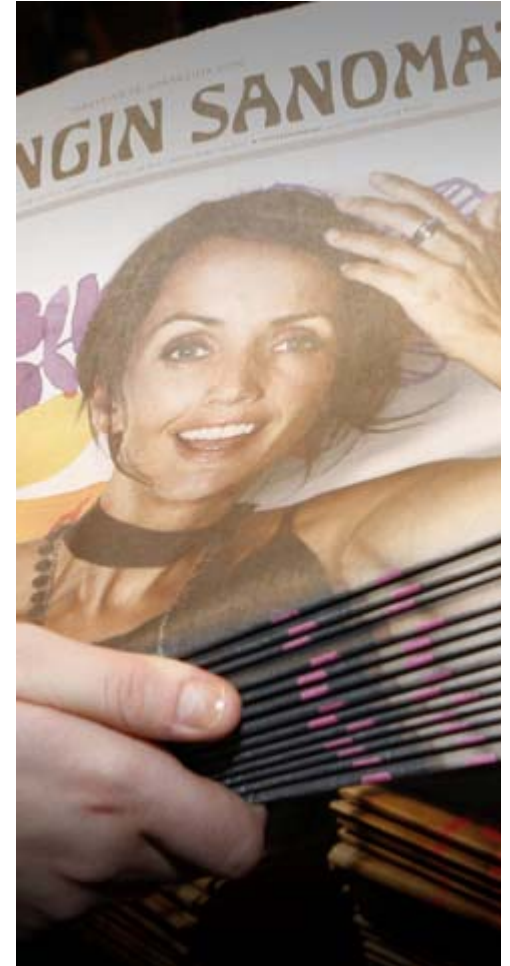
EUR million	1–3/2010	1–3/2009	Ch %	2009
Net sales	109.4	107.7	1.6	428.9
Helsingin Sanomat	59.1	58.7	0.8	228.4
Ilta-Sanomat	19.9	18.4	7.8	78.2
Other publishing	25.3	25.9	-2.1	103.8
Other businesses	34.4	36.2	-5.2	143.7
Eliminations	-29.3	-31.6	7.0	-125.2
Operating profit excluding non-recurring items	9.6	8.3	15.3	40.6
% of net sales	8.8	7.8		9.5
Operating profit	15.6	6.0	158.2	32.2
Capital expenditure	2.8	3.2	-12.0	10.6
Number of employees (FTE) *	2,168	2,393	-9.4	2,306

Outlook for 2010: Net sales are expected to be at the previous year's level and operating profit excluding non-recurring items is estimated to improve slightly.

Sanoma News

Key themes

- Transformation in media sales
 - From print media sales to cross-media sales; one-stop-shop for advertising customers
 - Creating online self-service channels for customers
- Transformation in consumer sales
 - New hybrid products bring revenues from online (SALS subscription service enabling these)
 - Improved customer knowledge (identification of relevant target groups)
- Transformation of the newsrooms
 - Multi-channel news publishing, UGC....
- Continuous product and service development
- Restructuring supporting the transformations and improving efficiency
 - Savings target of EUR 30 million reached in 2009



Sanoma Entertainment

TV and broadband internet



- Net sales 2009: EUR 157.1 million
- EBIT 2009: EUR 20.7 million*
- Third-largest ad medium in Finland, targeted especially on city dwellers (TV channel Nelonen)
 - 33% 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
 - 326t connected households, 76t pay TV customers and 116t broadband customers
- Online casual gaming as a new growth area

