



SanomaWSOY

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Handelsbanken Media Seminar

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SanomaWSOY

- Finnish Sanoma and WSOY merged in 1999 and listed in the Helsinki Stock Exchange
- The leading Nordic media group
 - net sales EUR 2,491 million in 2004
 - personnel 16,207
- One of Europe's five largest magazine publishers
- Among Europe's six largest educational publishers

- Wide media portfolio in Finland, focused approach internationally
- Leading positions in the chosen markets
- Targeting smaller and mid-sized language areas and markets



SanomaWSOY Group

Group net sales M€2,491.1
Group EBIT M€294.0
Group personnel 16,207

Sanoma Magazines

Net sales M€1,083.7
EBIT M€137.1

Magazine publishing
Online operations
Magazine distribution



Sanoma

Net sales M€435.2
EBIT M€70.8

Newspaper publishing and printing



WSOY

Net sales M€253.9
EBIT M€29.1

Educational publishing
Publishing
Printing



SWelcom

Net sales M€117.5
EBIT M€9.6

Commercial TV
Cable TV and broadband



Rautakirja

Net sales M€659.7
EBIT M€47.2

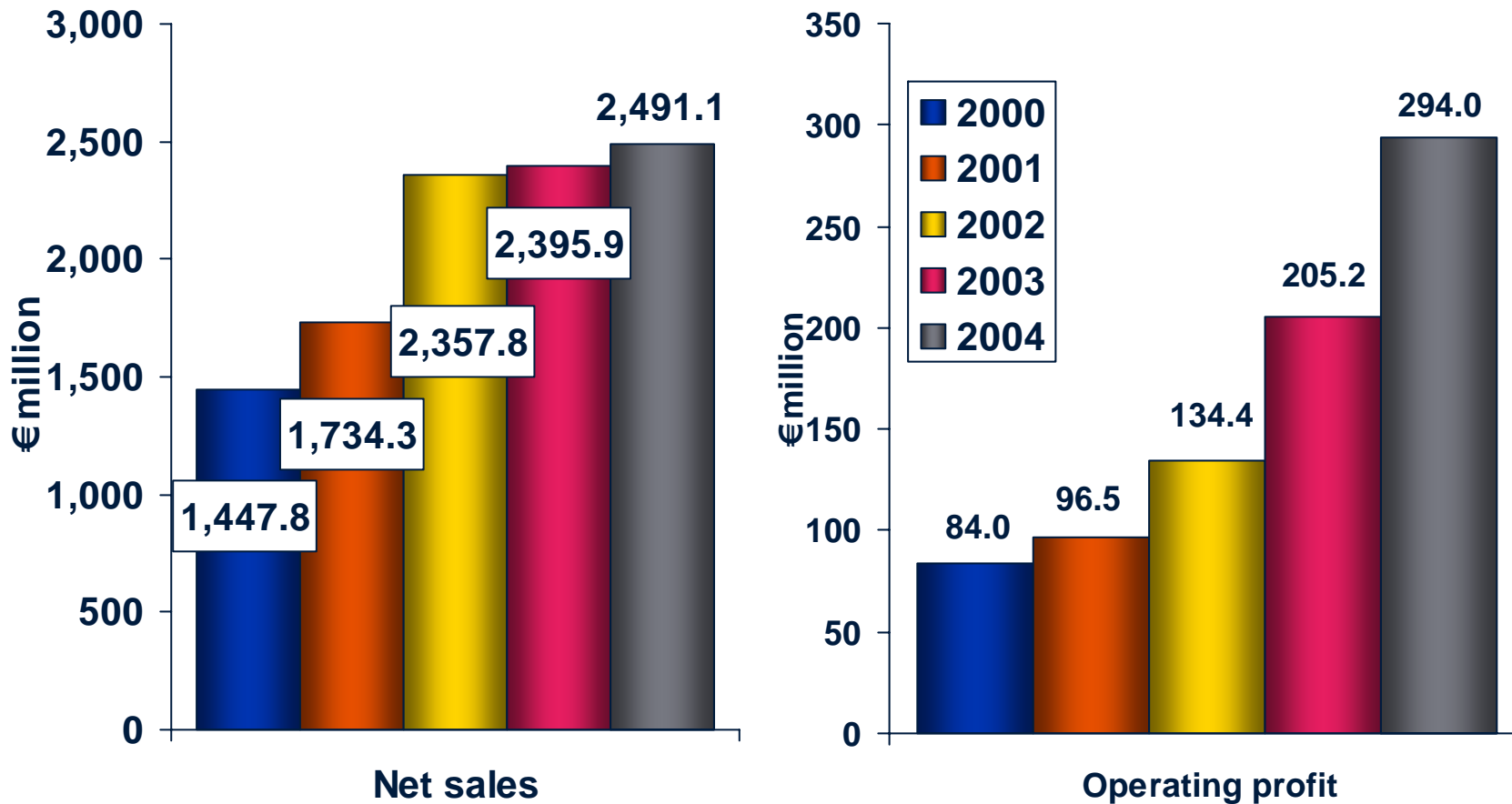
Press distribution
Kiosk operations
Bookstores
Movie theatres



