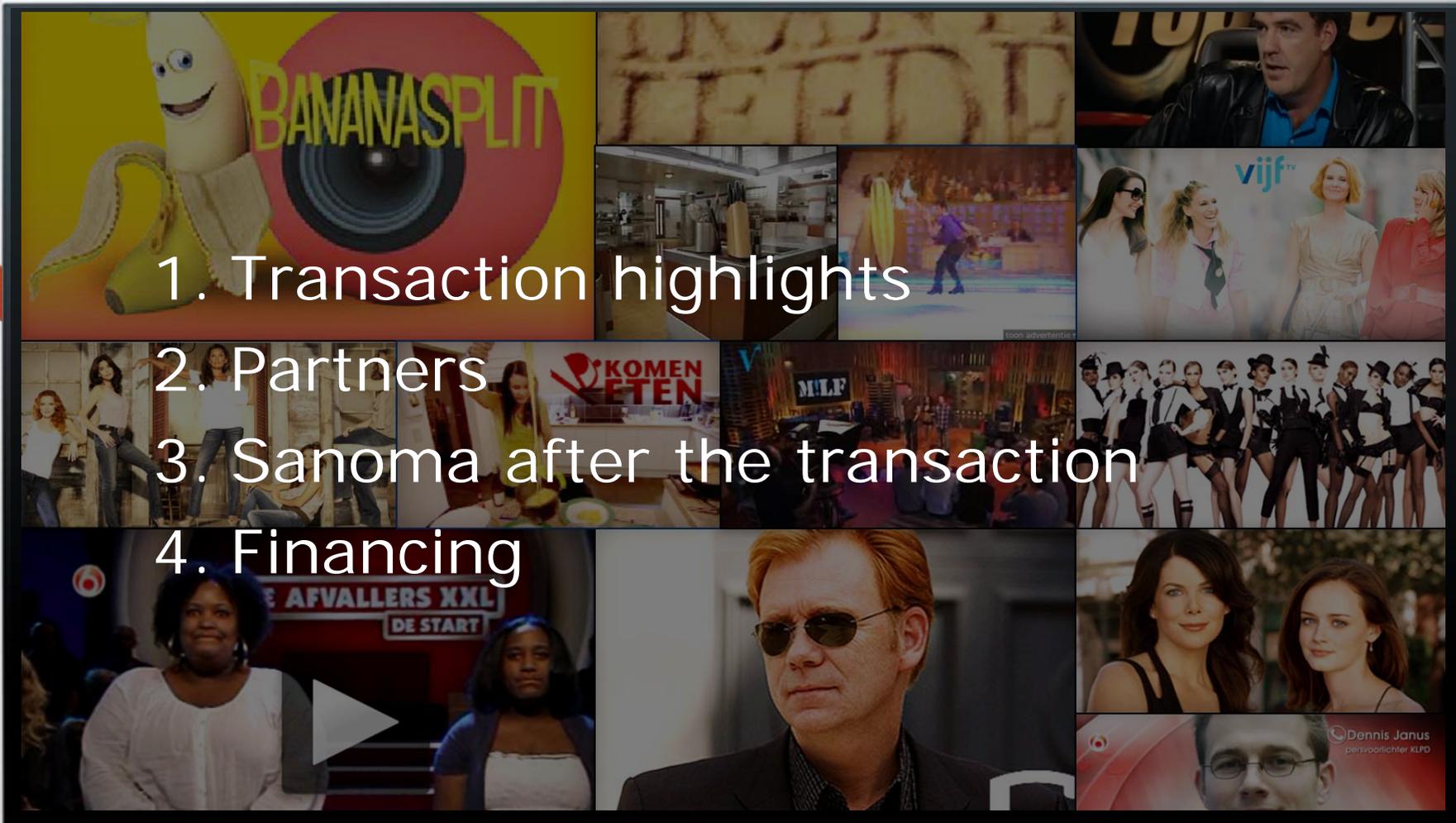


# **Sanoma acquires Benelux TV operations**

From ProSiebenSat.1  
with prominent partners





1. Transaction highlights

2. Partners

3. Sanoma after the transaction

4. Financing

## Acquisition highlights

- Acquisition of SBS free-to-air TV operations in the Netherlands and Belgium from ProSiebenSat.1
- Prominent partners: Talpa Media in the Netherlands, and Corelio and Wouter Vandenhoute & Erik Watté in Belgium
- Sanoma becomes a leading media player in the Netherlands and considerably strengthens its media position in Belgium
- Total enterprise value EUR 1,225 million
  - Overall EV/EBITDA multiple of 10.6x\*
- Requires the approval of the Dutch competition authorities
- Estimated to be closed during summer

# Strategic rationale for Sanoma

- Transaction in line with Sanoma's strategy to focus on consumer media and learning solutions
- Strategic repositioning of Sanoma's consumer media business in the Netherlands and Belgium
  - Gaining strong multimedia position: a leading media position in the Netherlands and considerably stronger position in Belgium
  - Extending mass-media reach through FTA TV
  - Combining TV with Sanoma's magazine and online assets provides a platform for digital growth
- Strong stand-alone value in FTA TV
  - Clear rebound after financial downturn, robust outlook in the future
  - Growth in non-linear channels provides additional value for advertisers
- Unique opportunity in FTA TV

The logo for Vijf TV, featuring the word "vijf" in a purple, lowercase, sans-serif font with a small "TV" in a lighter purple font to its upper right.The logo for Veronica, featuring the word "VERONICA" in a blue, serif font with a wavy underline.

