Matter and meaning

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Agenda

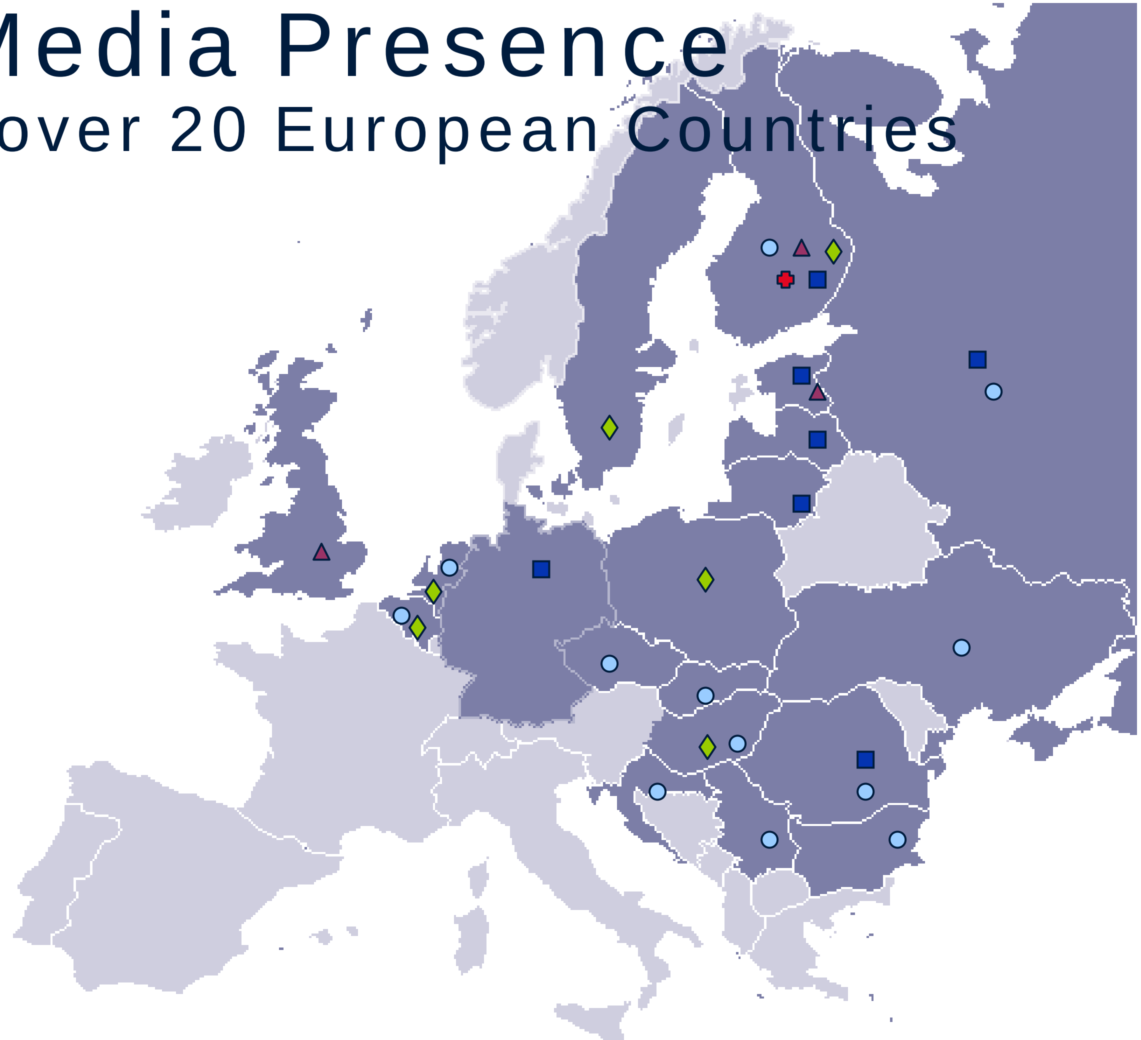
- SanomaWSOY
  - In brief
  - Paper purchases
- Sanoma
- Strategic outlook for media market development
- Advertising market outlook