Personnel on average

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Dynamic Growth and Profitability



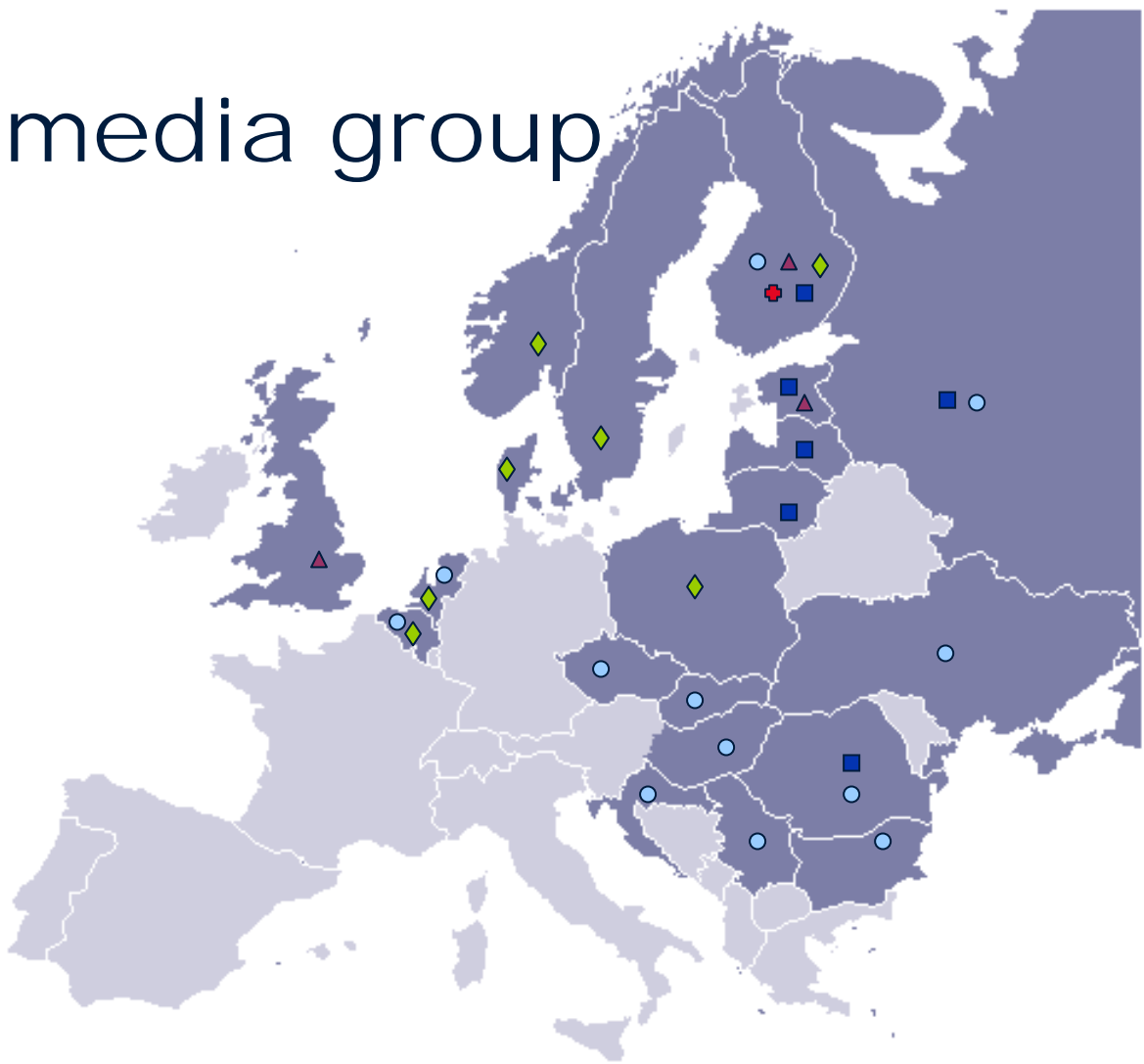
Figures 2000-2003 according to FAS. Since 2004 according to IFRS.

