



# Interim Report 1–3/2008

**President and CEO Hannu Syrjänen**

9 May 2008

Opt eur comp fd	29,30	8,37
Orange eur mc f	7,30	29,30
Orange eur prop fd	11,45	7,30
Orange eur smc f	10,60	11,35
Orange fund	11,9	12,20
Orange eur. largecapf	19,1	19,90
Orange sense fd	5,1	5,55
Orange wine fund	1,70	5,45
Pacific r.c.f.	1,70	88,35
Pan glob conv f.	28,80	28,60
Postb.aandf	28,40	43,30
Postb.aex clicker	42,82	23,69
Postb.amerit	23,70	16,25
Postb.com tech f	16,30	32,80
Postb.duurz aandf	32,80	12,55
Postb.easy bluefd	12,50	7,90
Postb.eur aandf	8,02	16,00
	15,90	19,40
	19,60	16,85
	16,60	

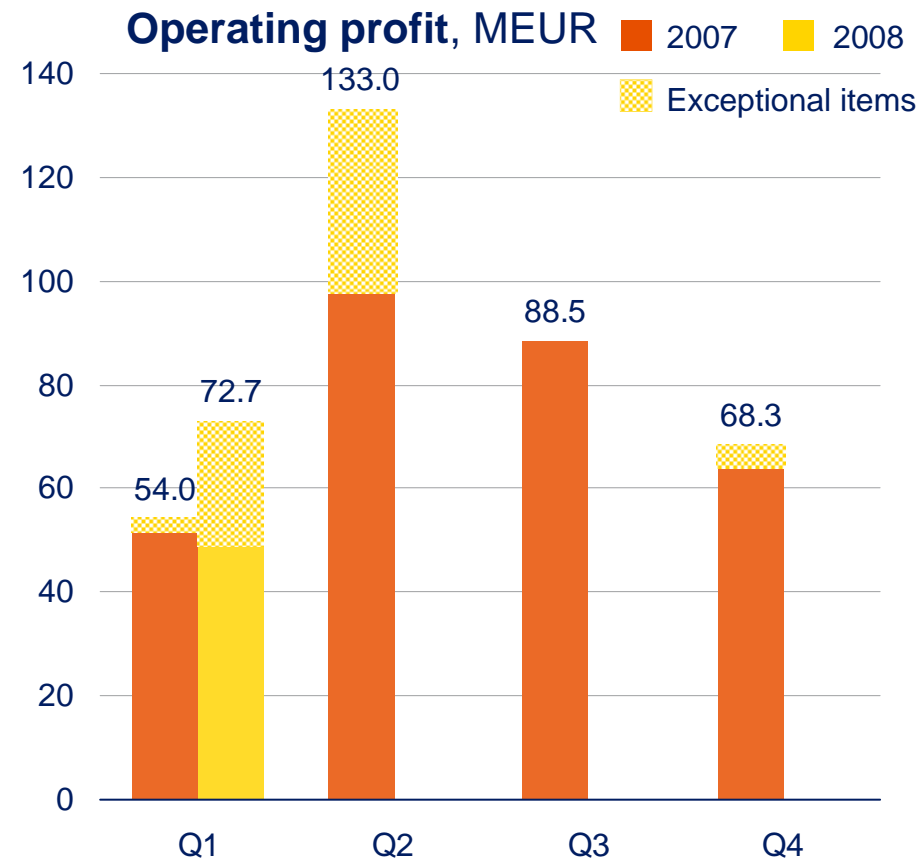
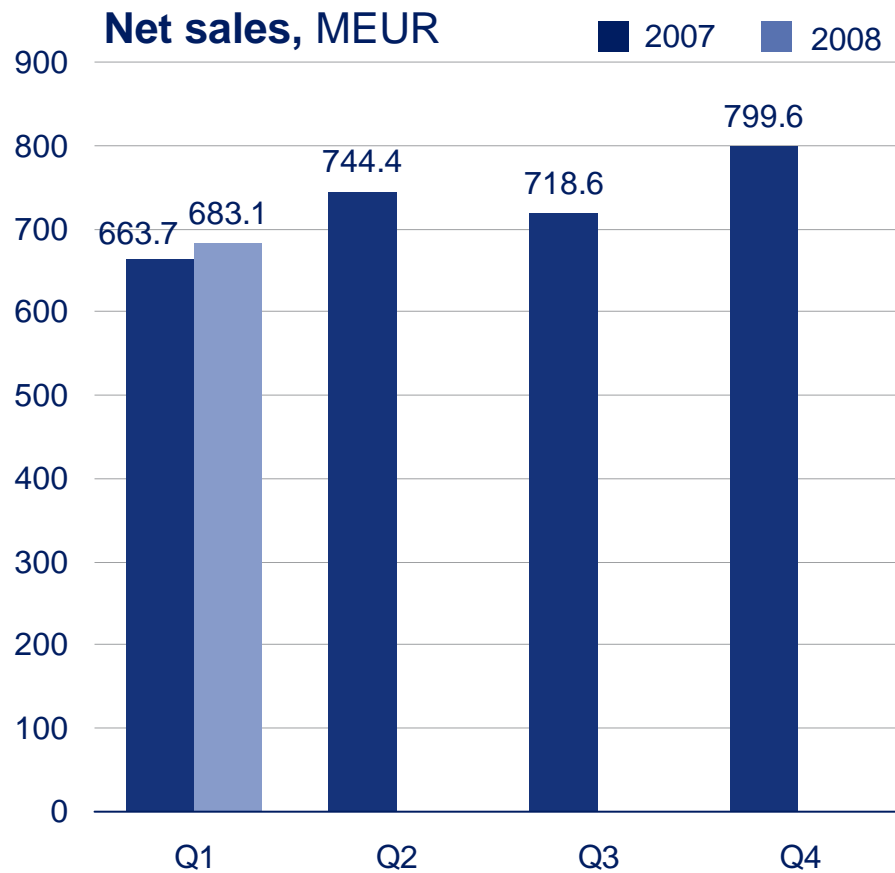


