

Sanoma -

One of the Leading Media Companies
in Europe

Investment Highlights
September 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**
and listed on the Helsinki Stock Exchange
- 2001:** **CIG acquisition**
Magazine division with operations in 9 countries
- 2003:** **Rautakirja merged into Sanoma**
- 2004:** **Malmberg and Van In acquisition**
Leading educational publishers in the Netherlands and Belgium
- 2005:** **Independent Media acquisition**
Leading magazine publisher in Russia
- 2010:** **Acquisition of a 21% share of DNA**
Finnish telecommunications company



The Sanoma Group

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



Magazines
Online business

Share of
the Group's
net sales: 39%



Newspapers
Online business

15%



TV and radio
Casual gaming

5%



Learning
Business services
Literature & other

12%



Kiosks
Trade services
Bookstores
Movie operations

29%

Share of
the Group's
EBIT: 46%

17%

8%

18%

11%



* 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:

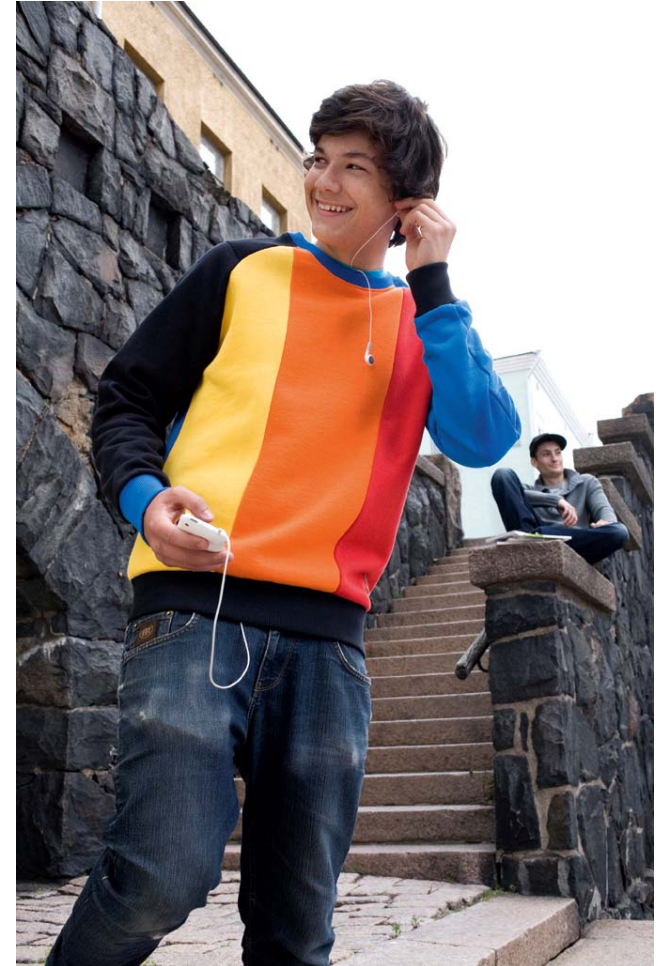
- Be the market leader in our chosen businesses and markets
- Balance our business portfolio of B2C and B2B products and services by focusing on magazines, news, learning solutions and online business

- 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

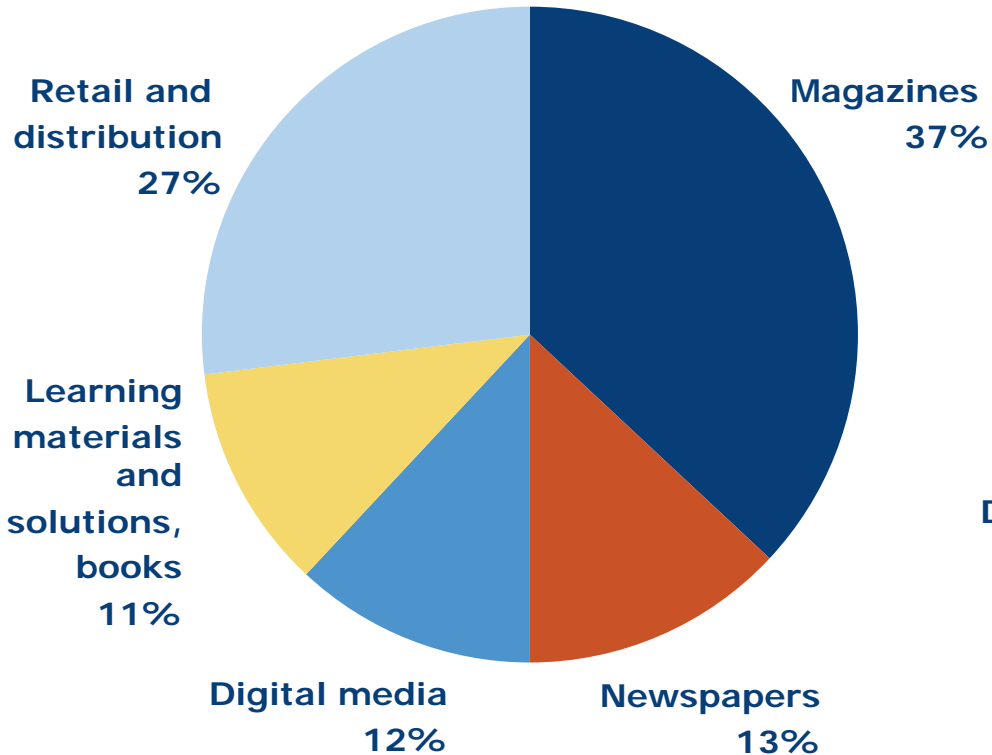
- Target: Double our online revenue to EUR 240 million by 2012
- Method: systematic innovation, R&D and acquisitions
- Focus areas
 - transactional comparison and classified sites
 - casual gaming
 - verticals
- Geographic focus in
 - Central and Eastern Europe
 - Western Europe (to complement existing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