Net sales of 2003 are not comparable with the earlier years due to changes in accounting practices

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SanomaWSOY European media group

- **Sanoma Magazines**
Magazine publishing and distribution
- ▲ **Sanoma**
Newspaper publishing and printing
- ◆ **WSOY**
Educational publishing, publishing, and printing
- + **SWelcom**
Electronic media
- **Rautakirja**
Kiosk operations, press distribution, bookstore, and movie theatres



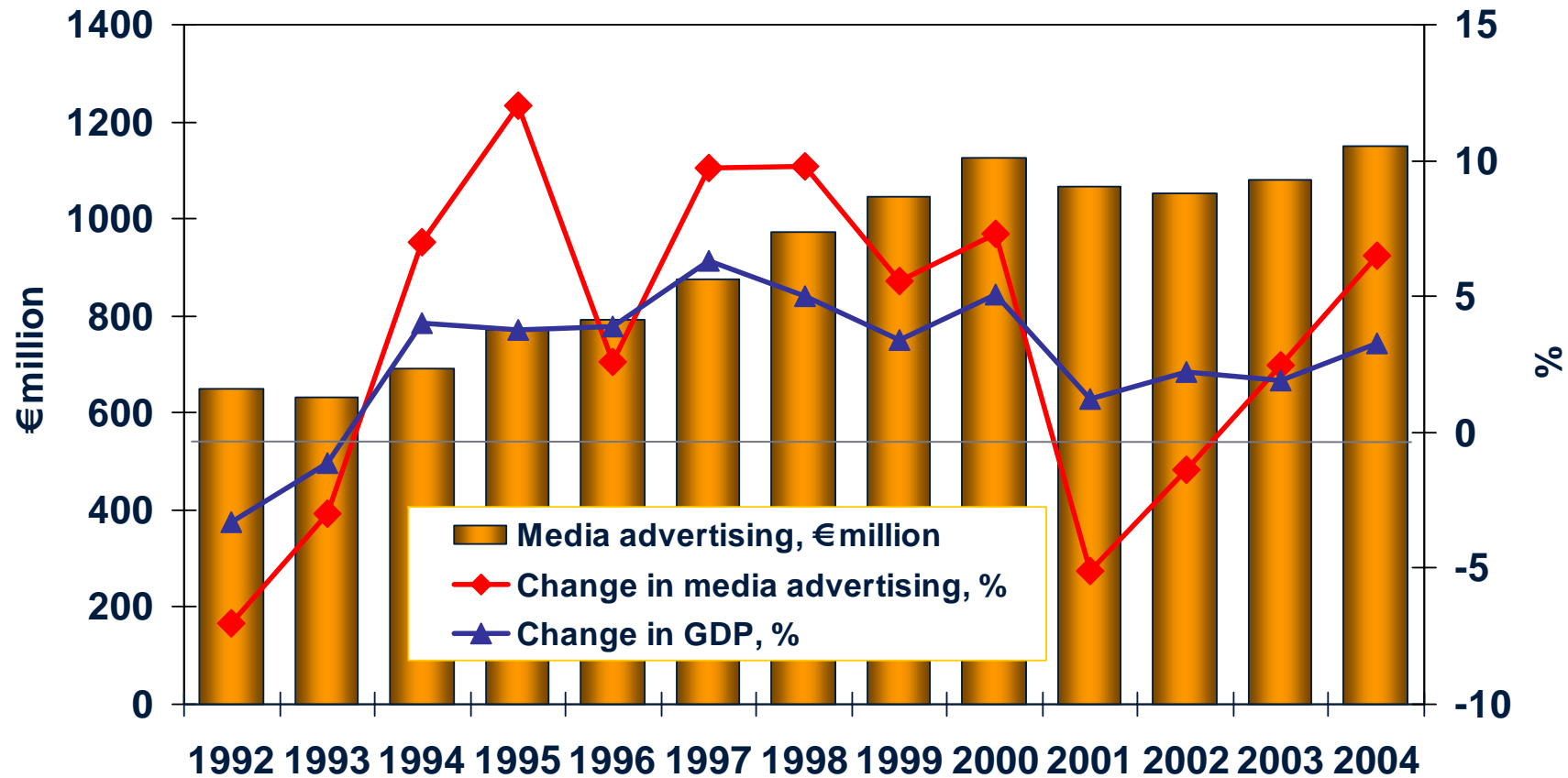
Esmerk, part of Sanoma, has operations in 6 countries including UK.