# Value creation

SBS TV operations + programming expertise from our partners  
+ Sanoma's strong brands, high-class know-how from print,  
online and TV operations

= the next generation media offering for consumers  
and advertisers

- Improved FTA offering in the acquired TV channels
- Cross-promotion and cross-media concepts
- Future digital business opportunities and new services  
and solutions across media, e.g. non-linear TV platforms  
and vertical themes

The logo for vif TV, featuring the word "vif" in a stylized, lowercase font with a small "TV" superscript to its right.The logo for VERONICA, featuring the word "VERONICA" in a blue, serif font with a wavy underline.

# What is the benefit for consumers and advertisers?

## To consumers

- Best-in-class TV content
- Next generation media offering
- Access to consumers' special interests or themes in ways which best serve their needs

## To advertisers

- New kinds of media solutions
- Deeper consumer insight

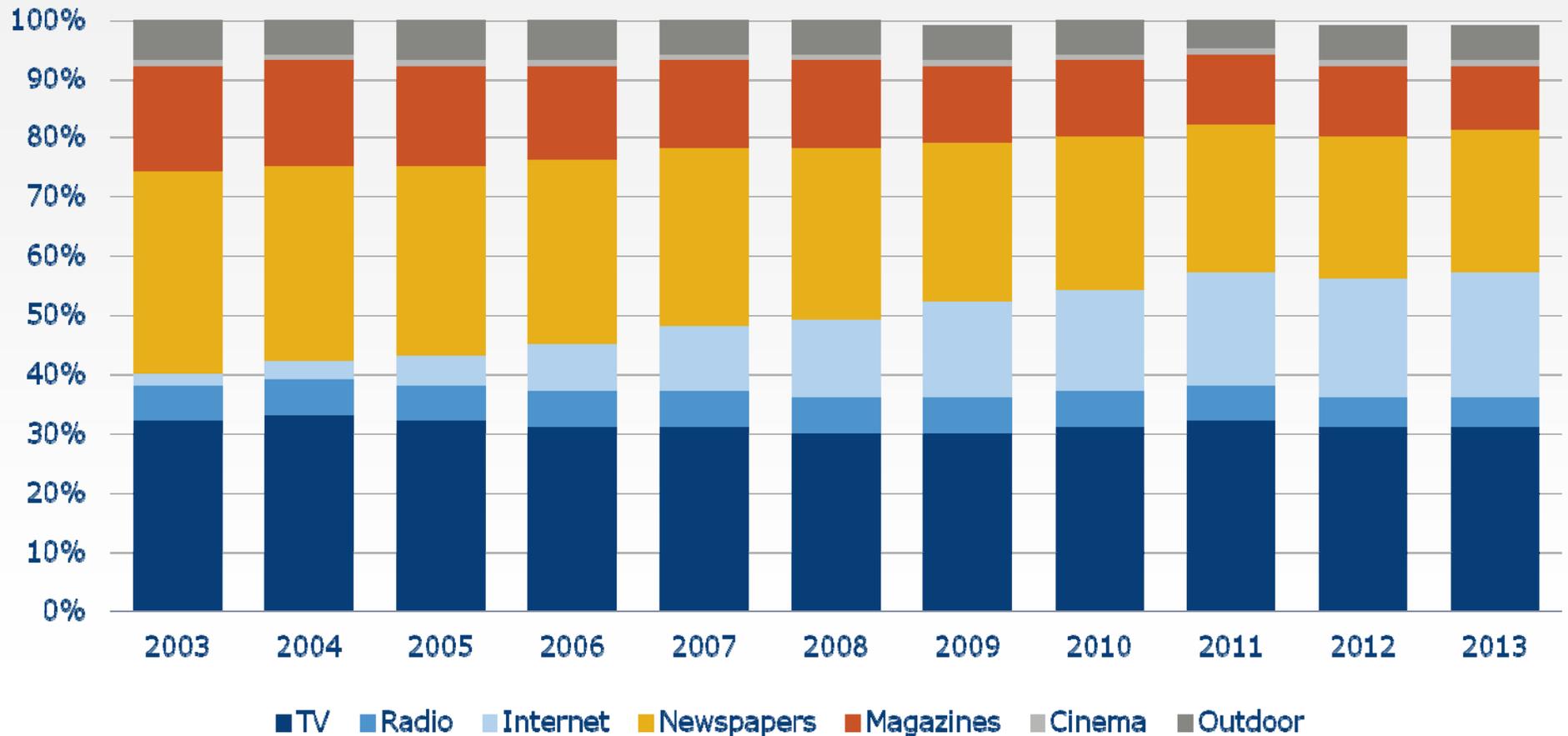


# The power of television!

- TV has redefined itself and develops constantly
- TV's share in media consumption is stable
- In our fragmenting world, TV builds phenomena
- For advertisers, TV is a powerful medium to quickly reach a large number of consumers
- Broadcasters are well positioned to build premium online video destinations



