

Merging media platforms

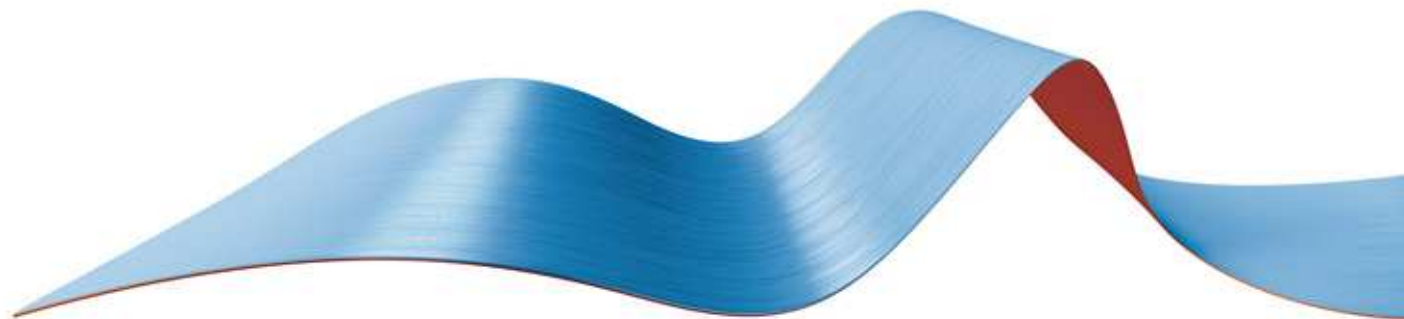
Taking Sanoma Magazines further

Eija Ailasmaa, President & CEO

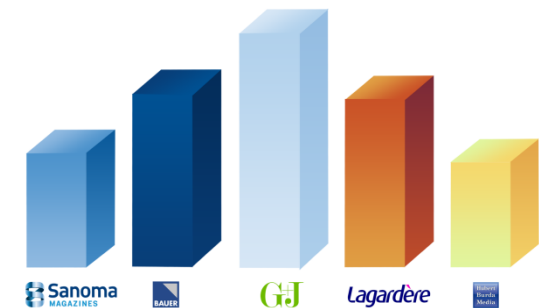
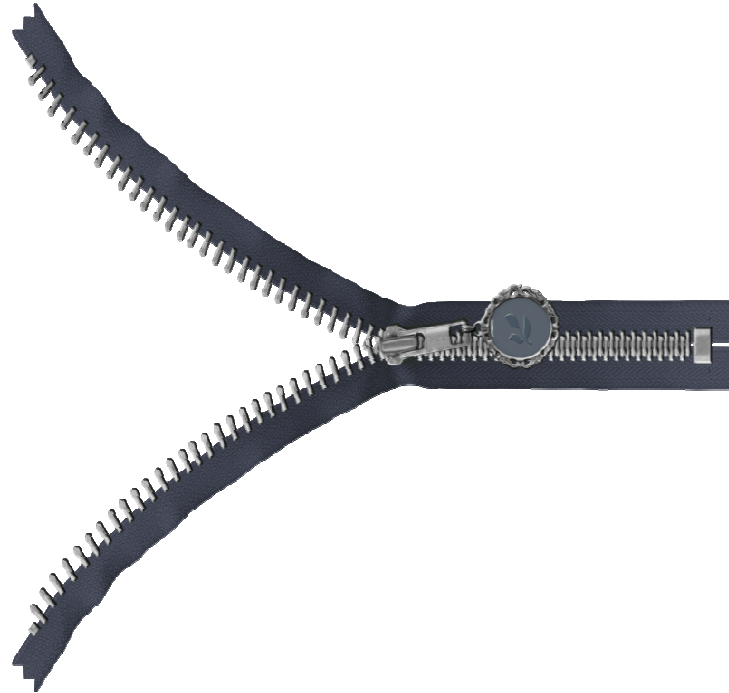


Sanoma Magazines at a glance

State of affairs of the company

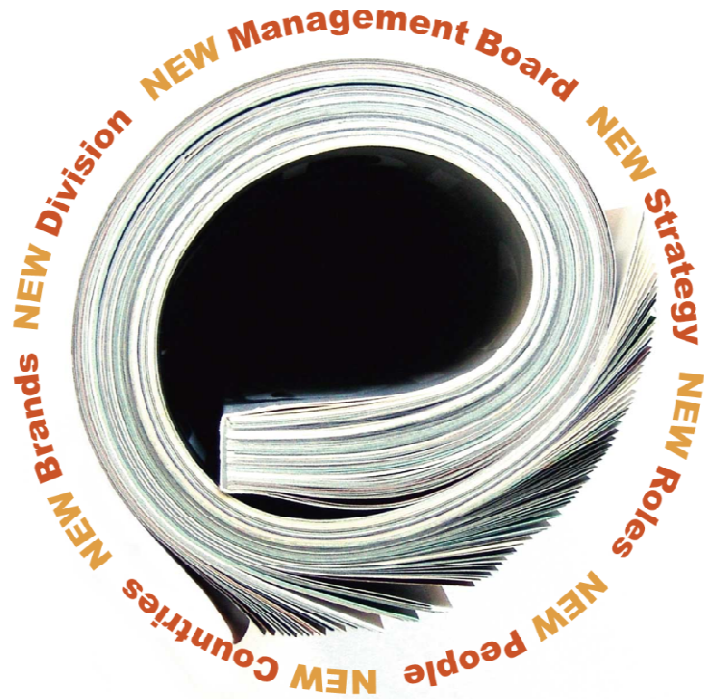


After VNU acquisition, seamless merger to create a European magazine champion



Based on 2008 figures; Burda: Verlag Inland and Verlag Ausland; Lagardère Active: magazines only; G+J: excluding printing facilities, including distribution; Bauer: aggregated group sales.

