



Helsinki Media

# Finland's Leading Magazine Publisher

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Helsinki Media

Capital Markets Day, September 7, 2000



**SanomaWSOY**

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# Reorganization - Benefits for magazine publishing

- **Focus** on core products and core competencies
  - Related business processes, better alignment for business objectives
  - Efficient resource utilization, added sharing possibilities
- **Focus** on value creation
  - Market leader position clear and more easily communicated
  - Enhancing brand values becomes central
- **Focus** on strategy and growth
  - Clear strategic focus on selected target groups and profitable growth opportunities, including international expansion

# Present portfolio

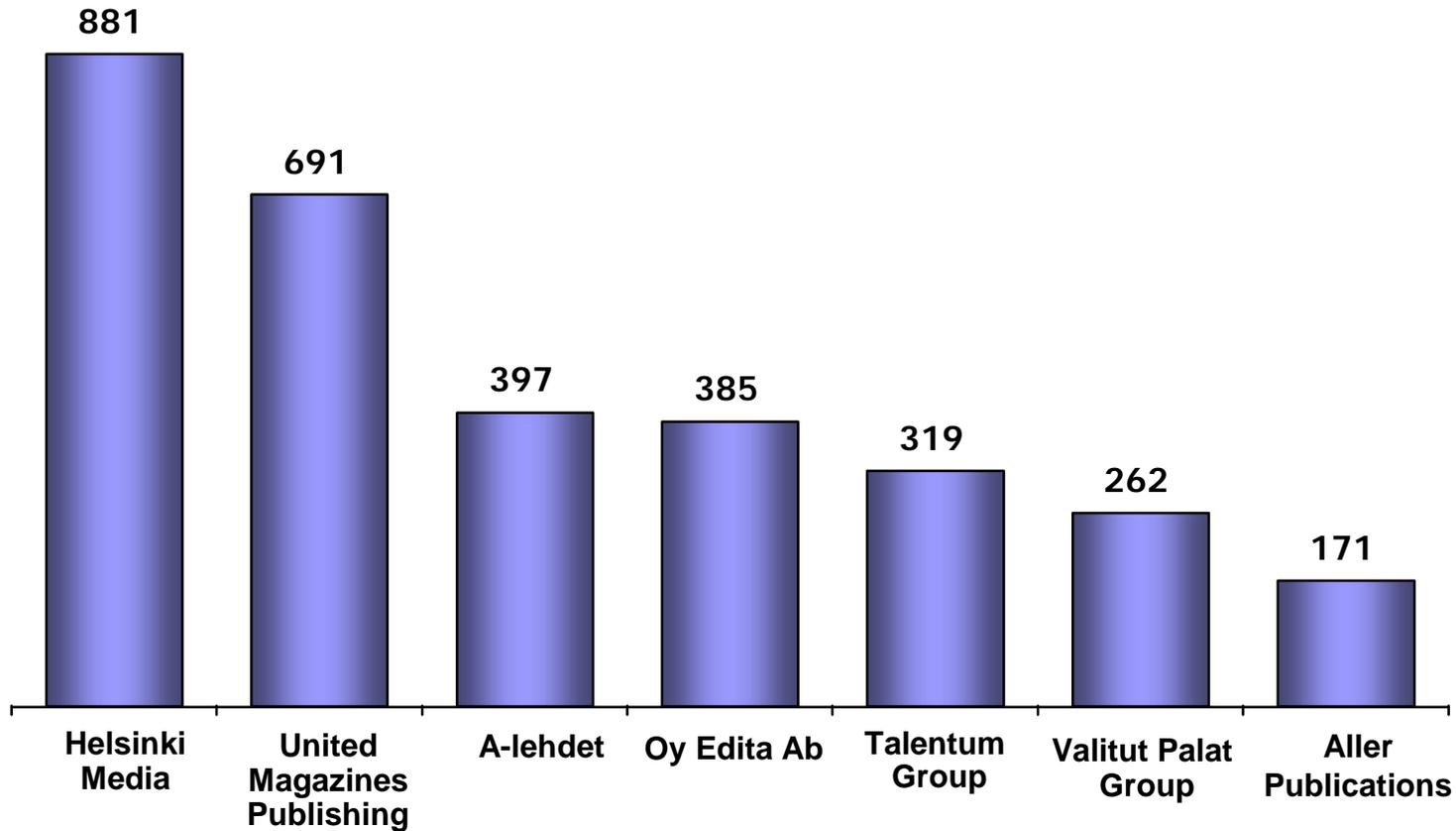
- **The leading Finnish magazine publisher**
  - Number one in revenue and total circulation
  - Market leader in high-value segments:
    - women & families, IT, children & juvenile
  - Defined strategy and road map:
    - emerging markets constantly evaluated
    - attractive new products included in the portfolio as financially sound projects

