SanomaWSOY Roadshow

August 2004

SanomaWSOY
Agenda

- Business highlights
- Financial highlights: H1/2004
- Full year financials 2003
- Appendix: Divisional highlights

SanomaWSOY Group
incl. Malmberg

2003 pro forma, excluding YDP eliminations

SanomaWSOY

Pro forma 2003
Net sales M€ 2,488.7
EBITA M€ 362.0

Sanoma Magazines

Net sales M€ 1,064.8
EBITA M€ 159.1

Magazine publishing
- Women's magazines
- Men's magazines
- Home interest magazines
- Children's and youth publishing
- TV magazines
- Special interest magazines
- Custom publishing

Magazine distribution

Sanoma

Net sales M€ 425.5
EBITA M€ 77.5

Newspaper publishing and printing
- Helsingin Sanomat
- Ilta-Sanomat
- Taloussanomat
- Local and regional newspapers
- Free-ad publications
- Printing plants
- News agency services
- Picture agency services

WSOY

Proforma 2003
Net sales M€ 305.0
EBITA M€ 51.6

WSOY Educational
- Books
- Electronic publications

Publishing
- Books
- Electronic publications

Printing
- WS Bookwell
- Lönnberg Painot
- Dark

Calendar operations
- Ajasto

SWelcom

Net sales M€ 104.9
EBITA M€ 29.6

Electronic media
- Nelonen
- Helsinki Television
- Digital services
- TV production services

Rautakirja

Net sales M€ 653.8
EBITA M€ 45.7

Kiosk operations
- R-kiosks (Finland, Estonia)
- Veikkausrasti
- Narvesen Baltija
- CZ Retail

Press distribution
- Lehtipiste, Lehepunkt, Preses Serviss

Bookstores
- Suomalainen Kirjakauppa

Entertainment, leisure
- Finnkino
- Eurostrada

SanomaWSOY

Merger history

Steps to a Leading Media Company

1999: Sanoma and WSOY merged and SanomaWSOY listed in Helsinki Stock Exchange

2001: CIG acquisition

- Magazine Division with activities in 9 countries
- Divested non-core assets (Blue Book, BEAP, Milvus Förlags)

2003: Rautakirja merged into SanomaWSOY

- Simplify Group and Rautakirja's ownership structure
- Increase strategic flexibility
- Opportunity to improve free float of SanomaWSOY

2004: Malmberg acquisition

- Creates Europe's 6th biggest educational publisher, activities in 4 countries
- Profiting from previous integration experience

Wide media portfolio in Finland, focused approach internationally

- Leading Nordic media group
- Growing media presence in 16 European countries
- Among Europe's five largest magazine publishers – leading position in Belgium, the Czech Republic, Finland, Hungary and the Netherlands
- Among Europe's six largest educational publishers** – strong positions in Belgium, Finland and the Netherlands
- Targeting smaller and mid-sized language areas and markets

* After the closing of Malmberg acquisition

Mid term focus:
Growth, cash generation and being #1

Growth
- To build a balanced business and market portfolio, that ensures sustainable growth and profitability
- To internationalise 1–2 additional businesses step by step
- To develop profitable new products and services; including those that can be successfully expanded cross-media or internationally

Best business practises
- To continuously promote best management practices

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

Profitability
- To increase the profitability of our present businesses and improve efficiency
- To divest non-core assets and businesses

Acquisition of Malmberg (signed 15 July 04)
Valuation and Financing

- **Malmberg's operational performance:**
  - Strong profitability, 2003 EBITA EUR 23.6 million, 27.6% of net sales (EUR 85.7 million in 2003)
  - Market outperforming revenue growth rate (CAGR 1999–2003 9.9%)
- **Valuation**
  - Enterprise value EUR 221.9 million
  - EV / EBITA (2003) 9.4x
  - 2004 EPS effect minor due to timing
  - 2005 EPS effect clearly positive
- **Financing**
  - Due to the strong balance sheet of SanomaWSOY and good cash flow the acquisition can be financed by 1–2 years bank facilities, average margin 25 bp.
- Group's equity ratio will temporarily decline of some 3 percentage points, but recovers already during the rest of the year due to good cash flow

Market shares and competitors
Malmberg

The Netherlands

Total Educational Market Shares, 2003	
Wolters Kluwer	36%
Malmberg	**24%**
Thieme Meulenhoff	19%
VBK	14%
Misc	7%

Market Shares, Primary education, 2003	
Malmberg	**34%**
Wolters Noordhoff (WK)	26%
Zwijsen	19%
Bekadidact (VBK)	11%
Thieme Meulenhoff	10%

Market Shares, Secondary Education, 2003	
Malmberg	**25%**
Wolters Noordhoff (WK)	25%
Thieme Meulenhoff	22%
EPN (WK)	14%
Nijgh Versluys (VBK)	11%
Misc	3%

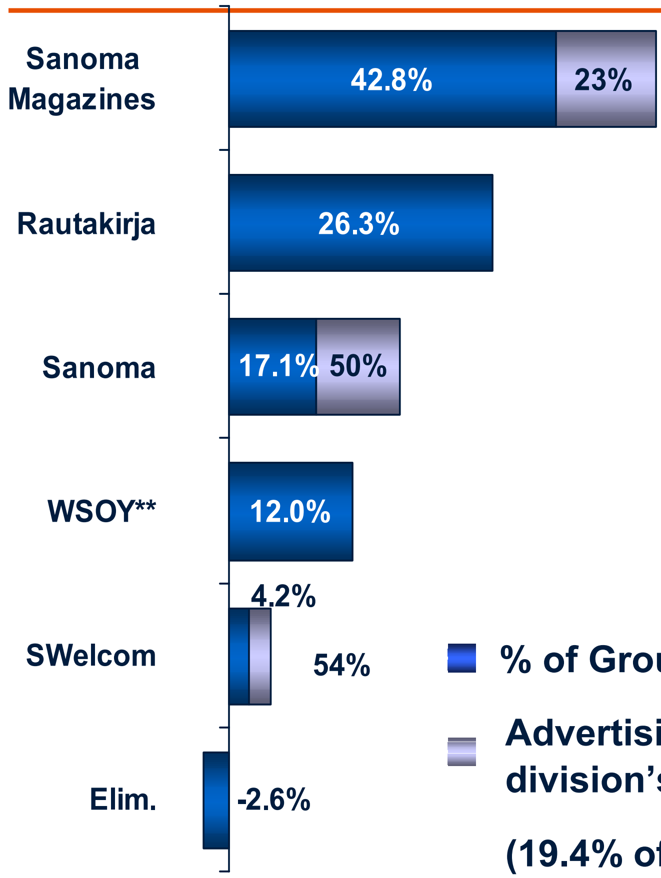
Belgium

Total Educational Market Shares, 2003	
Van In	**24%**
Wolters Plantijn	24%
De Boeck	17%
Pelckmans	12%
Die Keure	8%
Misc	15%

Leading in Finland in all segments.
Market shares:
- Basic education (6–16 years): WSOY 54.8%
- Upper secondary education (16–19 years): WSOY 46.1%
- Vocational and adult education: WSOY 55.7%