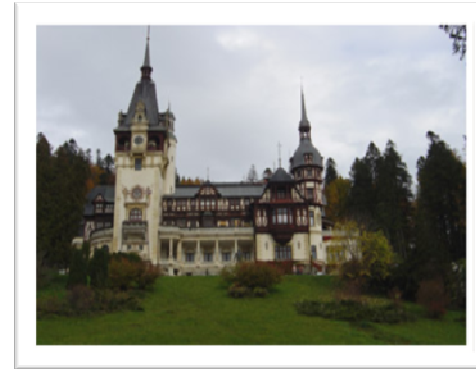
Starting from the core



Expanding to Central and Eastern Europe

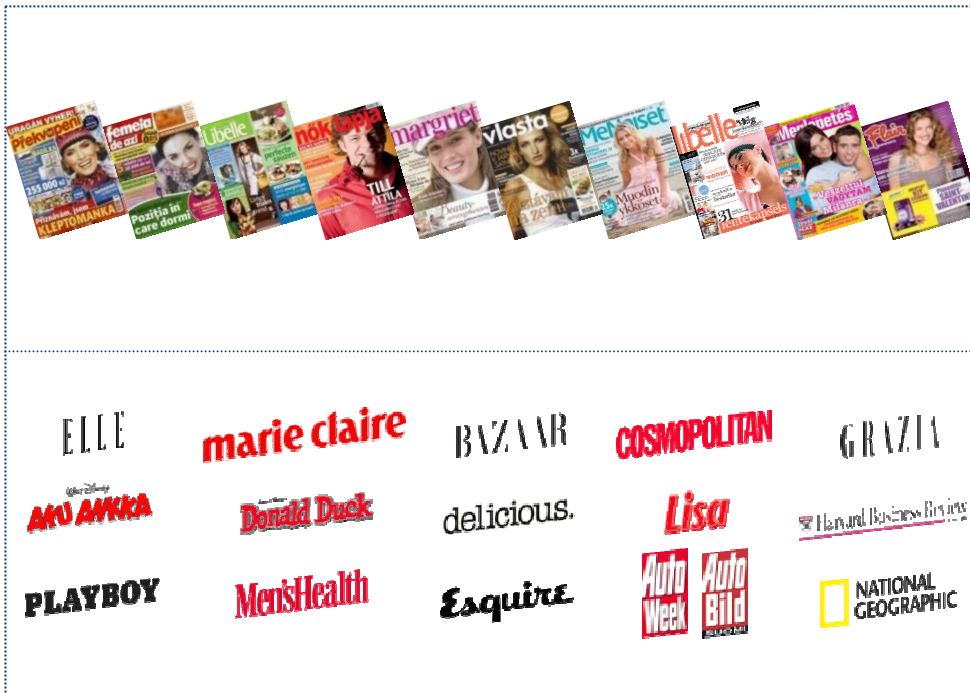


Now developing market leadership in seven European countries



Combining the strongest local brands & renowned international brands

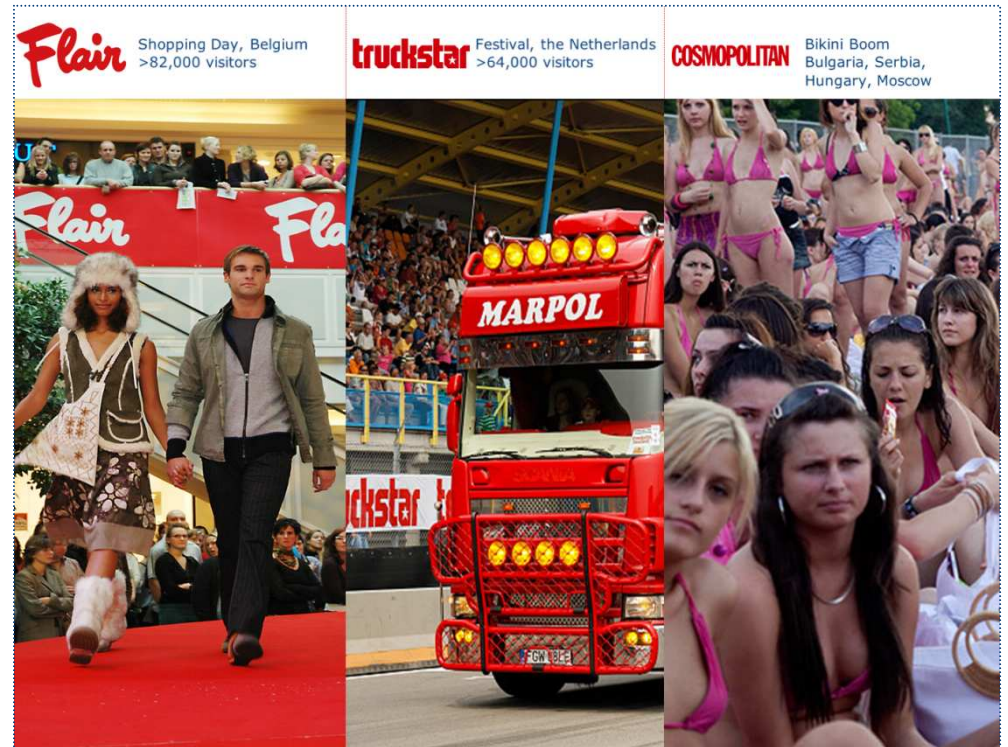
Transferring concepts across markets



Magazine brands transcend the printed product

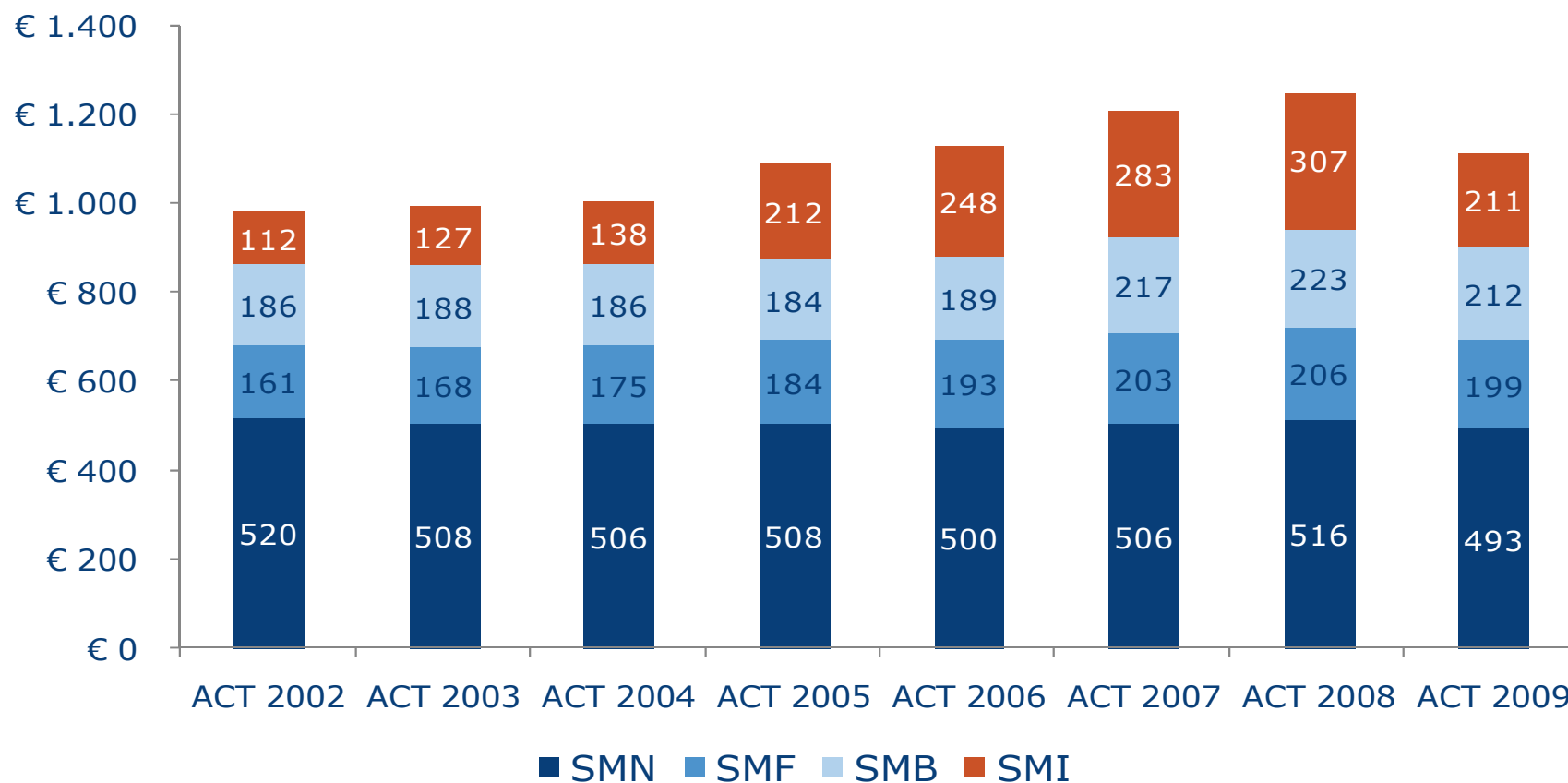


Activating the power of communities



Leading to nearly a decade of growth

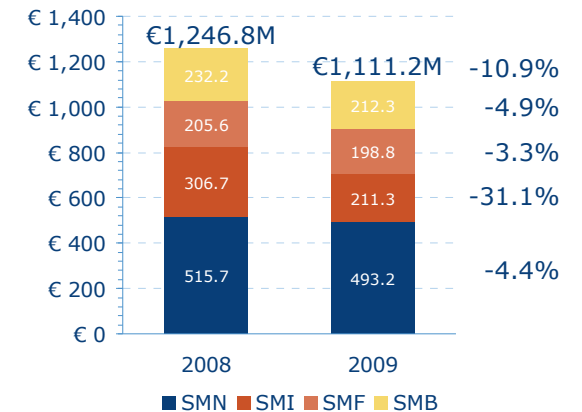
(Net sales development in €M)*



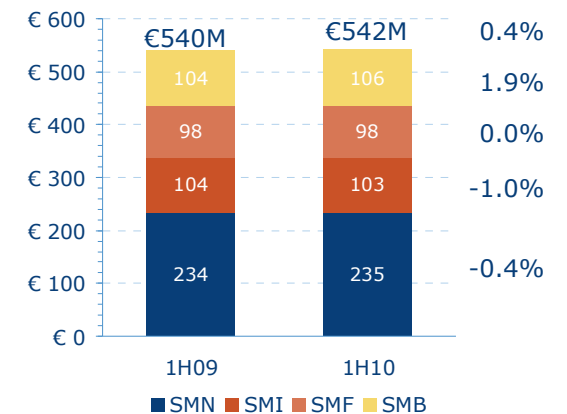
2009 was a rough year for growth, 2010 shows stability and strong EBIT growth



- Due to the recession media budgets were cut, putting huge pressure on advertising sales
- Online advertising was neither recession resistant nor brought growth



- Net revenue is slowly recovering from 2009's steep fall