# Resilience of TV advertising



# SBS Netherlands 2010

Net sales EUR 316 million

## #2 TV player\*

27% share of the Dutch TV advertising market



## Three TV channels

- SBS 6 (family oriented, 12% prime time viewing share)
- Net5 (women oriented, 6% prime time viewing share)
- Veronica (men oriented, 6% prime time viewing share)



## Two TV guides

- Veronica Magazine (leading TV guide, circulation 850k copies)
- TotaalTV (circulation 70k copies)



# Typical shows on SBS Netherlands' TV channels

Different profiles for each channel

	 <p><b>Stars dancing on ice</b> Weekly ice skating show with couples</p>	 <p><b>Hart van Nederland</b> Daily news show with local topics</p>	 <p><b>Peter R. De Vries, Misdadverslaggever</b> Crime</p>
	 <p><b>Desperate house wives</b> Weekly show</p>	 <p><b>Holiday love</b> Weekly show</p>	 <p><b>Masterchef: the professionals</b> daily cooking show</p>
	 <p><b>Top Gear</b> Weekly car show</p>	 <p><b>Lauren Verslaat</b> Reportage show</p>	 <p><b>Beat de Mol</b> Weekly studio show</p>

Sanoma

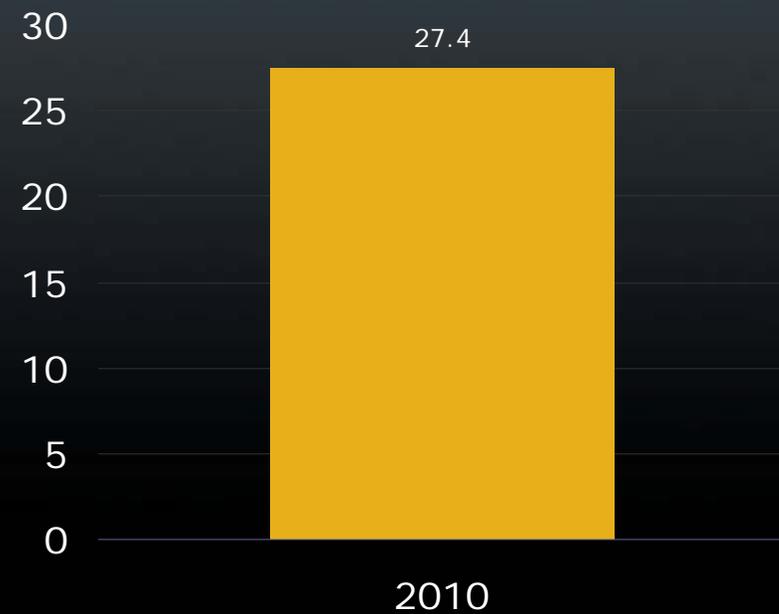
# Market shares

## SBS Netherlands

TV viewing share, %  
Prime time 18-24, target group 20-49yrs



TV advertising market share, %



# SBS Belgium 2010

Net sales EUR 88 million

#3 TV player in Belgium, #2 in the Flemish market

27% share of the Belgian TV advertising market



Two TV channels

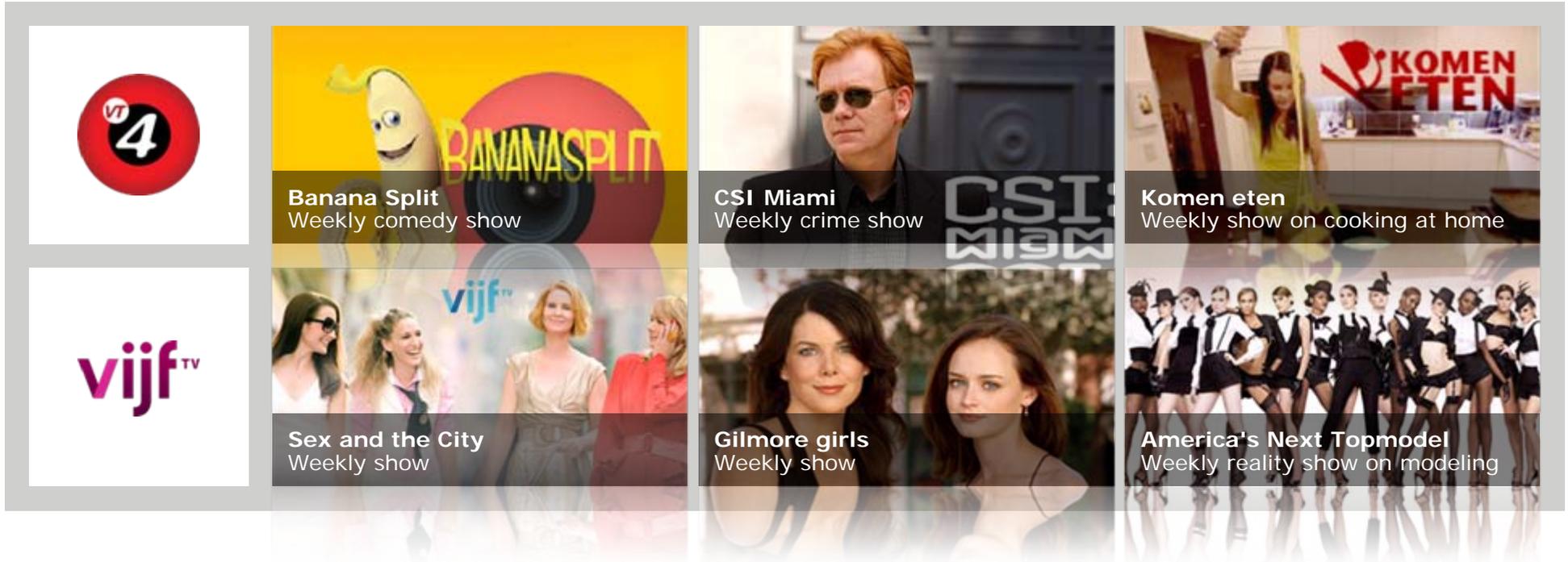
- VT4 (young family oriented, local content, 11% prime time viewing share)
- VIJFTV (women oriented, 5% prime time viewing share)

