

SanomaWSOY Roadshow

November 2002

Agenda

- **Company overview**
- **Strategic objectives**
- **Divisional review**
- **Financial highlights**
- **Why SanomaWSOY?**

SanomaWSOY – company overview

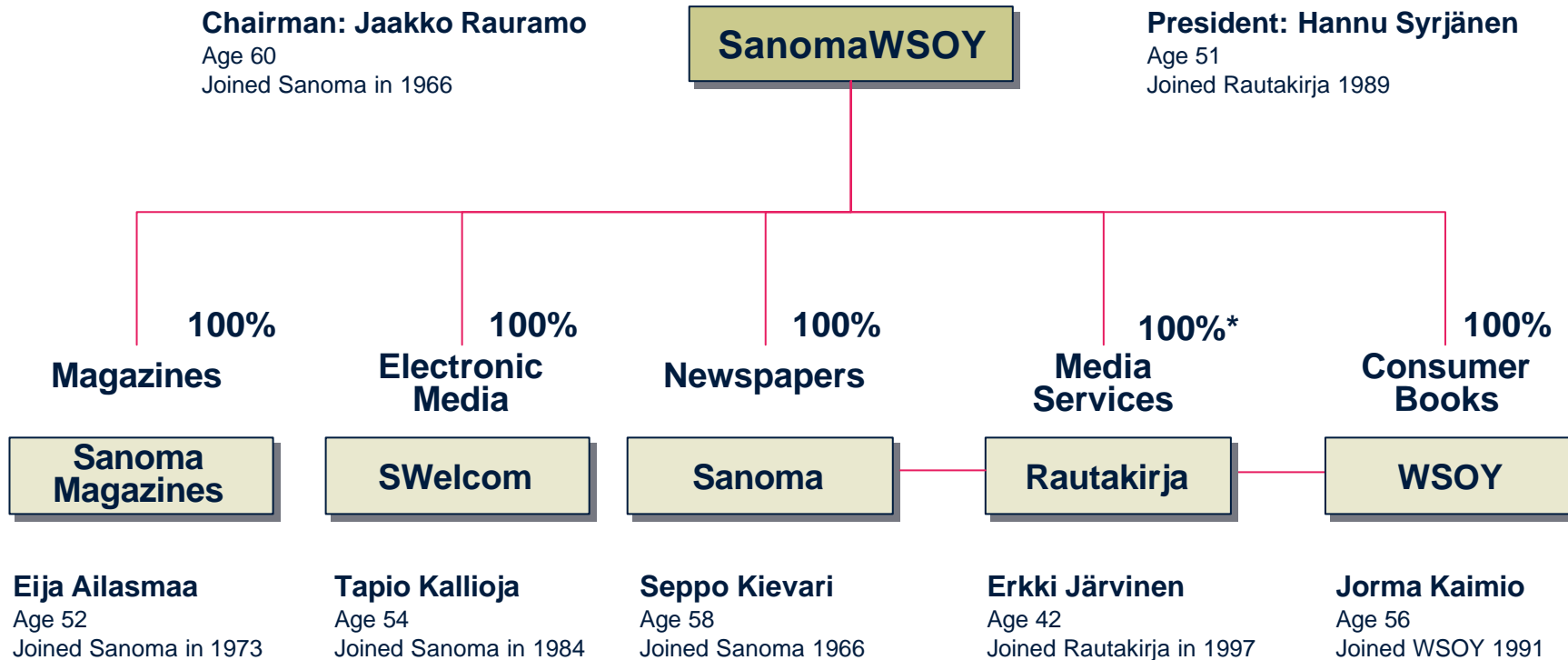
A growing European Media Company

With a leading domestic multimedia portfolio

- SanomaWSOY is a growing European media company with a presence in 14 European countries
- Leading domestic multimedia portfolio in Finland (newspapers, magazines, books, television/cable TV, kiosk, press distribution, bookstore, movie theatre and printing operations)
- Europe's fifth-largest magazine publisher – market leader in the Netherlands, Belgium, Czech Republic, Finland and Hungary
- Net sales (pro forma 2001) around € 2.3 billion
- Operating profit (pro forma 2001) about € 130 million