- A strong, overall improvement in bottom-line result is manifest

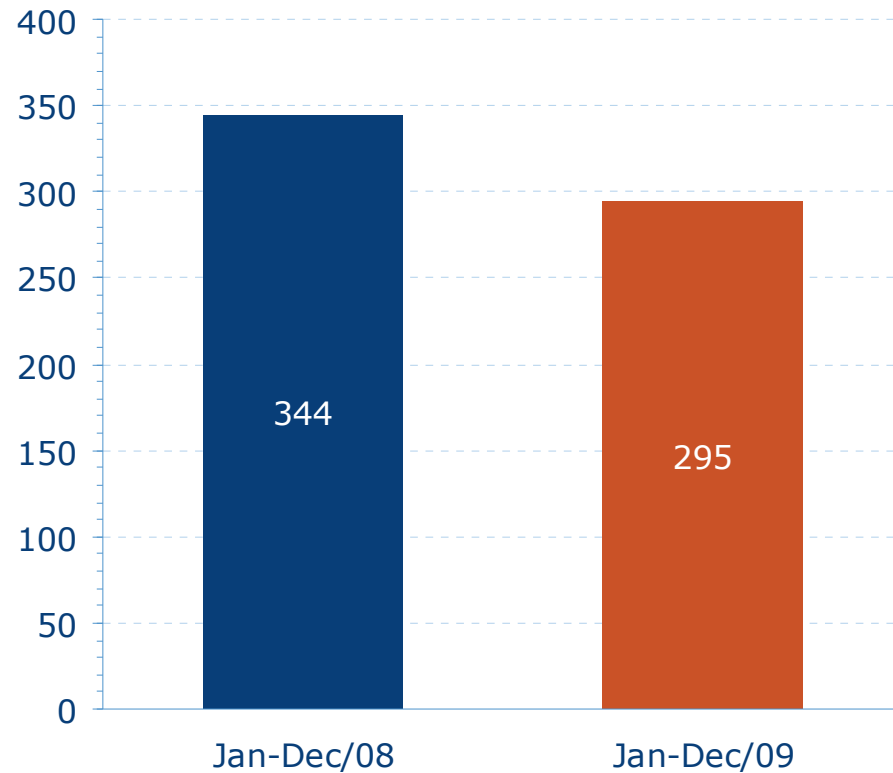


Sales improve gradually, EBIT improves strongly after restructuring measures

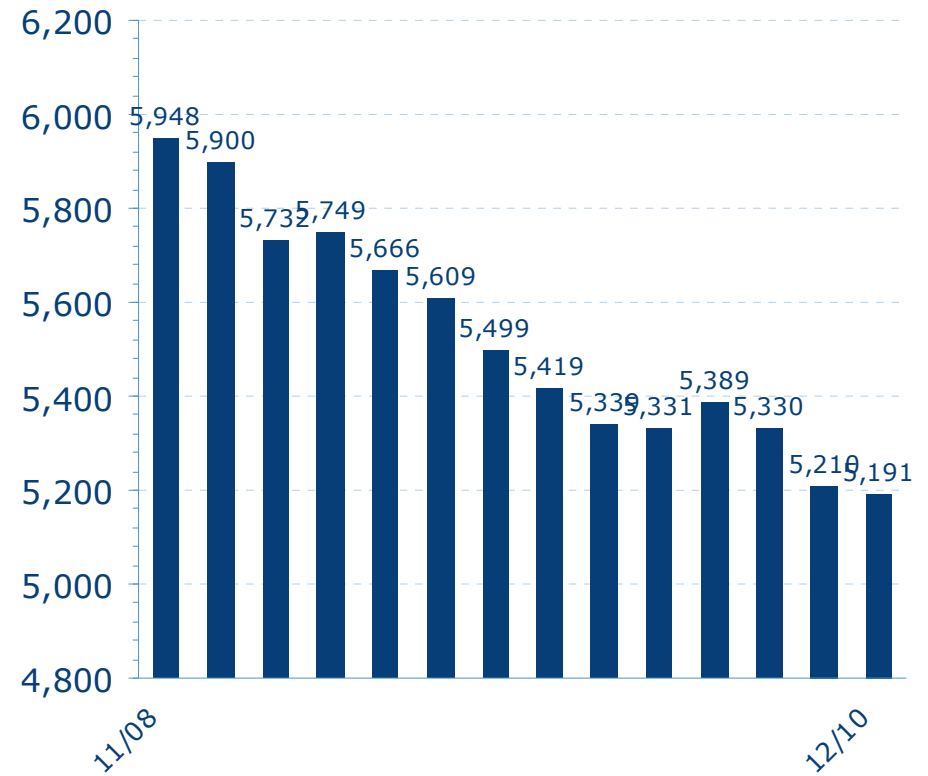
| in €M | 4-6/10 | 4-6/09 | change | 1-6/10 | 1-6/09 | change | 1-12/09 |
|--|--------------|--------|--------|---------|---------|--------|---------|
| Net sales | 280.6 | 275.9 | 1.7% | 540.5 | 538.1 | 0.5% | 1,111.2 |
| Operating profit excl. major non-recurring capital gains | 38.4 | 31.5 | 21.9% | 64.2 | 47.1 | 36.5% | 113.4 |
| % of net sales | 13.7 | 11.4 | | 11.9 | 8.7 | | 10.2 |
| Operating profit | 41.0 | 30.2 | 35.8% | 66.8 | 45.8 | 46.0% | 96.3 |
| Capital expenditure | | | | 9.3 | 12.3 | -24.2% | 24.4 |
| Average No. Of employees (fte) | | | | 5,099 | 5,611 | -9.1% | 5,452 |
| No. of magazines published* | | | | 287 | 306 | | |
| No. of copies sold, thousands* | | | | 171,815 | 187,066 | | |
| Advertising pages sold* | | | | 24,977 | 26,284 | | |