# Key Figures

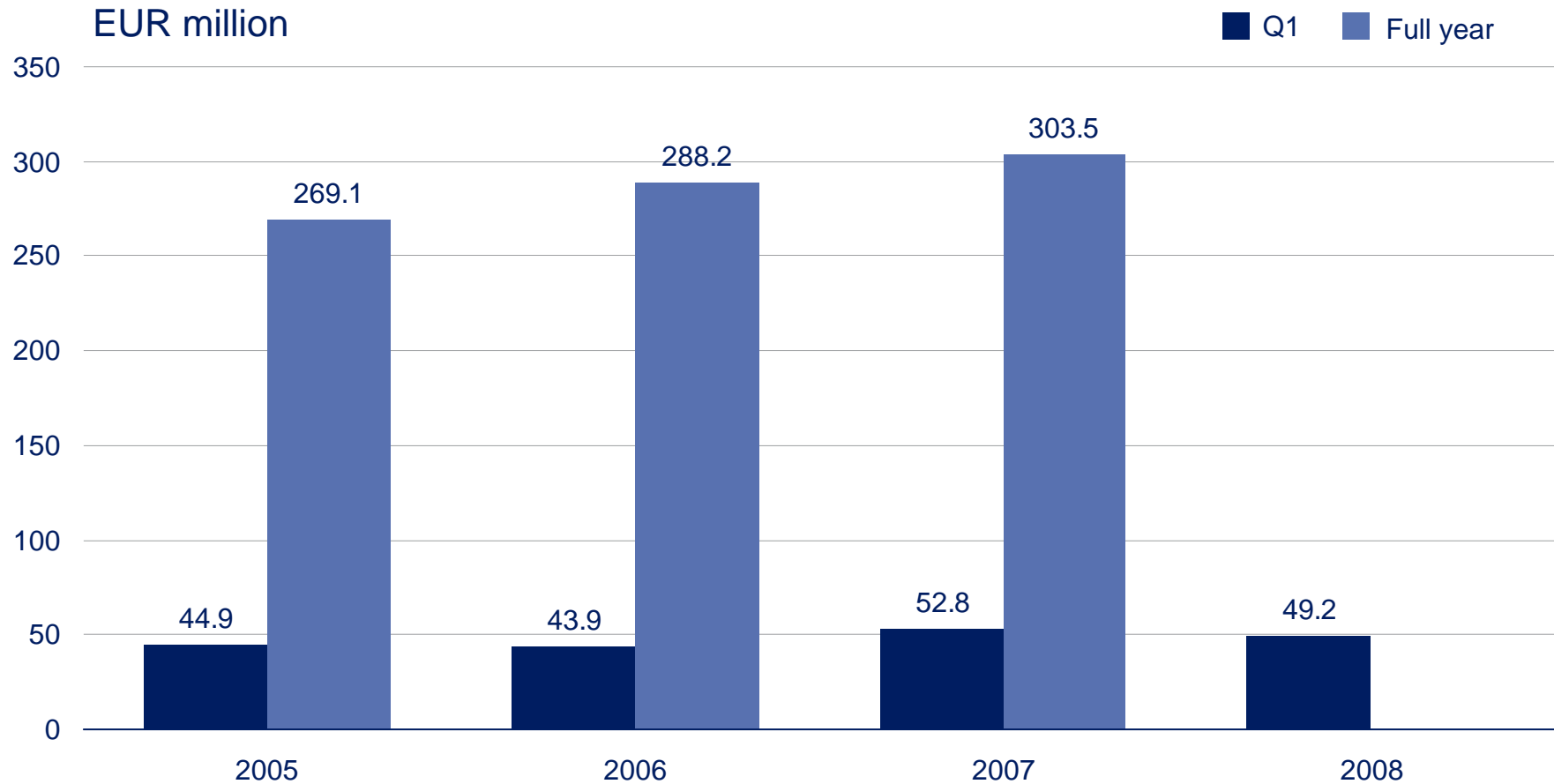
# Key Figures

<b>EUR million</b>	<b>1–3/2008</b>	1–3/2007	Ch %	1–12/2007
Net sales	<b>683.1</b>	663.7	2.9	2 926.3
Operating profit	<b>72.7</b>	54.0	34.7	343.8
% of net sales	<b>10.6</b>	8.1		11.7
Operating profit excluding major non-recurring capital gains	<b>49.2</b>	52.8	-6.7	303.5
% of net sales	<b>7.2</b>	8.0		10.4
Balance sheet total	<b>3,306.0</b>	3,172.6	4.2	3,192.3
Capital expenditure	<b>20.6</b>	15.1	36.1	90.5
Equity ratio, %	<b>44.4</b>	46.1		45.4
Gearing, %	<b>62.6</b>	58.3		58.2
Interest-bearing liabilities	<b>964.7</b>	865.3	11.5	881.4
Net debt	<b>860.4</b>	792.6	8.6	793.3
Earnings/share, EUR	<b>0.34</b>	0.22	56.6	1.47
Earnings/share, diluted, EUR	<b>0.34</b>	0.21	58.0	1.46
Cash flow from operations/share, EUR	<b>0.29</b>	0.13	121.2	1.38
Equity/share, EUR	<b>8.43</b>	8.15	3.3	8.27
Market capitalisation	<b>2,824.0</b>	3,663.8	-22.9	3,196.2
Average number of employees	<b>20,172</b>	18,941	6.5	19,587
Average number of employees *	<b>17,187</b>	16,335	5.2	16,701

# SanomaWSOY



# Operating Profit Excluding Major Non-recurring Capital Gains

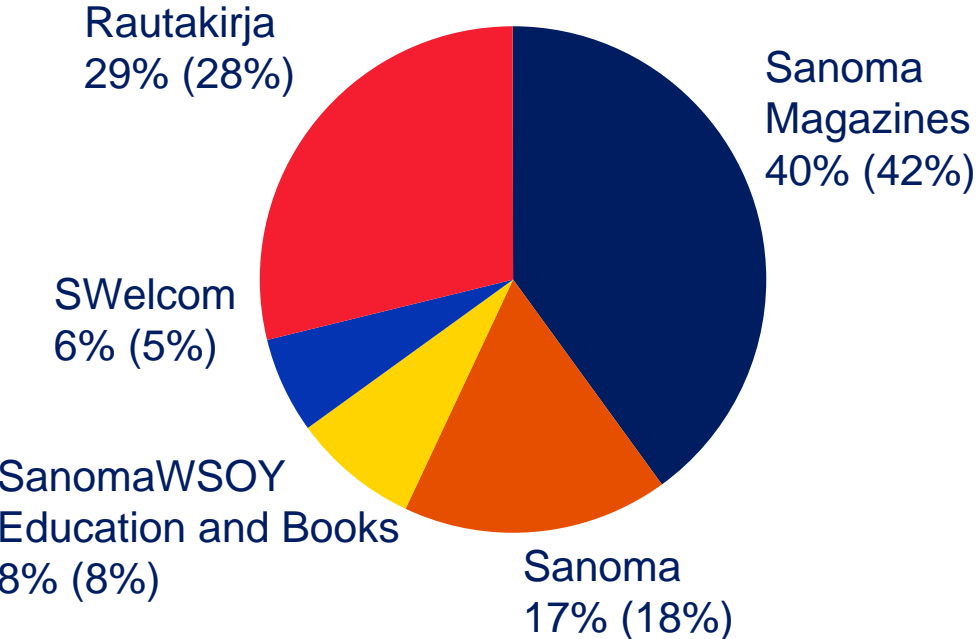


# Net Sales by Division and Geographic Area

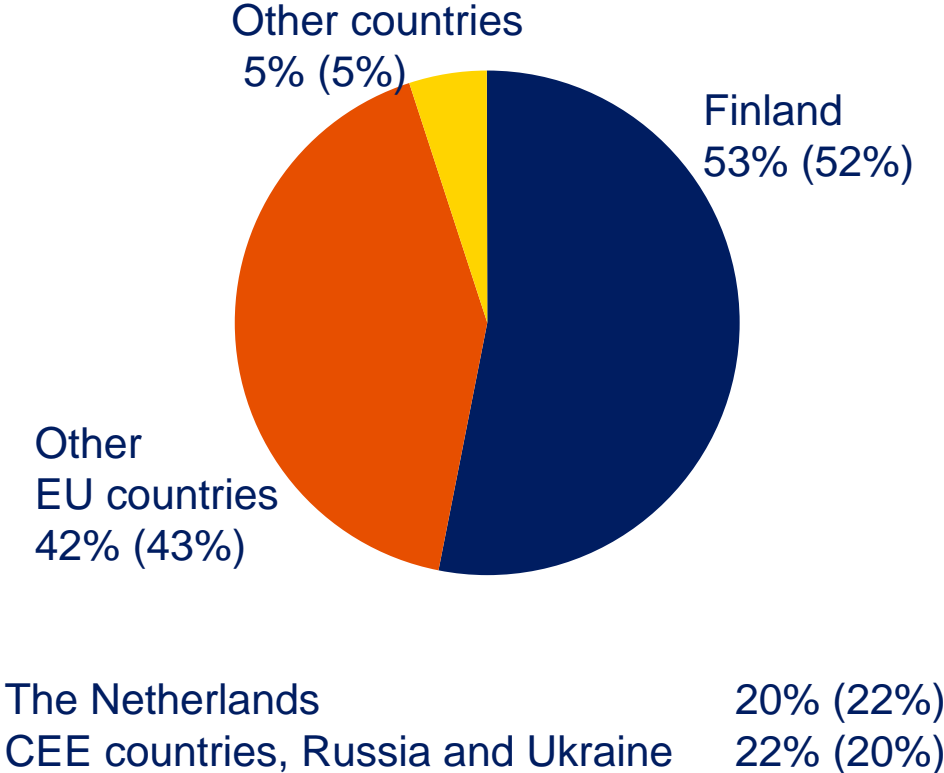
## 1-3/2008 (1-3/2007)