Organizational Structure

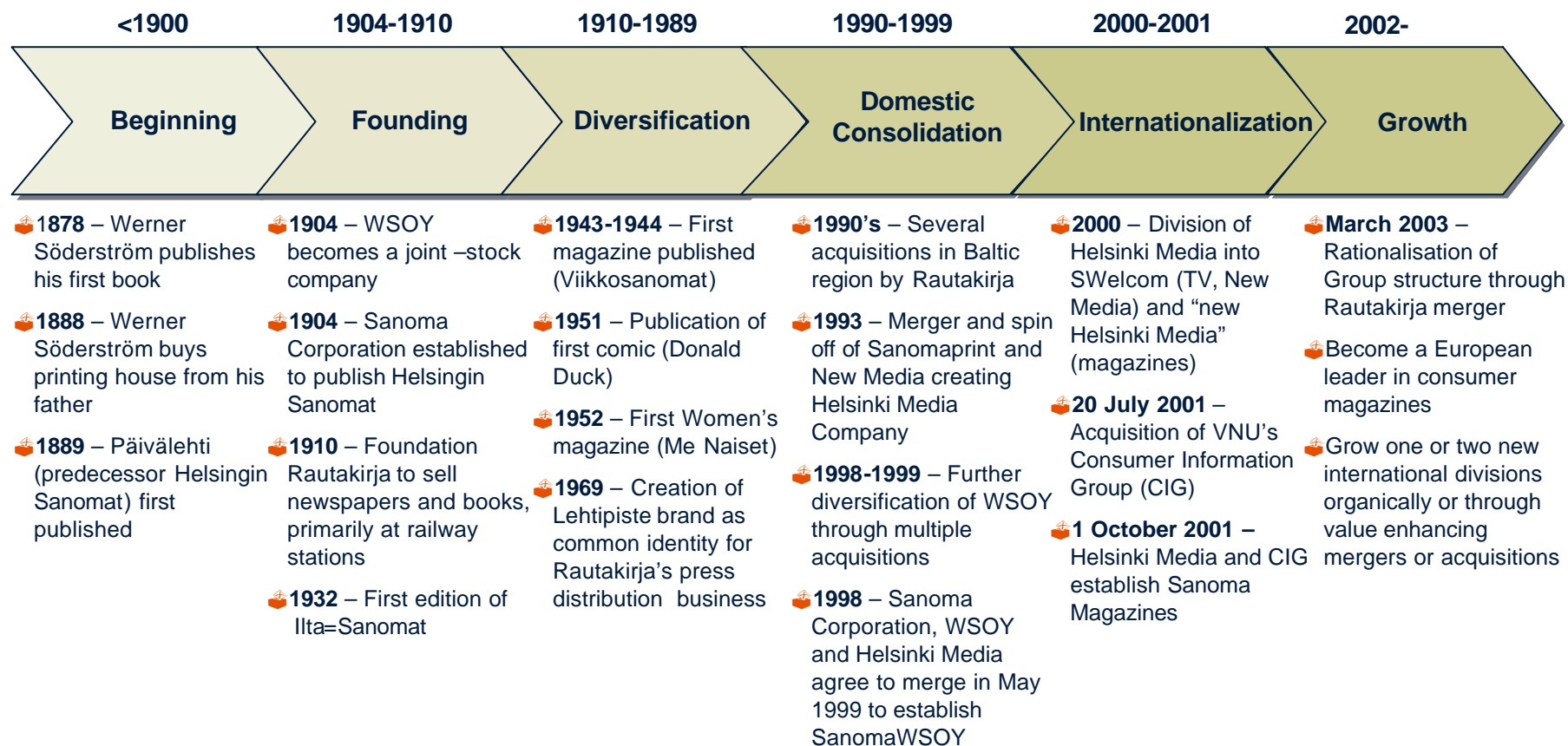
Five divisions led by experienced management



* After the merger in March 2003

More than a century of publishing...

History of SanomaWSOY



Creating a platform for growth

Acquisition of VNU's magazine business



The acquisition of VNU Magazines

- More than 250 magazines with excellent strategic fit
 - leading positions in five European countries
 - opportunity to leverage successful brands, formats, and content
- Platform for continued international growth

Delivering on our promises

- Established platform for international expansion
 - 5th largest consumer magazines publisher in Europe
 - 40% of revenue from outside Finland
- Integration of CIG and Helsinki Media completed successfully
 - Management structure and organisations aligned
 - € 15m annualised fixed cost reduction program being implemented
- Portfolio restructuring and sale of non-core assets
 - Blue Book
 - BEAP
 - Ecovision
 - Real estate & financial assets
- Debt reduction program
 - 2002E Net Debt / EBITDA less than 3.0

Simplifying the structure

Rautakirja to merge into SanomaWSOY in 2003

- SanomaWSOY Group's pre-merger holding of separately listed Rautakirja is 57%
- Rautakirja's shareholders to receive a merger consideration of 5.3 new SanomaWSOY B-shares for each Rautakirja A- or B-share they hold
- Key benefits of the merger:
 - Immediate positive impact on SanomaWSOY's earnings per share
 - Simplify Group and Rautakirja's ownership structure
 - Enables full usage of all the Group's resources in international expansion projects
 - Opportunity to improve free float of SanomaWSOY

Shareholder structure after the Rautakirja merger

	% of shares	% of votes
Aatos Erkko (Aatos Erkko + Oy Asipex Ab)	23.92	26.76
Patricia Seppälä's estate	7.09	9.15
<i>Werner Söderström Corporation</i>	6.08	1.76
<i>Sanoma Corporation</i>	4.40	1.27
Robin Langenskiöld	4.30	4.67
Rafaela Seppälä	4.30	4.67
Tiikerijakelu Oy (treasury shares)	4.01	1.16
Pohjola Group	3.29	1.95
Alfred Kordelin Foundation for General Reform and Education	2.80	6.33
Helsingin Sanomat Centennial Foundation	2.79	3.61
Ilmarinen Mutual Pension Insurance Company	2.50	2.93
<i>Oy Karl Fazer Ab</i>	2.00	0.58
<i>Kesko Food Ltd.</i>	1.92	0.55
Suomi Group	1.62	0.47
Finnish Cultural Foundation	1.44	6.08
Foundation for Actors' Old Age Home	1.23	1.54
WSOY Literature Foundation	1.13	4.43
<i>Tapiola Group</i>	1.10	0.58
Sampo Group	1.09	1.27
Finnish Literature Foundation	1.05	1.11
20 total	78.08	80.85
Other Rautakirja shareholders	1.28	0.37
Other SanomaWSOY shareholders	20.64	18.78
Total	100	100