Balanced composition of net sales
with Malmberg

Divisional 2003A net sales* breakdown

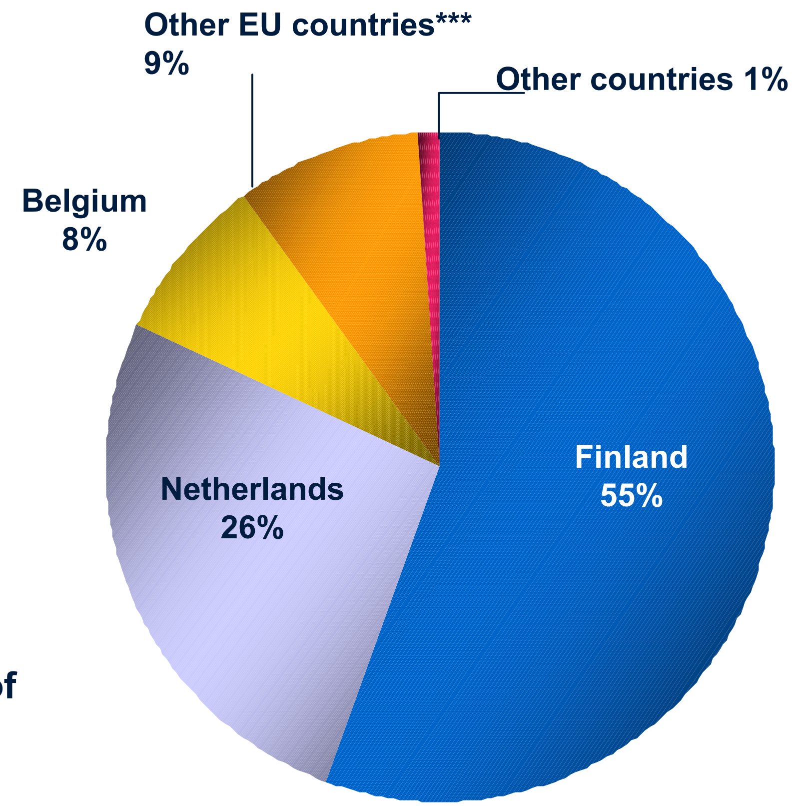


% of Group net sales

Advertising revenue of division’s sales

(19.4% of Group total)

Geographic 2003A net sales* breakdown

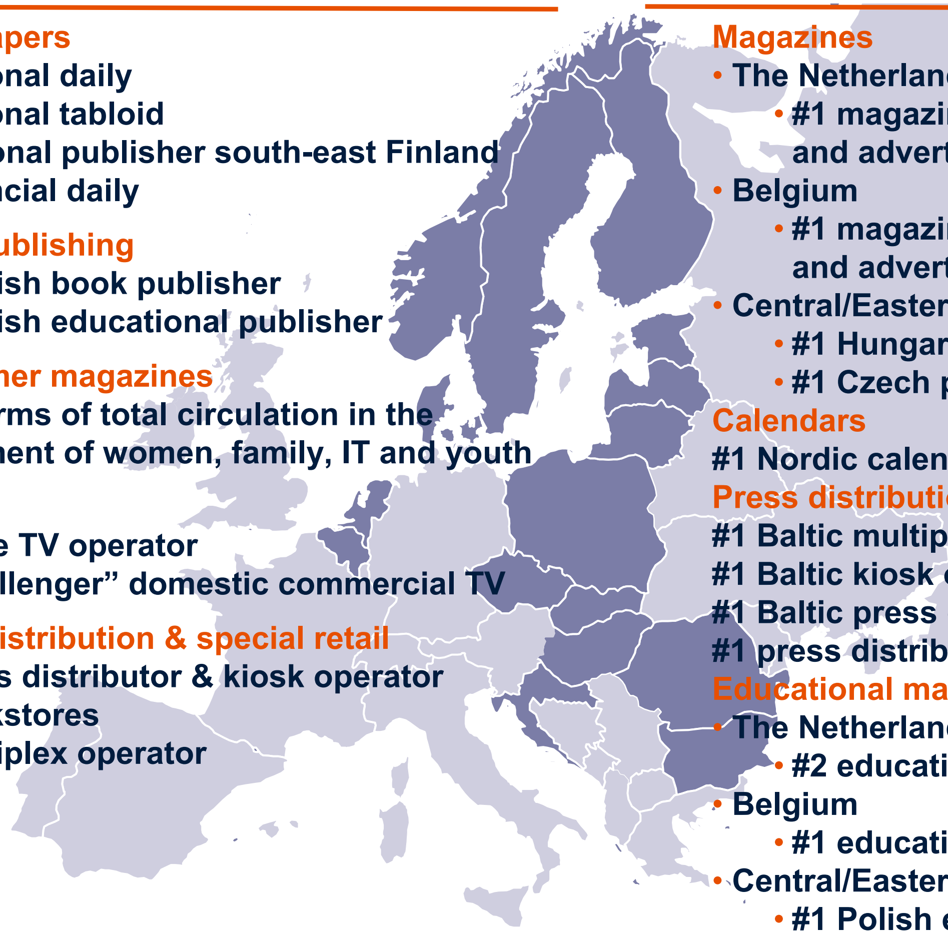


* Pro forma after the Malmberg acquisition

** YDP included for whole year

*** Countries which became members of the EU in spring 2004 have already been calculated as EU countries.

Leading positions



Dominant domestic multimedia franchise

Newspapers
#1 national daily
#1 national tabloid
#1 regional publisher south-east Finland
#2 financial daily

Book publishing
#1 Finnish book publisher
#1 Finnish educational publisher

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

TV
#1 cable TV operator
#2 "challenger" domestic commercial TV

Press distribution & special retail
#1 press distributor & kiosk operator
#1 bookstores
#1 multiplex operator

Market leading international growth platform

Magazines
- The Netherlands
  - #1 magazine publisher in terms of circulation and advertising share
- Belgium
  - #1 magazine publisher in terms of circulation and advertising share
- Central/Eastern Europe
  - #1 Hungarian publisher
  - #1 Czech publisher

Calendars
#1 Nordic calendar publisher

Press distribution & special retail
#1 Baltic multiplex operator
#1 Baltic kiosk operator
#1 Baltic press distributor
#1 press distributor in the Netherlands

Educational materials
- The Netherlands
  - #2 educational publisher
- Belgium
  - #1 educational publisher
- Central/Eastern Europe
  - #1 Polish eLearning publisher

Strategy and emphasis in 2004

- Profitability
- Internationalisation
- Growth
- Development
    - Personnel
    - Focusing
    - Divestments
    - Critical investment approach
    - New structures

Next steps
in international expansion

”To internationalise step by step”

Magazines

- Present in 9 European countries, leading in the Netherlands, Finland, Belgium, Hungary and the Czech Republic
- Interesting new markets:
  - Serbia
  - Russia
  - Ukraine
  - Belo-Russia
  - Portugal
  - Spain

