

Strong Newspapers

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HELSINGIN SANOMAT



ILTA-SANOMAT

IS Veikkaaja



keltainen **PORSSI**

PALSTA



Sanoma's mission

- The leading media company in Finland, with a significant social dimension; producer of daily contents of an outstanding quality and higher added value to its customers, employees and owner.

Sanoma's vision

- The goal: the most profitable Nordic media company whose products are market leaders, most profitable in their respective industries.
- Competitive advantage is based on production and commercialisation of contents to many different channels.

Sanoma's strategic goals

1. Significant profitability improvement achieved by focusing on core operations, streamlining and renewing of operating models and organisation
2. Strengthening and utilisation of market position and brand power
3. Growth and expansion as content producer in Finland achieved by developing new products and, especially, new models for multi-channel publishing
4. Development of the capacities needed for true internationalisation in the next phase

Sanoma is a content producer

- Sanoma's core business:
Contents and their commercialisation for many different channels
- Content priorities: news, culture, sports, entertainment and economic information
- Well-managed divestment of non-core assets

More than 80% of the population can be reached by newspapers in Finland

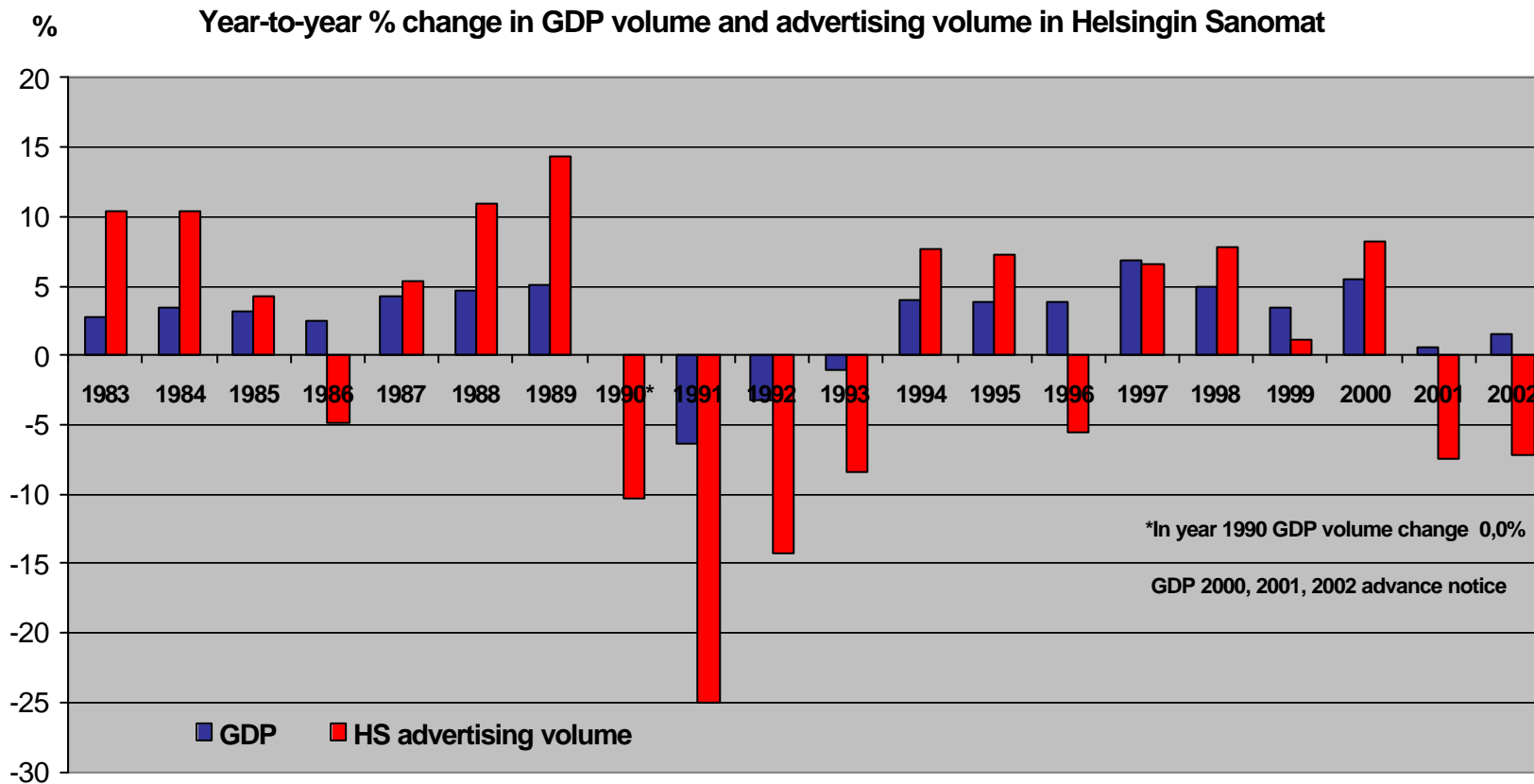
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Sweden	88%
Finland	86%
Norway	86%
Japan	80.4%
Germany	78%
Latvia	76%
Switzerland	75%
Denmark	74.1%
Slovakia	73%
Luxembourg	66%
The Netherlands	65.6%
Turkey	62%
Estonia (National dailies 58%)	62% (Regional papers)

