



# SanomaWSOY

**CFO Matti Salmi**

Carnegie Nordic Large Cap Seminar  
Stockholm – March 5, 2007

# SanomaWSOY

## Contents

- SanomaWSOY in Brief
- Magazine publishing
- Media market
- Educational publishing
- Digital business



# The SanomaWSOY Group

- Finnish newspaper publisher Sanoma and book publisher WSOY merged in 1999 and listed on the Helsinki Stock Exchange
- The leading Nordic media group
  - net sales EUR 2,742 million in 2006
  - personnel 18,434
- One of Europe's largest magazine and educational publishers
- Wide, extremely strong media portfolio in Finland; focused approach internationally
- Leading media assets in the chosen markets with strong cash generation, combined with fast growing digital businesses
- Excellent position in the attractive Central Eastern European (CEE) countries and Russia



# The SanomaWSOY Group

Group Net Sales M€ 2,742 • Group EBIT M€ 292 • Group Personnel 18,434

## Rautakirja

- Net sales M€ 684.3
- EBIT M€ 51.3 (7.5%)

Press distribution, Kiosk operations,  
Bookstores, Movie theatres

## SWelcom

- Net sales M€ 131.8
- EBIT M€ 12.5 (9.5%)

Commercial TV, Cable TV,  
Broadband, Radio

## SanomaWSOY Education and Books

- Net sales M€ 309.2
- EBIT M€ 48.0 (15.5%)

Educational publishing, General literature,  
Business information and services

## Sanoma Magazines

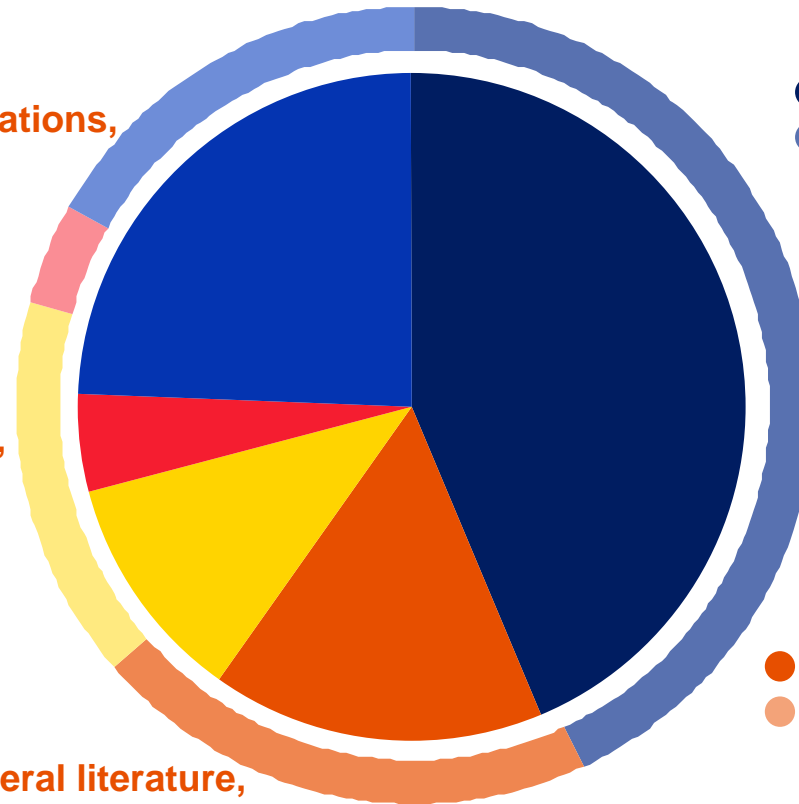
- Net sales M€ 1,218.9
- EBIT M€ 132.2 (10.8%)

