

Sanoma

Anna Tuominen

Good morning, and warmly welcome to hear about Sanoma's latest significant acquisition. My name is Anna Tuominen, I'm from the Investor Relations team of Sanoma. Before we begin, just a few practicalities. This event is webcasted live and you can follow it on our website, sanoma.com. We will first start with a presentation. Afterwards there is time for questions and answers. The presentation is also available on our website. Now, let's begin by looking at what we actually bought.

Video clip

Attracting and entertaining mass audiences is a challenging proposition, a challenge taken on by SBS Broadcasting since it was founded in 1989. While providing our audiences with a steady flow of quality content, SBS Broadcasting is proven to meet the demands of an ever changing market. Research has proven that TV will maintain its pole position in media consumption through the years to come. If there is one characteristic for SBS Broadcasting, it's being innovative. The SBS channels always manage to amaze their audiences and its advertisers with new and revolutionary concepts, realising substantial market share, and, at the same time, keeping financial performance fully balanced and on target.

The combination of people, content and resources secure channel positions within the top ten of all major cable networks. Our channels provide full national coverage, analogue, digital, terrestrial, IPTV and satellite. To investors, our track record and future outlook translates into an attractive value proposition, a strong position in an ever growing and profitable market. SBS Netherlands, the number one consumer media house and SBS Flanders, the challenger with profitability leadership, a clear path towards additional value creation, broadcasted media can entertain, activate and involve millions. It is, and continues to be, the biggest driver of mass audiences. Your interest in SBS Broadcasting expresses that you embrace the opportunity to explore new territory, an attitude that brought us both where we are today. Curious about tomorrow?

Anna Tuominen

So, in short, that's SBS. Now I would like to hand the floor to our CEO, Harri-Pekka Kaukonen, and later on, CFO, Kim Ignatius.

Hari-Pekka Kaukonen

Ladies and gentlemen, it's with great pleasure today that I have the opportunity to announce our latest transformational acquisition. It's about exactly ten years ago when Sanoma acquired the magazine assets of VNU and with that, made a big leap in internationalization of the company. I think what we are telling you today is also a substantial transformation of Sanoma's consumer media business, and I think it will put us in a really great position for the future media landscape.

If we look at the transaction in brief, we're buying the free-to-air TV operations of SBS in the Netherlands, and in Belgium from ProSieben Sat1. We're doing it with prominent partners. We're doing it with major leading content providers, or programming houses in both Netherlands and Belgium, and then in addition in Belgium, we also have Corelio as a key partner and Corelio is one of the strongest media houses in the Flanders area.

With this acquisition, we are changing our position in two of our key markets. We are going to form a number one media player in the Netherlands, and we're going to substantially improve our position in Belgium. To some extent in the Netherlands we're creating a similar set of assets, and also in Belgium, that we have today in Finland, a strong multiple media position. The total acquisition price of these assets, in terms of enterprise value, is EUR 1,225 million or €1.2 billion and that transforms to an EBITDA multiple of 10.6 under 2010 numbers. This will require the approval of the Dutch competitive authorities, but we expect closing to happen sometime during summer.

Why are we doing it? First of all, this is a big step and consistent with the line that we have been having. Focus of our strategy is in consumer media and learning, and what we are doing now is taking a major leap in our media business, so we are really repositioning the business in two of our main markets in the Netherlands and in Belgium. As I've already mentioned, so we're creating a strong multiple media position. In fact, Sanoma will become number one media company in the Netherlands, so we'll be number one in Finland in total, and number one in the Netherlands, and also with this partnership we will substantially increase our position in the Belgium market.

TV is the main mass market and we will increase our consumer reach in both markets through the acquisition of free-to-air TV. We will have multiple new consumer touch points every day in both of these markets. And really what we're believing is that combining these TV assets with Sanoma's strong position in the magazines and in the online side will create the possibility for us to cross promote and to create cross media concepts, and with that, if you also look more deeply into the type of consumer segments we've presented with our strong consumer titles in both markets, () and women and also when you look at the channel positions of the TV assets, you can see that there is a very nice overlap in terms of the audiences that we would be reaching.