# Current financial situation

- **Profitable performance**
  - Estimated net sales (2000): over FIM 900 million
  - Positive cash flow

# Finland's Leading Magazine Publishers

(Revenues in 1999, FIM million)



Source: Annual Reports

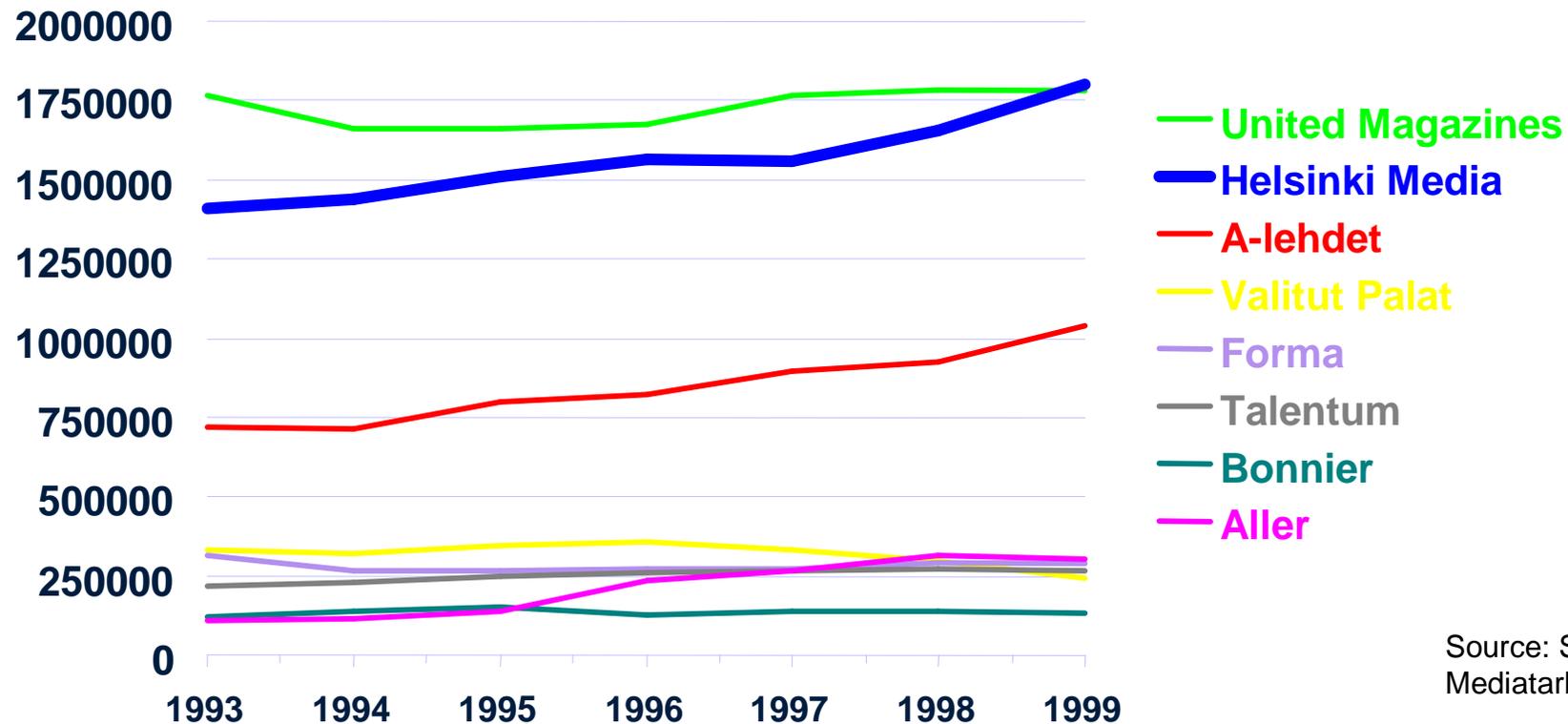


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# Finland's Leading Magazine Publishers