Sanoma Entertainment

Key figures

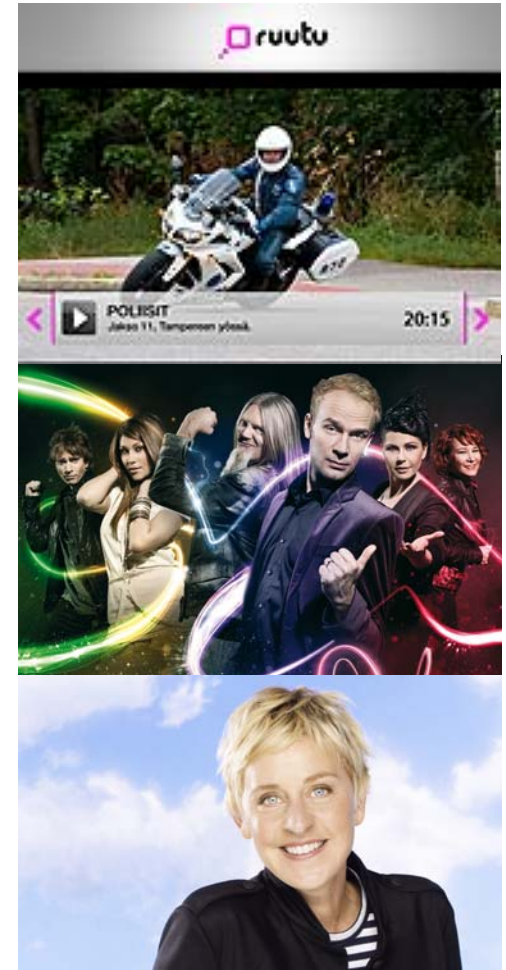
EUR million	1–3/2010	1–3/2009	Ch %	2009
Net sales	41.5	40.3	3.0	157.1
TV and radio	23.5	23.5	0.1	88.1
Other businesses	18.2	17.3	5.5	70.4
Eliminations	-0.2	-0.5	56.7	-1.4
Operating profit excluding non-recurring items	6.2	6.1	1.0	20.7
% of net sales	14.9	15.2		13.2
Operating profit	6.2	6.1	1.0	20.7
Capital expenditure	1.5	2.0	-24.4	9.3
Number of employees (FTE) *	438	489	-10.4	458

Outlook for 2010: Net sales and operating profit excluding non-recurring items are expected to be at the previous year's level.

Sanoma Entertainment

Key themes

- From one TV channel to multimedia house
 - Leveraging excellent sales organisation in all five channels
 - Easy to use web TV service *Ruutu.fi*
- Developing online gaming activities
- Continuous upgrades of pay TV services
 - New customised channel offering
 - In the front line in bringing HD content
 - Building an online platform for VOD services



Sanoma Learning & Literature

Provider of learning materials and solutions, Finland's leading book publisher



- Net sales 2009: EUR 345.1 million
- EBIT 2009: EUR 43.5 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

Sanoma Learning & Literature

Key figures

EUR million	1–3/2010	1–3/2009	Ch %	2009
Net sales	58.2	60.8	-4.3	345.1
Learning	29.9	30.6	-2.1	239.1
Language services	6.9	8.3	-16.4	27.5
Literature and other businesses	23.6	24.6	-4.0	88.9
Eliminations	-2.3	-2.6	12.6	-10.4
Operating profit excluding non-recurring items	-5.2	-6.9	24.4	43.5
% of net sales	-9.0	-11.3		12.6
Operating profit	-6.4	-6.9	7.0	38.5
Capital expenditure	2.9	2.3	25.7	13.1
Number of employees (FTE) *	2,637	2,873	-8.2	2,745

Outlook for 2010: Net sales and operating profit excluding non-recurring items are estimated to increase somewhat from the previous year's level.

Sanoma Learning & Literature

Key themes

- From educational books to blended learning solutions
 - Individual and flexible learning, aided by use of technology
 - Offering different routes of learning, guided by digital testing
- Customised solutions for multilingual communications
 - Content creation, translation & localisation, competence development
- Improving efficiency
 - Restructuring in literature operations, in multivolume business in particular
 - Divesting non-core activities (Studiebeurs, educational magazines...)