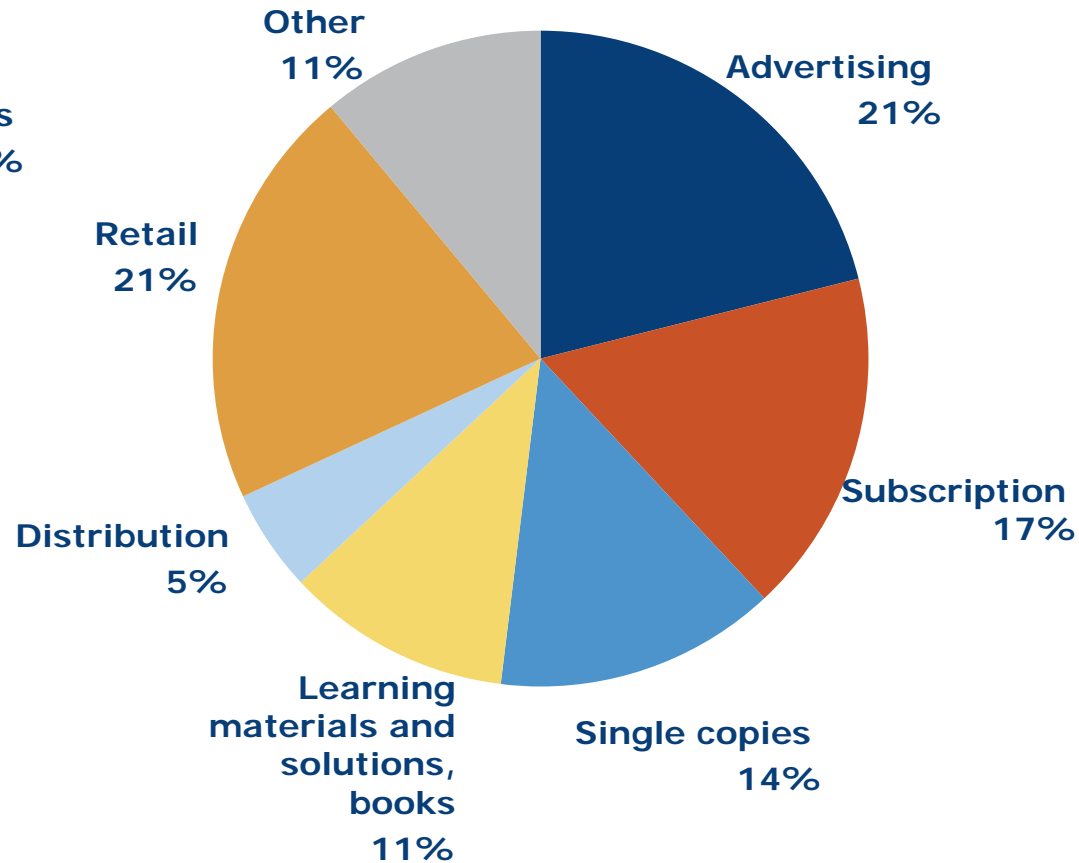
Balanced Portfolio

of B2C and B2B products and services

Net Sales Breakdown
by Products and Services

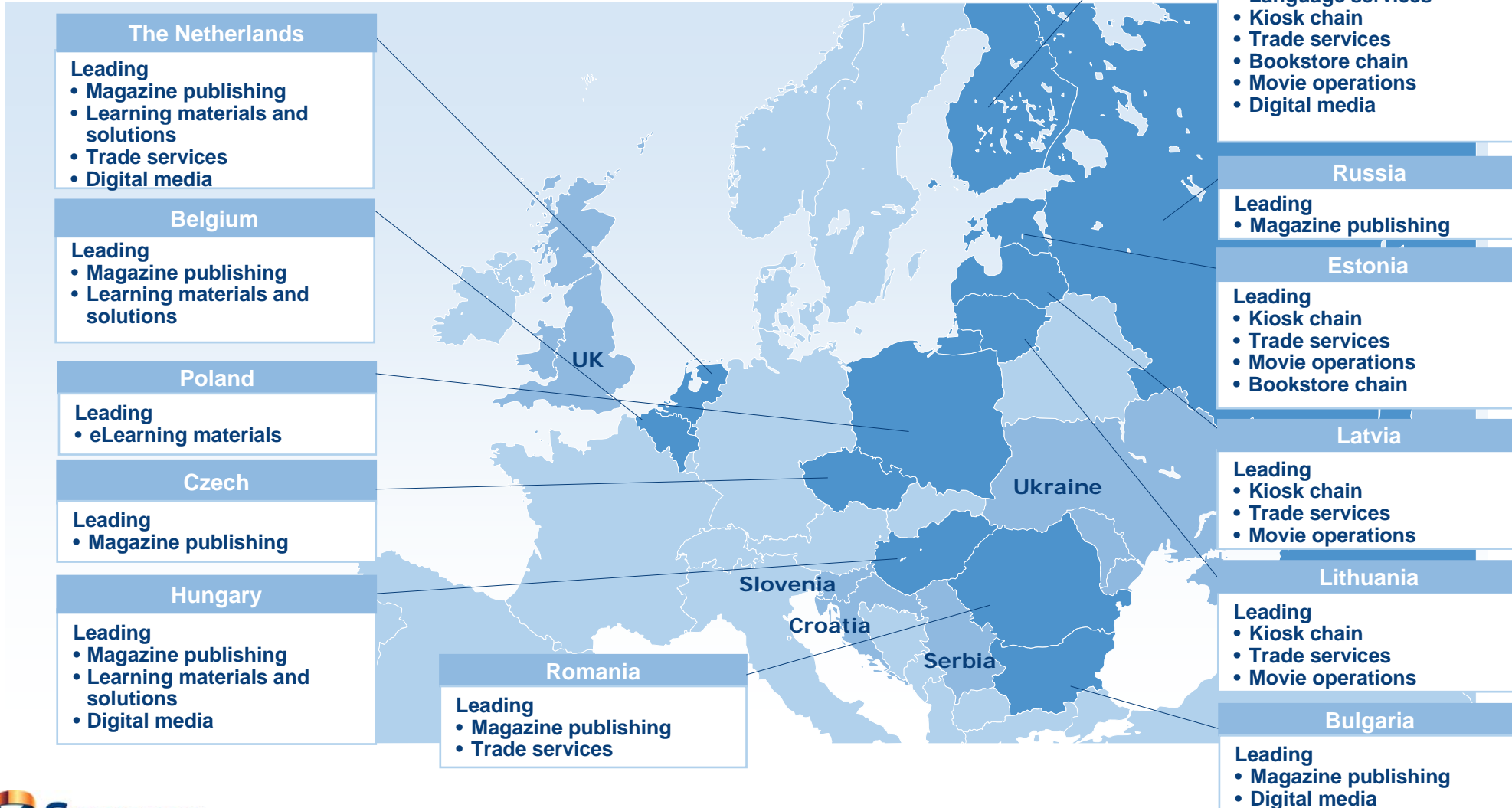


Net Sales Breakdown
by Type of Revenue Source



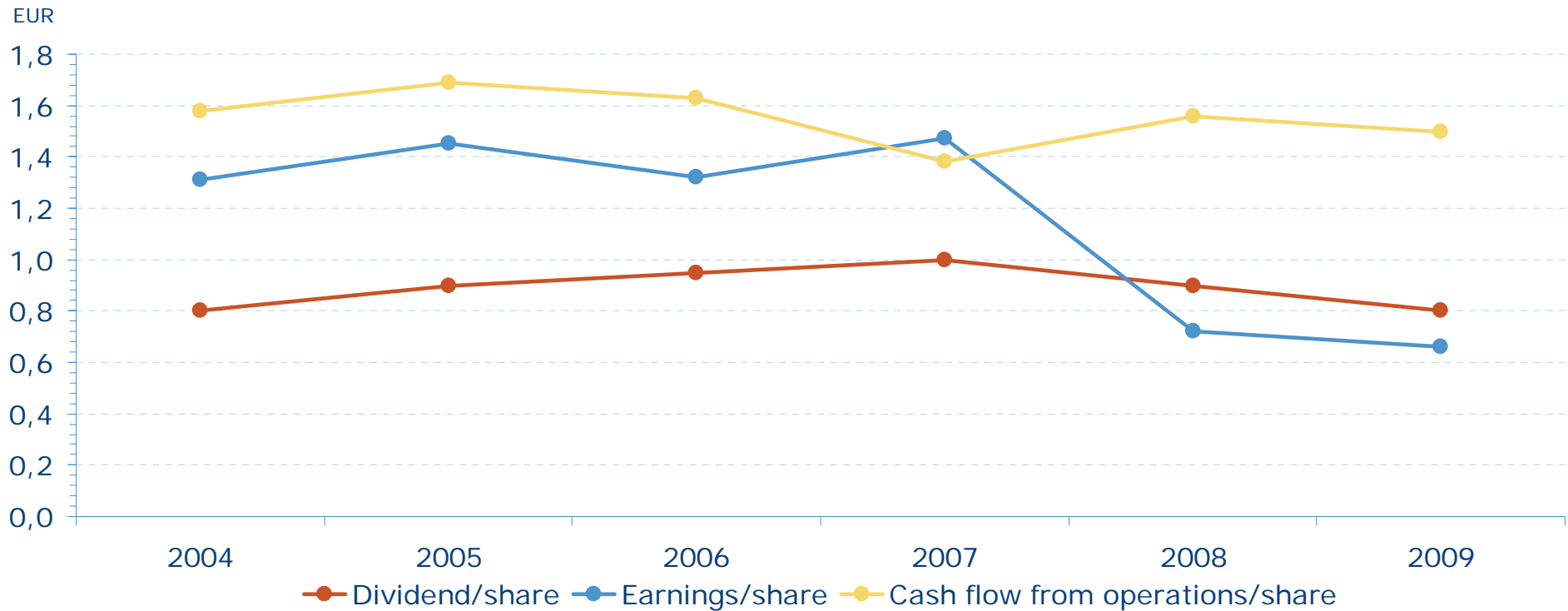
Leading Market Positions

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

Strong Q2

EUR million	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	715.4	697.2	2.6	1,353.3	1,333.2
EBIT excluding non-recurring items	80.3	72.5	10.7	115.9	95.8
% net sales	11.2	10.4		8.6	7.2
EBIT	261.0*	65.1	300.7	301.4*	86.1
Earnings/share, EUR	1.45	0.27	440.2	1.61	0.32
Cash flow from operations/share, EUR	0.14	0.10	36.9	0.37	0.05
Number of employees (FTE)**	16,332	17,309	-5.6		

* Includes the non-recurring capital gain of EUR 179.4 million from the sale of Welho
 ** At the end of the period

Key Ratios at Target Levels

Key ratios

	2Q10	target level
• Annual capital expenditure	EUR 83.4 million (2009)	< EUR 100 million