Press distribution

- Leading in Finland, Estonia, Latvia and the Netherlands
- Completing the Baltic presence by expanding to Lithuania
- Romania (Hiparion)
- Interesting new markets:
  - Russia
  - CEE countries

Educational materials

- Strong position in all segments in Finland
- Malmberg acquisition providing strong positions in the Netherlands and Belgium
- YDP the leading eLearning provider
- Interesting new markets:
  - CEE countries

Financial highlights
H1/2004

Key figures H1/2004

€ million	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	1,171.1	1,148.5	2.0	2,395.9
EBITA	148.2	139.9	5.9	338.4
% of net sales	12.7	12.2		14.1
Operating profit	85.4	75.3	13.4	205.2
% of net sales	7.3	6.6		8.6
Balance sheet total	2,335.0	2,526.3	-7.6	2,453.0
Gross investments	44.8	45.7	-2.1	94.8
Equity ratio, %	38.3	36.4		40.3
Equity ratio, % *)	46.0	45.0		47.6
EPS, €	0.29	0.24	21.3	0.69
EPS excl. goodwill amortisation, €	0.53	0.50	6.2	1.23
EBITA/share, €	0.97	0.94	2.6	2.25
CEPS, €	0.68	0.50	37.3	1.65
Market cap.	2,352.4	1,575.7	49.3	2,554.9
Personnel, average**	13,451	14,451	-6.9	14,207

* Capital notes incl. in equity

** Full-time equivalents

Key developments Q2/2004

Divestments:

- Måndag (Tuotantotalo Werne)
- Milvus Förlags (Sanoma Magazines Finland)
- Minority share in Savon Mediat (Sanoma)

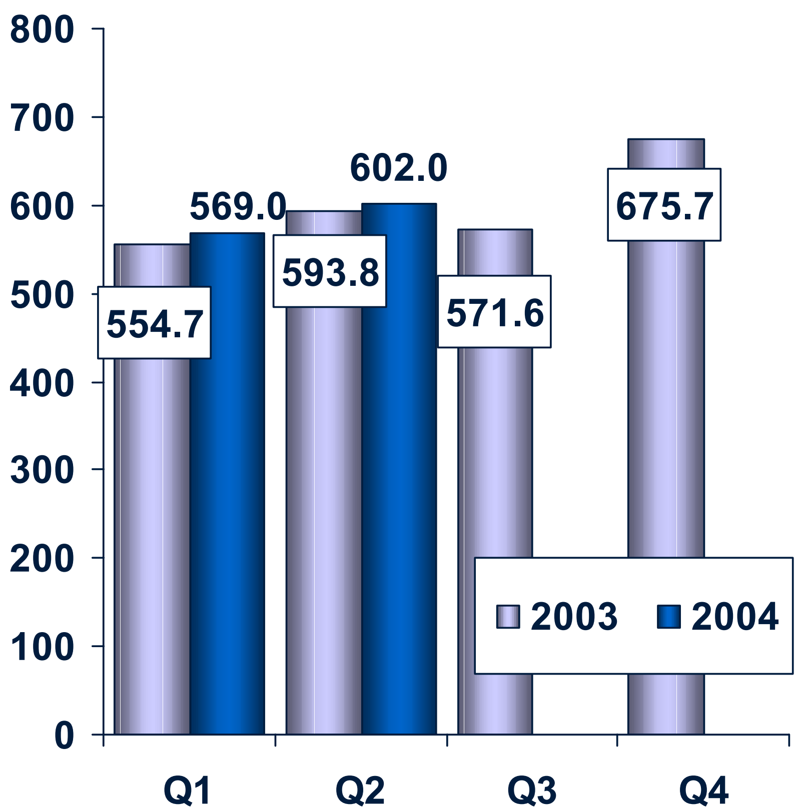
After the review period:

- WSOY: Agreement on acquiring educational publisher Malmberg Investments (the Netherlands)
- Rautakirja: Preliminary agreement on majority share in distribution company Hiparion Distribution (Romania)
- SanomaWSOY Series B shares owned by Tiikerijakelu (4.48% of shares, 1.19% of votes) invalidated

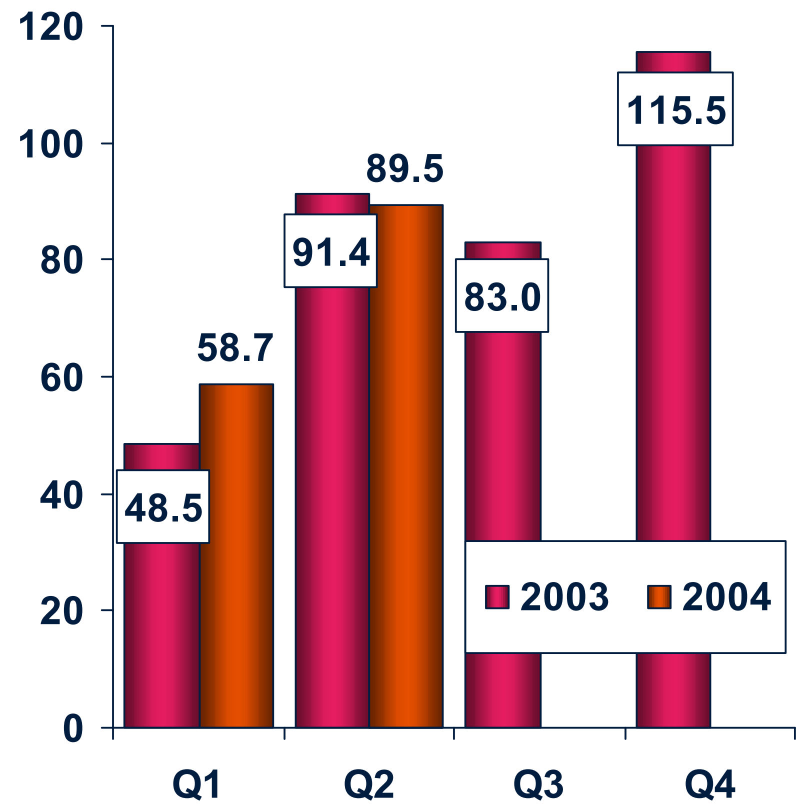



SanomaWSOY Group

Net sales, € million



EBITA*, € million



* Operating profit before amortisation

Net sales by division

€ million	1–6/04	1–6/03	Change, %	1–12/03
Sanoma Magazines	526.2	507.2	3.8	1,064.8
Sanoma	213.7	216.6	-1.3	425.5
WSOY	91.4	97.0	-5.8	212.2
SWelcom	60.3	51.8	16.5	104.9
Rautakirja	305.0	303.5	0.5	653.8
Intragroup eliminations	-25.5	-27.6		-65.3
Total	1,171.1	1,148.5	2.0	2,395.9

EBITA by division

€ million	1–6/04	1–6/03	Change, %	1–12/03
Sanoma Magazines	80.6	72.0	11.9	159.1
Sanoma	28.0	25.2	11.1	77.5
WSOY	4.0	6.7	4.1	28.0
SWelcom	20.3	14.8	37.2	29.6
Rautakirja	15.9	17.5	-9.1	45.7
Others	-1.1	5.9	-188.6	1.3
Intragroup eliminations	-0.2	-2.2		-2.8
Total	148.2	139.9	5.9	338.4

