



# **Sanoma's Year 2009**

## **Solid Result in Difficult Environment**

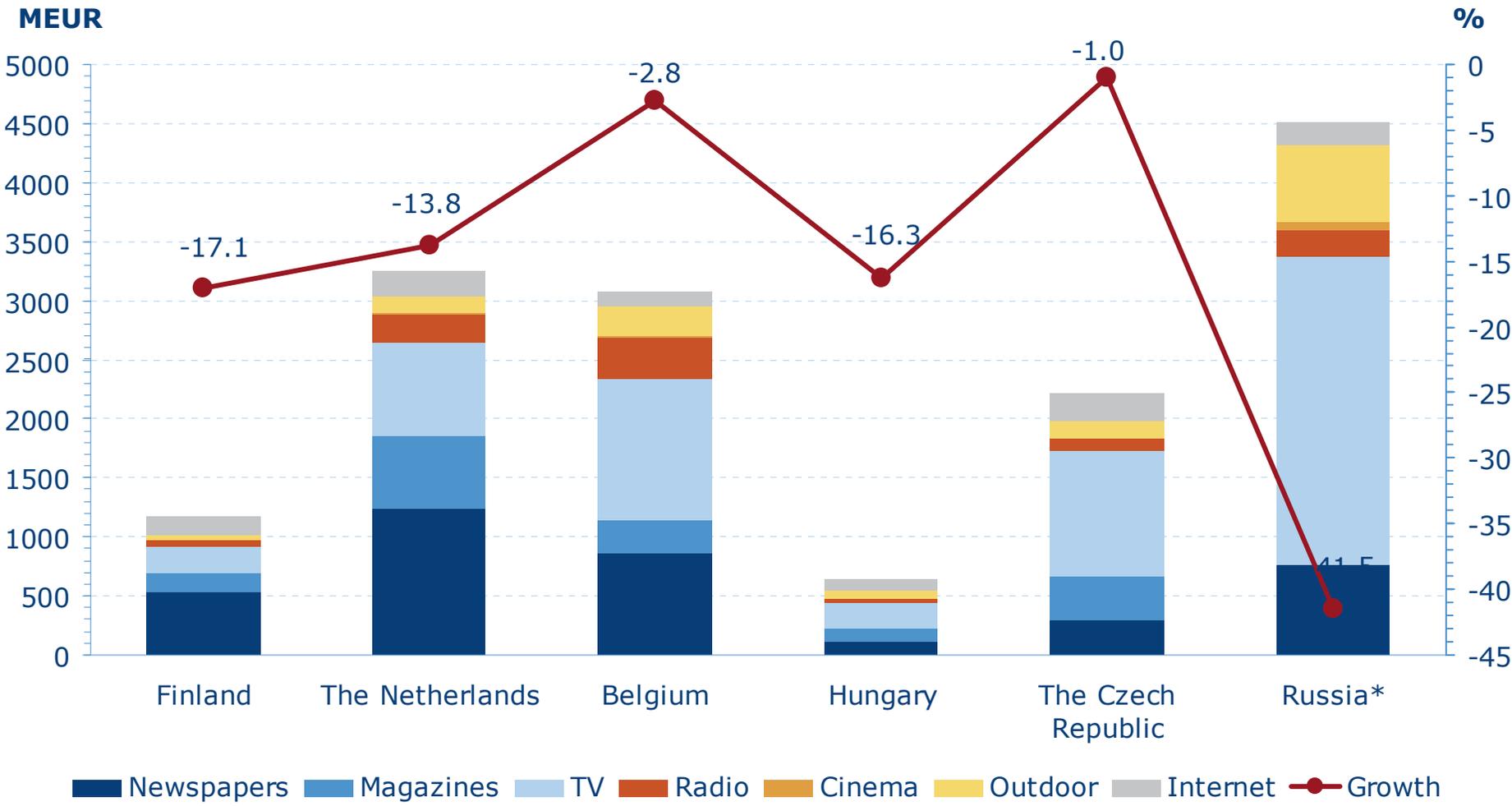
Hannu Syrjänen, President and CEO  
Annual General Meeting, 8 April 2010