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

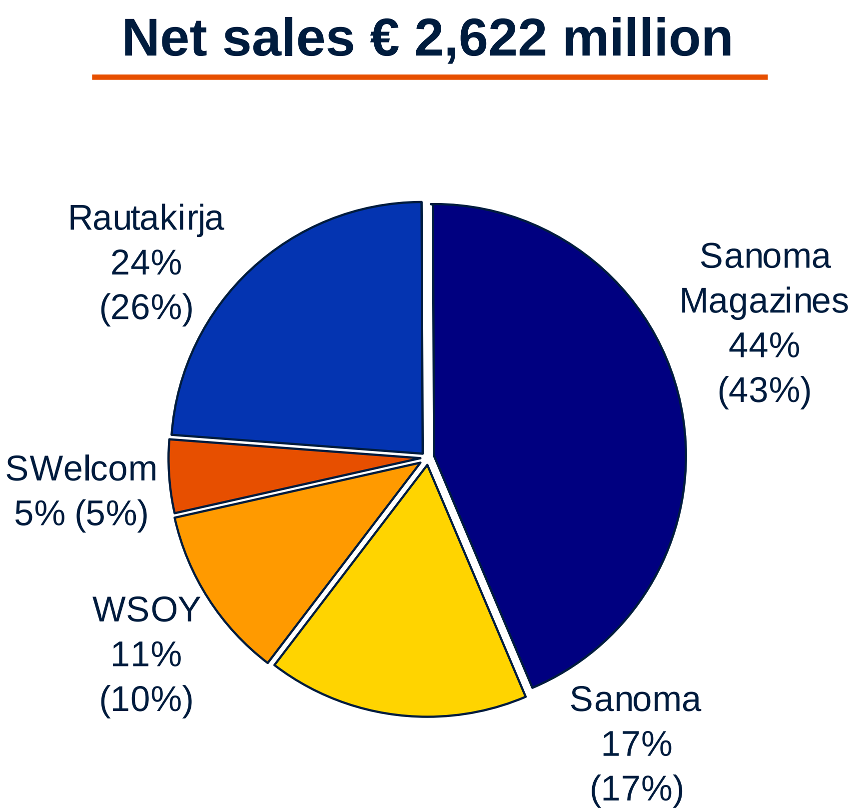
WSOY
Educational publishing and publishing