Magazine publishing,  
Online operations

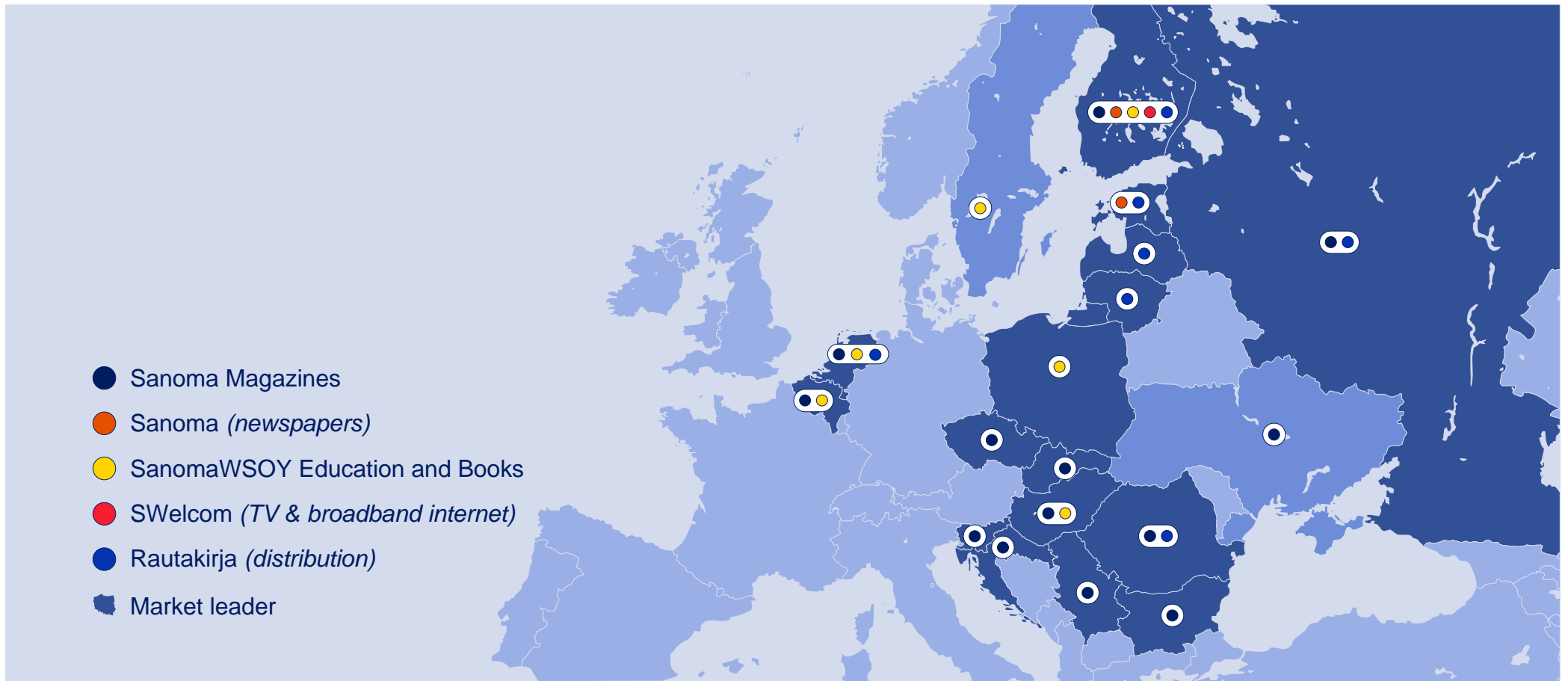
## Sanoma

- Net sales M€ 457.1
- EBIT M€ 62.7 (13.7%)

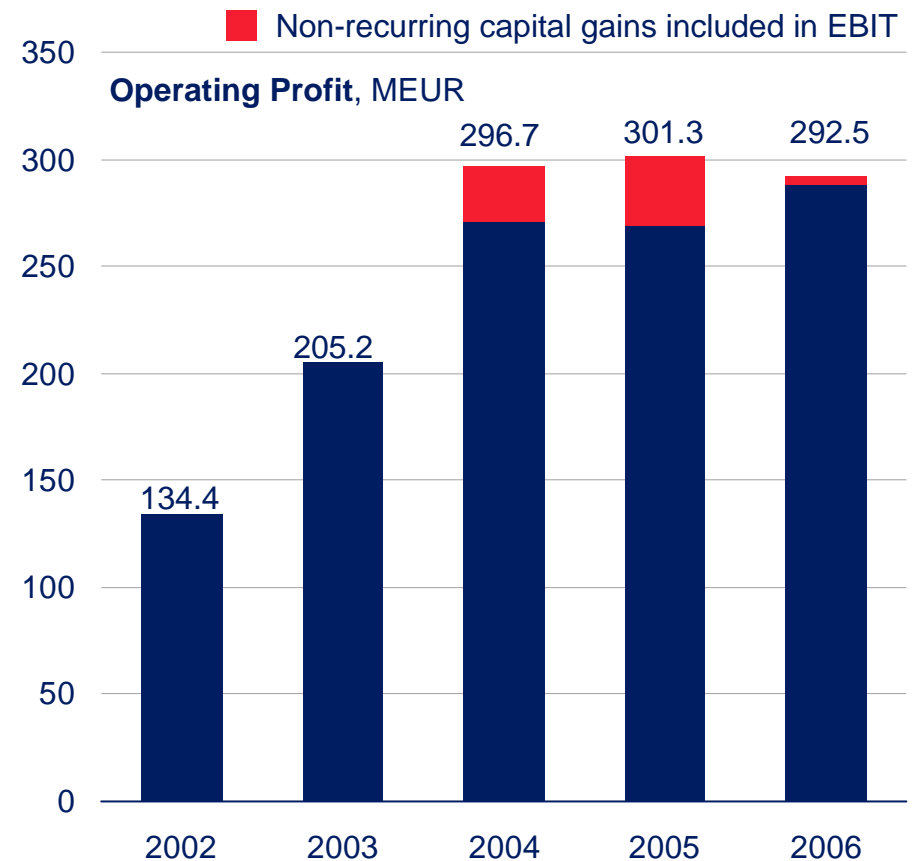
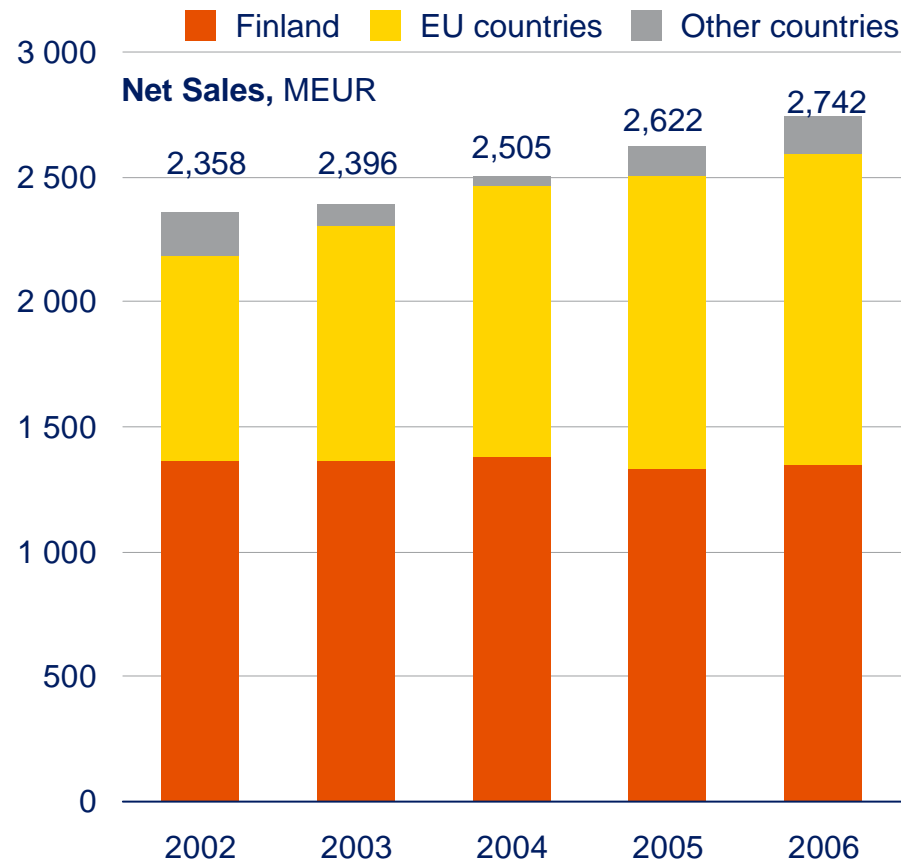
Newspaper publishing and printing,  
Online operations



