

Welho to Be Merged into DNA

31 May 2010



Welho To Be Merged Into DNA

Transaction overview (1/2)

- Sanoma sells Finland's biggest cable TV operator Welho's business to telecommunication group DNA
- The transaction forms a strong national telecommunication operator with significant positions in fixed and mobile communications as well as TV operations
- Welho's selling price is EUR 200 million
 - Sanoma gets a capital gain of EUR 185 million from the transaction
 - The capital gain will improve Sanoma's EPS by some EUR 1.14 in 2010
- DNA carries out a directed share issue to Sanoma, which becomes the second largest owner of DNA with a 21% stake

Welho To Be Merged Into DNA

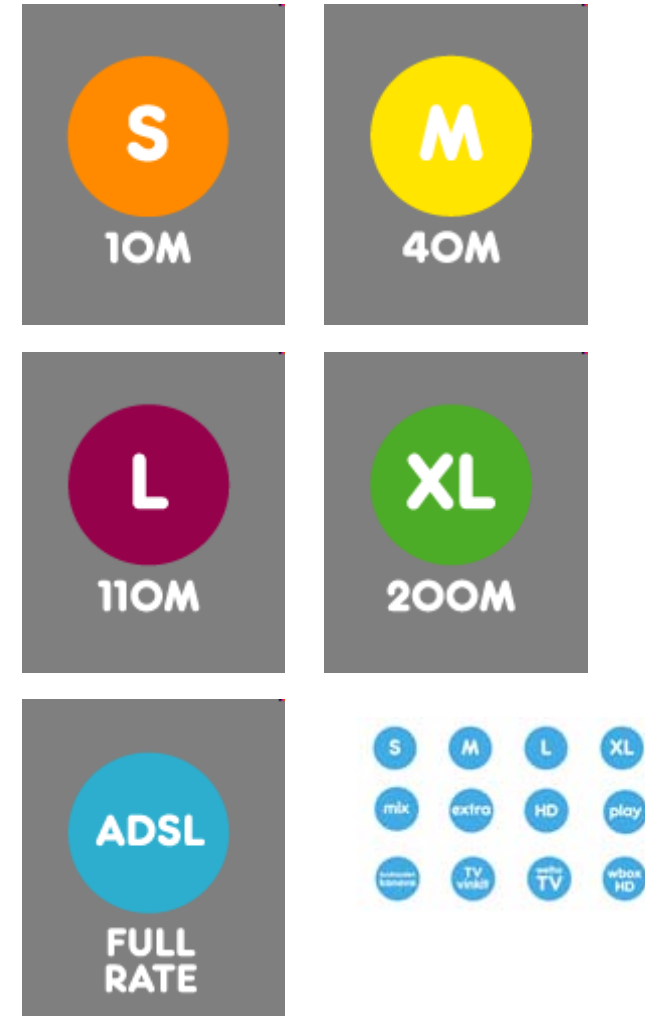
Transaction overview (2/2)

- Sanoma will be a long time strategic owner with an active role in developing the new company
- The transaction offers co-operation possibilities between Sanoma's media business and DNA's telecommunication business
- The transaction is subject to approval by the Finnish competition authorities and the Council of State.
 - Both approvals are expected during the summer.
- Following the deal, Sanoma Entertainment division will comprise Nelonen Media's TV and radio business as well as Sanoma Games' online casual gaming services and it will be reported as a single entity

Welho

- Finland's biggest cable TV operator that provides versatile pay TV and broadband services
- In 2009, net sales of EUR 67 million
 - During 2007–2009, the CAGR of Welho's net sales 6%
- 205 employees
- Welho has about 320,000 connected households with 163,000 pay TV and broadband customers

WELHO



DNA



- Finnish telecommunication company providing high-quality voice, data and mobile communications and TV services to private customers, organisations and corporations
- In 2009, net sales EUR 652 million and EBIT (excl. one-offs) EUR 63 million
- 800 employees
- About 2.6 million customers
- The fastest growing mobile operator on the market
- DNA's stated strategy focuses on operational efficiency, flexibility and internationalisation

Welho + DNA

WELHO



- Welho and DNA create a strong national telecommunication operator with strong positions in fixed and mobile communications as well as TV operations
- (Pro forma) net sales in 2009 EUR 720 million, 1,000 employees
- #1 TV operator
 - 43% of the cable TV market with 600,000 connected households
 - 20% of the pay TV market with 130,000 subscribers
- #3 broadband operator
 - 20% of the fixed broadband market with 300,000 subscribers
- #3 mobile operator
 - 25% of the mobile communications market with 2 million subscribers