• Equity ratio	42.3%	35–45%
• Gearing	79.1%	< 100%
• Net debt/EBITDA	1.8	< 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

Appendix 1:

2Q10 Result



Growing Sales And Operational Efficiency

Advertising markets picking up



Second quarter

- Net sales back on the growth track (+3%)
- Operating profit excluding non-recurring items continue to improve (+11%)
- Advertising markets picking up
 - online and job advertising soaring (+36% and +57% in June in Finland)
- Expenses under control
 - total expenses: +0.6%
 - personnel expenses: -1%
 - advertising and marketing: +3%
 - paper costs: -14%

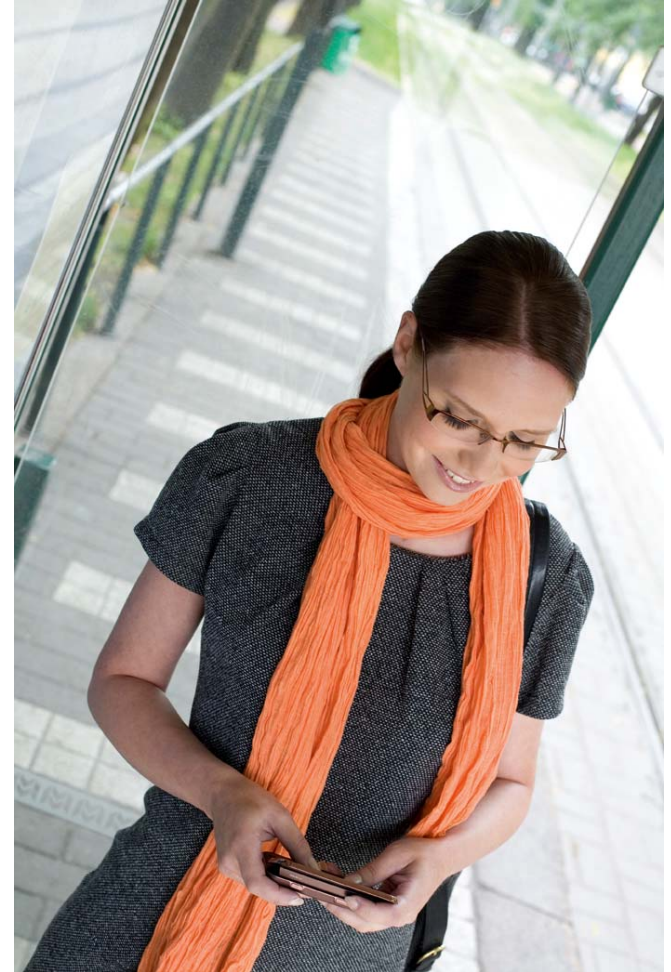
First half

- Strong development of cash flow from operations: EUR 60.0 million (EUR 7.5 million in 2009)
- Focus on maintaining good cash flow and improving efficiency also in the second half of 2010
- Group outlook unchanged despite the negative effect of Welho and Humo transactions