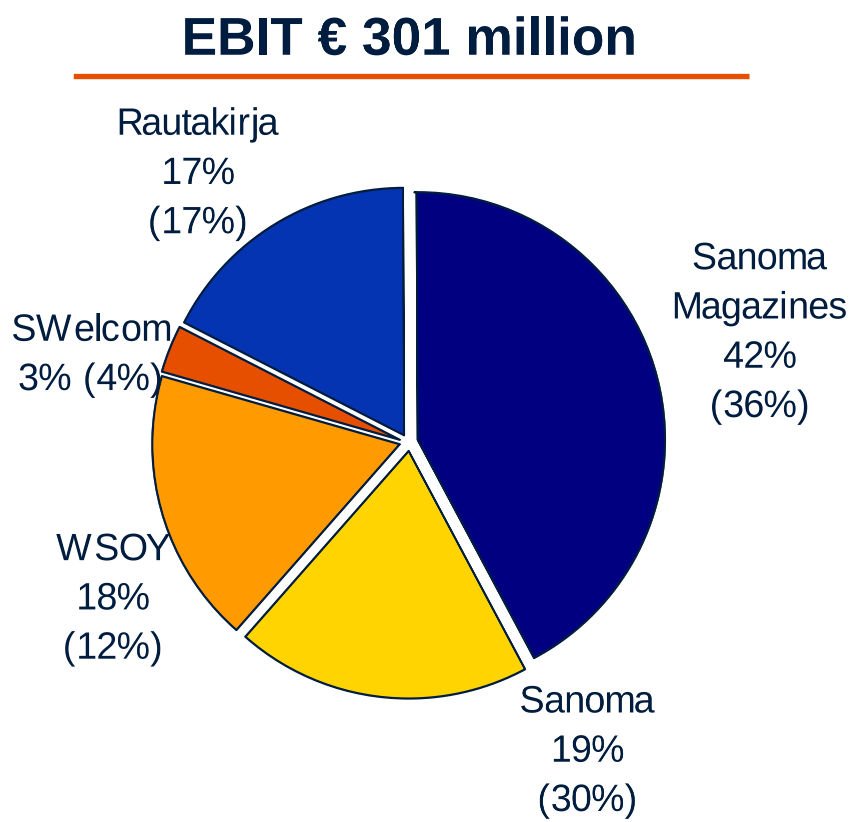
SWelcom
Electronic media

Rautakirja
Kiosk operations, press distribution, bookstores, and entertainment

Net Sales and EBIT

By division, 1–12/2005



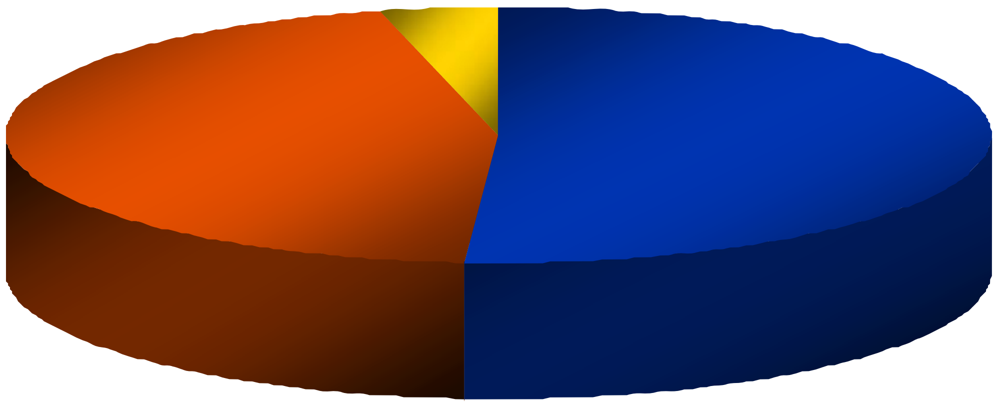


Intracompany eliminations excluded. Sanoma's EBIT includes sicnificant gains on the sales of assets

Net Sales

By geographical segments

Net sales 2005: € 2,622 million



The Netherlands	25% (25%)
CEE countries + Russia	13% (9%)

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

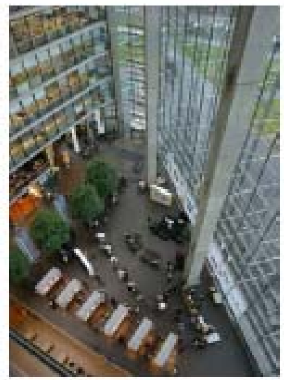
Sanoma
The Leading Newspaper Publisher in Finland

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

- Sanoma
  - **Sanomapaino** Printing plants
    - Sanomala
    - Hämeen Paino
    - Savon Paino
    - Lehtikanta
    - Saimaan Lehtipaino
  - **Helsingin Sanomat** Daily newspaper
    - Oikotie
    - Radio Helsinki
  - **Ilta-Sanomat**
    - Ilta-Sanomat Quality tabloid
    - IS Veikkaaja Sports and betting weekly
    - Classified ad publications Keltainen Pörssi Palsta Kuldne Börs Huuto.net
  - **Sanoma Lehtimedia**
    - Regional papers
      - Etelä-Saimaa
      - Kouvolan Sanomat
      - Kymen Sanomat
    - Local papers
      - 6 titles
  - **Sanoma Business Services**
    - **Taloussanomat** Business daily
      - News agency Startel
      - ITviikko
      - Digitoday.fi
    - **Esmerk** Business information
    - **Lehtikuva** Picture agency
  - **Sanoma Kaupunkilehdet** Free sheets
    - Uutislehti 100
    - Kellokas
    - Itäväylä
    - Kaupunkilehti Vartti
    - Koillis-Helsingin Lähisanomat
    - V
    - Lappeenrantalainen
    - Kaupunkilehti Seiska
  - **Sanoma Data** IT operations

Key events 2005

- 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
- 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
- Esmerk expands its operations in Russia
- Helsingin Sanomat, Ilta-Sanomat, Taloussanomat, and Esmerk to establish a shared archive



Strategic outlook for media market development

Key issues for publishers

Quality content and emerging non-linear media

- "Content is king" was the phrase of the online heydays. After the bubble burst, content has remained as the king.
- Search engines and their web crawlers "eat" 3rd parties' content to create new revenue models.
- 360° Publishing
  - Brand is the only binding factor in multi-platform world.
- Media is not linear anymore.
  - Existing content is shared and new content is published by collaborating.

