

# **Sanoma**

## **2011 – year of transformation**

President and CEO, Harri-Pekka Kaukonen  
Annual General Meeting, 3 April 2012

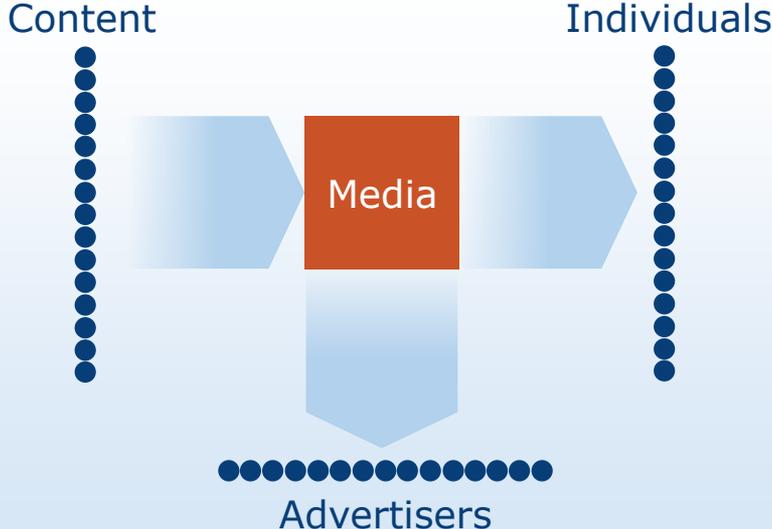


# Sanoma – market leader in chosen businesses and markets

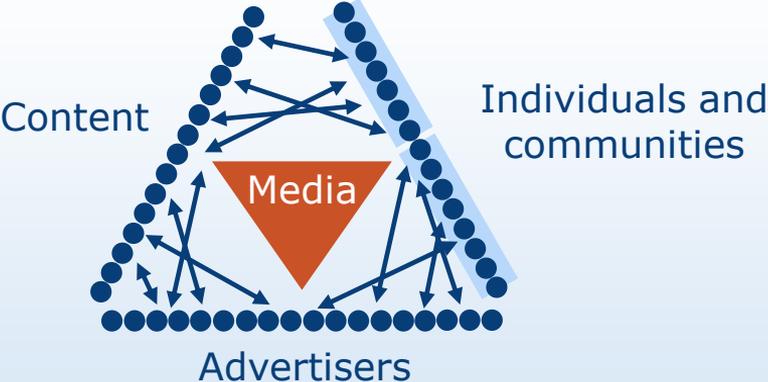
- One of the leading media and learning companies in Europe
- Focusing on consumer media and learning

# Role of media company changing

From...



