

SanomaWSOY

November/December 2004

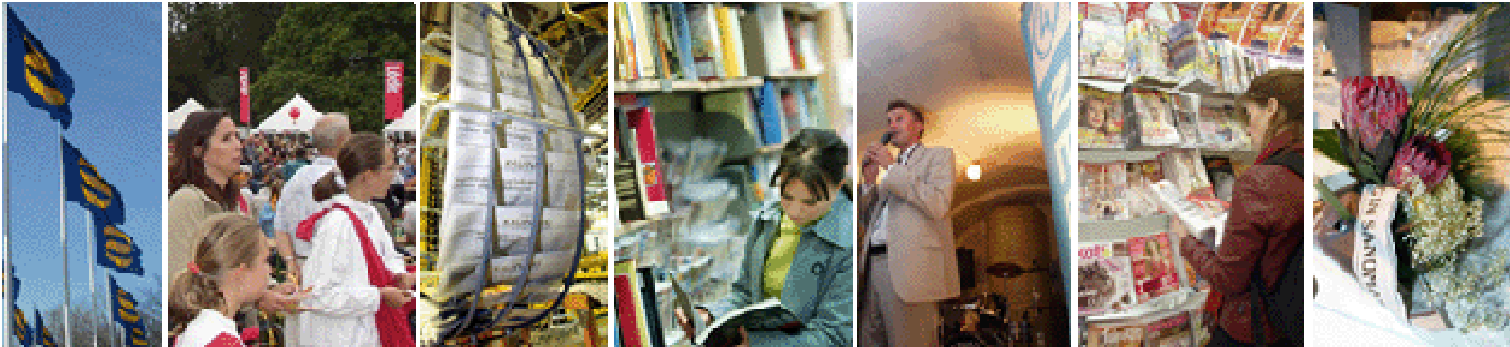
SanomaWSOY

Contents

- SanomaWSOY in brief
- Interim result 1–9/2004

- Appendix 1: What is SanomaWSOY?
- Appendix 2: About owners and shares
- Appendix 3: About media markets
- Appendix 4: Full year financials 2003

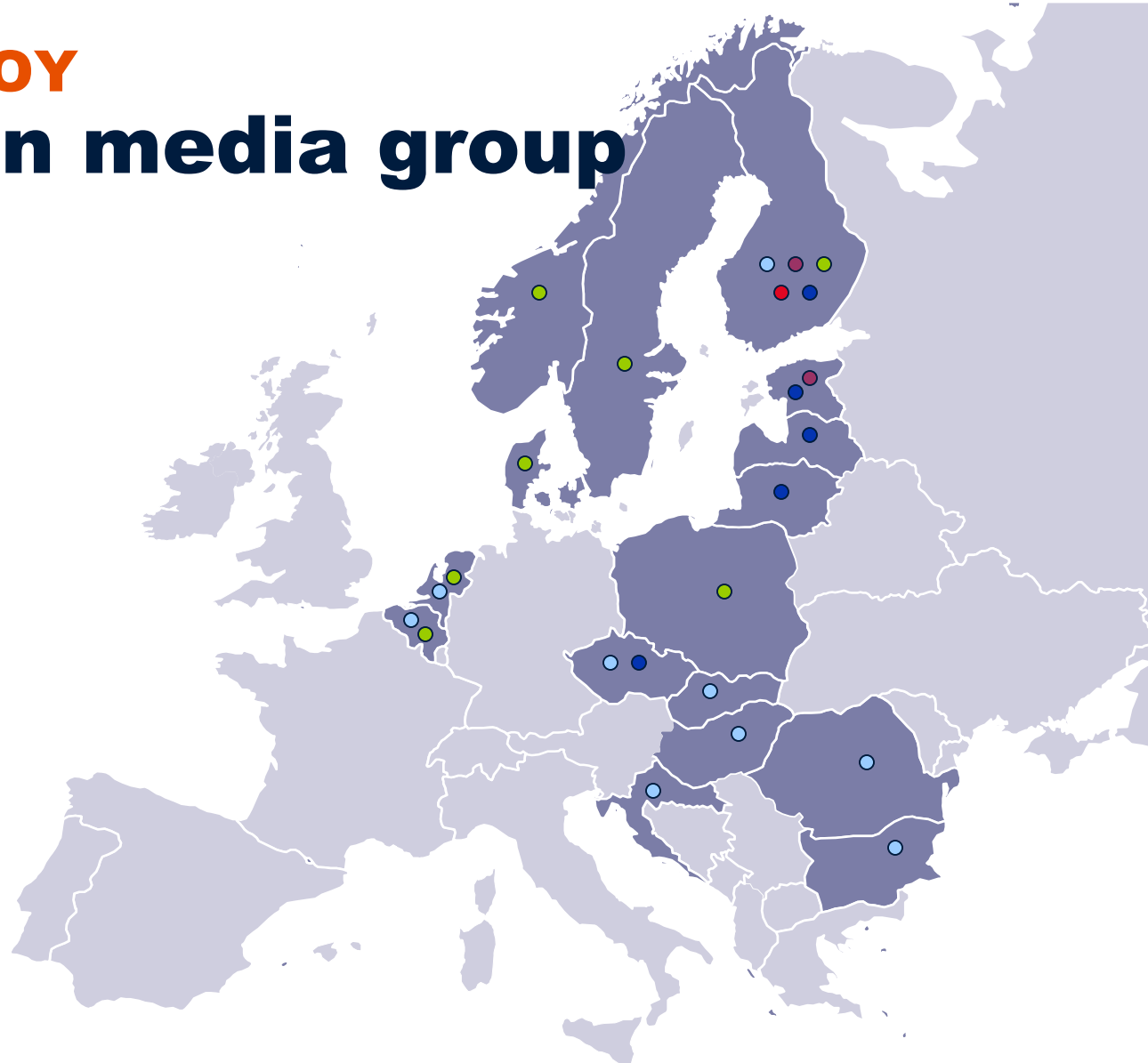
SanomaWSOY



- Wide media portfolio in Finland, focused approach internationally
- Targeting smaller and mid-sized language areas and markets
- Leading positions in the chosen markets
- Delivering the promises
- Growing media presence in 16 European countries
- The leading Nordic media group
- One of Europe's five largest magazine publishers
- Among Europe's six largest educational publishers

SanomaWSOY European media group

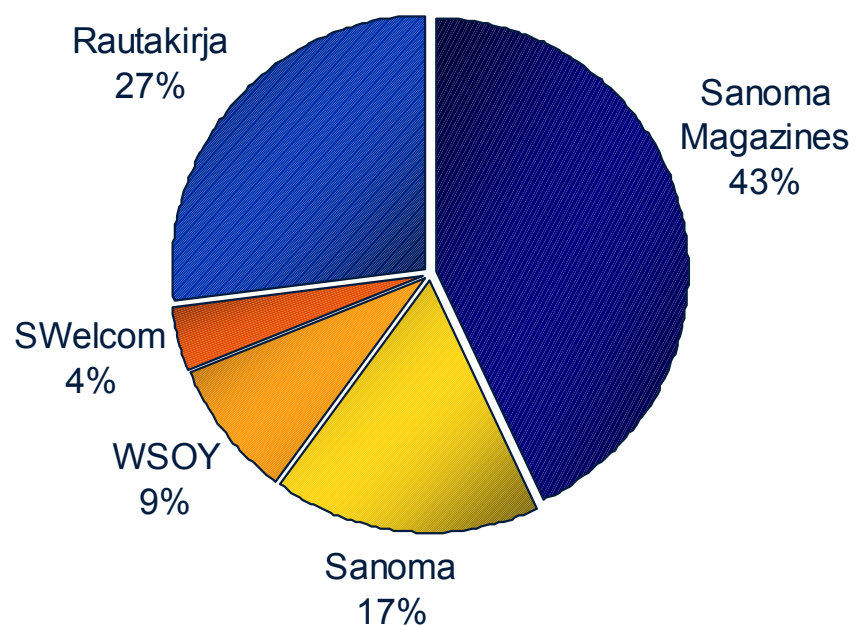
- Sanoma Magazines
- Sanoma
- WSOY
- SWelcom
- Rautakirja



