



Face to Face with the Consumer

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Rautakirja Oyj

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Operations

- A retail service and logistics group based in Finland, with an increasing element of international operations.
- A consumer-driven business offering a comprehensive and expanding range of useful, entertaining services.
- Rautakirja specializes in:
 - wholesale and retail newspaper and magazine distribution
 - specialized retailing based on:
 - nationwide coverage
 - chain operations
 - centralized chain management
 - strong market position
 - good coverage of existing and new distribution channels



SanomaWSOY

Rautakirja

Objective/Vision

Rautakirja's role within SanomaWSOY is:

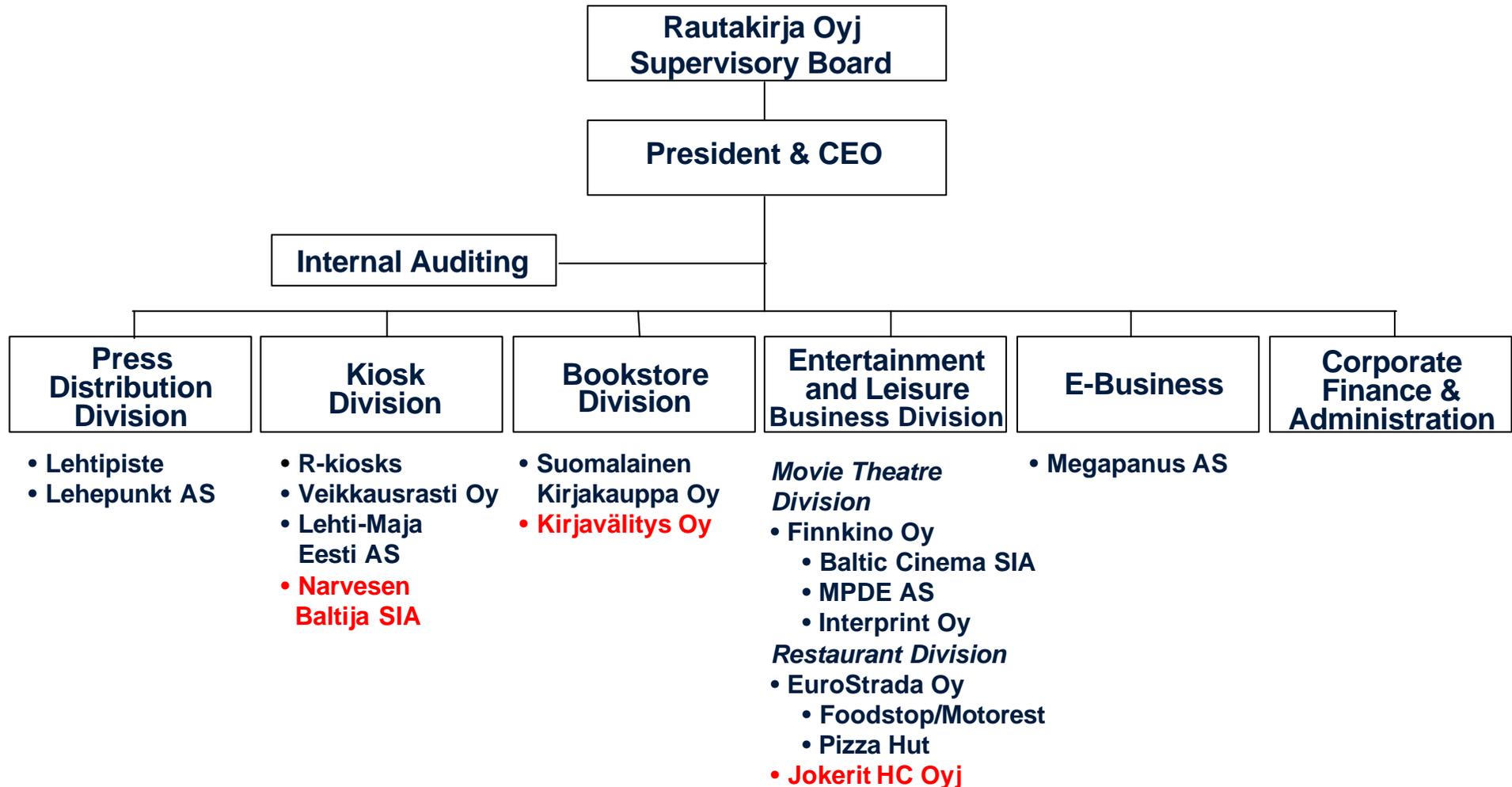
- **to manage and develop the best distribution channels for media products and publications in selected business areas**
- **to act as a catalyst for developing international opportunities.**