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Markets

Media Advertising in relation to GDP In Finland



Source:
Mainonnan
Neuvottelukunta,
Statistics Finland

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Estimates on European Economy

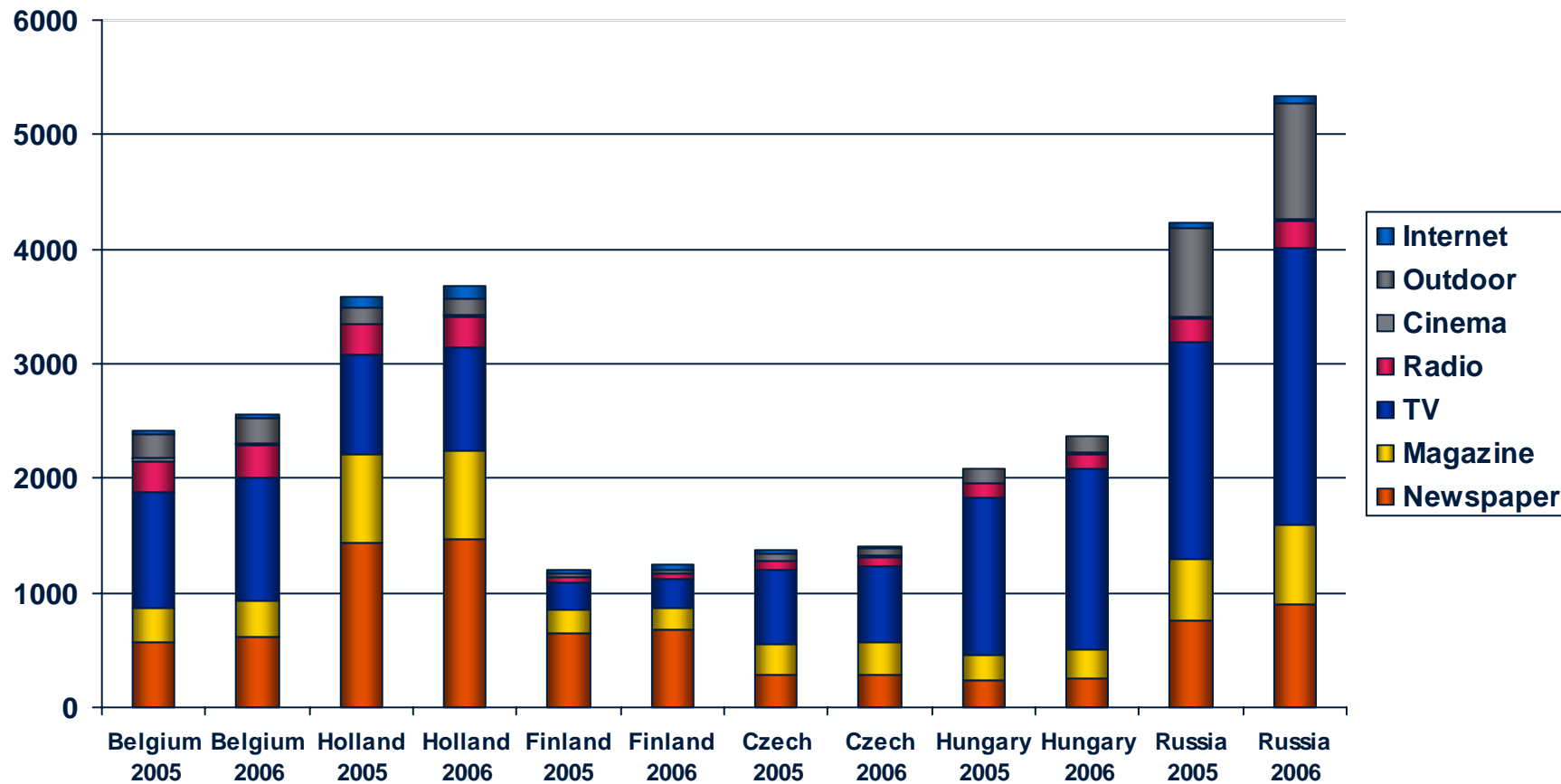
Change, %	GDP		Privat cons.		Inflation		Unemployment 05
	05	06	05	06	05	06	
Finland	1.5	2.5	3.5	3.2	1.3	1.6	8.8
Holland	0.5	2.0	-0.6	1.1	1.5	1.8	8.5
Belgium	1.3	2.0	1.1	1.6	2.7	2.5	7.6
Hungary	3.6	4.0	2.8	5.5	3.8	2.7	7.1
Czech Rep.	4.4	4.6	2.3	3.1	2.0	2.2	9.1
Estonia	7.7	6.7	7.4	5.8	4.0	3.3	9.2
Latvia	8.0	6.8	8.5	7.2	5.9	4.2	8.8
Lithuania	6.5	5.7	7.0	6.0	2.6	2.2	5.3
Russia	6.2	5.5	12.0	4.1	12.8	9.5	7.7