Restructuring measures focused on efficiency

No. of magazine titles published

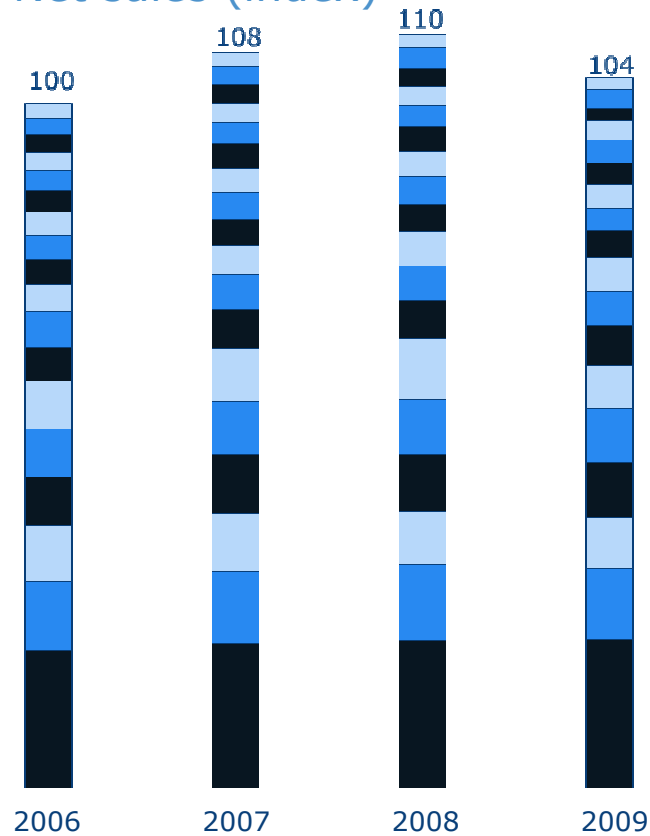


No. of FTE's, ultimo



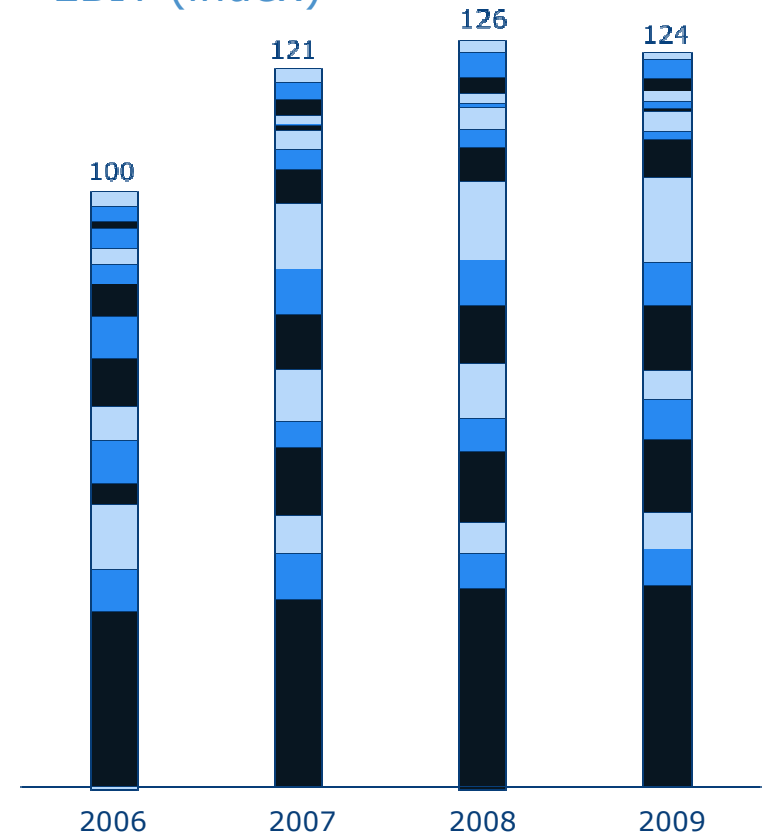
Focus on key brands proves successful

Net sales (index)



- feeling
- LINDA.**
- vtwonen
- Femmes
- MeNaiset
- Tele
- kodin
- nök lapja
- ET
- Startpagina
- AHU ANKA
- Donald Duck
- COSMOPOLITAN
- Flair Elair
- margriet
- HUMO**
- Story Story story*
- libelle Libelle

EBIT (index)

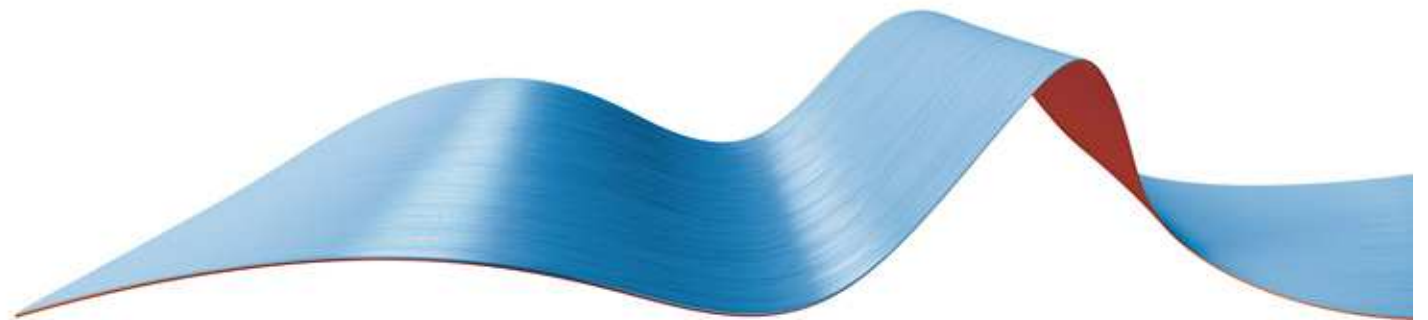


Sample of latest developments demonstrate market dynamism

- Launches:
 - Sensa in DE, RO (trial), UA and SI
 - autóMAGAZIN in HU
 - iPad editions Cosmopolitan (RU), NU.nl (NL), AutoWeek (NL) and Loving You (BE)
 - New editions Pink Ribbon magazine (NL, BE) and Pink Ribbon magazine TV (BE)
 - Several iPhone apps and mobile sites
 - StyleToday (BE)
 - Soft launch: Vindsnel.be
- Relaunches & renewals:
 - Cosmopolitan Psychology (was Cosmopolitan Magic; RU)
 - Feeling (BE): take your pleasure seriously
 - Revu (NL): Nieuwe Revu
 - CosMOREpolitan: investment 72 extra pages (NL)
 - Gloria (FI)
- Divestments & closures:
 - Sanoma Magazines Slovakia (B2B publishing)
 - Mind Magazine (NL)
 - Yes (NL)
 - Men's Health (SI)
- Upcoming:
 - Libelle Winter Fair (BE): 10-12/12, Antwerp
- Other:
 - SMF titles stabilise and grow readership (FI)
 - Woestijnvis JV in working order (BE)



Developing our strong position in consumer media further



Secure leading market positions in consumer magazines

Maintain strong position in magazines



- Consolidation
- Keep key brands healthy
- Expand key brands across media
- Active portfolio management

Develop custom media



bluewings
Yunomi
bierblad

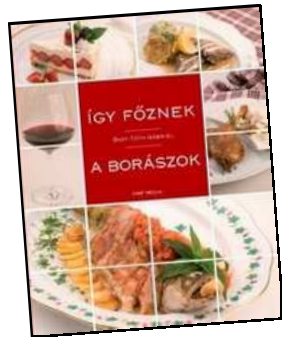
- Grow existing business
- Consolidate market positions if possible

Optimize print organization



- Ongoing efficiency operations geared at creating synergies
- New production models