# Truly European Media Group



# Sustained Growth and Profitability



# The SanomaWSOY Group

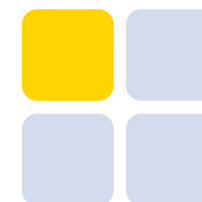
## Key Indicators

EUR million	1–12/2006	1–12/2005	Ch %
Net sales	2,742.1	2,622.3	4.6
Operating profit	292.5	301.3	-2.9
% of net sales	10.7	11.5	
Operating profit excluding major non-recurring capital gains	288.2	269.1	7.1
% of net sales	10.5	10.3	
Balance sheet total	3,132.2	2,972.5	5.4
Capital expenditure *	81.9	93.8	-12.7
Return on equity (ROE), %	17.7	22.3	-0.3
Return on investment (ROI), %	14.3	15.4	
Equity ratio, %	45.0	41.3	
Gearing, %	59.2	72.9	
Interest-bearing liabilities	863.9	928.7	-7.0
Net debt	782.4	843.8	-7.3
Earnings/share, EUR	1.32	1.45	-9.3
Cash flow from operations/share, EUR	1.63	1.69	-3.5
Dividend/share, EUR **	0.95	0.90	5.6
Market capitalisation, EUR million	3,521.8	3,121.5	12.8
Personnel under employment contract, average	18,434	16,885	9.2

# Strategic frame

- Multimedia strategy in Finland
- Focused growth areas
  - magazines
  - educational publishing
  - digital media
  - press distribution





# Our Growth Areas

## Share of net sales, 2006

Magazines



41%

- Leading in consumer magazines in the Netherlands, Belgium, Finland, the Czech Republic, Hungary, Slovakia, Bulgaria, and Russia
- **Interesting new markets: CIS countries**

Educational publishing



7%

- Strong position in Finland, the Netherlands, Belgium, Hungary, and Poland
- **Interesting new markets: CEE countries**

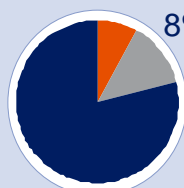
Digital media



9%

- Includes TV, online access, digital content, online advertising, and eCommerce, and radio
- Strong position in the Netherlands, Finland, and Hungary

Press distribution



8%  
13%\*

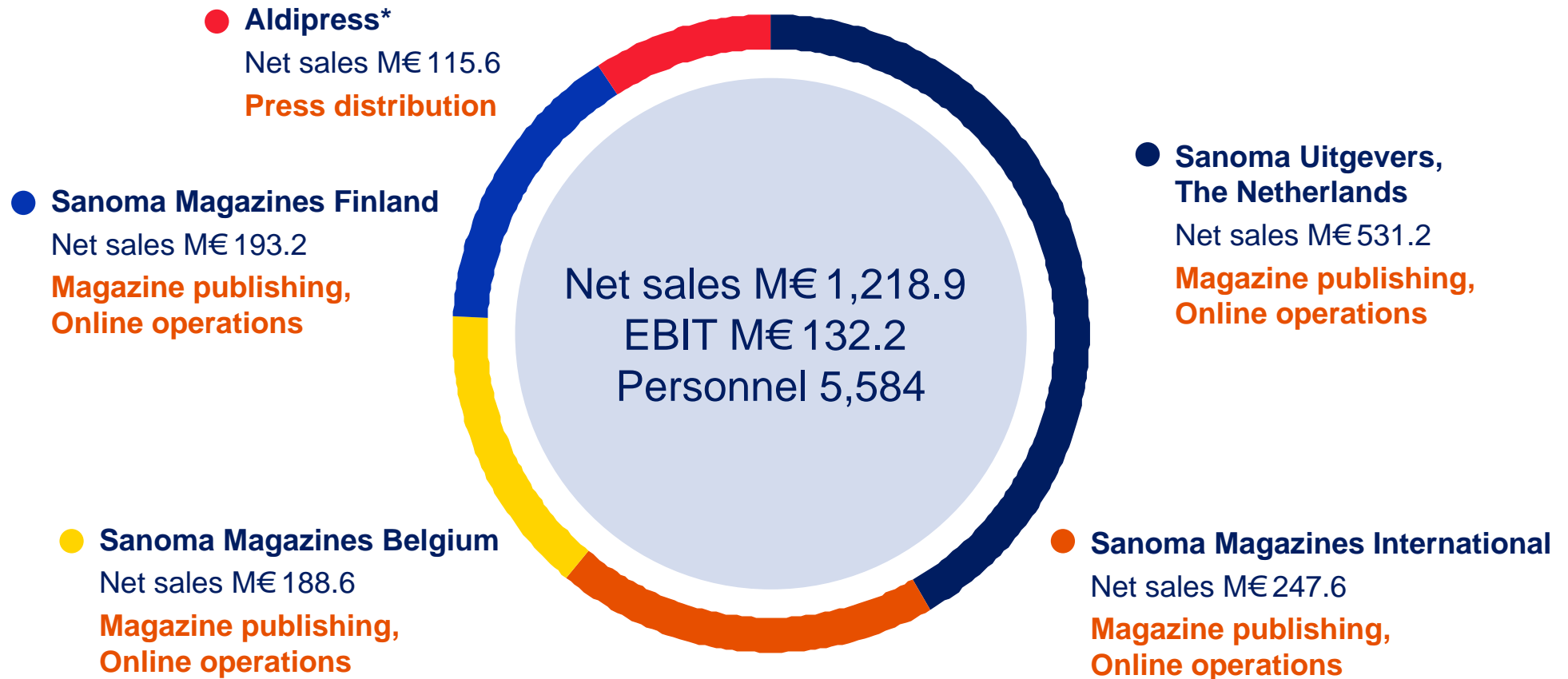
- Leading in Finland, Estonia, Latvia, Lithuania, and the Netherlands
- Expanding in Romania and Russia
- **Interesting new markets: CEE countries**