We believe that free-to-air TV and TV in general, is a strong platform also for the future. We have seen that in the recent development it has bounced back very nicely after the crisis, and also seems to have a certain stickiness and the short and medium term prospects are quite good. We do agree that there is an ongoing change of TV going into more non-linear platforms and that will change to the landscape. We also believe that free-to-air TV is a very nice platform to offer new kinds of advertising solutions for our media customers so we believe that buying a position in free-to-air TV gives us also a platform to be relevant in the future transforming media landscape. And lastly, this is a unique opportunity. These TV assets are very rare, this is a number 2 player as I'm going to show, in both Dutch and the Flanders market and this was an opportunity that made sense for us, and which we took.

Value creation is, of course, why we do it, and I already mentioned that the cornerstone of this is really the combining of our positions in multiple media, so we will combine the SBS TV operations. We will have the strong programming expertise of our key partners. We will then put into the mix our competencies, our strong brands in magazines, our

consumer reach and our know-how in print, online and also the TV operations that we successfully drive here in Finland. And this, we believe, gives us the possibility to create truly the next generation media experience for consumers and our media customers in the future.

The value creations specifically will come from three sources. We believe that with our strong content partners we will be able to improve the position of these free-to-air channels in Netherlands and Belgium. Secondly, we have already seen in Finland that there is a substantial opportunity in cross promotion and also delivering cross media concepts, so delivering our strong titles and brands and concepts across the different channels, and then later on also combining content from different sources and provide a new type of offering. And this will provide us with a platform for a third source of value creation, which is really the future digital business opportunities. Having TV also in the mix will dramatically improve our possibilities to create new types of interesting offerings both for consumers and for our media customers.

What is the benefit for consumers and advertisers? We're doing it to be able to better serve both of our customer classes, if you want. We believe that with our strong content partners, we'll be able to provide best in class TV content that will excite and attract the audiences. We already have mentioned that this is a platform for us to be able to develop the new media offering for the future, and with that, we'll be able to, in the future, provide the themes and cater for consumers' needs in any which way they want in the future. To advertisers this will extend our possibility to be able to offer new types of advertising solutions. By combining our subscription data bases, online access and information with the TV we'll also be able to provide a broader set of consumer insight to our media customers.

TV is at the core of what we're doing. I already mentioned that we believe in TV as a platform, and here I mean TV in a broad sense. TV is in a stage of development. It is defining itself, it's becoming non-linear; people want to access their programmes whenever and through whatever channel they want, and what occasion, and not only look at just this linear type of TV broadcasting.

We're seeing that TV share in the time spent is surprisingly stable. It is stable, it has been and there is nothing that dramatically is going to change that, in our view. TV is also very nicely and interestingly integrated into, for example, social media because TV is the way by which phenomena are being created and it's being explored and viewed in different kinds of media so this is really a powerful way to be part of the consumers' life and their experiences.

And for advertisers there are still, and will be needs to reach a big audience in an everyday manner, you need the mass media reach and TV is by far the best choice for these kinds of media and advertising needs. And we believe that in our market being in free-to-air TV, being a broadcaster gives us the possibility to explore and build on these new opportunities, and, therefore, it is a fundamental cornerstone, combined with the other assets and capabilities and brands we have, to really become a strong player in the digital transform media landscape.

This chart just shows a time series of the share of viewing, or this is what actually we're advertising, but the viewing is similar of the share of TV advertising. As you can see, in

terms of percentage it has been remarkably flat over a period of close to ten years, and according to prognosis, they're of course forecast, but also looking at the dynamic steps going on in the underlying market, this is very likely to remain also during the next couple of years.