Principal new owners in italics.
Figures as of 31.8.2002

SanomaWSOY - strategic objectives

Combining strong and defensible market positions with growth potential

Dominant domestic multimedia franchise

Newspapers

- #1 national daily
- #1 national tabloid
- #1 regional publisher south-east Finland

Book publishing

- #1 Finnish consumer book publisher

Consumer magazines

- #1 in terms of total circulation in the segment of women, family, IT and youth

TV

- #2 “challenger” domestic commercial TV
- #1 cable-tv operator

Media Services

- #1 press distributor & kiosk operator
- #1 bookstores
- #1 multiplex operator

Market leading International growth platform

Magazines

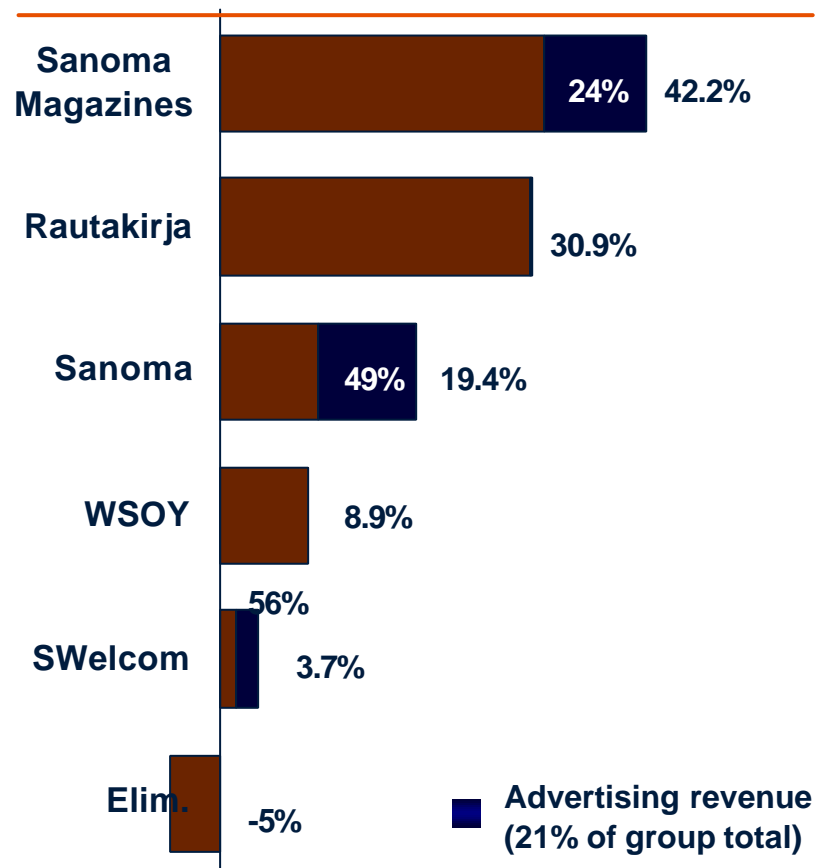
- Netherlands
 - #1 magazine publisher in terms of circulation and advertising share
- Belgium
 - #1 magazine publisher in terms of circulation and advertising share
 - #1 TV-guide publisher
- Central/Eastern Europe
 - #1 Hungarian publisher
 - #1 Czech publisher
 - Growing operations in Slovakia, Croatia and Romania

