Sanoma 1–9/2009

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6 November 2009

Ready for Upturn

- Restructuring and cost savings to continue
  - Operating expenses cut down in Jan–Sept by 6.7%
  - The amount of personnel reduced markedly
  - Effects on personnel costs visible later
  - Restructuring non-recurring costs so far EUR 17.1 million
- Developing operations further
- Weak signals on the market, but no clear turn around
- Focus areas for online operations defined

Key Events Q3

Structural changes
- Jonge Gezinnen closed down Felicitas hostess organisation
- Malmberg divested its educational magazines

Products and acquisitions
- New pay TV channel package, Welho Mix, offering extensive customisation
- Sanoma Budapest acquired Olcsobbat.hu comparison site
- Sanoma Magazines renewed a women's weekly Margriet in the NL

Other
- Number of newspaper and magazine readers grew in Finland – Helsingin Sanomat and Me Naiset strengthened their positions
- World Association of Newspapers awarded Ilta-Sanomat's supplement of Obama

After the review period
- Sanoma Games launched a sports fantasy game, Coach LeMat, in Sweden in co-operation with Swedish Hockey league

Streamlining Continues

- Structural changes and adaptation
  - Redesigning Sanoma News' editorial and marketing processes and reducing the number of personnel
  - Renewing Sanoma Magazines Belgium's organisation
  - Combining Sanoma Trade's Estonian operations
  - Renewing Sanoma Uitgevers' organisation; print/online operations
  - Restructuring Sanoma Learning & Literature's multi-volume books and integrating language service operations

  - Operating expenses decreased by 6.7% so far

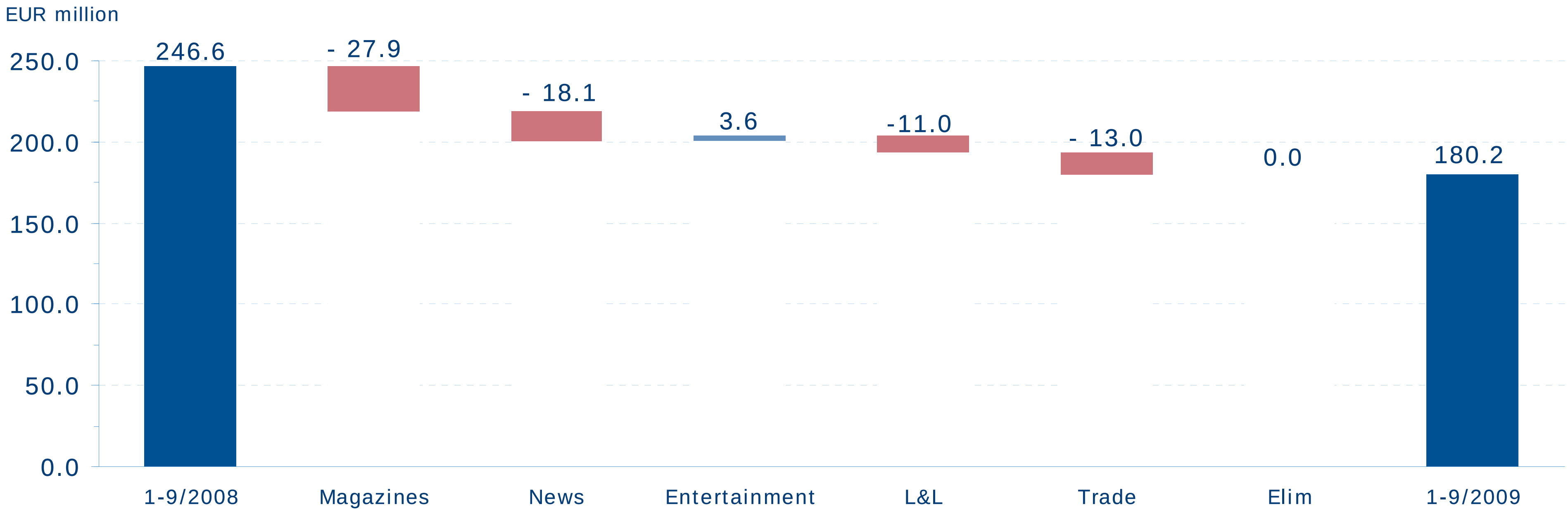
→ Target to have operating expenses in 2009 clearly below the level of 2008.