# Markets in Turmoil

- In 2009, media advertising and private consumption decreased in all operating countries, especially in Central Eastern Europe and Russia
- Thanks to our balanced product portfolio and wide geographical coverage, we delivered a solid operational result also in this environment
- Positive signals from the advertising markets during the last months, but no fast recovery yet in sight



# Media Advertising Decreased in Europe in 2009



\* In Russia, total print figure includes advertising in newspapers and magazines.  
Source: ZenithOptimedia December 2009 (exchange rates as of 31 Dec 2009)



# A Ten-year Journey to a Leading Media Group

# Steps from SanomaWSOY to Sanoma

- 1999:** Sanoma and WSOY merged  
SanomaWSOY listed on the Helsinki Stock Exchange
- 2001:** CIG Acquisition  
Magazine division with activities in 9 countries
- 2003:** Rautakirja merged into SanomaWSOY
- 2004:** Malmberg Acquisition  
Leading educational publisher in the Netherlands and Belgium
- 2005:** Independent Media Acquisition  
Leading magazine publisher in Russia
- 2008:** SanomaWSOY becomes Sanoma



# One Company Brand...



**Magazines**  
**Online business**



**Newspapers**  
**Online business**



**TV and radio**  
**Broadband internet**  
**Casual gaming**



**Learning**  
**Language services**  
**Literature & other**



**Kiosks**  
**Trade services**  
**Bookstores**  
**Movie operations**





# One of the Leading Media Companies in Europe

## With a Focus on Sustainable Growth and Profitability

- Market leadership in chosen businesses and markets
- Balancing our business portfolio of B2C and B2B products and services by focusing on
  - magazines
  - news
  - learning solutions
  - online business





**Solid Result in  
Difficult Environment**

# Focusing on Efficiency Brought Results

## Positive Signals for Advertising Markets in 2010

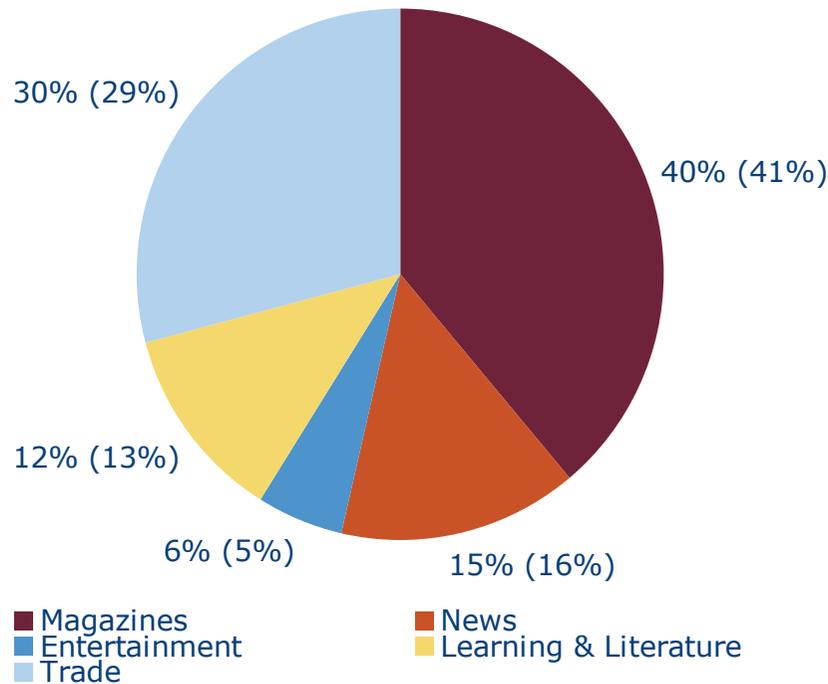


- Solid result in a tough environment
- Successful execution of efficiency programmes
  - Operating expenses excluding non-recurring costs down by 8%
- Restructuring operations in all divisions to ensure future competitiveness
- Positive signals from the advertising markets, but no fast recovery yet in sight
- Focusing on efficiency in 2010, but also investing for growth
- Strong focus on growing online operations