Key Events in Q2

Welho transaction

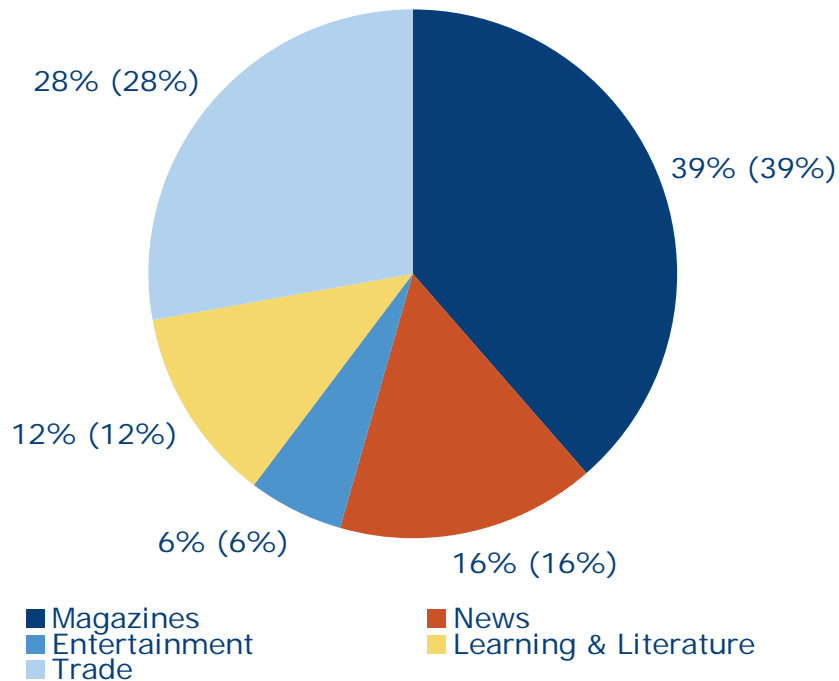
- Divestment of cable TV operator Welho to DNA
 - enterprise value EUR 200 million
 - non-recurring capital gain EUR 179.4 million
 - improves Sanoma's EPS by EUR 1.11 in 2010
- Investing EUR 200 million in DNA and becoming its second largest owner with a 21% stake
- Forming a strong national telecommunication operator with significant positions in fixed and mobile communications as well as in TV
 - #1 TV operator, #3 broadband operator, #3 mobile operator
- Long-term strategic ownership
 - convergence of media and telecommunication
 - participation in developing the industry



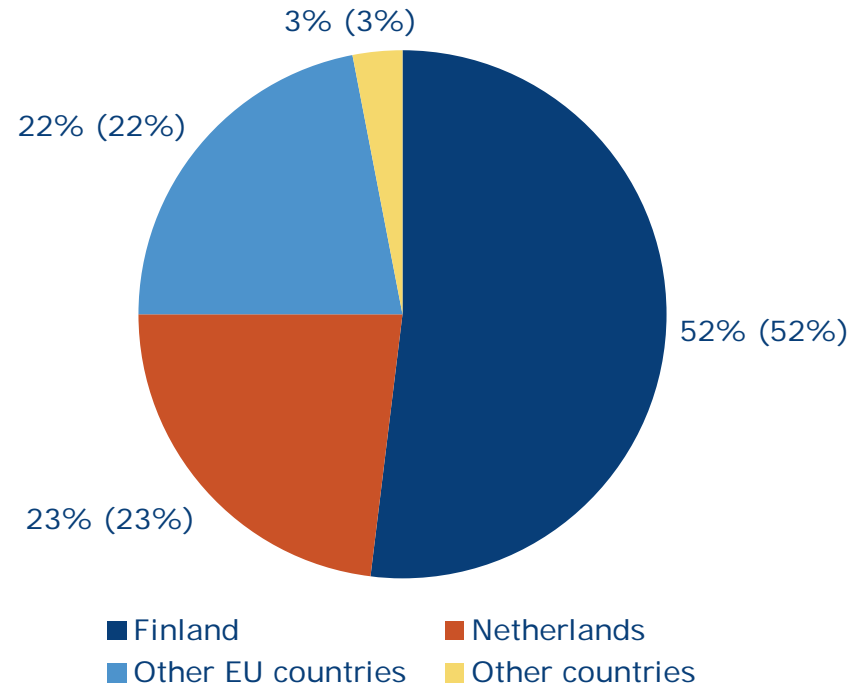
No Changes in the Revenue Split

Net sales 1–6/2010 (1–6/2009)

By division



By geographic area



- The Baltic countries 5% (5%)
- Other CEE countries + Russia and Ukraine 10% (10%)