A few words more about these new assets, which we are very proud to have as part of the Sanoma family. The SBS Netherlands is a substantial TV operation. It's more than 300 million in revenues, it's the number two commercial TV player in the Netherlands, with a 27% share of the Dutch TV advertising market. They operate three TV channels: SBS6 is a very famous and popular family oriented channel with 12% prime time viewing share. Then we have NET 5 which is a women oriented channel, and Veronica for men so we have something for both the women and the men in the Netherlands. In addition we are acquiring the leading TV guide, Veronica Magazine, which is... which has a circulation of more than 800,000 copies.

You already saw in the clip some of the channel profiles, and it is fair to say that there's a strong programming mix that we will further strengthen with the help of our content partners. The viewing shares already mentioned, no, I mentioned the advertising market share, but the viewing share last year was about 24% and as you can see the TV advertising market share was higher, and which means that, which is positive for TV operations that we have a clearly strong power ratio in attracting advertising revenue to our offer.

Then, if you look at SBS Belgium, it is also a strong TV operation; it is number three in Belgium overall, number two in the Flemish market. The Flemish market is really important for Sanoma as a whole, also because that's where we're particularly strong in our magazine business. And by coincidence the share of TV advertising is the same 27%, and in Belgium there are two channels so there's BT4 which is a young family oriented, more general channel. It's a more women oriented prime time with a 5% viewing share. And some examples of programmes... you get the flavour of that. Similarly to the Dutch market, the advertising market share is substantially higher than the viewing share, again a proof that the concept and actually the channels are strong and are able to attract a good share of advertising market in the Belgium, in the Flemish market.

A few words on top level financials, and Kim will describe and open this more and also what the implications are for Sanoma's result and elements of the balance sheet. In total, the revenues last year of these TV assets and the print TV guide was a bit more than 400 million, and with high profitability and EBIT of €110 million. There are about 650 people, out of which more than 500 in the Dutch side, and about 100 in Belgium, and you can see the revenue split in the chart.

Partners: This is a cornerstone, you know, good, strong valuable TV assets is one of the cornerstones that we're buying and with that the position in the multiple media landscape. The other fundamental cornerstone of this consortium that we deliberately chose was to have strong content partners in our transaction. In the Netherlands we're teaming up with Talpa. Talpa is a company owned by John de Mol, and John de Mol will give his greetings in a minute to you, and Talpa is really, and John de Mol actually is the father of Big Brother and Talpa is the source of multiple world leading TV formats.

In Belgium, we're going to partner with two bodies already mentioned. The content genius comes from Wouter Vandenhoute & Eric Watté who are major owners of Woestijnvis, of a programming company and it's a bit of a more complicated company structure, but Kim will open that more in detail, and then, in your traditional Belgium manner, I guess. Corelio will be the other major partner, and Corelio is one of the bigger media companies in Belgium, so we have both a strong media partner and a strong content partner in Belgium. And now I would like to give word to John de Mol and a brief clip of Talpa, so please...

Video clip – John de Mol

It's all about content and it's all about brands. Sanoma and Talpa both have a great number of strong brands. That's why I'm delighted to partner with Sanoma in buying the three SBS stations in the Netherlands. SBS6, NET5 and Veronica also are strong brands in this country, so for me, as an investor in media, it's a unique and very interesting deal. At the same time, my development and production company Talpa will profit from the deal because we get three more stations to work for. In Talpa's philosophy, home market Holland is also our test market. International exploitation follows on proven hits at home so SBS still will help us to enlarge our number of successes abroad. That's good news for Talpa, but also for SBS and for Sanoma.

Hari-Pekka Kaukonen

Thank you, John, for those kind words, a bit more in detail, so as mentioned, Talpa is really the content factory of John de Mol, and it constitutes of several companies around content creation and distribution, and you can see a few of the concepts in this chart, and "The Voice of..." is one of the more famous ones in recent times, and we are also going to introduce it to Finland in Nelonen in the coming... next year.