EBITA-margins by division

% of netsales	1–3/04	4–6/04	1–6/04	1–3/03	4–6/03	1–6/03
Sanoma Magazines	11.4	19.0	**15.3**	10.8	17.4	**14.9**
Sanoma	12.6	13.6	**13.1**	11.6	11.7	**11.6**
WSOY	-1.9	11.2	**5.0**	-2.1	13.9	**6.9**
SWelcom	33.3	34.0	**33.7**	26.7	30.3	**28.6**
Rautakirja	5.6	4.8	**5.2**	6.7	4.9	**5.8**
Total	10.3	14.9	**12.7**	8.7	15.4	**12.2**

Operating profit by division

€ million	1–6/04	1–6/03	Change, %	1–12/03
Sanoma Magazines	43.5	32.0	86.1	78.8
Sanoma	24.7	21.7	6.3	69.4
WSOY	3.1	5.3	3.1	22.6
SWelcom	4.0	0.7		1.0
Rautakirja	11.5	12.5	-14.2	35.5
Others	-1.1	5.8	-119.1	1.0
Intragroup eliminations	-0.3	-2.6		-3.1
Total	85.4	75.3	82.5	205.2

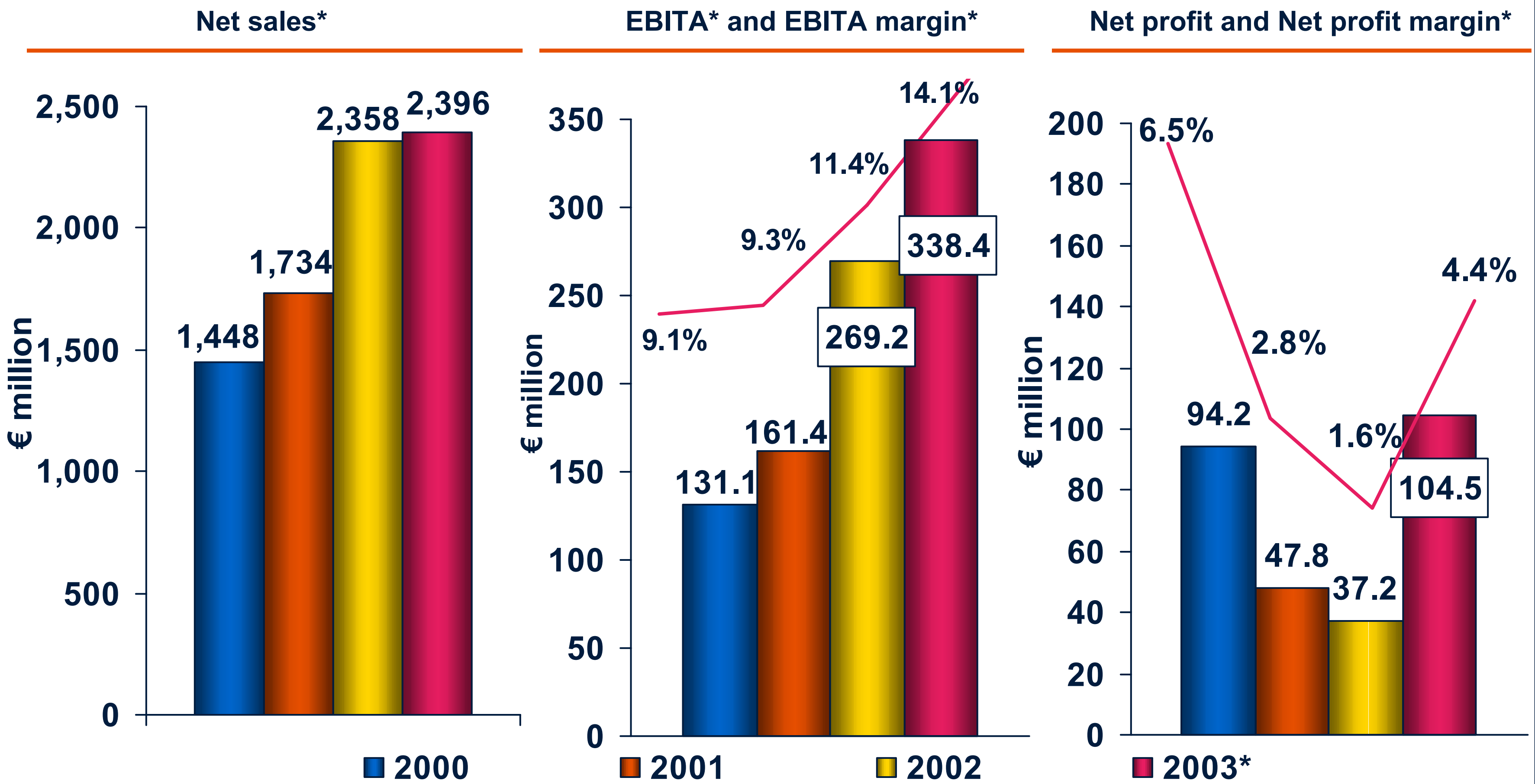
Advertising sales
% of net sales

	1–6/2004	1–6/2003
Sanoma Magazines	21%	22%
Sanoma	49%	48%
SWelcom	57%	55%
The Group	**21%**	**21%**