Source:
WAN 2002

Y:Kalvot/kokoukset03/CMD/Kievari

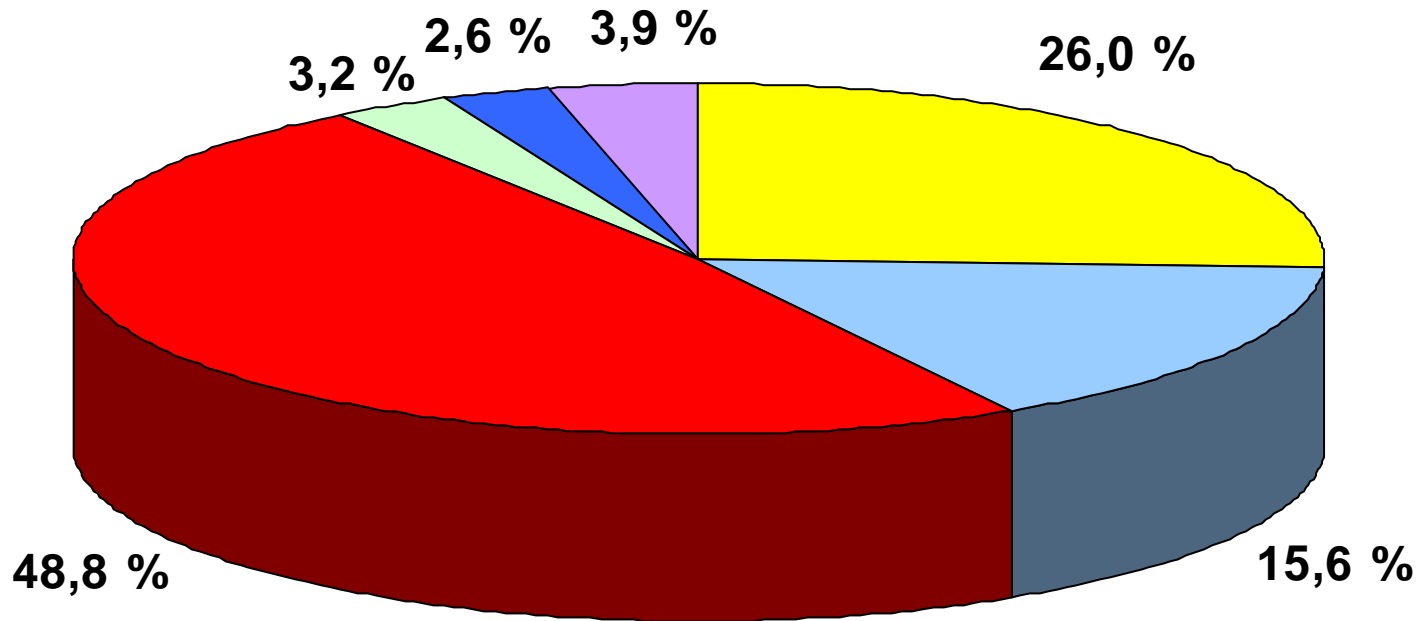
Our media market very much depends on the trends of GDP and overreacts to changes in economy



Y:Kalvol/kokoukset03/CMD/Kievari

Sanoma

Net sales breakdown 2002



■ Subscription sales ■ Newsstand sales ■ Advertising ■ Printing ■ Distribution ■ Other

Newspaper publisher

- Sanoma concentrates on its core business newspaper publishing
- Sanoma's share of
 - Finnish newspapers' circulation: 31% *
 - advertising sales of newspapers issued 4–7 times per week: 38% **
 - net sales of newspapers issued 4–7 times per week: 38% ***

The figures are from year 2001. Source Suomen Lehdistö 6/2002
 * Circulations weighted by the number of issues per week
 **Advertising sales without exchange ads minus discounts
 *** Net sales = newspaper sales + ad sales (without exchange ads and discounts)

Y:Kalvol/kokoukset03/CMD/Kievari

Our market position

- Our papers hold **number one** positions
- We have to ensure that we can keep our position strong
- We are preparing to take our strong brands to the new distribution channels, too (Multimedia)
- There are good options to develop multimedia within SanomaWSOY
- On intermedia level the splitting of electronic media will strengthen our position

Y:Kalvol/kokouset03/CMD/Kievani

New printing plant

- The new printing plant will give us added strength in the market with its flexibility and 100% full colour
- We can also achieve significant economies thanks to lower waste levels and a significantly lower need for labour
- The project has made progress on schedule and budget. Trial run has started

Online operations

- The target of our own online operations is to generate real revenues and profits
- The time of free net services is over – Helsingin Sanomat will start charging for its web pages in the near future

Further opportunities

- There are some – although limited – opportunities to expand our domestic markets by acquisitions
- Acquisition of the publishing rights of Veikkaaja, IS business unit
- New markets are opening also in the neighbouring countries in the near future

Sanoma 2003–

- We go on fine-tuning our profitability
- We aim to be strongly profitable during economic downturn and ready to take full advantage of economic upturn as soon as it starts
- New products and international efforts are naturally also possible options