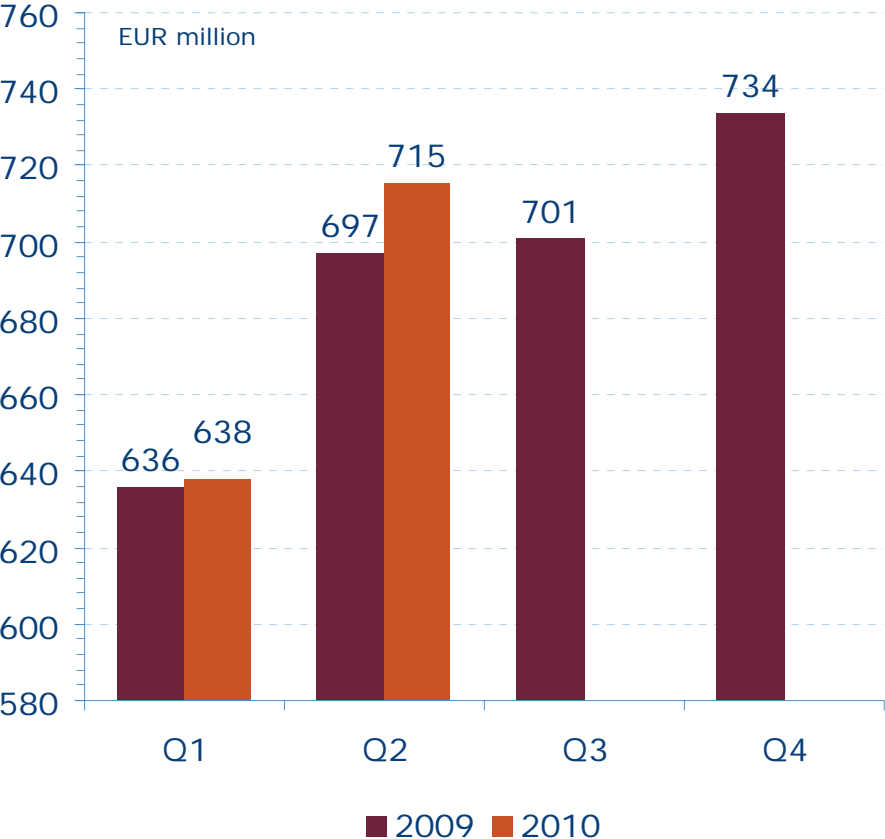
Strong Q2



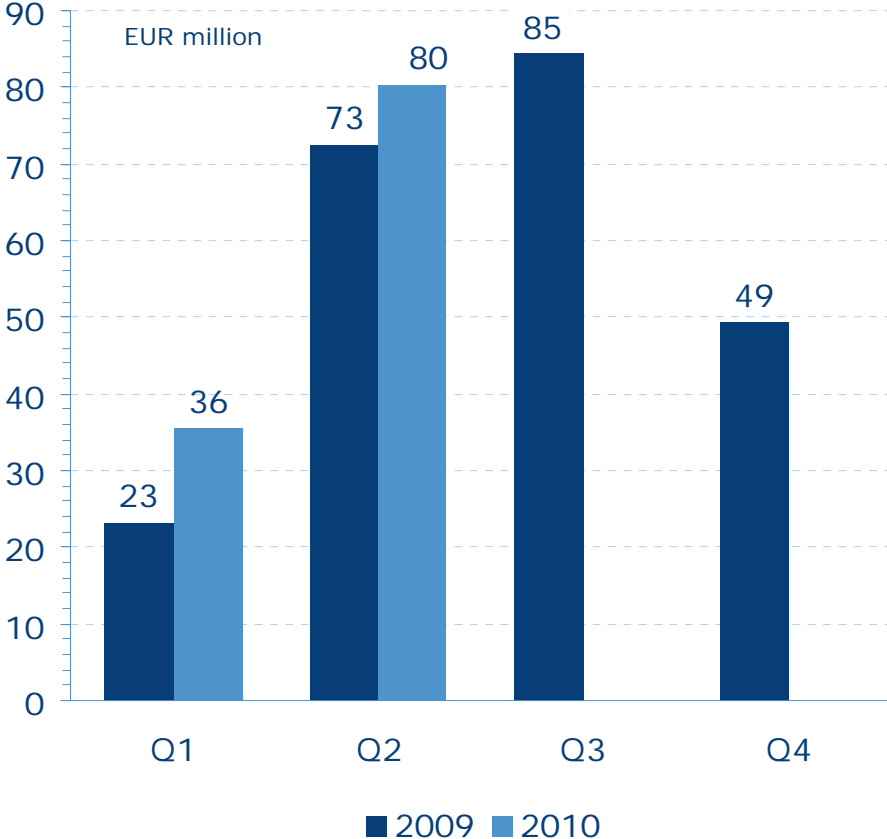
EUR million	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	715.4	697.2	2.6	1,353.3	1,333.2
EBIT excluding non-recurring items	80.3	72.5	10.7	115.9	95.8
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Increasing Net Sales and EBIT

Net sales



EBIT excluding non-recurring items

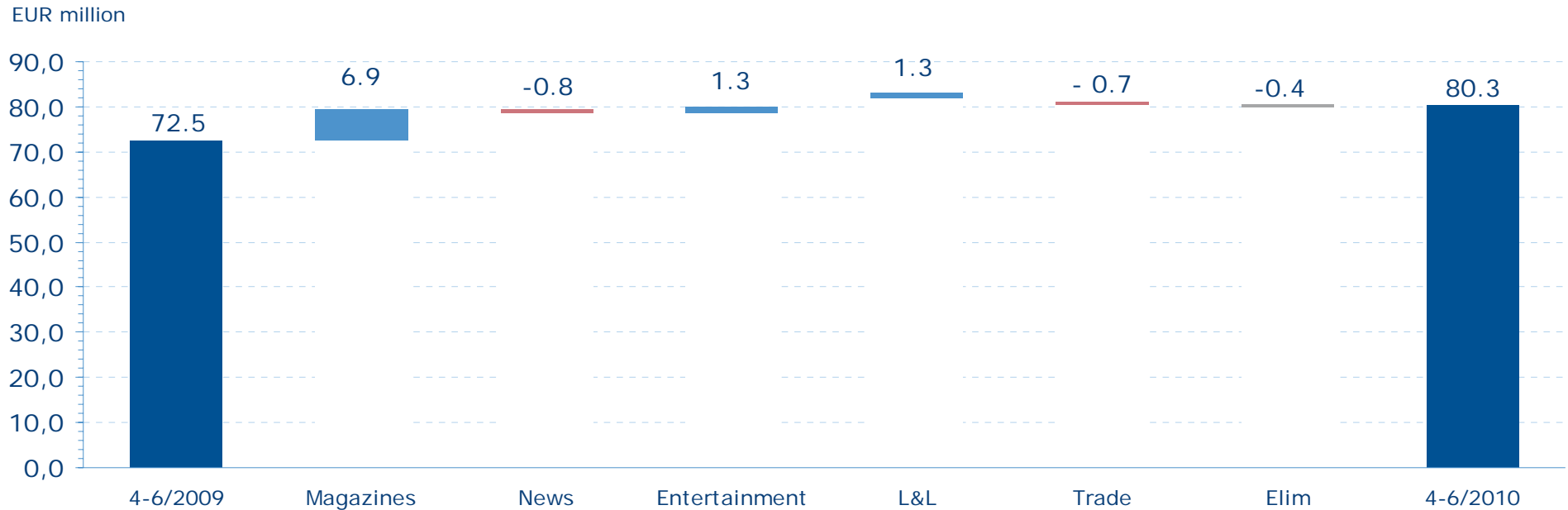


Growth in All Divisions

EUR million	Net sales 4–6/2010	Ch %*	EBIT** 4–6/2010	Ch %*
Magazines	280.6	1.7	38.4	21.9
News	108.5	1.4	8.9	-8.1
Entertainment	44.6	9.8	8.2	19.0
Learning & Literature	105.5	3.5	26.4	5.4
Trade	201.4	2.9	3.1	-17.8
Other companies + eliminations	-25.3	5.2	-4.7	8.3
Sanoma Group Total	715.4	2.6	80.3	10.7

EBIT Excl. Non-recurring Items

Sanoma Magazines Excels



- Magazines: Good sales development, decreasing paper costs and efficiency improvements.
- News: Withheld holiday pay in 2009 and extra bonus paid in 2010. Without it, growth would have been EUR 2.9 million.
- Entertainment: Good sales development especially in broadcasting.
- Learning & Literature: Good results in learning and efficiency improvements especially in language services.
- Trade: Restructuring of the Russian and Estonian operations.

