



**Sanoma**

Annual Report 2010





# Sanoma is

a strong European media company. We operate in more than 20 countries, offering an inspiring working environment for nearly 20,000 people. In 2010, our net sales amounted to EUR 2,761 million. Measured in net sales, Sanoma is among the top 15 media companies in Europe. Sanoma's shares are listed on the Nasdaq OMX Helsinki.

Sanoma has three areas of business: media, learning and retail. We are among top 5 consumer magazine publishers and number 6 in providing learning materials and solutions in Europe. In Finland, we are present in all fields of media.

Our retail operations include kiosks, bookstores, movie theatres and trade services.

We meet the changing needs of our customers and business environment by constantly developing our products and services. This innovative approach ensures our sustainable growth and profitability.

Sanoma provides millions of people with information, education, entertainment and experiences, every day, in their own languages and respecting local cultures. Our strengths include having the leading position in chosen businesses and markets, strong brands and competitive products.

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*Financial Statements and the Corporate Responsibility Report are available in PDF format at [Sanoma.com](http://Sanoma.com)*

14.08  
torstai 27. joulukuuta 2012

# HELSINGIN SANOMAT

Uutiset  
Korkeimman oikeuden 127 malliperheä Yhdysvalloissa  
**FMI laki "viiteen perheeseen"**





## Decade of constant growth and internationalisation

In line with its stated strategy, Sanoma is one of the leading media companies in Europe.

**We have consistently** invested in growth and improved our profitability over the years. Our strategy is based on a strong market share and requires determination, consistency, hard work and controlled risk-taking.

The acquisition of VNU's magazine operations in 2001 was an important step towards growth and becoming more international. And that's exactly what has happened: since then we have made over 100 acquisitions.

At the same time, there have been very significant changes in the media landscape, the most notable perhaps being the way that digital distribution channels are challenging traditional ones.

**Content production** is our primary strength and focus area at Sanoma. Although distribution channels are transforming, consumers – that is, readers, viewers and listeners – have the same basic needs: information, education and entertainment.

As the Sanoma Group internationalises and reaches an ever broader market, its business units will grow and require more resources to develop even further. This means we need to increasingly focus on our core businesses.

To see this trend in practice, just look at the exchange of Welho's cable network operations for

a strategic share of the telecommunications group DNA. After the deal, Sanoma assumed an exciting new role in the converging digital world.

Our focus on core businesses will continue and grow stronger.

**My ten years** as President and CEO of the Sanoma Group have flown by.

I have had the honour and privilege of helping the company internationalise and adapt to the new media world. I now leave Sanoma in good shape to my successor. The future holds many challenges and opportunities.

I would like to take this opportunity to thank our customers for their trust in our products and services. I would also like to thank our shareholders and other stakeholders, as well as the Board of Directors and Chairman Jaakko Rauramo for their support and co-operation.

Above all, I would like to thank each and every one of my colleagues: all that we have achieved, we have achieved together.

Thank you for a fascinating journey together! The journey continues.

*Hannu Syrjänen  
President and CEO until 31 Dec 2010*

# Competent people create top class content

**Hannu Syrjänen**, who was appointed President and CEO of Sanoma in the spring of 2001, withdrew from his post at the end of 2010. Under his leadership, the Group has grown and developed remarkably, consolidating its position among the leading European media companies. Sanoma has a significant European market position in magazine and learning material publishing in particular.

**Sanoma is** a genuinely international media company – the only one of its kind in Finland. Its net sales are almost tenfold compared to those of the second largest media company in the country. Sanoma's profitability has been strong throughout the 2000's and beyond, and it plays a key role in digital media, both in Finland and in many other European countries.

One of the reasons behind Sanoma's success and strong development is its highly competent management group. I would like to thank Hannu Syrjänen for his excellent contribution. With his team, Hannu has laid a firm foundation for his successor, Harri-Pekka Kaukonen. I would also like to extend my warmest welcome to Harri-Pekka and wish him every success at the helm of Sanoma.

**We belong** to the absolute top class in know-how in magazines, newspapers, learning materials and television on the European level. In the field of digital media, we have excellent and exciting opportunities.

Sanoma is ready to embrace these opportunities with a restructured organisation: at the beginning of 2011, Sanoma Magazines and Sanoma Entertainment were integrated to create a new division, Sanoma Media. Now we are even better equipped to develop digital projects, innovate and fully exploit the opportunities presented by television, online and print media.

Even though innovation and the internet hold fascinating potential, we must also continue to

focus on our core businesses and key products. We will improve our most successful products systematically and use their strong brands wisely and effectively also in the digital world.

**The future offers** interesting opportunities for Sanoma Learning & Literature as well: along with innovation, the Division has the potential to become a trailblazer in the digital world. It is also essential to see that learning is much more than educational materials and tap into the business opportunities in the field at large.

In terms of geography, we can strengthen our presence in Europe, and the Far East will offer new potential. Of our current markets, Russia is highly interesting because of its size and economic growth, which are in a class of their own.

In Finland, Sanoma News has a very strong position, which we can reinforce by using new technological and digital opportunities wisely. The future looks much brighter for Sanoma News than for newspapers in general because of the Division's strong market position and digital expertise.

**Anything is possible** when our creative and highly competent employees further develop our company, facilitating growth. We can still improve our high-quality training system, including the Sanoma Academy, and make Sanoma an even more attractive employer. This attraction is enhanced by our healthy and highly valued corporate culture.

Sanoma's attraction is also supported by the great social significance of our business. The content we create is based on freedom of speech, a value fundamental to democracy. We respect local cultures, contributing to preserving and further developing national cultures and languages. Our mission is to be the market leader in satisfying people's need for information and education and for an easier and happier life.



**Paid services** present the greatest challenges. Funded by advertising, media content is increasingly free for customers, who often feel that all content can also be reused freely. This inevitably means that less professionally edited content will be available, which is unfortunate for culture, education and democracy. Faced with gloomy outlooks, publishers are putting their hopes on electronic readers to facilitate paid content and new types of attractive advertising.

So far, publishers have paid too much attention to increasing visitor numbers and the ensuing

advertising volumes. The allure of free content, however, is deceptive and may lead to a dramatic decrease in publishing and publishers. Only the strongest will survive, and the transition will result in paid content. Sanoma is among the strongest, but I sincerely hope that publishers have the wisdom and willpower to think ahead and resist the siren song of free content.

*Jaakko Rauramo*  
Chairman

## *A new era begins*

**S**anoma has developed strongly during the past years. Its products and services keep attracting millions of customers every day. This is a good starting point for future development.

We will continue focusing our business operations and concentrate on media and learning, and increasing sales within our on-line business. We are looking for new business opportunities: strengthening digital operations, promoting innovation, and increasing co-operation also externally are the means to reach organic growth. At the same time,

we will continue to foster and develop our strong, familiar brands.

Our success depends on skilled people. Our personnel play a key role when we strive to create new services and markets through innovation. Sanoma is full of professional, enthusiastic and creative people. I am very excited to start my journey as the new President and CEO of Sanoma.

*Harri-Pekka Kaukonen*  
President and CEO as of 1 Jan 2011



# The consumer leads the change

**Digital media offer** consumers and advertisers an exponentially growing selection of different solutions. According to Global Entertainment and Media Outlook: 2010–2014, a report published by PwC, the key driver for the change is ongoing evolution in consumer behaviour.

Already a year ago, the recession was predicted to boost digital services, but the pace of change has exceeded all expectations. This development also highlights the speed at which consumers are embracing new media experiences. One example is the great success of tablets or high definition (HD) services in the field of TV.

According to the estimates, the global entertainment and media market increased by 2.6% in 2010, after having decreased by 3.0% in 2009. The growth rate is accelerating, predicted to rise to more than 4% in 2011. Growth is being boosted primarily by advertising, a sector that suffered from the recession more severely than media consumption in general.

The digital sector recorded the highest growth rates, with online advertising increasing by approximately 9% in 2010. The growth rate predicted for 2011 is even higher: 11%.

**Media moves** along with the consumers. Consumer behaviour – both customers' and advertisers' – is changing rapidly together with the technological development. The multi-front digital revolution offers consumers an astonishing abundance of choice. The number of television channels, for example, has multiplied in a short period of time. The content can be available in print, online, on mobile devices as well as on tablet devices. Consumers will have the key role in developing new products.

Consumers' interest in mobile solutions is increasing extremely rapidly, even though the penetration of mobile services varies greatly by country. In addition, consumers are more willing than before to pay for flexible mobile services

## *Key drivers for the change in the media landscape*

- *Changes in consumer behaviour*
- *Technological advances*
- *Accelerating digital transformation*
- *Increasing fragmentation of markets and consumers*

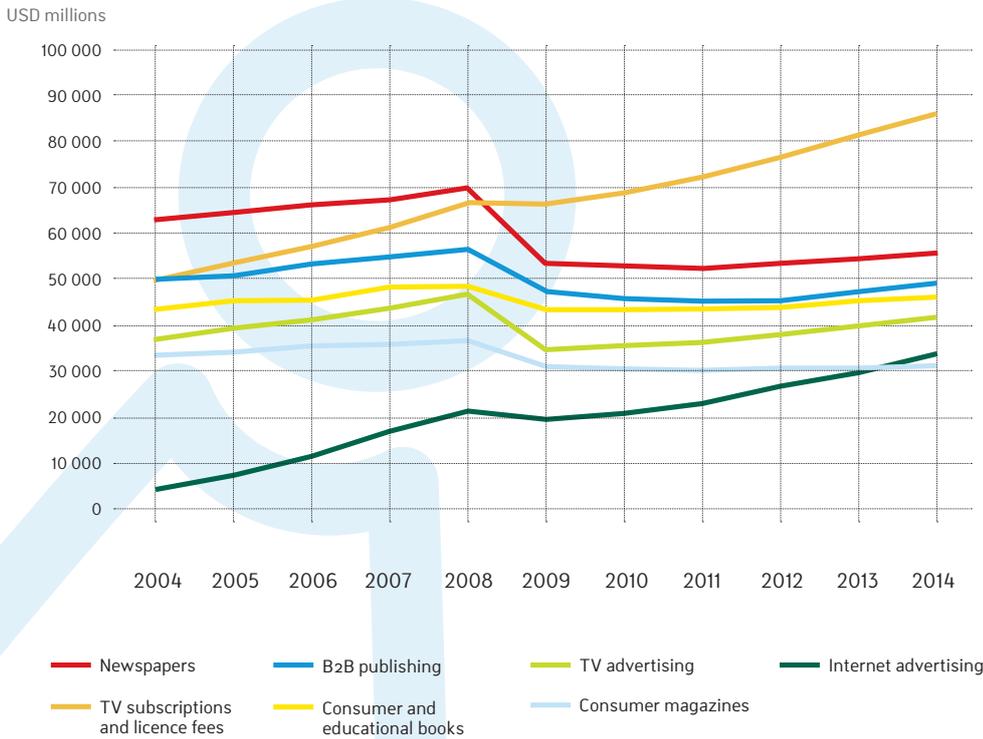
that make life easier. Advertisers can combine different media and devices in new ways, creating countless marketing options.

The rise of social networking is not to be forgotten. Media consumption is once again becoming a collective social experience. The combination of social networks, digital media and mobility enables consumers to share their views and opinions in various ways and media. Users

may and will be increasingly engaged in the media content production.

Digital media and fragmented media markets create more opportunities than before. Most of the growth comes from digital services, but traditional channels will continue to constitute most of the revenues in the near future. New and widely differing revenue models will be needed in future to enable high-quality content.

MEDIA MARKET DEVELOPMENT IN EUROPE



SOURCE: GLOBAL ENTERTAINMENT AND MEDIA OUTLOOK: 2010-2014, PWC

# Focusing on media and learning

## Our strategic objectives are:

- Be the market leader in chosen businesses and markets
- Strengthen our focus on organic growth
- Restructure our business operations according to changing customer needs
- Develop our organisation further and exploit synergies across the Group

## Our focus areas are:

### Media

- We will continue to grow in print and digital media by taking good care of the core business and becoming a stronger digital player.

### Learning

- We will constantly strengthen our position as a leading European provider of learning solutions. We will reach this position by M&A and organic growth.

**In retail,** we are creating innovative retail concepts and are focusing on developing our kiosk operations and trade services.

## Mission

To be the market leader in satisfying people's needs for information and education and for an easier and happier life

## Vision

To be the media company of opportunities and operational excellence

## Strategic goal

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

## Values

### Dynamism

Our success is based on dynamic thinking and execution

### Creativity

Creative work is the essence of communications

### Reliability

Creativity and reliability form the basis of all our actions



## Tighter focus on core businesses

In 2010, Sanoma focused on its core businesses and restructured its business operations by divesting Finland's largest cable TV operator Welho and integrating its TV, radio and online gaming operations – in the shape of Sanoma Entertainment – with Sanoma Magazines.

Following the EUR 200 million divestment of the Welho business in June, Sanoma became the second-largest owner of the Finnish telecommunications group DNA with a 21% stake in the company. This strategic holding provides Sanoma with valuable opportunities in the growing convergence that is shaping the media and telecommunications businesses.

In November, Sanoma announced that it will integrate its divisions Sanoma Entertainment and Sanoma Magazines, to create Sanoma Media, with effect from 1 January 2011. This move enables the Group to leverage its TV and video expertise, which has

been limited in reach to the Finnish market so far, in the broader European marketplace. New synergies can be generated with the nearly 300 magazine titles as well as with Sanoma's leading online assets in many European countries.

*“The creation of Sanoma Media reflects the fact that technology is now beginning to enable different media to coexist in a much more productive way than has been possible ever before.”*

## Long-term financial targets

Our long-term growth target remains to grow net sales faster than the growth of GDP in our main operating countries and to achieve a EBIT margin of

12%. We will continue to carefully manage our balance sheet and target for a net debt to EBITDA ratio below 3.5 and an equity ratio within 35% to 45%.