Engaging consumers wherever they are



(e-) books



Vertical Portals



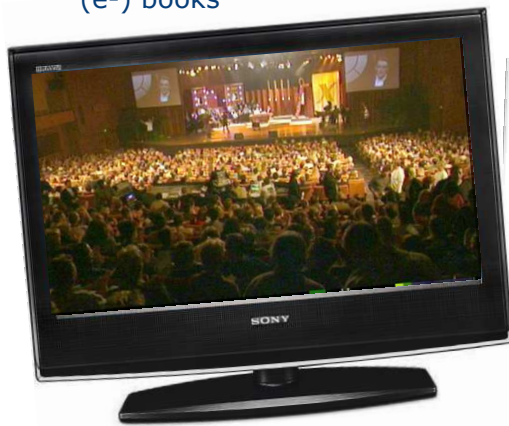
Mobile Apps



Magazines



Augmented Reality



Audiovisual content



Events

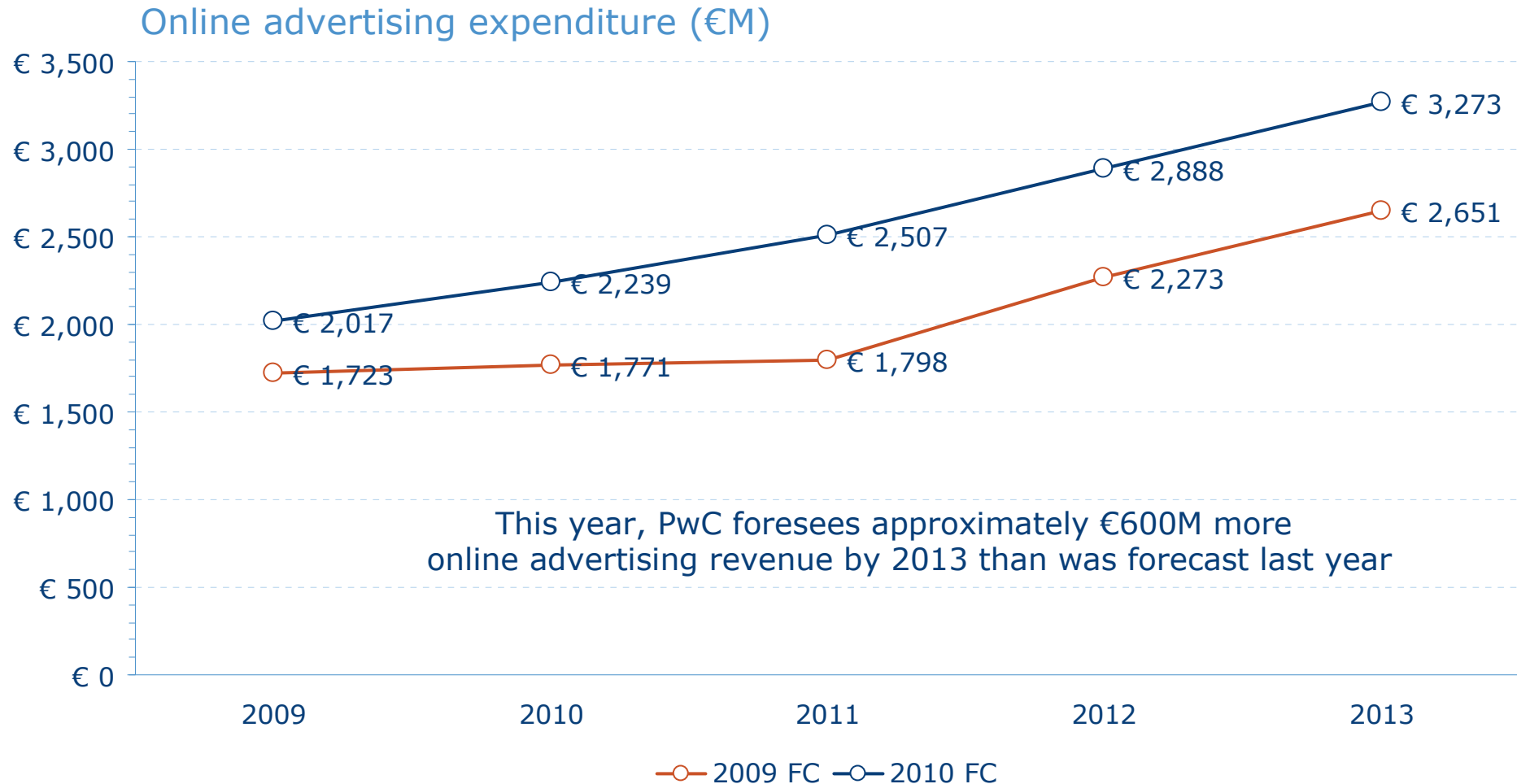


Tablet Apps



Custom Publishing

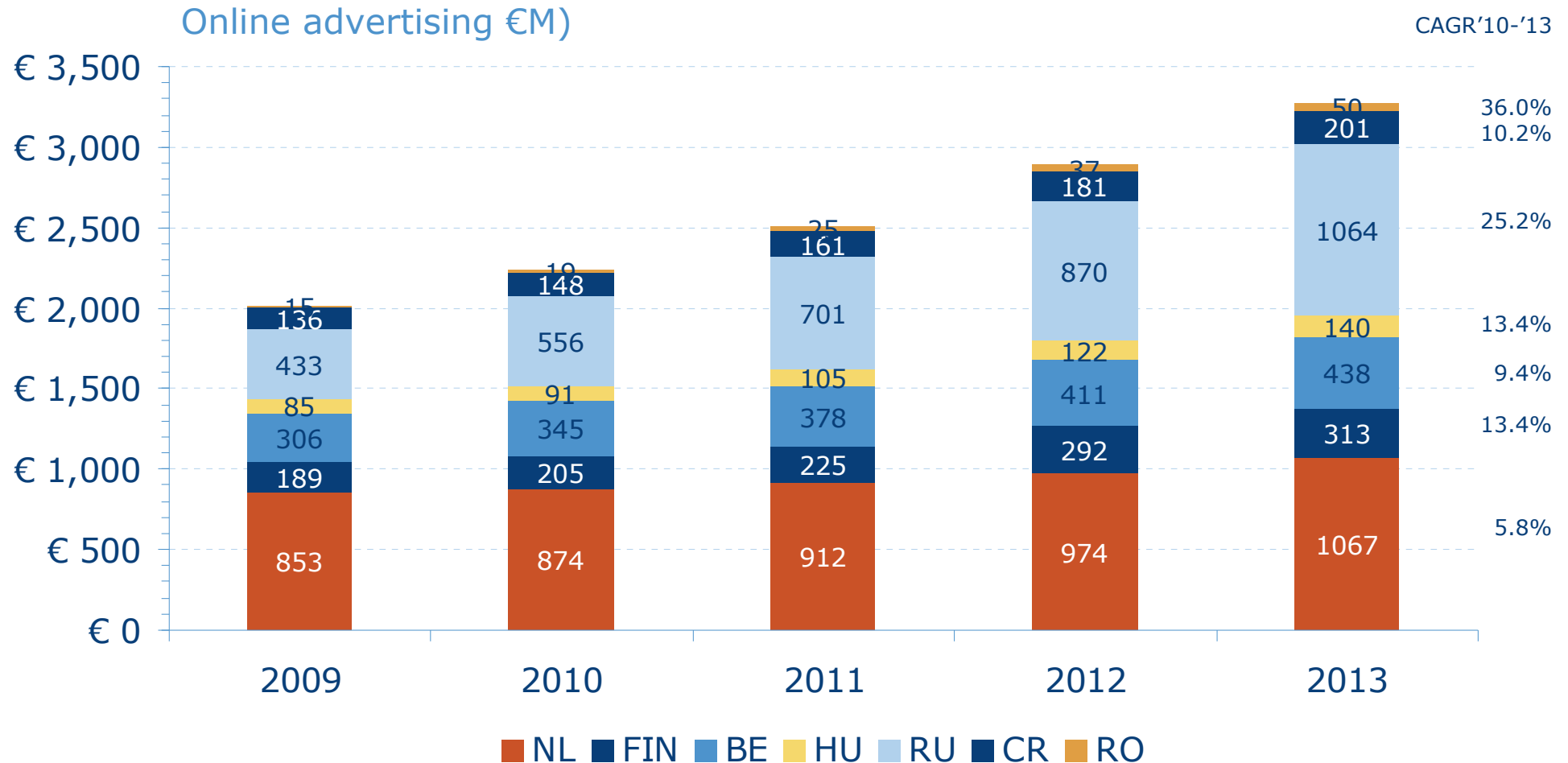
The post-recession shift of ad spend to online seems to occur faster than expected last year