Full Year financials

Operational excellence

Dynamic and profitable growth

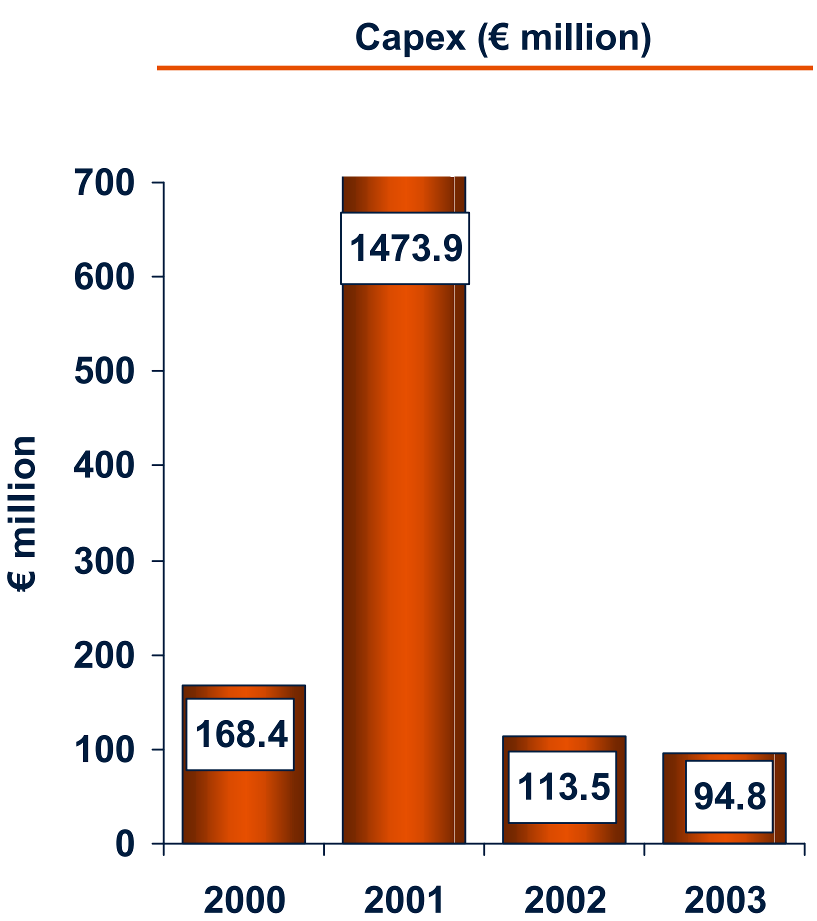


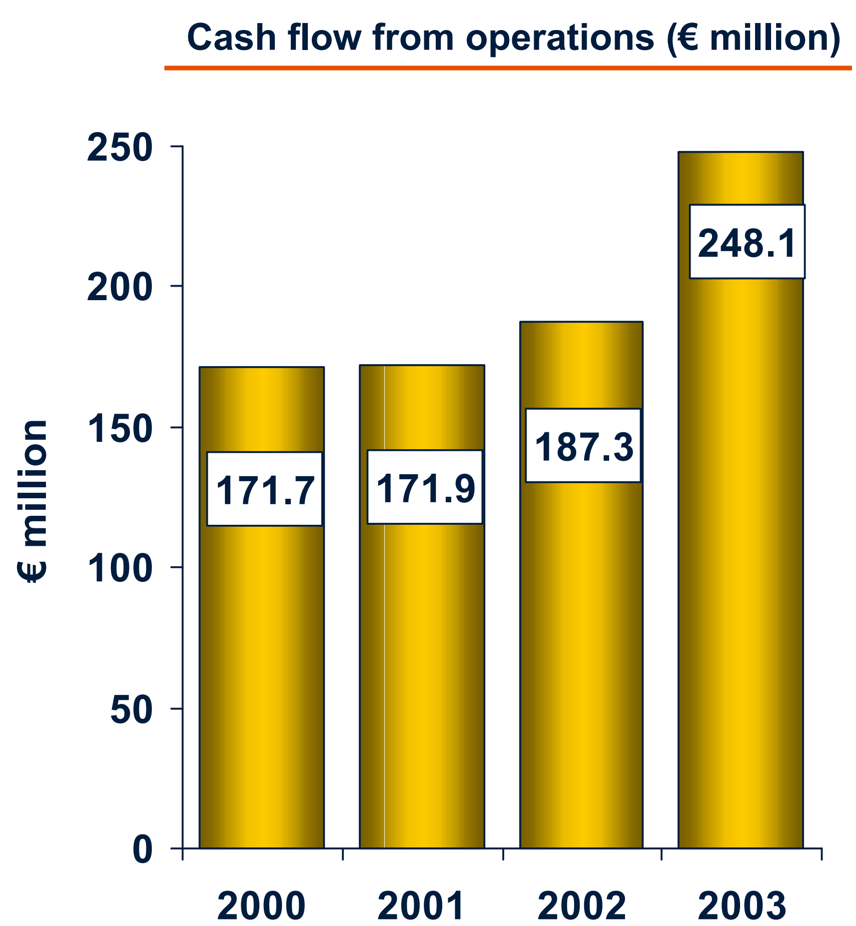
* Net sales and EBITA of 2003 are not comparable with the earlier years due to changes in accounting practices

SanomaWSOY

Capex and cashflows

Strong cash flow growth, moderate investments

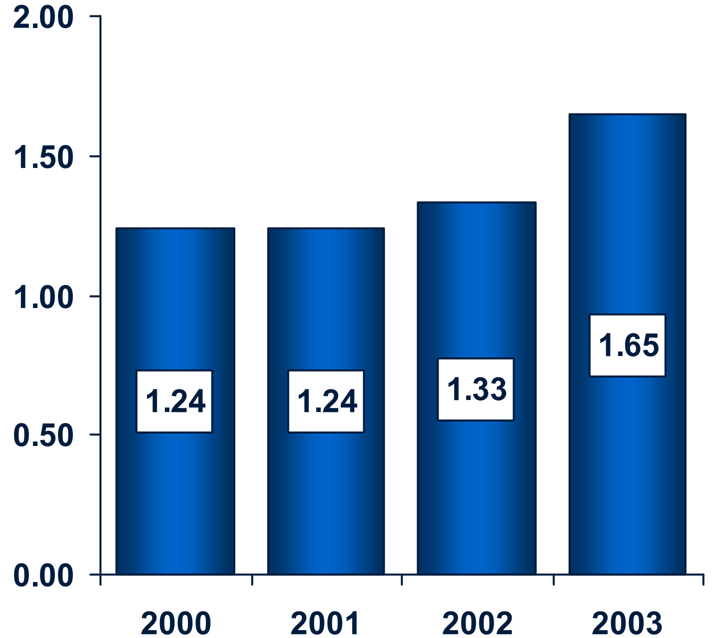




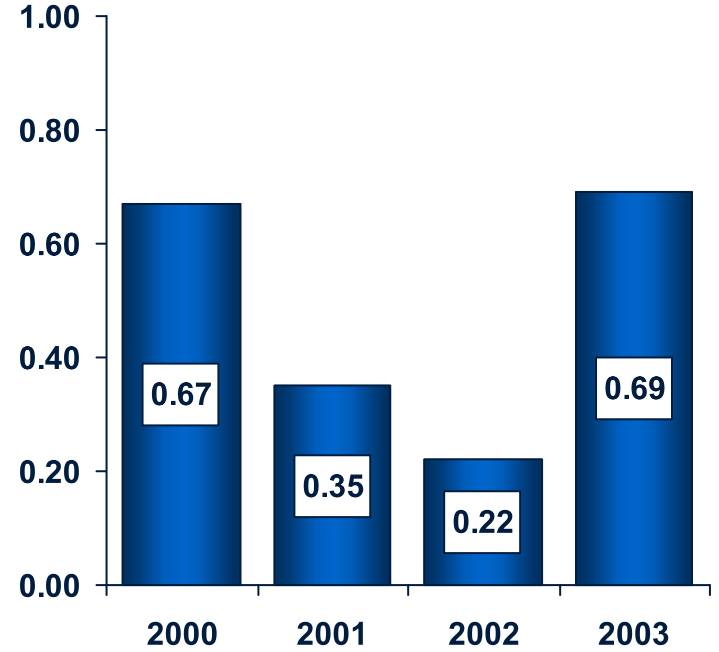
EPS and cash flow per share

Record EPS in 2003

Cash flow per share (€)



Earnings per share (€)



- **Dividend policy: To distribute at least 1/3 of the Group's cash flow from operations**