Profitable Quarter

EUR million	**7–9/2009**	7–9/2008	Ch %	**1–9/2009**	1–9/2008	Ch %	1–12/2008
Net sales	**701.1**	778.6	-9.9	2,034.4	2,231.4	-8.8	3,030.1
Operating profit excluding non-recurring items	**84.5**	100.5	-15.9	180.2	246.6	-26.9	295.7
% of net sales	**12.0**	12.9		8.9	11.1		9.8
Operating profit	**77.1**	94.0	-18.0	163.1	265.2	-38.5	236.3
Earnings/share, €	**0.30**	0.37	-19.7	0.62	1.10	-44.2	0.72
Cash flow from operations/share, €	**0.70**	0.74	-5.5	0.74	0.97	-23.0	1.56
Number of employees at the end of the period *				16,998	18,693	-9.1	18,453
Average number of employees *				17,507	18,031	-2.9	18,168

* Full-time equivalents

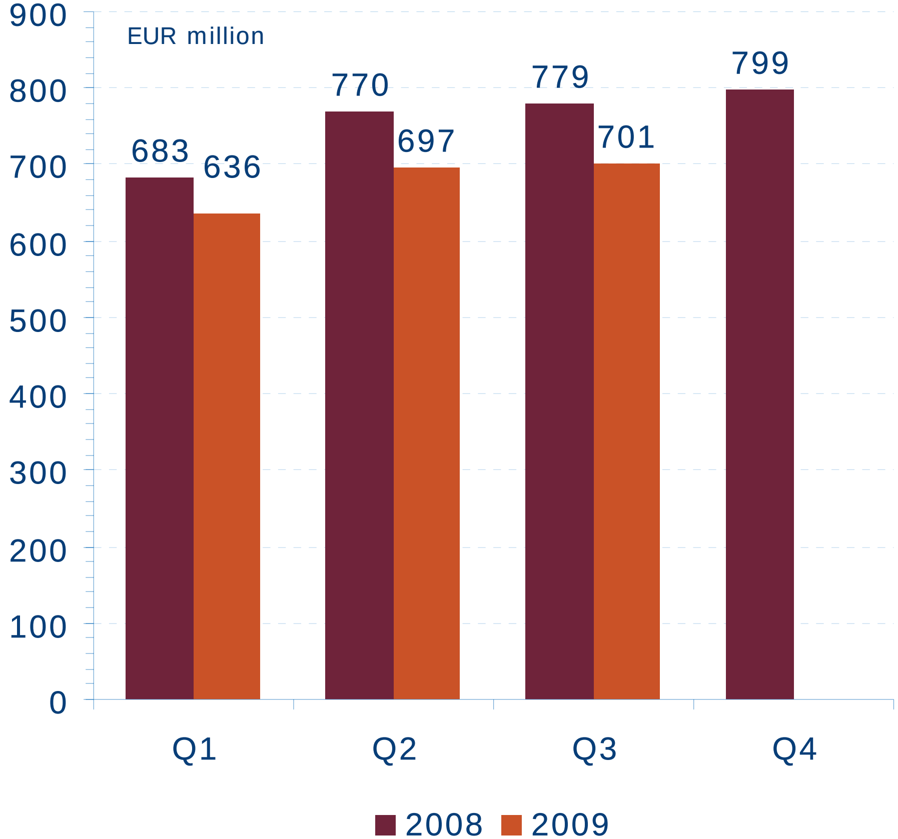
EBIT Excluding Non-recurring Items



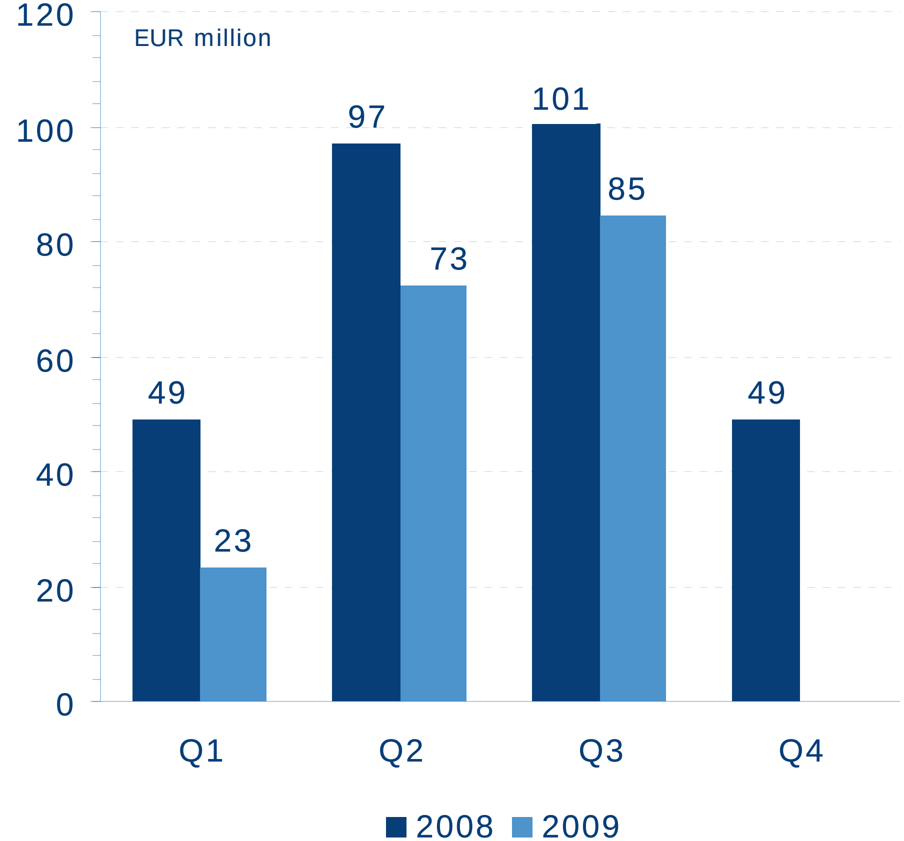
- Magazines: decline in advertising and single copy sales in SU and SMI
- News: decline in advertising sales, especially in classified ads
- Entertainment: positive development in TV and broadband operations
- Learning & Literature: Nowa Era, decline in sales in language services and training, currency translations
- Trade: decrease of sales in kiosk and movie operations in the Baltic countries, investments in Russia and Romania, declining press distribution and bookstore sales

Improved Profitability in Q3

Net sales



EBIT excluding non-recurring items



Stable Financial Position

EUR million	**30.9.2009**	30.9.2008	31.12.2008
Balance sheet total	**3,186.0**	3,649.1	3,278.7
Equity ratio, %	**39.4**	39.0	40.0
Net gearing, %	**90.3**	75.9	78.5
Interest-bearing liabilities	**1,133.4**	1,326.7	1,082.6
Interest-bearing net debt	**1,067.0**	1,021.5	971.6
Cash and cash equivalents	**66.4**	305.1	110.9

- Favourable long term credit facility
- Net debt/EBITDA 2.8

Outlook for 2009 Unchanged