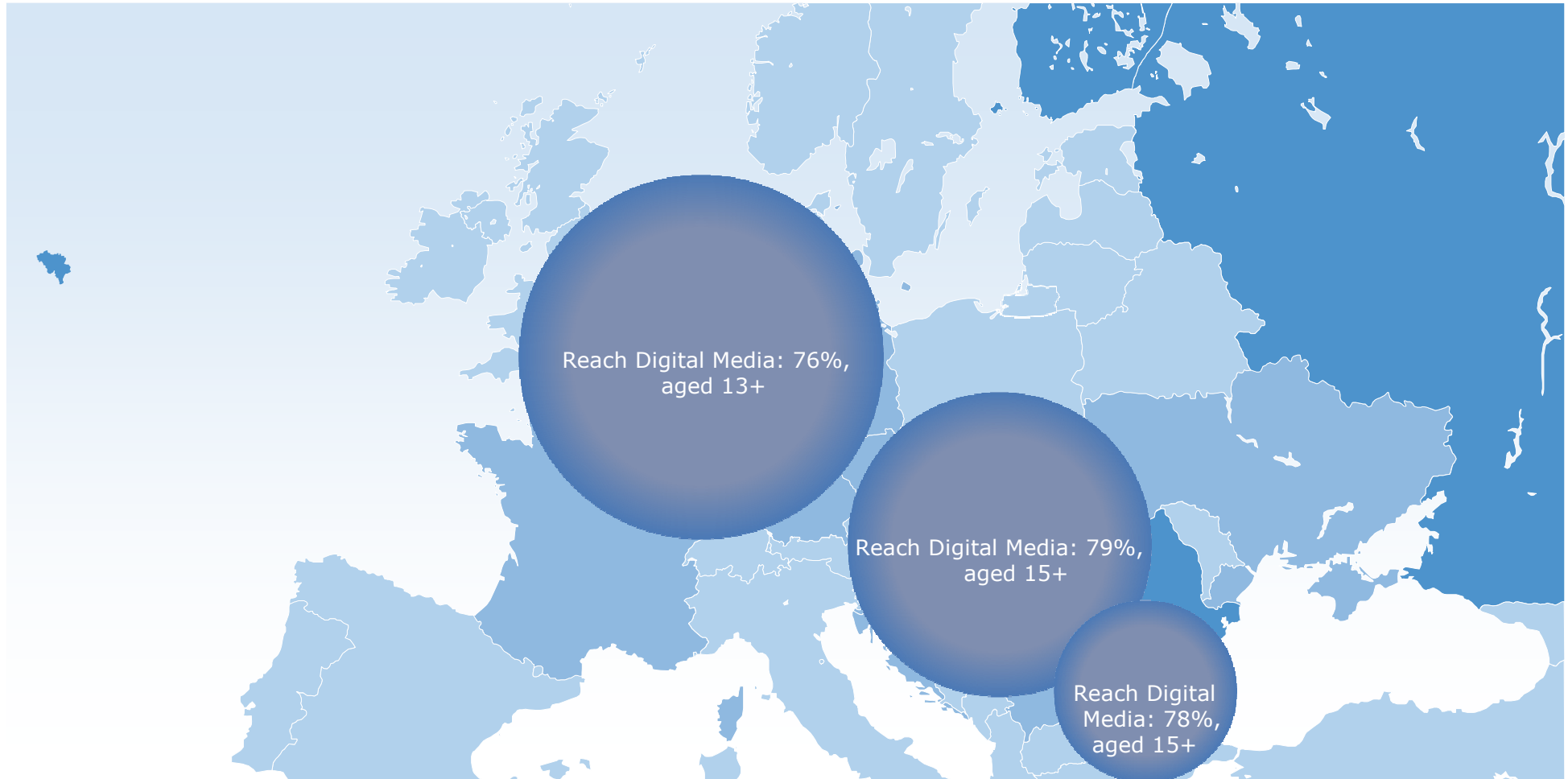
Source: PwC Global Entertainment & Media Outlook, 2010-2014
Countries included: NL, FIN, BE, HUN, RU, CZ, RO
No representative, reliable figures for Bulgaria available

CMD 2010 / Eija Ailasmaa

Overall online advertising shows double-digit growth, although rates vary heavily per country