EBITA-margins
by business, 2003

Sanoma Magazines

• Sanoma Uitgevers	19.6%
• Sanoma Magazines Belgium	13.5%
• Sanoma Magazines Finland	10.5%
• Sanoma Magazines International	10.5%
• Aldipress	-1.1%

Sanoma

• Helsingin Sanomat	12.5%
• IS Business Unit	18.7%
• Kymen Lehtimedia	15.4%
• Others	12.1%

WSOY

• Publishing	8.9%
• Printing	12.3%
• Calendar operations	4.5%
• Others	109.4%

SWelcom

• Nelonen	35.8%
• Others	18.8%

Rautakirja

• Kiosk operations	5.7%
• Press distribution	13.6%
• Bookstores	7.3%
• Movie theatre operations	14.8%
• Restaurant operations	-0.4%
• Others	12.1%

Financial targets
Heading for better profitability

Operating profit (EBIT) margin, %

	1999	2000	2001	2002	2003**	H1/2004	Target
Sanoma Magazines	3.5*	6.4*	10.5	5.8	7.4	8.3	9.0
Sanoma	11.1	12.2	9.4	9.6	16.3	11.6	12.5
WSOY	11.1	9.0	8.6	9.5	10.6	3.4	12.0
SWelcom	-33.1	-21.3	-28.8	-20.9	1.1	6.7	7.5
Rautakirja	5.7	5.6	6.1	5.2	5.4	3.8	6.0
SanomaWSOY	5.4	5.8	5.6	5.7	8.6	7.3	9.0

* **Capex yearly basic level < € 100 million**

* Includes only Sanoma Magazines Finland

** Due to changes in accounting practices, the figures for 2003 are not comparable with the earlier years.

Group's outlook for 2004

- After adjustment for changes in Group structure, net sales are expected to grow by some 3%.
- Comparable operating profit is expected to improve markedly.
- In 2003, operating profit included some EUR 43 million of non-recurring gains on the sales of assets. In 2004, the non-recurring gains on the sales of assets may remain below that.
- Net financing costs will be significantly lower than in 2003. Result before extraordinary items is thus estimated to be on the previous year's level.
- Estimates are based on the presumption that the advertising market will not weaken significantly towards the end of 2004.
- When completed, the effect of the Malmberg acquisition on the Group's result in 2004 will be minor due to the timing.

➡ SanomaWSOY will start to report according to IFRS standards in the beginning of 2005. This will improve the Group's operating profit significantly.

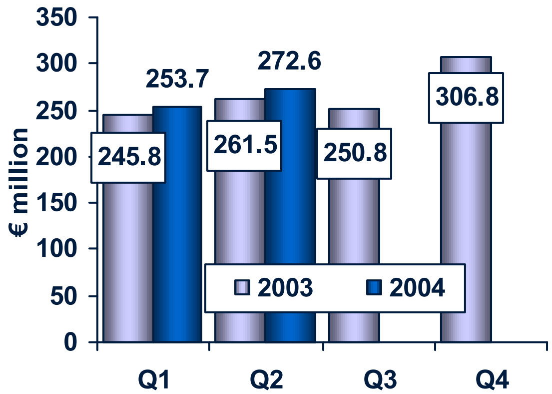
Appendix:
Divisional highlights

International magazine publishing

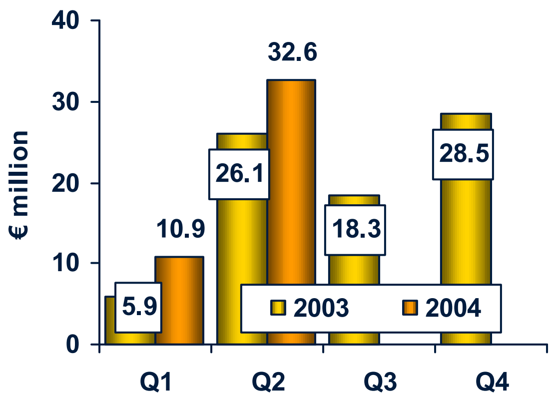
Clear leadership in chosen markets

Key financials

Net Sales



Operating Profit (EBIT)



Key markets/products

#1 in Finland in Chosen Segments

Women

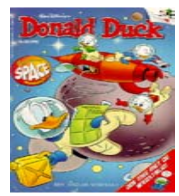
50+

Youth

#1 in Holland in Chosen Segments

Women

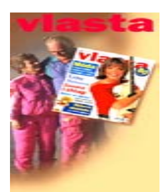
Young Women



Youth

Leading International Titles

Belgium



Czech Rep

Hungary

Highlights

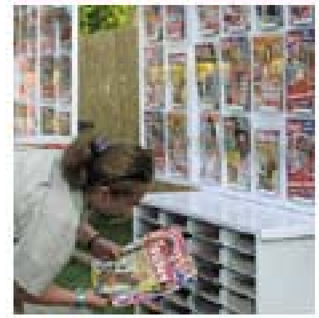
- Dramatic growth and margin improvement due to the acquisition of VNU-CIG in 2001
- Integration is on track and division is performing well
- Operational improvement measures being implemented

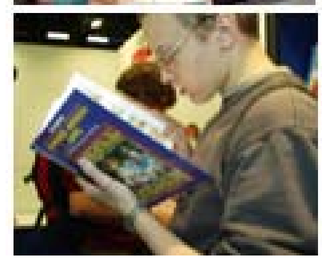
- Operates in 9 countries: Belgium, Bulgaria, Croatia, the Czech Republic, Finland, Hungary, the Netherlands, Romania and Slovakia

- **Outlook for 2004**
  - Net sales are expected to grow.
  - EBIT is expected to increase despite significant investments in magazine launches and growth.

Sanoma Magazines
Key developments Q2/2004

- Net sales grew by 3.8%, operating profit by 35.9%
- Circulation sales grew by 2%, growth in all businesses except in Sanoma Uitgevers
- Advertising sales decreased by 1%, growth in all markets except the Netherlands
- In Q2, new launches concentrated in the Netherlands:
  - the Netherlands: Maxim, OOK, Toute Royale, Witch, Esta, Pulse, Hotel & Lodge and a new shopping magazine, as well as Winnie de Pooh (re-launch)
  - Belgium: GLAM-IT (re-launch)





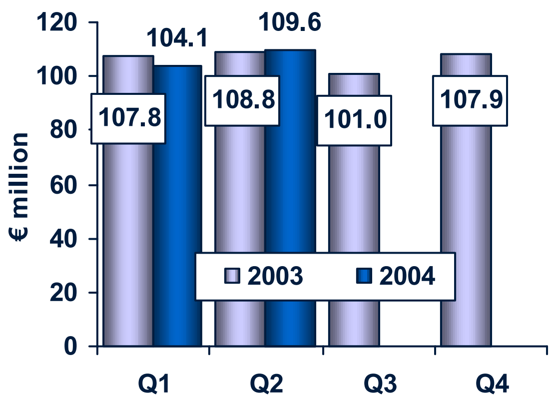
Sanoma Magazines
Operational indicators

	1–6/04	1–6/03	1–12/03
Number of copies sold (press distribution / Aldipress), thousands	59,580	54,784	115,124
Number of magazines published	232	218	232
Magazine copies sold, thousands	202,562	204,538	411,421
Number of advertising pages sold	23,614	22,674	47,122

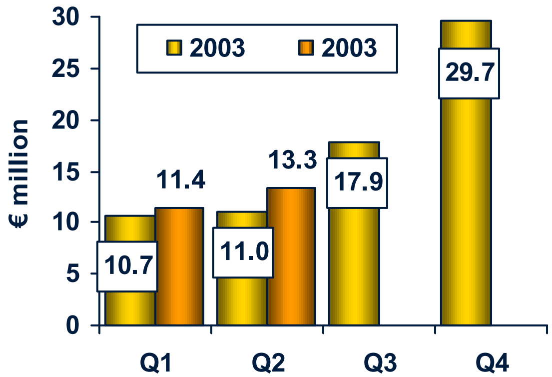
Finland’s largest news publisher
Still going very strong...