	Target level	2010 (2009)
EBIT margin, % *	12	8.9 (8.3)
Net debt/EBITDA	< 3.5	1.5 (2.6)
Equity ratio, %	35-45	45.7 (41.4)
Gearing, %	< 100%	63.8 (79.4)
Capital expenditure, EUR million	< 100	85.7 (83.4)
Net sales growth, %	Faster than GDP growth in main operating countries	-0.2 (-8.7)
Consumer media online revenues	EUR 240 million by 2012	151.0 (132.2)
Dividend policy, %	Over half of the Group result for the period distributed in dividends	59.4 (122.0) **

\* Excluding non-recurring items

\*\* Year 2010 proposal of the Board of Directors

# Innovation is the name of the game

'Tremendously important' is how **Sven Heistermann**, Sanoma's Chief Strategy Officer, describes the significance of innovation for the Group's future and in ensuring that it can deliver on its promise of truly sustainable growth and profitability.

We want to be sure that we are able to serve our customers very well also in the future by developing the existing portfolio, gaining an even deeper understanding of customers and closely working together with them, building new types

“We believe that innovation is all about giving people the opportunity to come up with new ideas and run with them.”

**Sven Heistermann**  
Chief Strategy Officer

of services and searching for adjacent markets. Our employees play a key role in enabling this development, and we are also looking for external partners with whom we can do new business.

"The thousands of employees who work for Sanoma around Europe are extremely creative," he says, "and we believe that, by tapping into this resource pool in new ways, we will realise our innovation intent and generate significant new streams of revenue."

A number of tools will be used to promote and enable innovation and organic growth, including dedicated financial incentives related to growth, a specific fund to support and finance innovative ideas, expanded employee training modules, a revitalised Sanoma Awards programme, and new ICT tools for sharing ideas online.



# Focus on new business opportunities

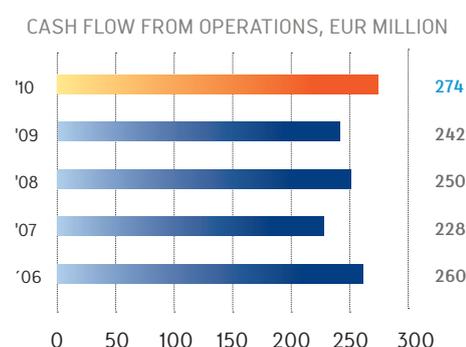
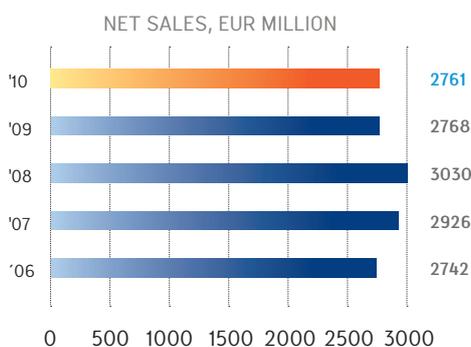
In 2010, Sanoma made a good operational result, thanks to efficiency measures as well as the market recovery in Western Europe and Russia. In 2011, we want to improve our strong market positions further.

**Sanoma's operating profit** excluding non-recurring items amounted to EUR 245.4 million in 2010. The recovering advertising markets improved the result of our magazine, newspaper, TV and online operations, and the learning business also improved its profitability. The efficiency improvement measures executed in 2009 further contributed to the improvement of our profitability. At the end of 2010, Sanoma had some 15,400 employees (FTE), i.e. some 1,300 less than a year ago.

**Good dividend yield** is one of the key characteristics of the Sanoma share. In 2010, Sanoma distributed 59% of the result for the period in dividends, the dividend yield being 6.8%.

**In 2011**, Sanoma's net sales and operating profit excluding non-recurring items are expected to be at the previous year's level. Both net sales and operating profit are affected by the development of advertising and private consumption in the Group's countries of operation. The current outlook is based on the assumption that the advertising markets in the Group's main operating countries will grow somewhat in 2011.

**The focus** in developing our operations will be on new structures enabling better co-operation, emphasising innovation and scaling up our digital efforts. These are examples of how we actively seek organic growth.

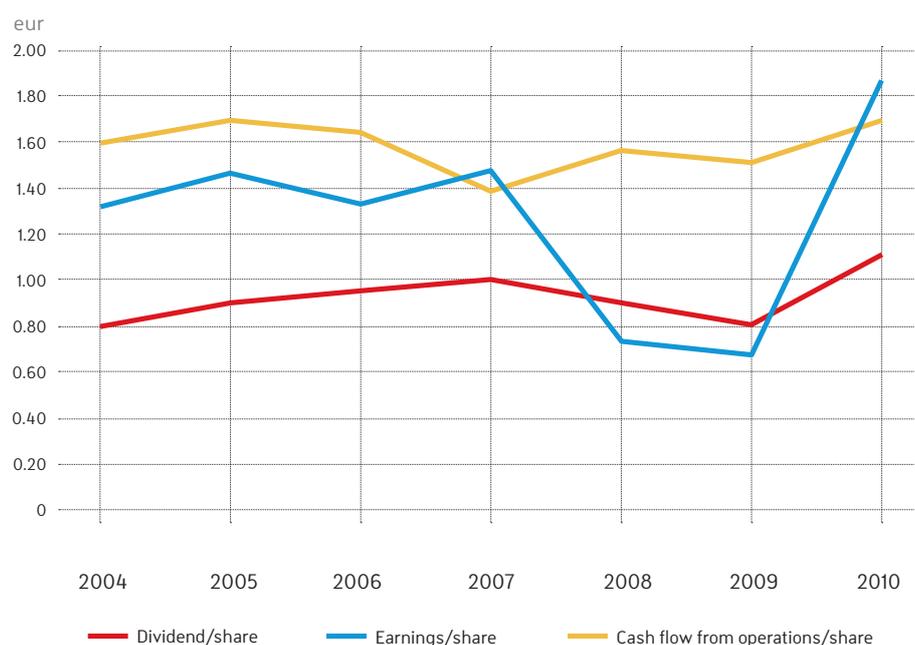


## Key figures

	2010	2009	%
Net sales, EUR million	2 761.2	2 767.9	-0.2
Operating profit excluding non-recurring items, EUR million	245.4	229.5	6.9
% of net sales	8.9	8.3	
Operating profit, EUR million	392.7	195.4	101.0
% of net sales	14.2	7.1	
Result for the period, EUR million	297.3	107.1	177.6
Return on investment (ROI), %	16.2	8.9	
Equity ratio, %	45.7	41.4	
Net gearing, %	63.8	79.4	
Dividend payout ratio, % *	59.4	122.0	
Effective dividend yield, % *	6.8	5.1	
P/E ratio	8.8	24.0	-63.5
Market capitalisation, EUR million	2 628.0	2 536.5	3.6
Number of employees at the end of the period (full-time equivalents)	15 405	16 723	-7.9

\* Year 2010 proposal of the Board of Directors

## STABLE DIVIDEND PAYER



# Content for all channels

We have an extensive business portfolio of products and services for both consumers and corporate customers. Our customers need content – we provide that for all channels.

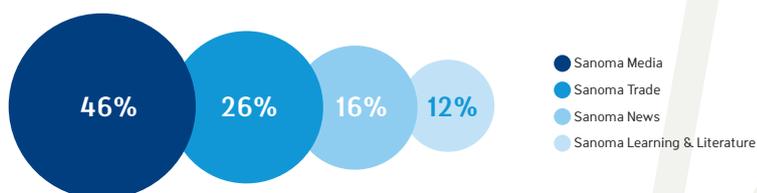
Sanoma's business can be divided into three areas: consumer media, learning solutions and retail. In all these areas the Sanoma Group responds to the ever-changing customer needs by transforming and developing its business operations.

Sanoma wants to enhance its leading positions in consumer media in chosen markets. This is achieved by utilising the strong print, online and TV assets, Sanoma's trusted brands as well as good customer relations. In the learning business, Sanoma aims at strengthening its position

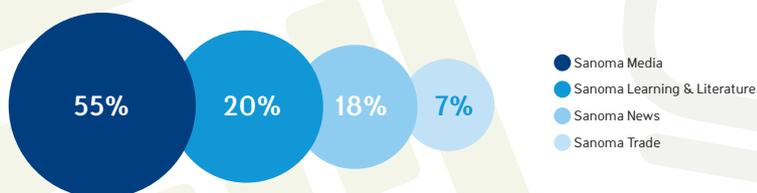
as a leading European provider of learning solutions by bringing added value to the customers through new, innovative solutions. In retail, Sanoma wants to secure future growth by constantly developing concepts, in kiosks and bookstores in particular.

Until the end of 2010, the Sanoma Group comprised five divisions: Sanoma Magazines, Sanoma News, Sanoma Entertainment, Sanoma Learning & Literature and Sanoma Trade. As of 1 January 2011, a new division was established: Sanoma Media integrated Sanoma Entertainment and Sanoma Magazines. Sanoma Media now creates the paramount share of the Group's net sales comprising 46% of the total.

NET SALES BY DIVISION



OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY DIVISION



# Sanoma

## Sanoma MEDIA

Net sales EUR million **1300**  
 Operating profit EUR million \* **146**  
 Personnel \*\* **5419**

Sanoma Media publishes around 300 magazines and a multitude of websites and applications. It includes Sanoma's TV and radio operations. The Division, operating in 12 European countries, actively reaches out to an audience of millions of consumers and aims to strengthen its market leading positions in each of the markets it operates in.

## Sanoma NEWS

Net sales EUR million **438**  
 Operating profit EUR million \* **47**  
 Personnel \*\* **2016**

Sanoma News is the leading newspaper publisher in Finland. Its printed and digital products have a strong presence in the lives of their readers. In addition to Helsingin Sanomat, the largest daily in the Nordic region, Sanoma News publishes other national and regional newspapers and it is also one of the most significant digital media players in Finland.

## Sanoma LEARNING & LITERATURE

Net sales EUR million **350**  
 Operating profit EUR million \* **53**  
 Personnel \*\* **2656**

Sanoma Learning & Literature, operating in 14 countries, is a leading European provider of learning materials and solutions in print and digital format. The Division has growing international business information and language service operations. Sanoma Learning & Literature is also the leading general literature publisher in Finland.

## Sanoma TRADE

Net sales EUR million **726**  
 Operating profit EUR million \* **19**  
 Personnel \*\* **5149**

Sanoma Trade is a retail specialist operating in five countries. Its strengths lie in a thorough understanding of customers' needs and solid concepts. Sanoma Trade serves its customers in 200 million annual sales contacts at kiosks, bookstores and movie theatres. The trade services business is a strong link between publishers and retailers.

\* EBIT excluding non-recurring items  
 \*\* Personnel at the end of the period (FTE)

### NET SALES DISTRIBUTION



# European media champion

**Sanoma's well-known brands** connect with millions of people at every stage of life, providing them with information, education, entertainment and inspiration, every day of the year. We have operations in over 20 countries.

We are market leaders in most of our operations. We can offer the best for our customers: the most compelling content, the best brands to advertise in, the most inspirational methods for learning. Market leading positions offer stability to our employees and investors.

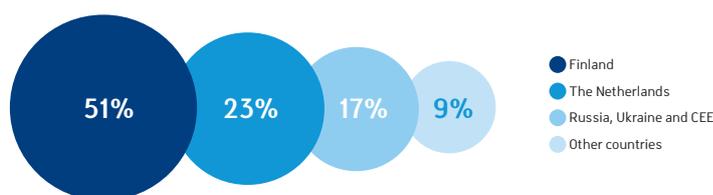
Sanoma's roots run deep in its operating countries in the European media markets: our products have been existing in Finland, the Czech Republic, Belgium, the Netherlands and many more countries for over 150 years. Sanoma generates about half of its revenues from outside Finland, the most important countries being the Netherlands, Belgium, Russia and Hungary.

We want to grow our operations: through innovative new concepts, leveraging our existing

strong online assets across borders, and combining our print, TV and online assets in a fresh way, we are able to offer our readers, viewers and listeners something completely new. We are also actively looking for possibilities to expand our operations through acquisitions.

Combined with efficient distribution, our market leadership, high-quality products and services, as well as our ability to really listen to our customers help us reach our goal: to be one of the leading European media companies – a company of opportunities and operational excellence.