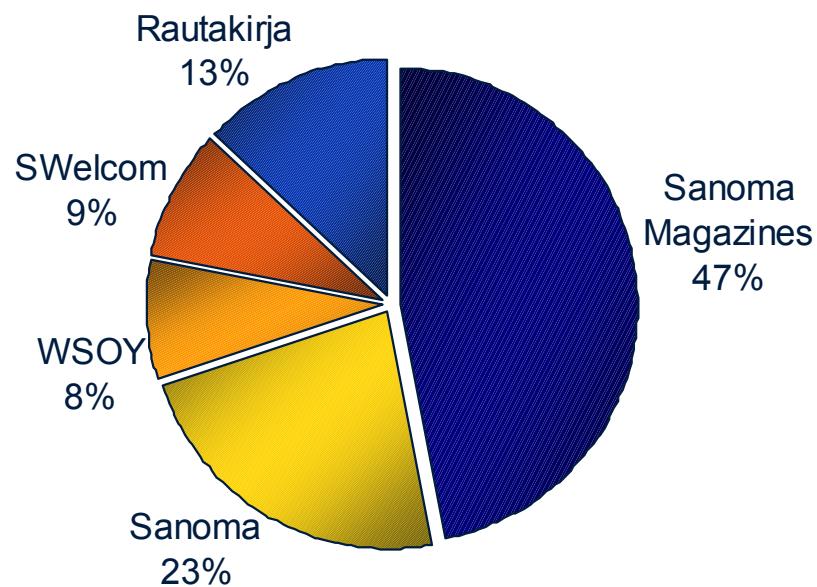
Net sales & EBITA

by division, 2003

Net sales: € 2,395.9 million



EBITA: € 338.4 million



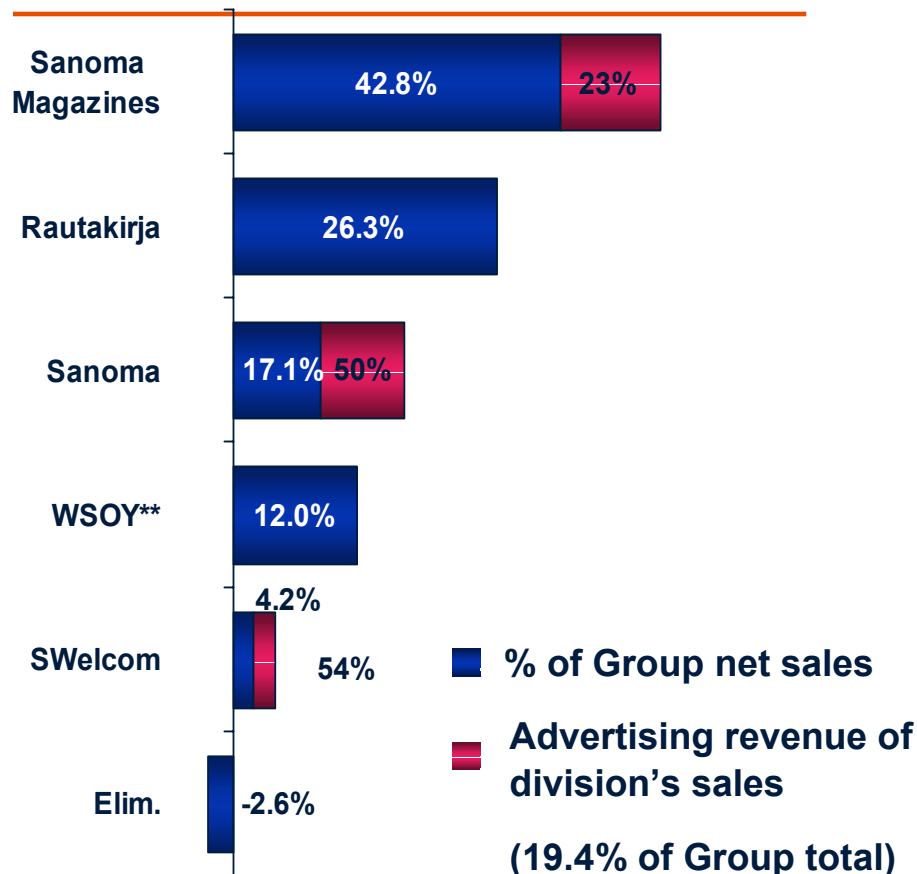
Intracompany
eliminations
excluded

Y:Kalvot/IR/2004/Roadshow Nov_Dec

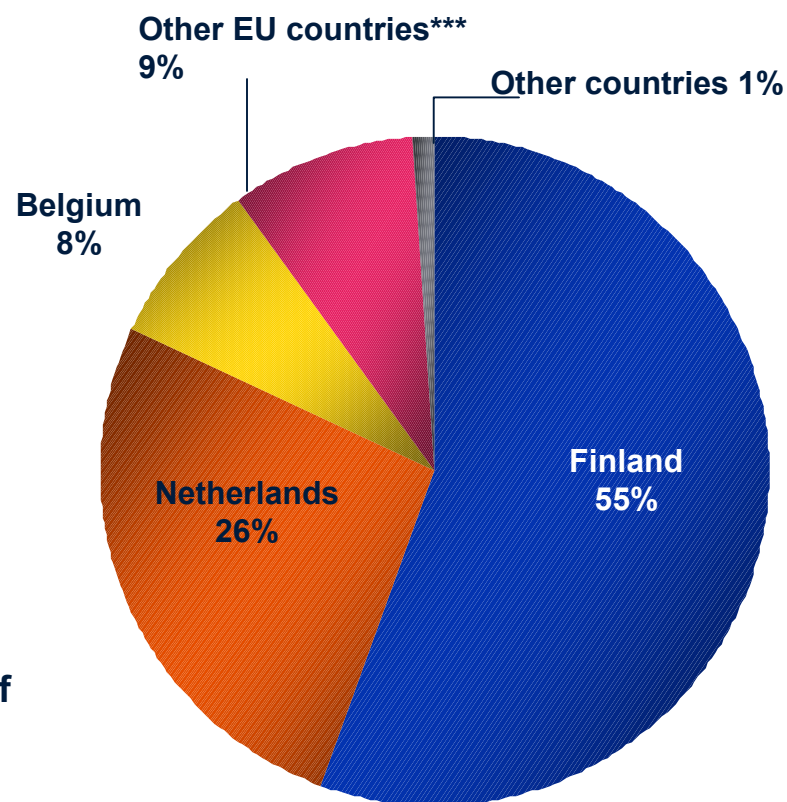
Balanced composition of net sales

Malmberg Has Increased Balance Even More

Divisional 2003A net sales* breakdown



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.

Strategic Objectives 1/2

Focus on opportunities and operational excellence

Growth

- To develop **profitable new products and services**, that can be successfully expanded cross-media or internationally
- To enter **new growth markets**
- To internationalise press distribution step by step

Market leadership

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

Strategic Objectives 2/2

Focus on opportunities and operational excellence

Cash flow

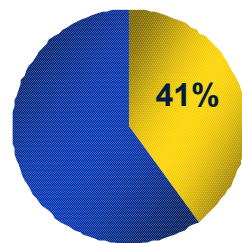
- To ensure that we continue to have the **most wanted and valued products and services**
- To increase the profitability of our present businesses
- To divest non-core assets and businesses

Business practises

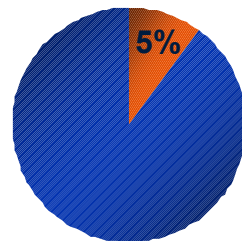
- To ensure sustainable growth and profitability
- To continuously promote best management practices
- To assure **fast, flexible, and cost efficient business processes**

Our international businesses

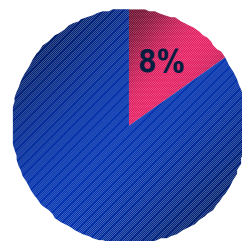
Share of revenues, 2003*



- Leading in consumer magazines in the Netherlands, Belgium, Finland, the Czech Republic and Hungary
- Interesting new markets: Serbia, Russia, Ukraine, Belorussia, Portugal, and Spain



- Strong position in all segments in Finland, through Malmberg acquisition strong positions in the Netherlands and Belgium
- Interesting new markets: CEE countries



- Leading in Finland, Estonia, Latvia, and the Netherlands
- Expanding in Romania with Hiparion acquisition
- Interesting new markets: Lithuania, Russia and CEE countries

* Intra group eliminations excluded

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Why magazines?