Key financials

Net Sales



Operating Profit (EBIT)



Key markets/products

#1 Daily newspaper circulation: 431k

#1 National tabloid circulation: 204k

#2 Financial newspaper circulation: 32k

#1 Regional newspapers publisher in south-east Finland

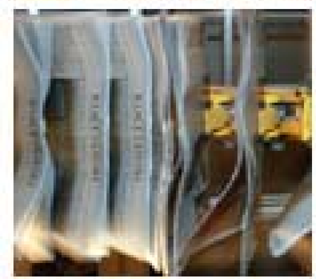
Highlights

- Strong market position although advertising net sales are down
- Newspapers account for some 50% of Finnish advertising expenditure
- Sanoma has approx. 36% market share:
  - Over 25% of total newspaper circulation
  - Over 38% of newspaper advertising net sales
- Operates in Finland and Estonia
- **Outlook for 2004:**
  - Comparable net sales are expected to grow slightly.
  - Operating profit from basic business operations is expected to improve more than net sales, due to long-term development measures.
  - Operating profit will fall short of 2003 figure, as non-recurring gains on the sales of assets are expected to be smaller.

Sanoma
Key developments Q2/2004

- Net sales decreased slightly, (mainly distribution income)
  - Advertising sales grew by some 2%
  - Also circulation sales increased
  - Job advertising at Helsingin Sanomat started to increase
  - Ilta-Sanomat's circulation and market share grew (new inserts, among others)
- Operating profit increased
  - Improved result at Helsingin Sanomat, IS Business Unit and Kymen Lehtimedia
- Uutislehti 100 included in Sanoma, effective 1 June
- A minority share in Savon Mediat was sold after the review period (some EUR 7.3 million)



Sanoma
Operational indicators

	1–6/04	1–6/03	1–12/03
Helsingin Sanomat			
Weekday circulation, copies *			429,244
Sunday circulation, copies *			500,269
Advertising volume (column meters)	20,432	21,701	42,359
Ilta-Sanomat			
Circulation, copies *		198,693	
Advertising volume (column meters)	3,316	3,651	7,036
Taloussanomat			
Circulation, copies			34,784
Advertising volume (column meters)	1,327	1,120	2,393
Other daily papers			
Total circulation, copies *			88,715
Advertising volume (column metres)			21,967
Local newspapers			
Total circulation, copies			33,100
Advertising volume (column metres)			8,179
Paper consumption, tonnes			99,724

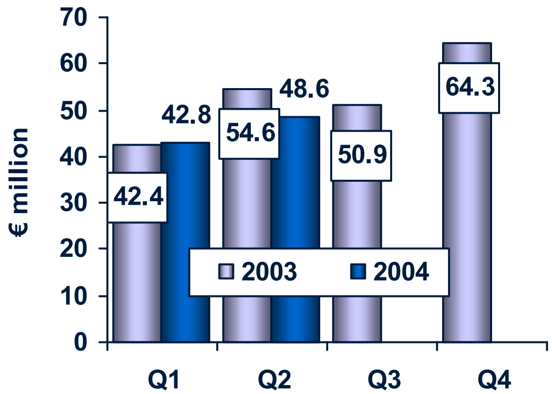
* Audited circulation figures

Leading Finnish book publisher

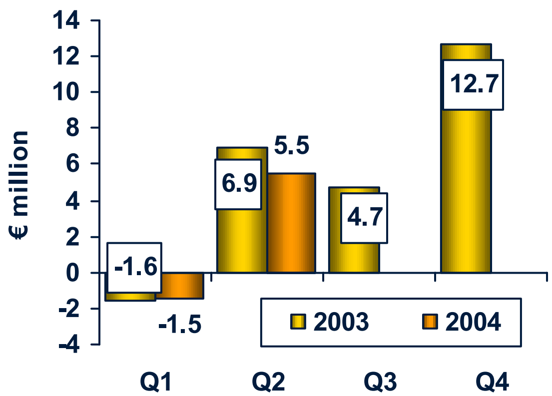
Committed to publishing the best literature

Key financials

Net Sales



Operating Profit (EBIT)



Key markets/products

#1 book publisher in Finland

#1 calendar publisher in the Nordic region

#1 educational publisher in Finland

opit

Highlights

- In the overall stable book market, focus is on maintenance of market position and cost control
- WSOY is also one of the largest and most profitable book printers – including digital printing – in the Nordic region
- Operates in the Nordic countries and Poland
- **Outlook for 2004:**
  - Net sales are expected to be on the previous year's level, but after adjustment for changes in Group structure, net sales will grow.
  - Comparable operational profit is expected to increase.
  - Estimate does not include the effect of the Malmberg acquisition.

WSOY
Key developments Q2/2004

- Net sales decreased by 5.8%
  - Changes in Group structure: Divestment of Genimap (12/03) and Everscreen AB (3/04), Young Digital Poland as a subsidiary (3/04)
  - Delivery of some multi-volume books and school textbooks postponed to the end of the year
  - Sales to bookstores grew by 10%, sales through book clubs slightly down
- After adjustment for structural changes, operating profit on the previous year's level

- **After the review period, agreement on acquiring Malmberg – educational publishing as one of the pillars of internationalisation**

WSOY
Operational indicators

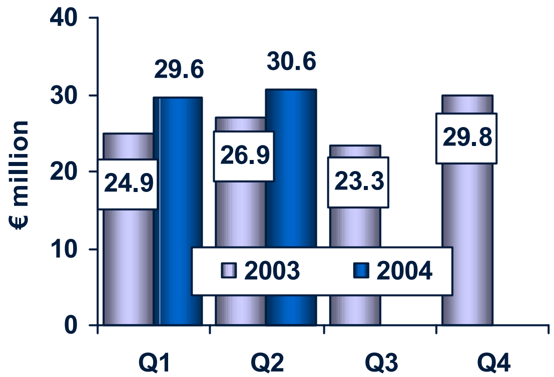
	1–6/04	1–6/03	1–12/03
Number of new titles published			
Books, copies	309	302	714
Electronic products, copies	41	50	105
Number of reprints published			
Books, copies	476	670	1,168
Electronic products, copies	101	107	202
Books printed, million copies	9.3	9.5	21
Paper consumption, tonnes	7,594	7,340	12,828