Source: EIU /
October 2005

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Advertising Market in Europe

Forecasts 2005 & 2006, EUR million



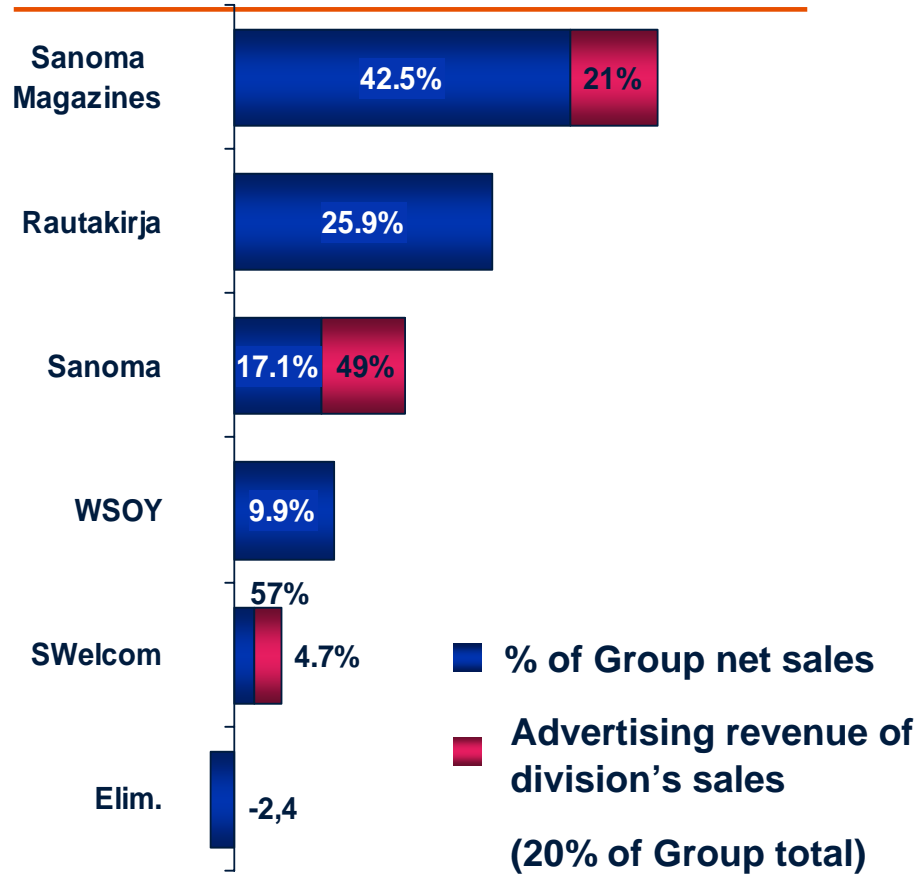
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Strategy