Digital media development through international leverage



Digital media contains online services and related mobile media



Online Services
Mobile Media

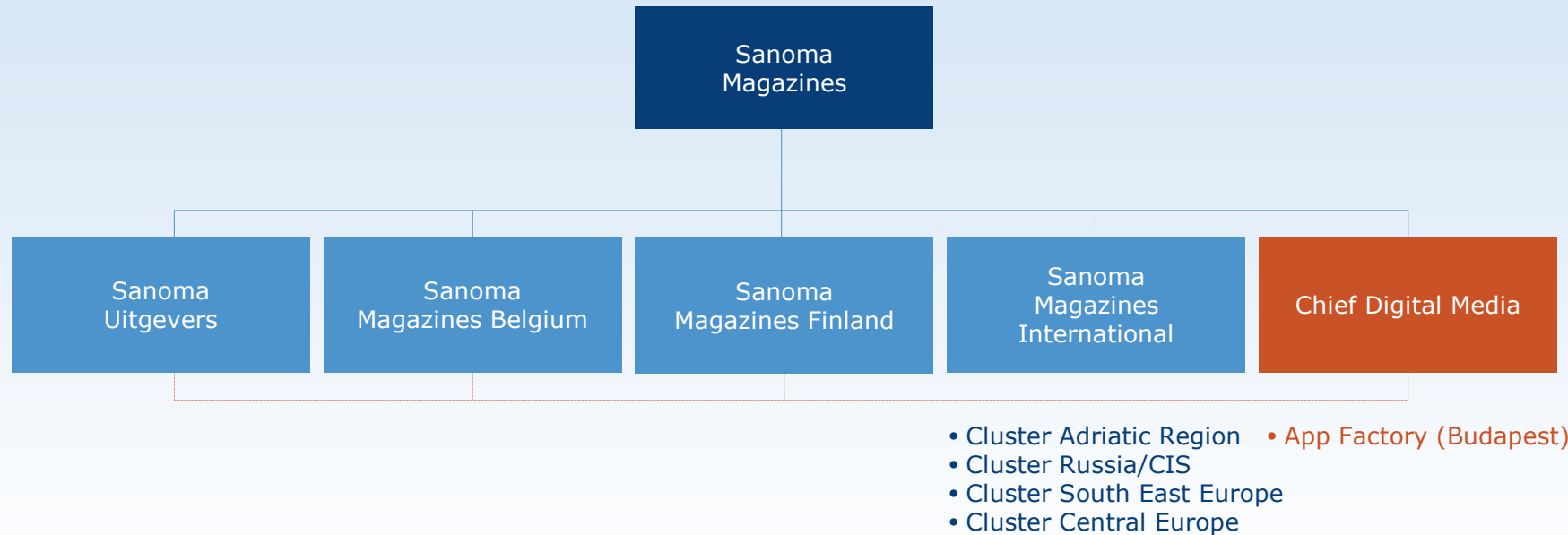


iPhone/Smart Phone Apps

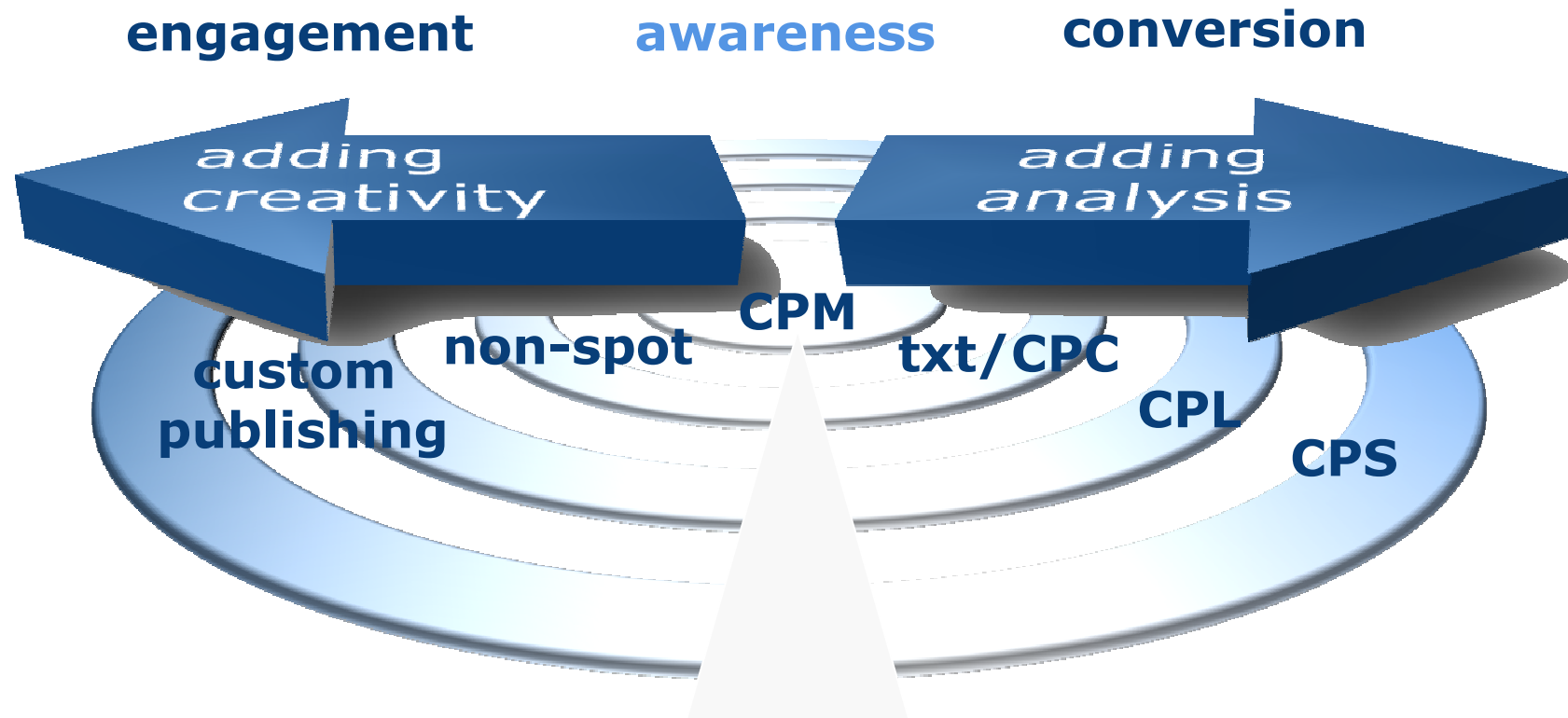


iPad/Tablet Apps

We have expanded our geographical organization with a functional focus on digital media



Continuing our digital strategy of 'moving out of the middle'



Aiming for market leadership in identified strategic areas and mobile publishing

Align with/contribute to Sanoma Group ambition



- Strengthen position in price and services comparison
- Selectively acquire positions in verticals and classifieds
- Safeguard positions in directories, pursue growth options opportunistically

Create position in mobile publishing



- Develop and launch apps exponentially
- Expand mobile App Factory

Priorities determined on market position and level of maturity

PRIORITY THEMES

- Comparison
- Mobile: tablet publishing
- Selected classifieds
- Directories
- Women's themes

LEAD COUNTRIES

- (Bulgaria)
- Hungary
- Netherlands

FOCUSING ON:

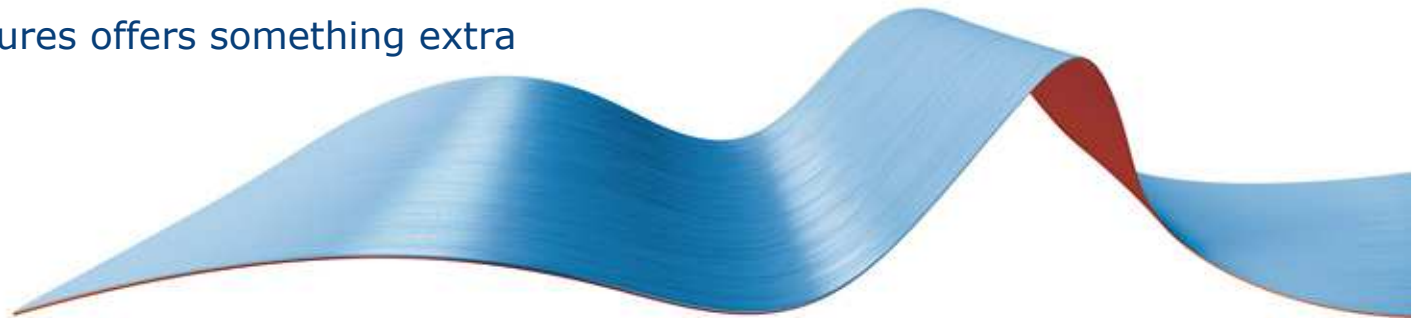
- Stabilization and expansion leading positions
- Increase professionalism, profitability and network effects
- Consolidation where possible

ROLL-OUT TO OTHER GEOGRAPHIES

- Copy concepts
- Learn from 'mature' companies
- Re-use technology

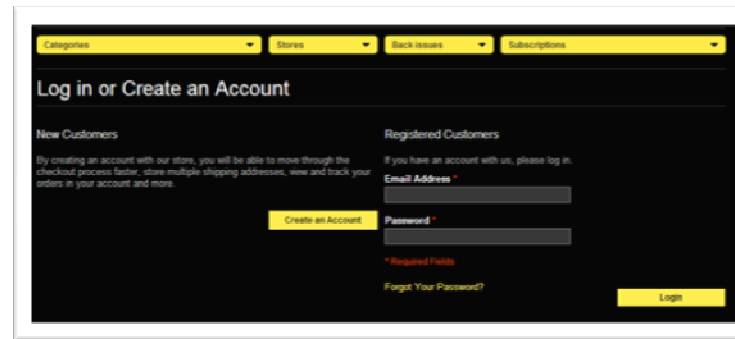
Stepping up efforts in mobile media

- Getting on the learning curve
- Piloting and copying successful concepts
- Opportunity to bridge magazine skills & USPs with digital media
- Combination of aspirational/inspirational magazine features with technology features offers something extra



