



Matter and meaning

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President, Sanoma Corporation

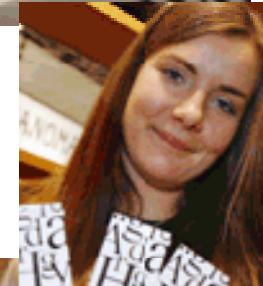
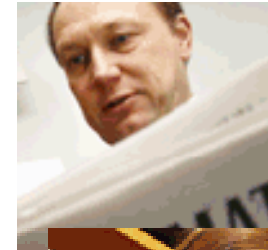
May 23, 2006

Agenda

- SanomaWSOY
 - In brief
 - Paper purchases
- Sanoma
- Strategic outlook for media market development

SanomaWSOY

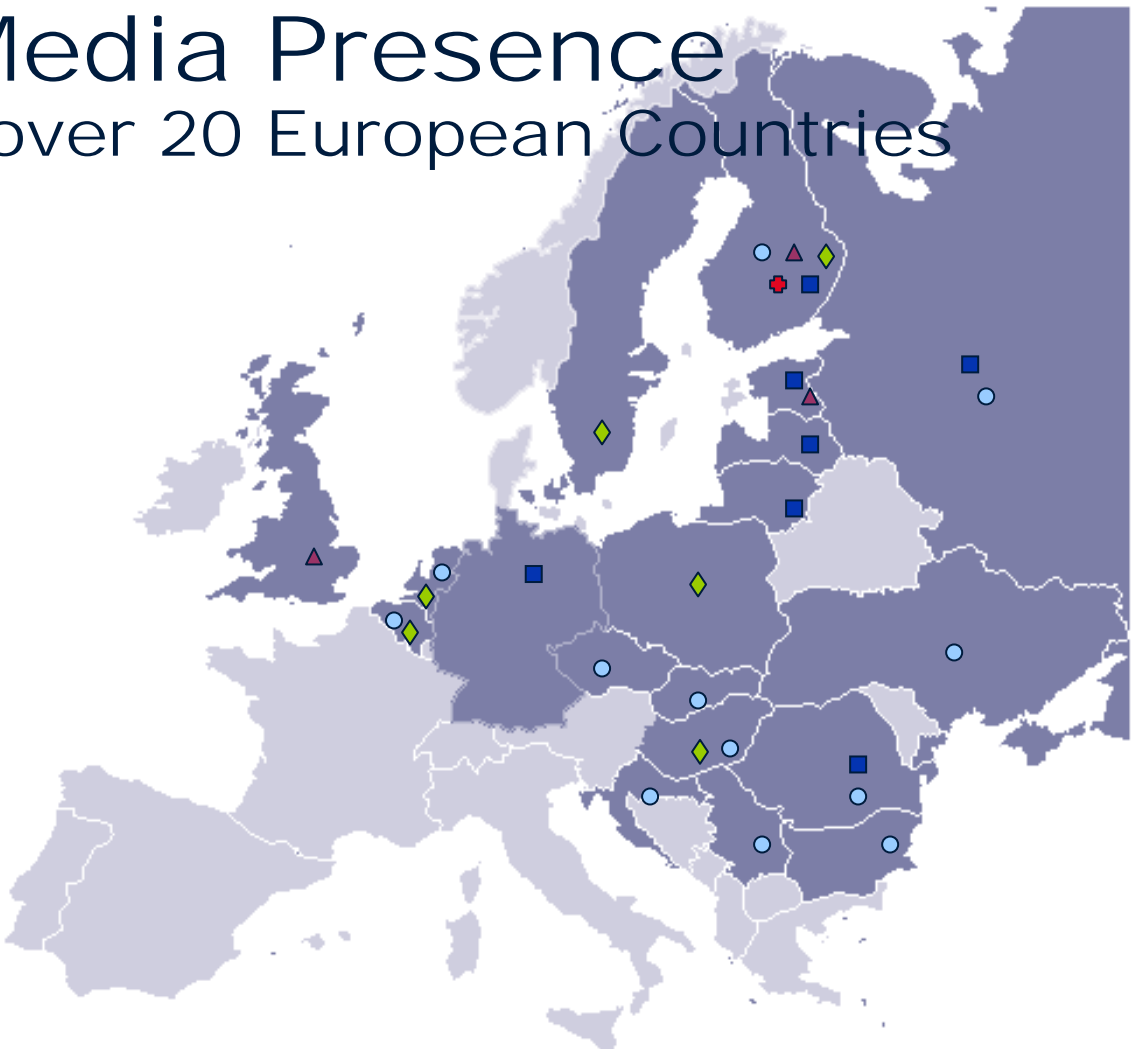
- Finnish newspaper publisher Sanoma and book publisher WSOY merged in 1999 and listed in the Helsinki Stock Exchange
- The leading Nordic media group
 - net sales EUR 2,622 million in 2005
 - personnel 16,885
- One of Europe's five largest magazine publishers
- Among Europe's six largest educational publishers
- Wide media portfolio in Finland, focused approach internationally
- Leading positions in the chosen markets
- Targeting smaller and mid-sized markets
- Strong position in CEE countries



Growing Media Presence

Operations in over 20 European Countries

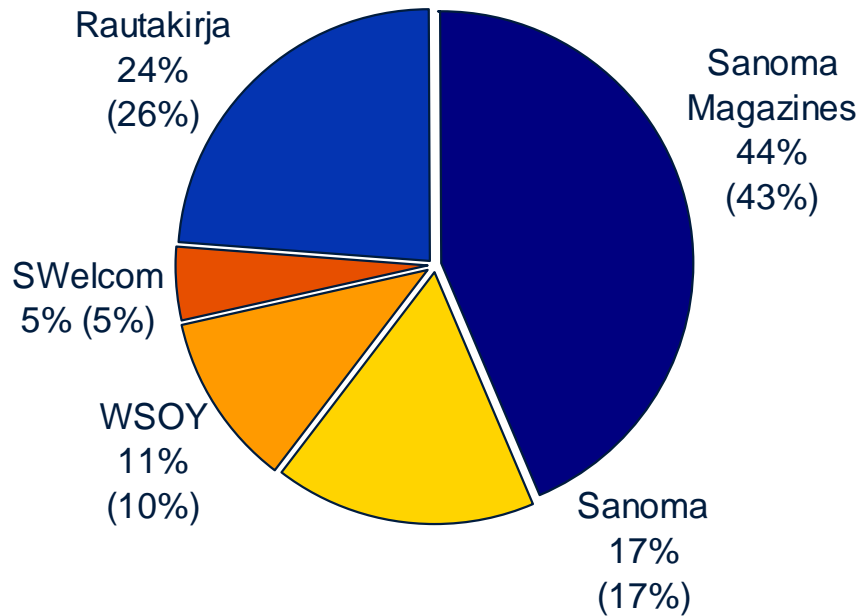
-  **Sanoma Magazines**
Magazine publishing and distribution
-  **Sanoma**
Newspaper publishing and printing
-  **WSOY**
Educational publishing and publishing
-  **SWelcom**
Electronic media
-  **Rautakirja**
Kiosk operations, press distribution, bookstores, and entertainment