Net sales EUR 683.1 million

### By division



### By geographic area

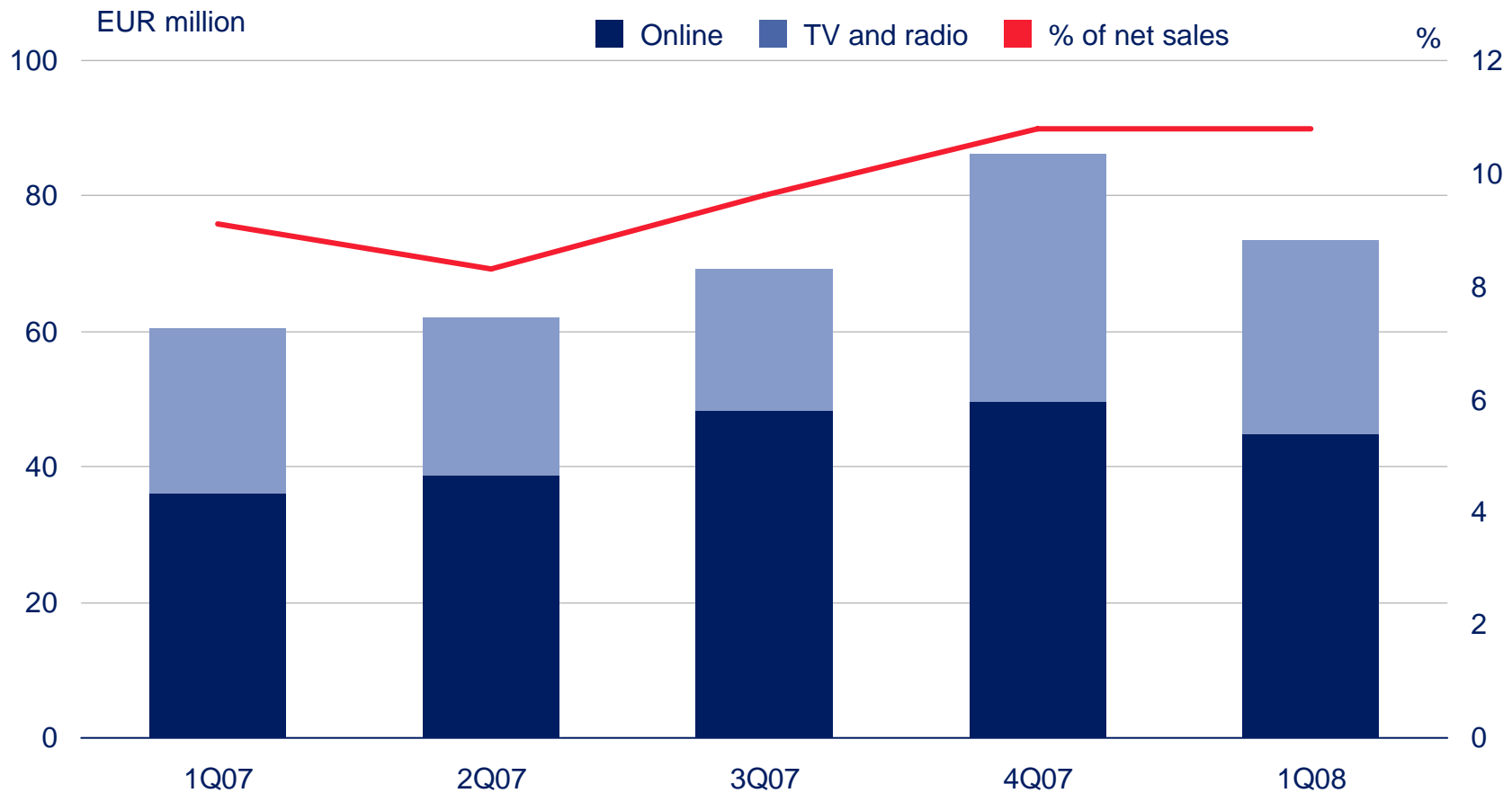


# Advertising Sales

% of net sales

	1–3/2008	1–3/2007
<b>Sanoma Magazines</b>	<b>32%</b>	<b>29%</b>
<b>Sanoma</b>	<b>55%</b>	<b>55%</b>
<b>SWelcom</b>	<b>50%</b>	<b>56%</b>
<b>The Group</b>	<b>26%</b>	<b>25%</b>