Strategic media market outlook

Major changes to be seen in every sector (1/2)

- Newspapers
  - Convergence fast in classifieds.
  - Subscriptions and readership challenged.
- Magazines
  - Number of new launches has been rising.
  - Pressure on prices.
- Books
  - Digitalisation does not have significant direct impact.
  - Market consolidation within publishers and retail likely to continue.
- Professional and educational information
  - Major shift to online platforms

Source: Aris A, Bughin J, Managing media companies.

Strategic media market outlook

Major changes to be seen in every sector (2/2)

- Internet
  - Globalization of key internet positions and new opportunities for local players
  - Convergence: Internet Protocol as the universal carrier (IP Media)
- (Free) television
  - Major changes ahead.
  - Digital niche channels will fragment market.
  - Digital video recorders challenging traditional television advertising.
- Cable operators
  - Players shifting from cable tv operators to multiservice providers.
  - Digital tv, broadband ISP, VOIP, wireless access.
- Radio
  - Stable market situation.
  - Internet-radio and new distribution methods still unclear.

Source: Aris A, Bughin J, Managing media companies.

Ch

30%
or m

Multi-Tasking varies by age*:

- *Among 25 – 34's, 1.2 media*
- *Among 18 – 24's, 3.9 media*

- 8 hours sleeping

= 16 waking hours

hours spent with

15 hours including
multi-tasking (94%)

Strategic focus: Core and Growth

Target: Strong position in both Old and New Media

Offline Platforms

- Dailies
- Free Sheets
- Tabloids
- Offline marketplaces
- Printing plants

Strong Brands
Content
Know -how
Customer Relations
Marketing Capacity
Strong Cash Flow
Execution Skills

Online Platforms

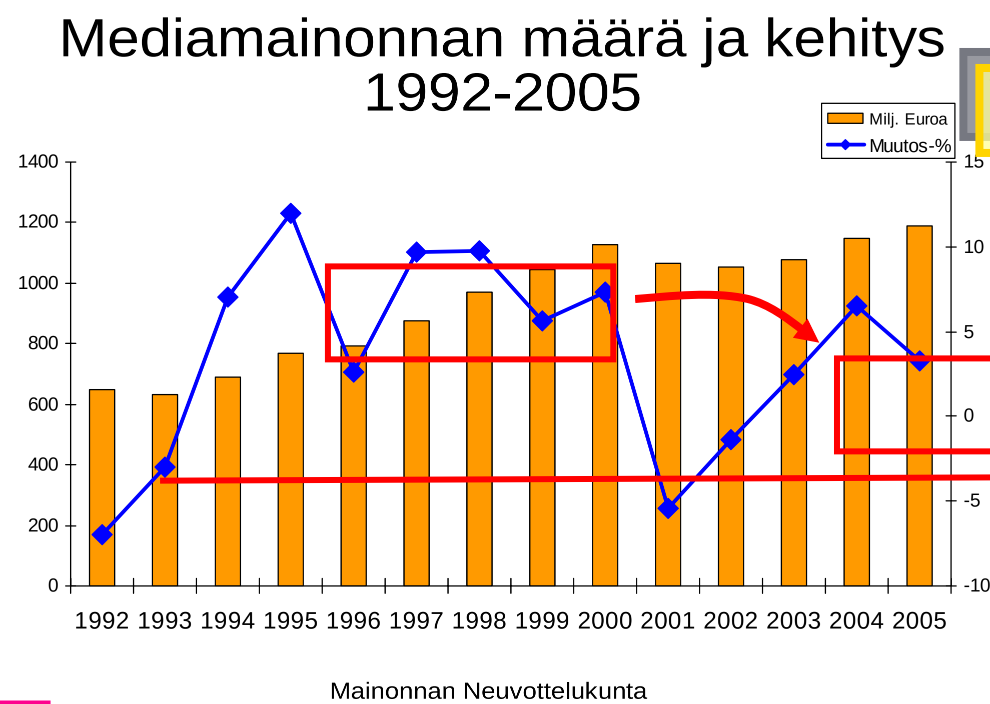
- Internet (www)
- Online marketplaces
- Mobile Internet
- Broadband
- Mobile services
- News and Picture Agencies

New Business Oppor - tunities

Growth potential in both offline and online
Continuous development of old and new media