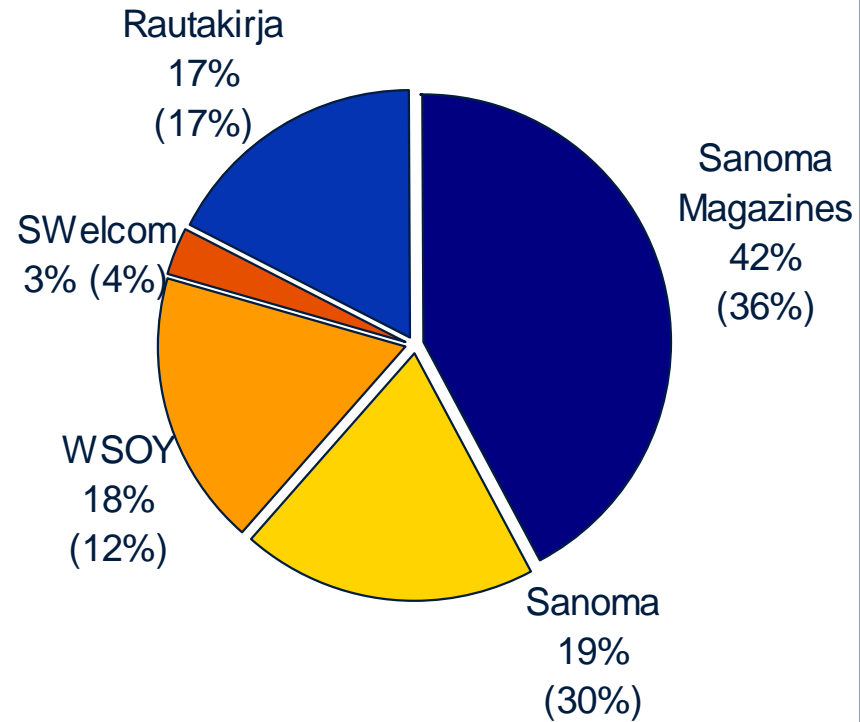
Net Sales and EBIT

By division, 1-12/2005

Net sales €2,622 million



EBIT €301 million

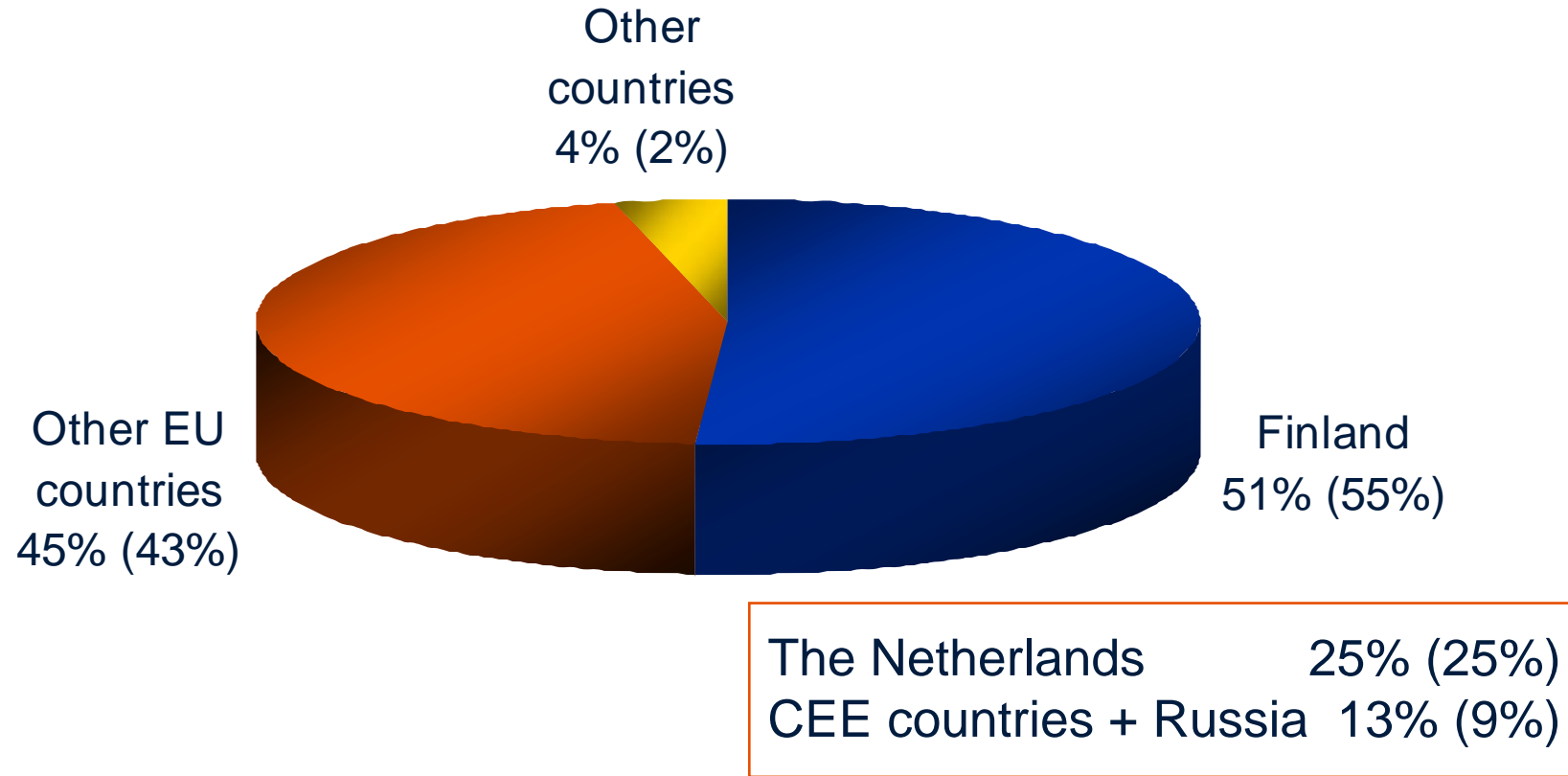


Intracompany eliminations excluded. Sanoma's EBIT includes significant gains on the sales of assets