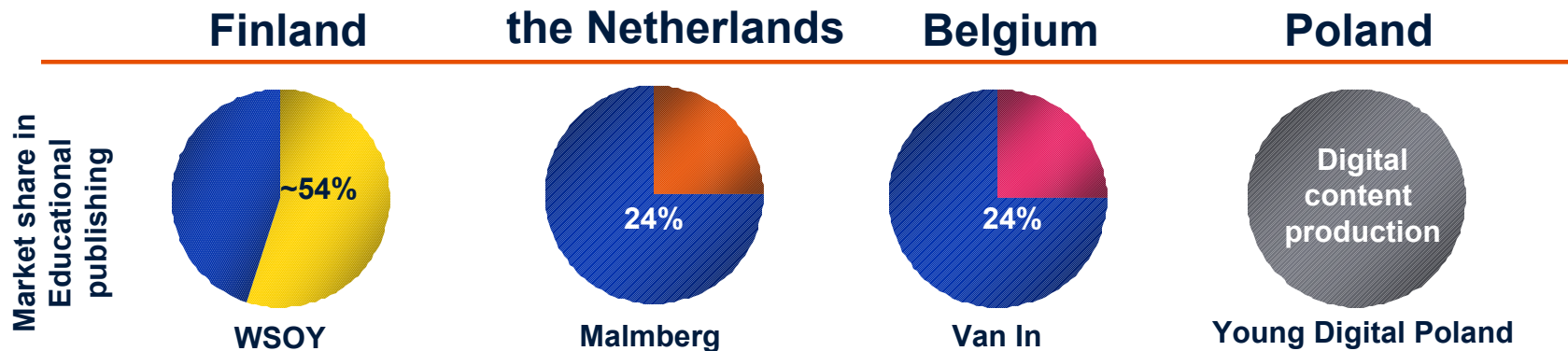
- Magazines are not influenced by national political or cultural issues
- Preferred international license partner:
 - Cosmopolitan, Elle, Disney, National Geographic...
- Own concepts, which can be internationalised:
 - Story, Beaumonde
- In Finland, a long tradition of custom publishing, which can be internationalised
- Magazines are perfect platforms for brand extensions
- Combination of magazines, internet sites, and virtual communities offers interesting new business opportunities



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Why educational publishing?

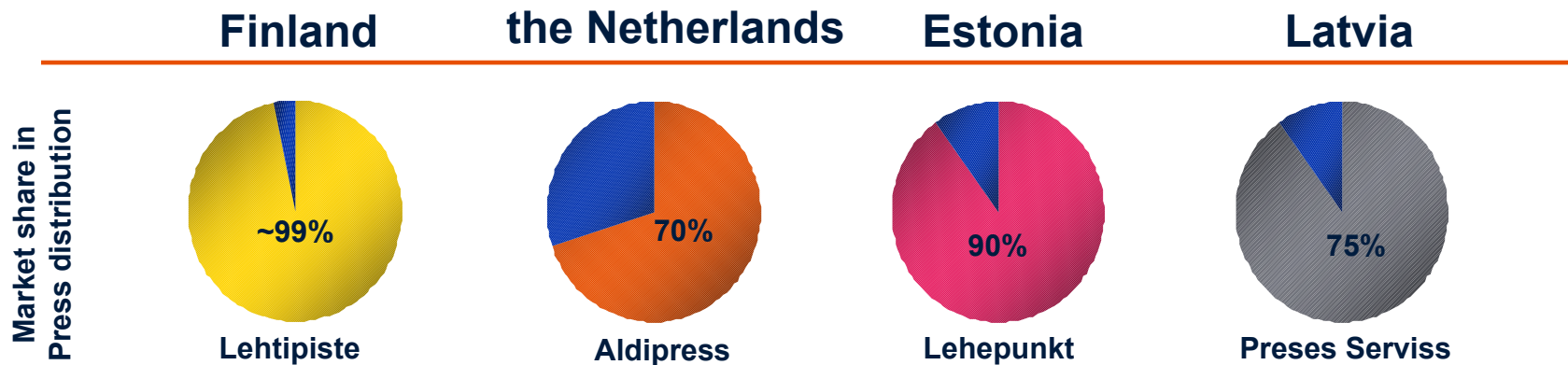
- European educational publishing market is unconsolidated (no big players)
- Has great growth potential
 - harmonisation of curriculum
 - centralized digital content production
 - modularisation of educational materials
 - internet based services, eLearning
 - international licensing of educational materials
 - CEE countries are investing heavily in education



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Why press distribution?

- Exportable press distribution and press retail knowhow
 - good, profitable business as such
 - leading position is the key
 - possibility to further develop with add-on business
- Supports magazine value chain
- Kiosk operations complement distribution in CEE countries



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Our internet businesses

Enabling service



Portals and search engines



News and entertainment

ILTA-SANOMAT



HELSINGIN SANOMAT

Sales support

margriet

libelle.nl

Story

Virtual communities



E-commerce



Internet businesses

Some key figures in 2003

Number of sites

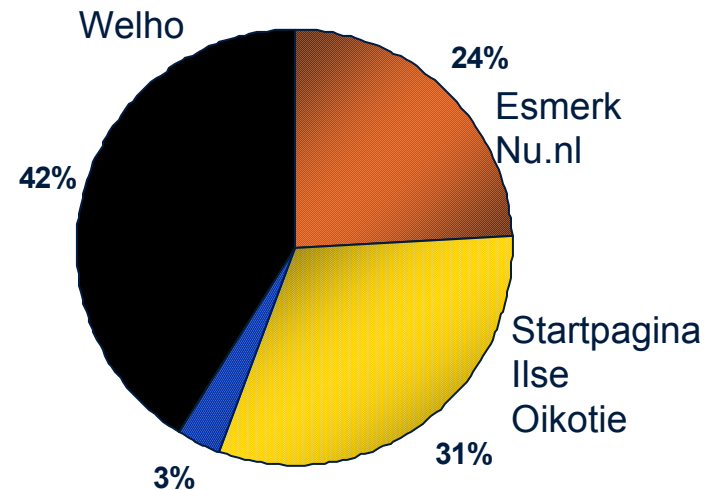
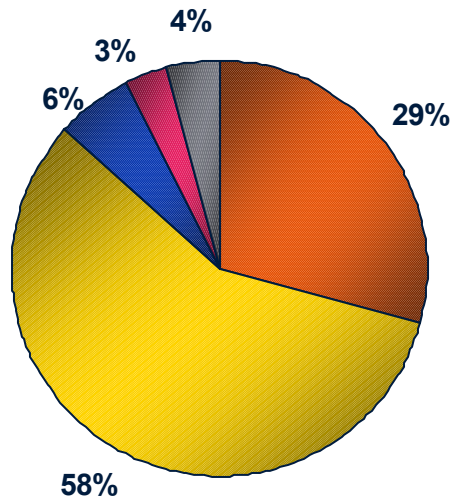
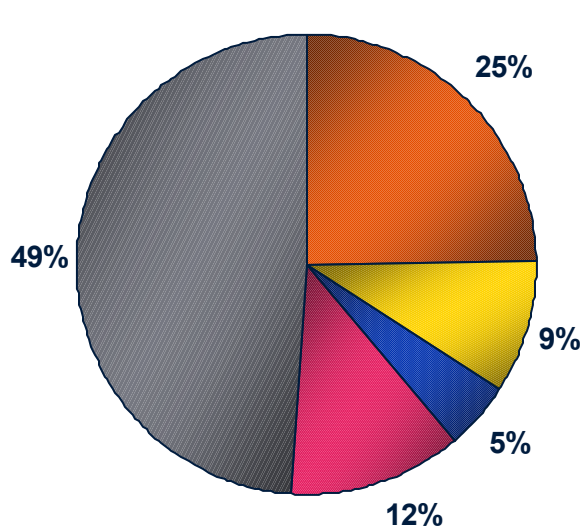
Total = 182