In... also likewise the partnership in Belgium through Wouter Vandenhoute & Eric Watté will provide you strong local content and Woestijnvis or Desert Fishes, is really one of the most successful Belgium content providers and also with internationally sold formats and extremely strong in local Belgium content and the Belgium TV market is such where the share of local content is even higher than many other markets, and therefore having a partner that has strong local content is particularly important and interesting. And also as a remark, the cooperation with Wouter and his team has started already two years back through the fact that Sanoma Magazines has been a 25% owner of Desert Fishes, which then again owns the production company, Woestijnvis.

And finally we're very proud to be working together with Corelio. Corelio is one of the leading Belgium media companies and particularly strong in daily newspapers, but also activities in a number of other media fields and they have been also a partner with us in the sense that they have been an owner of DeVijver before which is coupled to what I also described with Sanoma magazines, Belgium ownership in Belgium. So we feel really good about being able to work together and form this deal with these strong partners that will help us to really create the stronger TV assets but also to work together to also extend the TV assets to the online space and the non-linear platforms.

So what will Sanoma look after the transaction? Just a few comments on that: It is clear this is a significant step up in the media division in terms of revenues. Media will

constitute then more than half of Sanoma revenues and, of course, given the very high profitability of these assets, the share of profits will be even higher.

Our geographic distribution will also change. Holland will become 30% after this, so really Finland and Holland will constitute more than 75% of the group revenues, and what I would like to mention here is that in Finland and Holland we're going to be number one consumer media companies with strong sets of multiple media assets where we're going to be number one or number two in the different segments, so in Holland we will be number one in magazines, number two in TV and number two in online. And in Belgium, we're going to, through this partnership, also have a multimedia platform that will enable us to also do and extract cross promotion benefits, and also then, together with partners, work and challenge the leadership in Belgium in the time to come. So I'm very comfortable and confident, and this will significantly strengthen Sanoma's both geographic and portfolio and is a major step forward in our media strategy.

With that, I would like to give word to Kim who will then go through the financial implications of this transaction. Please.

Kim Ignatius

Thank you, Harri-Pekka. My name is Kim Ignatius. I'm the CFO of Sanoma, a corporation where we're all glad to have you here this morning. What I will do in my presentation is walk through the financing arrangements, the structure behind the financing, and will also point out then and discuss some of the implications that the transaction will have on our capital structure going forward, and also on our financials overall.

As discussed here already, the total enterprise value of the transaction is EUR 1,225 million, and it's clear that the major part of this enterprise value is linked to the Dutch assets which are clearly bigger than the Belgium ones. The total investment in equity from Sanoma into these two assets adds up to €566 million. Sanoma's consolidated net debt will increase through the equity injection, which is debt finance, and through the additionally consolidated net debt of this structure, all adding up to a level of close to 900 million, and taking a total consolidated net debt level of Sanoma to 1.9 billion as an estimate for the end of second quarter. As you all know, Sanoma has its highest level of net debt at the end of Q2, just having paid dividends for last year, and also understanding that the majority of our cash flow from operations actually comes in during Q3 and Q4.

If we look at the financing structure per market starting with Dutch arrangement, as discussed, the ownership structure for the Dutch asset will be Sanoma having 67% of the equity in the company and Talpa holding 33%, and, of course, the equity injections will be in the same proportion. In addition to the equity injection, the transaction is financed through debt financing and from two sources, through an external bank loan taken by Sanoma Image TV, which is the acquiring company and in addition to the external loan, Sanoma Corporation will provide 175 million internal loan to the acquiring company, which will then pay the consideration for the sellers. Both the equity injection from Sanoma Corporation plus the debt financing provided by Sanoma is provided in the form of bank loan.

Looking at the structure in Belgium, same principle pretty much, we have two parties in this structure. The ownership will be one-third for each. At the same time, when acquiring SBS Belgium, we will also bring two other assets into the same entity, the other one being HUMO, a Belgium magazine where we today have a 51% ownership, a business of roughly 40 million on annual basis, and a profit of 7 million in our accounts.