# Digital Business Sales

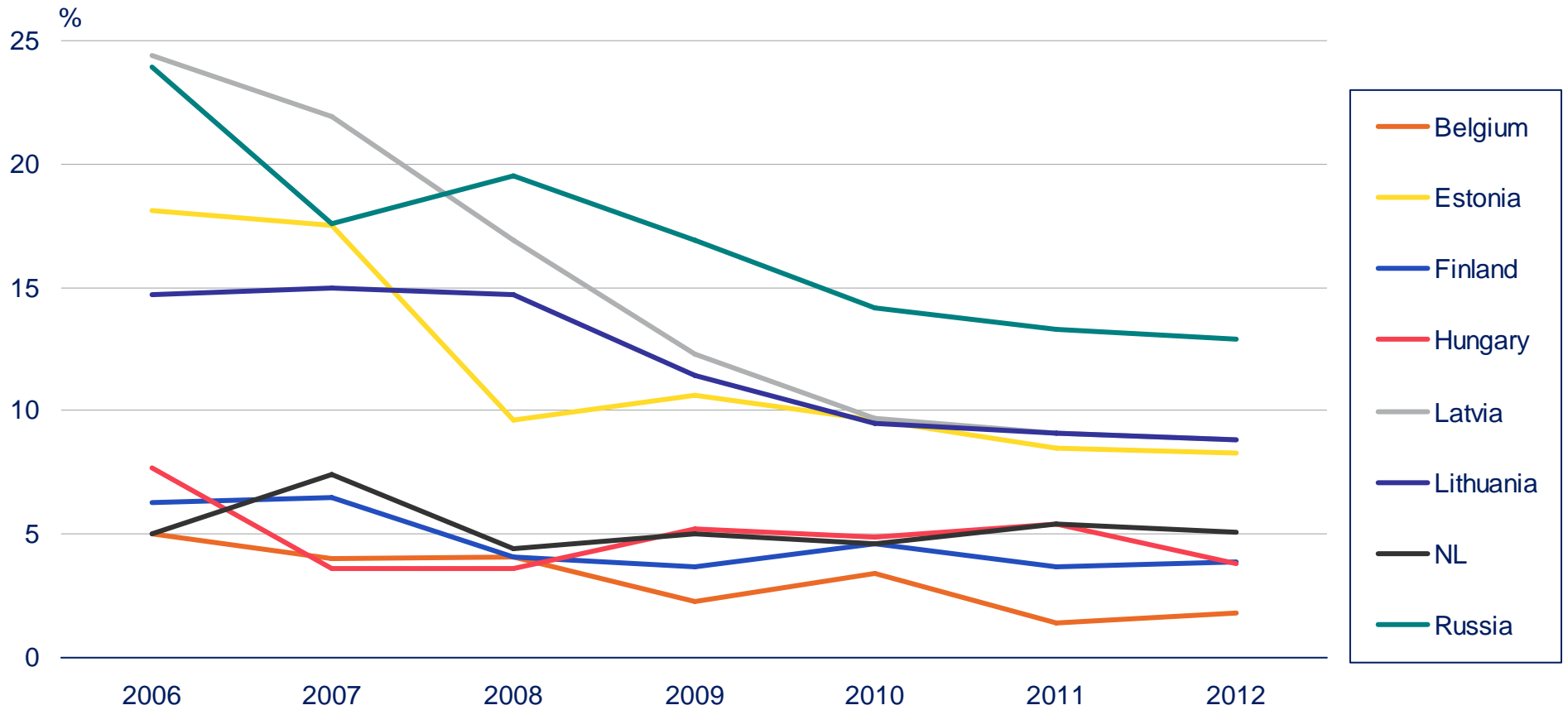






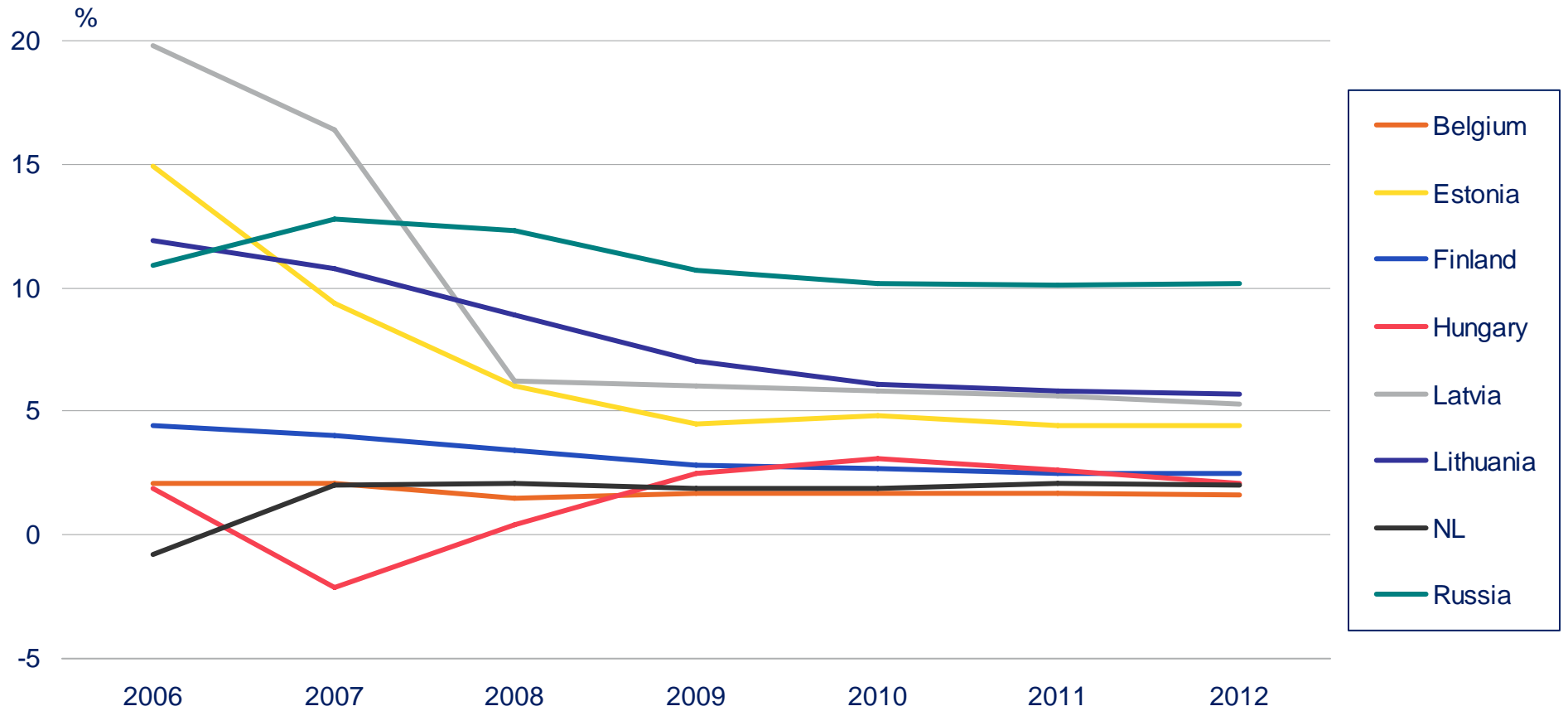
# Market Environment

# GDP Change



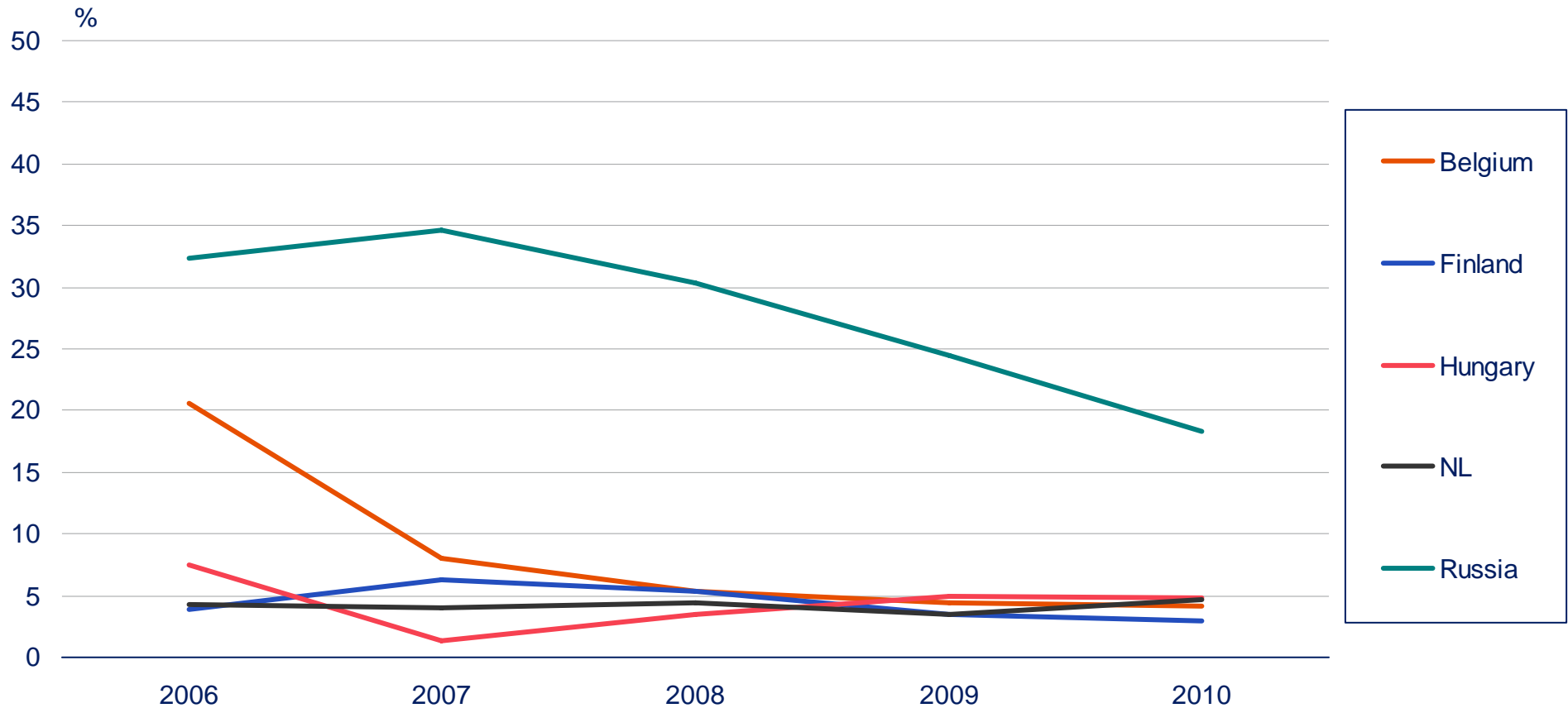
Source: EIU

# Private Consumption Change



Source: EIU

# Advertising Expenditure yoy Growth



Source: ZenithOptimedia

# Advertising Sales in Finland

EUR 1,000	3/2008	Ch %	1–3/2008	Ch %
NEWSPAPERS	57,691	-10.8	160,064	-2.5
TELEVISION	25,574	-4.2	70,095	6.0
MAGAZINES	14,653	-13.2	39,269	-0.9
ONLINE	6,376	29.3	17,247	30.4
OUTDOOR	3,871	5.2	10,480	9.6
RADIO	3,651	1.9	9,589	7.7
CINEMA	322	91.5	759	90.0
<b>Total</b>	<b>112,138</b>	<b>-7.1</b>	<b>307,502</b>	<b>1.8</b>

# Advertising Sales in the NL

<b>EUR 1,000</b>	<b>1-3/2008</b>	<b>Ch %</b>
TELEVISION	561,526	2.9
NEWSPAPERS	210,771	7.4
UNSOLICITED ADV MATERIAL	129,893	11.3
RADIO	113,392	15.0
MAGAZINES	110,650	-2.5
OUTDOOR	67,078	7.5
INTERNET	50,584	3.0
CINEMA	2,708	-29.2
<b>Total</b>	<b>1,246,602</b>	<b>5.1</b>



## Key Events



# Launches

1-3/2008

Product launches and acquisitions, digital

- Cooking site Kuchyne.cz, Czech
- Blog site Webpark.ru, Russia
- Housing websites Leadz.nl and Woonwebsite.nl, NL
- Do-it-yourself site Woonklussen.nl, NL
- Parenting community Parinti.com, Romania
- Damjana Vjencanja (wedding magazine, site and fairs), Croatia
- Home deco and housing platform Movig (in co-operation with a bank), NL