Welho + DNA

WELHO



- Good, complementary geographical coverage
- Good, complementary product offerings
 - significant improvement to Welho's mobile broadband offering
 - DNA can utilise Welho's capital area network in mobile operations and in expanding its position with corporate customers
- Resources to develop new emerging digital services, i.e., online television, e-reading and games on different platforms
- Converging media and telecommunication businesses create potential for a totally new kind of business

Appendix

DNA in more detail





DNA in Brief

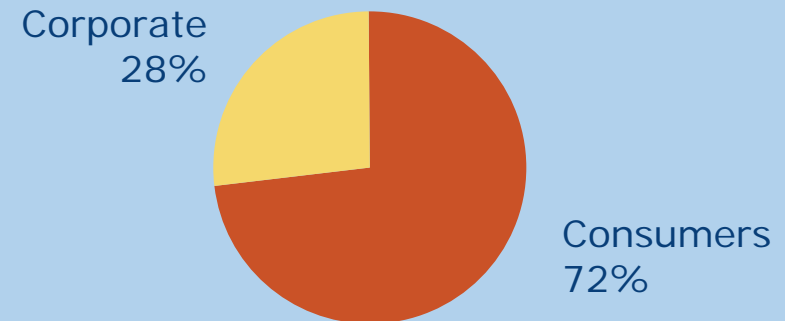
Fastest growing telecommunication operator in Finland

Around 2.6 million customers and over 2 million mobile phone subscriptions

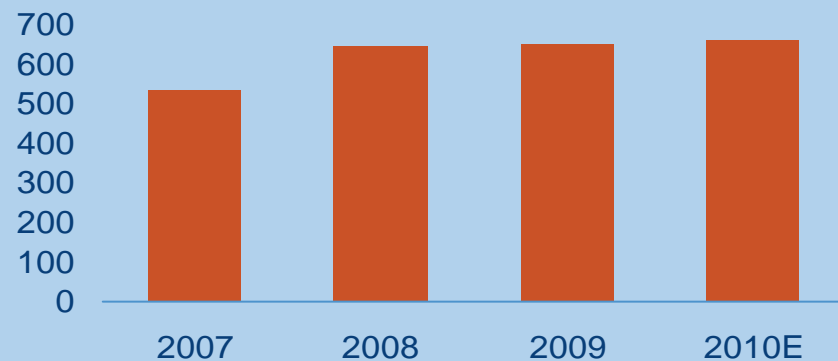
Strong nationwide player

Integrated business model with standard products for consumers and corporate customers