## Total circulation, 1993 - 1999



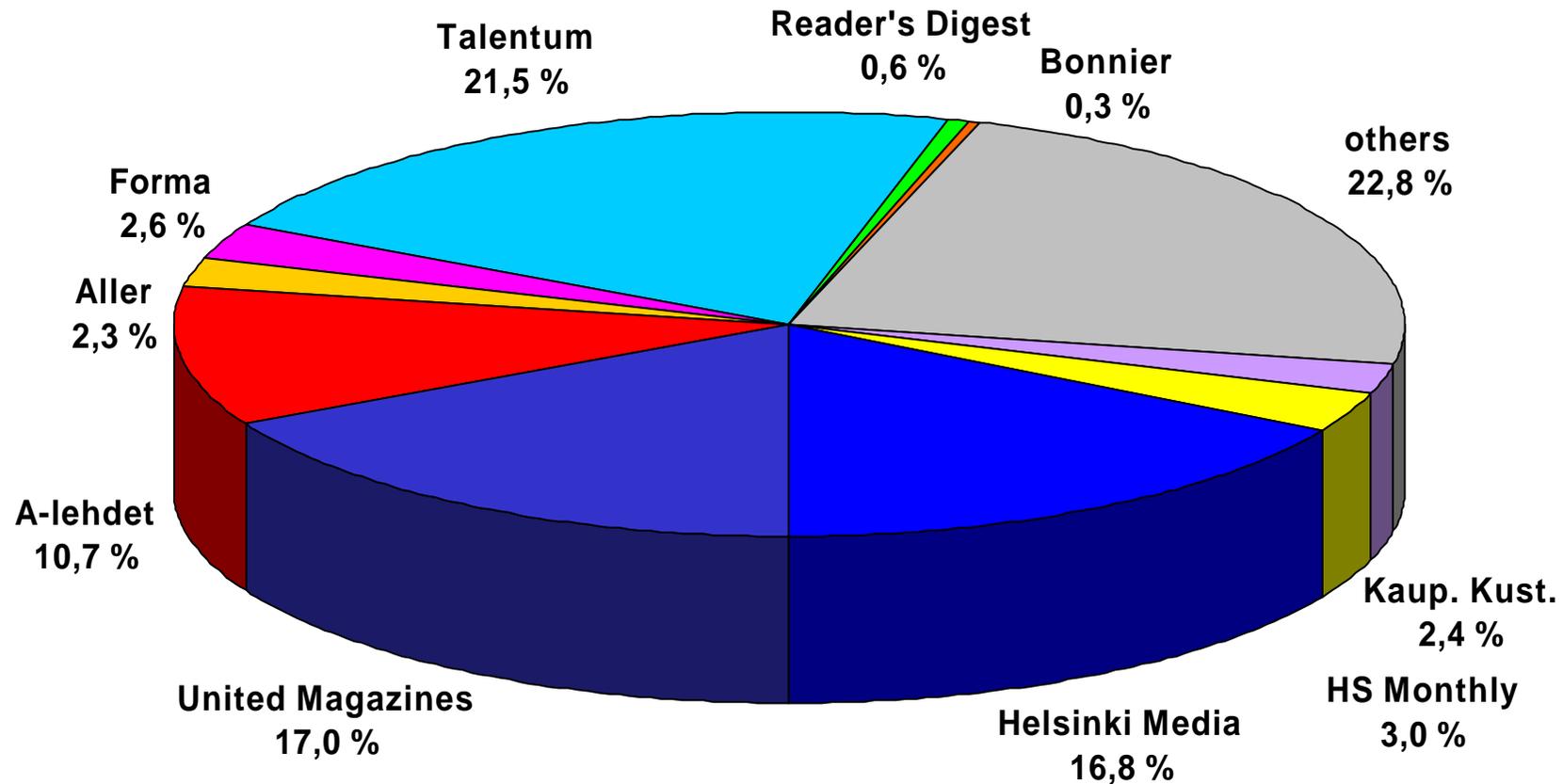
Source: Suomen Mediatarkistus