- Net sales are expected to decrease
- Operating profit excluding non-recurring items will clearly decline from the previous year.
  - In the comparable year of 2008, operating profit excluding non-recurring items was EUR 295.7 million.
  - The Group’s interest expenses are expected to decrease markedly, and as a result, Sanoma’s net result for 2009 is expected to decrease less than its operating profit.

Sanoma's Strategy

Our goal is

- to be one of the leading media companies in Europe, with a focus on sustainable growth and profitability

Our Strategic Objectives are

- To be the market leader in chosen businesses and markets
- To maintain a balanced business portfolio of B2C and B2B products and services – Focus areas being:
  - Magazines: We will continue to grow in print and digital media
  - Newspapers: We will actively develop our business to maintain our profitability and to ensure controlled migration to online
  - Learning and Language services: We will grow via further internationalisation and entering new segments
  - **Online: We will strongly develop and expand our online assets**
- To investigate opportunities to internationalise our TV operations
- To maximise our strategic position in retail

Online Strategy

- Target: Double our online revenue by 2012
- Method: systematic innovation, R&D and acquisitions
- Focus areas
  - transactional comparison and classified sites
  - casual gaming
  - verticals
- Geographic focus in
  - Central and Eastern Europe
  - Western Europe (to complement existing portfolio)
- Organisation
  - Future Media Team (media divisions' presidents)
  - Online Execution Team (implementation)
  - Innovation teams (thematic teams as growth drivers)

Inspires, informs and connects

Sanoma