vijf<sup>TV</sup>



# Typical shows on SBS Belgium's TV channels

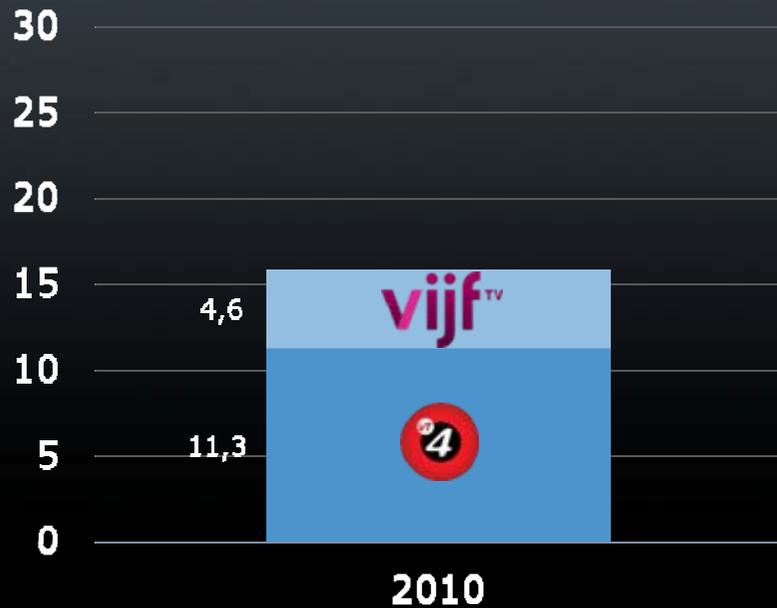
Different profiles for both channels



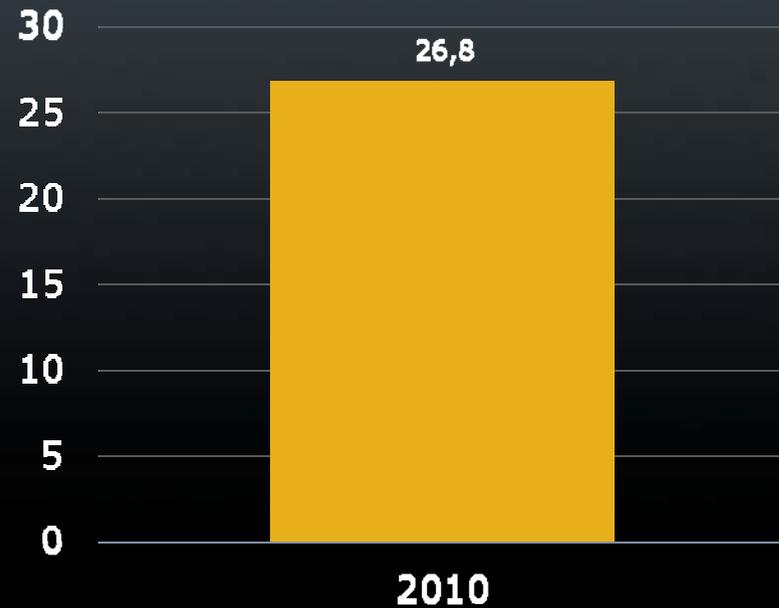
# Market shares

## SBS Belgium

TV viewing share, %  
Prime time 17-24, target group 18-54yrs



TV advertising market share, %





SBS Belgium  
Member of Profitability & Media Group

# SBS financials

## Summary

### SBS Netherlands and Belgium

EUR million, 2010

Revenue*	404
EBIT*	110
HQ	Amsterdam
Employees (2010)	646

### Netherlands

TV + TV Magazines



Revenue	316
HQ	Amsterdam, Hilversum
Employees (2010)	538

### Belgium

TV



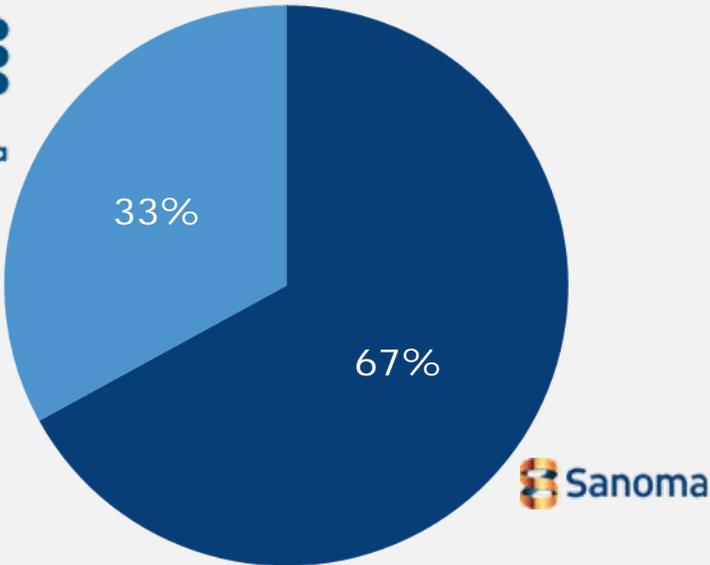
Revenue	88
HQ	Brussels
Employees (2010)	108

**Partners**

# Partnership structure

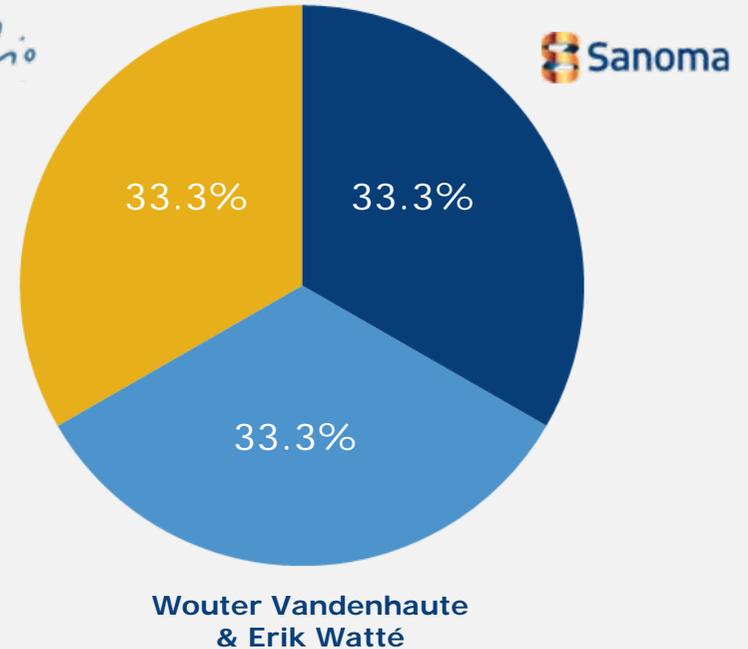
## Netherlands

Sanoma will consolidate 100% of SBS Netherlands



## Belgium

Sanoma will consolidate 33.3% of SBS Belgium





# Partnering creates significant value

Talpa is a holding company that comprises John de Mol's media activities

**Talpa Media:** full service development and production company

**Talpa Content:** creative development of formats for television and multimedia

**Talpa Productions:** TV production unit

**Talpa Distribution:** worldwide licensing

## Talpa Music

De Mol is the creator of the worldwide hit 'Big Brother' and has also developed hundreds of other programmes

Talpa is a best-in-class provider of international TV formats, in a range of genres: reality, daily and weekly infotainment magazines, variety, game shows, fiction, comedy and feature film