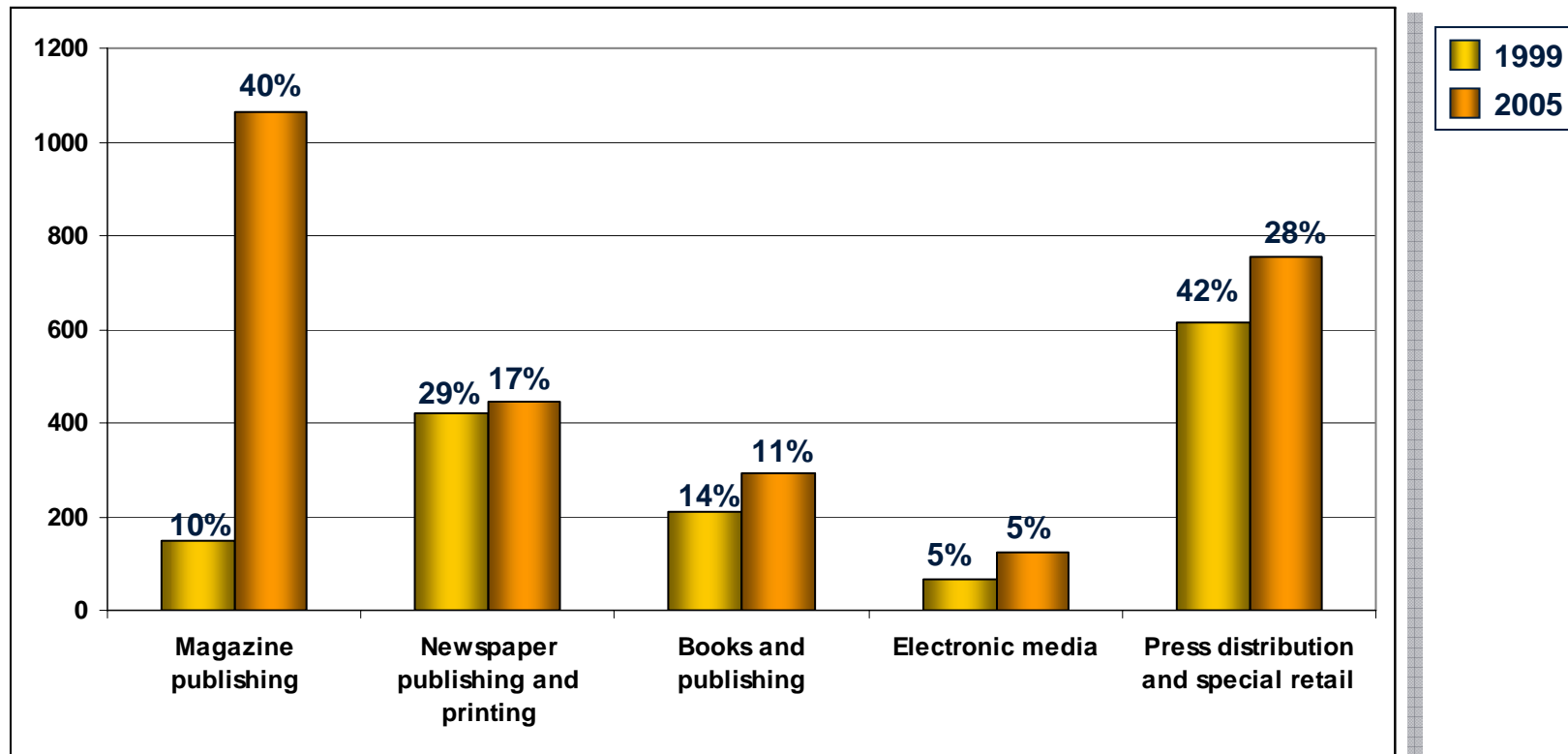
Net Sales

By geographical segments

Net sales 2005: €2,622 million



The SanomaWSOY Group net sales 1999 and 2005, MEUR



Note 1:
Intra-group sales
not eliminated

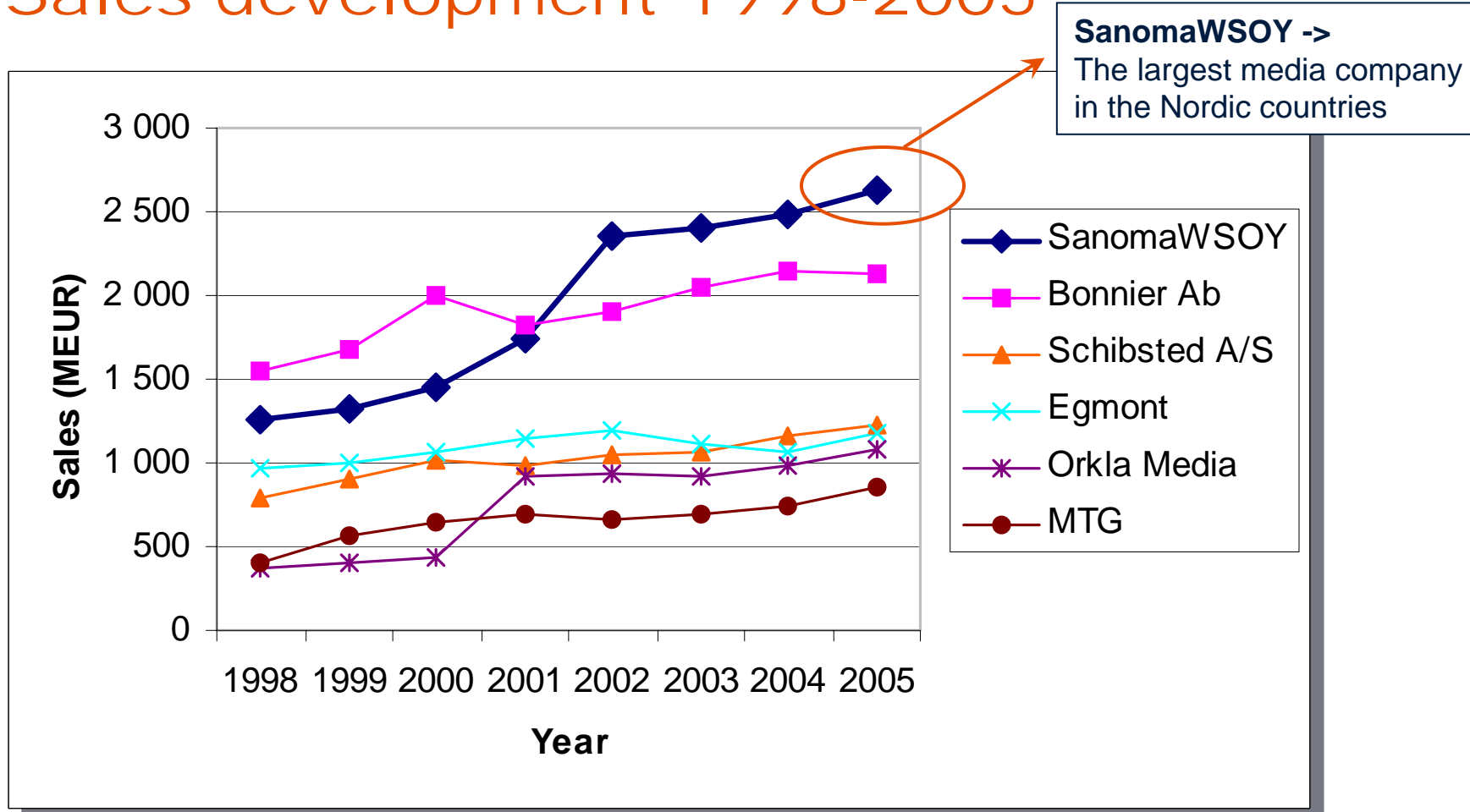
Note 2:
Businesses are
defined by
divisions, except
Aldipress, which is
transferred to
Press distribution
and special retail



1999 net sales: EUR 1,32 bn (incl. intra-group sales of EUR 94 m)
2005 net sales: EUR 2,68 bn (incl. intra-group sales of EUR 59 m)

