

SanomaWSOY Corp. Stock Exchange Release May 3, 2007 at 11:00

## SANOMAWSOY'S INTERIM REPORT JANUARY 1 - MARCH 31, 2007

The Group's net sales increased by 8.4%, totalling EUR 663.7 (612.5) million. Operating profit rose to EUR 54.0 (45.6) million when Sanoma Magazines and Sanoma improved their results. The Group's earnings per share for the first quarter was EUR 0.22 (0.21).

KEY INDICATORS, EUR million	1-3/2007	1-3/2006	Change,%	1-12/2006
Net sales	<b>663.7</b>	612.5	8.4	2,742.1
Operating profit	<b>54.0</b>	45.6	18.4	292.5
% of net sales	<b>8.1</b>	7.4		10.7
Operating profit excluding major non-recurring capital gains	<b>52.8</b>	43.9	20.1	288.2
% of net sales	<b>8.0</b>	7.2		10.5
Balance sheet total	<b>3,172.6</b>	2,985.2	6.3	3,132.2
Capital expenditure	<b>15.1</b>	15.3	-1.1	81.9
% of net sales	<b>2.3</b>	2.5		3.0
Equity ratio, %	<b>46.1</b>	42.6		45.0
Gearing, %	<b>58.3</b>	71.8		59.2
Interest-bearing liabilities	<b>865.3</b>	920.5	-6.0	863.9
Net debt	<b>792.6</b>	851.6	-6.9	782.4
Personnel under employment contract, average	<b>18,941</b>	17,613	7.5	18,434
Personnel, average (full-time equivalents)	<b>16,335</b>	15,124	8.0	15,732
Earnings/share, EUR	<b>0.22</b>	0.21	4.1	1.32
Earnings/share, diluted, EUR	<b>0.21</b>	0.21	4.1	1.31
Cash flow from operations/share, EUR	<b>0.13</b>	-0.02		1.63
Equity/share, EUR *	<b>8.15</b>	7.48	9.0	7.92
Market capitalisation	<b>3,663.8</b>	3,519.1	4.1	3,521.8

\* Excluding minority interest

### HANNU SYRJÄNEN, PRESIDENT AND CEO:

"The year 2007 has started very well. The first quarter even exceeded our targets. SanomaWSOY has had several new launches, such as the magazine launches in Russia and Central Eastern Europe, and a new television channel and two new radio channels in Finland. Digital business grew through acquisitions in, for example, the Netherlands and Bulgaria, and in Finland we established Sanoma Digital, the task of which is to develop consumer products and services.

For quite some time, it has been our goal to develop distribution in Russia. In March, Rautakirja established a joint venture kiosk company with the Russian Partner Service Group. Rautakirja holds a 70% share in this R-Kiosk company, which opens its first five kiosks in Moscow in May.

After the review period, Finnkino has expanded both its movie theatre and movie rental business in the Baltic countries. Educational publishing completed its summer 2006 acquisition by purchasing the remaining shareholdings in the Hungarian Láng group.

In order to improve our operational efficiency, we renewed our management model at the beginning of April. The Executive Management Group of SanomaWSOY will now focus more clearly on strategic questions related to businesses. At the same time we strengthen the Corporate Center that supports our divisions.

The first quarter is typically our smallest in terms of both sales and profits. This year we improved our performance significantly compared with last year. The good results of Sanoma Magazines and Sanoma indicate that we can improve our profitability while still developing our operations.

The market situation was good in most of our markets. We expect the favourable conditions to continue for this year. We will continue to expand our magazine, educational publishing, and press distribution operations internationally, and develop our digital business and improve our efficiency. We'll also put emphasis on our newspapers and electronic media. We will achieve success also this year."

## **OPERATING ENVIRONMENT**

In early 2007, media advertising developed well in most of SanomaWSOY's countries of operation. In January–March, advertising in Finland grew by 11% according to TNS Gallup Adex. Without election advertising, sales were up by 7%. Advertising in newspapers increased by 11% and in free sheets by 1%. Job advertising increased by 27%, while magazine advertising grew by 9% and television advertising by 12%. ZenithOptimedia estimates that magazine advertising sales in the Netherlands and Belgium will increase by 2% in 2007. In Hungary, the growth rate is expected to be 6% and in the Czech Republic 11%. Expenditure on print media advertising in Russia is expected to increase by 16%. In all of these countries, online advertising is expected to grow considerably faster than other media advertising.