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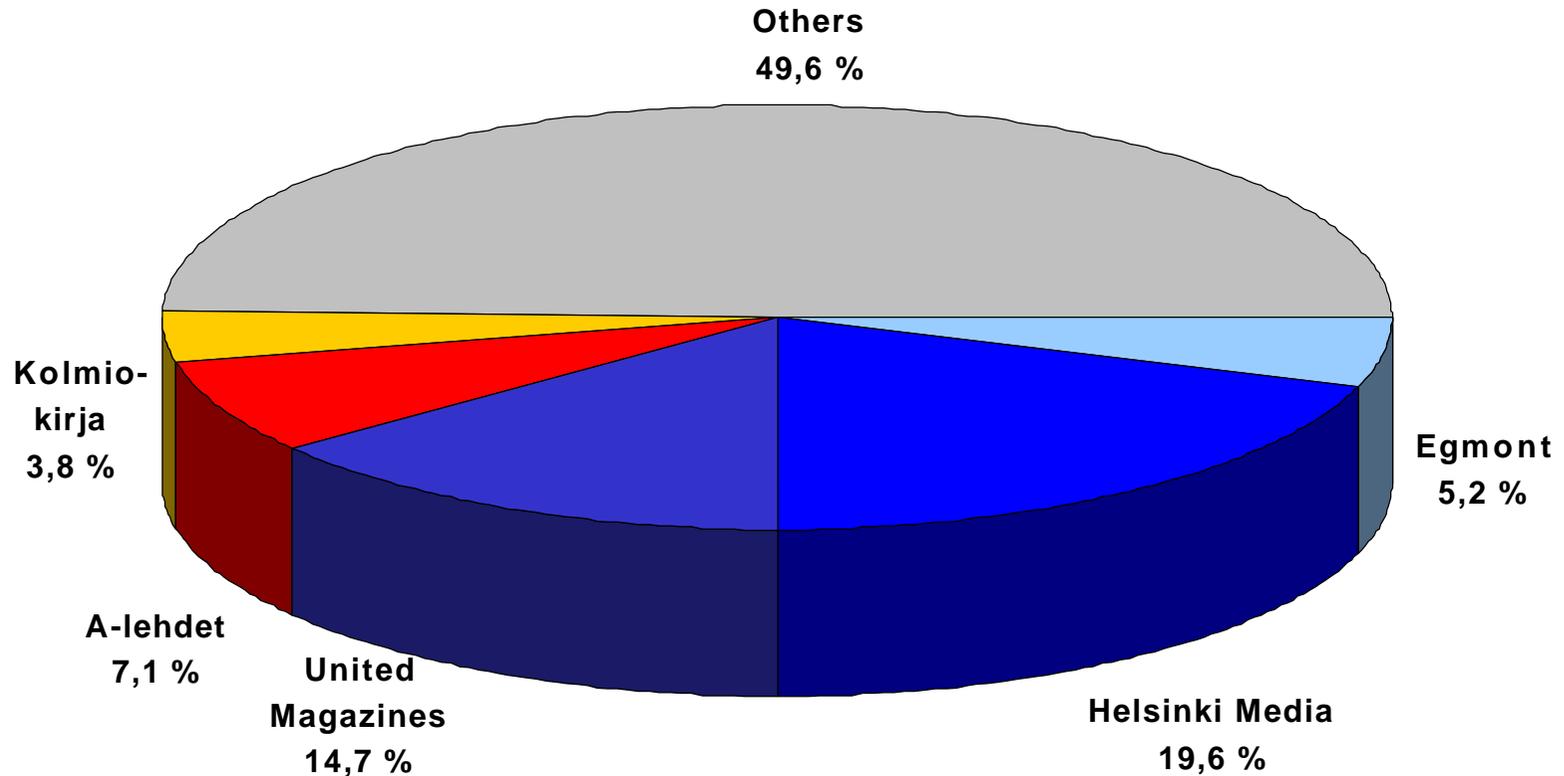
# Magazine Advertising, 1999