Nordic media companies

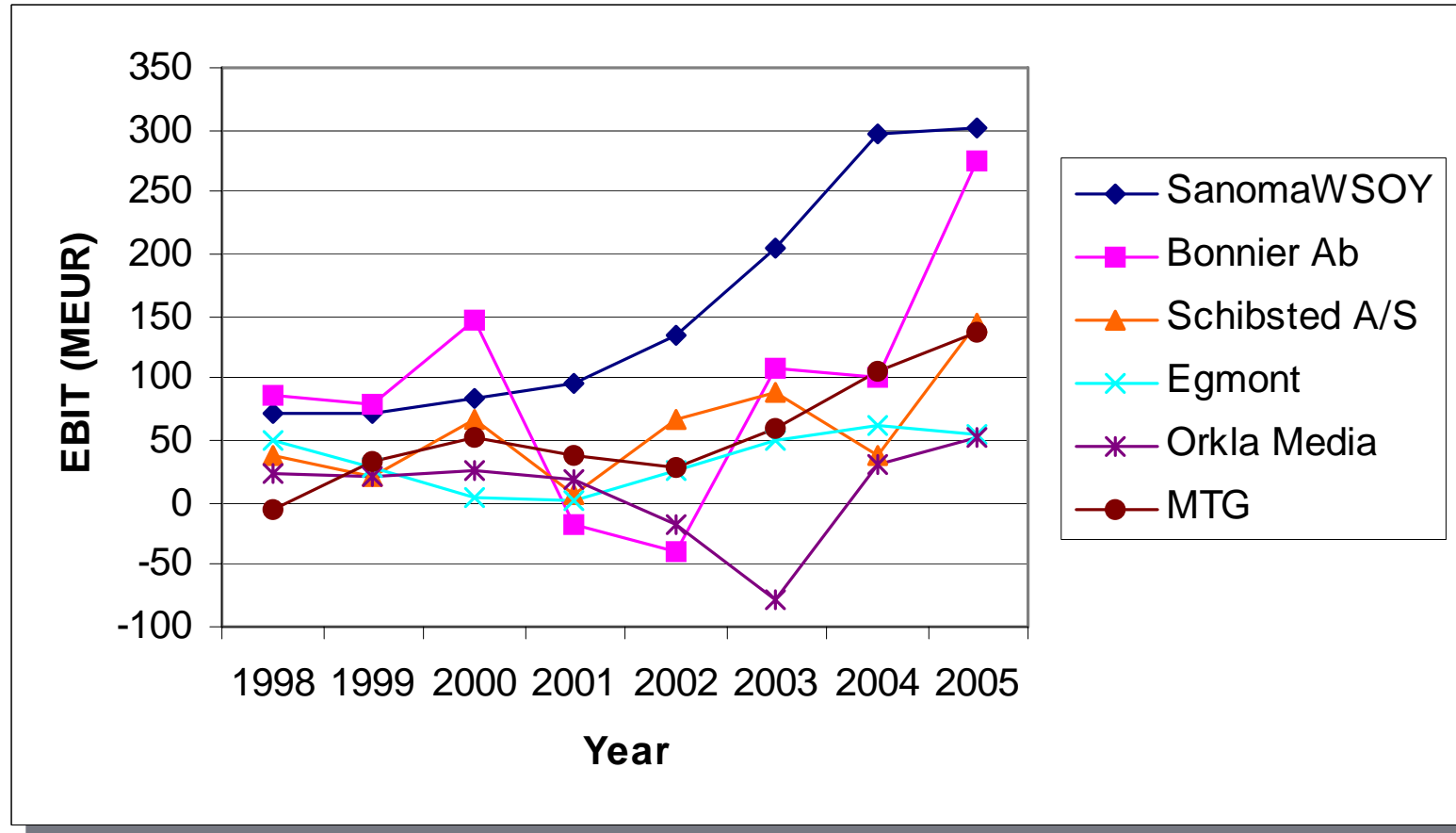
Sales development 1998-2005



Sources:
Annual reports
www-sites

Nordic media companies

EBIT development 1998-2005



Sources:
Annual reports
www-sites

SanomaWSOY

Paper usage in 2005*

Paper usage, tonnes	2005	2004	2003	2002
Newsprint	99,000	99,000	99,500	97,000
Magazine paper	122,000	103,000	102,000	94,000
Fine and book paper and board	18,500	19,700	17,000	17,500
Bookbinding board	1,000	1,100	1,000	1,000
Total	240,500	222,800	219,500	209,500

* Includes both the paper used in the Group's own printing plants and the paper acquired for products printed elsewhere.



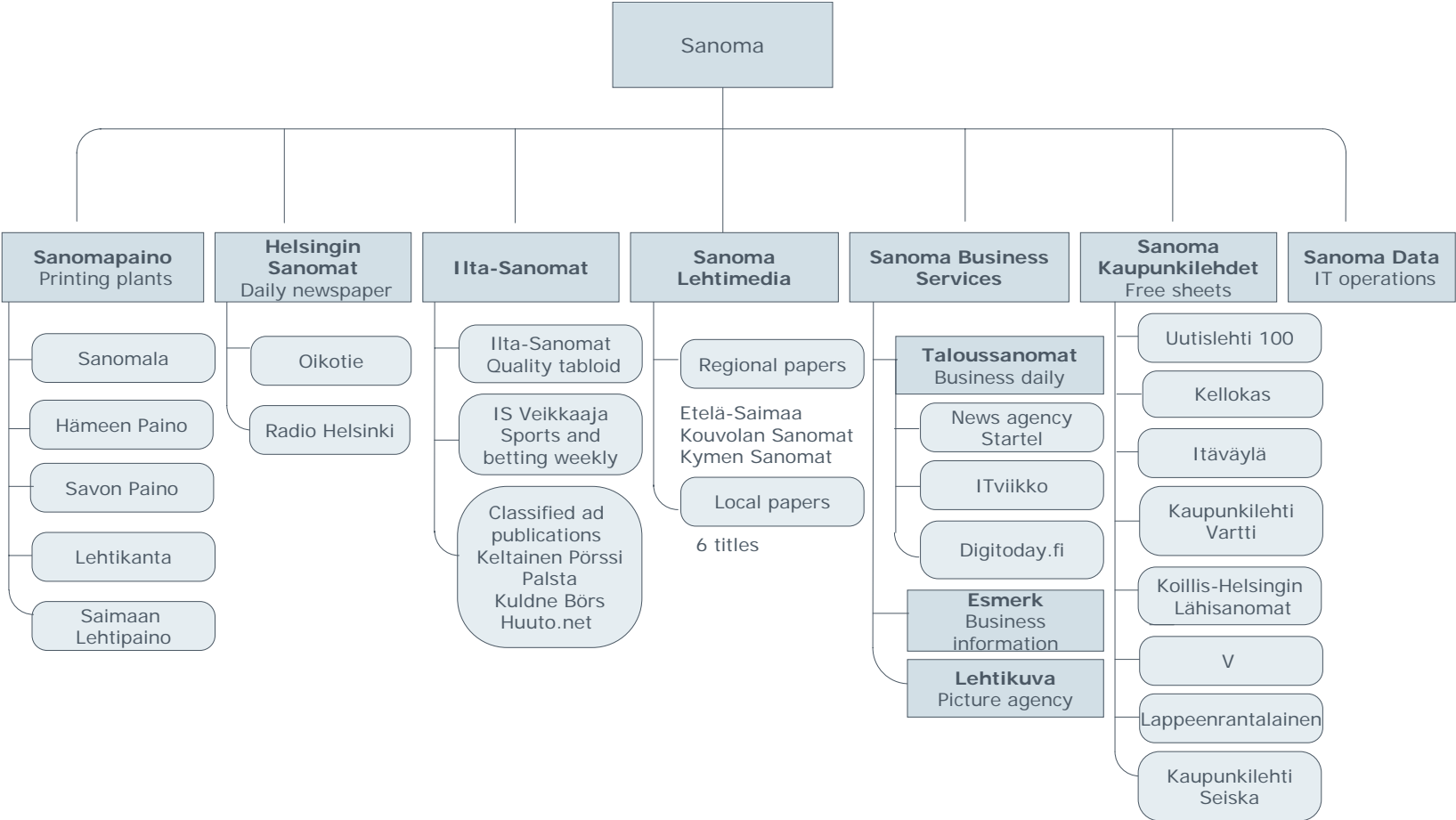
Sanoma

Multi-channel publisher

Sanoma

The Leading Newspaper
 Publisher in Finland

Net sales 446.4 M€
 EBIT 59.1 M€
 Personnel 2,782



Key events 2005 and 2006

- New free sheets for Sanoma Kaupunkilehdet
 - Uutislehti 100 become the market leader in its market segment
 - Kaupunkilehti Vartti established and expanded to cover the Helsinki Metropolitan area
 - Youth magazine V launched
- Sanoma Business Services unit established
- Radio Helsinki (local radio station) acquired
- Huuto.Net (online auction service) acquired
- Etelä-Karjalan Jakelu (distribution company) divested
- Helsingin Sanomat renewed, www.hs.fi relaunched
- Esmerk expands its operations in Russia



Strategic outlook for media market development

Changes in media consumption

Multi-tasking (US example)

30% of media time is spent with two or more media at the same time

Multi-Tasking varies by age*

- Among 25-34's -> 1.2 media
- Among 18-24's -> 3.9 media

11.1 hours spent with media
(69.5%)

24 hours
- 8 hours sleeping
= 16 waking hours

15 hours including
multi-tasking (94%)