NET SALES BY GEOGRAPHIC AREA



## The main operating countries and number of personnel

### Finland (9213)

- BI services
- bookstores
- digital media
- general literature
- kiosks
- language services
- learning solutions
- magazines
- movie theatres
- newspapers
- printing
- trade services
- TV and radio

### The Netherlands (2555)

- digital media
- learning solutions
- magazines
- press distribution

### Hungary (1389)

- digital media
- learning solutions
- magazines

### Russia (1330)

- BI services
- digital media

- language services
- learning solutions
- magazines

### Lithuania (1043)

- kiosks
- movie theatres
- trade services

### Estonia (967)

- bookstores
- digital media
- kiosks

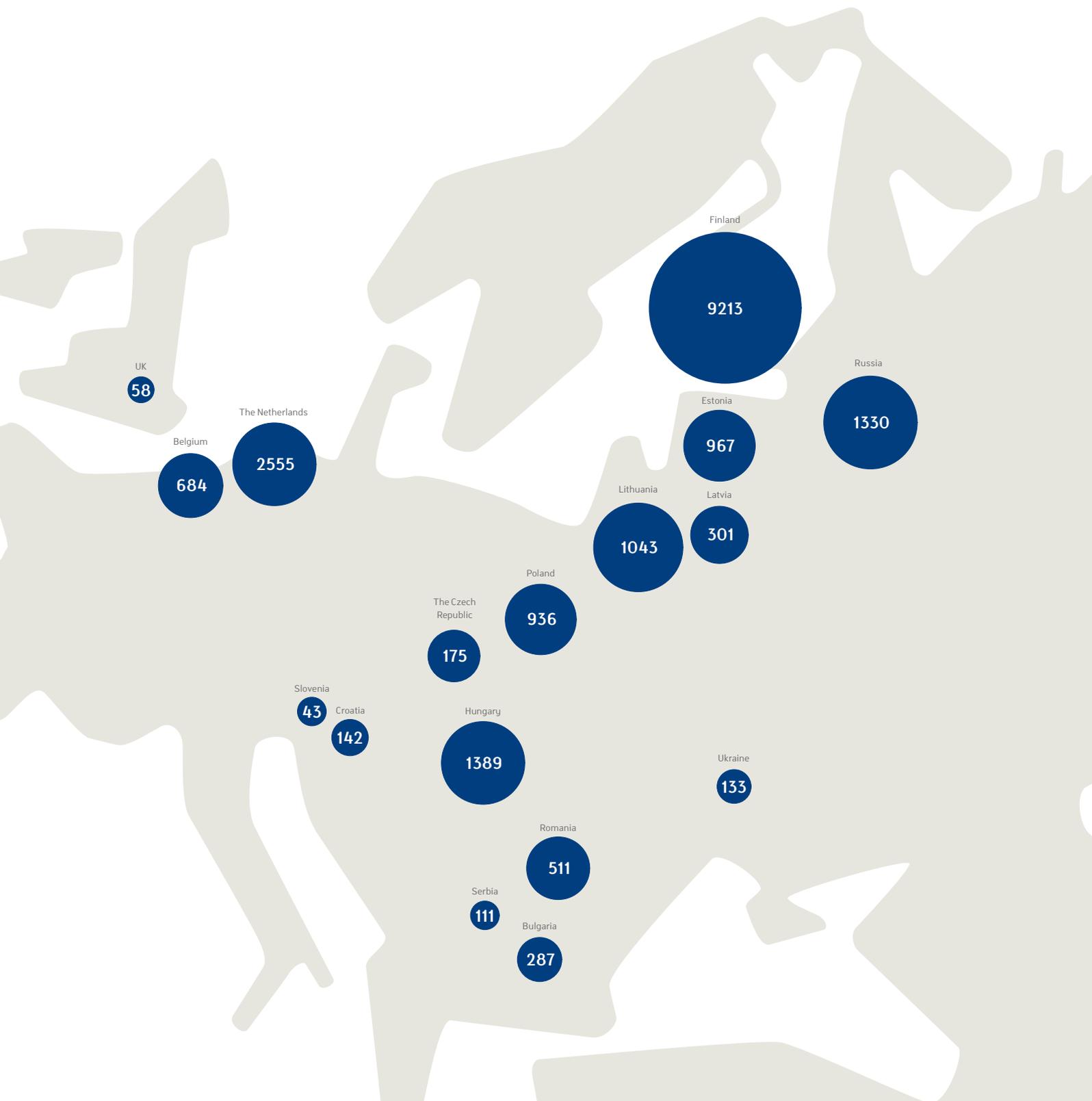
- movie theatres
- trade services

### Poland (936)

- learning solutions

### Belgium (684)

- digital media
- learning solutions
- magazines



- Romania (511)**
- digital media
  - kiosks
  - magazines
  - trade services

- Latvia (301)**
- kiosks
  - movie theatres
  - trade services

- Bulgaria (287)**
- digital media
  - magazines

- The Czech Republic (175)**
- digital media
  - magazines

- Croatia (142)**
- digital media
  - magazines

- Ukraine (133)**
- magazines

- Serbia (111)**
- digital media
  - magazines

- The United Kingdom (58)**
- BI services
  - language services

- Slovenia (43)**
- digital media
  - magazines

In addition, the business information provider Esmerk operates in France, Germany, Malaysia and Sweden and the language services provider AAC Global in China, Denmark, Norway and Sweden. Bertmark operates in Sweden.

Number of personnel in Sweden 107, Malaysia 31, Germany 15, France 15, China 4 and Denmark 1.

## Sanoma Media

# 19.3%

growth in advertising revenue further strengthened Me Naiset's position as the second biggest magazine title in Finland measured by media sales. Finland's biggest women's weekly is also number two in single copy sales of magazines.

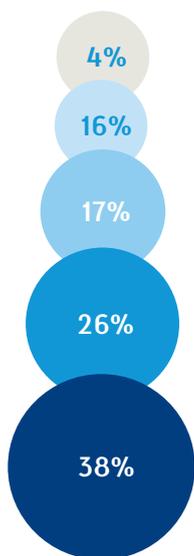
(TNS INTELLIGENCE, RAUTAKIRJA)

*Sanoma Magazines Finland's customers have voted the company's Media Sales organisation the best in Finland for the third time in row in 2010. In the photo Sales Manager Paula Peltola is presenting new solutions to L'Oréal Finland's Division Director Marko Kultra and Marketing Manager Katja Ahonen.*



# A broader palette of capabilities

NET SALES BY BUSINESS



- The Netherlands
  - Finland
  - CEE
  - Belgium
  - Other businesses
- Including Sanoma Entertainment and Aldipress

"The Division went from strength to strength in 2010," says **Eija Ailasmaa**, President and CEO of Sanoma Media. "We started the year cautiously after the recession-related challenges of 2009. By the second half, however, our business was already moving ahead and we recorded a very positive performance for the year as a whole."

Progress was most marked in Western Europe, where Sanoma Magazines was able to grow its market share in Finland, the Netherlands and Belgium. The Russian business also experienced a strong economic comeback. The strength of Sanoma Magazines' portfolio and the power of its brands proved a critical asset. "The way our business bounced back in 2010 is really down to our best brands. In many cases they are now even stronger than they were before the recession," says Ailasmaa.

"One of our top performers was the Finnish women's title *Me Naiset*, which increased its readership, circulation and advertising revenue in an otherwise stable market," says Ailasmaa. "Libelle is also a very dynamic force, further strengthened with exciting line and brand extensions. In the Netherlands, we introduced Libelle Academy, a new way for people to learn and improve capabilities around typical Libelle topics. In Belgium, Libelle has embarked upon a super brand strategy to leverage the brand, introducing new specials, new events, and even licensing the brand to pro-

duce Libelle bread. Another strong brand is *Cosmopolitan*. In 2011, we'll be publishing ten local editions, now also in Croatia through *Adria Media Zagreb*. And *Cosmo Russia* remains in a class of its own. Their annual *Shopping Night* has drawn more than 120,000 *Cosmo Girls* in a single night, and the *Cosmo*-branded credit card surpassed the magic number of 200,000 subscribers."

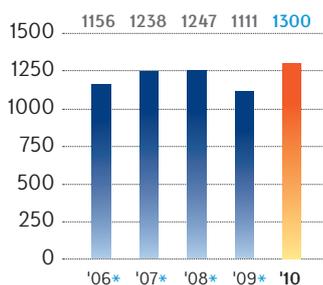
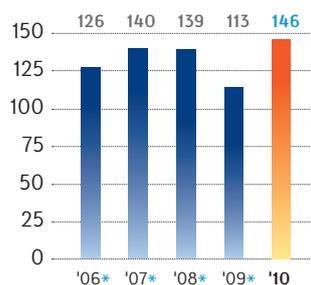
Focusing on strong brands is also a strategy that is working for online and mobile media. "NU.nl, for example, has become a ubiquitous news brand in the Netherlands, it's everywhere," says Ailasmaa. "This has continued over into tablets and smartphones, where NU.nl is quickly building a similarly dominant position as in online. Traditional newspapers are lagging behind in comparison."

But the overall performance in online was very satisfying as well. "Online has traditionally been one of our fastest growing activities. The recession decreased its growth pace, but the development both in sales and profitability is now once more very good," says Ailasmaa.

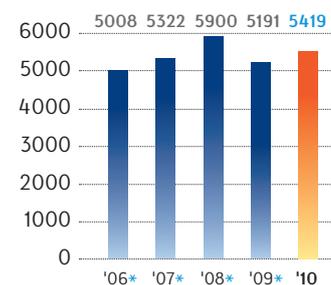
"One of the most high-profile developments highlighting the changes shaping the media landscape in 2010 was the launch of the iPad," says Ailasmaa. "The iPad, the other tablets that are following, as well as the spread of smartphones, are opening up what could be an exciting new era in publishing. Although it's still too early to judge its impact or which publications are likely to gain the most, I believe we need to get on board early – and that's what we're doing. I've been very impressed by how our editorial teams are embracing the new opportunities offered by tablets in terms of for instance richer content and more interactivity." *Viva* and *Autoweek* in the Netherlands, *Cosmopolitan* in Russia, *Goedele* in Belgium and *Gloria* in Finland were just some of the titles to launch iPad editions in 2010. In addition, ▶

Sanoma Media was established on 1 Jan 2011 by integrating Sanoma Magazines and Sanoma Entertainment.

NET SALES, EUR MILLION

OPERATING PROFIT EXCLUDING  
NON-RECURRING ITEMS,  
EUR MILLION

PERSONNEL (FTE)



\* Excluding Sanoma Entertainment and Aldipress that were integrated into Sanoma Magazines to form Sanoma Media as of 1 January 2011

## Addicted to Libelle

The primacy of the reader is key in the magazine business, but few have pioneered brand success quite as far as the Flemish women's lifestyle magazine Libelle, which has spin-offs, extensions, sponsored events, crossovers to television and the web. **Inge Bubbe**, a new mother at 39 and devoted Libelle reader, shares her insights.

"When I started reading Libelle at seven, I was already interested in fashion. I would report to anybody who would listen about the shoes, trousers, dresses and the other clothing I had seen. As long as I can remember my grandmother and aunts have read Libelle. With the birth of my first child last September, the Libelle lifestyle has continued to open up. I now read all the motherhood and baby-related articles in Libelle Mama! and in the Mama & Co section on the Libelle.be website.

No other magazine on the Belgian market measures up to Libelle in terms of its warm and cosy feeling. Without doubt my favourites are Monique's recipes and the 'The Little Black Dress' in the fashion section. The 'Help Line' is full of useful tips; I recently clipped out an article on inheritance for a friend. I've tried a few of the interior décor and do-it-yourself ideas.

I buy the cooking spin-off Libelle Lekker! off the rack. It is the best food magazine on the Belgian market. It's 100% Flemish, uses local ingredients, and includes international recipes, tips and culinary tricks. Yesterday I



served a simple Libelle recipe for meatballs with tomato sauce to my two nephews (ages 2 and 3). My sister-in-law remarked she had never seen them eat with such gusto! Libelle has made a huge difference in how I shop for food. I now distinguish potato varieties and prepare broths in advance. In the morning, our whole family enjoys Libelle Lekker! bread.

My husband, a magazine addict, also reads Libelle from cover to cover. He fortunately likes Libelle Mama!, too, so we share."

“The important thing is to further strengthen our core brands whilst making the best use of our new opportunities.”

already over forty iPhone apps have been launched, as well as applications for other mobile platforms. "This has been an ongoing process," says Ailasmaa, "with each app building on the experience gained with the previous one. This is driven by the so-called Apps Factory that we established in Hungary on the back of our existing digital capabilities there.

"The dedicated team in Budapest has been involved in most of our app launches and we have had roving ambassadors going from country to country. This has really speeded things up and proved a good way to stay ahead of the game. And we really are at the forefront: the Hungarian Story and the Dutch Viva iPad apps were ranked as the second and third best apps in the world out of more than 1,000 newspaper and magazine apps in 2010. In Hungary, the number of iPhones in use equals the number of downloaded Sanoma apps, so you could almost say there is not an iPhone without a Sanoma app on it!"

Internally, enterprise resource planning (ERP) and other ICT expertise is being increasingly shared between different countries to promote best practices and reduce duplicated investments. Local teams can also draw on the resources of the Advertising Research Centre, based in Belgium, to

provide more comprehensive support for advertisers. "We are really making headway this way, becoming a more integrated company and contributing to synergies," Ailasmaa comments.

**The decision to create** Sanoma Media by integrating Sanoma's international magazine, online & mobile media and TV operations was a very important one for the Group and very much in line with its vision of the media future, according to Ailasmaa. "It reflects the media convergence that we're seeing all around us, and will give us access to new opportunities. Our integrated business will give a completely new growth platform in multiple markets across Europe across different media platforms. I believe Sanoma Media represents a perfect fit and a major step forward, bringing our agendas much closer together."

**"The challenge in 2011** will be to continue nurturing Sanoma Media's existing businesses and actively explore new opportunities, while keeping a firm check on costs," says Ailasmaa. "In particular, we'll be developing our strategy to utilise our expanded media portfolio. We are especially aiming to expand in audio-visual. We believe that media should be inspiring and enjoyable, serving consumers where and when they want. That's why we want to use our strong consumer insight to service them and our business-to-business clients in their various media choices, creating a growth platform for many opportunities. Sanoma Media really is a company of opportunities!"