Secondly, we will bring our 25% shareholding in Desert Fishes, a TV production company where the associated income that we are booking currently is then being transferred into this new entity. What we're building here is a strong powerhouse, combining all these three assets. Because of the additional transactions we're doing here, the equity injections from the three parties are not exactly at equal amounts. In addition to the equity injection, as in the Netherlands, also in this case, the acquiring company being DeVijver, will have some additional bank debt financing to be able to pay the consideration to the seller.

How is the financing being arranged? It's a combination of a syndicated five-year term loan or some syndicated five-year term loan facilities adding up to 609 million and a short term bridge-to-bond facility of 250 million, these two adding up to a total of €859 million. The bond, bridge-to-bond facility will be converted into a long term bond issue later this year. The margins for the syndicated term loan will be between one and two percent, depending on the leverage that Sanoma Corporation will have on a consolidated basis. The mandated arrangers and underwriters for this transaction what comes to financing are BNP Paribas, ING and Nordea.

Sanoma will stay well within its existing financial policy, as, well, continues to have quite a lot of headroom when it comes to the financial covenants. One thing I would like to point out here when looking at the covenants is that when calculating net debt to EBITDA there's an impact from the programming rights which we will book as intangible assets in Sanoma's accounting and amortized. This is the practise according to IFRS, and also the practise we have had with Nelonen Media for some time. This accounting does not have any impact on our EBIT numbers compared to the accounting practise that the seller is having, nor will it have any impact on cash flows. It will technically provide some headroom for us in terms of our covenant calculations. The existing facilities, mainly the €802 million facility will stay in place intact. The needed debt financing for the Belgium structure is being arranged by the acquiring company, DeVijver.

Then looking at some numbers and maybe at this phase more looking at some items that will have an impact on our financials going forward. To start with, what we're showing here is Sanoma's 2010 numbers that you are all very well aware of, plus a pro forma calculation on the SBS asset showing the consolidated net sales and the consolidated pro forma EBIT levels and the accounting behind these net sales and EBIT numbers are a 100% consolidation of the Dutch operation and a one-third consolidation of Belgium operations.

It is, of course, a bit open yet when the, exactly when the transaction will be closed. Also the purchase price allocation that we have now done to support these numbers is preliminary, as will be the final goodwill amount, so these numbers that I'm discussing here today represent our best understanding of them as we stand. There will be recurring effects and non-recurring effects from the transaction. From the recurring effects, the first item is preliminary amortisations. Some of the purchase price allocation items, one being trade names, which will bring us a 7 million per year amortisation during a 20 year period.

Secondly, there are customer and distribution relations to which we have allocated a part of the purchase price and this will have an impact of 4 million per year during the coming 12-20 years depending on the categories.

We will also have some capitalised finance cost related to arranging the financing for the transaction, and of these, the yearly amortisation will add up to 2 million and is for five years going forward. In the non-recurring effects, we will have transaction cost at the level of 10 million. These are advisory fees etc. for this process, which we will book at the time of closing the deal. Part of the PPA, purchase price allocation, goes to an order backlog of €32 million and this is amortised during the first six months, meaning that if the deal is closed during the summer then the maturity of this amount will then hit our numbers already during this year.

Then two additional comments what comes to earnings per share: our prognosis forecast for the coming years show that this transaction will be earnings per share aggressive already from 2012 onwards. The estimated goodwill from this transaction, from the total transaction, is 900 million. The goodwill is actually created already on the acquiring companies' level, and when consolidating these operations it actually means that the total goodwill of 900 million will then hit the Sanoma Corporations consolidated, Sanoma Group's consolidated numbers. At the same time, we will book as equity the non-controlling interest that we have in these two entities.

Looking at our guidance going forward, previously our guidance has been that our sales and operating profits excluding the non-recurring items were expected to decrease slightly. The impact of this transaction which, of course is a bit open still, depending on the time of the closing is still estimated that our net sales are expected to increase somewhat, and our EBIT excluding non-recurring items is expected to improve slightly.