Unique visitors / monthly

100% = 18.9 million

Service* revenues

EUR 44 million



■ News and entertainment
■ eCommerce

■ Search of information
■ Sales support

■ Virtual Community
■ Enabling services

Figures as of end of 2003
 * Excluding eCommerce

Financial targets

Operating profit (EBIT) margin, %

	2000	2001	2002	2003**	9M 2004	Target
Sanoma Magazines	6.4*	10.5	5.8	7.4	7.3	9.0
Sanoma	12.2	9.4	9.6	16.3	15.3	12.5
WSOY	9.0	8.6	9.5	10.6	8.2	12.0
SWelcom	-21.3	-28.8	-20.9	1.1	6.1	7.5
Rautakirja	5.6	6.1	5.2	5.4	4.8	6.0
SanomaWSOY	5.8	5.6	5.7	8.6	8.1	9.0

- Capex yearly level < EUR 100 million
 - Equity ratio ~ 50%
- ➔ SanomaWSOY will start to report according to IFRS standards in the beginning of 2005. This will improve the Group's EBIT margin by some 2.5 percentage points.

* Includes only Sanoma Magazines Finland

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

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Strategy and emphasis in 2004

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

Interim Result 1-9/2004

Key indicators

€ million	30.9.2004	30.9.2003	Change,%	31.12.2003
Net sales	1,765.2	1,720.2	2.6	2,395.9
EBITA	235.5	222.9	5.6	338.4
% of net sales	13.3	13.0		14.1
Operating profit	143.1	126.2	13.3	205.2
% of net sales	8.1	7.3		8.6
Balance sheet total	2,336.5	2,467.2	-5.3	2,453.0
Gross investments	58.9	67.4	-12.6	94.8
Equity ratio, %	39.5	38.5		40.3
Gearing, %	80.9	90.2		72.9
EPS, €	0.48	0.41	17.1	0.69
EPS excl. goodwill amortisation, €	0.84	0.81	4.4	1.23
Cash flow/share, €	0.98	0.86	14.2	1.65
Personnel on average *	13,526	14,427	-6.2	14,207

* full-time equivalents

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SanomaWSOY

Key developments 3Q04

- Malmberg Investments (the Netherlands) to WSOY
 - Malmberg acquisition continues the series of successful and profitable expansion projects
 - WSOY Educational Europe's sixth largest educational publisher
 - educational publishing the second pillar of internationalisation

- Rautakirja a major owner of distribution company Hiparion Distribution (Romania)
 - internationalisation of press distribution continued

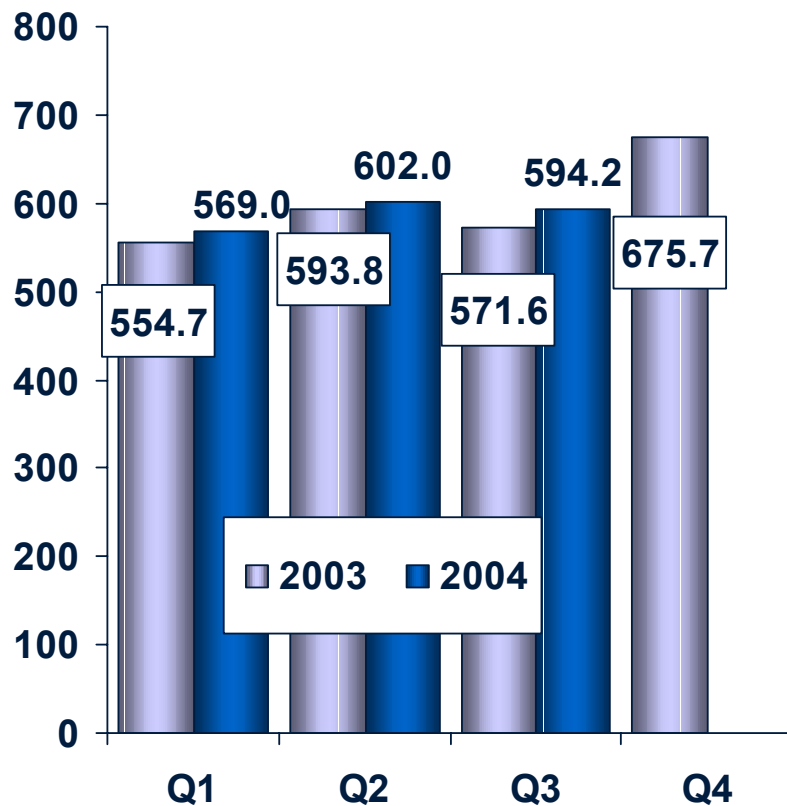
- Sanoma sold the minority share in Savon Mediat
 - extension to the strategy of concentrating the core business

- Sanoma acquired free sheets Kellokas and Hyvinkään Kellokas, and established Sanoma Free Sheets Business Unit
 - new growth area
 - focus still in subscription-based and single copy sold papers

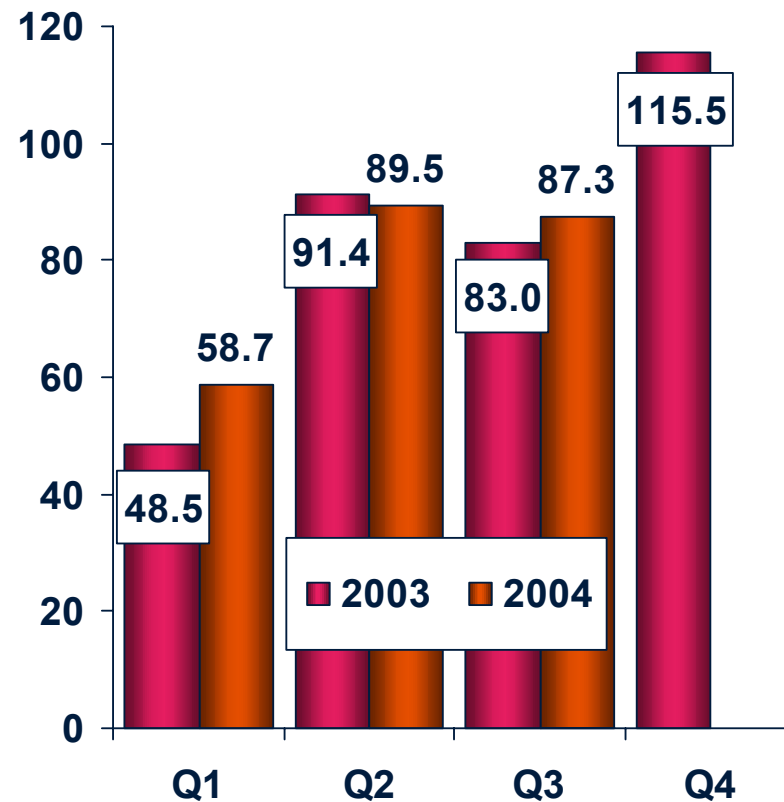


SanomaWSOY Group

Net sales, € million



EBITA*, € million



* Operating profit before amortisation

Y:Kalvot/IR/2004/Roadshow Nov_Dec

Net sales

by division

21

€ million	1-9/04	1-9/03	Change, %	1-12/03
Sanoma Magazines	782.0	758.0	3.2	1,064.8
Sanoma	319.2	317.6	0.5	425.5
WSOY	144.8	147.9	-2.1	212.2
SWelcom	86.1	75.1	14.7	104.9
Rautakirja	474.2	468.8	1.2	653.8
Intragroup eliminations	-41.2	-47.3	12.9	-65.3
Total	1,765.2	1,720.2	2.6	2,395.9

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EBITA-margins

by division

22

% of netsales	1-9/04	1-9/03	1-12/03
Sanoma Magazines	14.4	14.4	14.9
Sanoma	16.8	14.1	18.2
WSOY	9.7	9.2	13.2
SWelcom	32.4	27.6	28.3
Rautakirja	6.2	6.5	7.0
Total	13.3	13.0	14.1

