

# Sanoma 1–3/2009

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# Strong Market Positions Help in Recession

- Focus on improving the efficiency and cost savings in all divisions
- Active development of product portfolio
- Balanced business portfolio shows its strength in challenging times

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

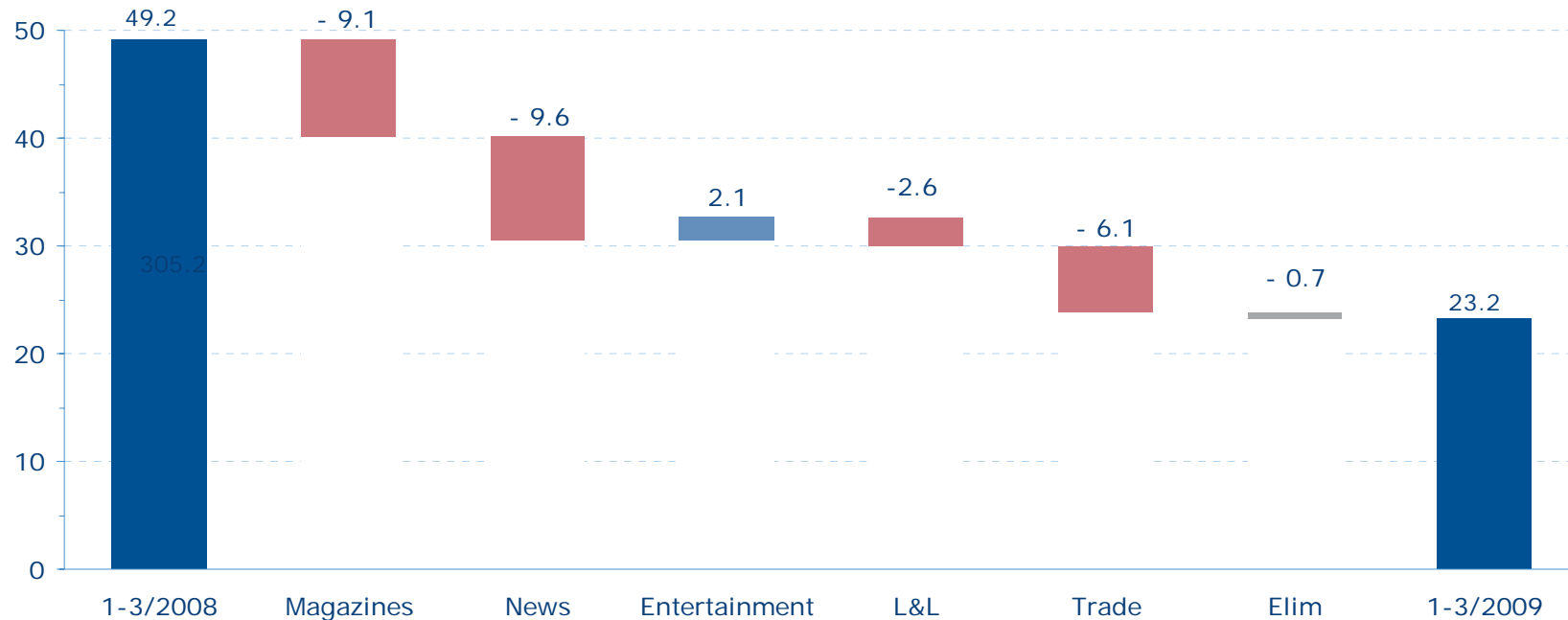
## Effects of Economic Slowdown Visible

EUR million	1–3/2009	1–3/2008	Ch %	1–12/2008
Net sales	<b>636.0</b>	683.1	-6.9	3,030.1
Operating profit excluding non- recurring items	<b>23.2</b>	49.2	-52.8	295.7
% net sales	<b>3.7</b>	7.2		9.8
Operating profit	<b>20.9</b>	72.7	-71.2	236.3
Earnings/share, EUR	<b>0.05</b>	0.34	-84.7	0.72
Cash flow from operations/share, EUR	<b>-0.05</b>	0.29	-118.5	1.56
Average number of employees (FTE)	<b>17,981</b>	17,187	4.6	18,168

# Advertising Sales Continued to Decline

## EBIT excluding non-recurring items

EUR million



- Magazines: decline in advertising and single copy sales especially in SMI (currencies)
- News: decline in advertising sales, especially in classified ads
- Entertainment: positive development in TV and broadband operations
- Learning & Literature: Nowa Era, integration costs in language services (and decline in sales) and decline in sales of literature and other operations (currencies)
- Trade: economic slowdown, decrease of sales in kiosk and movie operations in the Baltics, investments in Russia and Romania, and decrease in point-of-sale marketing

# Strong Financial Position

EUR million	31.3.2009	31.3.2008	31.12.2008
Balance sheet total	<b>3,215.1</b>	3,306.0	3,278.7
Equity ratio, %	<b>40.2</b>	44.4	40.0
Net gearing, %	<b>84.1</b>	62.6	78.5
Interest-bearing liabilities	<b>1,099.4</b>	964.7	1,082.6
Interest-bearing net debt	<b>1,016.5</b>	860.4	971.6
Cash and cash equivalents	<b>82.9</b>	104.2	110.9

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

# Efficiency Improvement and Cost Savings

- Continuation of the structural changes
    - E.g. News' 'Bridging the Recession' project, Weilin&Göös, Bertmark
  - Discontinuation of the loss-making operations
    - E.g. 20 magazines, several kiosks in Russia
  - Renewal and improvement of the processes
    - E.g. Helsingin Sanomat's reorganised newsroom, Entertainment's multichannel strategy
  - Reduction of the amount of personnel
    - Decreased by 600 employees compared to the end of 2008
- Target is to reduce the operating expenses to a level clearly below that of 2008



# Outlook for 2009

- Net sales are expected to decrease
- Operating profit excluding non-recurring items will clearly decline from the previous year.
  - In the comparable year of 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.



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