Product launches, print

- Cycling magazine Procycling, NL
- Magazine HS Teema, Finland
- Women's magazine Sensa, Serbia
- LukuNaiset, book in a magazine format, Finland
- Youth magazine High School Musical, Suomi
- Reportage magazine GEO, Finland





# Other Events

## 1-3/2008

### Acquisitions, new entries

- Kiosk company KP Roznitsa, Russia
- Educational publisher Nowa Era closing, Poland
- ATMs to over 500 R-kiosks, Finland

### Divestments

- Filmed entertainment distribution company R.C.V. Entertainment, NL
- 2ndhead's operations, Finland

### Other

- Anu Nissinen appointed as SWelcom's President



# After the Review Period

## Acquisitions

- Internet company Net Info, Bulgaria
- Publishing house Lux Media, Russia

## Divestment

- Annual press subscription service business, Finland

## Launches

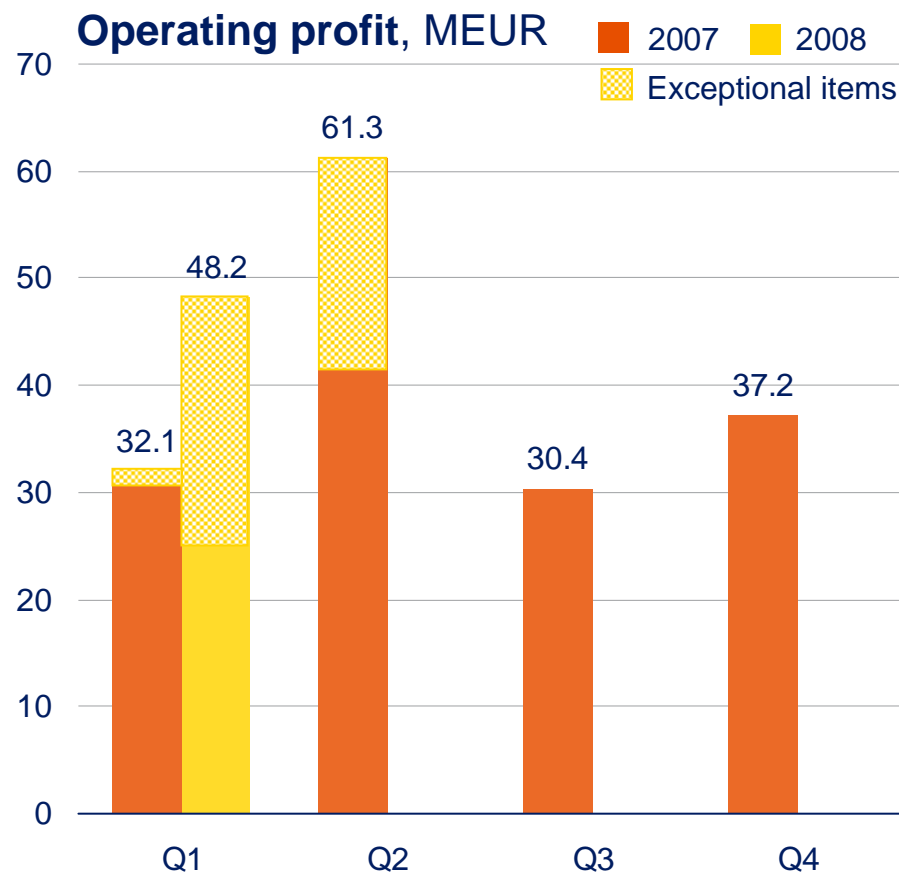
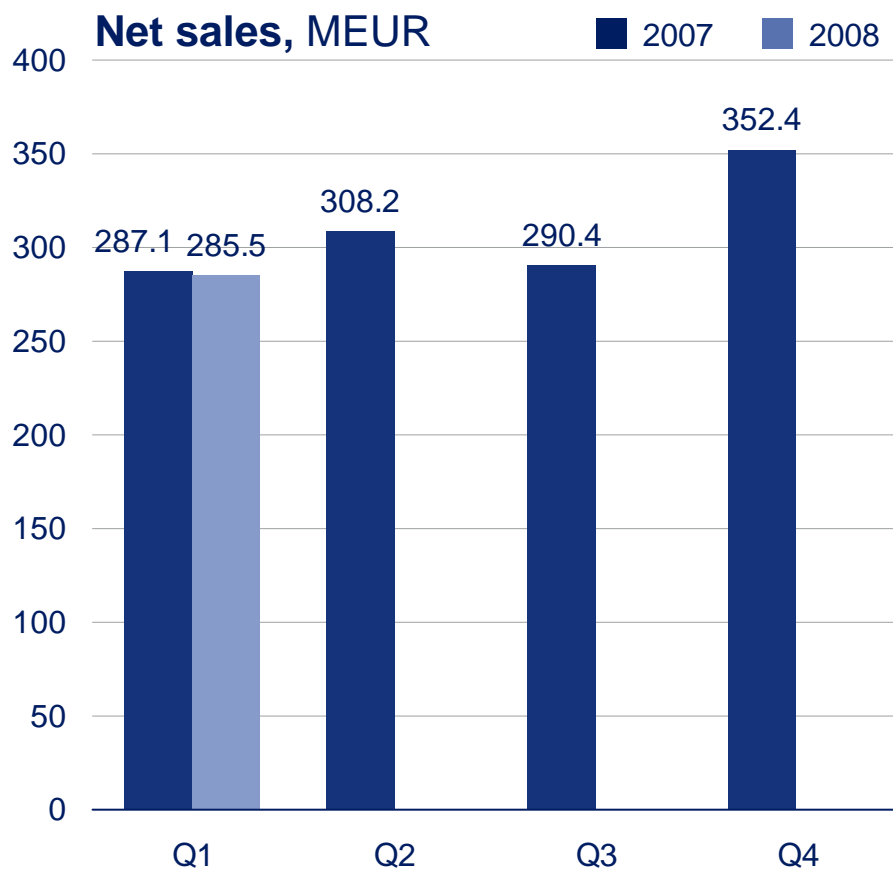
- National Geographic Kids, Bulgaria
- Women's magazine Marie Claire, Czech
- Health magazine Zdraven Journal, Bulgaria
- National Geographic Traveler, Czech
- Women's magazine Marie Claire, Romania
- Telecommunications site Mobilport.hu, Hungary
- Relaunch of the weekly magazine Story, Czech
- Three new directors to SanomaWSOY Corporate Centre
- SanomaWSOY becomes Sanoma as of 1 October 2008