Financial Position Improved Clearly

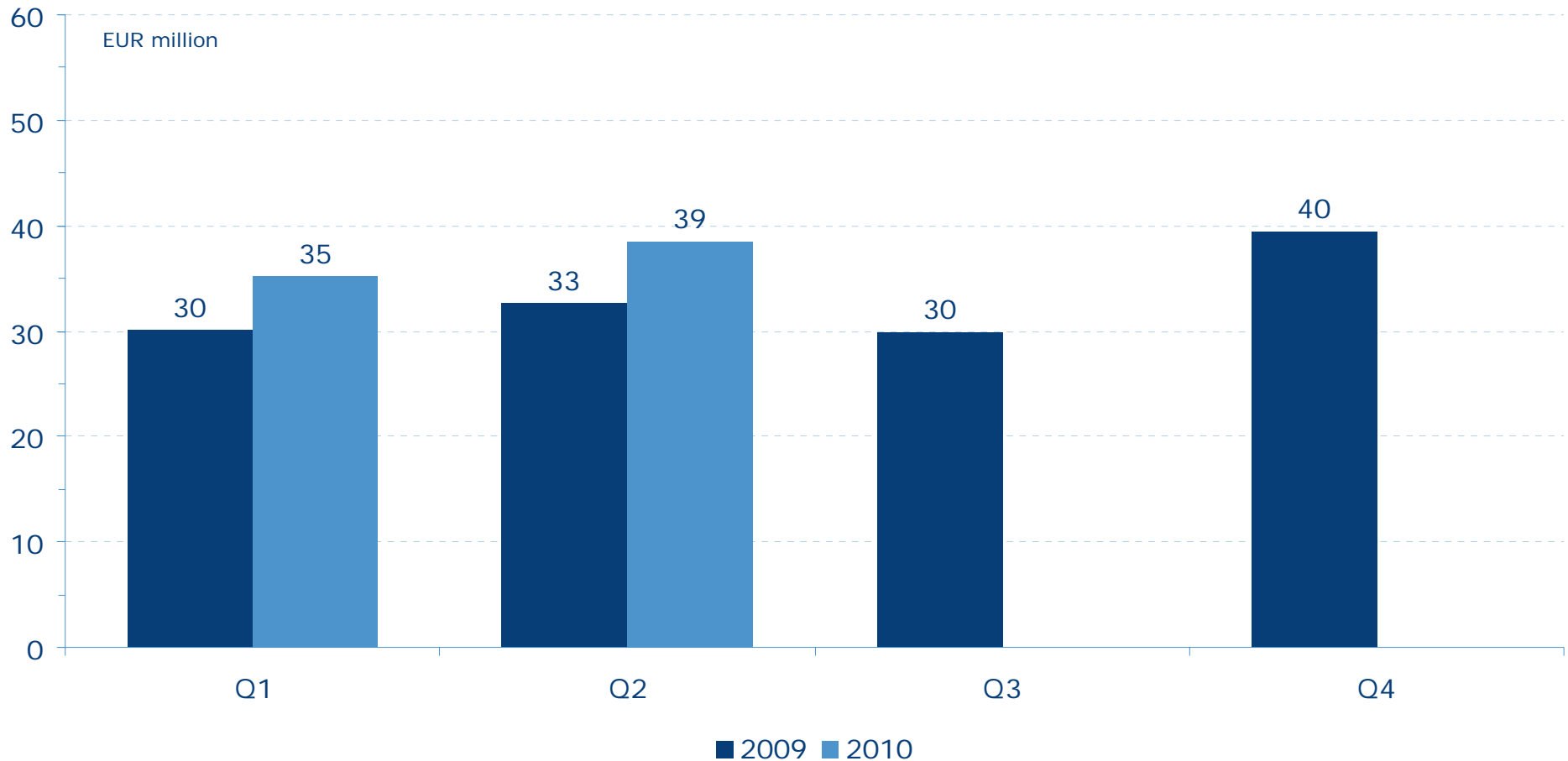
EUR million	30.6.2010	30.6.2009	31.12.2009
Balance sheet total	3,345.4	3,211.1	3,106.3
Equity ratio, %	42.3	37.3	41.4
Net gearing, %	79.1	103.0	79.4
Interest-bearing liabilities	1,136.8	1,220.3	1,017.7
Interest-bearing net debt	1,060.0	1,161.0	958.1
Cash and cash equivalents	76.8	59.3	59.7



- Favourable long-term credit facility
- Net debt/EBITDA 1.8

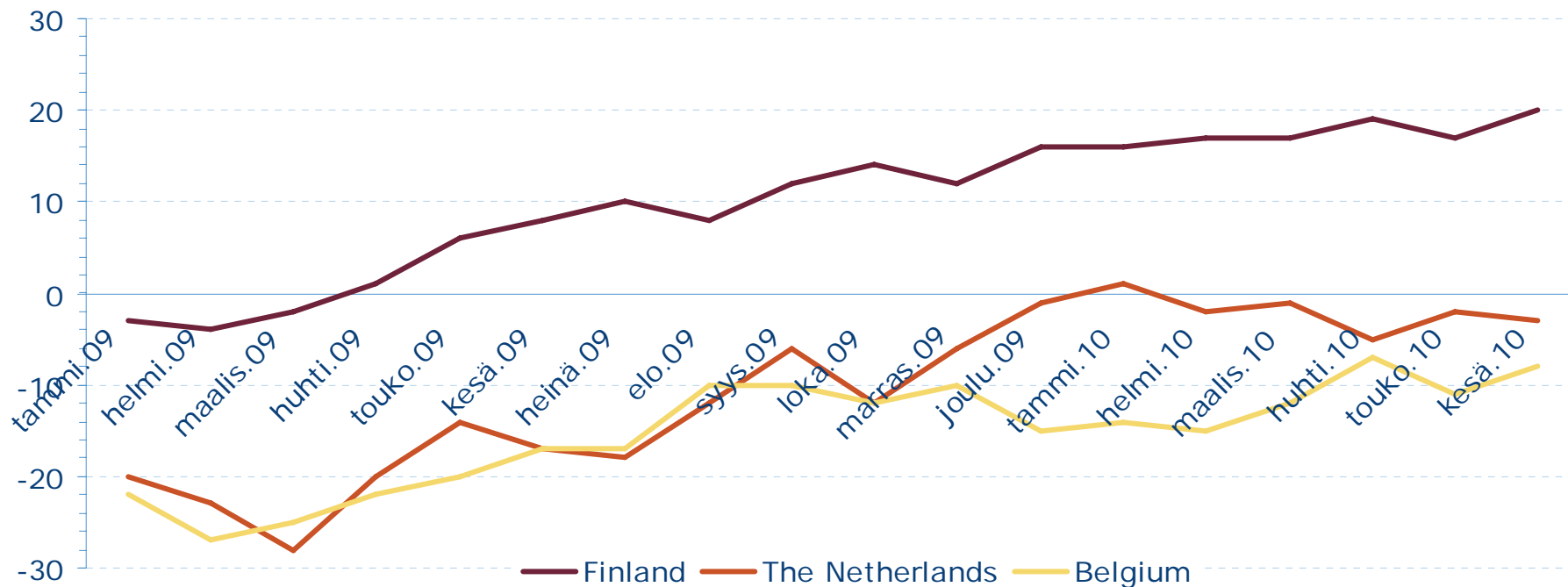
Consumer Online Sales Up by 18% in Q2

Target to reach annual revenues of EUR 240 million by 2012



In Finland, Consumer Confidence Strongest in Three Years

Unemployment rate estimates getting brighter



Unemployment rate estimates for 2010:

- Finland 9.5% (1Q10: 10.2%)
- The Netherlands 5.8% (6.5%)
- Belgium 8.3% (9%)

Outlook for 2010 Unchanged



- **Net sales** are expected to **grow**
- **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 takes into account the effect of Humo and Welho transactions
 - estimated negative impact on 2010 EBIT excluding non-recurring items is some EUR 12 million
- The outlook is based on the assumption that the advertising markets in the Group's main operating countries grow slightly

Appendix 2:

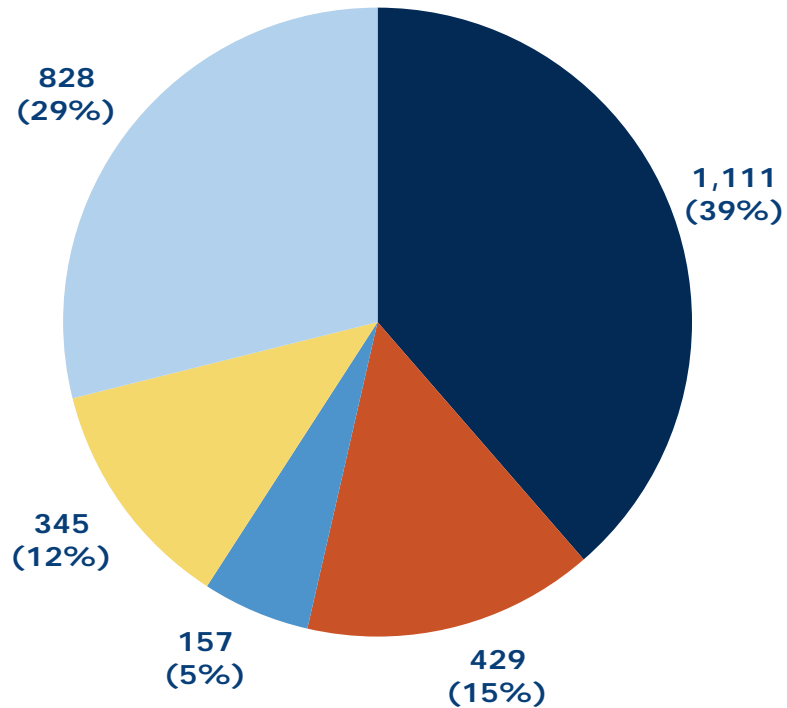
Five Divisions Operating in Different
Fields of Media



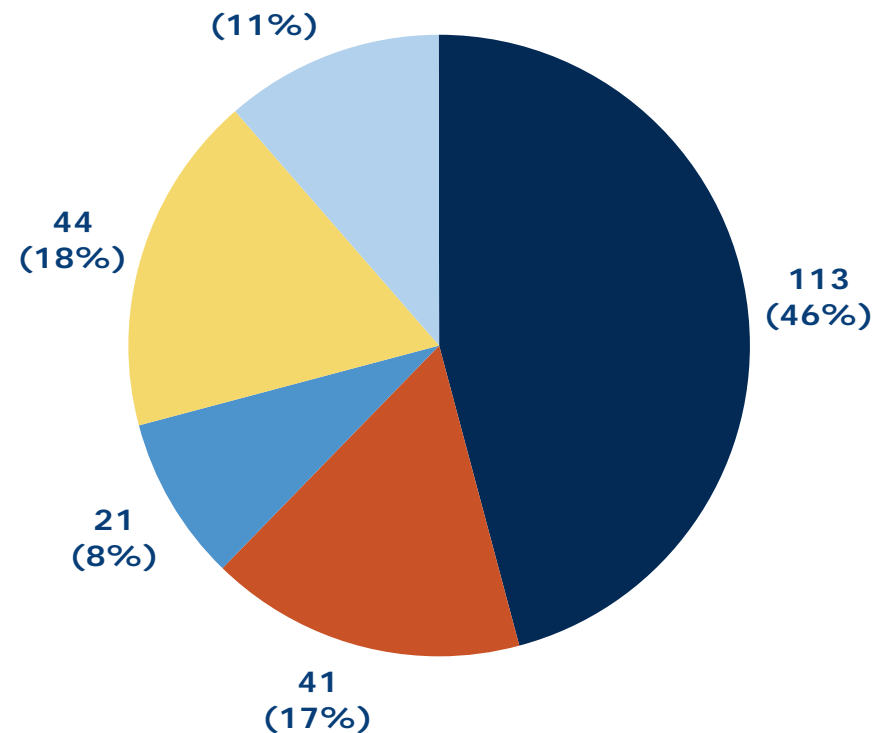
The Sanoma Group 2009:

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



* Excluding non-recurring items
 ** At the end of 2009, full-time equivalents

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 12 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 (Sanoma Digital the Netherlands, Sanoma Budapest)
 - Search engines, web portals, virtual communities, news services...

Sanoma Magazines

Key figures

EUR million	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	280.6	275.9	1.7	540.5	538.1
Sanoma Magazines Netherlands	128.0	123.2	3.9	235.4	233.9
Sanoma Magazines International	54.3	53.2	2.2	103.0	104.0
Sanoma Magazines Belgium	52.3	52.6	-0.6	105.9	104.0
Sanoma Magazines Finland	47.1	48.0	-2.0	98.3	98.3
Eliminations	-1.2	-1.2	-1.2	-2.1	-2.1
EBIT excluding non-recurring items	38.4	31.5	21.9	64.2	47.1
% of net sales	13.7	11.4		11.9	8.7
Number of employees (FTE)*	5,037	5,419	-7.1		

Outlook for 2010: Net sales are expected to grow slightly. It is estimated that operating profit excluding non-recurring items will improve somewhat.