'The Voice Of...' the best rated talent show



'Dating in the Dark' is a worldwide dating sensation



'I love my country' is a multiple series success, sold to over 30 countries worldwide



## Partnering creates significant value

Wouter Vandenhoute is the CEO and Erik Watté the COO of Woestijnvis

**Woestijnvis (Desert Fishes) is the most successful television production company in Belgium** whose formats are sold internationally

Offers entertainment programmes, talk shows, quiz shows, documentaries, drama/fiction, sport productions and movies

Successful TV formats include De Mol, Man Bijt Hond, de Pappenheimers and De Slimste Mens

Sanoma Magazines Belgium owned 25% of Desert Fishes before this transaction

**MAN BIJT HOND**



**DE PAPPENHEIMERS**



## Partnering creates significant value

Corelio is one of the leading Belgian media companies

A multimedia and multiregional player

Reaches more than half of all Belgians through various media brands each day

#1 player in the Belgian daily newspaper market with De Standaard, Het Nieuwsblad/De Gentenaar and its French title L'Avenir

**Six divisions:** Print and online news media, Advertising, Free regional press, Printing, Magazines and Audiovisual productions

Holds a 40% stake in De Vijver, which holds 75% in Desert Fishes, the company behind TV production company Woestijnvis. Sanoma Magazines Belgium owns the remaining 25% in Desert Fishes