Y:Kalvot/IR/2004/Roadshow Nov_Dec

Sanoma Magazines

Key developments

Dynamic magazine portfolio:

- already 13 major magazine launches this year

Other events:

- circulation sales grew in part due to magazine launches
- advertising sales decreased due to the weak development of Dutch advertising market
- in the Netherlands the revenue of internet services grew by 20–30%

Magazine launches after the review period:

- Femeia de Azi, magazine for women (Romania)
- Viva (Croatia)



Sanoma

Key developments

New growth area:

- purchase of the business operations of Kellokas free sheets and announcement of the establishment of a new Sanoma Free Sheets Business Unit

Focus in core business:

- holding in Savon Mediat sold, selling price EUR 7.2 million

Other events:

- Taloussanomat's number of readers grew by 12% (KMT)
- advertising sales grew by almost 10%, Helsingin Sanomat's job advertising increased by 18% (Jul–Sept./04)
- Nostokonepalvelu's claims dismissed by the Court
- sales of Oikotie (on-line classifieds) grew by 93% in 1–9/04
- After the review period:
 - free sheet chain to the Greater Helsinki area in 2005



WSOY

Key developments

Significant strategic step:

- acquisition of Malmberg Investments
- internationalisation of educational publishing

Other events:

- especially general literature succeeded, e.g. Da Vinci -code a great success
- WSOYPro launched: constantly updated source of information for professionals of finance, HR and law
- Opit's (internet-based service for schools) number of users doubled during this year, now around 100,000

After the review period:

- Ajasto acquired 30% of Estonian Büroodisain



SWelcom

Key developments

- Both Nelonen and HTV improved their results
- Nelonen's share of viewers 33.8% in its target group
 - eg. Ice Hockey World Cup and new formats increased the viewing share
- Nelonen reaches now 94% of the population
 - 13 new terrestrial digital broadcasting stations
- The number of HTV's broadband internet connections up by 25%

After the review period:

- Welho includes now both digital TV and broadband internet service
- All HTV's channels now digital



Rautakirja

Key developments

Internationalisation of press distribution continued:

- 51% holding in Romanian press distribution company Hiparion Distribution

Other events:

- Kiosk operations grew in the Czech Republic, Estonia and Latvia
- In Finland newsstand sales increased
- Sales of fiction and new outlets increased sales of bookstores
- Number of movie theatre visits increased in Latvia and Lithuania, and in Finland number of visits grew by 12% in the summer
- New point-of-sale system in R-kiosks enables widening service offering; agreement with Lippupalvelu to sell tickets to events



Group's outlook for 2004

Estimation

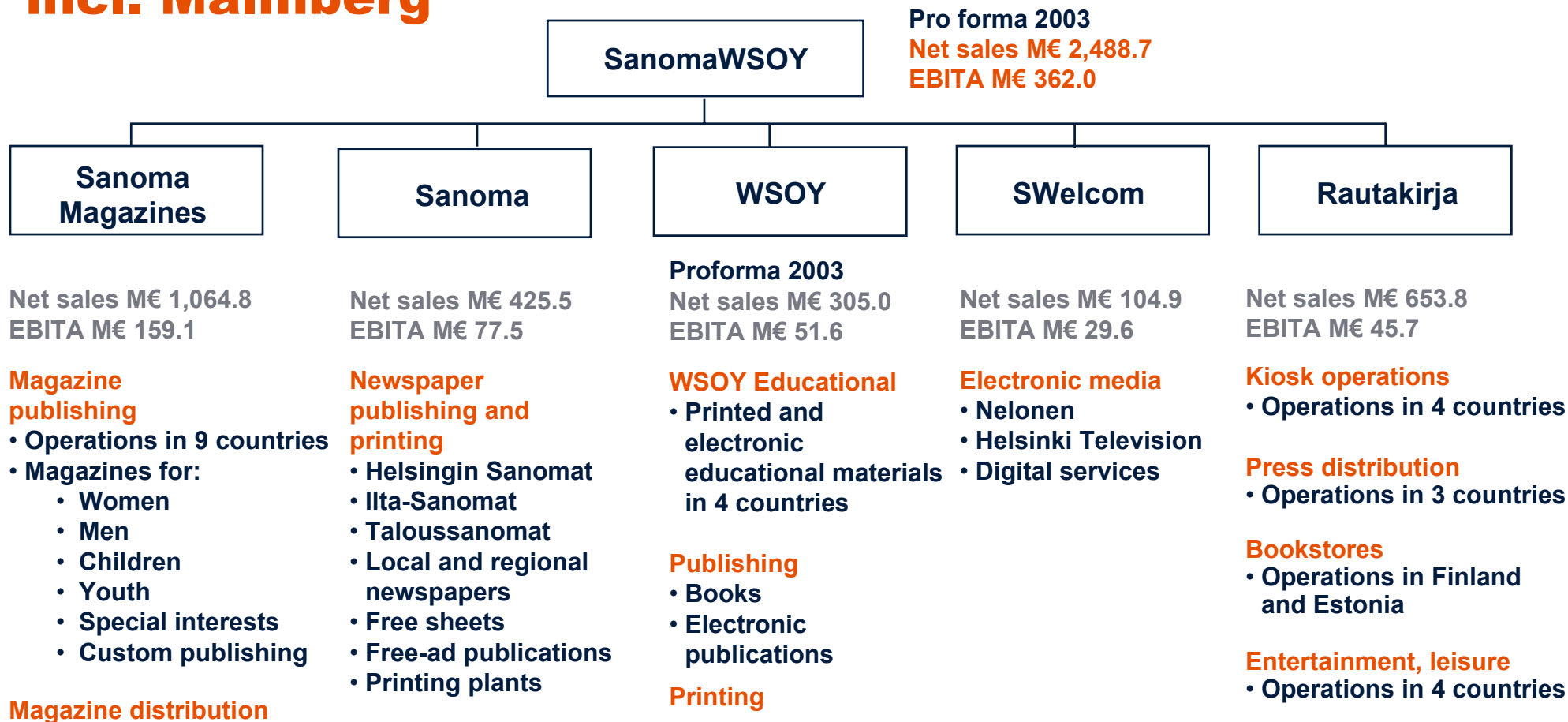
- After adjustment for changes in Group structure net sales grow by some 3%
- Comparable operating profit improves markedly
- Total operating profit previous year's level (in 2003 operating profit included some EUR 43 million of non-recurring gains on the sales of assets)
- Net financing costs lower, result before extraordinary items improves markedly
- The effect of the Malmberg acquisition on the Group's result in 2004 minor (in 2005 significant)

Appendix 1:
What is SanomaWSOY?

SanomaWSOY Group

incl. Malmberg

2003 pro forma,
excluding YDP
eliminations



Leading positions

Dominant domestic multimedia franchise

Magazines

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

Educational materials and Book publishing

#1 Finnish book publisher
#1 Finnish educational publisher

Press distribution & special retail

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

Newspapers

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

TV

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

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

Educational materials

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

Press distribution & special retail

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

International magazine publishing

Sanoma Magazines

Key facts

**2003: Net sales € 1,064.8 million,
EBITA € 159.1 million, EBIT € 78.8 million**

- Publishes some 230 magazines
- Among Europe's top five magazine publishers
- Strong in Belgium, the Czech Republic, Finland, Hungary and the Netherlands
- Operations also in Bulgaria, Croatia, Romania and Slovakia
- Strong brands:
 - Libelle, Margriet, Story (the Netherlands)
 - Kodin Kuvalehti, ET, Me Naiset (Finland)
 - Humo, Libelle, TeVe-Blad (Belgium)
- Preferred license partner: Cosmopolitan, Elle, Donald Duck
- Concept developer: Story in 5 countries
- The leading magazine distributor in the Netherlands

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

Finland's largest news publisher

Sanoma

Key facts

**2003: Net sales € 425.5 million,
EBITA € 77.5 million, EBIT € 69.4 million**

- Established in 1889
- The largest morning paper in the Nordic region, Helsingin Sanomat and Ilta-Sanomat also the leading newspapers in Finland
- Helsingin Sanomat is a leading advertising media in Finland: more than 500,000 ads yearly
- Traditional newspapers as the backbone, free sheets as one of the growth areas
- The free-ad publication Keltainen Pörssi has 262,000 readers*
- Printing plants at five locations