This finalises my part of the presentation and I would like to ask Harri-Pekka to come back and give a summary of this transaction.

Harri-Pekka Kaukonen

Thank you, Kim. So I will just try to wrap this presentation part up with summing what Kim said up to now. So this is really an acquisition that will reposition Sanoma's consumer media business in two of our major markets. We will form a leading media player in Netherlands, and substantially increase, and improve, and strengthen our position in Belgium.

This is perfectly in line with our strategy to focus on consumer media and learning, and really the underlying logic here is the combination of this strong SBS TV platform and assets with the programming expertise of Talpa and Woestijnvis or DeVijver. That, combining with Sanoma's strong brands, our high class know-how in print, and online, and TV operations, to really form the platform for future media offering in the transforming media landscape.

Shorter term this will give us possibilities to cross promote across our different media channels: TV, online and print media, and in that they support our different brands and businesses, and longer term it will give us the possibilities, the know-how, the assets, the resources to really build the new services and solutions for the future media landscape.

I'm very happy to be here today. I think this is a really, really fascinating opportunity for Sanoma and a unique opportunity to create something really fundamentally different for the consumers and our customers for the future. Thank you for your attention. I think now we'll open up for questions.

Questions and Answers

Anna Tuominen

Now we have time for your questions. We also have Anu Nissinen from Sanoma Entertainment here, and we'll start with questions here at the room, then we'll have time for questions over the phone and please wait for the microphone before asking questions.

Sami Sarkamies, Nordea Markets

I have two questions. Let's start with deal rationale and sort of value creation aspect. Sanoma Media is a rather new unit and sort of you've been trialing this cross media in Finland for a couple of months now. What makes you so confident on this marriage between magazines and TV? Are there any good examples outside Finland that sort of make you comfortable, can you please elaborate on this?

Harri-Pekka Kaukonen

Yes, I can, and I think Anu can then complement. We don't even need to go outside Finland because we have good examples of cross promotion, how it works in Finland as well, and we have done it, and we have reaped strong benefits of it. There's much more that we can do. We have so far been focusing quite a lot on individual business units but by this governance model we have been actually obtaining quite substantial benefits in Finland.

There are also some examples if I look at the Belgium market and look at the XXX group who actually have assets that really cover the same audience base. They have actually been able to have quite nice growth year on year by pretty much, you know, leveraging the total pull, so there is a certain cross promotion benefit. I think with the digitalisation, the possibilities will just open up in a dramatically different way, so there is a bit of promise there as well, but we are confident already about the short and medium term benefits that we see in the business. Maybe Anu, if you want to give some examples from...?

Comment [SS1]: "the Pöör Group"?

Anu Nissinen

Yes, well, as Harri-Pekka stated, TV is really best position to build phenomena and build those topics, and print, and, of course, online we shouldn't forget this, it's a combination of all these three. Really there's a lot of opportunities when it comes to content or advertising cross promotion and we have both international as well as more and more domestic examples of that.

Sami Sarkamies, Nordea Markets

My second question goes to Kim. I believe. Can you say a few words about how comfortable you are with the balance sheet after this transaction, it will push your, sort of, net debt to EBITDA to quite a high level. What sort of plans do you have on, for example, through divestments to sort of work on the situation and sort of improve your position; any comments on that front?

Kim Ignatius

Sami, it's clear that this stretches our financial flexibility quite a bit and what comes to the covenants, as was discussed already, actually with the covenants or with our financial policies don't have an issue, and that is partly related to the accounting treatment that I described to you. I think the pressure will be more than with the covenants in the cash flow generation and we really need to pay attention, that both in the operating assets that we are now acquiring, but also other, in other places in Sanoma's operation, there's a lot of focus on the cash flow going forward.

What comes to any divestments, we continue pursuing our portfolio strategy, as you know, and we've been active with that lately and any proceeds from these type of transaction, of course, can be at least partly utilised to lower the leverage levels. We will work on a bond issue later this year. That's one way to at least reduce the current amount of facility that we have and so on, but cash flow is really going to be on the top of the agenda for all of us for the coming years.