# Magazine Publishing

# Sanoma Magazines

European Magazine Publisher with a Strong Focus on Interactivity



# Sanoma Magazines

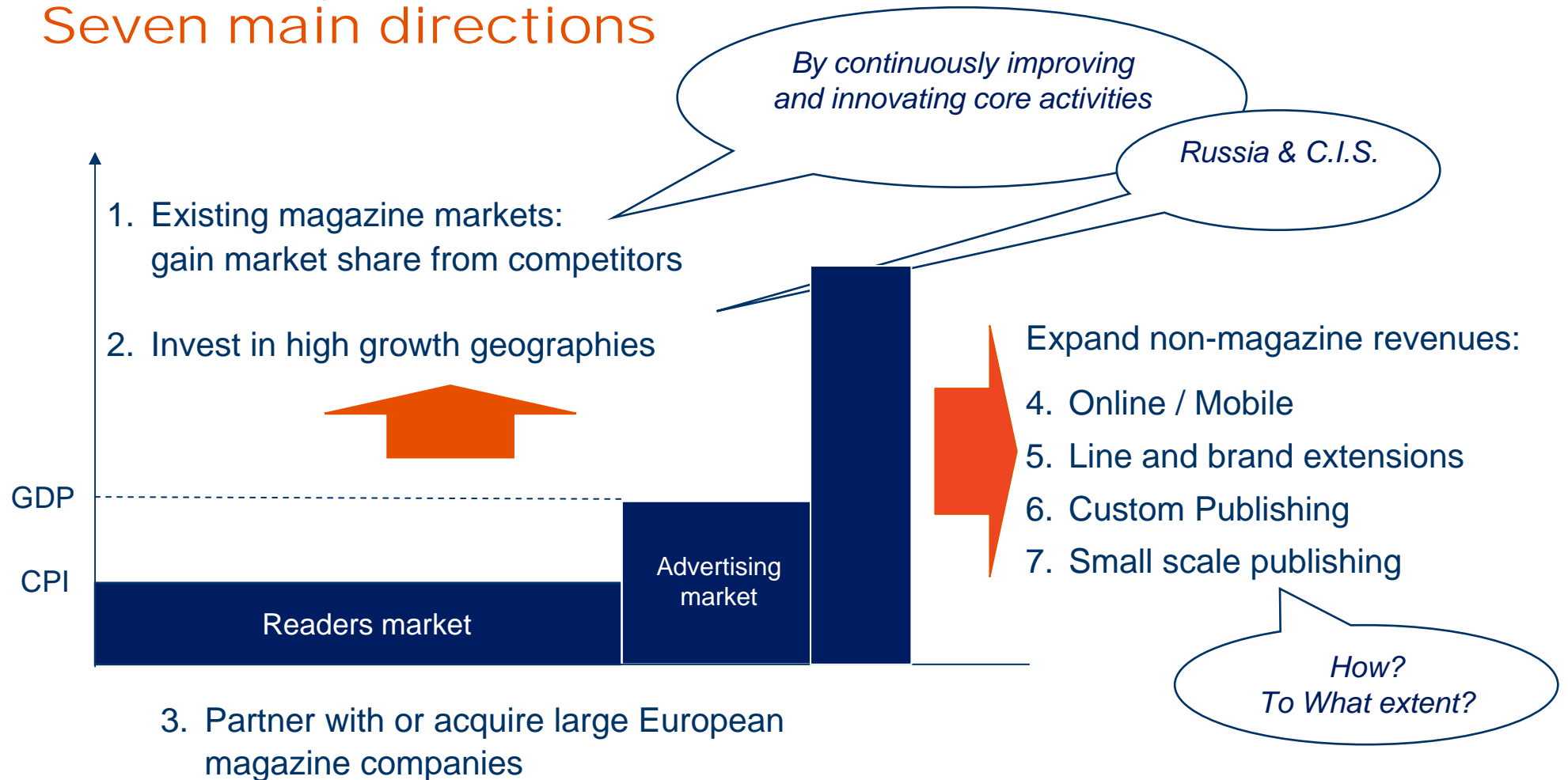
## European Magazine Publisher with a Strong Focus on Interactivity

- One of Europe's leading magazine publishers
- 307 magazine titles for all segments
- Active in 13 countries
- Strong brand developer:
  - Libelle, Margriet, (NL)
  - Kodin Kuvalehti, ET, Me Naiset (FI)
  - Humo, Libelle, TeVe-Blad (BE)
  - Story (8 countries)
- Preferred license partner:
  - Cosmopolitan (11 countries), Elle, Donald Duck, National Geographic (6 countries)...
- Increasing digital operations (ilse Media)
  - Search engines, web portals, virtual communities, news services, ...