 [Please read more: Sanomamedia.com](http://Sanomamedia.com)

## Apps factory boosts development

*Sanoma Media has set up an international App Development Programme, to boost mobile and tablet application development and leverage international learnings. The programme includes the set-up of a in-house app development centre in Hungary to produce mobile ap-*

*plications for the whole Division and to build up internal expertise and software databases. The App Development Programme efficiently combines expert knowledge with a short time-to-market, allowing Sanoma Media to launch proven concepts quickly across its markets.*

## Sanoma Media

Integration of magazine publishing, TV, radio and online services



### Top 5 magazines

NETHERLANDS	
	Average sold circulation per issue
Libelle	445 475
Donald Duck	308 067
Margriet	252 612
Linda	159 993
Story	128 500

RUSSIA	
Cosmopolitan	767 333
Men's Health	178 250
Good Housekeeping	218 000
Yes!	103 167
Popular Mechanics	145 500

HUNGARY	
Story	246 237
Nök Lapja	239 990
Szines RTV	200 230
Best	117 896
Meglepetés	98 566

BELGIUM	
Libelle	226 300
Humo	214 200
Story	163 400
Flair	160 900
TeVe-Blad	137 400

FINLAND	
Aku Anka	308 837
ET-lehti	237 248
Kodin Kuvalehti	174 546
Me Naiset	147 995
Hyvä Terveys	126 464

### Top 5 online properties

NETHERLANDS	
	Unique visitors (monthly average)
nu.nl	54 805 000
startpagina.nl	43 944 000
weblog.nl	26 948 000
kieskeurig.nl	24 609 000
sportweek.nl	23 053 000

HUNGARY	
startlap.hu	1 169 000
nök lapja cafe.hu	207 000
story.hu	169 000
figyelonet.hu	166 000
hotdog.hu	140 000

BULGARIA	
vbox.bg	4 808 000
abv.bg	4 477 000
gbg.bg	1 702 000
vesti.bg	1 281 000
svejo.bg	1 004 000



Eija Ailasmaa  
President and CEO

# Television holds its own

"Only a couple of years ago, many predicted that television would die, but these predictions have turned out to be premature. The fact is, television is leading advertising growth among the major media," says **Anu Nissinen**, President of Sanoma Entertainment.

According to Nissinen, the living picture is such a strong element that television has not just survived, it has positively thrived in the changing media landscape. Amid this transformation, however, it is important to stay tuned in to the changing business environment, as well as the needs of consumers and advertisers.

"On the basis of our strengths, we must be able to create carefully designed, comprehensive

solutions for different platforms and user groups," says Nissinen.

The Sanoma Entertainment business consists of Nelonen Media, a Finnish company specialising in television and radio operations, and Sanoma Games, which produces online game services. The product portfolio includes eight television channels and two radio channels.

**Television channels** continued to perform strongly in 2010, with the lifestyle channel Liv attracting the highest number of new viewers. Launched initially on the cable network, Liv began broadcasting on the terrestrial network in December 2009.

"Social media also create unexpected phenomena that can be used as a basis for new products and concepts."

**Anu Nissinen**  
President



"Our main channel, Nelonen, has held its own very well," Nissinen says. "We have successfully launched Finnish versions of popular international formats, such as *Clash of the Choirs*, *Talent* and *Come Dine with Me*. Hit shows also include *Tourist Guides*, which is based on a Finnish programme format."

Television shows are complemented by multi-channel concepts for viewers and advertisers. These concepts can cover several TV and radio channels, as well as online services.

In addition, the concepts are supported by Ruutu.fi, a popular web TV service that enables viewers to catch up with television programmes at a time of their choosing. The service also offers access to bonus clips and other material related to television and radio shows.

"I believe that web TV will continue to grow. Internet-enabled television sets will increase in popularity, as will other terminals, such as tablet devices. Tablets will make an excellent device to watch television on," says Nissinen.

### The internet and social media

offer new opportunities to introduce interactive services. The Radio Rock Facebook group is an excellent example: the group has almost 100,000 fans, making it one of the most popular fan sites in Finland.

"Social media also create unexpected phenomena that can be used as a basis for new products and concepts," Nissinen points out.

Understanding the changing needs of viewers and advertisers is a core competitive strength that enables accurately targeted services.

"It's crucial for all employees to see and understand the big picture. This understanding is essential to content production and other operations, and all processes must be adjusted accordingly," Nissinen stresses.

**Successful game services** also require an awareness of customers' needs. Sanoma Games offers some of the most popular online game services in Finland, including the Liigapörssi fantasy league, which was created in collaboration with the quality tabloid *Ilta-Sanomat*.

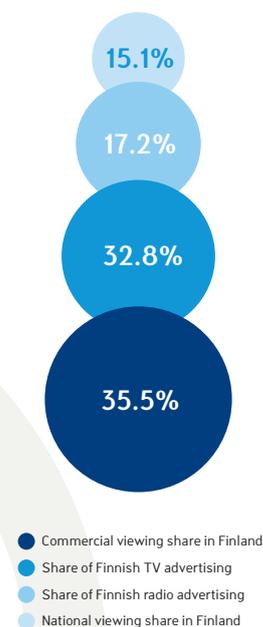
"The fantasy hockey league is a prime example of a concept that includes multiple products offered by the Sanoma Group," Nissinen says.

**The strategic objective** of Sanoma Entertainment is market leadership in its chosen target groups in commercial television and radio markets. In game services, Sanoma Entertainment seeks concepts that can be expanded internationally. A good example is *Liigapörssi*, which has been localised in Finland, Sweden and Germany.

**At the beginning of 2011**, Sanoma Entertainment and Sanoma Magazines became Sanoma Media. According to Nissinen, combining Sanoma's TV and online game operations with its international magazine, online and mobile businesses offers interesting new opportunities.

"Sanoma can use its Finnish television expertise internationally and strengthen its market position in Europe. Existing services can be complemented with entirely new media products. I think we have only seen the beginning."

NELONEN MEDIA'S MARKET SHARES



# Sanoma News

Sanoma News'  
products reach

84%

of all Finns

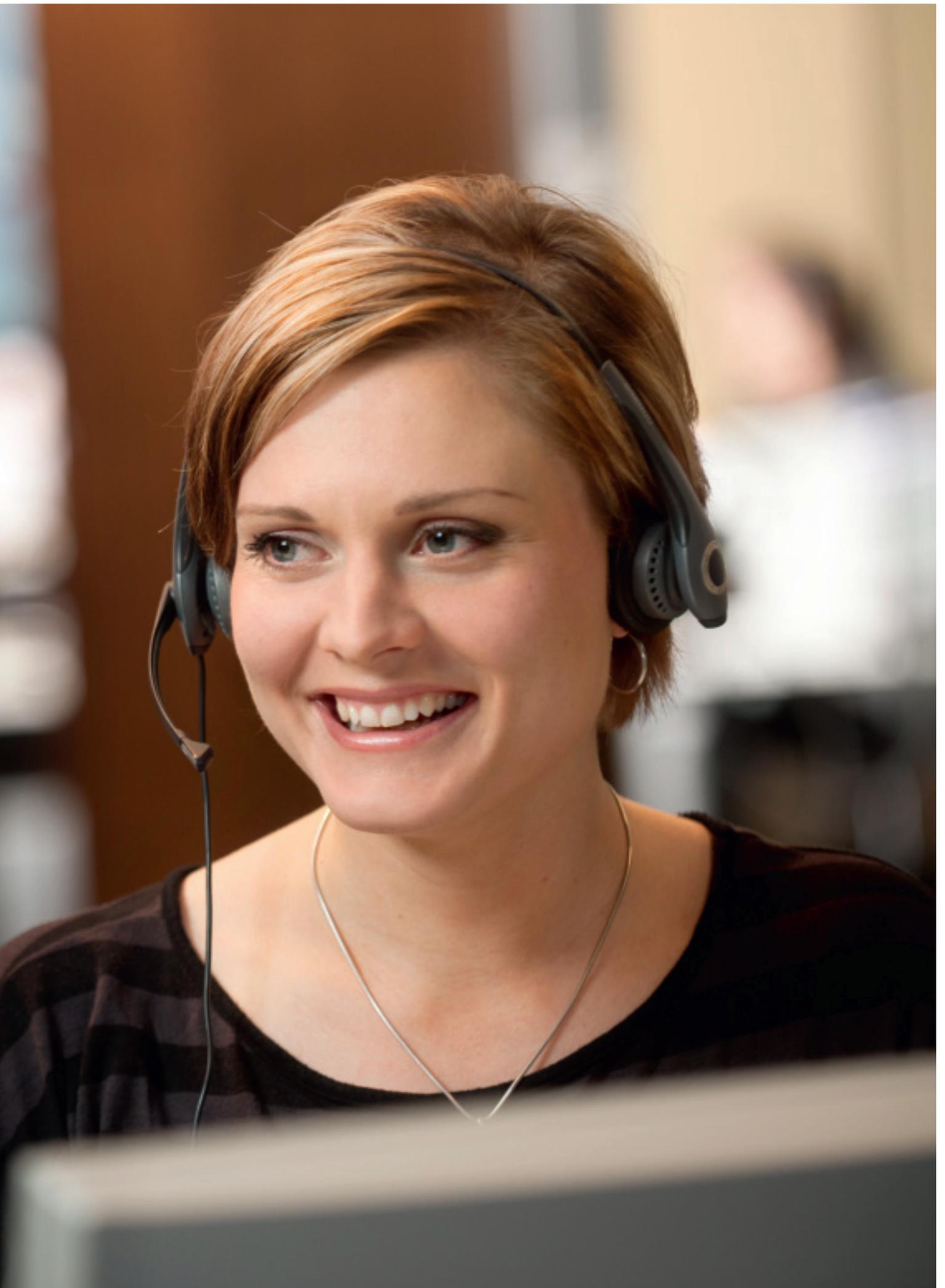
95%

of the capital  
region

86%

of 30–39-year-olds

*Finnish consumers have twice chosen Helsingin Sanomat's customer service as Finland's best phone service in a survey carried out by Taloustutkimus. Sanoma News' joint customer service receives approximately 800,000 calls a year. Pictured is Sales Representative Sanna Lintunen.*



# Growth through a multi-channel approach

"We laid the foundation for a successful 2010 by investing in improvements during the recession," says **Pekka Soini**, President of Sanoma News.

Sanoma News clearly demonstrated its performance potential in 2010. The market improved in March and exceeded all growth expectations throughout the rest of the year. The Division witnessed multi-channel growth, with both print and digital media significantly improving their performances. For example, in the daily newspaper Helsingin Sanomat job advertising and real estate advertising showed double digit growth, and the Oikotie.fi online classified service recorded staggering growth of almost 100%.

As a result of the improvements implemented during the recession, Sanoma News was in a good position to increase its advertising market share in 2010. The Oikotie.fi service, for example, assumed the role of market leader in online job advertising in Finland, and Ilta-Sanomat increased its share of the quality tabloid market. In other words, finely-tuned business operations and the improved market made it a year of success for Sanoma News.

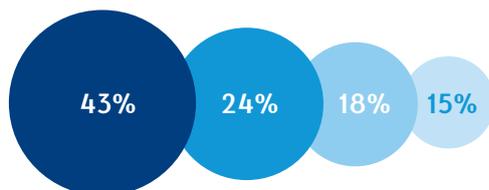
As the largest media company in Finland, Sanoma News can push forward with superior product development. With net sales of EUR 45 million, digital media constitutes about 10% of the net sales of Sanoma News. It is worth noting that digital media alone would make Sanoma News a significant media company in Finland.

"We've reached a point of critical mass, which creates synergy benefits for content production and technical development, as well as sales and marketing," points out Soini.

The Online Performance Unit offers advertisers analyses and tools for targeting advertising at very precise and specific groups in digital media. To take a concrete example, this means that car advertising can be targeted at people who have been reading car-related articles or clicking car advertisements before.

Ilta-Sanomat demonstrated its flexibility and innovation by publishing a number of hugely popular supplements. The extremely popular Winter War edition in 2009 sold around 110,000 copies, and the hit product in 2010 was the supplement about former Finnish President Urho Kekkonen. ▶

NET SALES BY BUSINESS

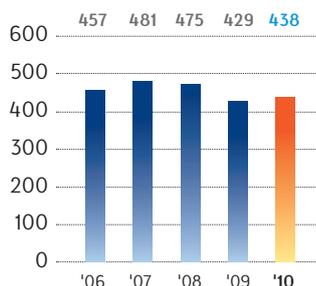
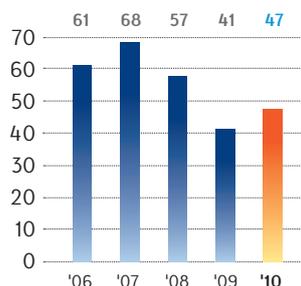


- Helsingin Sanomat
- Other businesses
- Other publishing
- Ilta-Sanomat

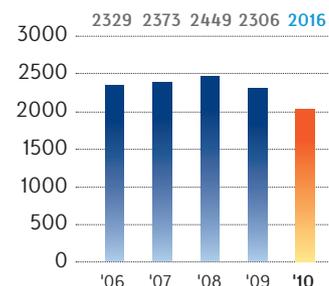
## Top 5 online services

	Unique weekly visitors week 3/2011
IltaSanomat.fi	1 772 573
HS.fi	1 299 830
Taloussanomat.fi	673 006
Huuto.net	619 289
Oikotie.fi	444 577

NET SALES, EUR MILLION

OPERATING PROFIT EXCLUDING  
NON-RECURRING ITEMS,  
EUR MILLION

PERSONNEL (FTE)



## One-stop shopping

Starting in August 2010, Sanoma News embarked on a new cross-media sales initiative that provides customers with one source for all advertisement needs. The goal for Sanoma News is to be the cross-media sales leader in Finland by 2013.

This effort is no small undertaking, as the portfolio includes 730 different products, which, when added together, form media combinations in the tens of thousands.