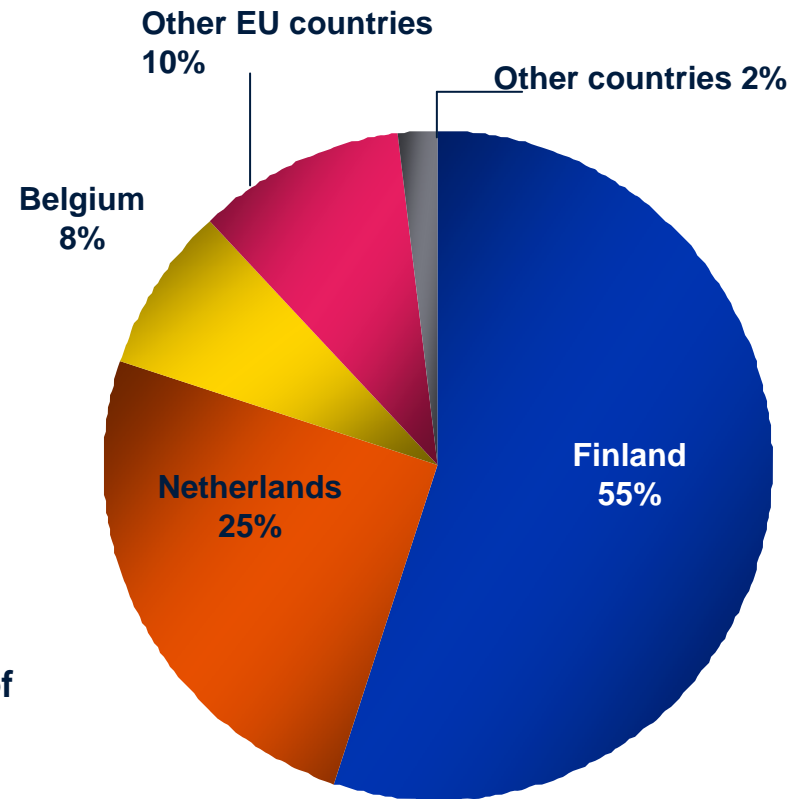
Balanced composition of net sales

Acquisitions Increasing Balance Even More

Divisional 2004A net sales breakdown



Geographic 2004A net sales breakdown



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Strategic focus areas

Growth

- To develop profitable **new products and services**, that can be successfully expanded cross-media or internationally
- To enter **new growth markets**
- To **internationalise** press distribution step by step

Cash flow

- To ensure that we continue to have the most wanted and valued products and services
- To increase the **profitability** of our present businesses
- To divest non-core assets and businesses

Market leadership

- To be **a market leader** and successfully leverage that leadership in our chosen businesses and markets
- To be a leading European magazine and educational publisher

Business practises

- To ensure sustainable growth and profitability
- To continuously **promote best management practices**
- To assure fast, flexible, and cost efficient business processes

Spearheads of Our International Business

Magazines



- 38% of the Group's net sales
- Operations in 12 countries

Educational Publishing



- 5% of the Group's net sales
- Operations in 4 countries

Press Distribution



- 8% of the Group's net sales (21% incl. kiosks)
- Operations in 6 countries

* Pro forma net sales 2004 including Malmberg and YDP for FY04, Hiparion Distribtuion, Impress Teva and Independent Media

Intra group eliminations excluded

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Why magazines?

- Magazines are not influenced by national political or cultural issues
- Preferred international license partner:
 - Cosmopolitan, Elle, Disney, National Geographic...
- Own concepts, which can be internationalised:
 - Story, Beaumonde
- In Finland, a long tradition of custom publishing, which can be internationalised
- Magazines are perfect platforms for brand extensions
- Combination of magazines, internet sites, and virtual communities offers interesting new business opportunities

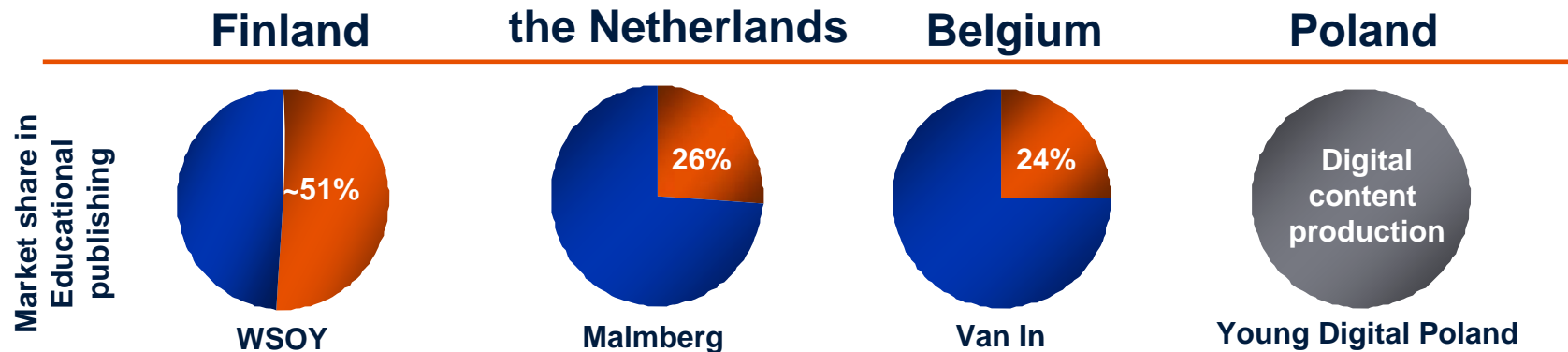
- *Interesting new markets: CIS countries*



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Why educational publishing?