Changes in media consumption

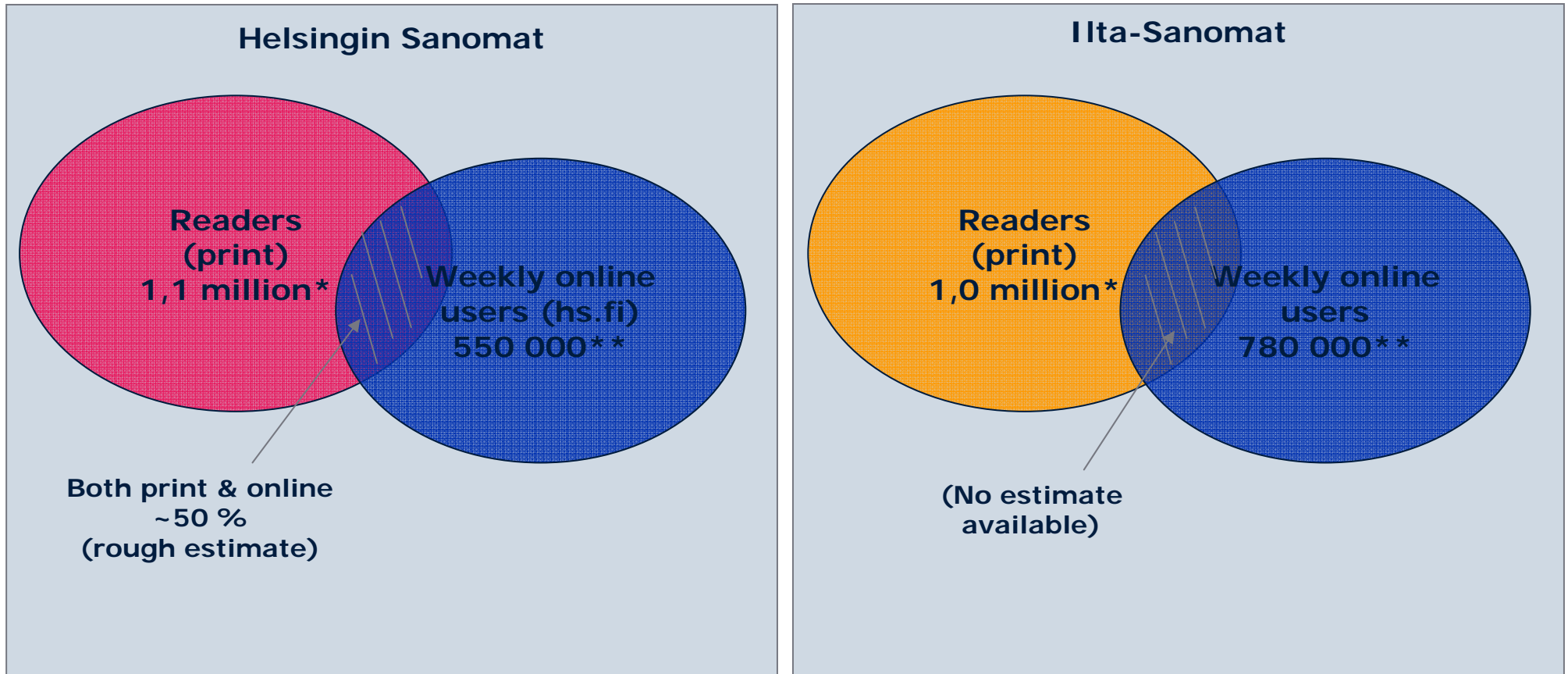
Rise of user-generated content

- Blogs
 - Popularity growing continuously
- Videos and pictures
 - Increasingly generated by the readers Live online discussions
 - Discussions on chosen topics led by journalists
- Virtual communities
- Online discussions, votes, other "traditional" user-generated contents
- Podcasting, video podcasting
 - "The renaissance of the radio" (Mario Garcia)
- Local search
- Fusionists
 - Merger of print, web, and sometimes also radio and tv

Changes in media consumption

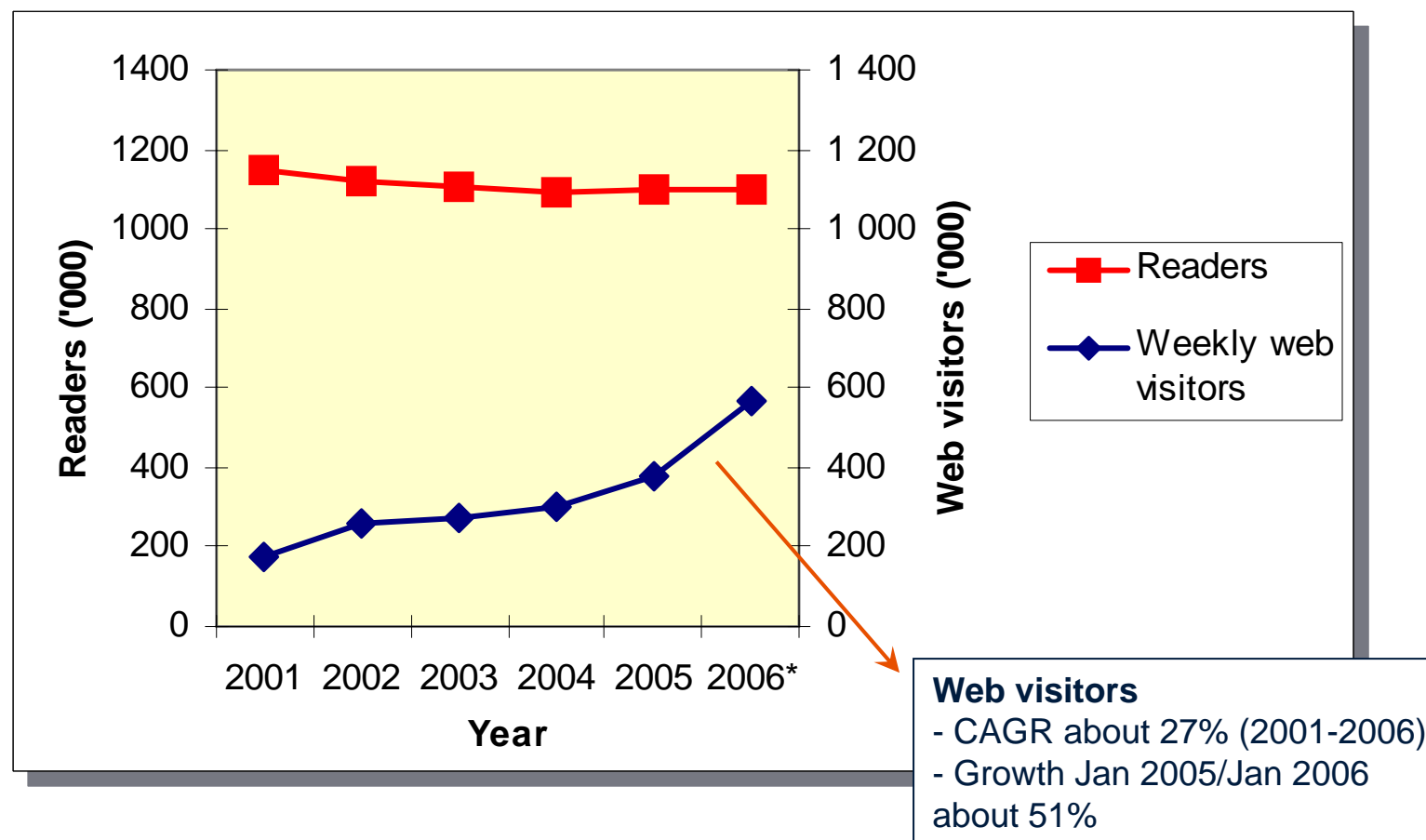
HS & IS -> Total reach has increased

Sources:
*KMT
**TNS Gallup
2006, unique
visitors



Helsingin Sanomat

Readership and web visitors 2001-2006



Sources:

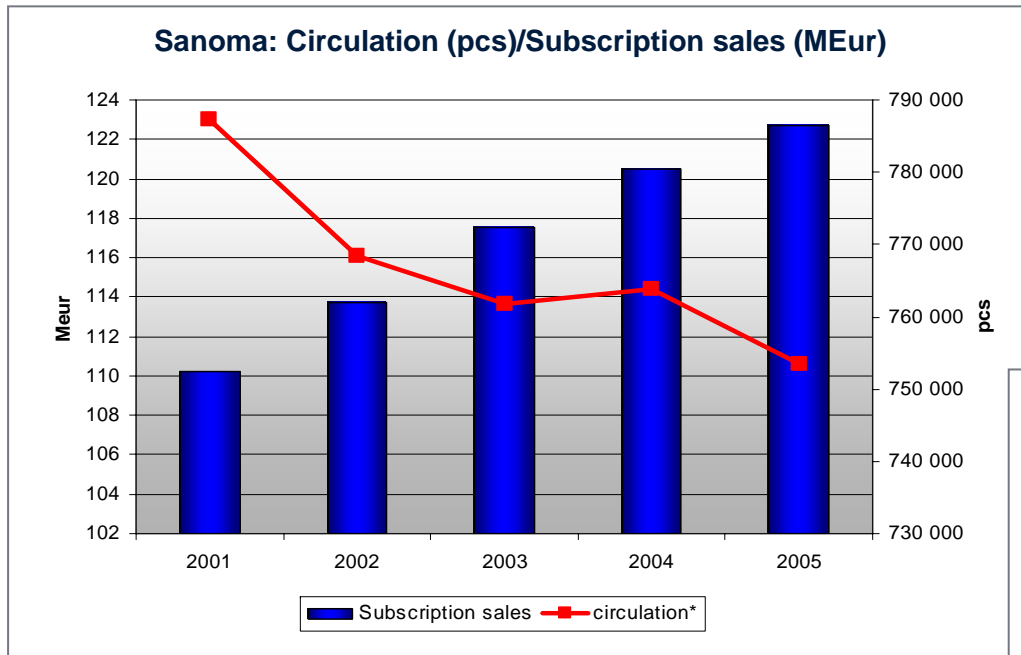
Readership / KMT
(*2006 figure estimated)

Web users, HS.fi
/ Gallup, average of weekly/monthly unique visitors (2006 figure until week 17)

Circulations and readership

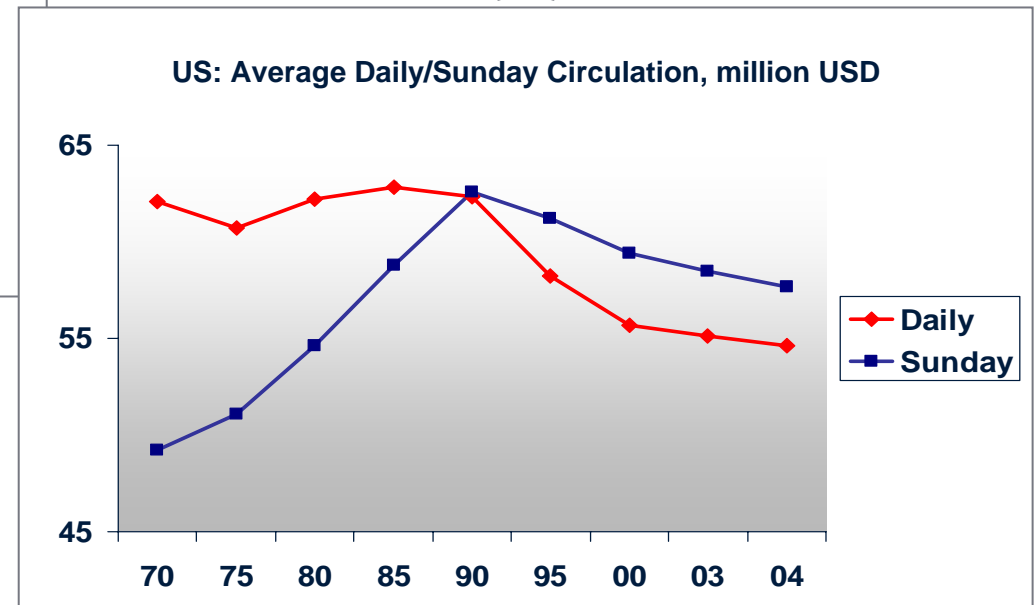
Circulations down, subscription sales increasing

Sources:
Editor & Publisher
International
Yearbook



* Circulation includes: HS, IS, Etelä-Saimaa, Kouvolan Sanomat, Kymen Sanomat, Taloussanomat

US: Circulations and sales decreasing in general. However, 21% of newspapers have increased circulation

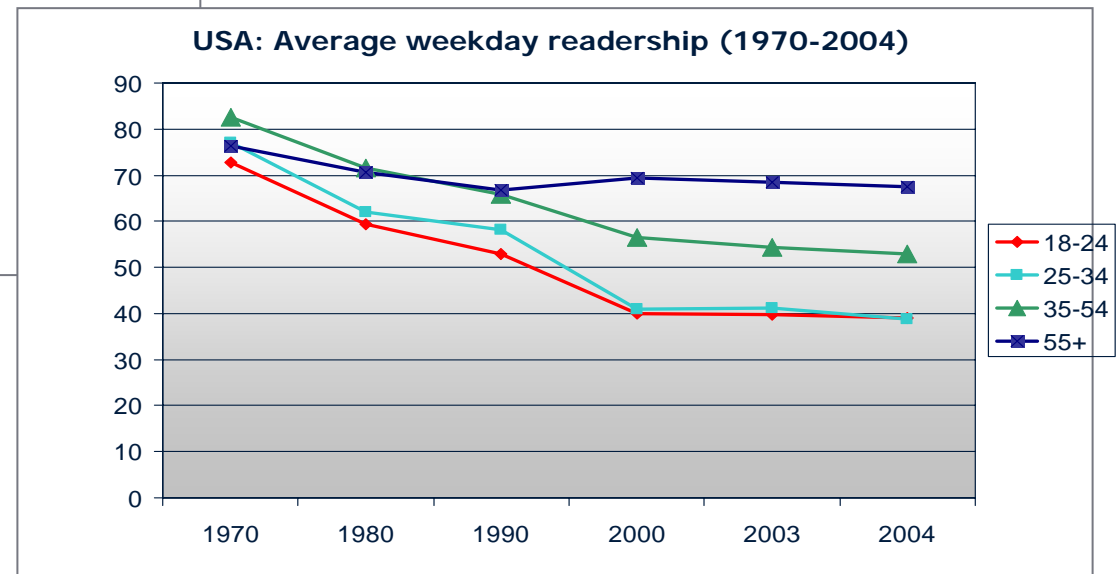
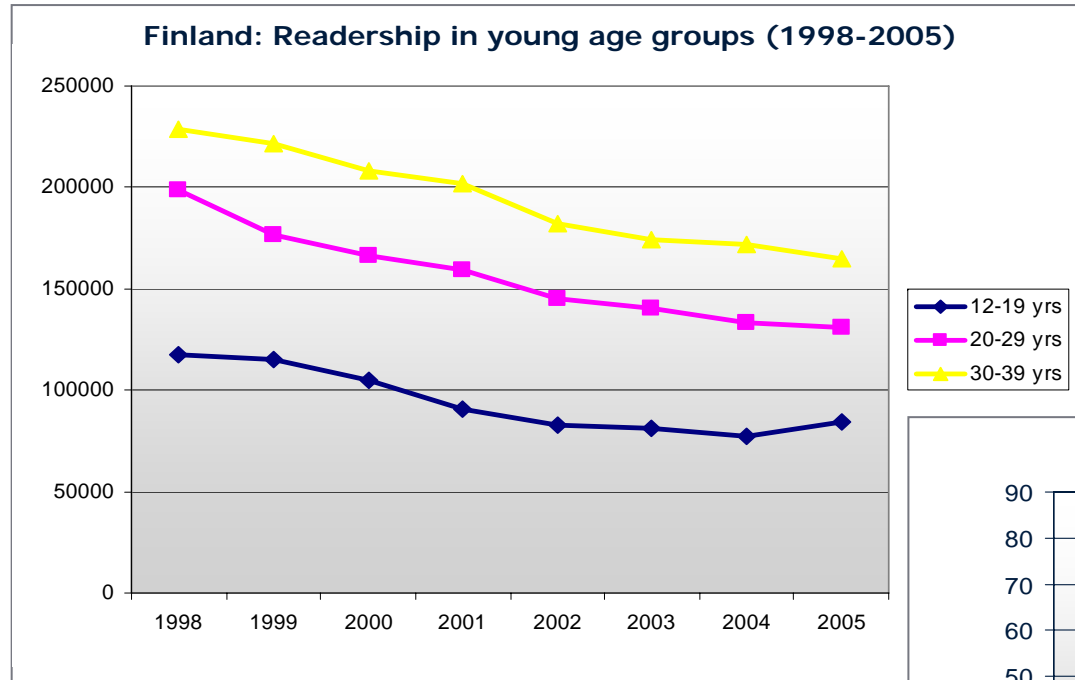