...to

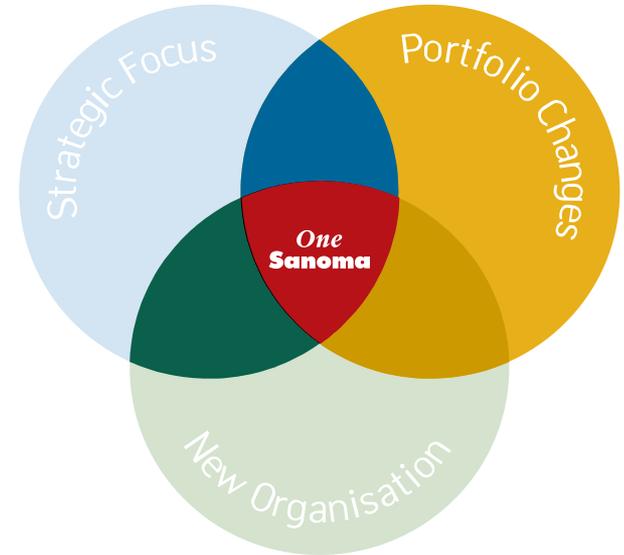


# Objectives of Sanoma's transformation

- Increase organic growth
- Speed up digital transformation
- Enhance efficiency

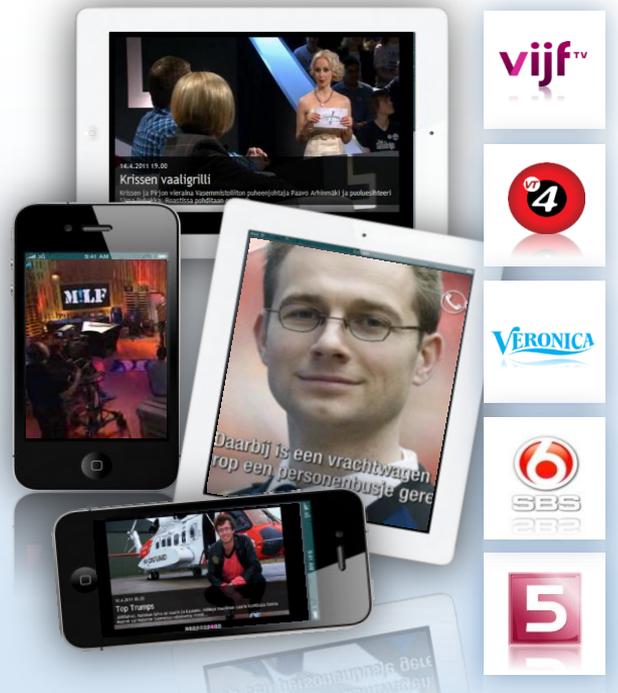
# 2011 – a year of refocusing and restructuring

- Focus on consumer media and learning
- Divested non-core assets
  - In 2011, movie operations, Finnish bookstores, general literature publishing, real estates and kiosk/press distribution in Russia, Romania and Latvia
  - Post 2011
    - Ownership in DNA in March 2012
    - Kiosk operations in Finland, Lithuania and Estonia as well as press distribution operations in Estonia and Lithuania, pending EU merger control approval
- Acquisition of SBS operations in the Netherlands and Belgium as well as learning assets in Finland and Sweden



# Acquisition of TV operations in the Netherlands and Belgium

- TV operations in the Netherlands and Belgium
- Sanoma's strong brands, magazine and online operations, and knowhow of TV operations
- Programming expertise from our partners
  - Leading consumer media company in the Netherlands
  - Stronger digital position
  - New multi-platform media offering for consumers and advertisers



# Market leadership based on strong brands, excellent content and loyal customers

#1 media company  
in the Netherlands and Finland

Among the top 5 magazine  
publishers in Europe

#2 TV player in the  
Netherlands and Finland

#1 newspaper  
publisher in  
Finland

Among the top 2 magazine publishers  
in all its 12 markets of operation

#3 TV player  
in Belgium

#2 media company  
in Hungary

#6 educational  
publisher  
in Europe

Among the top 2 educational players in  
all its 6 markets of operation



ESKEURIG  
Kymen Sanomat



esMERK  
a Sanoma company



Nelonen

RADIO HELSINKI

auto24.ee

perfekt

a Sanoma company

ruutu-fi



APOLLO



RADIO ROCK



PRINTCENTER



VERONICA

Startpagina

alles op een rijtje

MALMBERG

ETELÄ-SAIMAA

moustique



Young Digital Planet

Educational Publishing

BERTMARK

ETELÄ-SAIMAA



Kodin



Auto Week



Radio Aalto

O.O.K.W.E.L.L.

a Sanoma company

Startpagina

alles op een rijtje

aac global

a Sanoma company

KOUVOLAN SANOMAT

ILTA-SANOMAT

MeNaiset

libelle

TUJDSCHRIFT VAN HET JAAR!

oikotie.fi

COSMOPOLITAN

Vartti

kodin

metre®

HELISINGIN SANOMAT

JIM

Donald Duck

story

RADIO HELSINKI



LINDA.

vijf TV HUMO

margriet

# New organisational structure



CEO  
Harri-Pekka Kaukonen




# New priorities



- Four operational legs
  - Develop print business
  - Ensure profitable organic growth in TV business
  - Ensure profitable organic growth in learning business
  - Drive cross-media and multi-channel expansion through digital
  - Streamline OPEX and ensure financial flexibility
- Create a high-performance organisation
- Operational priorities set to promote innovation and ensure competitiveness