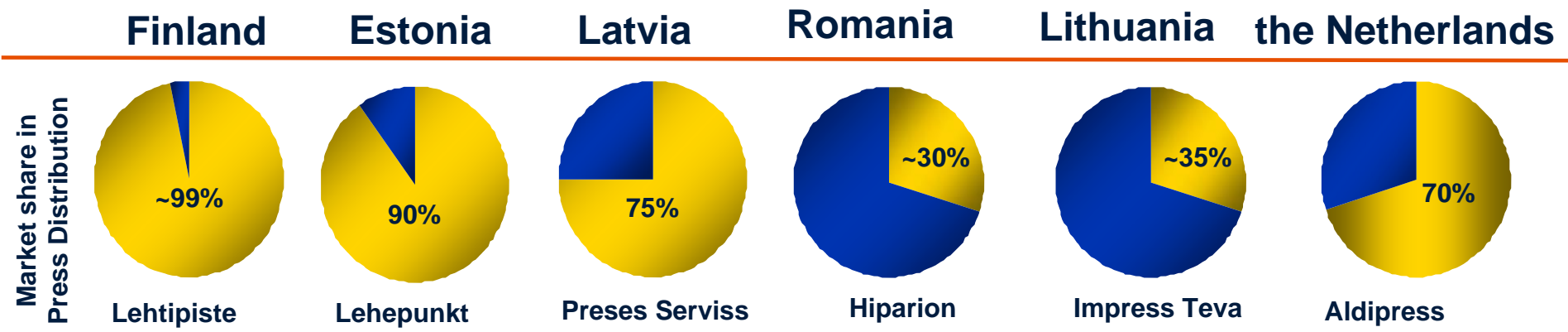
- European educational publishing market is unconsolidated (no big players)
- Has great growth potential
 - Education top priority in Europe, especially CEE countries investing heavily in education
 - Local content, but global platforms
 - modularisation of educational materials (sharing of assets like pictures)
 - internet based services, eLearning
- *Interesting new markets: CEE countries*



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Why press distribution?

- Exportable press distribution and press retail knowhow
 - good, profitable business as such
 - leading position is the key
 - possibility to further develop with add-on business
- Supports magazine value chain
- Distribution the key especially in Russia and CIS countries
- Kiosk operations complement distribution in CEE countries
- *Interesting new markets: Russia and CEE countries*