Finland: Downward trend in circulations, upward in subscription sales

Circulations and readership

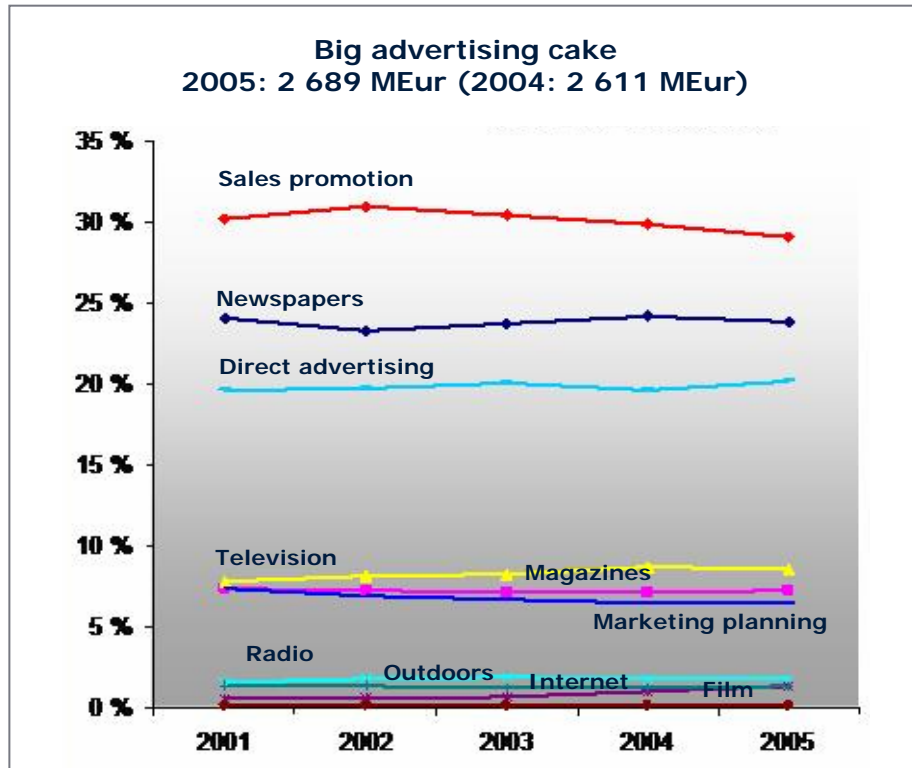
Readership falling among youth but is trend changing?

Sources:
KMT and
NAA



Media advertising

Newspapers have maintained their position

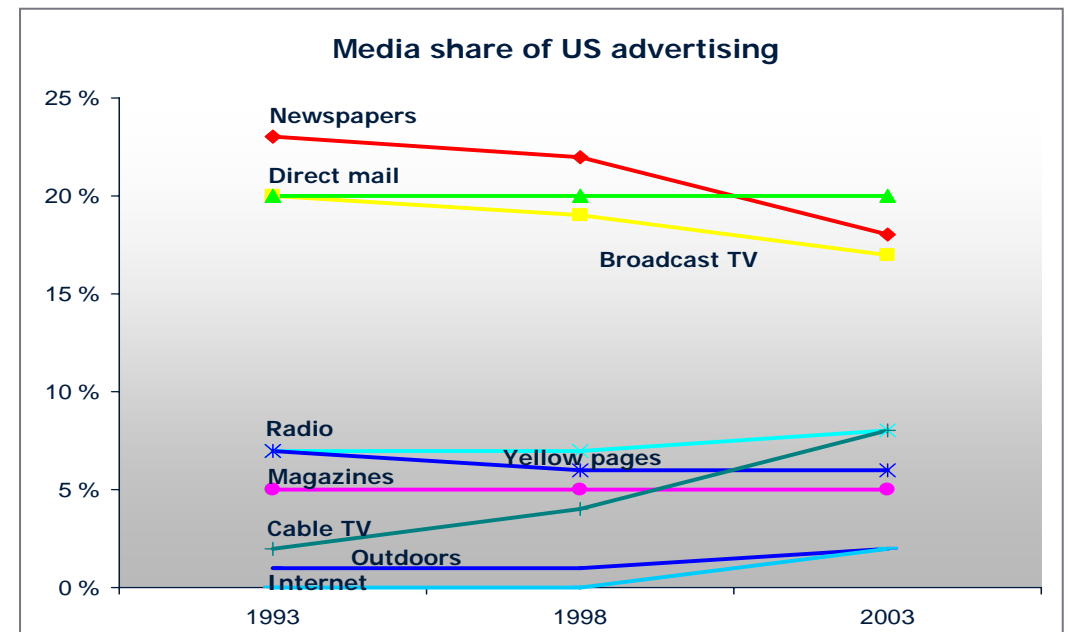


Source: TNS Gallup Adex, 2006c



Finland: Increased newspaper media sales, steady market share development. Online advertising has grown at the expense of sales promotion

US: Newspaper media sales remain unchanged, market share drops (There also growing newspapers)