Sanoma Trade

Market leading press distributor in Finland, the Netherlands, and the Baltic Countries



- Net sales 2009: EUR 827.8 million
- EBIT 2009: EUR 27.6 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)
- The leading press distributor in Finland, the Netherlands, and the Baltic countries
- The leading bookstore chain in Finland and Estonia
- The leading movie theatre chain in Finland and the Baltic countries

Sanoma Trade

Key figures

EUR million	1–3/2010	1–3/2009	Ch %	2009
Net sales	191.8	187.7	2.2	827.8
Kiosk operations	91.9	89.9	2.3	404.2
Trade services	51.9	50.5	2.8	227.9
Bookstores	26.0	27.3	-4.7	123.3
Movie operations	25.4	23.6	7.6	88.0
Eliminations	-3.4	-3.6	6.1	-15.6
Operating profit excluding non-recurring items	2.9	3.8	-24.6	27.6
% of net sales	1.5	2.0		3.3
Operating profit	2.9	3.8	-24.6	24.0
Capital expenditure	4.7	8.1	-41.8	25.5
Number of employees (FTE) *	5,849	6,342	-7.8	5,943

Outlook for 2010: Net sales are expected to increase slightly and operating profit excluding non-recurring items to be at the previous year's level.

Sanoma Trade

Key themes

- Concept development
 - New store concept for R-kioski and bookstore chain Suomalainen Kirjakauppa
 - Increasing alternative content offering in movie theatres
 - Adjacent businesses in press distribution; in-store merchandising etc.
- Growth from strengthening market positions, new markets, European consolidation
- Retail is detail – costs in constant focus:
 - Closing down unprofitable units (over 100 kiosks mainly in Lithuania and Latvia)
 - Restructuring the Estonian operations to improve competitive advantage and increase co-operation in marketing and business development



Appendix 3:

About Owners and Coverage



Largest Shareholders

30 April 2010

% of shares and votes

Aatos Erkko (of which through Oy Asipex Ab: 7.29%)	23.16
Robin Langenskiöld	7.58
Rafaela Seppälä	7.21
Antti Herlin	3.82
Helsingin Sanomat Foundation	3.52
Alfred Kordelin Foundation	2.11
Ilmarinen Mutual Pension Insurance Company	1.99
Varma Mutual Insurance Company	1.56
Foundation for Actors' Old-age-home	1.39
Svenska litteratursällskapet I Finland r.f.	1.35
Foreign ownership in total	11.5
Total number of shares	161,816,894
Total number of shareholders	21,775
Institutional investors: 55% of shares	
Private investors: 45% of shares	

Analyst Coverage

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Sanoma's IR Team

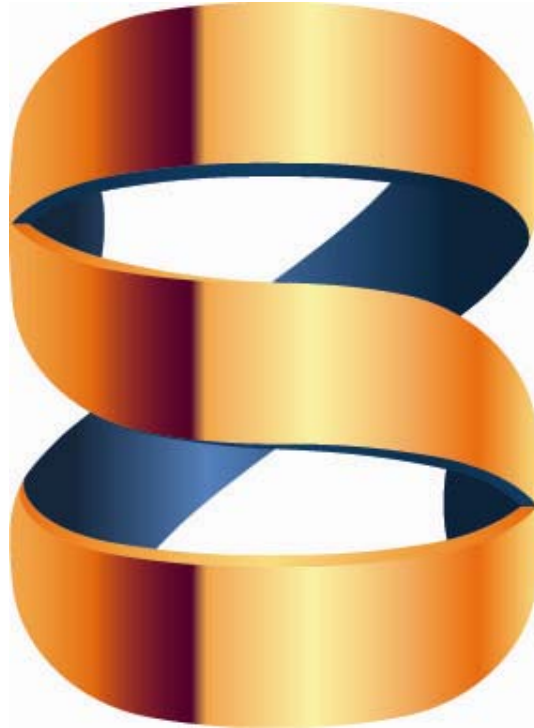
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Inspires, Informs and Connects