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## Single copy sales, 1999



Source:  
Rautakirja

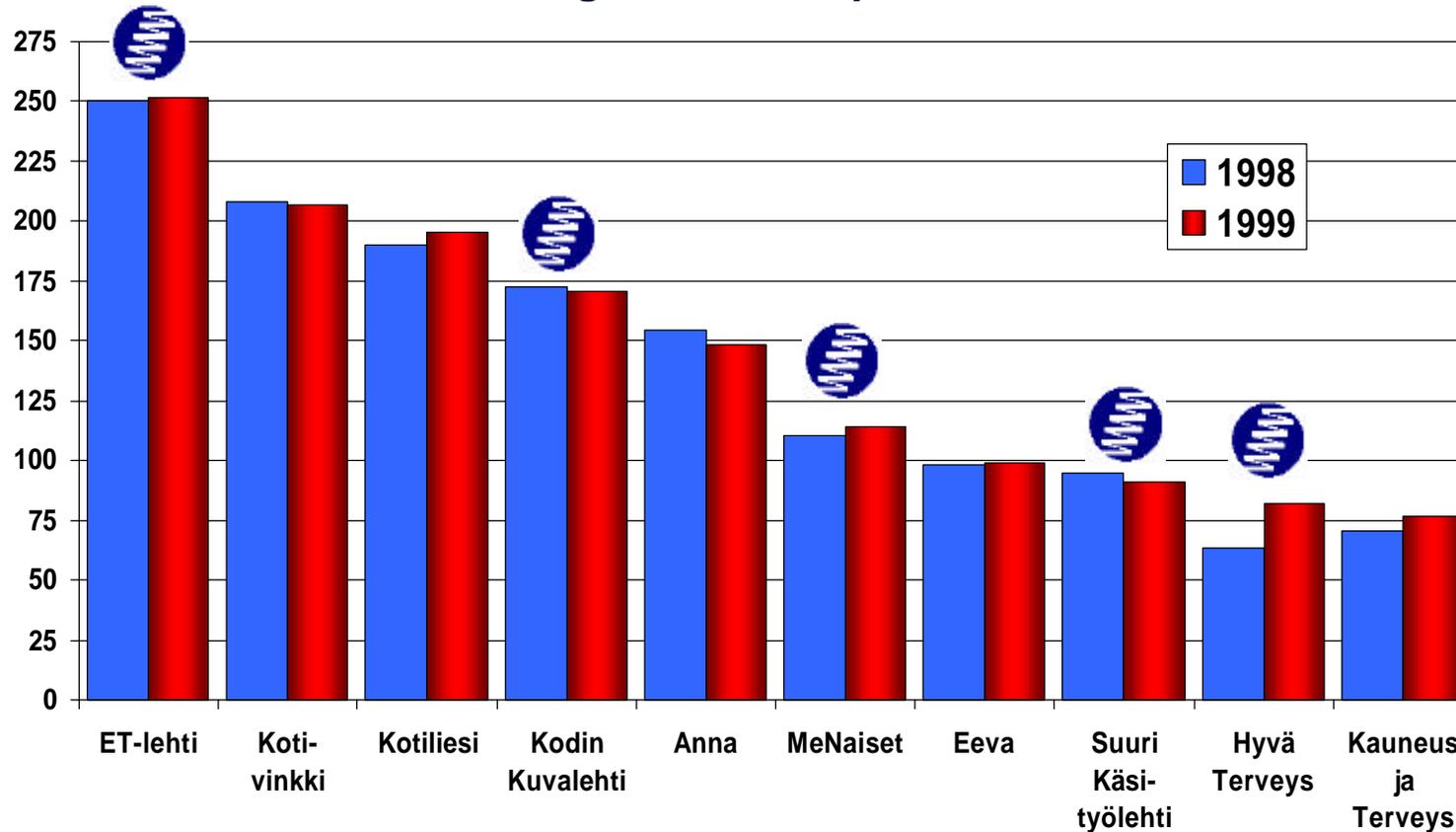