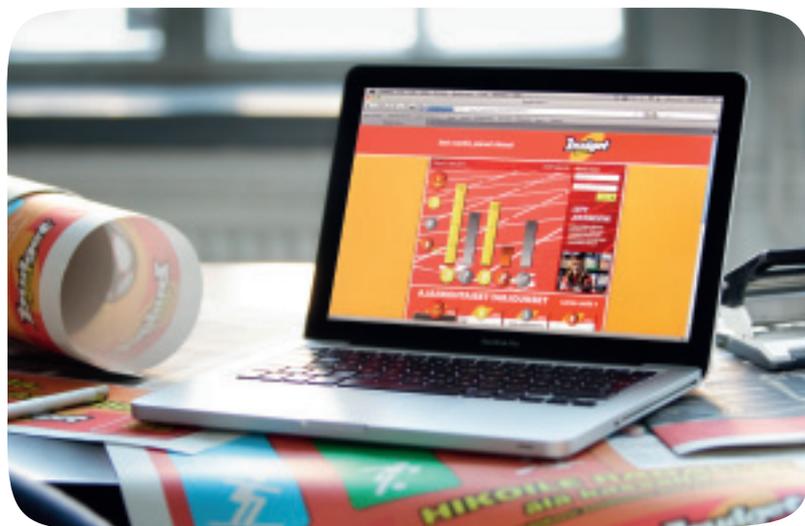
One of the customers to benefit from cross-media sales is Kesko, a company that operates in the food, home and speciality goods, building and home improvements, and car and machinery trades. Kesko has about 2,000 stores engaged in chain operations in the Nordic and Baltic countries, Russia and Belarus.

For a company this diverse, concentrating sales means having one discussion partner for its weekly advertising needs.

“The fact that a Sanoma News representative understands not just one publication but a larger spectrum of media channels opens a broader range of possibilities for us,” says **Ari Rissanen**, Marketing Manager, Kesko Food Ltd. Kesko Food manages four popular K-food store chains in Finland.

“I also see that it provides new avenues for Sanoma News. Increased advertising is possible when representatives of Sanoma News can explain to customers the complete package of offering possibilities.”

The history between the two companies goes back 70 years, with the founding of



Kesko. Co-operation started in the 1940s with printed advertisements in newspapers but has since moved also to the digital environment.

As media widens to include the online forum, Kesko is now looking into new ways to engage customers. How Kesko customers respond to advertisements that include video streams, for instance, means the two parties have to co-operate ever closer.

“As Sanoma News enters into new services, it is important that we have discussions on how we can best serve our target market. We understand our customer base and Sanoma News understands media. Communication between us is vital,” Rissanen smiles.

“Because the Sanoma News media outlets are attractive to readers all over Finland makes it also an attractive place for us to advertise.”



**Pekka Soini**  
President

**Innovation can** also come from the combination of existing resources. The Omakaupunki.fi website is a new product concept that enables an exceptionally high degree of reader participation. The content for the site is created in co-operation with the editorial offices of the free sheet Vartti and Helsingin Sanomat.

In 2009, the online financial daily Taloussanomat was integrated into the quality tabloid Ilta-Sanomat, which created synergy benefits. The Taloussanomat.fi website attracted more visitors than the competition, considerably improving its performance during 2010.

"The decision to combine these two media

**25%**  
of the traffic on  
the top 25 Finnish  
sites is generated  
by Sanoma News'  
sites

products has been a success. Taloussanomat creates a new kind of financial content for Ilta-Sanomat, and Ilta-Sanomat.fi in return brings more visitors to the Taloussanomat.fi website," explains Soini.

In addition to efficient resource management, the multi-channel approach requires focus. With this in mind, Sanoma News sold the Lehtikuva picture agency to the Finnish News Agency (STT) and transferred the Esmerk business information and media monitoring company to Sanoma Learning & Literature. In addition, Sanoma News sold five local papers to the Länsi-Savo Group.

"These transactions allow us to focus on our core businesses, and the new owners are able to offer more opportunities for further development," says Soini, clarifying the reasoning behind the strategy.

**In addition to content,** Sanoma News has also applied the multi-channel approach to sales. The Cross Media Sales unit has developed into a one-stop service that helps advertisers to choose

## Major digital player

*Sanoma News increases its share of digital operations and creates new sources of revenues by enhancing its product and service portfolio.*

*Sanoma News is a major digital operator: at EUR 45 million, digital media represents about 10% of its net sales. Oikotie.fi, now the leading recruitment site in Finland, recorded the highest increase in online advertising revenues.*

the right mix of channels to get their message across. The unit also creates and offers service packages based on customers' needs, which guide all product development directly and concretely.

Correspondingly, content producers always consider how specific content works in different channels. The journalists of the food section of Helsingin Sanomat, for example, can produce an article for the printed version and a recipe for the website and include both in a book.

The emergence of new devices adds to the selection of channels. Recently, Helsingin Sanomat became available on Apple's iPad on the same week the device was officially introduced in Finland.

"Brands become increasingly important, and the challenge we face is to introduce products that customers are willing to pay for. New products cannot survive on advertising income alone," says Soini.

However, these changes also create opportunities for media companies, and large media companies are better positioned to develop solutions rapidly for new devices.

"Naturally, we will adapt to all leading systems that are introduced on the market," Soini says.

**The new media world** calls for structural changes and new competencies. The new sales organisation, which was introduced in August, offers customers comprehensive solutions in addition to advertising spots. The work of salespeople has changed considerably due to technological advances, as has the work of journalists.

"In response to the transforming media landscape, we offer our employees continuous opportunities for basic training and further professional development," says Soini.

 Please read more: [Sanomanews.com](http://Sanomanews.com)

## Sanoma News

*The leading newspaper publisher in Finland*

### Helsingin Sanomat

- Helsingin Sanomat Daily newspaper and its supplements
- Radio Helsinki Local radio station

### Ilta-Sanomat

- Ilta-Sanomat Tabloid and its supplements
- Veikkaaja Sports and betting weekly
- Taloussanomat Financial information

### Sanoma Lehtimedia (regional papers)

- Etelä-Saimaa
- Kouvolan Sanomat
- Kymen Sanomat
- Uutisvuoksi Local paper

### Sanoma Kaupunkilehdet (free sheets)

- Metro
- Vartti

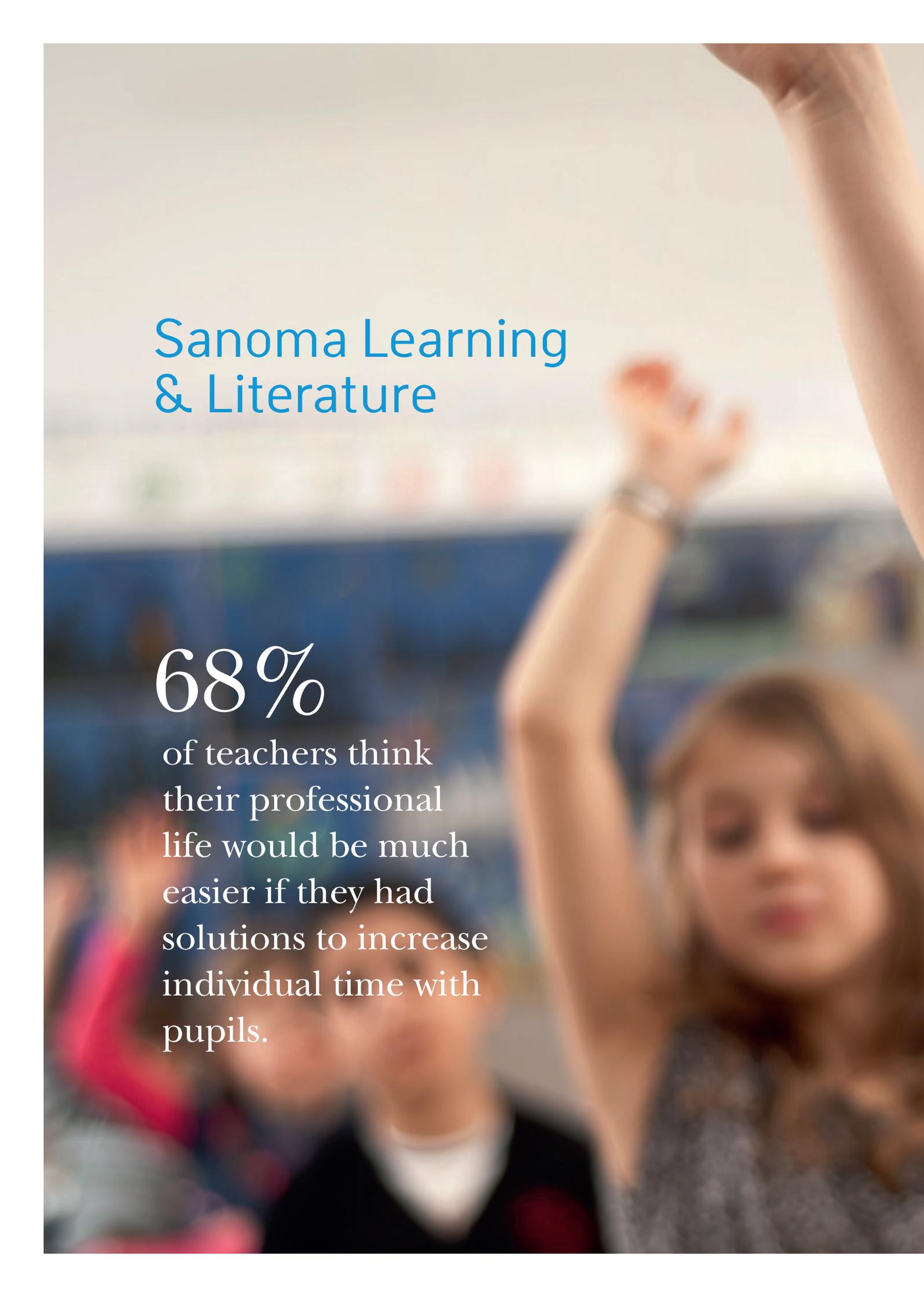
### Sanoma Digital Finland

- Oikotie.fi
- Huuto.net
- Auto24.ee
- Keltainenporssi.fi

### Sanoma Data (IT operations)

### Sanomapaino (5 printing plants in Finland)





## Sanoma Learning & Literature

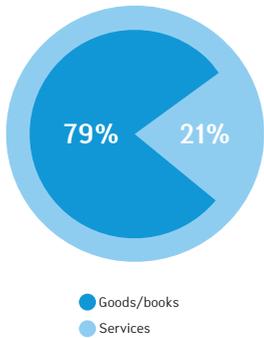
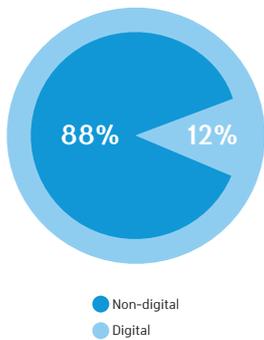
68%

of teachers think  
their professional  
life would be much  
easier if they had  
solutions to increase  
individual time with  
pupils.



# Continuing the transformation

NET SALES DISTRIBUTION



"We made clear progress in all areas of the business during 2010," says the CEO of Sanoma Learning & Literature, **Jacques Eijkens**, "with increased sales and a stronger result overall compared to 2009. Although we can thank our continued emphasis on keeping costs in check and improving internal efficiencies, our next generation renewed digital offerings for teachers and pupils are definitely paying off."

In May 2010, Polish-based Young Digital Planet (YDP), a leader in educational software and e-learning technology, became 100% Sanoma-owned following the buyout of the company's minority shareholder.

"This further strengthens our already strong position in Poland, where textbook publisher Nowa Era is continuing to build on its excellent success in responding to the needs brought by the curriculum reform at the primary and secondary school levels in 2009. Our school management systems offering is also doing well in the country. Now with the change at YDP, we will be even better placed to leverage our existing resources in one of Europe's largest educational markets."

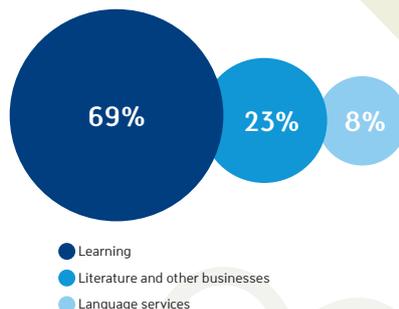
Sanoma also took its first step in the learning business in the Russian market in 2010, setting up a joint venture in Moscow with a leading local educational publisher to develop new generation teaching materials for three subjects, drawing on Sanoma's digital expertise.

In language services, AAC Global continued to pursue its commitment to being close to its customers by opening an office in China, its first outside its core operations around the Baltic Rim. Its B2B offering was also consolidated with the transfer of the business information and media monitoring service provider Esmerk from Sanoma News.

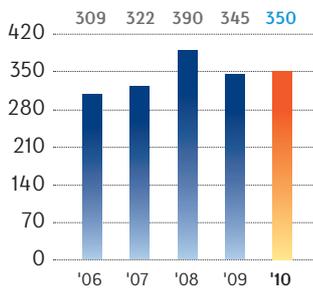
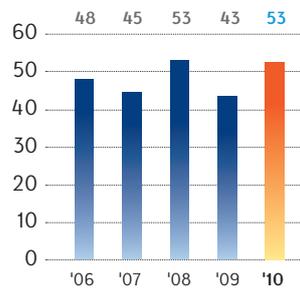
"In general literature, major restructuring took place at WSOY," continues Eijkens.

"This was driven by a desire to provide a solid foundation for future growth and development that will benefit the company's long-term publishing capabilities and ultimately be in the best interests of its authors and its readers. I believe that WSOY is now significantly better prepared for the future across its offering, whether in fiction or non-fiction, in audio books, or e-books." ▶

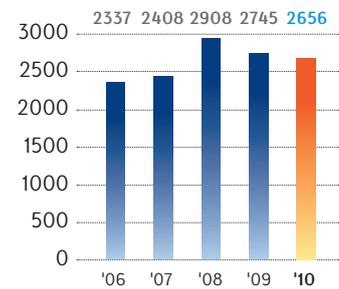
NET SALES BY BUSINESS



NET SALES, EUR MILLION

OPERATING PROFIT EXCLUDING  
NON-RECURRING ITEMS,  
EUR MILLION

PERSONNEL (FTE)



## *Opit helps teachers manage their time*

**N**ext Wednesday will be sports day at school.' Messages such as this were once memorised by schoolchildren as notes for their parents. Then came notebooks into which teachers pasted printed messages.