Advertising market outlook

Advertising development



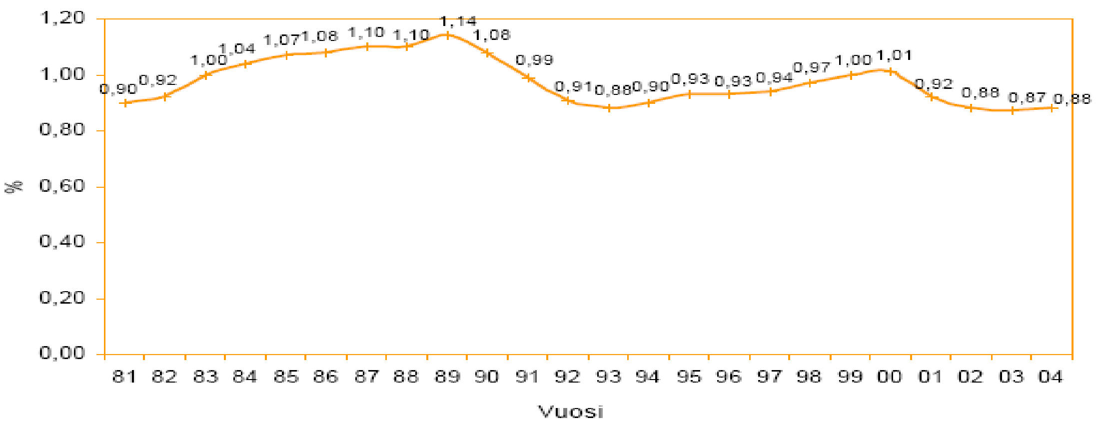
Vuosi 2005, +3.3%

1-2 2006, +1.7% (ilman vaaleja)

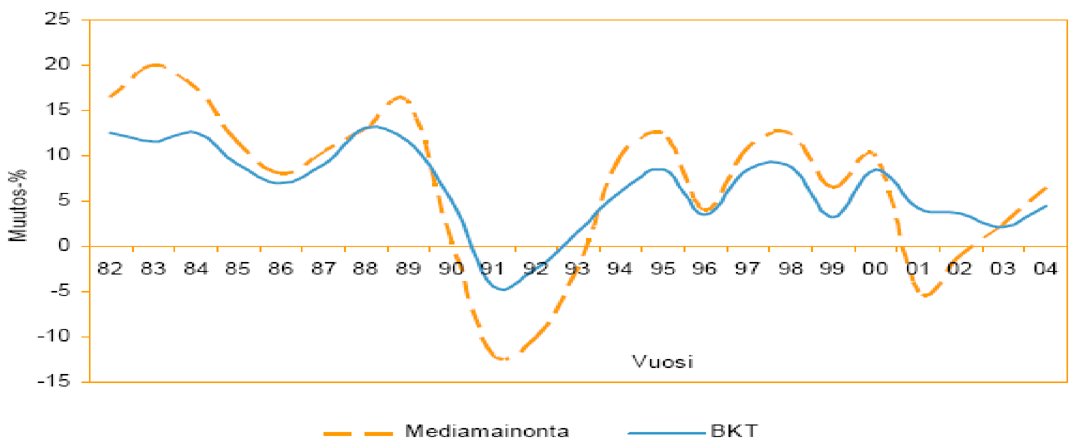
ADEX

Advertising and GDP development

Kuva 7 Mediamainonnan bruttokansantuotesuus 1981-2004 (%)