# The Way We Will Grow

## Seven main directions

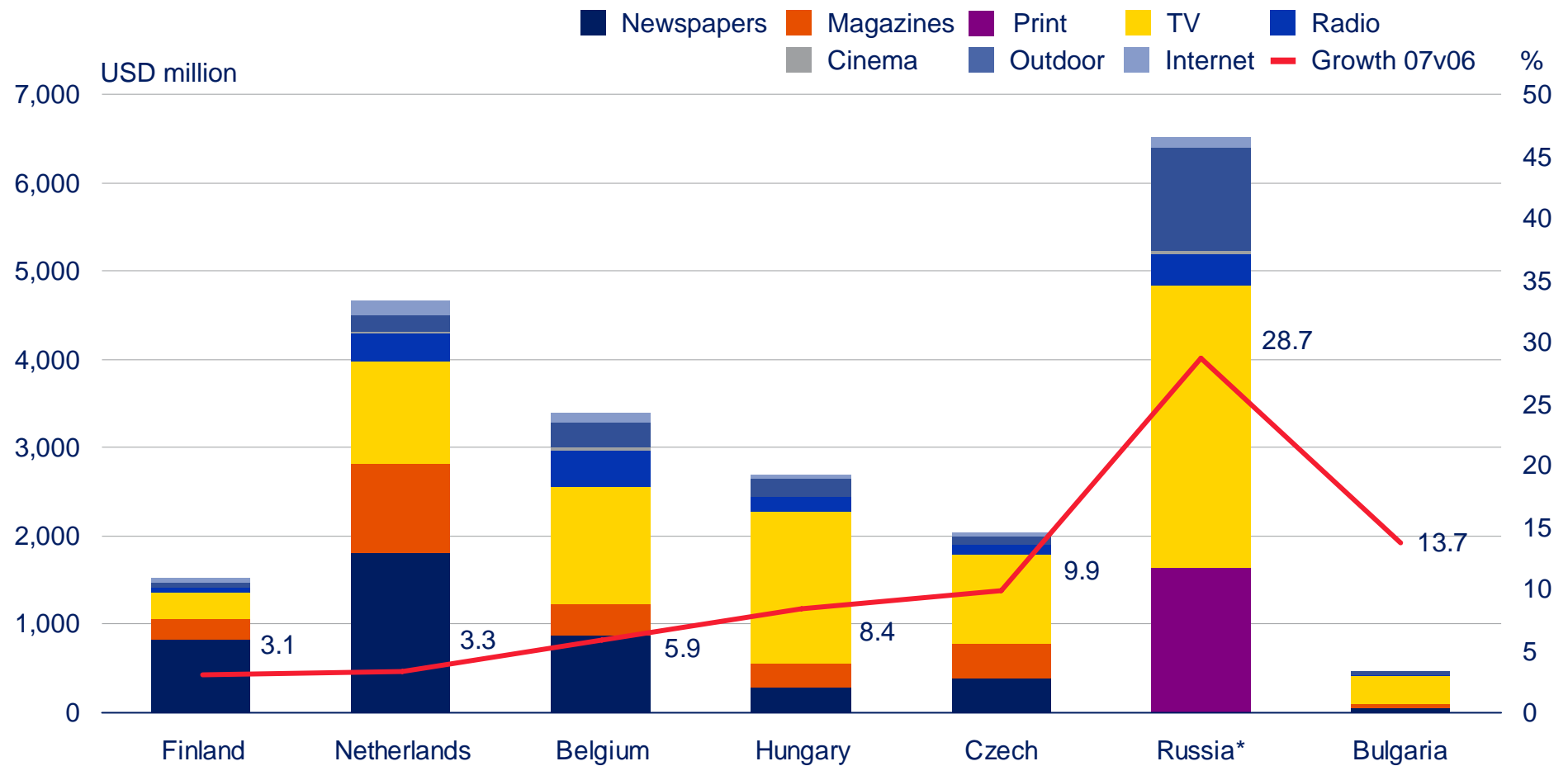




# Media Market

# Advertising Market in Europe

## 2006, USD million



# Advertising Sales

In Finland, the Netherlands, and Belgium  
Estimates for 2007, Current Prices

	Finland		The Netherlands		Belgium	
	MEUR	Ch %	MEUR	Ch %	MEUR	Ch %
Newspapers	669	2.0	1,483	1.5	712	1.0
Magazines	202	2.0	814	1.8	292	2.0
Television	251	2.9	975	5.0	1,132	6.5
Radio	48	2.1	273	1.9	360	9.5
Outdoor	38	2.7	164	3.1	240	5.2
Internet	57	26.7	158	25.4	120	41.2
Cinema	1.3	2.3	7	0	30	2.0
<b>Total</b>	<b>1,266</b>	<b>3.1</b>	<b>3,874</b>	<b>3.3</b>	<b>2,886</b>	<b>5.9</b>

# Advertising Sales

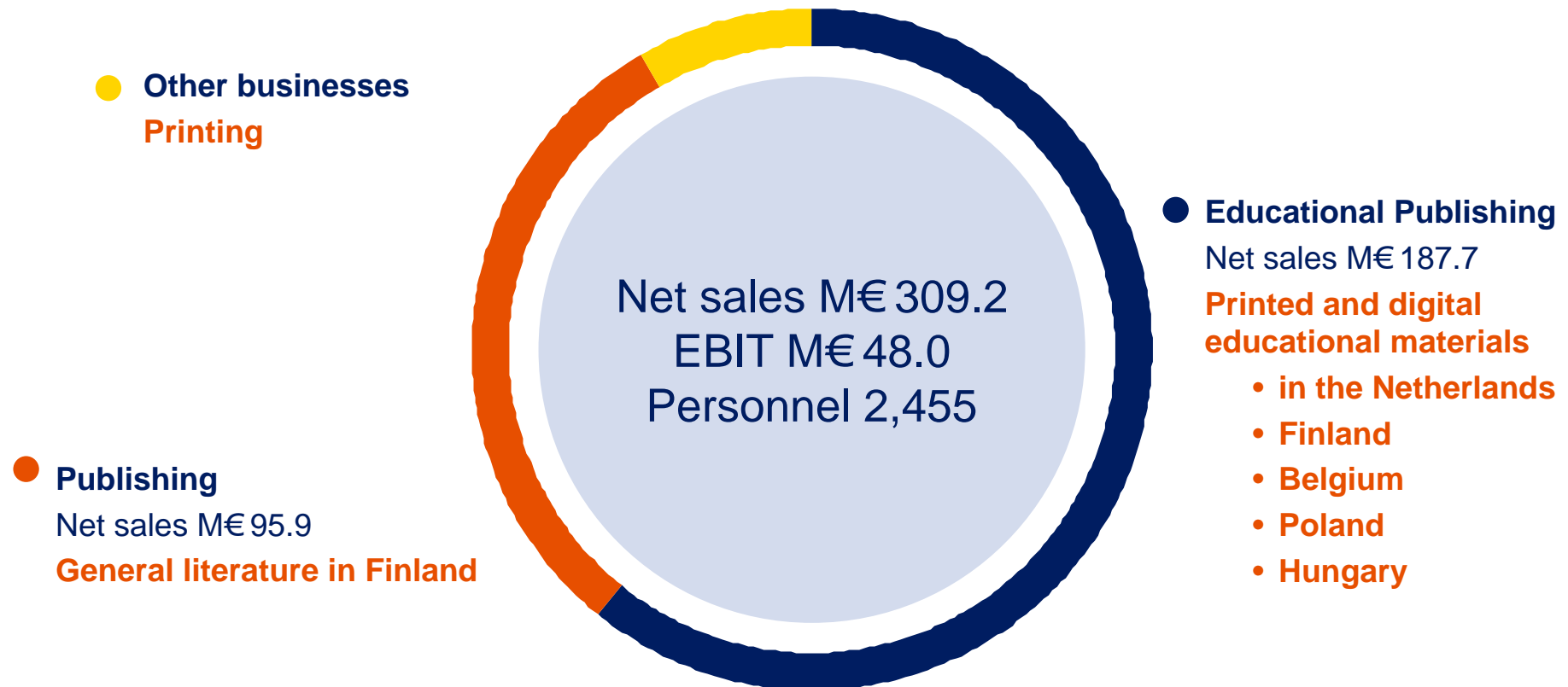
In Russia, Hungary, the Czech Republic, and Bulgaria  
Estimates for 2007, Current Prices