Media Services

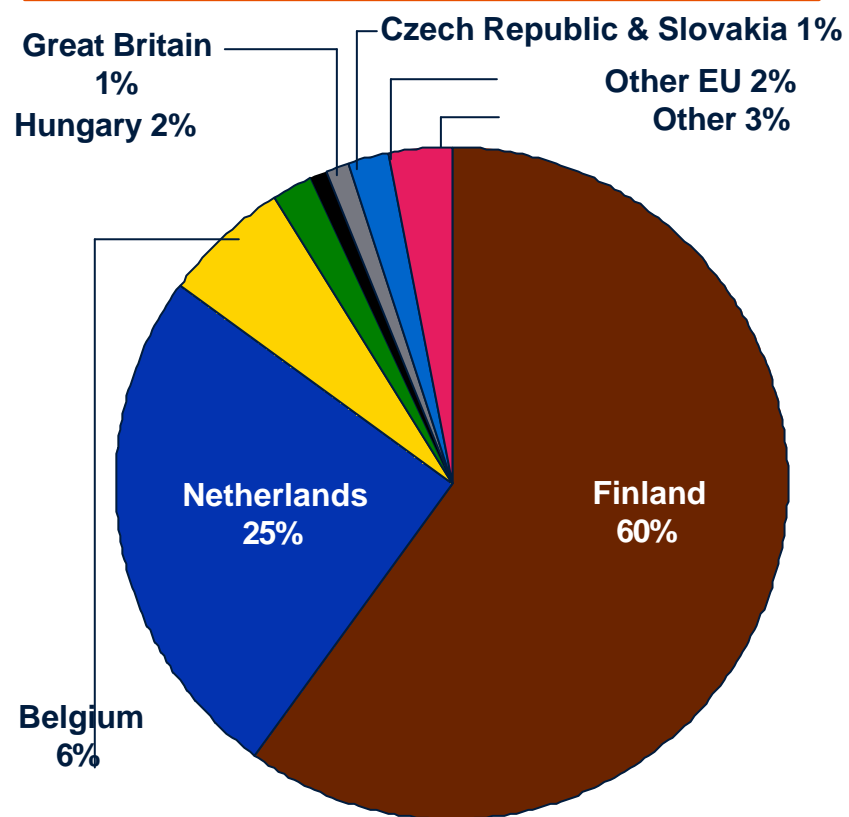
- #1 Baltic multiplex operator
- #1 Baltic kiosk operator
- #1 press distributor in the Netherlands

Balanced composition of revenues

Divisional 1-9/ 2002 Revenue Breakdown



Geographic 2001A Revenue Breakdown



Dynamic and Profitable Growth

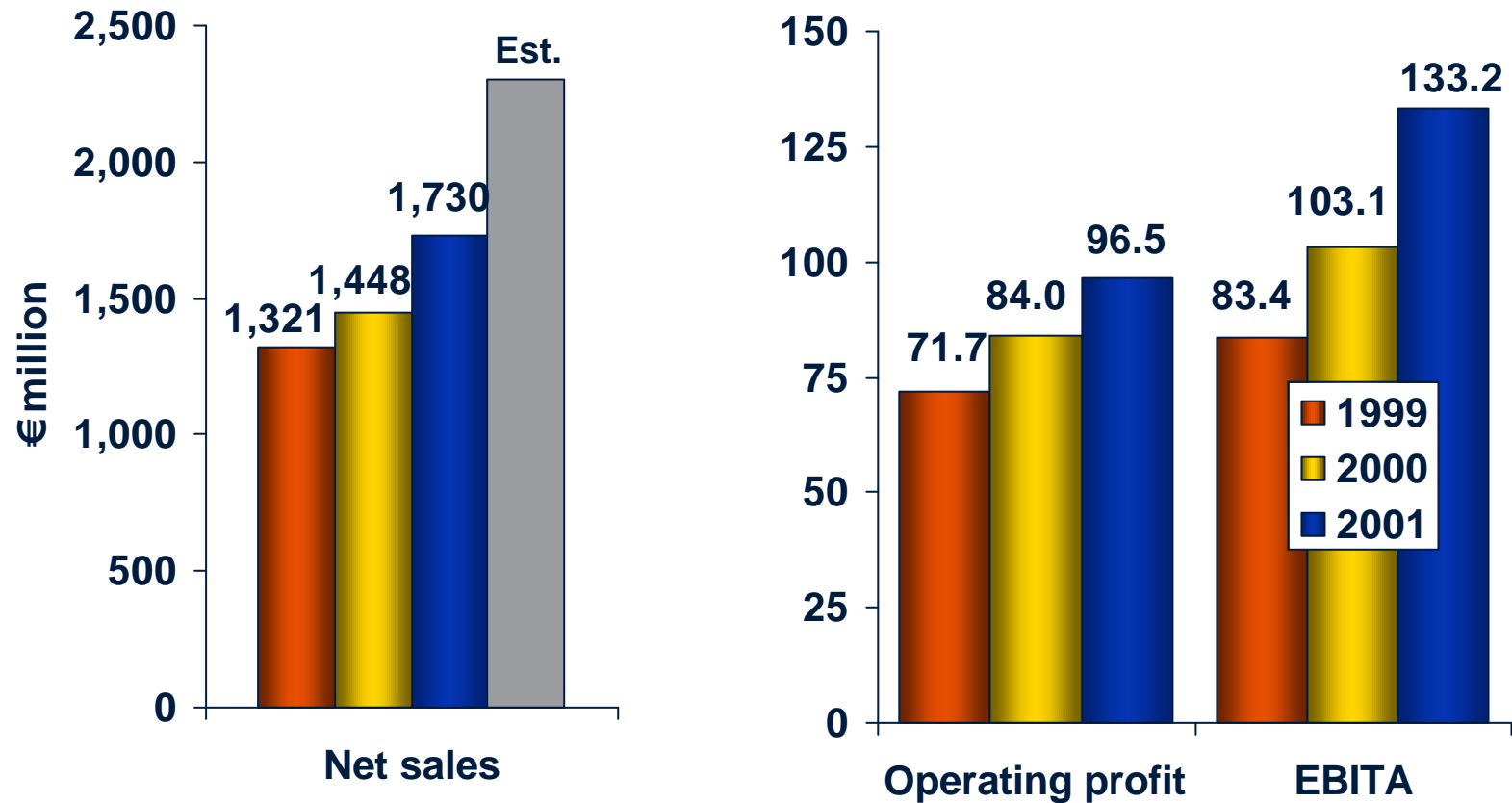


Figure for 2002 is Group's estimate.