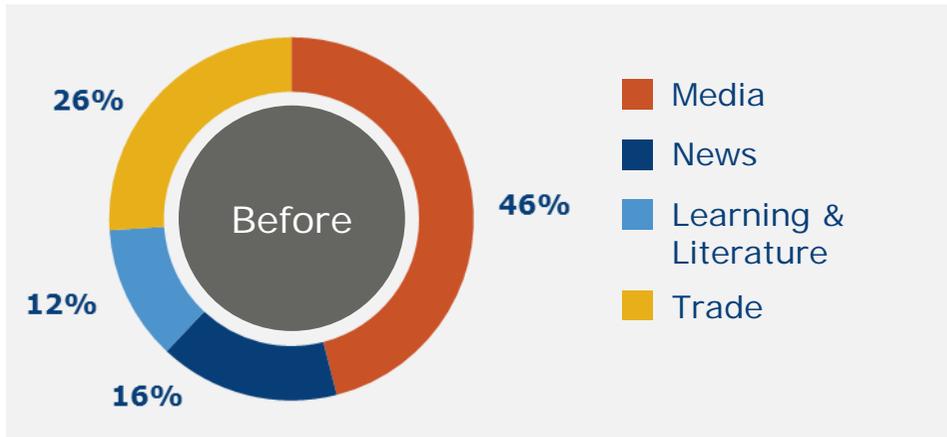


# Sanoma after the transaction

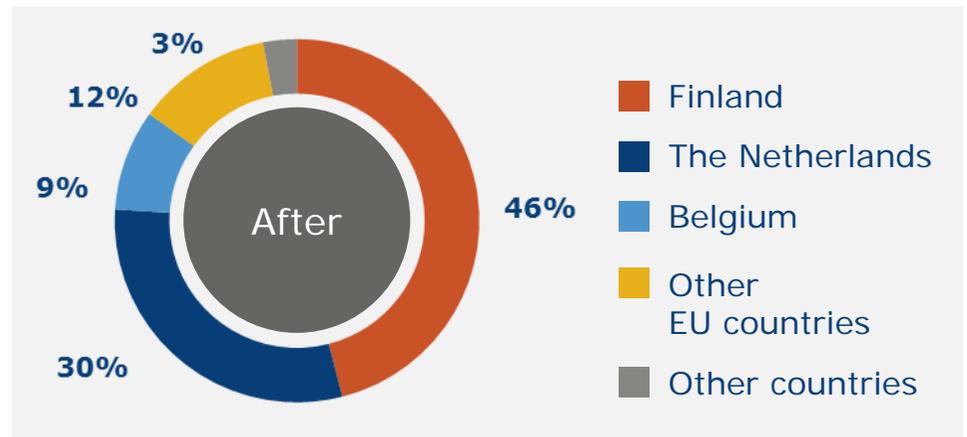
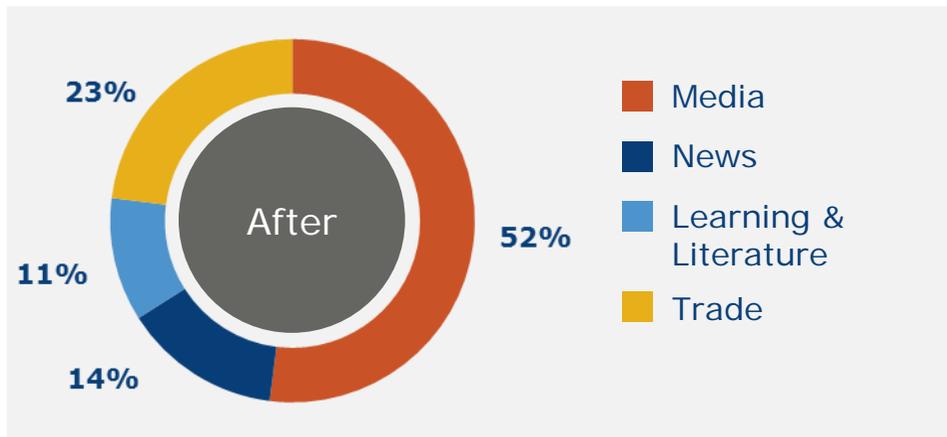
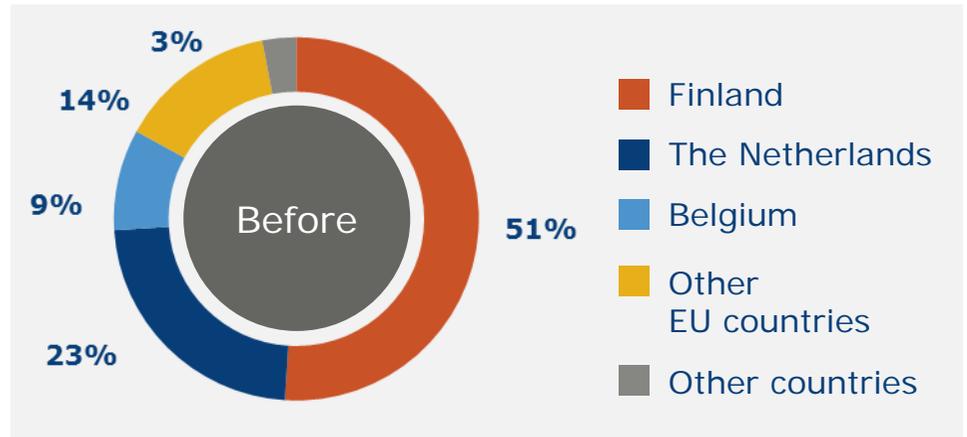
# Strong position in Finland, the Netherlands and Belgium