Key markets/products



**#1 Daily newspaper
circulation: 430k**



**#1 National tabloid
circulation: 204k**



**#2 Financial newspaper
circulation: 32k**



**#1 Regional newspapers publisher
in south-east Finland**

Leading Finnish book publisher

WSOY

Key facts

- 2003: Net sales € 212.2 million, EBITA € 28.0 million, EBIT € 22.6 million**
- Finland's largest publishing company – in 2003, WSOY published 714 new titles + 1,168 reprints
 - Europe's sixth largest educational publisher
 - The market leader in Finland in general literature, educational materials, and several specialist publications
 - One of the largest and most profitable book printers – including digital printing – in the Nordic region
 - The leading publisher of multi-volume books and annual books in the Nordic region
 - The leading calendar publisher in the Nordic region

Key markets/products

#1 book publisher in Finland



#1 educational publisher in Finland



#1 calendar publisher in the Nordic region



Commercial television challenger

SWelcom

Key facts

**2003: Net sales € 104.9 million,
EBITA € 29.6 million, EBIT € 1.2 million**

- The television channel Nelonen, targeted especially on city dwellers, began broadcasting in 1997 – in 2004 its daily coverage increased to 40%
- Nelonen the third-largest advertising media in Finland – share of TV ads is some 30%
- Involved in digital TV operations through Nelonen, Finland's Sport Channel Ltd (a digital sports channel) and Platco Oy
- Finland's largest cable TV operator – the number of households connected to HTV's cable network and the number of broadband internet connections are rising rapidly

Key markets/products

“Challenger” commercial
television station



Largest domestic cable TV operator &
broadband Internet service provider



Leading Finnish media distributor

Rautakirja

Key facts

2003: Net sales € 653.8 million,
EBITA € 45.7 million, EBIT € 35.5 million

- *R-Kioski* is one of a Finland's most visited retail chain with around 120 million customer visits annually – Also the leading kiosk operator in Estonia and Latvia
- Finland's largest press distributor *Lehtipiste* supplies newspapers and magazines to almost 8,300 outlets
- Suomalainen Kirjakauppa is Finland's largest bookstore chain
- Finnkino is a leading movie theatre chain in Finland, Estonia, Latvia and Lithuania
- Internationalisation continues; Rautakirja has now operations also in the Czech Republic

Key markets/products

#1 kiosk chain
in Finland with
over 700 kiosks
nationwide



#1 press distributor
in Finland



#1 chain of book stores in Finland



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

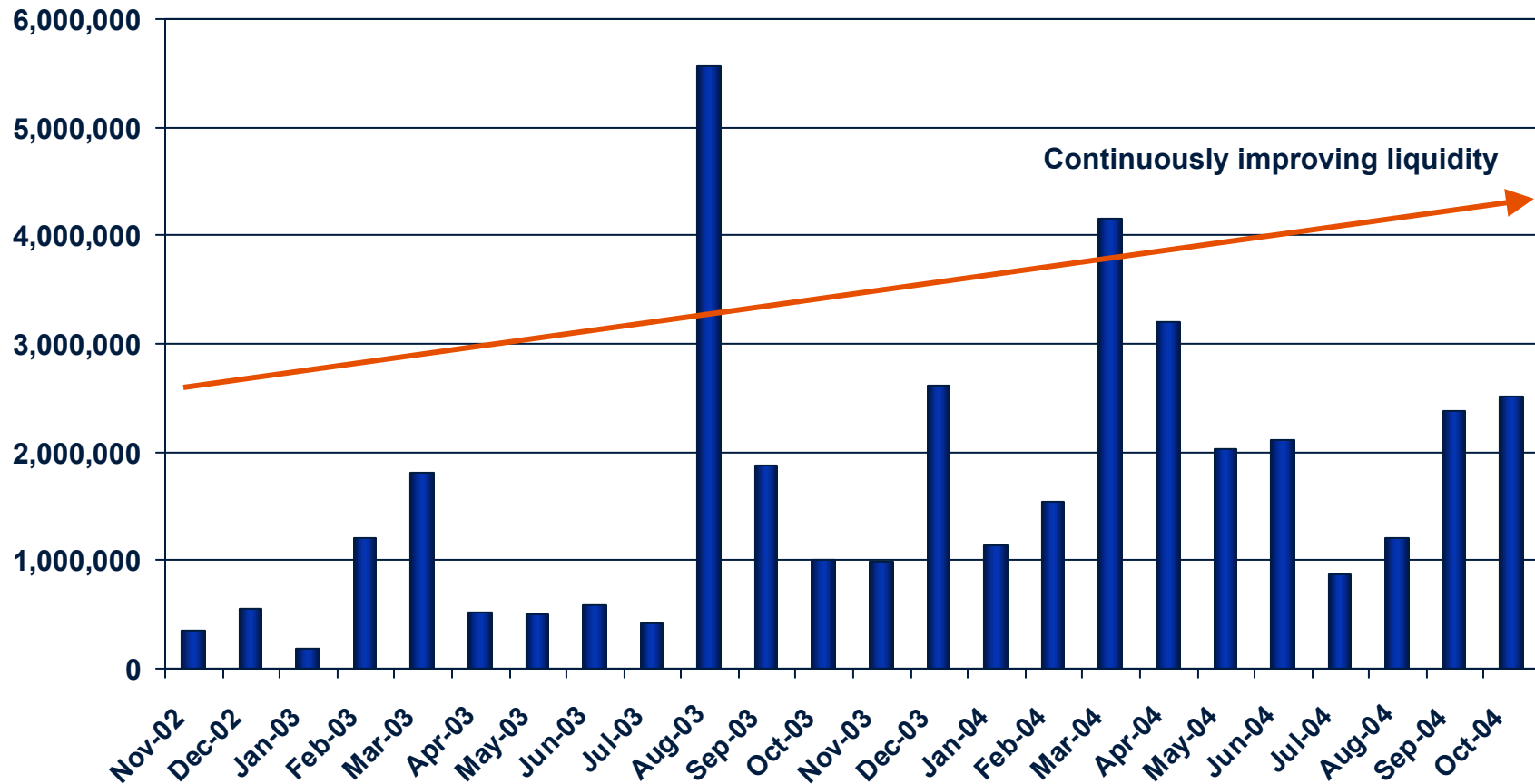


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Appendix 2:
About owners and shares

SanomaWSOY's liquidity

Series B share, monthly trading



Y:Kalvot/IR/2004/Roadshow Nov_Dec

Largest Shareholders

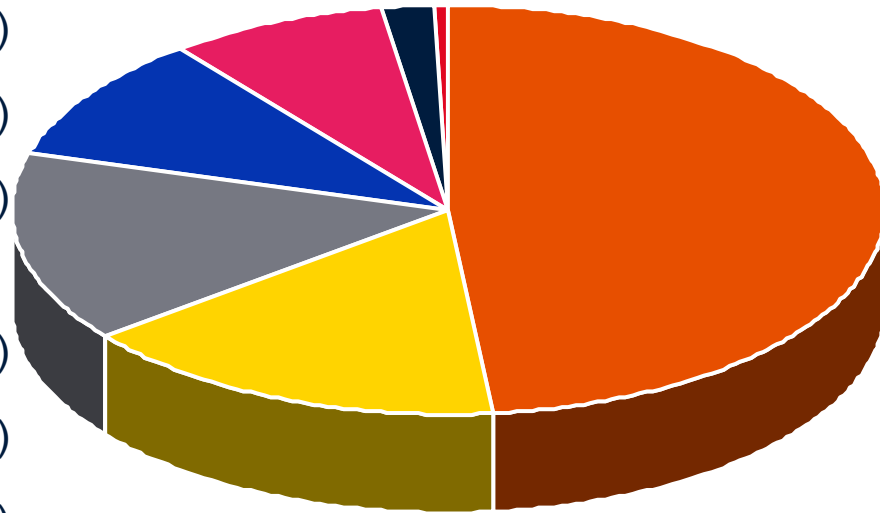
<i>October, 2004</i>	% of shares	% of votes
Aatos Erkko	27.98	27.94
<i>of which through Oy Asipex Ab</i>	<i>7.62</i>	<i>6.30</i>
Patricia Seppälä's estate	8.29	9.55
Robin Langenskiöld	5.03	4.88
Rafaela Seppälä	5.03	4.88
Ilmarinen Mutual Pension Insurance Company	3.46	3.20
Helsingin Sanomat Centennial Foundation	3.27	3.77
Alfred Kordelin Foundation	3.26	6.53
Oy Karl Fazer Ab	2.08	0.53
Pohjola Group	1.71	1.48
The Finnish Cultural Foundation	1.69	6.35
Tapiola Group	1.48	0.66
Foundation for Actors' Old-age-home	1.44	1.61
Foreign ownership in total	3,65	1.76
Total number of shareholders: 10,312	shares: 153,112,152	votes: 594,092,500
Institutional investors of shareholders: 12%		
Private investors of shareholders: 88%		