Strategic objectives

Continued growth and internationalisation

- Continue building a balanced portfolio, both in terms of profitability and organic growth
 - Increase profitability
 - Sell non core assets
- To be a market leader in our chosen markets and business areas
- To be a leading European magazine publisher
- Grow magazines and at least one other business line(s) internationally
- Develop new and profitable products and services; focusing on those that can be leveraged across countries and media

New business opportunities

Achieving growth

Strong in smaller and middle-sized markets and language areas

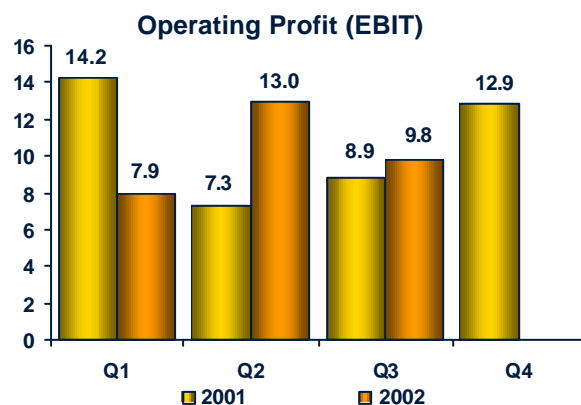
- Emerging markets, e.g. Croatia
- New market openings, e.g. Russia
- Acquisitions, mergers, alliances, partnerships
- For instance:
 - Educational material
 - Distribution

SanomaWSOY – divisional review

Finland's largest news publisher

Still going very strong...

Key Financials (€million)



Key Markets/Products



#1 Daily newspaper
circulation: 436k



#1 National tabloid
circulation: 218k



#2 Financial newspaper
circulation: 31k



#1 Regional newspapers publisher
in south-east Finland

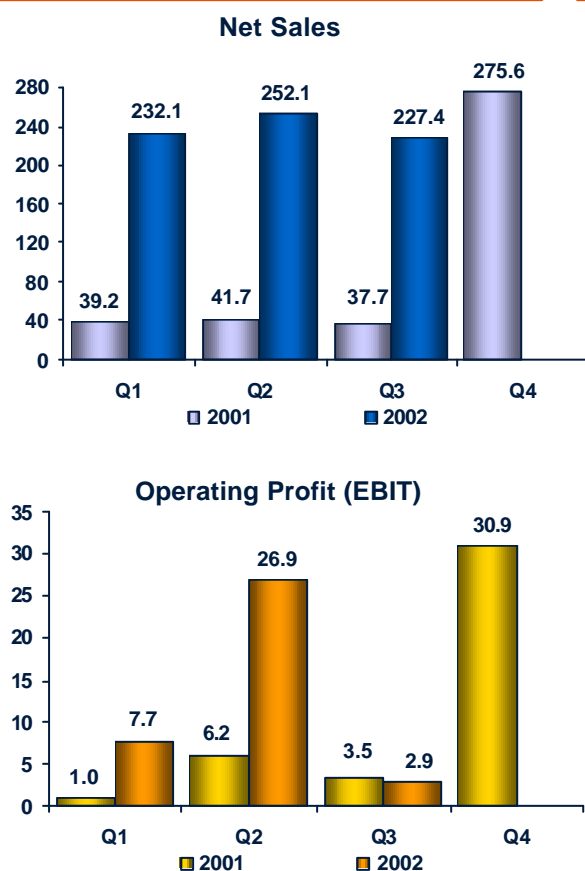
Highlights

- Although financial performance is down YoY due to advertising environment, market share and total circulation are increasing
- Newspapers account for over 51% of Finnish advertising expenditure
- Sanoma has approx. 36% market share:
 - Over 25% of total newspaper circulation
 - Over 38% of newspaper advertising revenues
- Outlook for 2002
 - Net sales are expected to decrease by some 5% from last year.
 - Operating profit is estimated to remain below that for 2001.

International magazine publishing

Clear leadership in chosen markets

Key Financials (€million)