	Russia		Hungary		The Czech Rep.		Bulgaria	
	MEUR	Ch %	MEUR	Ch %	MEUR	Ch %	MEUR	Ch %
Newspapers			223	5.1	363	9.5	55	5.0
Magazines			236	6.1	377	10.5	44	30.0
<i>Total print</i>	<i>1,499</i>	<i>16.0</i>						
Television	3,326	35.0	1,460	9.7	933	10.0	326	20.0
Radio	339	20.0	136	7.1	102	7.0	15	7.1
Outdoor	1,178	29.0	157	3.6	73	2.0	33	10.5
Internet	137	65.0	44	19.0	50	27.3	5	50.1
Cinema	26	24.8	5	5.0	7	4		
<b>Total</b>	<b>6,476</b>	<b>28.7</b>	<b>2,263</b>	<b>8.4</b>	<b>1,904</b>	<b>9.9</b>	<b>478</b>	<b>18.0</b>



# SanomaWSOY Education and Books

Significant European Educational Publisher and Finland's  
Leading Book Publisher



# SanomaWSOY Education and Books

Significant European Educational Publisher and Finland's Leading Book Publisher

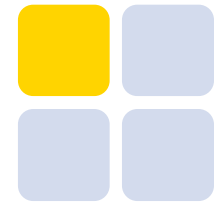
- One of Europe's largest educational publishers
  - Leading positions in its present operating countries – Finland, the Netherlands, Belgium, Poland, and Hungary
  - Optimizing the use of ICT to ensure growth
  - Taking advantage of curriculum changes and modularization of content
  - Expanding product portfolio with edutainment business
- The market leader in general literature in Finland



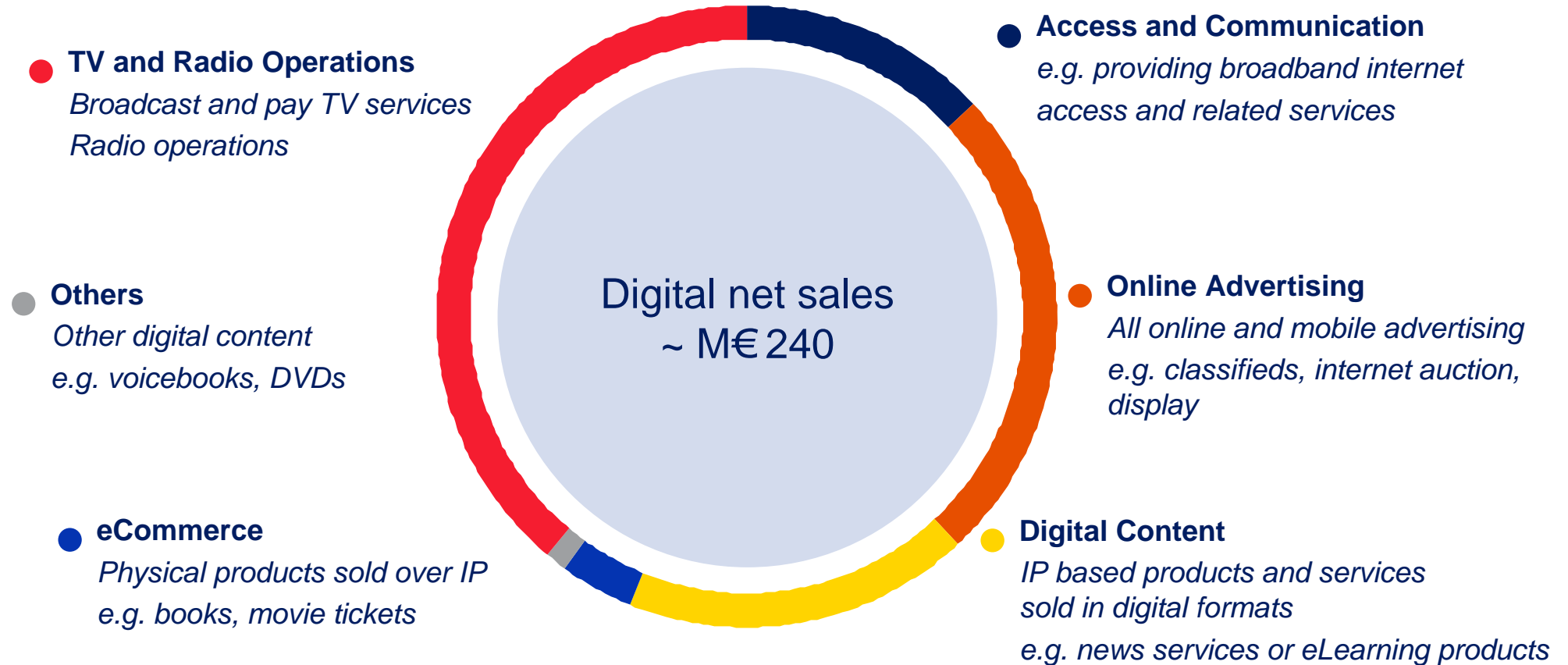


A hand holding a smartphone in front of a blurred red background with a white logo. The text "Digital Business" is overlaid on the image.