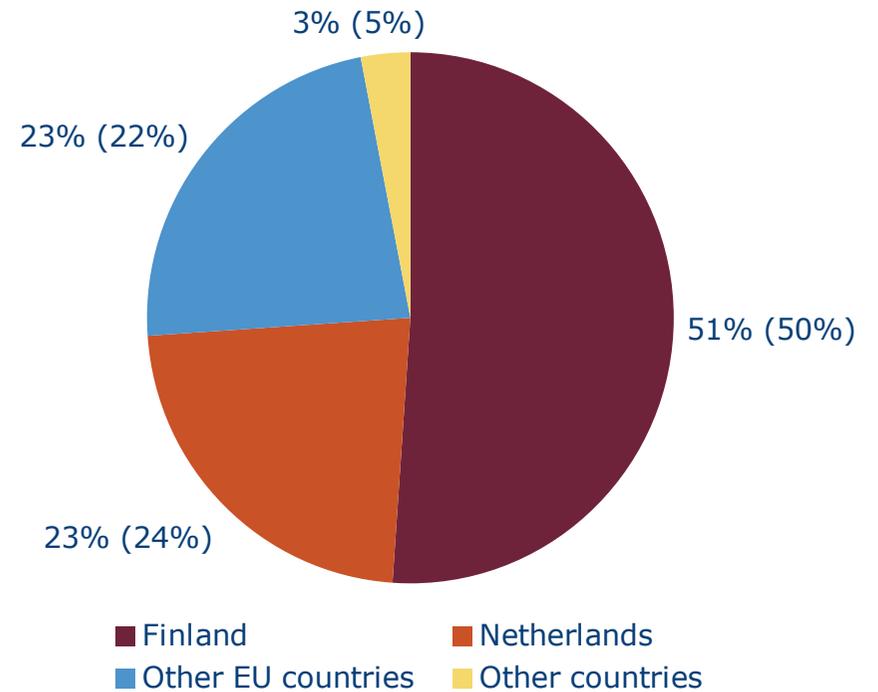
# Balanced Business Portfolio

Net sales 2009 (2008)

By division

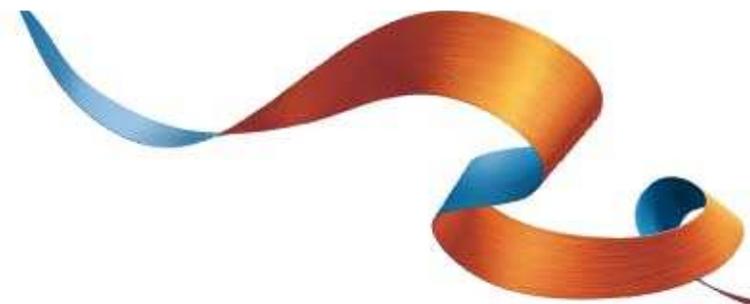


By geographic area



- The Baltic countries 5% (5%)
- Other CEE countries + Russia and Ukraine 11% (15%)