Key Markets/Products

#1 in Finland in Chosen Segments



Women

50+

Youth

#1 in Holland in Chosen Segments

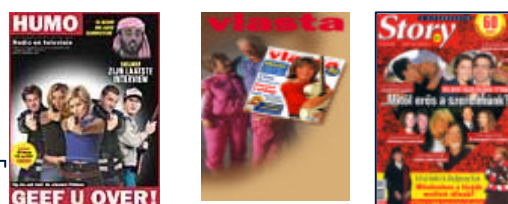


Women

Young Women

Youth

Leading International Titles



Belgium

Czech Rep

Hungary

Highlights

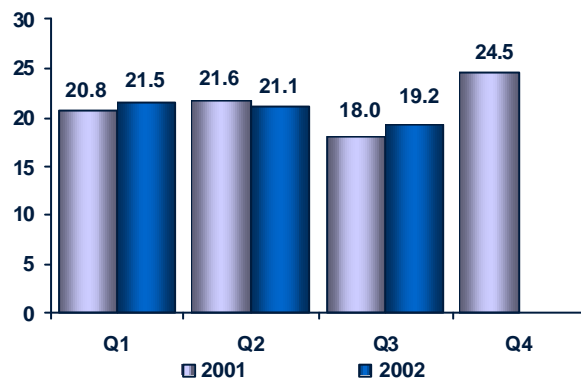
- Dramatic growth and margin improvement due to the acquisition of VNU-CIG
- Integration is on track and division is performing well:
 - Netherlands and Finland: Advertising decreased but market share stable in Finland
 - Belgium and others: Advertising, revenues and market share rising
- Operational improvement measures being implemented
- Outlook for 2002
 - Net sales are estimated to reach € 1 billion.
 - EBITA ratio is estimated to be around 12. Operating profit is forecast to be below 6% due to significant goodwill amortisation.

Commercial television challenger

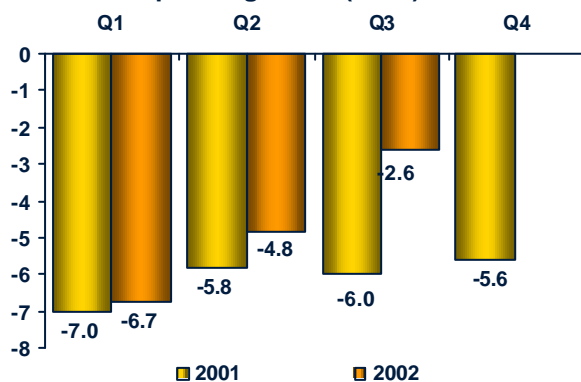
Growing viewership and ad-share

Key Financials (€million)

Net Sales



Operating Profit (EBIT)



Key Markets/Products

“Challenger” commercial television station



Largest domestic cable TV operator & broadband Internet service provider



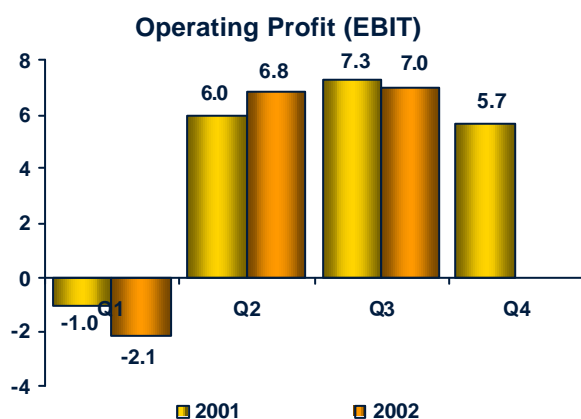
Highlights

- *Nelonen's* market share is developing according to plan (currently 25%)
- Light cost structure of *Nelonen* will enable profitable growth as market develops and license fees are lowered
- *HTV* broadband Internet service offering rapidly increasing sales
- *HTV* cable TV connection sales continue to grow
- Outlook for 2002
 - Net sales are projected to grow by about 3%.
 - The operating loss is expected to continue decreasing considerably.

Leading Finnish book publisher

Committed to publishing the best literature

Key Financials (€million)



Key Markets/Products

#1 book publisher in Finland



#1 calendar publisher in the Nordic region



#1 educational publisher in Finland



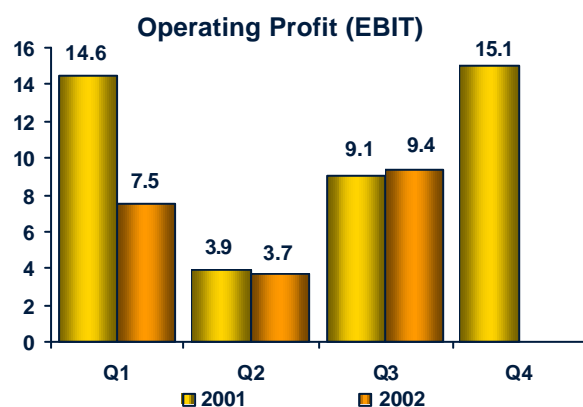
Highlights

- In the overall stable book market, focus is on maintenance of market position and cost control
- The map and location based products from *Genimap* are experiencing strong demand (1H2002 25% sales increase)
- WSOY is also one of the largest and most profitable book printers – including digital printing – in the Nordic region
- Outlook for 2002:
 - Net sales are projected to increase by about 4%.
 - Operating profit will improve in 2002.