**WELHO**  
LAAJAKAISTA JA DIGI-TV

## Divisional Overview

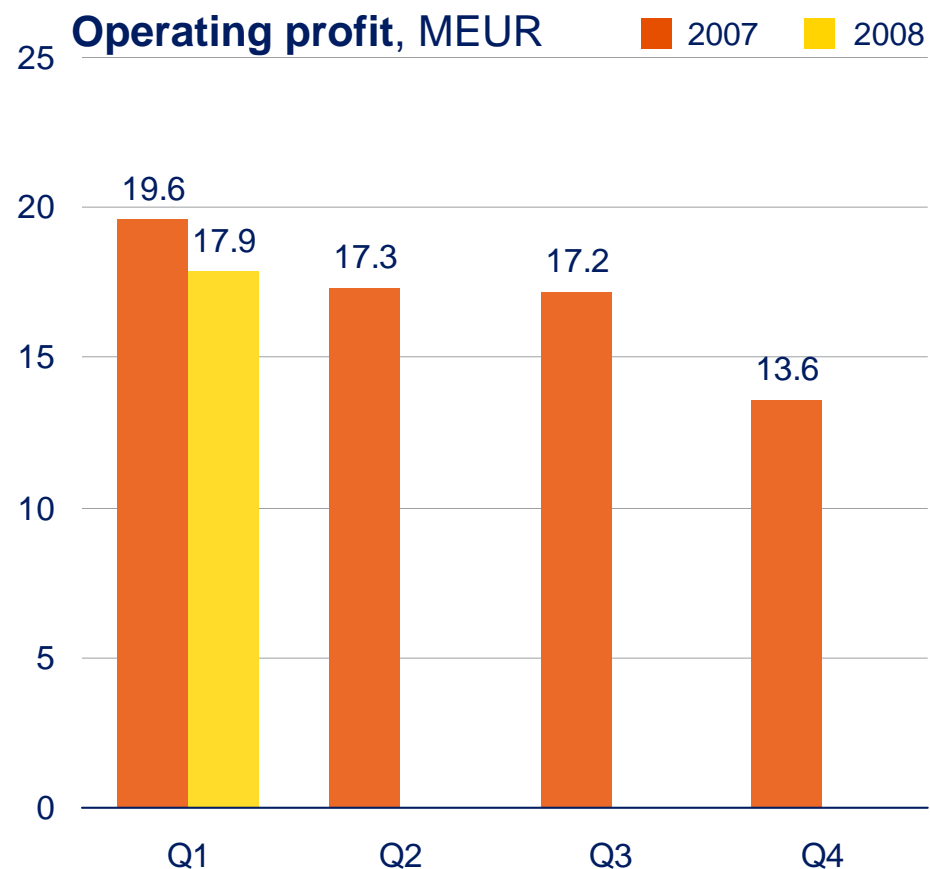
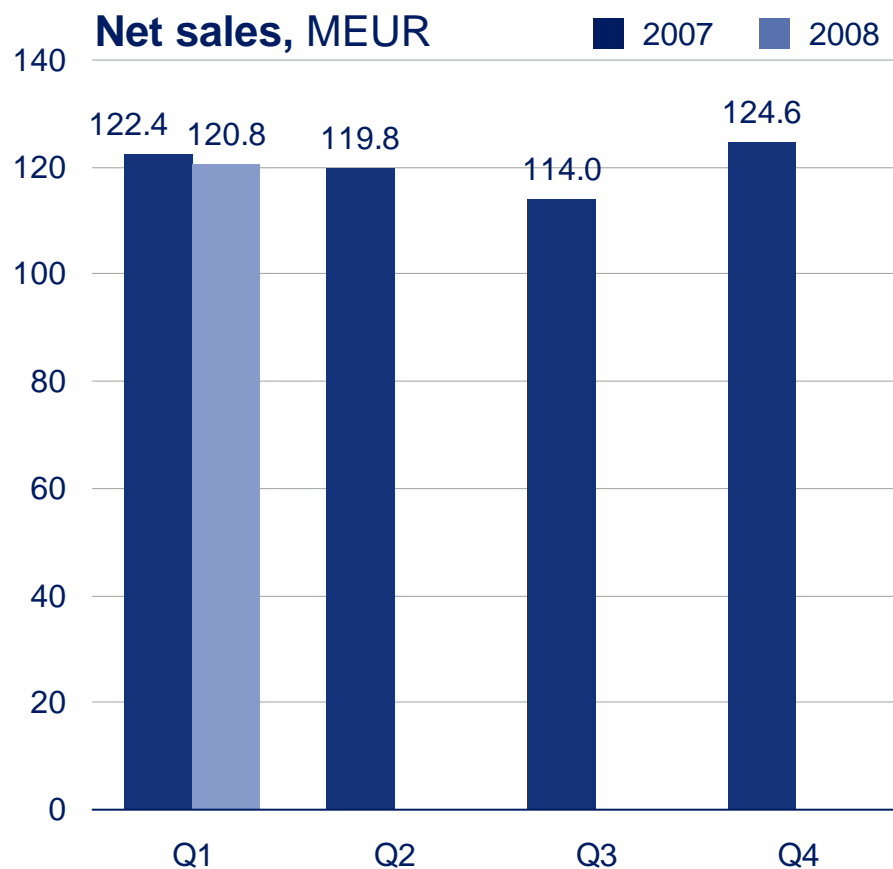
# Sanoma Magazines



# Sanoma Magazines 1–3/2008

EUR million	1–3/2008	1–3/2007	Ch %	1–12/2007
Net sales	<b>285.5</b>	287.1	-0.6	1,238.1
Sanoma Magazines Netherlands	<b>111.7</b>	119.8	-6.7	539.8
Sanoma Magazines International	<b>70.1</b>	65.8	6.6	283.4
Sanoma Magazines Belgium	<b>54.2</b>	52.5	3.1	216.6
Sanoma Magazines Finland	<b>50.7</b>	50.1	1.1	202.8
Eliminations	<b>-1.3</b>	-1.2	8.1	-4.6
Operating profit	<b>48.2</b>	32.1	49.9	160.9
% of net sales	<b>16.9</b>	11.2		13.0
Operating profit excluding major non-recurring capital gains	<b>24.7</b>	30.9	-20.2	139.7
% of net sales	<b>8.6</b>	10.8		11.3
Balance sheet total	<b>1,965.1</b>	1,894.8	3.7	1,937.5
Capital expenditure	<b>5.1</b>	3.4	51.3	20.6
Average number of employees	<b>5,854</b>	5,485	6.7	5,623

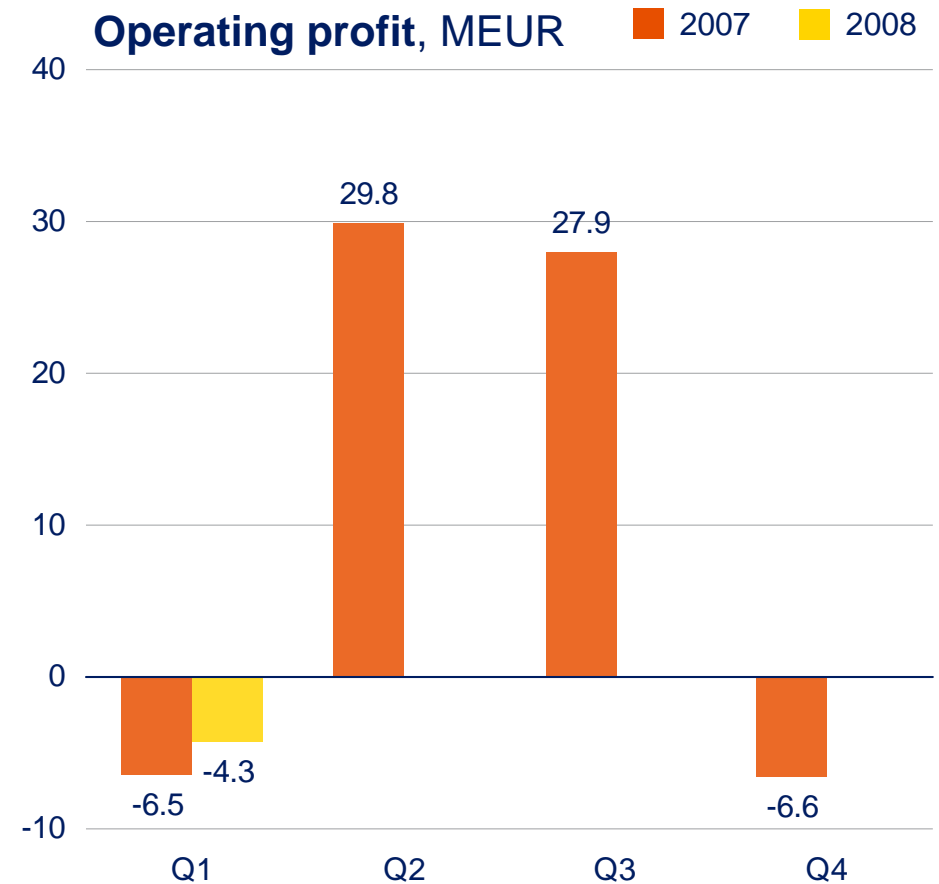
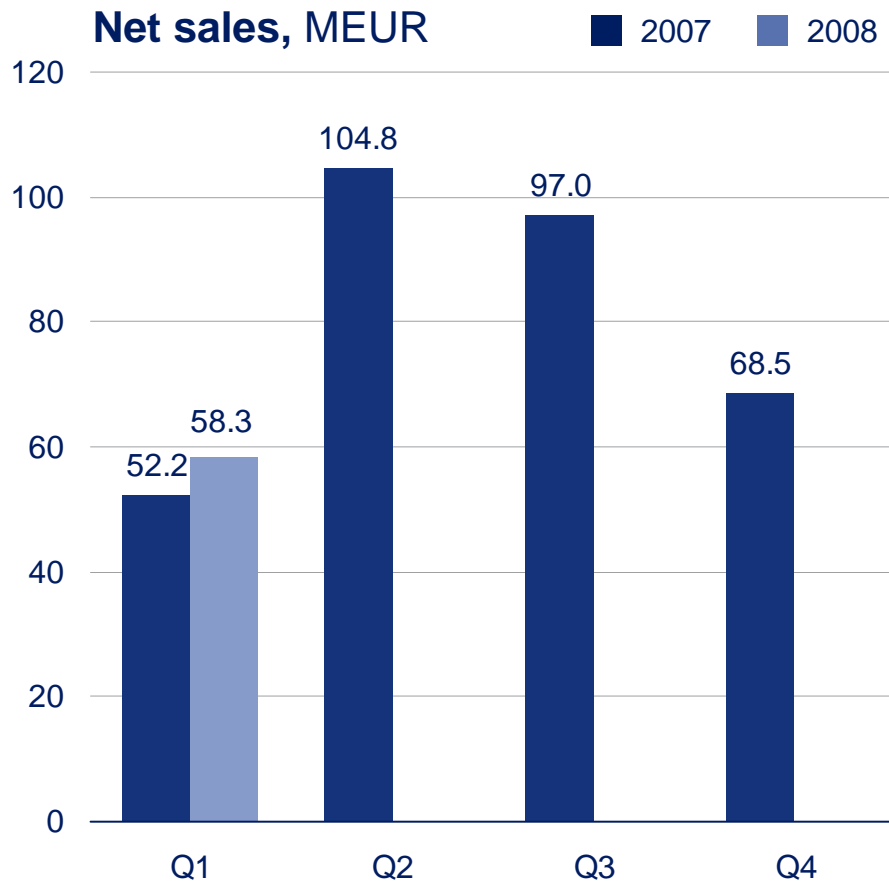
# Sanoma