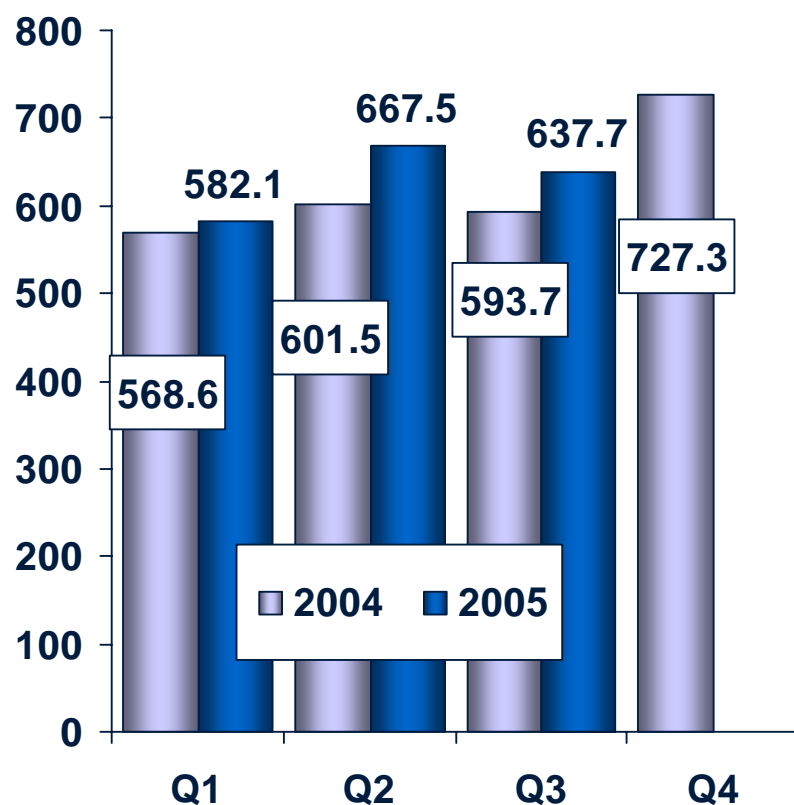


Financials

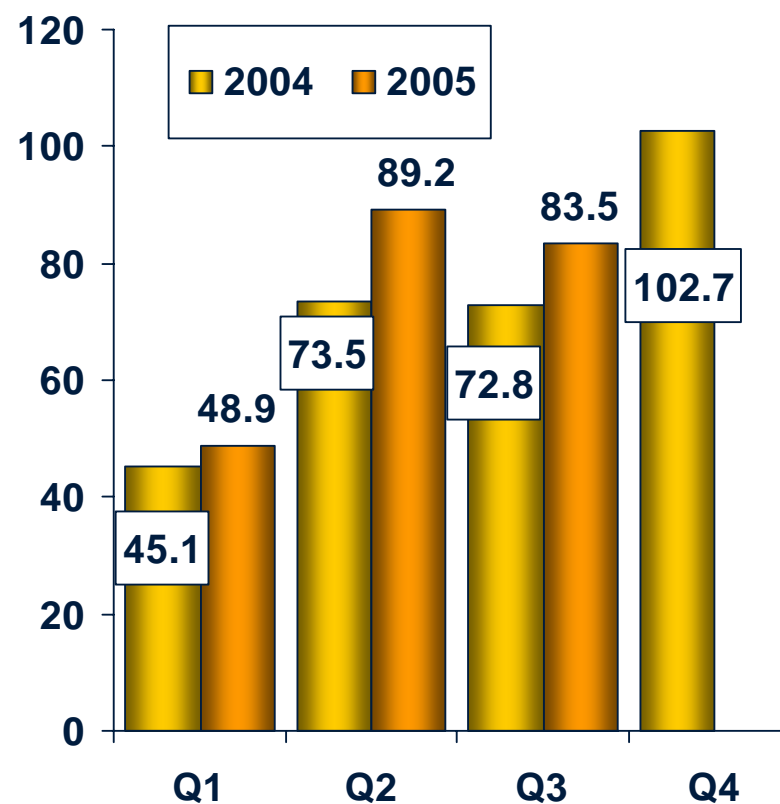
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SanomaWSOY Group

Net sales, €million



Operating profit, €million



In 2004
Malmberg's
figures were
consolidated with
WSOY
retrospectively
as of 15 July in
the fourth quarter

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Key Indicators

€ million	1-9/2005	1-9/2004	Change,%	1-12/2004
Net sales	1,887.3	1,763.8	7.0	2,491.1
Operating profit	221.6	191.4	15.8	294.0
% of net sales	11.7	10.9		11.8
Balance sheet total	2,919.8	2,450.1	19.2	2,689.2
Gross investments	297.2	58.9	404.9	281.6
% of net sales	15.7	3.3		11.3
Equity ratio, %	38.5	39.3		38.7
Gearing, %	90.1	78.8		82.1
Interest-bearing liabilities	1,013.2	792.0	27.9	894.8
Net debt	952.5	717.4	32.8	809.1
Personnel under employment contract*	16,773	16,092	4.2	16,207
Earnings/share, €	1.00	0.84	18.6	1.31
Cash flow from operations/share, €	0.90	0.84	8.0	1.54
Equity/share, €**	6.73	5.86	15.0	6.34
Market capitalisation	3,303.4	2,402.8	37.5	2,632.2

* On average
 ** Excluding
 minority interests

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SanomaWSOY

1-9/2005

€ million	NET SALES			EBIT		
	1-9/2005	1-9/2004	Change %	1-9/2005	1-9/2004	Change %
Sanoma Magazines	830.3	782.0	6.2	89.7	94.7	-5.3
Sanoma	330.8	319.2	3.6	46.9	48.3	-2.9
WSOY	229.1	144.8	58.2	51.1	16.2	214.9
SWelcom	87.2	84.7	3.0	5.8	5.8	0.4
Rautakirja	451.5	474.2	-4.8	28.2	28.8	-2.1
Eliminations and other companies	-41.7	-41.2		-0.1	-2.4	
Total	1,887.3	1,763.8	7.0	221.6	191.4	15.8

Group's Outlook for 2005

Estimate :

- Net sales to grow by some 5%
- Net sales adjusted for changes in Group structure to grow by slightly more than 2%
- Operating profit excluding non-recurring gains on the sales of assets to be at the previous year's good level.
 - In 2004, operating profit excluding the most substantial non-recurring gains on the sales of assets was to EUR 268.2 million.
- These estimates take account of the effect of divested operations on net sales and operating profit.