Before and after the transaction

by division\*



by geographic area\*



# Financials

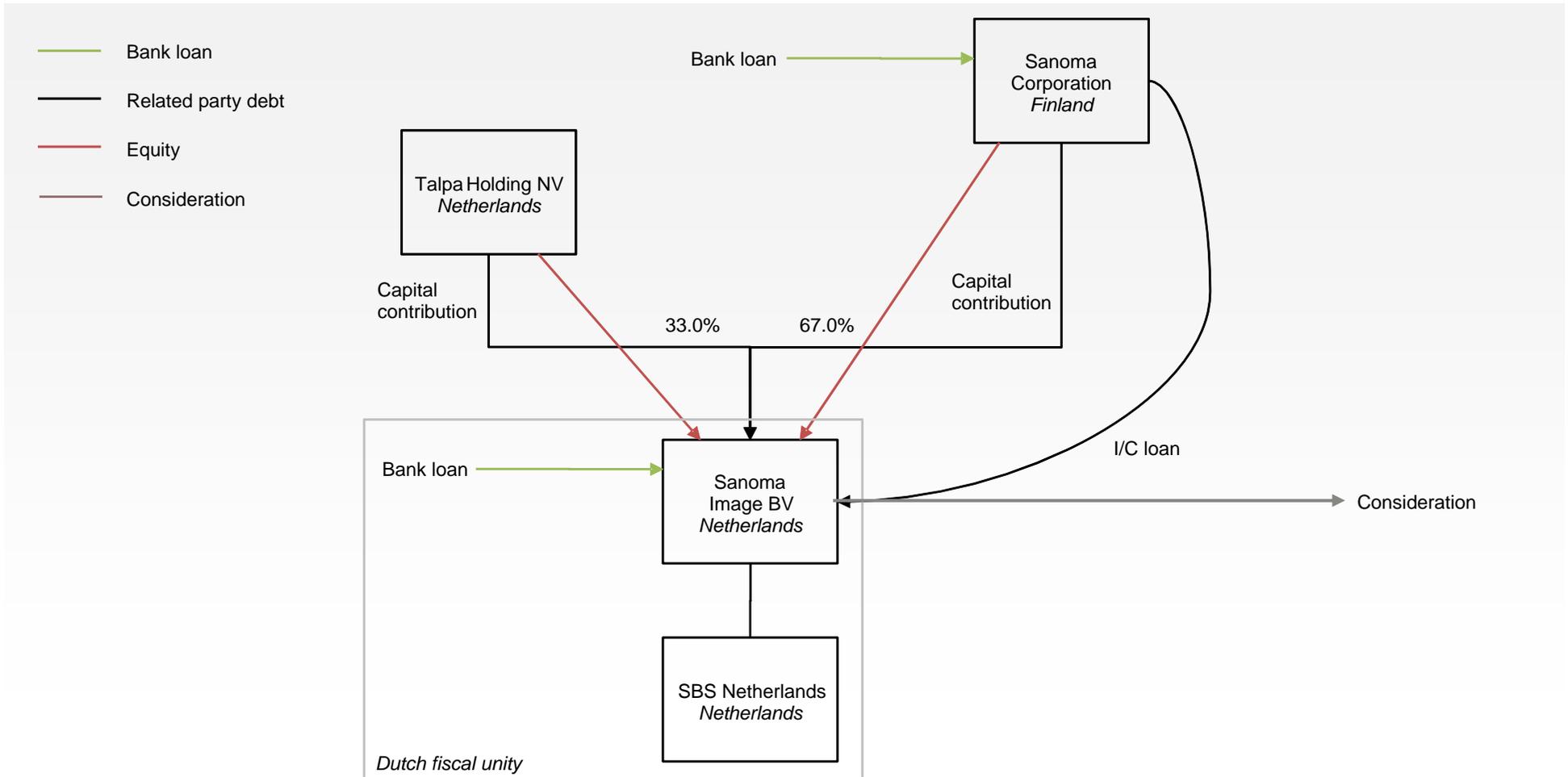
# Transaction financing

- Total enterprise value EUR 1,225 million
- Sanoma's equity investment EUR 566 million
- Sanoma's consolidated net debt is estimated to increase by some EUR 900 million to EUR 1.9 billion in 2Q11
  - Including the equity investment and additional consolidated debt