**Tiina Korhonen** knows from experience how much time and energy communication can consume. As vice-principal of Koulumes-tari School in Espoo, she has strived to improve collaboration between the school and homes. Today, teachers write messages for parents in electronic notebooks. With their own user IDs, parents and pupils can access these notebooks from the Opit online service.

"Teachers can send messages to parents anytime and anywhere, making their job easier," Korhonen says. Urgent messages can be sent to parents' mobile phones, and teachers and parents can also communicate by e-mail.

Created by WSOYpro, the Opit service offers collaboration tools that were developed in co-operation with users. Based on teachers' needs, the service includes a calendar with a space booking function, as well as blogs and chats.

Korhonen knows what she is talking about as she is currently working on her doctoral thesis concerning the use of information technology for collaboration between schools and homes. For her thesis, Korhonen has interviewed teachers, pupils and parents.

Parents are particularly pleased with the online portfolios that children can use to display their school projects. Pupils can also pub-



lish images and reports about school events.

"The Opit service offers elementary school students a safe environment for learning how to use social media," Korhonen explains. Although parents joined the system only recently, the Opit service has offered Finnish schools an e-learning environment for ten years. The service includes tools and content that can be used to study different subjects at school and at home. According to Korhonen, the Opit online service turns things like multiplication tables into fun games.

"Children keep asking when they can play again."

“By continuously innovating our offerings, we can provide our customers with the best solutions for their needs and create the best foundation for our future growth.”



Jacques Eijkens  
CEO

Innovation has been a central factor behind our approach to meeting the evolving needs of teachers, schools and students for some time, and is something that Jacques Eijkens wants to foster even more in the future – in line with Sanoma's overall emphasis on innovation.

"We're seeing a process of transformation underway in the world of learning, and it's one that we want to help lead by maintaining a dynamic dialogue with the teaching community and understanding how we can provide schools with the best solutions. While the traditional textbook will

## *AAC Global facilitates the knowledge transfer*

*Nordic companies are transferring more and more strategic functions closer to growing markets and more cost-efficient locations. Launching e.g. a new production facility in an emerging country has many challenges. One of the most critical ones is to oversee the transfer of all the needed knowledge and expertise.*

*AAC Global has on top of its standard services built a solution to facilitate this*

*type of knowledge transfer. The solution includes content creation, wide-scale translation and localisation work, multimedia learning and for example business simulations. The end result is accelerated transfer of critical knowledge to ensure smooth ramp-up of operations in new locations.*

continue to be a vital teaching aid for many years to come, other tools, particularly digital ones, are becoming more important all the time.

"New technology is obviously part of the equation, because it often drives new opportunities, and for sure it helps to make teachers' work easier or learning more rewarding for children and young people. But where it can really help is facilitating the provision of more personalised teaching, and that's what we're focusing on."

**Reflecting this focus**, the internet-based Opit service in Finland, which combines an electronic learning environment with high-quality content, was extended in 2010 with a new parents module to enhance the parent/teacher/school relationship. In the Netherlands, a new online testing module has been introduced for pupils in secondary schools.

"The response to the new addition to the Opit system from both parents and teachers has been very positive. In the Netherlands, the new module has helped save time for teachers and proved motivational for students as well."

While concepts like these have the potential for application in Sanoma's other markets, Eijkens stresses solutions will be difficult to export as such.

"Individual markets are too different for this, but our expertise and resources enable us to take what we learn in one market, in terms of concepts and platforms, and adapt it to the needs of others, creatively – and we have a constantly evolving solutions roadmap for doing just that," he says.

**Sanoma has taken** the initiative for an innovation programme to foster the transformation. Simultaneously a new leadership programme will be launched which is intended to promote leadership skills among senior and middle managers to manage the transformation. The programme will be rolled out in 2011.

**In terms of future goals**, Eijkens says that the Division continues to be aiming at becoming one of the top three in learning in Europe.

"Our goal for language services is to further strengthen AAC Global's multilingual content management capabilities. We want to ensure that international companies can continue to rely on us in dealing with the challenges associated with doing business in sometimes very different cultures around the world.

"In general literature, we want to use the benefits of the reorganisation to revitalise WSOY's offering, attract new authors, develop new marketing initiatives and above all, win new readers."

## Sanoma Learning & Literature

*A leading learning material and solutions provider in Europe, the leading language services provider in Nordic markets and the leading general literature publisher in Finland.*

### Learning

- Malmberg  
The Netherlands
- Nowa Era  
Poland
- NTK-Perfekt  
Hungary
- WSOYpro  
Finland
- Van In  
Belgium
- Young Digital Planet  
Poland
- Sanoma Learning Russia  
Russia

### Language services

- AAC Global  
Finland, Sweden, Denmark,  
Norway, UK, Russia, China
- Esmerk  
Finland, UK, Sweden, Germany,  
France, Russia, Malaysia

### Literature & other

- WSOY (general literature)  
Finland
- Bertmark  
Sweden
- Bookwell (printing house)  
Finland
- Kirjakeskus (logistic centre)  
Finland

 Please read more: [Sanoma-ll.com](http://Sanoma-ll.com)

## Sanoma Trade

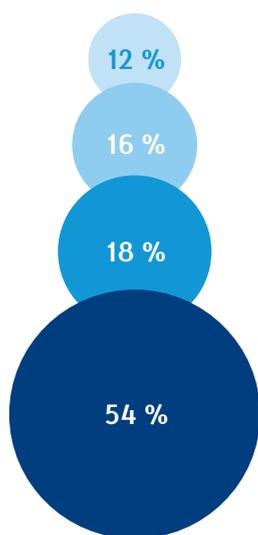
89%

of Finns frequent  
R-kiosk for quick  
and convenient  
shopping.



# Major changes in the making

NET SALES  
BY BUSINESS



- Kiosk operations
- Trade services\*
- Bookstores
- Movie operations

\* Excluding Aldipress that was transferred to Sanoma Media as of 1 January 2011

Sanoma Trade sowed the seeds of comprehensive concept reform in all its businesses during 2010.

Sanoma Trade's largest business, kiosk operations, serves as the role model for this reform. In 2010, the Division tested new kiosk concepts that will mean customers can enjoy wider selections and new products, such as deli snacks. The best of the concepts being tested will be adopted and introduced around Finland during 2011, with the goal of transforming the entire kiosk chain within the next three years.

"Concept development will continue as we aim to improve our performance kiosk by kiosk. Each newly revamped kiosk should be better than the previous one," says **Timo Mänty**, President and CEO of Sanoma Trade.

The concept reform is based on adjusting product selections to meet local demand: each kiosk must provide services that are closer to the actual needs of its own customers. Although selections will be local in nature, they will still have the same core elements, that is, gaming products, convenience goods, delicacies, services, entertainment, deli snacks and gifts. Kiosks will also continue to share the same strategic goals: best concept, best

customer encounters and best location.

In Finland, the new legislation on opening hours will affect the location of kiosks. Large stores are now allowed to open their doors on Sundays, which, in some areas, has changed customer behaviour dramatically.

"As a result of the changes in customer streams, we will relocate many of our kiosks within the next two years," explains Mänty.

Unregulated opening hours have affected the sales of individual products at kiosks. Despite reduced visitor numbers, however, total sales were as high as those reported in 2009, although this was mainly because of the success of new services.

**Suomalainen Kirjakauppa** is also undergoing reform. The bookstore chain is modernising its stores, applying many of the principles used in the kiosk concept reform. The bookstore reform involves new services that will be tested in a number of pilot stores. Product selections will be adjusted on the basis of customer feedback, meaning less popular products will be replaced with those that are considered more desirable.

Among other new ideas, the first pilot bookstore featured theme-based product displays. Art books

## *New experiences in bookstores*

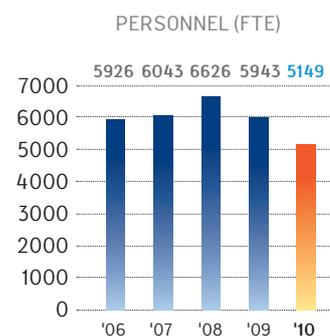
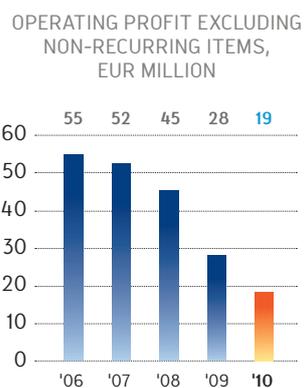
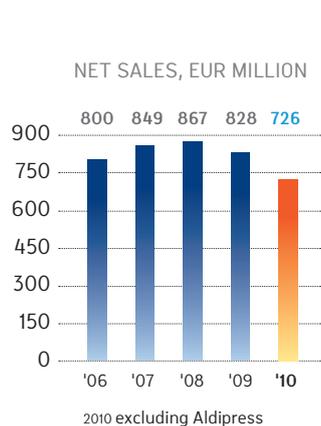
In November 2010, a Facebook friend of **Sanna-Liisa Kiiskinen** suggested that she visit the revamped Suomalainen Kirjakauppa in Kuopio, her hometown. This was the beginning of a lively discussion. Someone on Facebook had already tested the new sofas. Someone else – someone who didn't usually frequent bookstores – confessed that she had not been able to resist visiting the new-concept store.

Kiiskinen was at once curious, enthusiastic, but also a little sceptical. She had heard, for example, that the new furniture was black, even though Suomalainen Kirjakauppa, the largest

bookstore chain in Finland, had been previously known for its red colour scheme.

"The interior and atmosphere had been completely revamped, and very successfully so," says Kiiskinen. After immersing herself in the visual first impression, she noticed other changes, such as theme-based product displays where art supplies were placed beside art books or hobby supplies near children's books, and so on.

Kiiskinen believes that the new product displays may lead to impulse purchases. "At least I always seem to realise that the products on special display are exactly what I need," she



says with a laugh.

Suomalainen Kirjakauppa is also offering a new experience for those on the lookout for a particular product. In addition to the professional store personnel, customers can now also turn to an in-store search engine for help.

“The search engine is an excellent tool. You can search for the product selection by book title or author,” Kiiskinen explains. Instead of confusing shelf numbers, the search engine displays the product’s location in the store by way of a store map.

Other highly popular new features also include the e-book service points. Trained em-

ployees familiarise customers with electronic readers and help them download content, such as books, magazines and newspapers.

After handling, trying and comparing products in a bookstore, customers can continue to shop online. This is one of the key goals of the Suomalainen Kirjakauppa bookstore concept reform, which is based on extensive research into customers’ needs and future behaviour. Suomalainen Kirjakauppa will take careful note of customer feedback at the pilot stores in Kuopio and the Helsinki area before implementing the revamped concept in more than 60 bookstores as well as the online store.



**Timo Mänty**  
President and CEO

OPERATIONAL INDICATORS	2010	2009
Number of customers in kiosks, thousands	181 328	194 692
Number of customers in bookstores, thousands	7214	7239
Number of customers in movie theatres, thousands	9877	9501
Number of copies sold (press distribution), thousands	336 753	350 186 *

\* Including Aldipress

and art supplies, for example, were placed in the same area. The new concept also included cafeteria services and an express service area near the store entrance. The concept reform will sweep through the majority of the bookstore outlets over the next three years.

In addition, the online sales and store sales organisations were combined in support of the multi-channel approach.

"With the increasing popularity of e-books, the multi-channel approach will become even more important. Physical stores and the online store depend strongly on each other," says Mänty.

**Movie theatres** are about to enhance the consumer experience in a major way. Finnkino has decided to digitalise all of its theatres, and although this is a large investment, it will eventually reduce costs and strengthen the company's market position.

Despite the lack of blockbusters in 2010, Finnkino's theatres in Finland attracted more moviegoers than in the previous year. Trends that started a few years ago, 3D movies and new content in movie theatres in the form of, for example, live concert broadcasts, have increased their popularity and helped to grow the sales in Finland in 2010. Many of Finnkino's earlier innovative offerings, such as Kids' Sunday and Baby Bio, have also become regular programme features.

The popularity of 3D movies can also be seen in the Baltic countries, where, however, the difficult economic situation and increased competition impacted sales in 2010.

**The expansion of the trade services** business from press distribution to other logistics services and in-store marketing is the fourth major reform taking place in the Division. Every day, Sanoma Trade delivers magazines, newspapers, books and collectibles to about

## Growing number of marketing services

*Sanoma Trade's trade services business unit has in the past few years expanded its service offering from press distribution into merchandising and marketing logistics. In addition to logistic services, the unit offers today the entire chain of below-the-line ad-*

*vertising to many different suppliers, which has continued to strengthen its position between the supplier and the retail trade. This development will go on also in future, for the number of different marketing services is growing.*

18,200 outlets in Finland, the Baltic countries and Romania. In the future this highly sophisticated distribution system can be used even wider.

"We are continually exploring new product groups, as we can transport practically any small item," Mänty says.

Point-of-sale services present other considerable growth opportunities. Two years ago, Sanoma Trade acquired Printcenter, a company specialising in product promotions. Its product offering is now being expanded.

**Multinational presence offers** Sanoma Trade great benefits, including innovation potential. Many new ideas can be transferred to other countries, as is or customised, depending on the local need. Suomalainen Kirjakauppa, for example, is undergoing a concept reform that originates from its Estonian subsidiary. Information technology, ticket sales systems and online services have benefited from similar synergies.