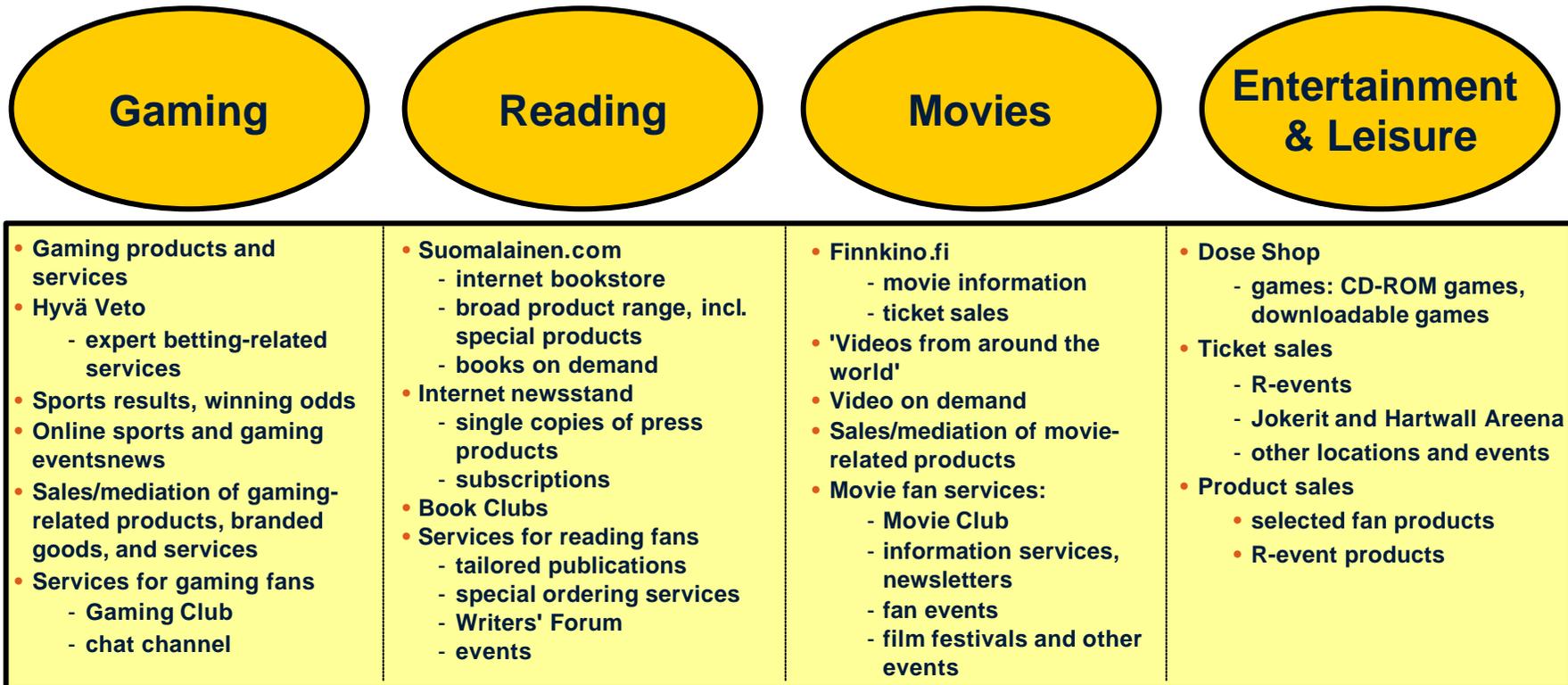
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Organization



Rautakirja's E-Business



Distribution channels: Internet, wireless networks, digital-TV



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Critical Success Factors

- **Strong position on the Finnish market**
 - Rautakirja's units are category leaders
 - continuous investment in concept development
 - focus on understanding consumer behaviour and trends
- **Know-how in international expansion and developing new distribution channels**
 - able to achieve market leadership in key business areas
 - able to gain a leading position in new distribution channels for Rautakirja's main business areas
- **Controlled expansion**
 - the right level of targeted investment in personnel
 - expansion focused on profitable business areas



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Strategic Objectives (1/2)

- **To safeguard existing profitability, through:**
 - **constant concept development, taking account of:**
 - **changes in consumer behaviour, legislation, and society**
 - **the need for highly effective organizational structures and operations**
 - **active programme of solutions addressing consumers' changing needs, and the opportunities offered by new distribution channels**
 - **e-commerce, retail malls**
 - **further development of Lehtipiste (press distribution) to give the optimum level of service to the trade and publishers**



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Strategic Objectives (2/2)

- **To create strong growth, through:**
 - a determined, consistent plan of international expansion
 - acquisitions of both domestic and international businesses, driven by the Group's strengths and know-how in:
 - chain operations (kiosks, movie theatres, and other specialized businesses)
- **To secure our in-house know-how, through:**
 - developing our human resources, training, recruitment, incentive systems, organizational climate, and values
 - a special international expansion team

Potential Challenges

- **Legislation on opening hours**
- **Rapid, unpredictable changes in consumer behaviour**
 - **e-commerce**
 - **changes in gaming and lotteries**
- **Unexpected negative economic development in the Baltic countries**
- **Increasing crime**



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Rautakirja Tomorrow!

- **Profitable and strongly expanding**
- **Expanded international presence**
- **Consumer-oriented concepts that are the leading brands in their business areas**
- **New logistics business**
- **The leading retailer of publications, movies, and gaming products in the Baltic region, via the Internet, wireless networks, and digital-TV**
- **An open, innovative, and dynamic organizational atmosphere sensitive to change**