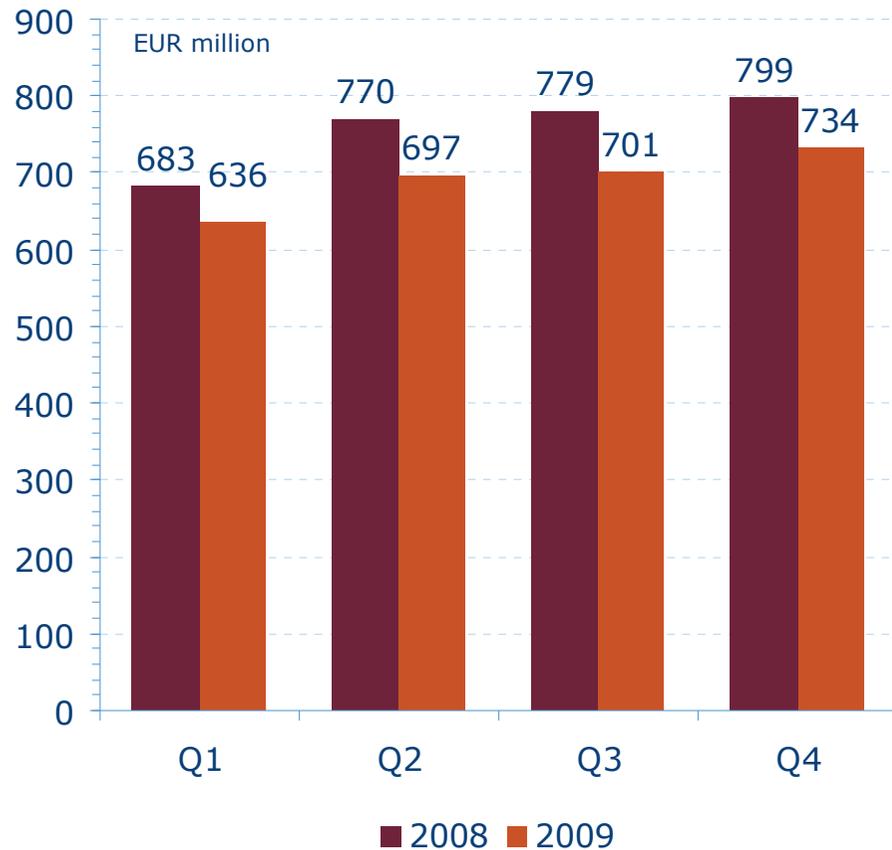
# Solid Result



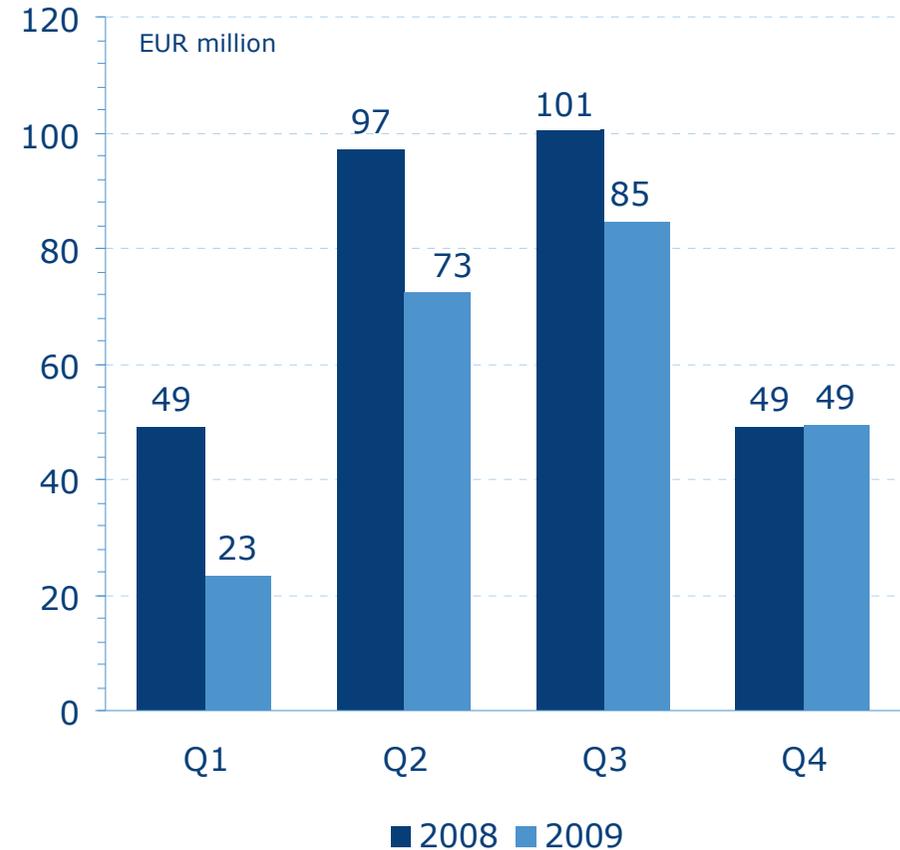
EUR million	<b>10-12/2009</b>	10-12/2008	Ch %	<b>2009</b>	2008	Ch %
Net sales	<b>733.6</b>	798.7	-8.2	<b>2,767.9</b>	3,030.1	-8.7
Operating profit excl. non-recurring items	<b>49.3</b>	49.0	0.5	<b>229.5</b>	295.7	-22.4
% of net sales	<b>6.7</b>	6.1		<b>8.3</b>	9.8	
Operating profit	<b>32.3</b>	-28.8	212.0	<b>195.4</b>	236.3	-17.3
Earnings/share, €	<b>0.04</b>	-0.39	110.2	<b>0.66</b>	0.72	-8.8
Cash flow from operations/share, €	<b>0.76</b>	0.59	28.3	<b>1.50</b>	1.56	-3.5
Dividend/share, € **				<b>0.80</b>	0.90	-11.1
Number of employees at the end of the period *				<b>16,723</b>	18,453	-9.4
Average number of employees *				<b>17,343</b>	18,168	-4.5