Sanoma Magazines

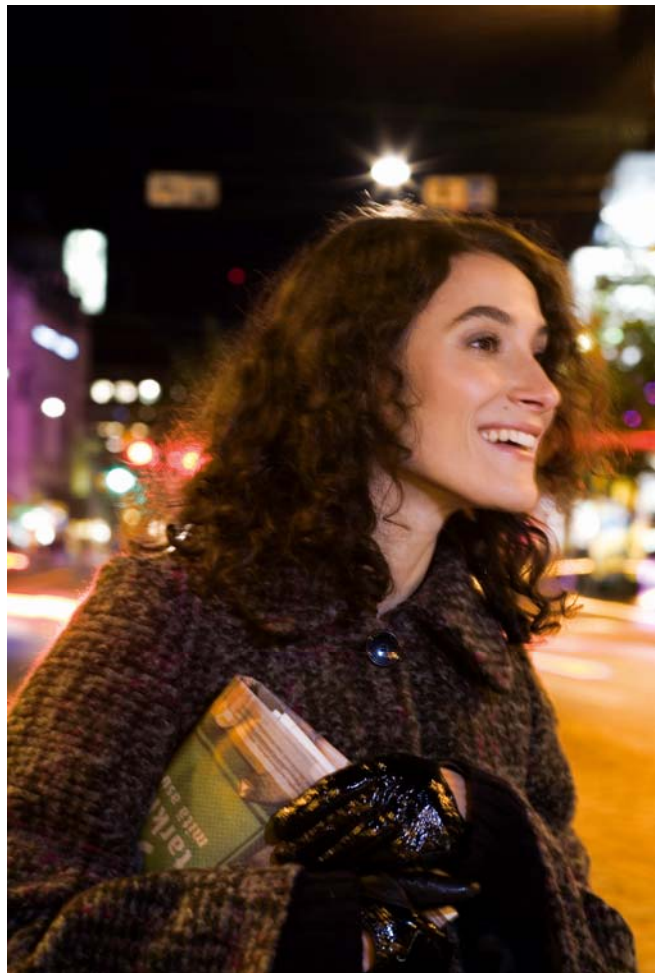
Key themes

- 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

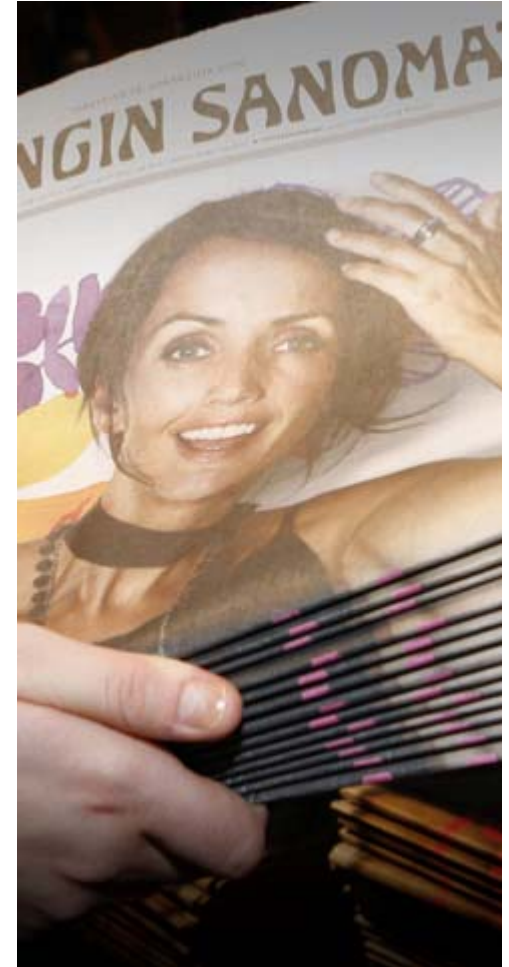
EUR million	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	108.5	107.1	1.4	217.9	214.8
Helsingin Sanomat	56.7	55.4	2.4	115.8	114.0
Ilta-Sanomat	20.7	19.8	4.1	40.5	38.3
Other publishing	25.6	26.8	-4.4	51.0	52.7
Other businesses	33.1	35.9	-7.9	67.5	72.2
Eliminations	-27.6	-30.9	10.7	-56.9	-62.4
EBIT excluding non-recurring items	8.9	9.6	-8.1	18.5	18.0
% of net sales	8.2	9.0		8.5	8.4
Number of employees (FTE)*	2,360	2,520	-6.3		

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, radio and online services



- 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
- Online casual gaming as a new growth area

Sanoma Entertainment

Key figures

EUR million	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	44.6	40.6	9.8	86.2	81.0
TV and radio	26.5	23.6	12.1	50.0	47.1
Other businesses	18.5	17.4	6.6	36.7	34.7
Eliminations	-0.3	-0.3	-2.7	-0.5	-0.8
EBIT excluding non-recurring items	8.2	6.9	19.0	14.4	13.0
% of net sales	18.3	16.9		16.7	16.1
Number of employees (FTE)*	447	473	-5.5		

Outlook for 2010: Due to the divestment of Welho as of 30 June 2010, net sales and operating profit excluding non-recurring items are expected to decrease significantly in 2010.

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	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	105.5	101.9	3.5	163.7	162.8
Learning	85.0	81.6	4.2	114.9	112.2
Business services	6.2	6.2	0.0	13.1	14.5
Literature and other businesses	17.2	17.0	1.4	40.8	41.6
Eliminations	-2.9	-2.8	-2.9	-5.2	-5.4
EBIT excluding non-recurring items	26.4	25.1	5.4	21.2	18.2
% of net sales	25.0	24.6		13.0	11.2
Number of employees (FTE)*	2,583	2,755	-6.2		

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	4-6/2010	4-6/2009	Ch %	1-6/2010	1-6/2009
Net sales	201.4	195.7	2.9	393.2	383.4
Kiosk operations	104.9	104.5	0.4	196.8	194.4
Trade services	60.8	57.4	6.0	112.7	107.9
Bookstores	19.9	19.7	1.0	45.8	46.9
Movie operations	19.9	18.0	10.2	45.3	41.7
Eliminations	-4.0	-3.9	-3.7	-7.4	-7.5
EBIT excluding non-recurring items	3.1	3.8	-17.8	6.0	7.6
% of net sales	1.5	1.9		1.5	2.0
Number of employees (FTE)*	5,754	6,062	-5.1		

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

31 August 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 (Holding Manutas Oy 3.29%, Security Trading Oy 0.51%)	3.82
Helsingin Sanomat Foundation	3.52
Alfred Kordelin Foundation	2.08
Ilmarinen Mutual Pension Insurance Company	1.96
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 **11.0**

Total number of shares **161,816,894**

Total number of shareholders **22,418**

Institutional investors: 55% of shares

Private investors: 45% of shares

Analyst Coverage

Carnegie Investment Bank

Ilkka Haavisto
tel. +358 9 6187 1235
Carnegie.fi

Crédit Agricole Cheuvreux Nordic

Niklas Kristoffersson
tel. +46 8 723 5100
Cheuvreux.se

Danske Markets Equities

Panu Laitinmäki
tel. +358 10 236 4867
Danskeequities.com

Deutsche Bank

N.N.
tel. +358 2525 2550
Db.com

Evli Bank

Markku Järvinen
tel. +358 9 4766 9635
Evli.com

Exane BNP Paribas

Andrea Beneventi
tel. +44 20 7039 9509
Exane.com

E. Öhman J:or Securities Finland

Teemu Vainio
tel. +358 9 8866 6038
Ohman.se

FIM

Mark Mattila
tel. +358 9 6134 6398
Fim.com

Handelsbanken Capital Markets

Maria Wikström
tel. +358 10 444 2425
Handelsbanken.com

Nordea

Sami Sarkamies
tel. +358 9 165 59928
Nordea.com/markets

Pohjola

Kimmo Stenvall
tel. +358 10 252 4561
Opstock.fi

SEB Enskilda

Mika Koskinen
tel. +358 9 6162 8718
Jutta Rahikainen
tel. +358 9 6162 8713
Enskilda.fi

S&P Equity Research

Alexander Wisch
tel. +44 20 7176 7832
Standardandpoors.com

Swedbank Markets

Bengt Dahlström
tel. +358 20 746 9155
Swedbank.fi

Sanoma's IR Team

Mr Kare Laukkanen
tel. +358 105 19 5064
kare.laukkanen(at)sanoma.com

Ms Anna Tuominen
tel. +358 105 19 5066
anna.tuominen(at)sanoma.com

Ms Katariina Hed
tel. +358 105 19 5062
katariina.hed(at)sanoma.com

IR team's joint email address:
ir(at)sanoma.com





Inspires, Informs and Connects