# Digital Business



# Digital Business in SanomaWSOY





Content for your life.

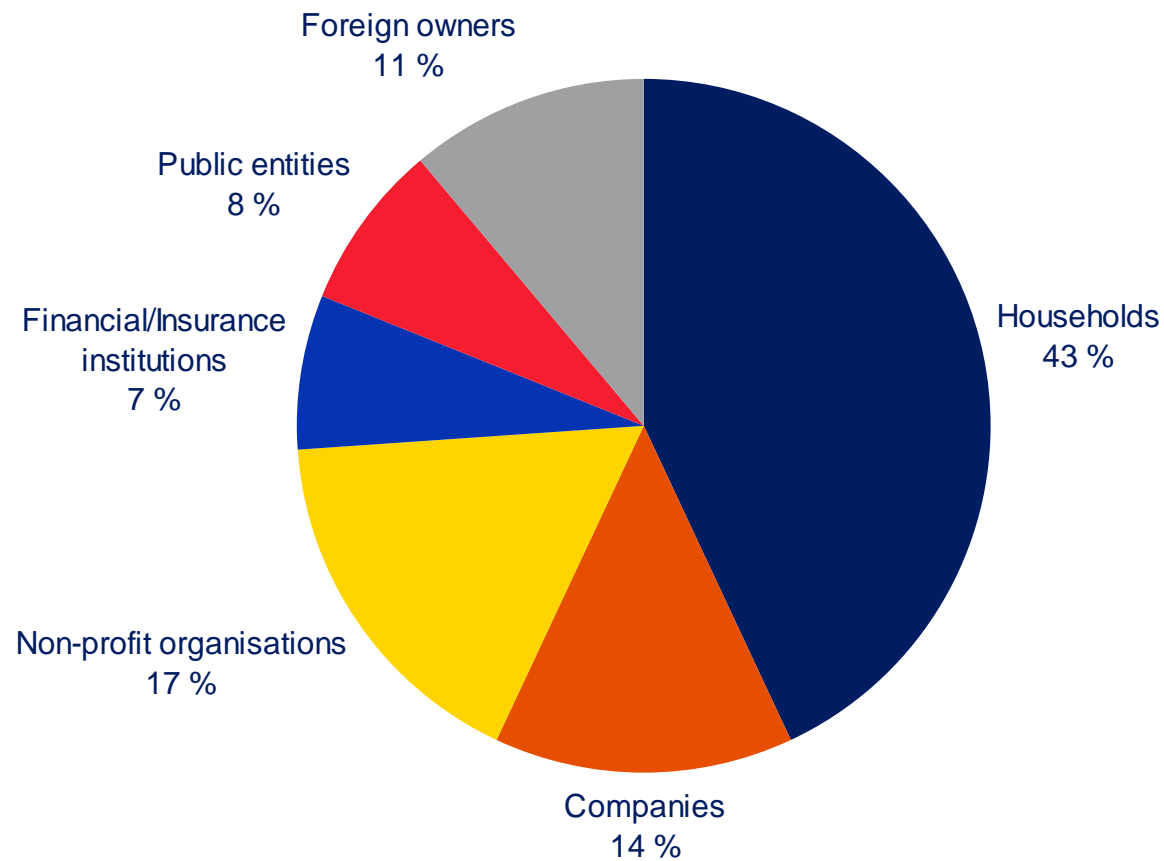


# Appendix:

About Owners and Shares

# Shareholders by Sectors

% of Shares and Votes



# Largest Shareholders

January 31, 2006

% of shares and votes

Aatos Erkko	22.72
of which through Oy Asipex Ab	7.16
Robin Langenskiöld	7.44
Rafaela Seppälä	7.44
Helsingin Sanomat Foundation	3.73
Ilmarinen Mutual Pension Insurance Company	2.49
Alfred Kordelin Foundation	2.40
Sampo Life Insurance Company Limited	1.85
Foundation for Actors' Old-age-home	1.36
The WSOY's Literature Foundation	1.28
Finnish Literature Society (SKS)	1.16
<b>Foreign ownership in total</b>	<b>11.0</b>
<b>Total number of shareholders: 16,799</b>	<b>shares: 164,957,053</b>