Leading Nordic media distributor

Bringing entertainment to the people

Key Financials (€million)



Key Markets/Products

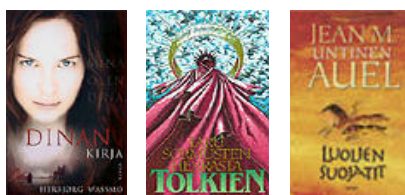
#1 kiosk chain in Finland with 714 kiosks nationwide



#1 press distributor in Finland



#1 chain of book stores in Finland



#1 movie theatre network in Finland with 15 cinemas (68 screens) in 9 cities



Highlights

- *R-Kioski* is Finland's most visited retail chain with around 120 million customer visits annually
- *R-Kioski* received the highest consumer rating of all Finnish retail chains in the kiosk and convenience store sector¹
- Growing presence in the Baltic countries both in kiosks and press distribution as well as cinemas
- Outlook for 2002
 - Net sales are estimated to grow by about 4%.
 - The operating result will remain largely unchanged from the previous year's level.

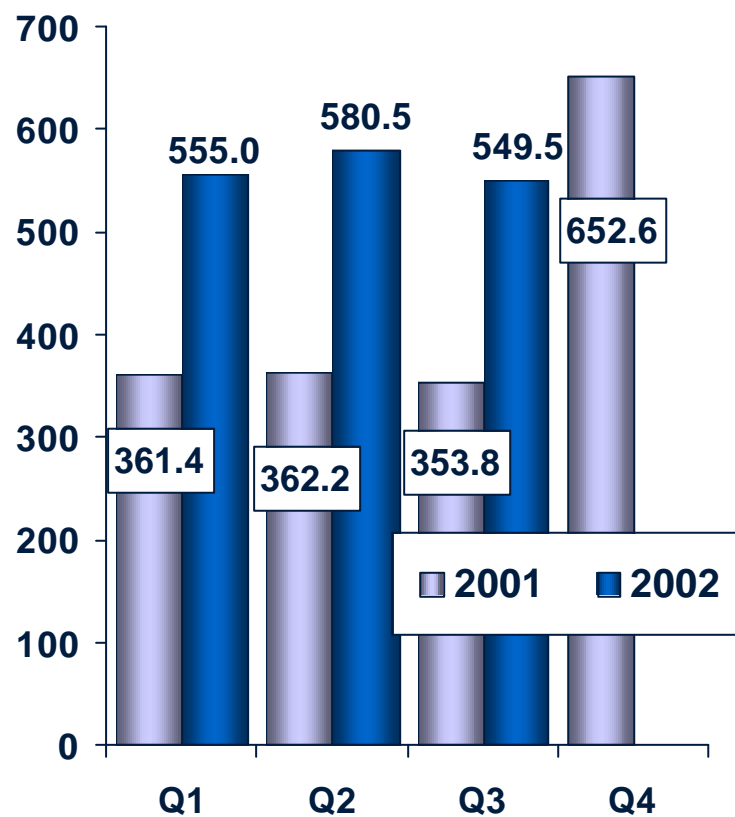
¹Study by Taloustutkimus

SanomaWSOY – financial highlights

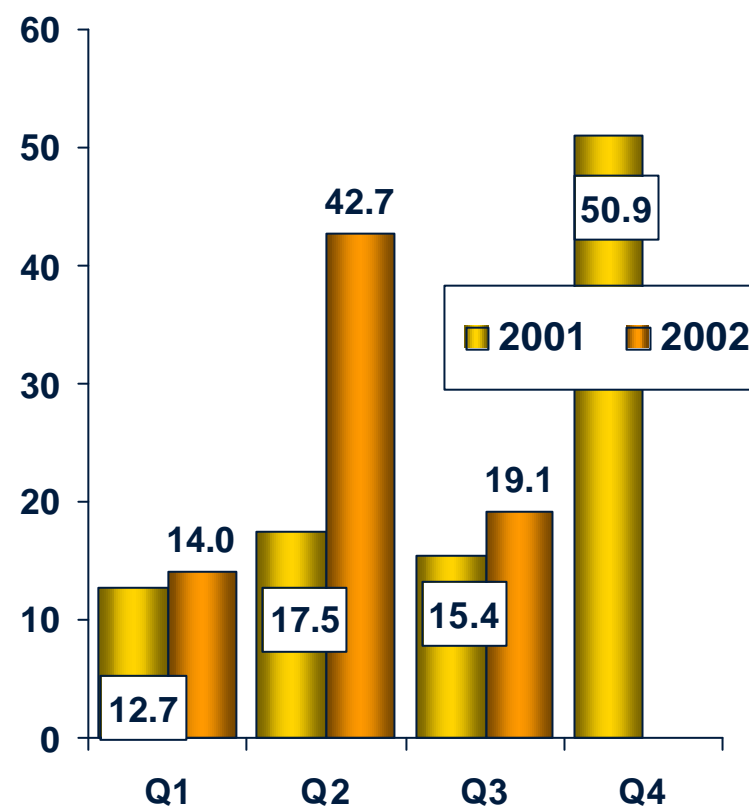
SanomaWSOY Group

By quarters 1/2

NET SALES, €million



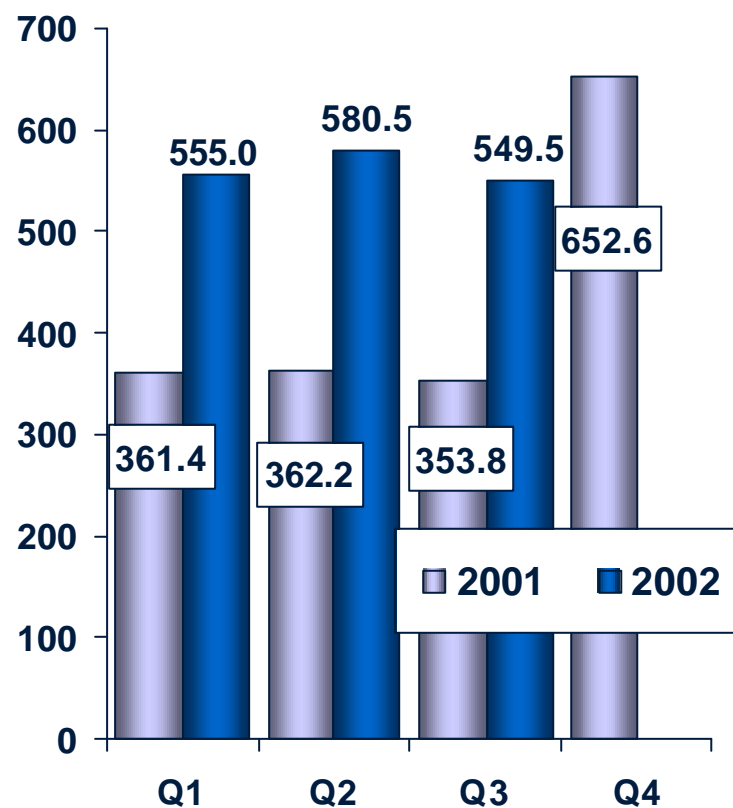
OPERATING PROFIT (EBIT), €million



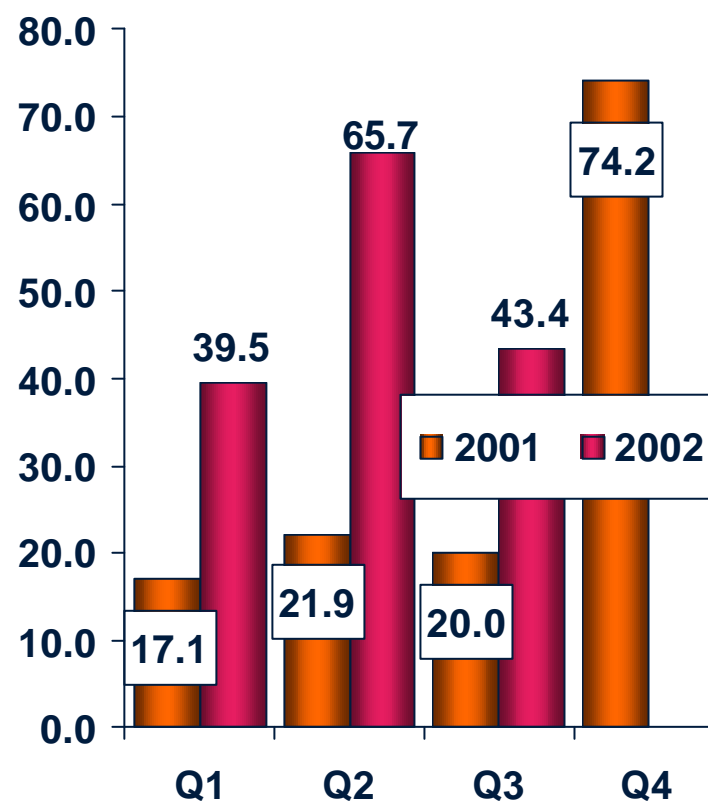
SanomaWSOY Group

By quarters 2/2

NET SALES, €million



**OPERATING PROFIT
before amortisation (EBITA), €million**