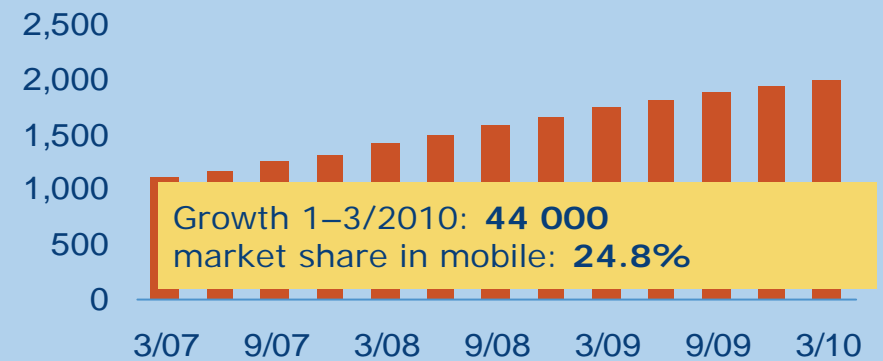
Share of net sales



Net sales, EUR million

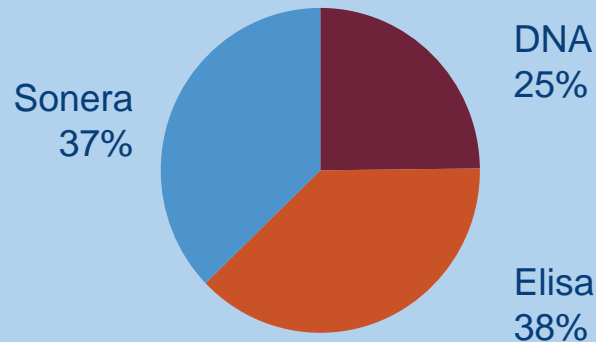


No. of mobile phone subscriptions, thousands

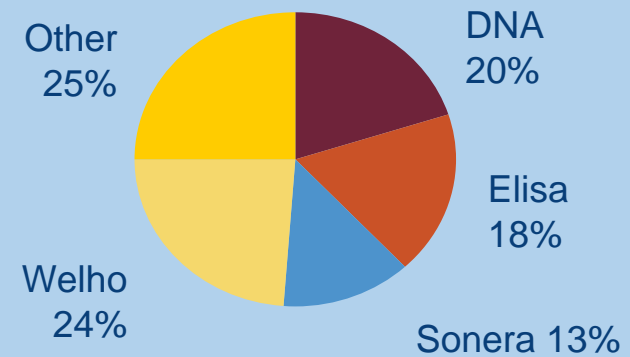


Telecom Market in Finland

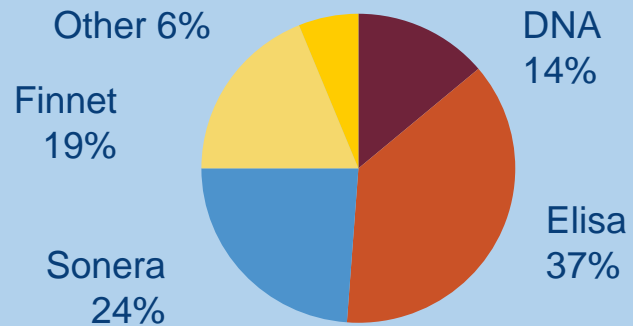
Market shares in mobile communications



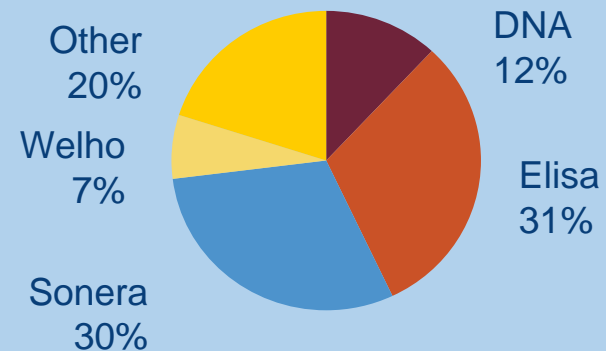
Market shares in cable TV



Market shares in fixed-line business (voice)



Market shares in fixed-line broadband





Consumer Business

- DNA offers diverse telecommunication services facilitating communication, information retrieval, security and entertainment to consumers
 - Mobile phones and subscriptions
 - Broadband (mobile and fixed)
 - Data security services
 - TV services from subscriptions to channel packages
 - Fixed-line telephone subscriptions
- Growing popularity of wireless broadband and dramatic increase in data transfer speeds significantly increasing DNA's profitability



Corporate Business

- DNA offers nationwide, standardised and easy-to-use communication and network solutions to businesses
 - Mobile communication services
 - Telecommunication services
 - Voice services
 - Comprehensive solutions
 - Services for national and international telecommunication operators
- Increasing the number of corporate sales offices, developing online customer facilities and providing customer service, which makes customers feel valued, with an up-to-date product portfolio guarantee customer satisfaction



DNA Key Figures (Q1)