# Financing structure

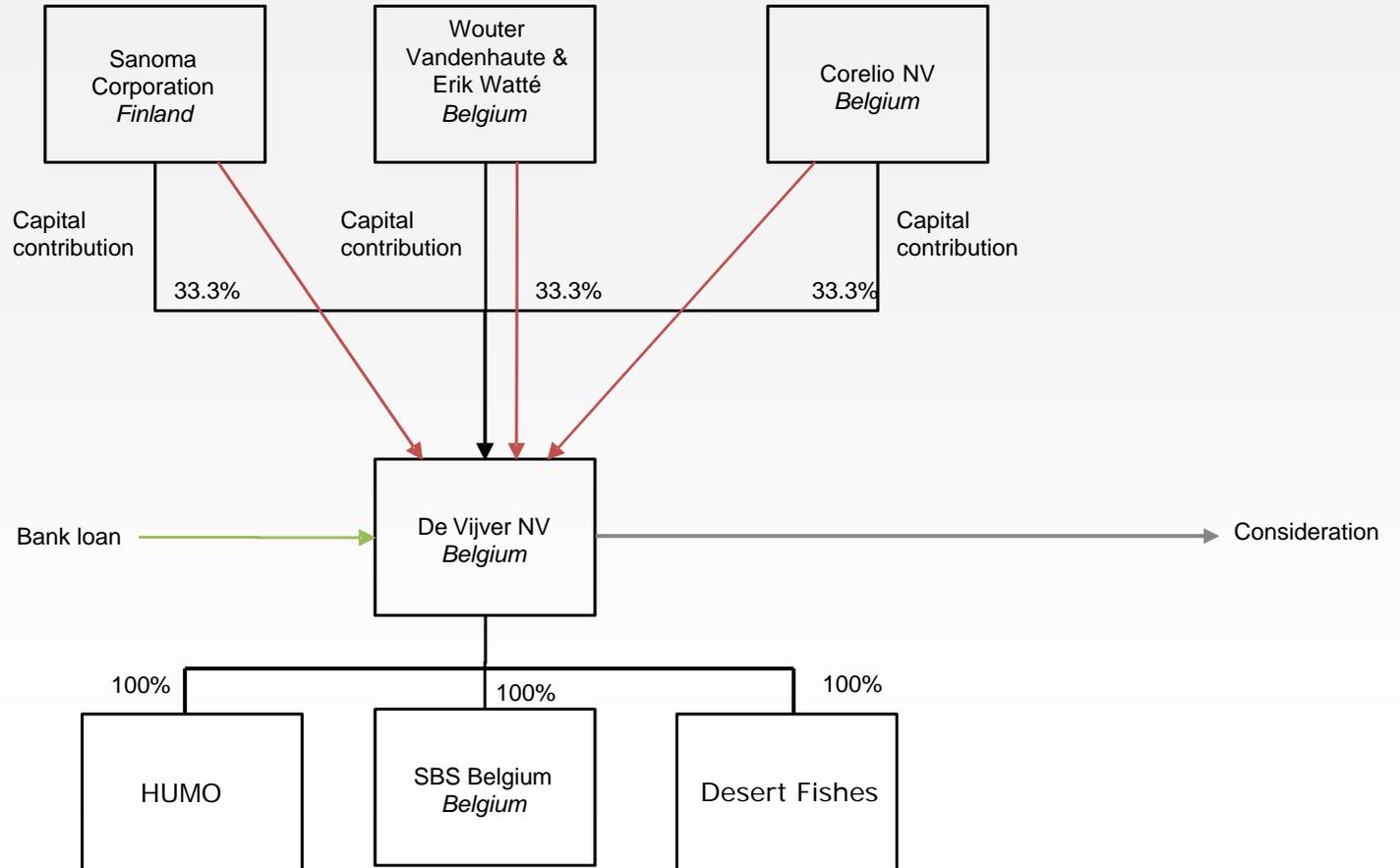
## The Netherlands



# Financing structure

## Belgium

- Bank loan
- Equity
- Consideration



# Financing through term loans and bridge-to-bond facility

- Underwritten facilities for financing the transaction worth EUR 859 million
  - Syndicated five-year term loan facilities worth EUR 609 million
  - Short term bridge-to-bond facility of EUR 250 million
    - Will be converted into a long-term bond issue later this year
- Needed debt financing in Belgium arranged by De Vijver
- Margin for the syndicated term loan between 1.0% and 2.0% depending on Sanoma's leverage
  - The Mandated Lead Arrangers and underwriters of all facilities are BNP Paribas, ING Bank N.V. and Nordea.
- Sanoma will stay well within its existing financial policy with ample headroom in its current financial covenants
- Existing EUR 802 million revolving credit facility remains in place unaltered

# Key figures



EUR million	Sanoma 2010, before the acquisition	SBS, Pro Forma 2010*
Net sales	2,761	345
EBIT excluding non-recurring items	245	101
% net sales	8.9	29.3

## Transaction accounting

### Recurring effects

- Preliminary amortisation on purchase price allocations
  - Trade names €7m/year (amortised during 20 years)
  - Customer and distribution relations €4m/year (amortised over 12 to 20 years)
- Yearly amortisation of capitalised finance costs €2m

### Non-recurring effects

- Transaction costs €10m
- Preliminary amortisation on purchase price allocations
  - Order backlog €32m (amortised during the first six months)

Transaction EPS accretive from 2012 onwards

Estimated goodwill from the transaction EUR 900 million

# Guidance upgraded

- The Sanoma Group's net sales are expected to increase somewhat and operating profit excluding non-recurring items is expected to increase slightly in 2011
- Previously, net sales and operating profit excluding non-recurring items were expected to decrease slightly, if the divestment of movie operations, announced on 21 March 2011, materialises



## Sanoma's strategic repositioning

- Sanoma becomes a leading media player in the Netherlands and considerably strengthens its media position in Belgium
- This transaction is in line with Sanoma's strategy to focus on consumer media and learning solutions
- SBS TV assets + programming expertise from our partners + Sanoma's strong brands, high-class know-how in print, online and TV operations = the next generation media offering for consumers and advertisers
- Enables us to efficiently cross-promote TV, online and print media assets
- Sanoma will have better know-how, resources and the necessary building blocks to create new services and solutions across media