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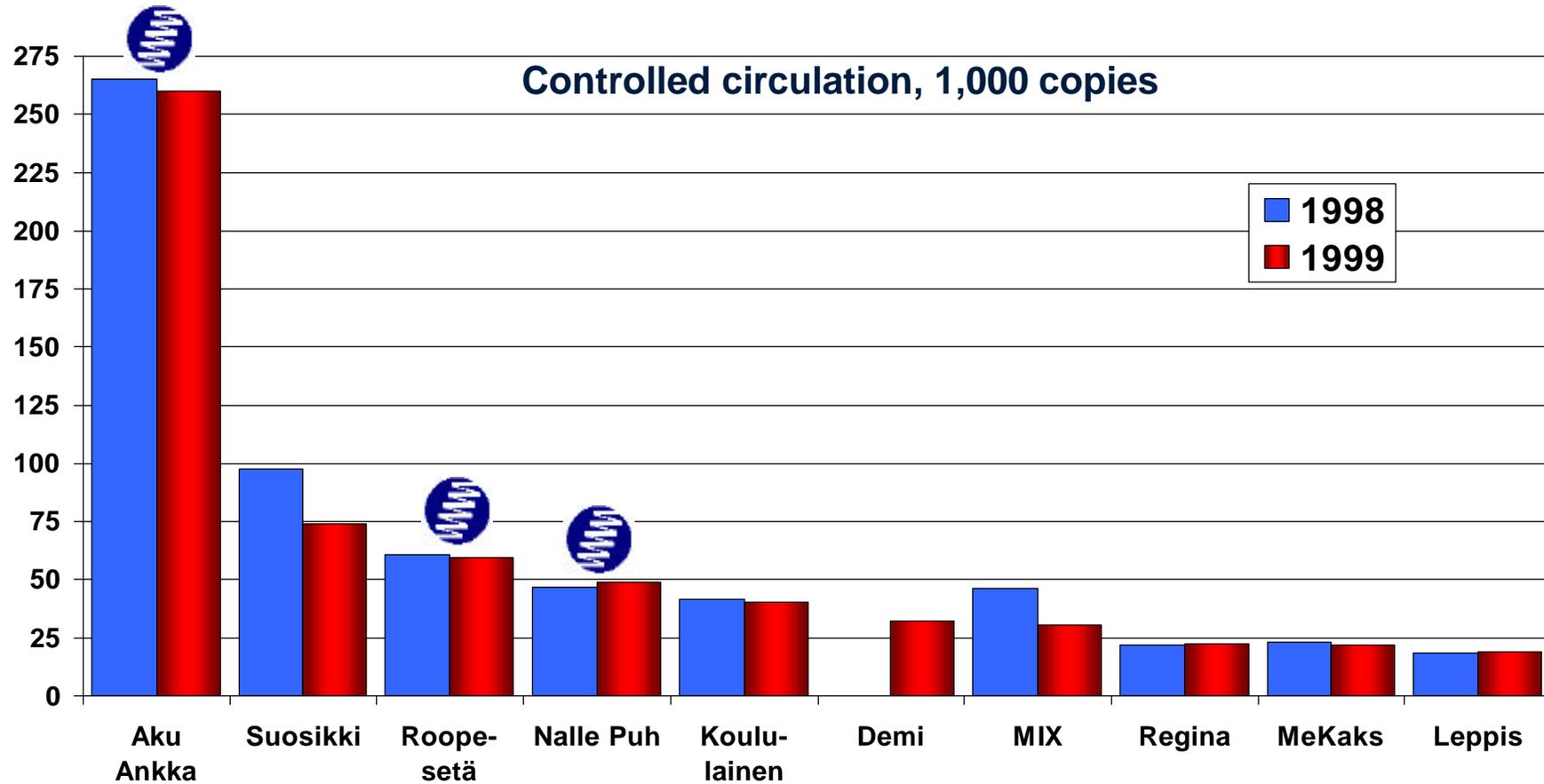
# Women's magazine circulations