# Sanoma 1-3/2008

EUR million	1-3/2008	1-3/2007	Ch %	1-12/2007
Net sales	<b>120.8</b>	122.4	-1.2	480.8
Helsingin Sanomat	<b>74.1</b>	72.3	2.5	278.9
Ilta-Sanomat	<b>22.5</b>	23.6	-4.8	94.8
Other publishing	<b>22.4</b>	24.3	-7.9	97.5
Other	<b>38.5</b>	38.5	-0.1	152.6
Eliminations	<b>-36.6</b>	-36.4	0.6	-143.0
Operating profit	<b>17.9</b>	19.6	-8.4	67.6
% of net sales	<b>14.8</b>	16.0		14.1
Operating profit excluding major non-recurring capital gains	<b>17.9</b>	19.6	-8.4	67.6
% of net sales	<b>14.8</b>	16.0		14.1
Balance sheet total	<b>449.5</b>	502.3	-10.5	445.0
Capital expenditure	<b>3.7</b>	2.9	26.5	17.7
Average number of employees	<b>2,724</b>	2 624	3.8	2,716

# SanomaWSOY Education and Books

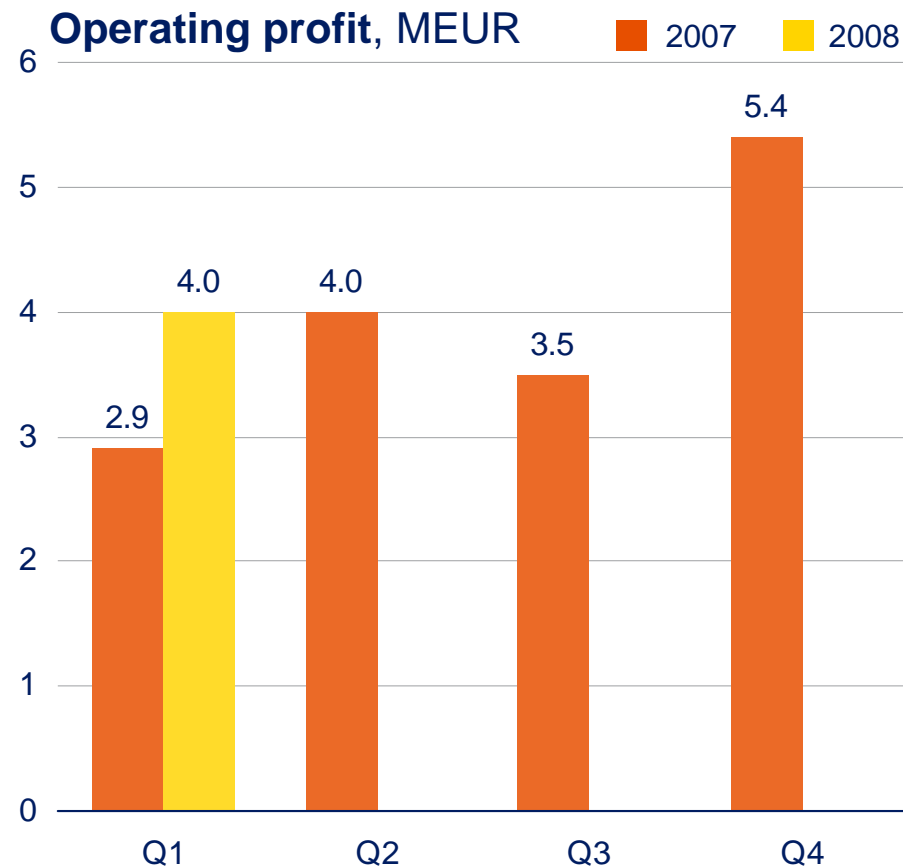
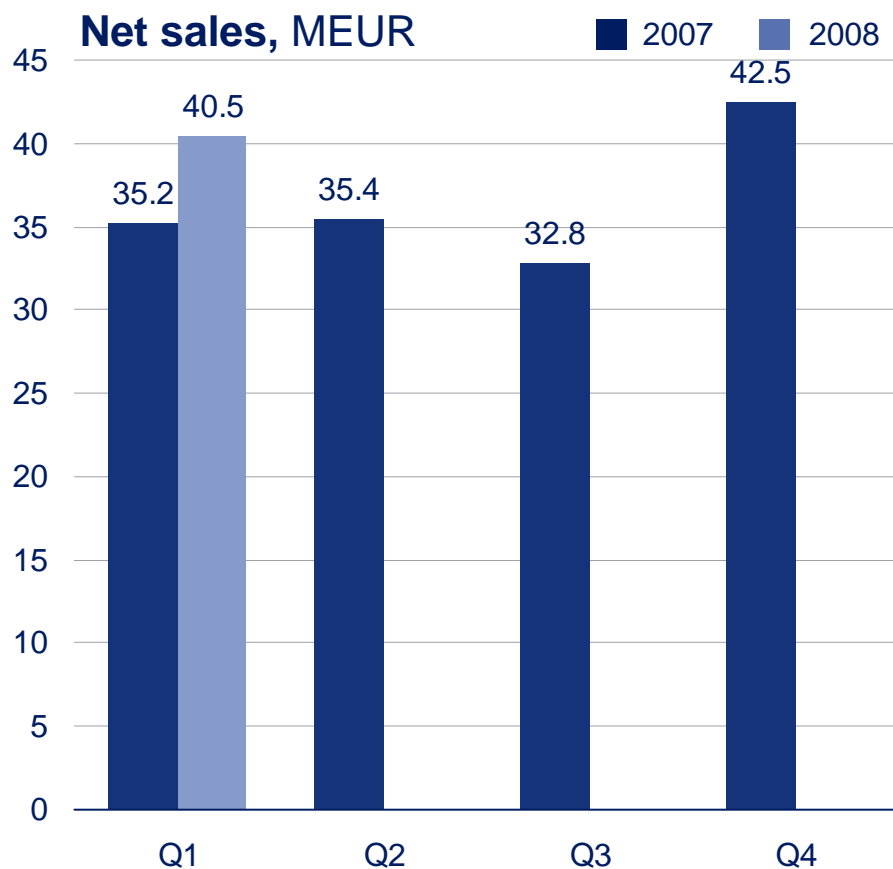