Financial targets

Heading for better profitability

Operating profit (EBIT) of net sales, %	1999	2000	2001	average 2002–2005 target
Sanoma	11.1	12.2	9.4	12.5
Sanoma Magazines	3.5*	6.4*	10.6	9.0
SWelcom	-33.1	-21.3	-28.8	0.0
WSOY	11.1	9.0	8.6	12.5
Rautakirja	5.7	5.6	6.1	5.5
GROUP	5.4	5.8	5.6	9.0

Mid-term target for Group's equity ratio is 50%.

*Includes only
Sanoma
Magazines
Finland

Means

Targets are challenging, but realistic:

- unprofitable businesses will be restructured
- heavy cost structures to be lightened
- critical approach to investments
- business model for eBusinesses
- selling of non core assets: e.g. real estate&share portfolio (€ 400 million)
- strengthening focus on core businesses
- our incentive systems support profitability improvement
 - options † long term
 - bonuses † short term
- targets are 2002–2005 average
- we are market leader in most of our businesses
- market recovery is expected

Why SanomaWSOY?

- The Group's successful history
- Good positioning as full-service media house in Finland
- Clear focus on specific business segments internationally
- Strong track record of managing growth and profitability
 - Pursuing sustainable growth levels
 - Focusing on cost control
- Potential to be a big player in the European media consolidation



Committed to the Future