10 largest, 1,000 copies



Source: Suomen Mediatarkastus

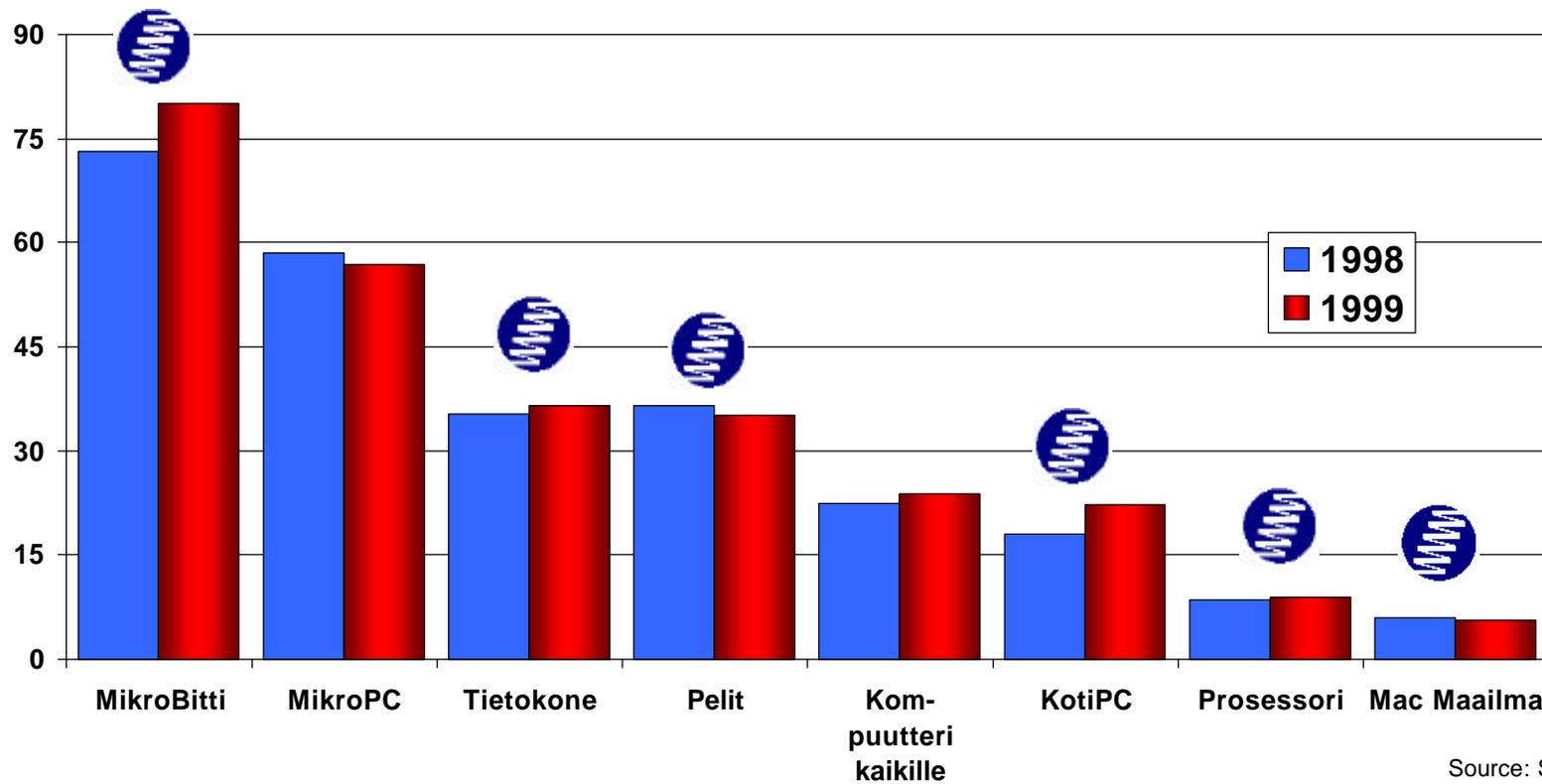
# Juvenile magazines



Source: Suomen Mediatarkastus

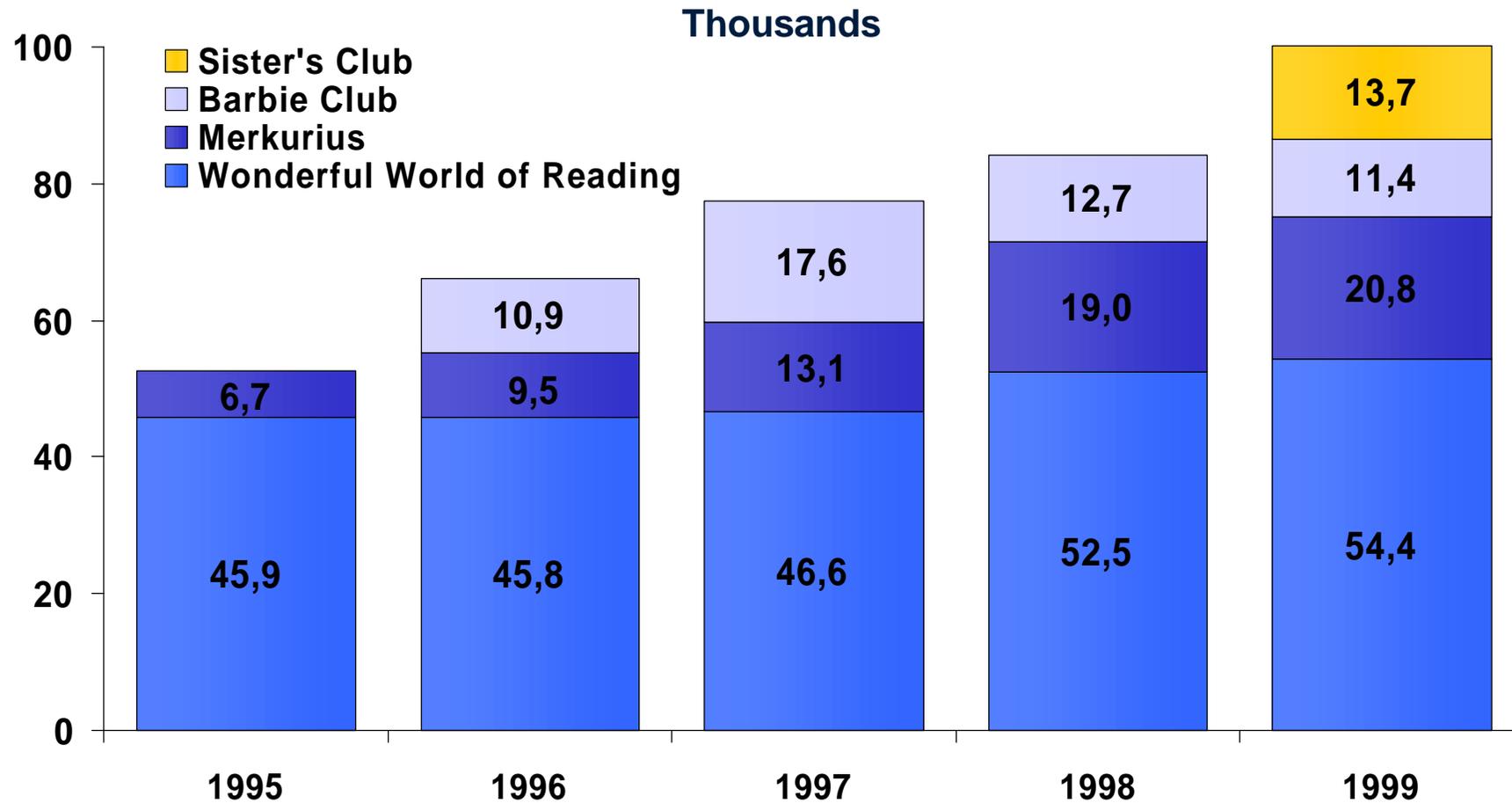
# Computer Magazines

Controlled circulation, 1,000 copies



Source: Suomen Mediatarkastus

# Helsinki Media Book club members



# Strategy (1/3)

- **International growth**
  - Pursue international growth initiatives through carefully selected acquisitions and joint ventures in:
    - IT magazines, business publishing
    - 50+ magazine publishing
    - cooperation in international brands and licenses
  - Objective: up to 25% of revenue generated from international operations in 2003
- **Business publishing as a new avenue**
  - Pursue Nordic-level expansion in IT and business publications

# Strategy (2/3)

- **Stronger market leader position in Finland**
  - Brands fully exploited and core competencies applied to emerging markets
- **A leading cross-media player**
  - Support and promote conventional titles
  - Generate new advertising revenue
  - Identify future synergies (e-commerce, WAP)
  - Brands, content, and marketing competencies will be the drivers for successful new media operations

# Strategy (3/3)

- **Internally**
  - Create and develop strong content concepts
  - Value-based management thinking, providing a consistent shareholder value creation framework
  - Corporate mind-set focused on long-term competitive advantages: 'organize for success', networking, cooperation across organizational boundaries
  - A portfolio of competencies vs. a portfolio of businesses
  - CRM development a critical success factor

# Vision

A leading Nordic **specialized** magazine publisher

- **Value from strong brands**
  - Unique value for both corporate and consumer customers in selected target sectors
  - Unique value to advertisers through precisely defined target audiences
- **Solid market leadership in core sectors**
  - Women & families, 50+, children & juvenile, IT, and business
  - Strong brands and characters fully exploited in building integrated new businesses
  - Rolling 'future portfolio': new exciting and attractive products under development; strong presence in emerging new distribution channels



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# Next Steps

- **International growth**
  - **Conclude negotiations on Nordic acquisition**
  - **Prepare for fast post-acquisition integration to reduce first-year earnings dilution to a minimum**
  - **Continue to scan for other candidates in target areas**
- **Cross media**
  - **Launch children's & juvenile site at SanomaWSOY's Virtual Portal**
  - **Integrate existing and new contents with the Group's Virtual Portal**
- **Internal**
  - **Act on improvement processes**