"International experiences help us gain wisdom and better understand our markets. Many major innovations begin by taking small steps," Mänty points out.

However, with market leadership too far out of sight, Sanoma Trade decided to discontinue its operations in Russia.

In Estonia, the Division combined five subsidiaries under the same roof, which will create synergy benefits in sales, marketing, management and location – the effects of which should be visible already in 2011. Moreover, a large company is able to offer better training opportunities for its employees than separate and smaller units.

**The success of the reforms** relies on the enthusiasm of employees. As Sanoma Trade will undergo a transformation over the next two to three years, change management is an integral part of all personnel training programmes.

Employees have contributed to planning for change, and Sanoma Trade will offer both for the kiosk and bookstore personnel store-specific training programmes and other training events to facilitate easy adjustment. Finnkinno will be launching a new training programme, Cinema Pro, which prepares employees for customer service in the experience industry.

Timo Mänty believes that all reforms foster employee commitment.

"New ideas motivate and inspire people. We are promoting openness and dialogue in the organisation to support innovativeness."

Hellevi Kekäläinen started as Sanoma Trade's President as of 15 February 2011.

 [Please read more: Sanomatrade.com](http://Sanomatrade.com)

## Sanoma Trade

*International chain expert*

### Kiosk operations

- R-kioski  
Finland
- R-kiosk  
Estonia
- Narvesen Baltija  
Latvia
- Lietuvos Spauda  
Lithuania
- R-kiosk  
Romania

### Trade services

#### Press distribution

- Lehtipiste  
Finland
- Lehepunkt  
Estonia
- Preses Serviss  
Latvia
- Impress Teva  
Lithuania
- Rautakirja Romania  
Romania

#### Merchandising

- Printcenter  
Finland

#### Marketing logistics

- Postituspojat  
Finland

### Bookstores

- Suomalainen Kirjakauppa  
Finland
  - Yliopistokirjakauppa  
Finland
  - Lukiolaisten Kirjakauppa  
Finland
  - Reader's  
Finland
  - Suomalainen.com
- Rautakirja Estonia  
Estonia
  - Apollo
  - Videoplanet
  - Filmipood

### Movie operations

- Finnkinno  
Finland
  - Forum Cinemas  
Estonia
  - Forum Cinemas  
Latvia
  - Forum Cinemas  
Lithuania

Riikka Haikarainen  
Staff Writer



# For creative people, change means opportunity

## In 2010, we focused on the future:

how to best turn in-house innovation into growth. At the same time, we concentrated on creating the best possible work environment and opportunities for professional development for our personnel in the changing media landscape. In 2010, the Group employed nearly 20,000 people. "After the recession, the atmosphere in the Sanoma Group has been positive, marked by a genuine collaborative spirit," says **Ritva Vuorinen**, Human Resources Director, Compensation and Benefits.

"We seek to remove borders between units and divisions, and we are clearly headed in the right direction. Of course, there have been moments that have presented challenges for change management."

Training is important in the Sanoma Group, because the changing business environment calls for improved working methods. "Training at the Sanoma Academy, as well as other personnel development activities," says **Tuula Jokipaltio**, Human Resources Development Director, "focuses on turning change into opportunity."

**Current themes** at the Sanoma Academy include the new role of the journalist. JOPO is a new training programme that provides journalistic managers with the leadership skills needed in the changing media landscape. The latest course at the Sanoma School of Journalism is also intended for journalists already working for the Group. The Media 2020 training programme, which began in January 2011, offers journalists better tools for exploiting the opportunities offered by the transforming media sector.

The third Media Sales Trainee Programme – also known as the toughest sales school in Finland – was launched in January 2011 to bring new talent to the Sanoma Group. "The earlier two programmes met all expectations. All graduates currently work in manager-level sales positions in the Group," Jokipaltio says.

**Sanoma offers** equal opportunities for women, men, and all employees of different ages, backgrounds and positions. The objective is to ensure equal employment terms and working conditions, fair distribution of duties, equal training and career building opportunities and pay based on objectively applied common criteria.

**Sanoma's remuneration principles** have been developed to conform to the strategic and operational business goals, and to promote the attainment of its objectives. Non-financial



Marieke  
van der Maeden  
Art Director



Thomas Arento  
Product Manager

## *Media sales is about finding solutions*

“**M**y year as a trainee was all about learning: new products, colleagues and customers,” says **Taru Suikkari**, who graduated from the first Media Sales Trainee Programme, offered in 2008.

Suikkari worked in four different sales organisations in the Sanoma Group. Her training periods in the tabloid *Ilta-Sanomat*, the daily *Helsingin Sanomat* as well as the Sanoma Kaupunkilehdet business unit of free sheets and Sanoma Online Ad Sales familiarised her with most of Sanoma’s Finnish media. Practical training was complemented by training sessions focusing on professional development.

Since completing the Media Sales Trainee Programme, Suikkari has worked as an Account Manager in Sanoma Online Ad Sales. “With all of Sanoma News’ over 40 online and mobile services at our disposal, we are able to offer solutions to a wide variety of needs,” Suikkari says.



**Taru Suikkari**  
Account Manager

## *Career steppingstones*

**W**hen Sanoma bought the consumer magazine publishing operations from the Dutch media group VNU in 2001,

**Sander Stallinga** had just started as a management trainee. Over the next couple of years he held various positions in sales and marketing for magazines at Sanoma Uitgevers.

“After joining AutoWeek as Marketing Manager, I participated in the JUMP programme in 2006. Not only did the training help to improve my managerial and personal skills, but also improved my understanding of Sanoma and our corporate strategy,” says Stallinga.

Today Stallinga is the publisher for the Dutch news site *NU.nl* and all its related sites: *Dnews.de*, *Belegger.nl* and *Zie.nl*. In August 2010, he started in the SEP programme and after finishing two of the four SEP modules, he finds the training to be both high level and inspiring.

“As part of the SEP programme we are working in teams on concrete business plans for new, innovative products,” Stallinga says.



**Sander Stallinga**  
Publisher

rewards form an important part of the total reward system. Non-financial reward elements include development and learning opportunities, recognition of achievement, empowerment and flexibility in working arrangements.

**A more innovative** corporate culture will be one of the focal points in rewarding performance in 2011. "Remuneration in general, and the short-term incentive system in particular, will support innovation-based operations. This also serves to identify and develop working methods that foster an innovative culture," says Vuorinen.

Innovation is one of the criteria for the Sanoma Awards, which are granted annually to employees or teams whose ideas helped improve the Group and its operations. In 2010, the winning projects were an electronic direct marketing register, a web TV service and the launch of a new type of magazine. The winning teams were all granted EUR 12,000, and the rest of the finalists received EUR 3,000 each.

Organisational changes stress the significance of an inspiring atmosphere and wellbeing at work. The Sanoma Group uses personnel surveys to identify and prioritise development needs at the workplace. The Group carries out such surveys in its Finnish units every two years, with the next one scheduled for 2012. "The results of the 2010 survey were good: our employees are happy with and committed to their work," says Vuorinen.

## *Useful tools for journalistic managers*

**R**eporter, executive producer **Minna Uusi-Eskola** is enthusiastic after the first module of the JOPO training programme. She is one of the approximately 20 employees attending the training for journalistic managers.

The internet has increased the pace of news production. This is evident also in the newsroom of the TV channel Nelonen, where Uusi-Eskola has worked for about 12 years. "The online age prompted a change in our way of thinking. We need to consider whether the internet brings new viewers to TV broadcasts or vice versa, or whether these two media work independently," Uusi-Eskola says.

Uusi-Eskola has worked in a managerial position for about eight years. "From a supervisor's perspective, the problems in different editorial offices are similar," Uusi-Eskola says. In her opinion, discussions about daily challenges in different parts of the Group were the most rewarding aspect of the programme.

The programme offered practical tools that can be used to gain new perspectives on tough situations. The participants also collected feedback from their colleagues. "This feedback gave plenty of food for thought: What am I good at, and where do I see room for development?"



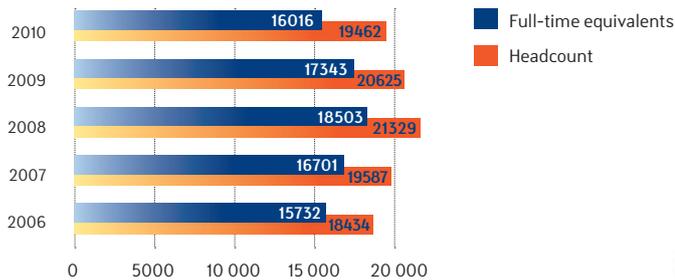
**Minna Uusi-Eskola**  
Executive Producer

PERSONNEL BY COUNTRY, 31 DEC 2010 \*

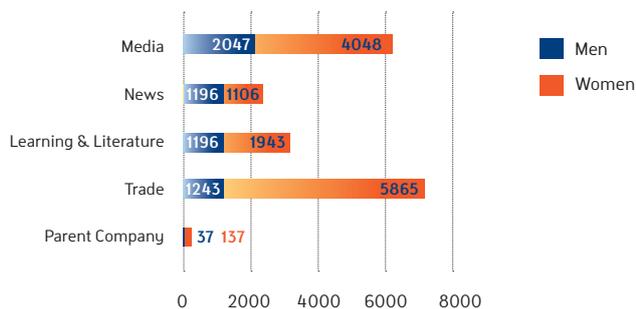


\* Joint Ventures' personnel included in full

AVERAGE NUMBER OF EMPLOYEES



PERSONNEL BY DIVISION



Markus Illukka  
Project Manager



Magdalena Raciniewska  
Project Coordinator

# Media company doing good

**High-quality content**, satisfied employees and transparent operating methods are the cornerstones of corporate responsibility for a dynamic media company such as Sanoma. Our publishing operations are based on independence and freedom of speech, as defined in our Principles of Business Conduct. It is important that our products and services respect and highlight the cultures and customs of our operating countries.

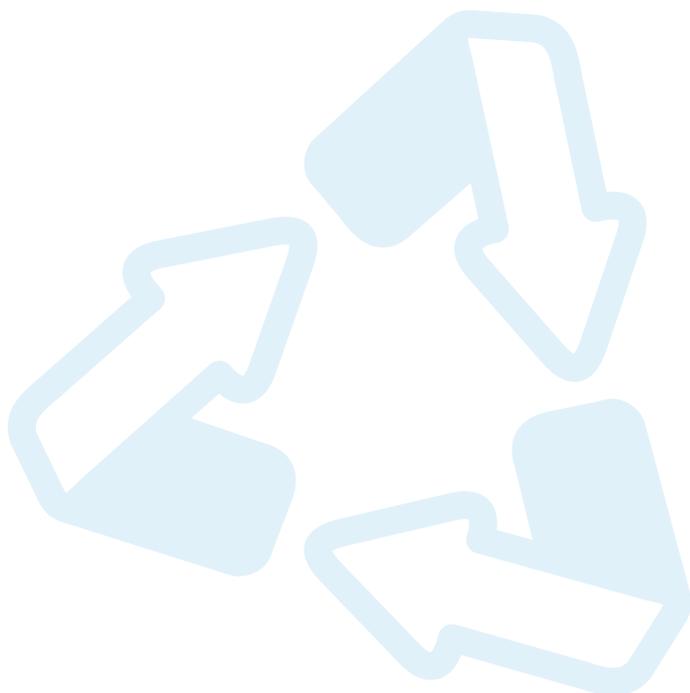
**Corporate governance** in Sanoma is based on a clear organisational structure, specifically defined powers and responsibilities, and consistent planning and reporting systems and guidelines. The Board of Directors confirms all Group-wide policies, such as Sanoma's business, management and risk management principles.

In the autumn of 2010, we surveyed our stakeholders on which aspects of corporate responsibility they valued the most. According to the responses, these were employee wellbeing, editorial integrity, good corporate governance and environmental care. These and other aspects

will be discussed in more detail in Sanoma's first GRI (Global Reporting Initiative) based Corporate Responsibility Report. GRI is the world's most widely used corporate responsibility reporting framework.

**To support** the freedom of expression, research into journalism and culture, the Board of Directors of Sanoma with the approval of the Annual General Meeting donates part of Sanoma's earnings each year to a variety of projects and foundations. In 2010, Sanoma supported Finnish higher education by contributing to the Aalto University Foundation. Funds were also allocated to the Helsingin Sanomat Foundation and the WSOY Literature Foundation. In addition, Sanoma entered into a three-year agreement with the John Nurminen Foundation in support of the Clean Baltic Sea project. The agreement includes financial support and media visibility.

**Sanoma strongly believes** that literacy is the foundation for culture, civilisation



and further development. Therefore we actively promote literacy and media literacy. The Suomalainen Kirjakauppa bookstore chain, for example, supports the education of children and youth in various ways. For more than ten years, the bookstore has co-operated with Save the Children Finland, a charity improving children's rights all over the world. Additionally, Helsingin Sanomat supports women's literacy in developing countries through Women's Bank.

For the seventh year in a row, Sanoma's magazines campaigned against breast cancer. In the Netherlands and Belgium, Sanoma Media publishes the Pink Ribbon magazine, designed to promote breast cancer awareness. Over the years the annual Pink Ribbon magazines in the Netherlands alone have raised over EUR 4.5 million for the Pink Ribbon Foundation.

### Minimising environmental impacts

and increasing environmental awareness are integral to our corporate responsibility. The carbon footprint calculations prepared for the daily Helsingin Sanomat and the tabloid Ilta-Sanomat have

helped our newspaper publishers further develop their operations. Published in early 2010, the calculations showed that subscribing to a daily newspaper in printed form constitutes less than one percent of a person's annual carbon footprint.