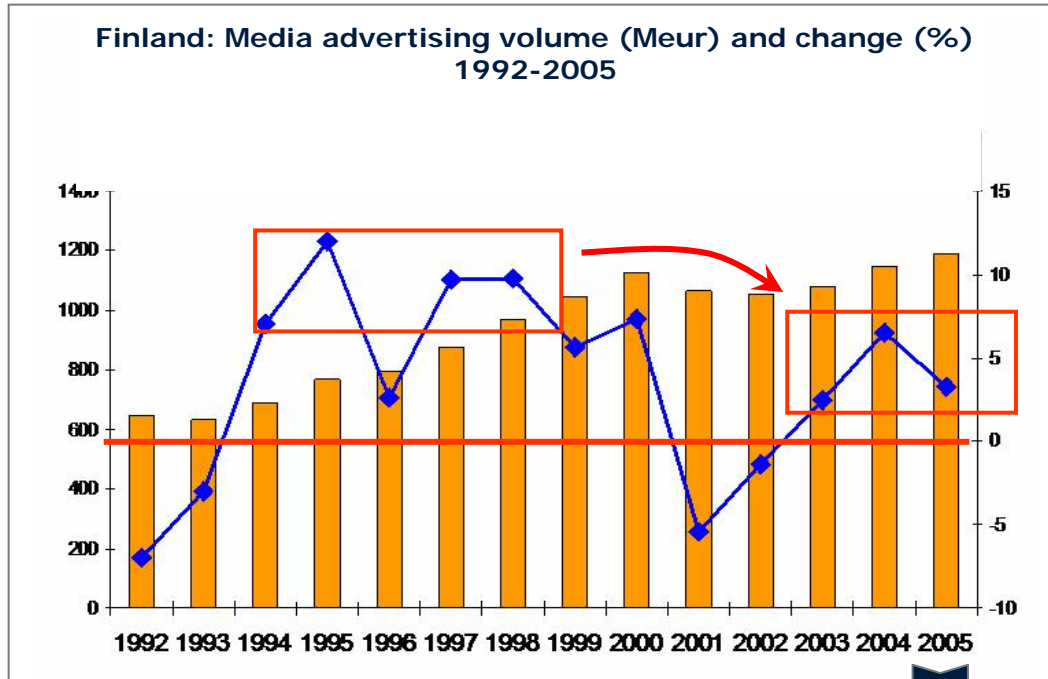


Source: NAA, Universal McCann

Media advertising

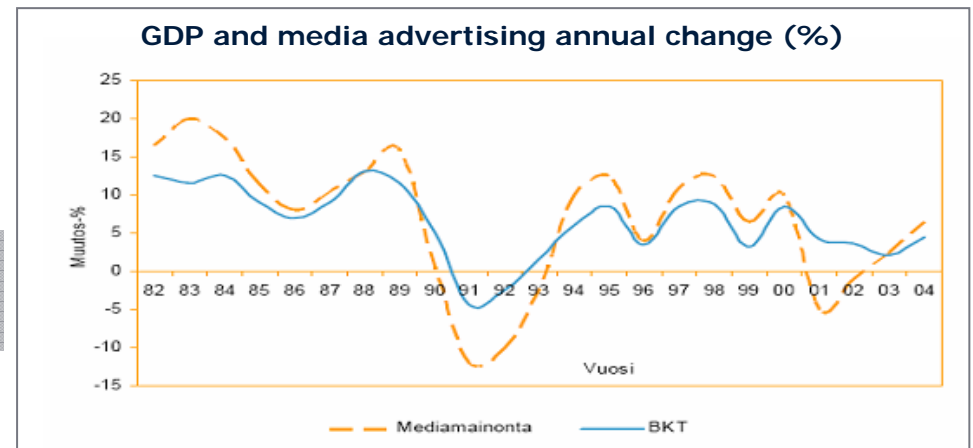
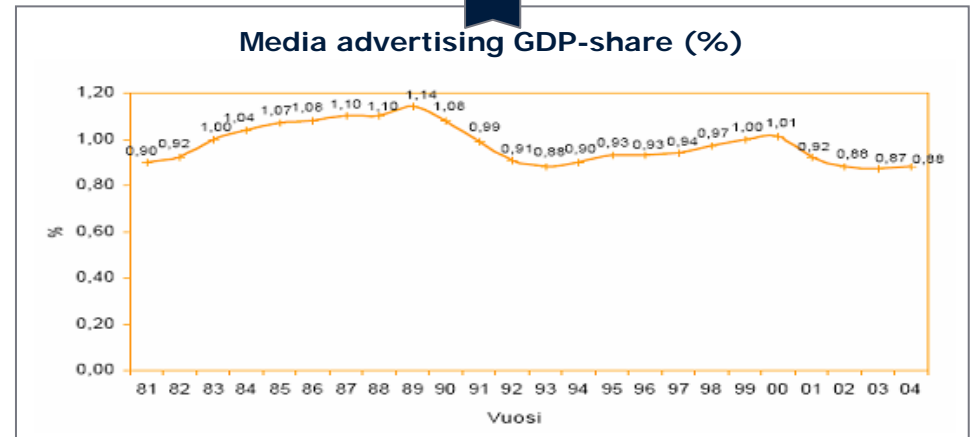
Time for moderate media growth

Finland: Declining GDP share for media advertising



Source: TNS Gallup Adex, 2006

Year 2005 -> +3,3%
1-2/2006 -> +1,7% (without elections)



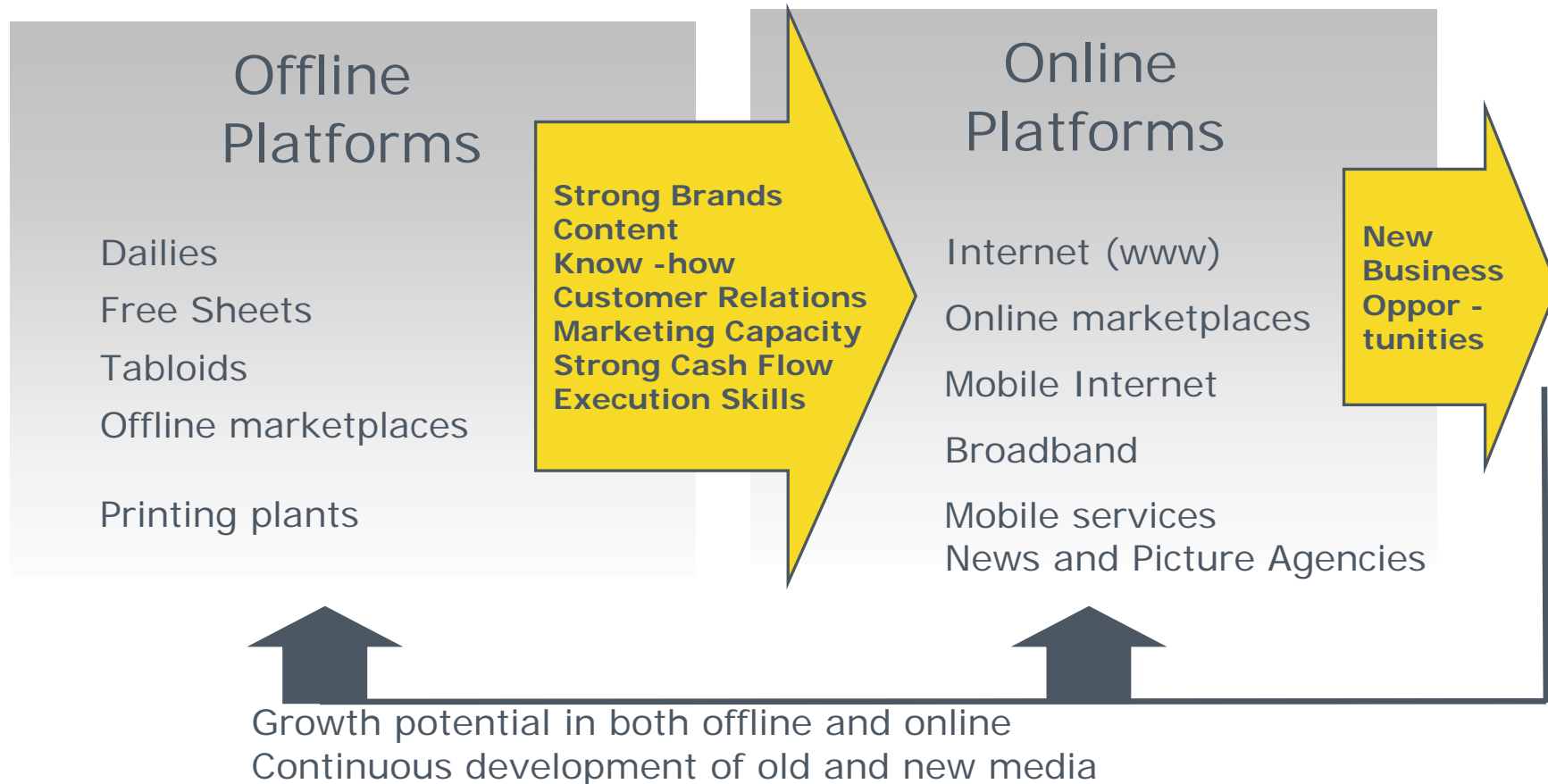
Media advertising

Transition from print to online accelerates

- Clear trend from above the line to below the line
- Long tail drives performance-based online advertising (pay per click/lead/sale)
 - Case Ilse Media: Performance-based advertising accounts for some 70% of revenues
 - Pay per sale models force a re-think of the publisher's position in the value chain, but enormous revenue opportunities available
- Online user figures and online business volumes grow rapidly
- Finnish market development follows major foreign markets
- Only a few Finnish media companies ready to enter the online market for real -> Sanoma has all the potential for taking the role as a leading online publisher in Finland
- In the U.S. online market shows profits and growth
 - However, fastest growth is slowing down

Strategic focus: Core and Growth

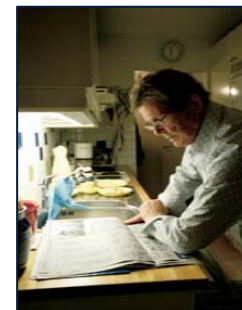
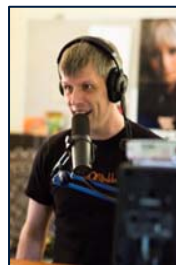
Target: Strong position in both Old and New Media



Helsingin Sanomat 360° publishing

Reaches customers throughout the day

Morning



HELSINGIN SANOMAT

Afternoon



Evening





SANOMA CORPORATION

Excellence with courage