# Improved Profitability in Q4

## Net sales



## EBIT excluding non-recurring items



# Continuously Strong Financial Position

EUR million	31.12.2009	31.12.2008
Balance sheet total	<b>3,106.3</b>	3,278.7
Equity ratio, %	<b>41.4</b>	40.0
Net gearing, %	<b>79.4</b>	78.5
Interest-bearing liabilities	<b>1,017.7</b>	1,082.6
Interest-bearing net debt	<b>958.1</b>	971.6
Cash and cash equivalents	<b>59.7</b>	110.9
Return on investment, %	<b>8.9</b>	10.7

- Favourable long-term credit facility
- Net debt/EBITDA 2.6

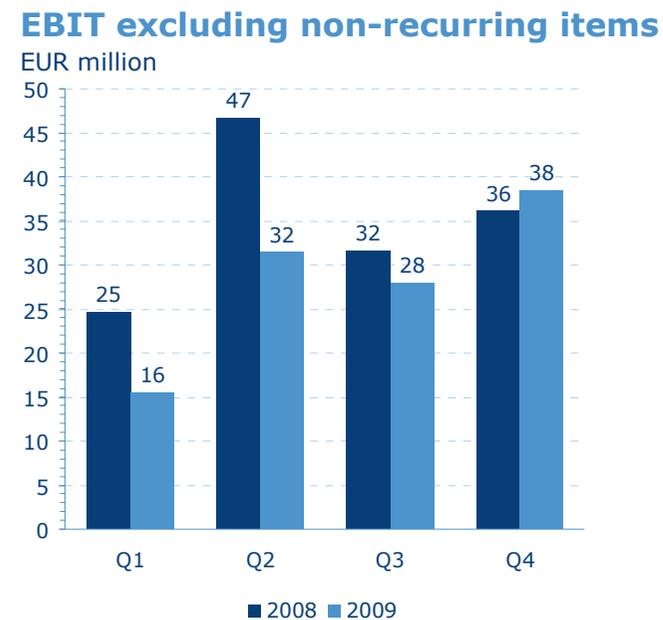
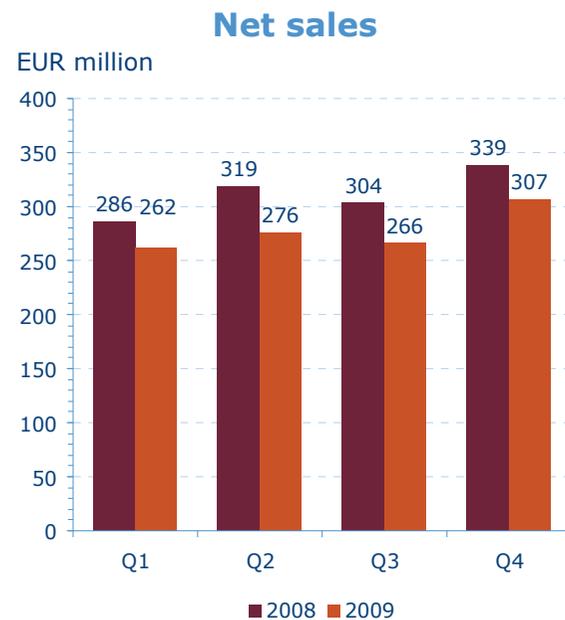