Mikael Doepel - Handesbanken

Couple of questions: firstly, cross promotion and kind of top line synergies: would you expect to get any synergies on the cost side from this transaction?

Harri-Pekka Kaukonen

There are not going to be a lot of cost synergies. First of all, the number of people is 600 people. It's a pretty distinct operation. With time I'm sure we will be looking at what makes sense in support functions in these areas, but really the front line, the customer facing operations, they are quite distinct, so it's more revenue synergies that we're talking about, and also I think we have to remember the other element is that with the partners, the strong content partners, you know, just the stand-alone improvement of the viewer share and thus the performance of the TV channels is possible.

Mikael Doepel - Handesbanken

Then a second question on learning solutions: This kind of stretches your balance sheet at least to some extent right now. How do you view the learning solutions business, you've been been talking about expanding that as well for a couple of years and is this kind of on hold now or what you're thinking?

Harri-Pekka Kaukonen

No, it's not on hold, but I think we have to be realistic at least for the, you know, short term with the financial stretch so it puts certain restrictions on what we can do, but while Kim says, we have to then work on other means to drive the headroom for continuing, so

the learning is truly a second strategic focus area and we haven't given up on that. On the contrary, we're looking at some interesting opportunities there.

Antti Blåfield, Helsingin Sanomat

How do you comment estimates that the price was far too high?

Hari-Pekka Kaukonen

First of all I think what we're buying is profitable operations. If we look at different benchmarks, if you look at average trading multiples, it's clear that there's a premium, you know, in any kind of deal. At the same time I think we're very confident that, you know, that underlying growth and the potential to improve the stand-alone assets and then the other synergy benefits that have been described will more than compensate for this. So yes, the price is high, no doubt, you know, it's a steep multiple, but we don't think it's unreasonable. I think it's justified by these components.

Kim Ignatius

And if I may still add, we have, of course, during the last weeks and months worked very thoroughly together with our partners both in the Netherlands and Belgium, working on the business case and the assumptions going forward and we feel comfortable with the enterprise value that we've got on the table.

Anna Tuominen

Now we're going to take some questions over the phone if we have some.

Mark Bradley – Deutsche Bank

I wonder if you could just say what the size of the bank claims is in the Dutch Holding Company and the Belgium Holding Company, and the second question is does Talpa have a right to put a certain number of hours of programming into the Dutch business or will the Dutch business be buying all of its programming on a fully arms length basis?

Kim Ignatius

I think we can probably split this answering process here, so if I start with the debt financing of these two assets, so in the Dutch entity, we will have external debt financing at the level of 87 million, and an internal intercompany loan from Sanoma parent to the operating entity at the level of 175 million. Currently, in the Belgium structure we have external debt finance and that is around 90 million.

Anu Nissinen

When it comes to Talpa programming on SBS channels, yes, naturally since Talpa is our preferred partner so we also want to have our Talpa content on SBS channels and, yes, we have agreed on certain programming hours.

Andrea Beneventi – Exane

Yes, good morning, gentlemen, thank you for taking my question. I have three of them if I may. To start, could you please help quantify the synergies that you expect of the acquisition, and second, when we look at the type of media that you bought, I was wondering how large is the contribution of print magazines in Netherlands, and finally, do you expect the acquisition to have an impact on your dividend policy?

Harri-Pekka Kaukonen

So, if I take, we're not disclosing the actual synergies, but I think, you know, you can assume that they justify our view on the enterprise value. It's also something that management is now really rolling up their sleeves to realise and start the detailed planning in this, in light of our experiences also from mainly Finland and what we're seeing abroad. We have also, at this point, chosen not to split up the contributions of the different assets, and there is also no planned or communicated change in the dividend policy.

Closing Comments

Anna Tuominen

Do we still have some questions in the room? If not, I would like to thank you for your interest and wish you all a happy Easter.