As a company, our greatest environmental impacts come from use of paper, other materials and energy, and product transportation. Paper, our most important raw material, is renewable, biodegradable and recyclable. Our Paper Procurement Principles ensure that we use responsibly produced paper.

You can read more about the environmental effects of our printed products and electronic channels in our Corporate Responsibility Report. The report also discusses other environmental concerns and includes information on paper and electricity consumption at Sanoma.

 [Please read more: Sanoma.com](http://Sanoma.com)

## *Lightening the load for Polish schoolchildren*

**N**owa Era, the Polish learning materials and solutions provider, has introduced the Lightweight Schoolbag campaign to the integrated teaching segment.

In Poland, a country where school lockers are not common and teachers tend to give homework every day, pupils are required to carry all their books with them. A typical schoolbag can weigh anywhere from 5 to 7 kg, and concerned doctors are reporting that under the burden of so many books the backbones of growing children can be damaged.

In response, Nowa Era decided to equip all first-graders using its textbooks with a

second and completely free set of textbooks. Pupils now have one set of books at home for homework and another set at school for the classroom.

As there is no need to carry books all day, children's schoolbags are much lighter, taking the strain off their backs. What's more, Nowa Era is already working on a new opening in this much appreciated campaign. The idea is to substitute traditional textbooks with a multimedia e-publication that pupils would be able to use at home on their computers. A solution of this kind would not only save paper, but also make home learning a lot more fun.



JAAKKO RAURAMO



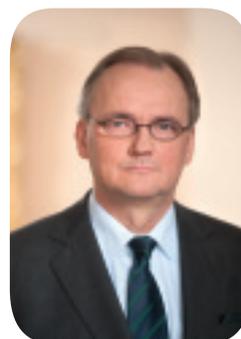
ANNET ARIS



ROBERT CASTRÉN



JANE ERKKO



ANTTI HERLIN

## Board of Directors

### Jaakko Rauramo

born 1941, M.Sc. (Tech.), D.Sc. (Tech.) h.c. (Helsinki University of Technology)

Chairman of the Board of Sanoma, Chairman and CEO 2001–2005 and member since 1999.

Term ends in 2012.

Joined the Sanoma Group in 1966. Served as President and CEO of SanomaWSOY 1999–2001, President of Sanoma Corporation 1984–1999 and was elected to its Board in 1979, Sanoma Corporation's Executive Vice President, General Manager of the Newspaper division and General Manager at Sanomaprint, among others. \*

### Annet Aris

born 1958, Dutch, M.Sc. (Land planning and operations research), MBA INSEAD

Sanoma Board member since 2009, term ends in 2012.

Adjunct Professor of Strategy and Management at INSEAD since 2003. Visiting Professor at a variety of European universities since 2004. Prior to that, worked for McKinsey & Co. 1985–2003.

#### Board memberships, companies

Hansa Heemann AG (Germany) (Vice Chairman of the Supervisory Board), V-Ventures BV (the Netherlands) (Supervisory Board), ASR Nederland (Supervisory Board)

### Robert Castrén

born 1957, B.Sc. (Econ.)

Sanoma Board member since 2001, term ends in 2011.

Serves as Sales Director at UPM-Kymmene Corporation. Held various marketing positions with

UPM-Kymmene Corporation and its predecessor, Kymmene Oy, since 1991. Prior to that, worked for Finnapp and Lamco Paper Sales, among others. Served at Sanoma Corporation's Board as member 1994–1999 and Vice Chairman 1999–2002. \*

### Jane Erkkö

born 1936

Sanoma Board member since 1999, term ends in 2011.

Served as member of Sanoma Corporation's Board 1990–1999 and as Vice Chairman of the Board of Helsinki Media Company Oy 1995–1999.

#### Board memberships, companies

Oy Asipex Ab (Finland)

### Antti Herlin

born 1956, D.Sc. (Econ.) h.c. (The State University of Economics and Finance of St. Petersburg), D.Sc. (Econ.) h.c. (Helsinki School of Economics), D.Sc. (Art and Design) h.c. (University of Art and Design Helsinki)

Sanoma Board member since 8 April 2010, term ends in 2013.

Chairman of KONE Corporation since 2003. Member of the Board of KONE Corporation since 1991, Vice Chairman 1996–2003 and CEO 1996–2006.

#### Board memberships, companies

Holding Manutas Oy (Finland) (Chairman), Ilmarinen Mutual Pension Insurance Company (Finland) (Supervisory Board) (Vice Chairman), KONE Corporation (Finland) (Chairman), Security Trading Oy (Finland) (Chairman), Solidium Oy (Finland), YIT Corporation (Finland)



PAAVO HOHTI

SIRKKA HÄMÄLÄINEN-  
LINDFORS

SEPPO KIEVARI



RAFAELA SEPPÄLÄ



SAKARI TAMMINEN

### Paavo Hohti

born 1944, Ph.D., Professor

Sanoma Board member since 1999,  
term ends in 2011.

Managing Director of the Council of Finnish Foundations since 2004. Served in the Finnish Cultural Foundation 1980–2004. Previously served as member of WSOY's Supervisory Board 1991–1994 and as Vice Chairman 1994–1999. \*

### Sirkka Hämäläinen-Lindfors

born 1939, D.Sc. (Econ.), D.Sc. (Econ. & Bus. Adm.)  
h.c. (Turku School of Economics and Business Administration)

Sanoma Board member since 2004,  
term ends in 2013.

Served as member of the Executive Board of the European Central Bank 1998–2003 and as Governor and Chairman of the Board of the Bank of Finland 1992–1998, among others.

#### Board memberships, companies

Investor AB (Sweden), KONE Corporation (Finland)  
(Vice Chairman)

### Seppo Kievari

born 1943

Sanoma Board member since 2003,  
term ends in 2013.

Served Sanoma Corporation 1966–2004 as President and Publisher of Sanoma's newspapers as well as Executive Vice President of Sanoma Corporation and Senior Editor-in-Chief of Helsingin Sanomat, among others.

#### Board memberships, companies

Hämeen Sanomat Oy (Finland)

### Rafaela Seppälä

born 1954, M.Sc. (Journalism)

Sanoma Board member since 2008,  
term ends in 2011.

Served as SanomaWSOY Board member 1999–2003, President of Lehtikuva Oy 2001–2004, Project Manager at Helsinki Media Company Oy 1994–2000, Sanoma Corporation Board member 1994–1999, among others. \*

### Sakari Tamminen

born 1953, M.Sc. (Econ.)

Vice Chairman of the Sanoma Board  
since 2009, Sanoma Board member since 2003,  
term ends in 2012.

President and CEO of Rautaruukki Corporation since 2004. Served Metso Corporation 1999–2003 as Senior Vice President and CFO, Executive Vice President and CFO, and Deputy to the President and CEO. Previously served as Executive Vice President and CFO, as well as Senior Vice President and Chief Financial and Accounting Officer of Rauma Oy, as Vice President, Finance of Rauma-Repola Oy's Engineering Industry, and as Financial Manager of Metal Industry division of Oy W. Rosenlew Ab.

#### Board memberships, companies

Varma Mutual Pension Insurance Company (Finland)

\* No board memberships in other companies



Please read more: [Sanoma.com](http://Sanoma.com)



# Executive Management Group

## Harri-Pekka Kaukonen

born 1963, M.Sc. (Tech.), D.Sc. (Tech.)  
President and CEO, the Sanoma Group  
Chairman of the Executive Management  
Group of Sanoma since 1 January 2011.

Served Fazer Group 2003–2010 in various positions e.g. as Executive Vice President, Managing Director of Fazer Bakeries & Confectionery Business Area and Managing Director of Fazer Russia. Previously worked for McKinsey & Company 1992–2003, last years as a Partner.

**Board memberships, companies**  
Evli Bank Plc (Finland) (Vice Chairman)

## Eija Ailasmaa

born 1950, M.Pol.Sc.  
President and CEO, Sanoma Media B.V.  
Member of the Executive Management  
Group of Sanoma since 2000. Director  
of the Sanoma Media division.

Joined Sanoma Group in 1973. Served as President and CEO of Sanoma Magazines B.V. 2003–2010, as President of Sanoma Magazines Finland Oy 2001–2003 and Helsinki Media Oy 2000–2001, as Executive Vice President and General Manager, Magazines at Helsinki Media Company Oy 1998–2000. Previously served as Vice President, Publishing at Sanoma Corporation's Sanomaprint and Helsinki Media Company Oy, as Editor-in-Chief of the family magazine Kodin Kuvalehti, and

in various editorial positions at Ilta-Sanomat.

**Board memberships, companies**  
Huhtamäki Corporation (Finland), Outotec Oyj (Finland), Solidium Oy (Finland) (Vice Chairman)

## Jacques Eijkens

born 1956, B.Sc. (Econ.)  
CEO, Sanoma Learning and Literature B.V.  
Member of the Executive Management  
Group of Sanoma since 2006. Director of  
the Sanoma Learning & Literature division.  
Served as CEO of Sanoma Learning and Literature B.V. since 2004, Malmberg Investments 2001–2004 and Educational Information Group (part of VNU) 1998–2001. Joined Malmberg B.V. in 1981 (part of Sanoma Learning and Literature since 2004) and served in various management and marketing functions.



### Sven Heistermann

born 1972, M.Sc. (Tech.)

Chief Strategy Officer (CSO), the Sanoma Group  
Member of the Executive Management  
Group of Sanoma since 2009.

Previously worked as Principal at Booz Allen  
Hamilton, a leading management consulting firm,  
1998–2008 leading projects related to strategy  
development in communications, multimedia,  
internet and high-tech industries.

### Kim Ignatius

born 1956, B.Sc. (Econ.)

Chief Financial Officer (CFO), the Sanoma Group  
Member of the Executive Management  
Group since 2008.

Served TeliaSonera 2000–2008 e.g. as Executive  
Vice President and CFO. Previously worked as CFO  
and a member of the Executive Board of Tamro  
Corporation, among others.

### Timo Mänty

born 1960, M.Sc. (Econ.)

President and CEO, Rautakirja Ltd  
Member of the Executive Management  
Group of Sanoma and Director of the  
Sanoma Trade division 2009–15 February 2011.  
Served Sanoma Trade as Senior Vice President  
of Special Trade Division 1998–2008. Previously  
served as Managing Director of Finnkino Oy, Exec-  
utive Vice President of Suomalainen Kirjakauppa



Oy, Vice President of Lehtipiste and in managerial  
capacity in Hartwall Oyj and Suomen Unilever Oy.

#### Board memberships, companies

Revenio Group Oyj

### Pekka Soini

born 1957

President, Sanoma News Ltd  
Member of the Executive Management  
Group of Sanoma and Director of the

Sanoma News division since 1 April 2010.

Served in various positions in Helsingin Sanomat  
since 1980 e.g. as President 2004–2010 and as  
Marketing Director 1998–2004.

#### Board memberships, companies

Esan Kirjapaino Oy (Finland), Kärkimedia (Finland)  
(Chairman), Neo Industrial Oyj (Finland) (Vice  
Chairman)



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# Divisional Management Groups

## Sanoma Media

**Eija Ailasmaa** (Chairman), born 1950  
President and CEO, Sanoma Media

**Clarisse Berggårdh**, born 1967  
CEO, Sanoma Magazines Finland

**Michiel Buitelaar**, born 1962  
Chief Digital Officer, Sanoma Media

**Koos Guis**, born 1947  
CEO, Sanoma Magazines International

**Aimé Van Hecke**, born 1959  
CEO, Sanoma Magazines Belgium

**Dick Molman**, born 1954  
CEO, Sanoma Uitgevers

**Anu Nissinen**, born 1963  
President, Sanoma Entertainment

**Walter van der Schaaff**, born 1958  
CFO & Vice President, Sanoma Media

## Sanoma News

**Pekka Soini** (Chairman), born 1957  
President, Sanoma News

**Titta Halme**, born 1968  
President, Sanoma Kaupunkilehdet

**Pekka Harju**, born 1962  
President, Sanoma Digital Finland

**Pia Huhdanmäki**, born 1969  
Senior Vice President, Administration, Sanoma News

**Jarmo Koskinen**, born 1961  
President, Sanoma Lehtimedia

**Ari Kurenmaa**, born 1967  
Senior Vice President, Finance, Sanoma News

**Pekka Laakeristo**, born 1955  
President, Sanoma Data

**Mikael Pentikäinen**, born 1964  
Publisher and Senior Editor-in-Chief, Helsingin Sanomat

**Tapio Sadeoja**, born 1958  
Publisher and Senior Editor-in-Chief, Ilta-Sanomat

**Marja-Leena Tuomola**, born 1962  
Senior Vice President, Business and digital operations development, Sanoma News

**Ismo Vuoksio**, born 1963  
President, Sanomapaino

## Sanoma Learning & Literature

**Jacques Eijkens** (Chairman), born 1956  
CEO, Sanoma Learning & Literature

**Jyri Ahti**, born 1962  
CSO, Sanoma Learning & Literature

**Karel Das**, born 1961  
CFO, Sanoma Learning & Literature

**Mark Marseille**, born 1963  
CHRO, Sanoma Learning & Literature

**John Martin**, born 1970  
COO, Learning

**Tuomo Räsänen**, born 1969  
COO, Language Services

## Sanoma Trade

**Hellevi Kekäläinen** (Chairman), born 1953  
President, Rautakirja (as of 15 Feb 2011) SVP, Finance and Administration, Rautakirja

**Timo Mänty**, born 1960  
President and CEO, Rautakirja (until 15 Feb 2011)

**Jari Heino**, born 1965  
Senior Vice President, Kiosk Operations

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**Raimo Kurri**, born 1953  
Senior Vice President, Trade Services

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## Sanoma Media



## Sanoma News



## Sanoma Learning & Literature



## Sanoma Trade





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