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Shareholders by sectors

% of shares (of votes)

Households	48% (50%)
Private companies	16% (9%)
Non-profit organisations	15% (29%)
Financial/Insurance companies	10% (5%)
Public corporations	8% (5%)
Foreign owners	2% (1%)
Publicly listed companies	0.05% (0.01%)

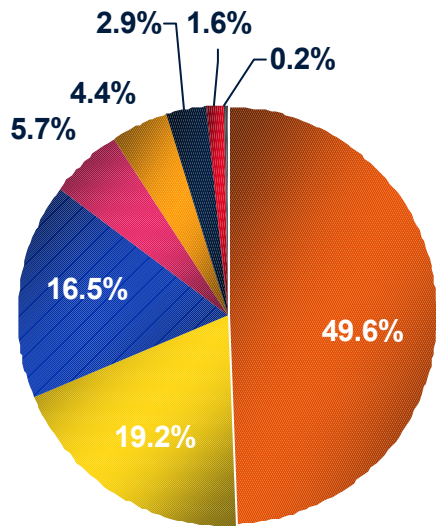


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Appendix 3: About media markets

Media Expenditure

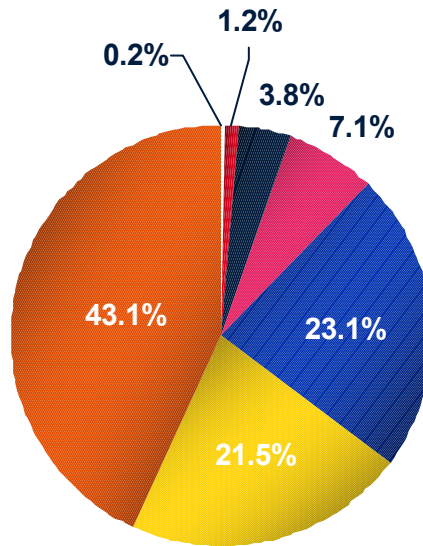
Finland:
€ 1,079 million in 2003



- Newspapers
- Radio advertising

Source: TNS Gallup Adex

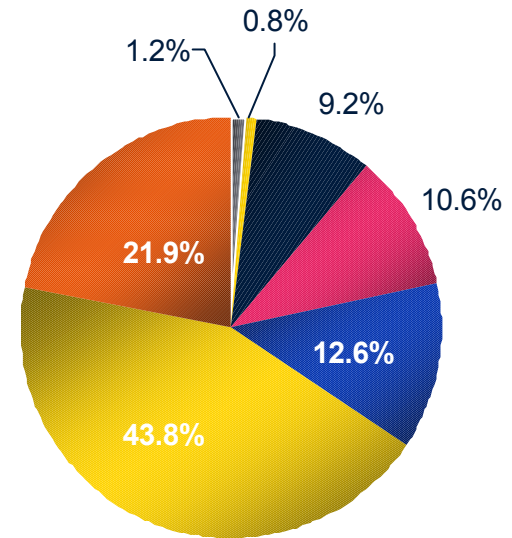
The Netherlands:
€ 3,462 million in 2003



- TV advertising
- Magazines
- Outdoor advertising
- Internet advertising

Source: ZenithOptimedia

Belgium:
€ 2,158 million in 2003

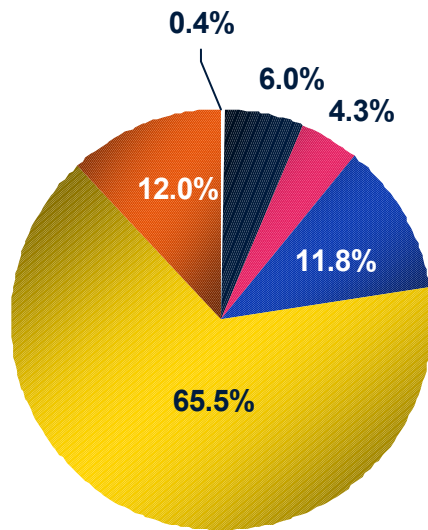


- Free sheets
- Film advertising

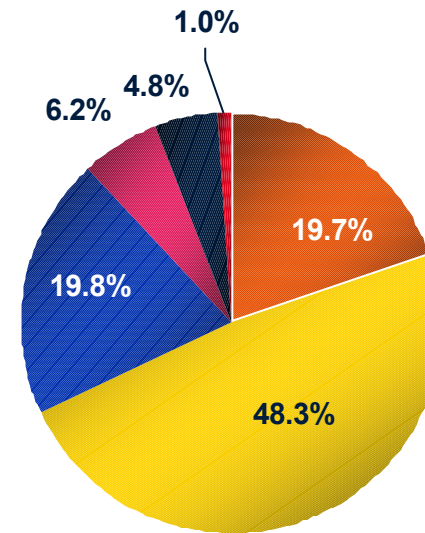
Source: ZenithOptimedia

Media Expenditure

Hungary:
€ 1,411 million in 2003



The Czech Republic:
€ 1,175 million in 2003



- Newspapers
- TV advertising
- Magazines
- Free sheets
- Radio advertising
- Outdoor advertising
- Internet advertising
- Film advertising

Source: ZenithOptimedia

Source: ZenithOptimedia

Source: ZenithOptimedia

Advertising sales

in Finland and the Netherlands

estimates for 2004, current prices

44

	Finland		the Netherlands	
	€ Million	Change-%	€ Million	Change-%
NEWSPAPERS	611	2.5	1,419	-5.0
MAGAZINES	182	2.2	812	1.5
TELEVISION	219	5.8	723	-3.0
RADIO	49	2.1	234	-4.4
OUTDOOR	31	0	127	-2.7
INTERNET	21	23.5	46	15.5
CINEMA	2	0	7	-1.0
TOTAL	1,115	3.3	3,369	-2.7

Change-% to
previous year.

Source:
ZenithOptimedia

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Advertising sales

in Belgium, Hungary, and the Czech Republic estimates for 2004, current prices

45

	Belgium		Hungary		the Czech Republic	
	€ Million	Change-%	€ Million	Change-%	€ Million	Change-%
NEWSPAPERS	585	23.9	187	11.1	227	7.5
MAGAZINES	285	5.2	180	8.0	235	10.0
TELEVISION	1,074	13.7	1,084	17.3	573	10.0
RADIO	273	19.2	71	16.8	73	9.0
OUTDOOR	224	13.1	102	20.0	49	-5.0
INTERNET	23	27.8			14	29.9
CINEMA	23	-8.0	5	-9.8	5	45.0
TOTAL	2,487	15.2	1,629	15.5	1,175	9.0

Change-% to
previous year.Source:
ZenithOptimedia

Y:Kalvot/IR/2004/Roadshow Nov_Dec

Some general trends in media business

Consolidation development continues

- Increase in overall time spent on communications
- Cross-border and cross-media consolidation
- Fragmented media field
 - consumers moving quickly and easily between mediums
- Printed media is changing
 - shorter product life cycles, growth of inserts, and mixed offerings
- Brand extensions
 - strongest media brands extended to other media's as well as outside media field