# SanomaWSOY Education and Books 1-3/2008

EUR million	1-3/2008	1-3/2007	Ch %	1-12/2007
Net sales	<b>58.3</b>	52.2	11.7	322.5
Educational publishing	<b>24.6</b>	20.0	23.0	197.7
Publishing	<b>27.5</b>	26.3	4.6	97.3
Other	<b>12.0</b>	12.0	0.5	51.1
Eliminations	<b>-5.7</b>	-6.0	4.0	-23.7
Operating profit	<b>-4.3</b>	-6.5	33.2	44.5
% of net sales	<b>-7.4</b>	-12.4		13.8
Operating profit excluding major non-recurring capital gains	<b>-4.3</b>	-6.5	33.2	44.5
% of net sales	<b>-7.4</b>	-12.4		13.8
Balance sheet total	<b>649.5</b>	595.3	9.1	585.0
Capital expenditure	<b>2.8</b>	1.2	133.2	7.7
Average number of employees	<b>2,874</b>	2 723	5.5	2,769

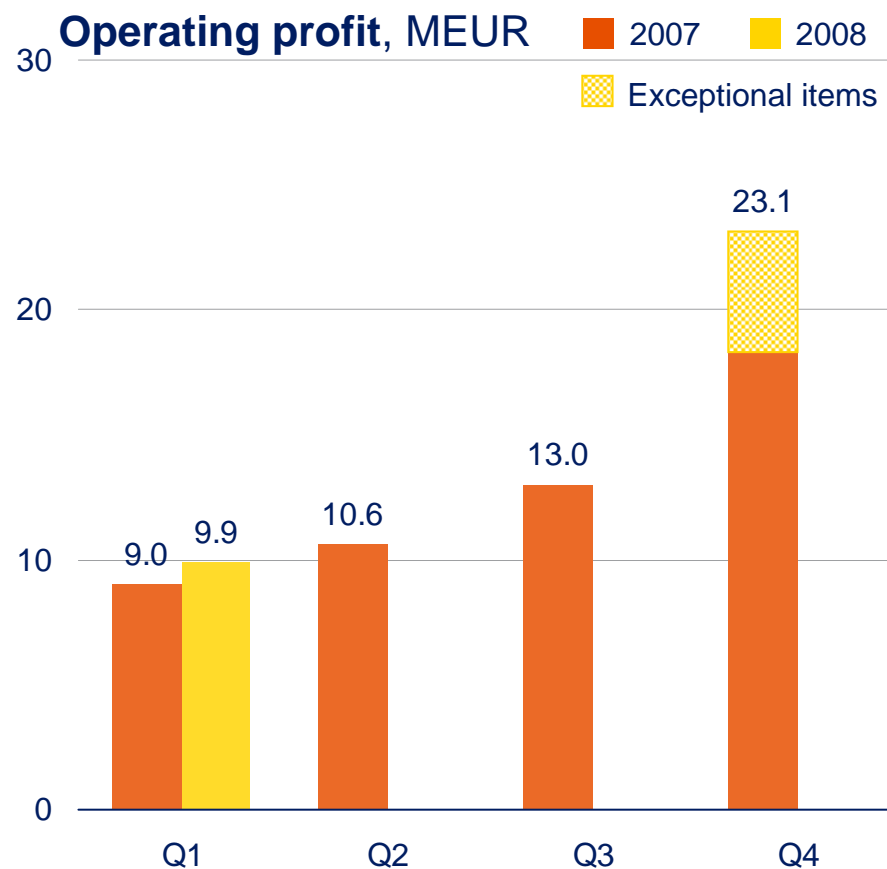
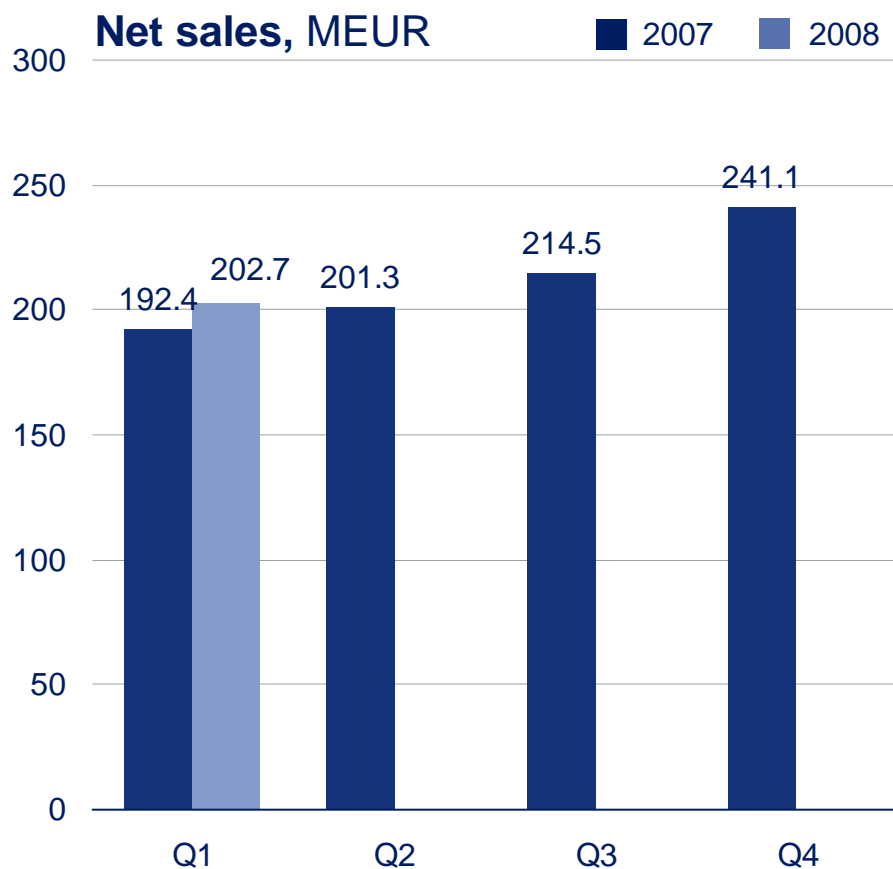
# SWelcom



# SWelcom 1-3/2008

EUR million	1-3/2008	1-3/2007	Ch %	1-12/2007
Net sales	40.5	35.2	15.1	146.0
TV and radio	22.6	20.1	12.4	83.2
Other	18.0	15.4	17.4	63.6
Eliminations	-0.1	-0.3	-50.2	-0.8
Operating profit	4.0	2.9	38.8	15.8
% of net sales	10.0	8.3		10.8
Operating profit excluding major non-recurring capital gains	4.0	2.9	38.8	15.8
% of net sales	10.0	8.3		10.8
Balance sheet total	163.3	163.0	0.2	168.2
Capital expenditure	3.0	2.7	10.2	14.8
Average number of employees	517	465	11.3	501

# Rautakirja



# Rautakirja 1–3/2008

EUR million	1–3/2008	1–3/2007	Ch-%	1–12/2007
Net sales	<b>202.7</b>	192.4	5.3	849.3
Kiosk operations	<b>94.6</b>	86.9	8.8	385.5
Press distribution	<b>58.2</b>	56.2	3.4	245.5
Bookstores	<b>31.0</b>	29.6	4.7	140.3
Entertainment	<b>24.4</b>	23.5	3.8	95.9
Eliminations	<b>-5.5</b>	-3.9	42.1	-18.0
Operating profit	<b>9.9</b>	9.0	10.7	55.6
% of net sales	<b>4.9</b>	4.7		6.5
Operating profit excluding major non-recurring capital gains	<b>9.9</b>	9.0	10.7	50.7
% of net sales	<b>4.9</b>	4.7		6.0
Balance sheet total	<b>542.8</b>	544.5	-0.3	565.0
Capital expenditure	<b>6.1</b>	4.5	36.4	28.4
Average number of employees	<b>8,097</b>	7,568	7.0	7,886



## Outlook for 2008

# Group's Outlook for 2008

## Outlook

- Net sales to grow in line with the previous year
- Operating profit excluding major non-recurring capital gains continues to improve
- In 2007, operating profit excluding capital gains totalled EUR 303.5 million and net sales grew by 6.7%



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