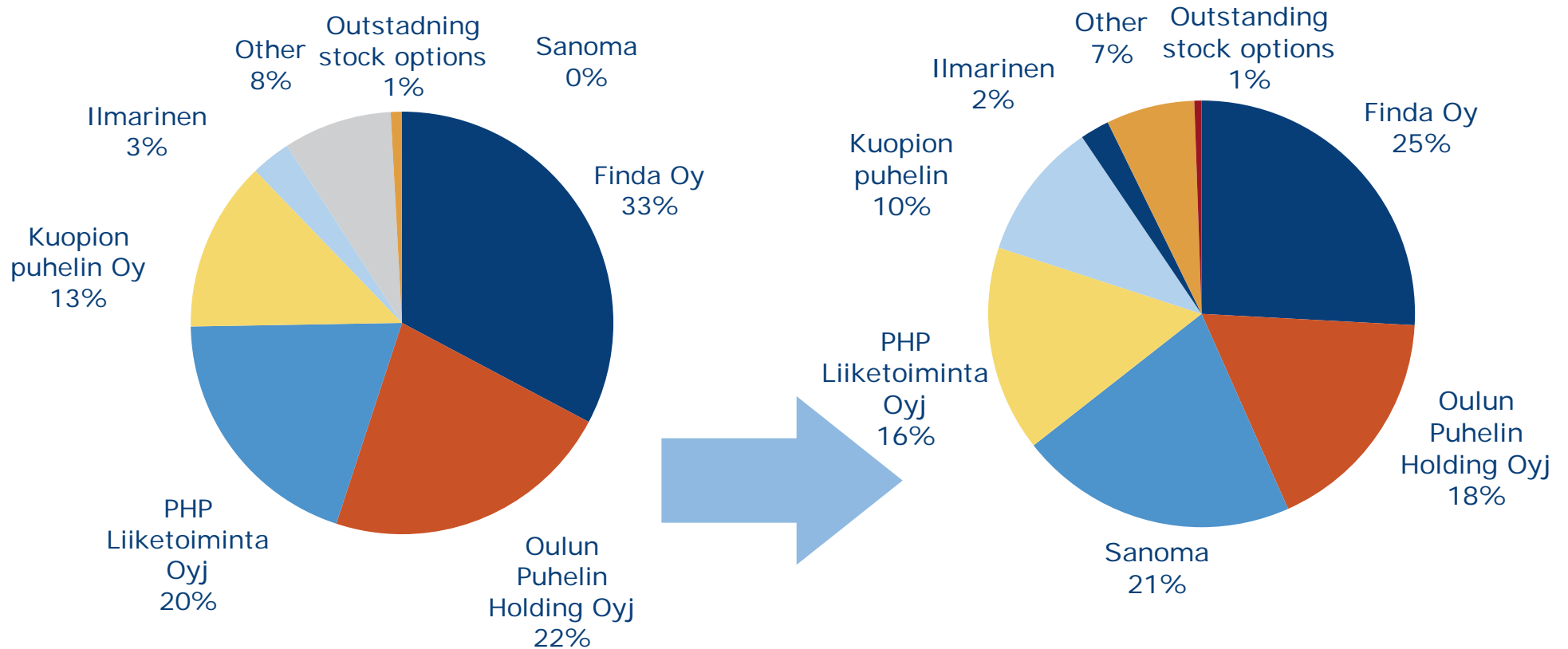
EUR million	1–3/2010	1–3/2009	2009
Net sales	161	159	652
EBITDA (excl. one-offs)	47 (47)	29 (43)	167 (179)
EBITDA, % (excl. one-offs)	29 (29)	18 (27)	26 (28)
EBIT (excl. one-offs)	20 (20)	3 (17)	-44 (63)
EBIT, % (excl. one-offs)	12 (12)	2 (11)	-7 (10)
Capital expenditure	8	19	88
Net debt/EBITDA	0.63	1.78	0.88
Equity ratio, %	53.9	56.1	55.3
Cash flow from operations	36	23	126
Personnel at the end of period	819	962	818

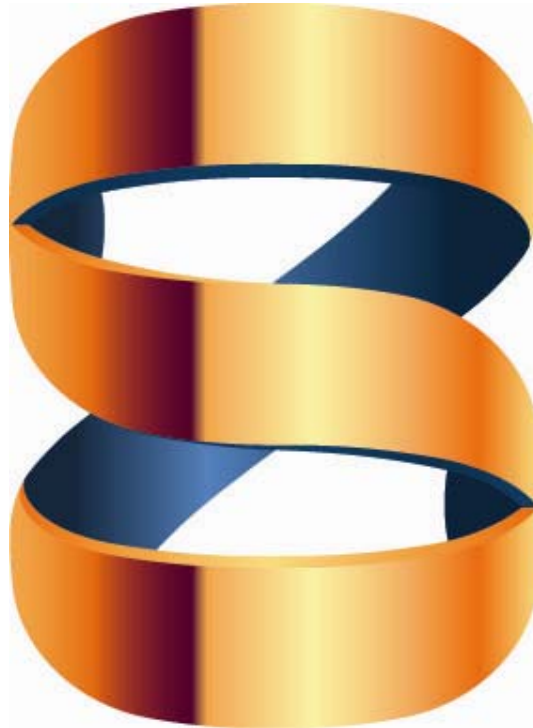


DNA Key Operational Indicators

	3/2010	3/2009	2009	Change
Mobile communication subscriptions *	1,991,000	1,745,000	1,947,000	↑
Revenue per user (ARPU)	21.1	22.8	22.4	↓
Customer churn rate (CHURN)	20.4	16.9	16.2	↑
Fixed-line network broadband connections	178,000	190,000	180,000	↓
Cable TV subscriptions	271,000	265,000	270,000	↑
Fixed-line network subscriptions	189,000	222,000	197,000	↓

Transactions' Effects on DNA Shareholder Structure





Inspires, Informs and Connects