Two-pronged media business model needs to transition to digital space

Advertising alone is not sufficient



Paid content expected to grow to 10-25% in B2C publishing

Paid content offerings need to feature more than content



New user interfaces, interactivity, dedicated services, product offerings bundled together (brand subscriptions)

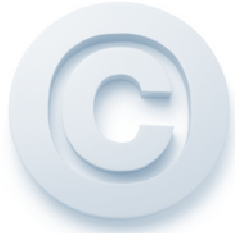


Differentiation in product offerings based on platform: the internet, mobile apps, e-readers

Key Success Factors:

1. Compelling content
2. Controlling the customer experience
3. Controlling the customer data generated by those transactions

Transitioning Sanoma Magazines requires additional skills



CONDITIONS

- Brands
- Market position
- Rights
- Financial means
- Capabilities



FUNCTIONAL CAPABILITIES

- Copywriting
- Photography
- Graphics
- Context
- +
- Audio
- Video
- Interactivity
- Real time
- Databases



COMMERCIAL CAPABILITIES

- Sales:
- Affiliate deals
 - Performance-based
 - Multimedia knowledge
- Marketing:
- Pricing models
 - Consumer insights

The mobile ecosystem is a competitive arena crowded with opportunities & threats

Developers create apps: small & large companies, people in attics...



After development, apps are published through digital stores on mobile devices



publishing costs



Non-traditional companies act as cashier and collect customer data

Advertising provided by publisher or device maker (iAds, AdMob)



Consumers can download apps;

- For free
- Paid: via store-provided payment method
- Paid: via publisher-provided payment method



consumer and/or advertising revenue

With the right brands, mobile media adaption is lightening fast

- NU HD iPad app (NU.nl news):
 - Launch date: July 22 (release iPad device in NL: July 2010)
 - Downloads: >65,000
 - Pageviews: 7,000,000/month (August 2010)
- NU.nl smart phone apps:
 - NU iPhone app downloads: >425,000
 - NU Android app downloads: >75,000
 - NU sport iPhone app downloads: >72,000

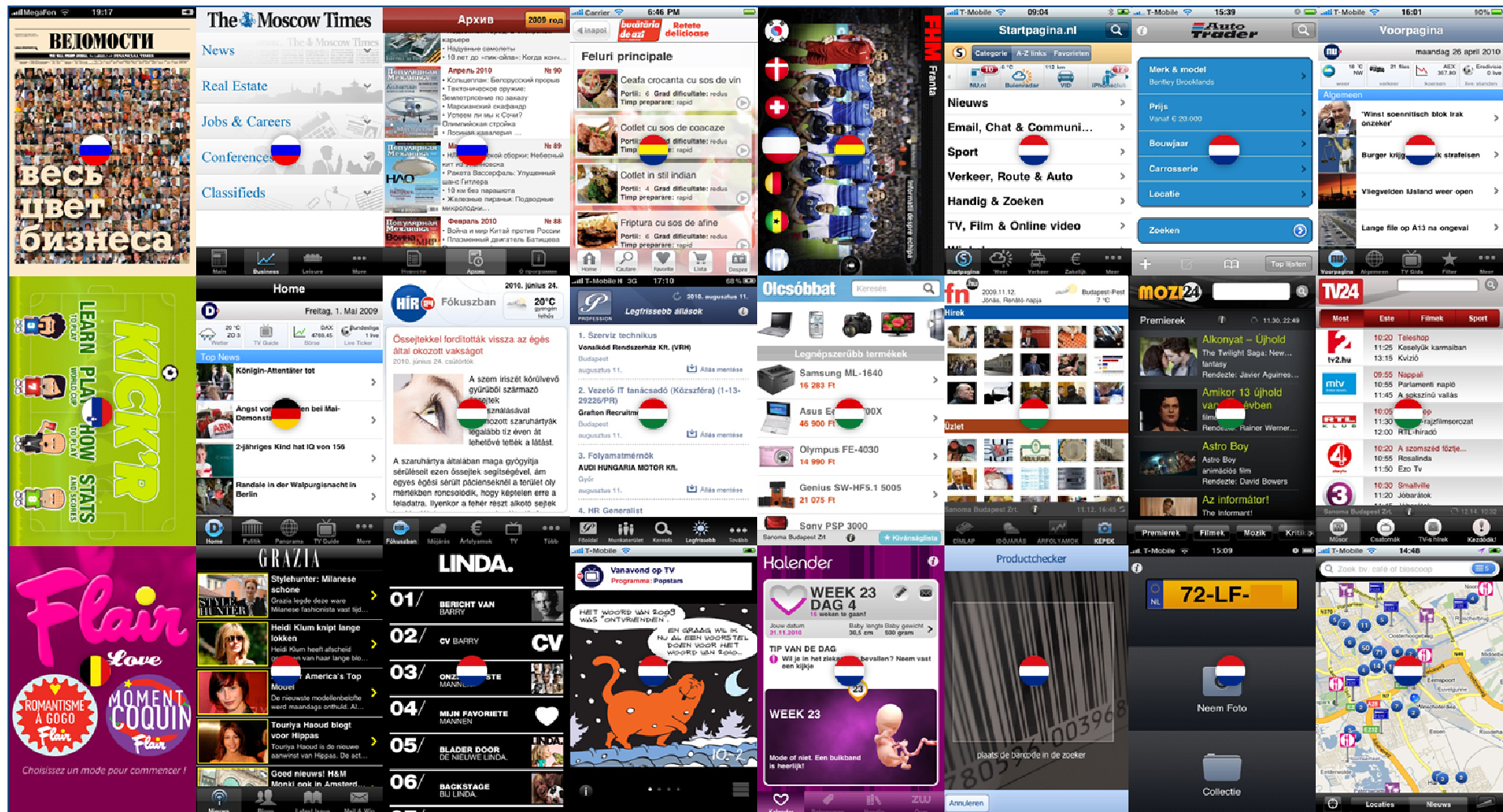


Hungarian apps factory leads the way to international leverage of apps production

- Sanoma Magazines World Cup Soccer 2010 iPhone app
 - In iTunes App store in time for kick-off
 - Seven languages including English and German
 - Worldwide release
 - One-off development costs; free re-use
 - No. 1 in iTunes store in CR, FIN, HU and NL
 - Sponsored by Coca-Cola in Hungary
 - Branded FHM in Romania
 - Paid app (€1.59) in Netherlands (>5,000 downloads), competing apps were free
 - Aggregated no. of downloads: >50,000



Entrepreneurship, trial-and-error and first successes with 36+ iPhone apps, in eight countries



From left to right, top to bottom: Vedomosti (RU), The Moscow Times (RU), Popular Mechanics (RU), Bućătăria de Azi (RO), FHM World Cup 2010 (RO), Startpagina (NL), AutoTrader (NL), NU.nl (NL), Kick'r (SI), Dnews (DE), Hír24 (HU), Profession (HU), Olcsóbbat (HU), FN.hu (HU), Mozi24 (HU), TV24 (HU), Flair Love (BE), Grazia (NL), LINDA. (NL), Rode Kater (NL), Zwanger.nl (NL), Kieskeurig Productchecker (NL), AutoWeek Kenteken (NL), Hier.nl (NL).

Magazines and digital are converging in tablet publishing in a tactile way

- The first Sanoma iPad magazine
- The first Cosmo on iPad in the world



NU.nl: advertising-funded

COSMO Russia: free app, in-app purchase single issue: \$2.99

AutoWeek NL: free app, in-app purchase single issue: €2.99

Potentially offering advertisers unique and attractive propositions



THANK
YOU




Sanoma
MAGAZINES