# Divisions

# International Magazine Publisher

## Sanoma Magazines

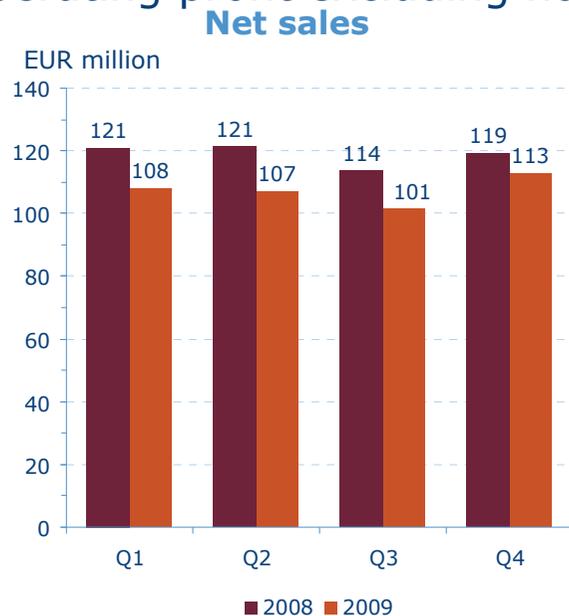
- Our core brands strengthened their positions in their key markets
- The full-year result was strongly affected by the decreasing advertising sales, in particular in Central Eastern Europe and Russia
- Results improved in the fourth quarter
- In 2009, net sales were EUR 1,111 million and operating profit excluding non-recurring items was EUR 113 million



# Finland's Leading Newspaper Publisher

## Sanoma News

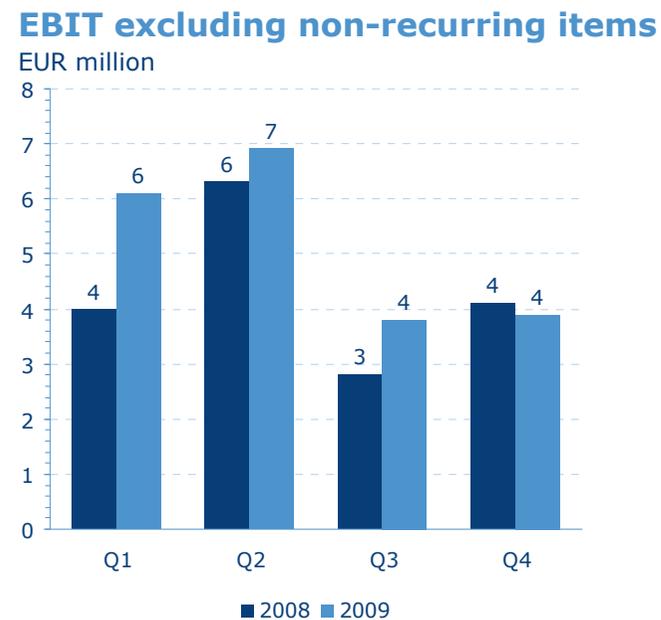
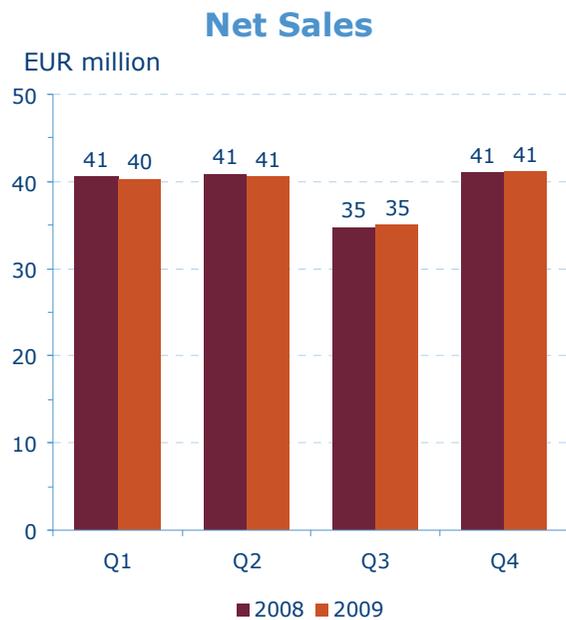
- The total reach of Helsingin Sanomat is at an all-time-high due to increasing print readership and growing online audience
- The tabloid Ilta-Sanomat was able to reverse its market share development, also online services did well
- Results improved in the fourth quarter
- In 2009, net sales were EUR 429 million and operating profit excluding non-recurring items was EUR 41 million