16.3.2004

Y:Kalvot/IR/2004/Roadshow Nov_Dec

Appendix 4:
Full year financials 2003

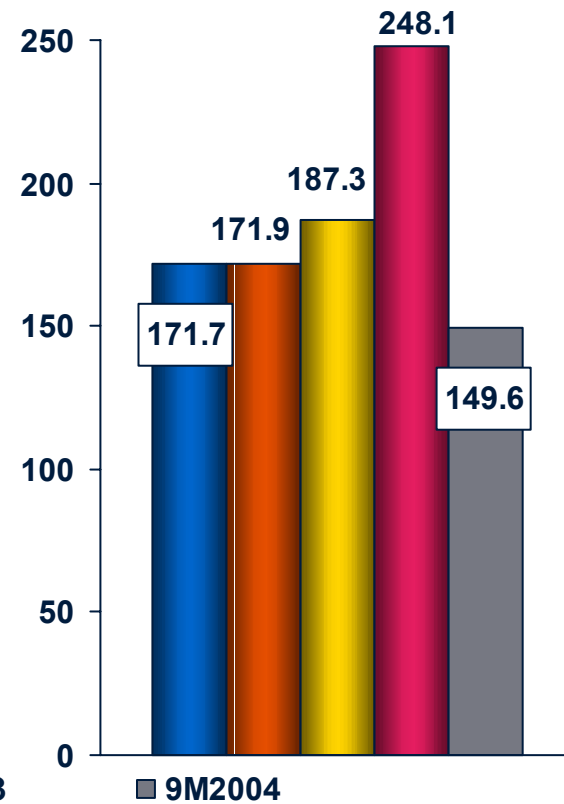
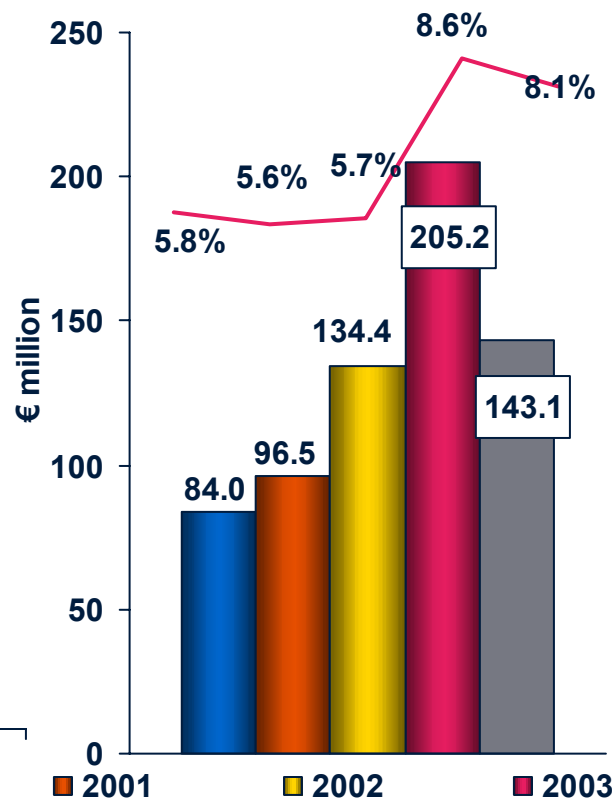
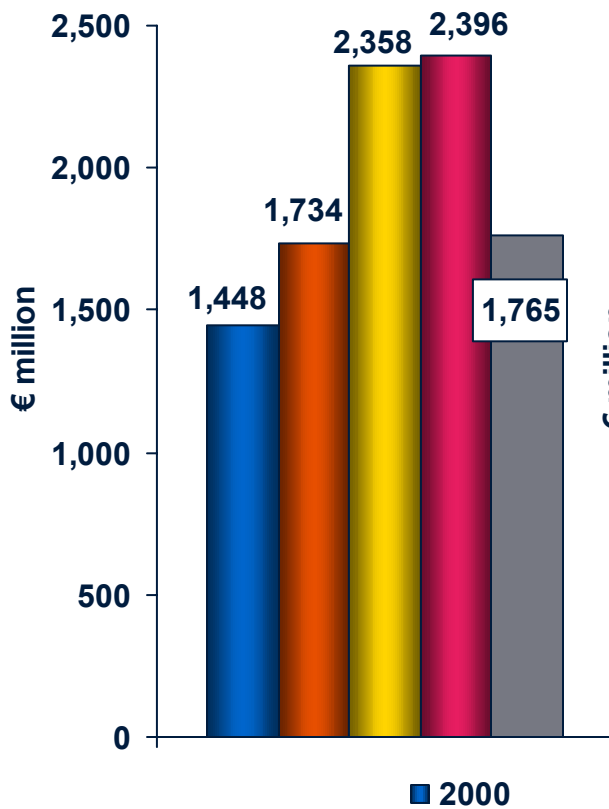
Operational excellence

Dynamic and profitable growth

Net sales*

EBIT and EBIT margin

Cash flow from operations*



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

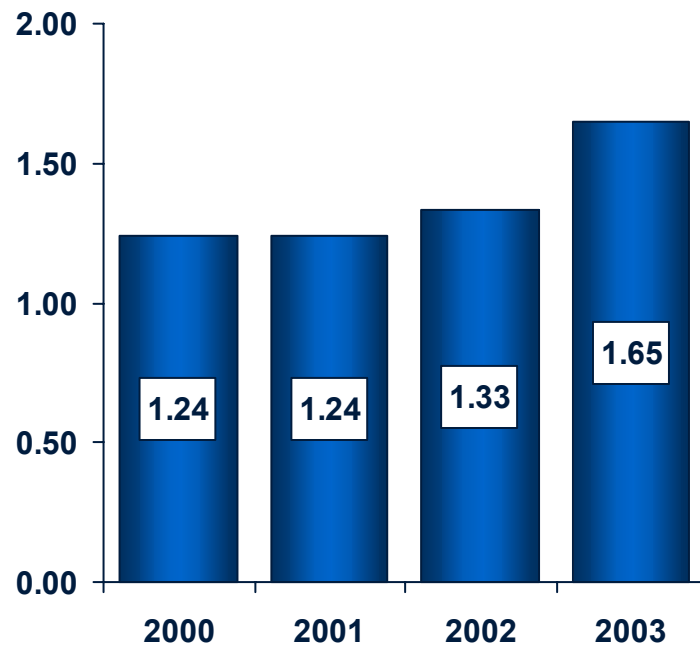
** Cash flow from operations does not include capital expenditure

Y:Kalvot/IR/2004/Roadshow Nov_Dec

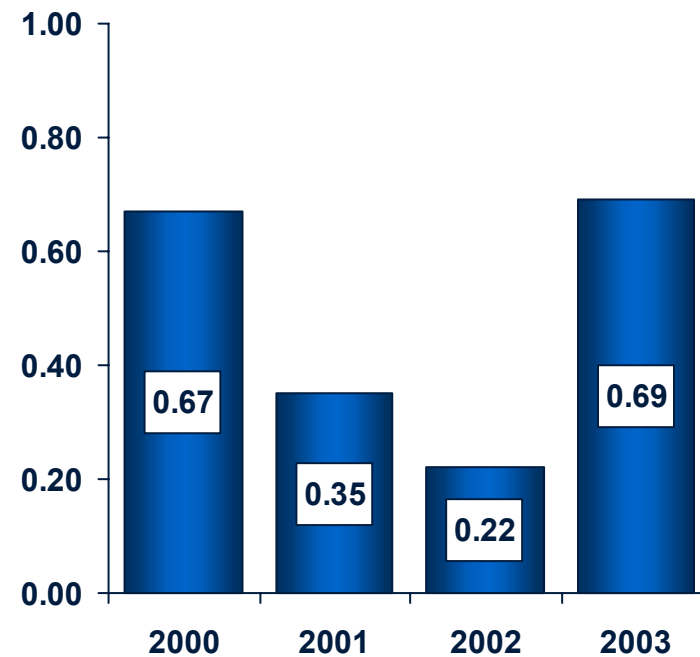
EPS and cash flow per share

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%



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