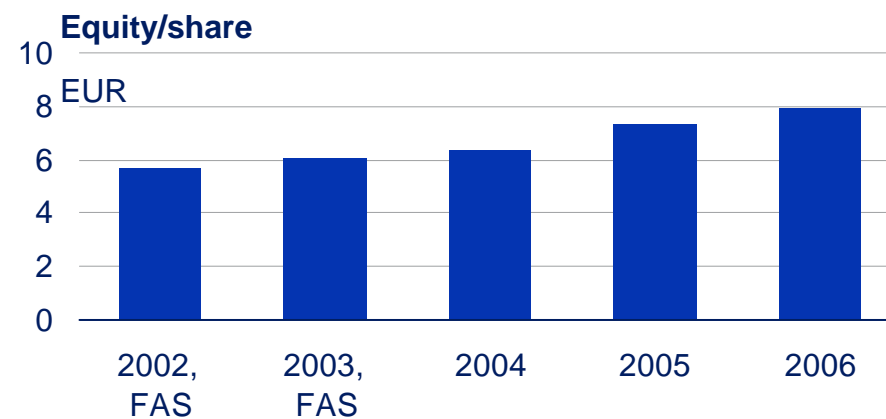
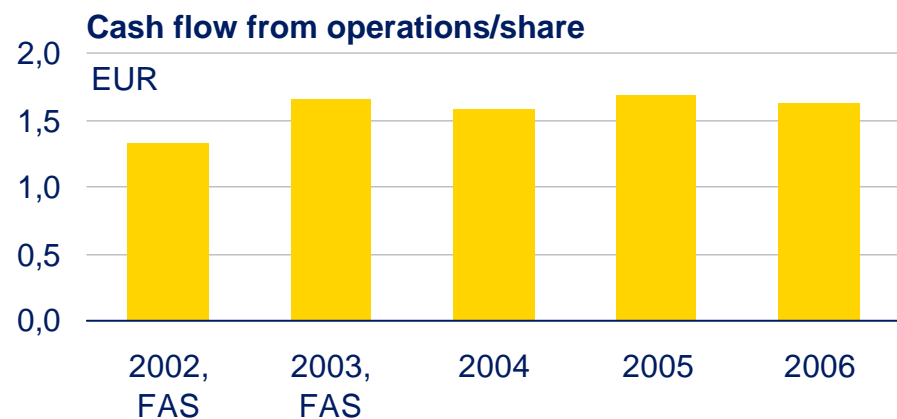
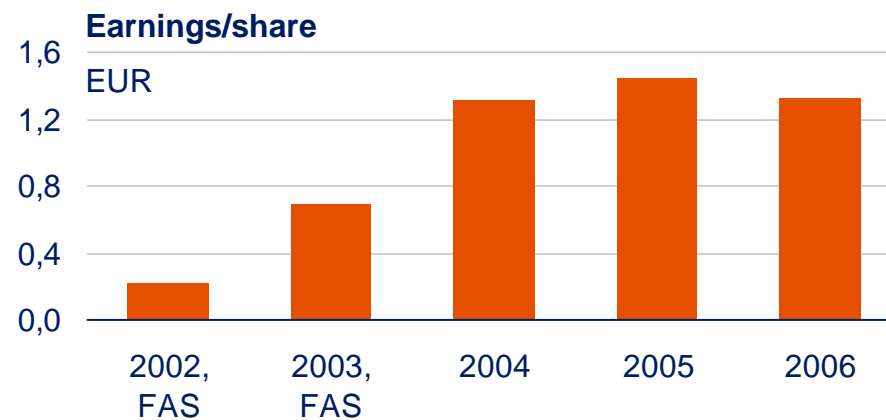
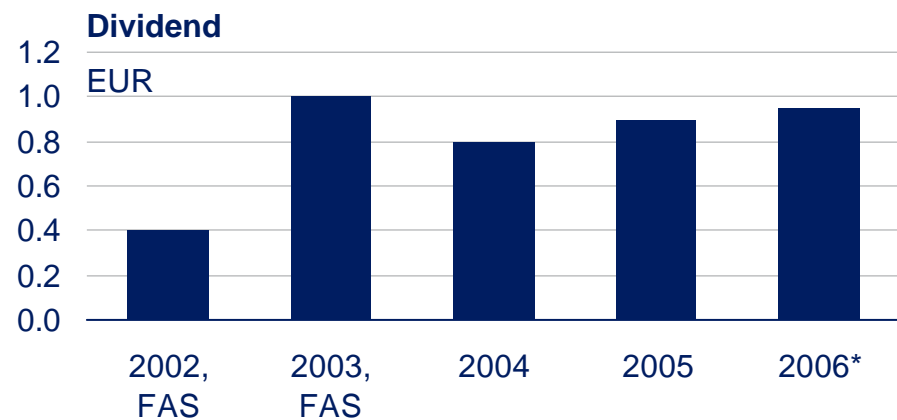
Institutional investors: 57% of shares

Private investors: 43% of shares

# Active Dividend Policy

- SanomaWSOY conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.
- SanomaWSOY share (SWS1V) Quoted on the Helsinki Stock Exchange, (Consumer Discretionary), since May 1, 1999

# Share-related Indicators



# Analyst coverage

## **Alfred Berg ABN Amro**

Veikko Valli  
tel. +44 20 7678 0587  
[www.abnamro.com](http://www.abnamro.com)

## **Carnegie Investment Bank AB**

Tuomas Ratilainen  
tel. +358 9 6187 1235  
[www.carnegie.fi](http://www.carnegie.fi)

## **Crédit Agricole Cheuvreux Nordic AB**

Niklas Kristoffersson  
tel. +46 8 723 5100  
[www.cheuvreux.se](http://www.cheuvreux.se)

## **Deutsche Bank**

Pontus Grönlund  
tel. +358 2525 2552  
[www.db.com](http://www.db.com)

## **eQ Bank Ltd**

Bengt Dahlström  
tel. +358 9 6817 8610  
[www.eq.fi](http://www.eq.fi)

## **Evli Bank Plc**

Petri Aho  
tel. +358 9 4766 9204  
[www.evli.com](http://www.evli.com)

## **Exane BNP Paribas**

Sami Kassab  
tel. +44 20 7039 9448  
[www.bnpparibas.com](http://www.bnpparibas.com)

## **FIM Securities Ltd**

Jari Westerberg  
tel. +358 9 6134 6217  
[www.fim.com](http://www.fim.com)

## **Goldman Sachs International**

Veronika Pechlaner  
tel. +44 20 7552 9366  
[www.gs.com](http://www.gs.com)

## **Handelsbanken Capital Markets**

Maria Wikström  
tel. +46 8 701 5116  
[www.handelsbanken.se](http://www.handelsbanken.se)

## **KaupthingBank Oyj**

Anna Virkola-Gabran  
tel. +358 9 4784 0153  
[www.kaupthing.fi](http://www.kaupthing.fi)

## **Mandatum Stockbrokers Ltd**

TBC  
tel. +358 10 236 10  
[www.mandatum.fi](http://www.mandatum.fi)

## **Opstock Ltd**

Kimmo Stenvall  
tel. +358 10 252 4561  
[www.opstock.fi](http://www.opstock.fi)

## **SEB Enskilda**

Mika Koskinen  
tel. +358 9 6162 8718  
[www.enskilda.se](http://www.enskilda.se)

## **Standard & Poor's Equity Research**

Janne Holmia  
tel. +46 8 545 06 952  
[www.standardandpoors.com](http://www.standardandpoors.com)