# Electronic Media Expert

## Sanoma Entertainment

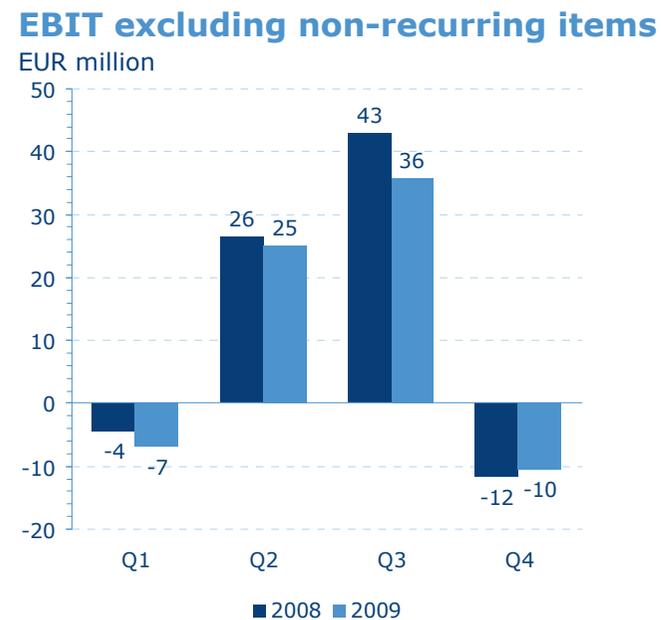
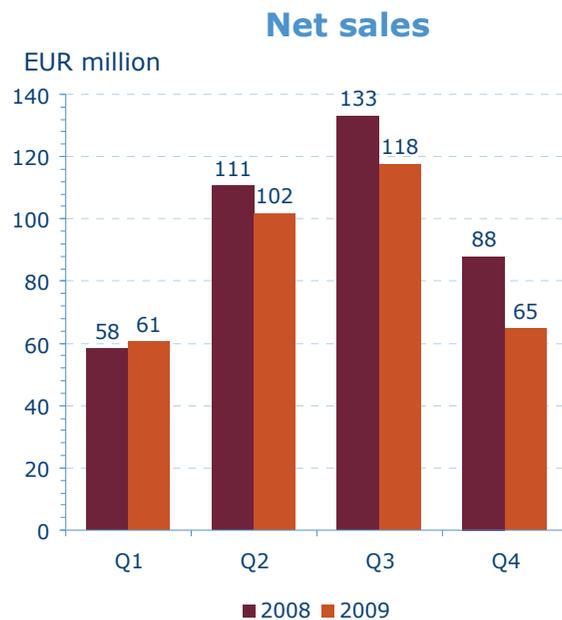
- Nelonen Media's viewing and listening shares developed positively
- Welho increased the number of both its broadband and pay TV subscribers
- Operating profit grew by 20% with all businesses improving their results
- In 2009, net sales were EUR 157 million and operating profit excluding non-recurring items was EUR 21 million