Commercial television challenger

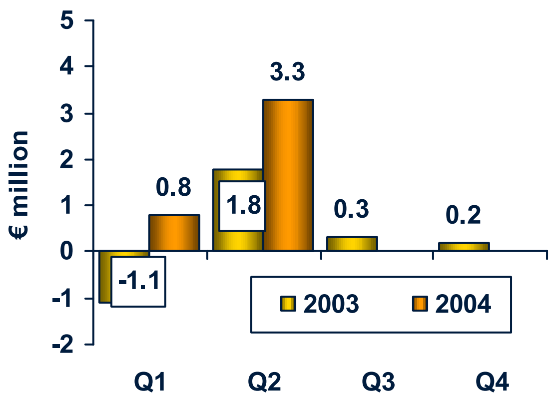
Growing viewership and ad-share

Key financials

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 27.3%)
- Light cost structure of *Nelonen* will enable profitable growth as market develops
- *HTV* broadband internet service offering rapidly increasing sales
- *HTV* cable-TV connection sales continue to grow

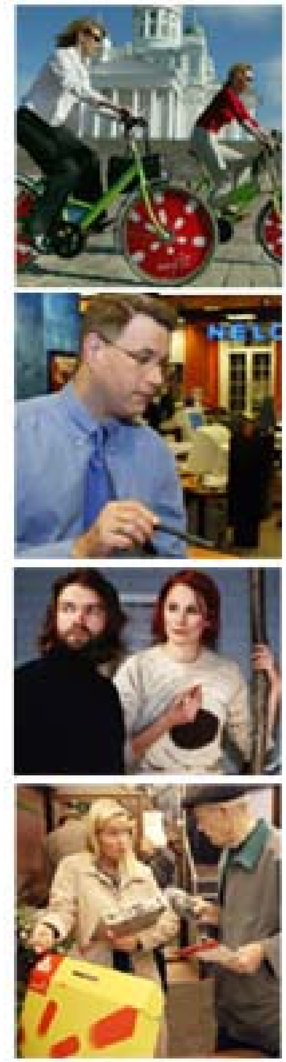
- Operates in Finland

- **Outlook for 2004:**
  - Net sales are expected to grow substantially.
  - Operating profit is expected to improve further.

SWelcom
Key developments Q2/2004

- Development in results excellent, both Nelonen and HTV improved their results

- Net sales continued their excellent growth
  - Nelonen's advertising sales grew by almost 19% during the review period
  - Of the main Finnish TV channels, only Nelonen gained an increased number of viewers;
  - Growth in almost all target groups, biggest increase among 25–44 old women. (+3 min/day)
  - HTV grew due to the increase in sales of connections and popularity of the broadband services



SWelcom
Operational indicators

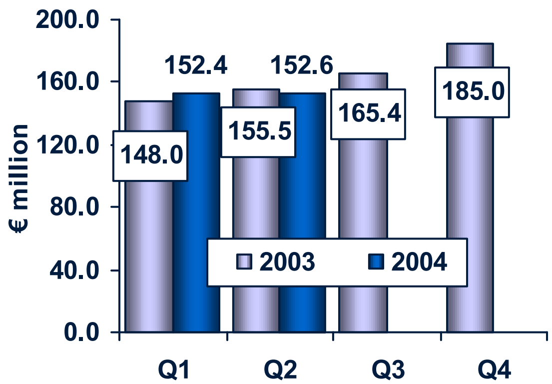
	1–6/04	1–6/03	1–12/03
Nelonen's share of TV advertising	29.4%	26.9%	27.3%
Nelonen's daily coverage	43%	43%	41%
Nelonen's national commercial viewing share	24.3%	21.2%	22.0%
Nelonen's national viewing share	12.2%	10.9%	11.4%
Number of connected households, thousands (31.12.)	270	245	257
Number of pay-TV subscriptions, thousands (31.12.)	33	33	33
Number of broadband internet connections, thousands	47	36	43

Leading Finnish media distributor

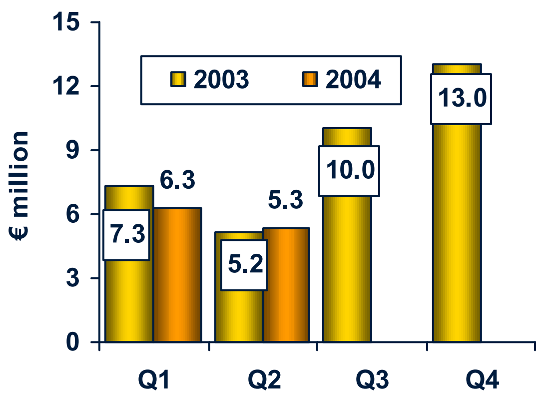
Entertainment to the people

Key financials

Net Sales



Operating Profit (EBIT)



Key markets/products

#1 kiosk chain in Finland with over 700 kiosks nationwide

RKIOSKI

#1 press distributor in Finland

LEHTIPISTE

#1 chain of book stores in Finland

#1 movie theatre in Finland with 16 cinemas (73 screens) in 9 cities

FINNKINO

Highlights

- *R-Kioski* is one of a Finland's most visited retail chain with around 120 million customer visits annually
- *Lehtipiste* delivers some 1,500 titles to over 8,400 outlets
- Growing presence in the Baltic countries both in kiosks and press distribution as well as in movie theatres.
- Operates in Finland, the Baltic countries and the Czech Republic
- **Outlook for 2004:**
  - Comparable net sales are expected to grow in line with the growth in retail business.
  - Operating profit is expected to improve.

Rautakirja
Key developments Q2/2004

- Net sales grew, growth in Estonia, Lithuania and the Czech Republic
  - Kiosk sales weakened by the beer price competition
  - Newsstand sales increased by 4%
  - Net sales from bookstores boosted by acquisitions and good development in book sales
  - Visits to the movie theaters started to increase also in Finland in May due to block busters
- Operating profit down by 7.8% (sluggish first half in movie theater operations in Finland, new periodisation of subscription sales at bookstores)

Rautakirja
Operational indicators*

	1–6/04	1–6/03	1–12/03
Customer volume in kiosk operations, thousands	57,803	59,774	119,380
Customer volume in bookstore operations, thousands	2,556	2,687	6,316
Customer volume in movie theatres, thousands	1,703	1,781	3,599
Number of copies sold (press distribution), thousands	63,120	61,946	127,562

* Units in Finland

Concentrating on the core
Continuously divesting non-core assets

Divestments since 2001

- Reitan Narvesen ASA
- BEAP, Blue Book
- Ecovision, StarDesk and StarWeb operations
- Dose
- Leijonajakelu
- A-pressen
- Genimap
- Janton
- Milvus Förlags
- Everscreen AB
- Måndag
- Real estates and share portfolio
- Minority share holdings (Nettirahastot, Savon Mediat, Ilkka-Yhtymä, Euromedia, Pro Licensing Nordic etc.)

Committed to the Future

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