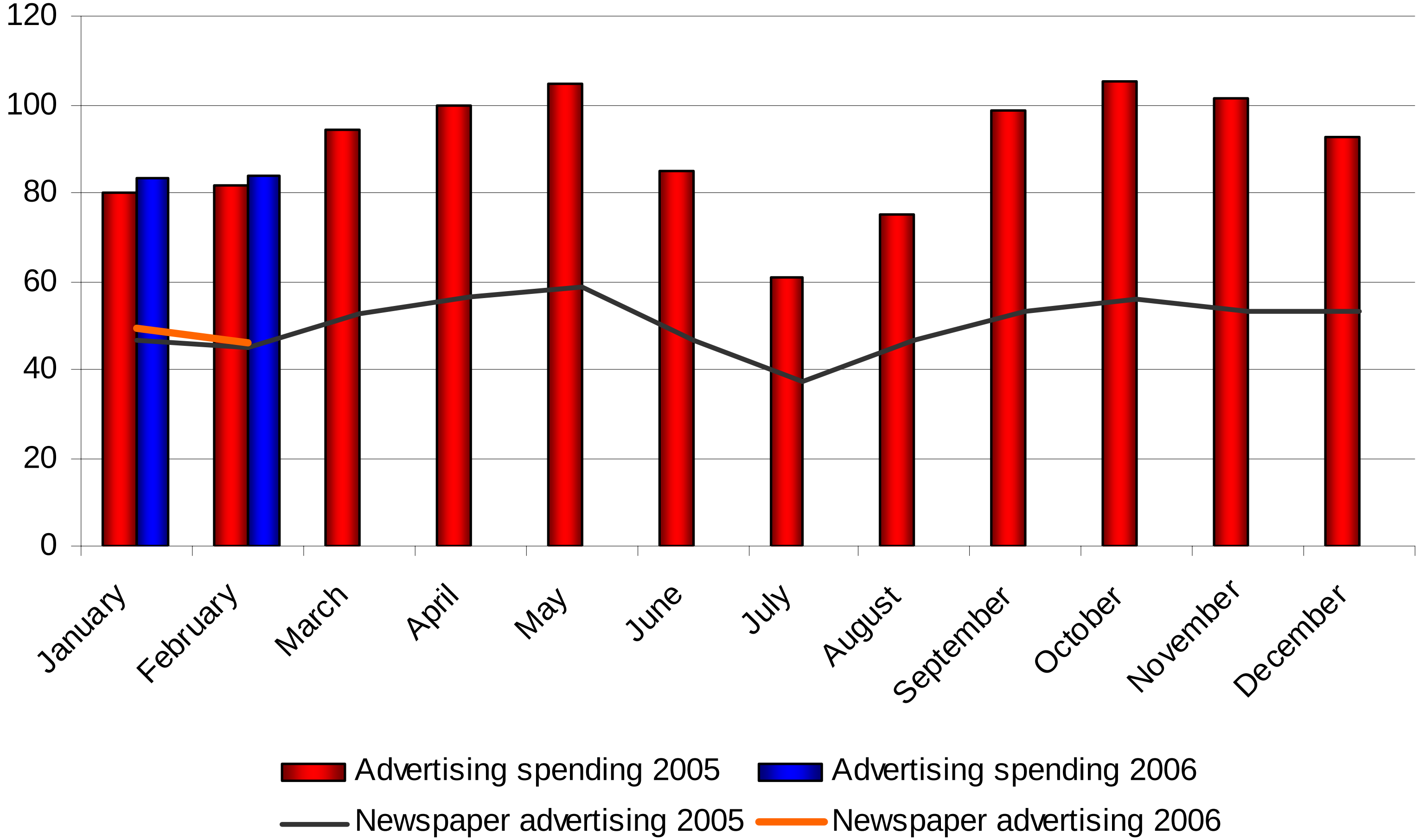


Kuva 8 Kansantuotteen ja mediamainonnan vuosittaiset muutokset (%)



Media advertisement 1/12 - 2/06

Eur 1 million



Media advertisement 1/12 - 2/06

Market shares (%)

2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Newspapers	**58 %**	**55 %**	**56 %**	**56 %**	**56 %**	**55 %**	**61 %**	**62 %**	**54 %**	**53 %**	**52 %**	**57 %**
Magazines	11 %	13 %	14 %	15 %	14 %	14 %	11 %	12 %	15 %	14 %	15 %	12 %
Television	23 %	24 %	22 %	20 %	20 %	20 %	16 %	16 %	22 %	24 %	24 %	22 %
Other	6 %	7 %	7 %	7 %	8 %	9 %	10 %	8 %	7 %	7 %	7 %	7 %
Online	1,7 %	1,8 %	1,8 %	1,8 %	1,8 %	1,7 %	1,6 %	1,8 %	2,1 %	2,1 %	2,4 %	1,7 %

2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Newspapers	**59 %**	**55 %**										
Magazines	10 %	13 %										
Television	21 %	22 %										
Other	7 %	7 %										
Online	2,1 %	2,3 %										

SANOMA CORPORATION

Excellence with courage