# Solid performance in volatile markets

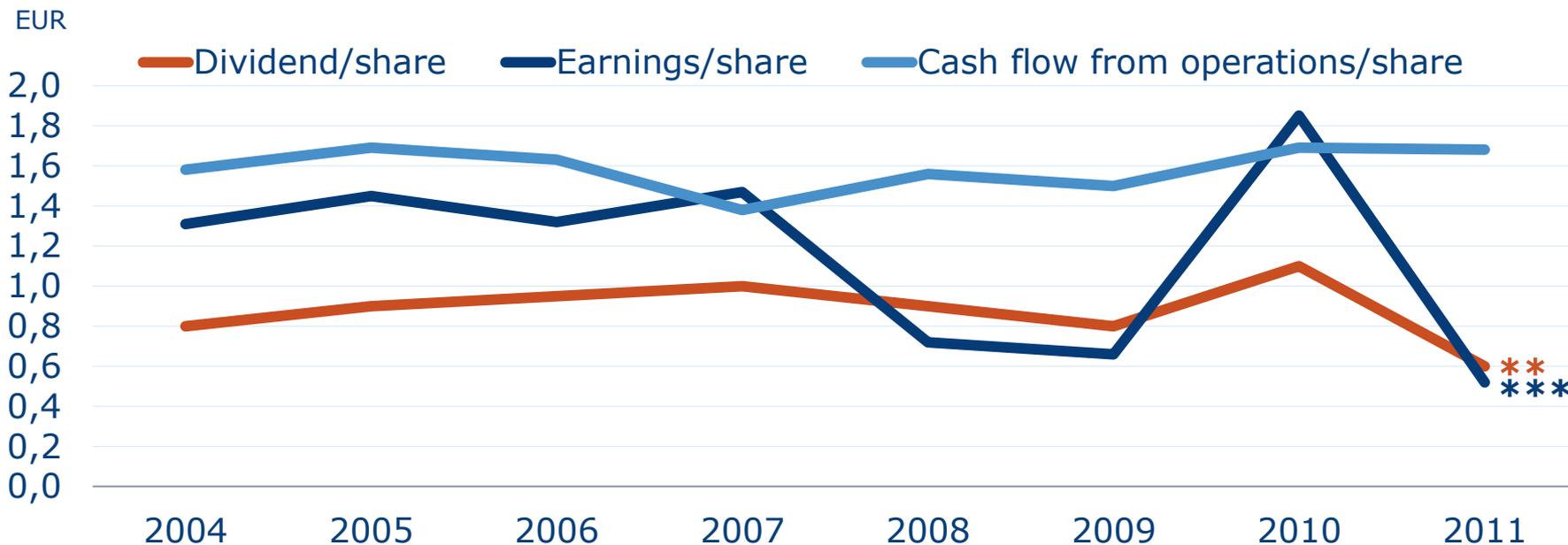
EUR million	<b>2011</b>	2010	Change, %
Net sales	<b>2,746.2</b>	2,761.2	-0.5
EBIT excl. non-recurring items	<b>239.1</b>	245.4	-2.6
<i>of net sales</i>	<b>8.7%</b>	8.9%	
EPS excl. non-recurring items, EUR	<b>0.87</b>	0.94	-7.6
EPS, EUR	<b>0.52</b>	1.85	-72.0
Cash flow from operations/share, EUR	<b>1.68</b>	1.69	-0.6
Dividend/share, EUR	<b>0.60*</b>	1.10	-45.0
Number of employees (FTE)**	<b>13,646</b>	15,405	-11.4

# Balance sheet

EUR million	2011*	2010*
Balance sheet total	<b>4,328.3</b>	3,203.0
Equity ratio, %	<b>37.0</b>	45.7
Net gearing, %	<b>105.7</b>	63.8
Interest-bearing liabilities	<b>1,727.2</b>	941.9
Interest-bearing net debt	<b>1,611.2</b>	877.9
Cash and cash equivalents	<b>116.0</b>	64.0

# High dividend yield – solid cash generation

Dividend yield 6.8% in 2011\*



Cash flow from operations stable over the years



\* Closing price 30 December 2011.  
\*\* Proposal of the Board of Directors to the AGM.  
\*\*\* Including non-recurring items.

# Other achievements

- Helsingin Sanomat Kuukausiliite: international layout awards
- Mobile Media & Marketing Award, Holland: AutoWeek iPad app
- Silver Spin Award, Holland: Donor campaign on NU.nl
- Website of the year, Holland: NU.nl
- Journalist of the year, Finland – Helsingin Sanomat Anu Nousiainen
- Article of the year, Finland – Ilta-Sanomat Arja Paananen
- Science journalist of the year, Finland – Helsingin Sanomat Timo Paukku



# Integrated process for content creation

Case study Helsingin Sanomat and Nelonen newsrooms



# Case study Ilta-Sanomat

## Ilta-Sanomat on suurempi kuin koskaan

Ilta-Sanomien ja iltasanomat.fi:n kokonaistavoittavuus 1932–2011, päällekkäisyydet poistettu\*



\* ei sisällä IS:n mobiilikävijöitä, teemaliitteitä, TV-lehteä tai Veikkaajaa

# Case study Ruutu.fi



# Success is built on our strong local market positions and our competencies

- Strong brands and concepts with inspiring content
- Leading consumer insight
- Our media, sales and distribution power based on our unique reach and strong customer relationships



We differentiate ourselves from our peers through our deeper and broader consumer media portfolio



**Inspires, Informs and Connects**

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