# Major Educational Publisher

## Sanoma Learning & Literature

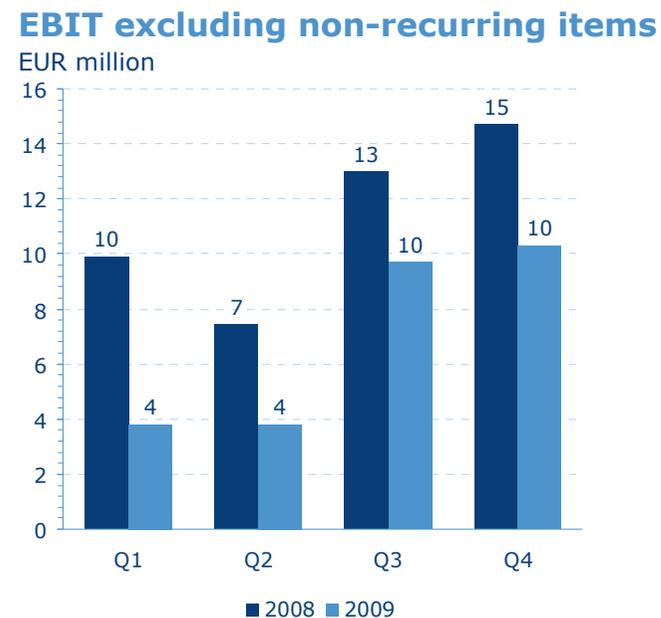
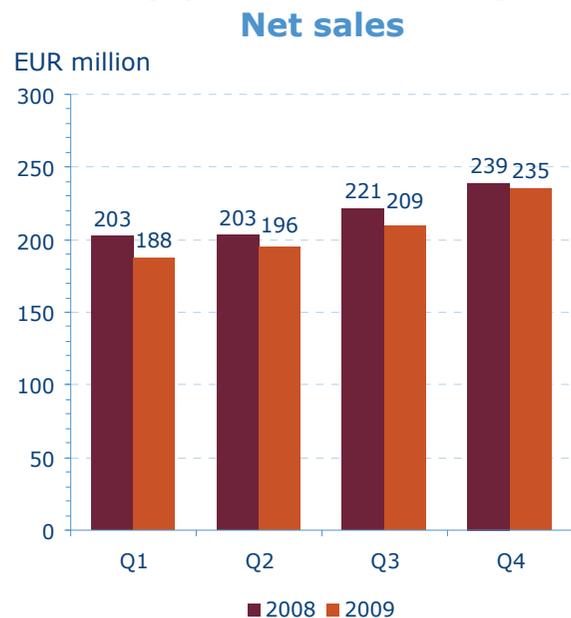
- Learning performed well, with market positions strengthening in Belgium and Poland
- Sales of language services and training were clearly affected by the economic environment
- Results improved in the fourth quarter
- In 2009, net sales were EUR 345 million and operating profit excluding non-recurring items was EUR 44 million



# Retail Specialist

## Sanoma Trade

- Movie operations had another record breaking year, box-office revenues reached an all-time high in Finland
- The Baltic as well as the Russian and Romanian businesses were strongly affected by the recession
- The results in business in Finland and in the Netherlands were at the comparable year's level
- In 2009, net sales were EUR 828 million and operating profit excluding non-recurring items was EUR 28 million





# Outlook

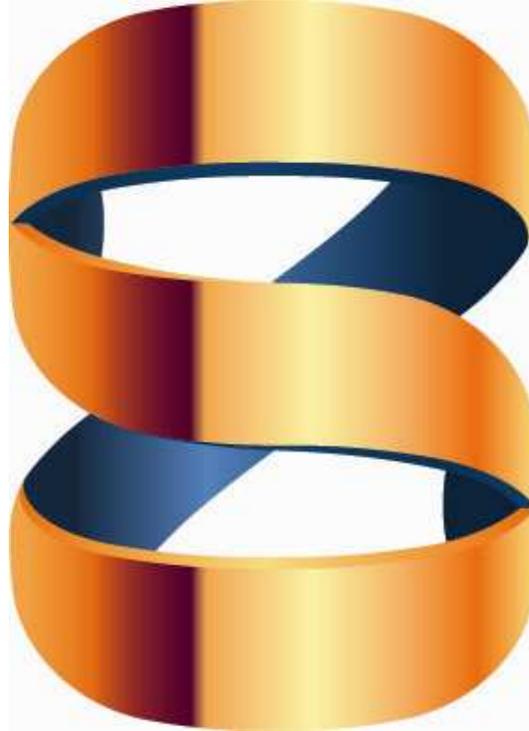
# Advertising Sales in Finland Began to Grow in February

EUR 1,000	2/2010	M-%	1-2/2010	M-%
Newspapers	36,766	-3.5	74,953	-4.3
Magazines	9,666	-10.4	16,734	-11.8
Television	20,077	10.1	38,605	2.1
Radio	3,145	0.9	5,995	0.6
Outdoor	2,685	-1.1	5,247	-4.2
Cinema	212	-13.3	495	23.7
Online	5,887	26.9	11,384	15.0
<b>Total</b>	<b>78,437</b>	<b>0.8</b>	<b>153,413</b>	<b>-2.2</b>

# Outlook for 2010



- Net sales are expected to grow
- The operating profit excluding non-recurring items is estimated to improve slightly
  - In 2009, operating profit excluding non-recurring items was EUR 229.5 million
- The outlook is based on the assumption that the advertising markets in the Group's operating countries are stable.



**Inspires, Informs and Connects**