According to the Finnish Grocery Trade Association, Finnish sales of daily consumer goods grew by 1% in January–February.

## **NET SALES**

SanomaWSOY's net sales for January–March increased by 8.4%, totalling EUR 663.7 (612.5) million. Net sales increased markedly across all divisions. Net sales adjusted for changes in the Group structure increased by 5.7%.

Advertising sales accounted for 25% (24%) of the Group's total net sales. In geographical terms, Finland accounted for 52% (54%) of net sales with other EU countries accounting for 43% (41%), and other EU countries for 5% (5%).

## **RESULT**

The Group's operating profit rose to EUR 54.0 (45.6) million or 8.1% (7.4%) of net sales. The operating profit included major non-recurring capital gains of EUR 1.2 (1.7) million. Excluding these gains, operating profit was EUR 52.8 (43.9) million. The result was improved by the positive development of Sanoma Magazines and Sanoma. In addition to the growth of sales, the increase in operating profit was driven by moderate cost development. Timing differences in the numbers of issues and marketing investments of the magazines affected the result somewhat as well.

SanomaWSOY's net financial items totalled EUR -7.1 (-6.2) million. Financial income consisted primarily of interest income and amounted to EUR 4.8 (3.4) million. Financial expenses amounted to EUR 11.9 (9.7) million and comprised primarily interest costs of EUR 8.7 (6.9) million on interest-bearing liabilities.

The result before taxes was EUR 48.6 (41.3) million and earnings per share was EUR 0.22 (0.21).

## **BALANCE SHEET AND FINANCIAL POSITION**

The consolidated balance sheet increased slightly, amounting to EUR 3,172.6 (2,985.2) million at the end of March. Cash flow from operations was EUR 21.3 (-2.5) million and cash flow per share was EUR 0.13 (-0.02). Cash flow from operations improved since comparable period's press distribution problems in Belgium have been solved.

SanomaWSOY's equity ratio improved to 46.1% (42.6%) at the end of March, while gearing was reduced to 58.3% (71.8%). Equity increased to EUR 1,344.9 (1,174.1) million. The conversion of stock options and convertible capital notes into shares has served to increase shareholders' equity and the equity ratio. Interest-bearing liabilities decreased to EUR 865.3 (920.5) million and net debt to EUR 792.6 (851.6) million. At the end of March, the Group's cash and cash equivalents totalled EUR 72.7 (68.9) million.

## **INVESTMENTS AND ACQUISITIONS**

In January–March, SanomaWSOY's investments in tangible and intangible assets totalled EUR 15.1 (15.3) million, and were focused on e.g. IT systems and replacement of existing assets. R&D expenditure was recorded at EUR 2.2 (2.6) million.

There were no major acquisitions during the period under review or the comparable period.

## **MANAGEMENT**

After the review period, the Annual General Meeting of April 4, 2007 confirmed the number of SanomaWSOY's Board members at ten and re-elected those who had reached the end of their term of office. The Board of Directors of SanomaWSOY consists of: Jaakko Rauramo, Chairman, Sari Baldauf, Vice Chairman, and Robert Castrén, Jane Erkkö, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Robin Langenskiöld, Hannu Syrjänen, and Sakari Tamminen as members.

The Annual General Meeting re-appointed Pekka Pajamo, APA, and Sixten Nyman, APA, as his deputy, and chartered accountant KPMG Oy Ab with Kai Salli, APA, as Auditor in Charge, as the auditors of the Company.

SanomaWSOY's management model was renewed after the review period. Since April 5, 2007, the Executive Management Group consists of SanomaWSOY's President and CEO Hannu Syrjänen, and the directors of each division: Eija Ailasmaa, President and CEO of Sanoma Magazines; Mikael Pentikäinen, President of Sanoma; Jacques Eijkens, CEO of SanomaWSOY Education and Books; Tapio Kallioja, President of SWelcom; and Erkki Järvinen, President and CEO of Rautakirja. The authorisations and responsibilities of the Executive Management Group remained unchanged.

In connection with this change in management model, SanomaWSOY's Board of Directors appointed deputies for SanomaWSOY's upper management. The deputy to Hannu Syrjänen, President and CEO of SanomaWSOY, is Eija Ailasmaa, President and CEO of Sanoma Magazines; deputy to Mikael Pentikäinen, President of Sanoma Corporation, is Pekka Soini, President of Helsingin Sanomat; deputy to Jacques Eijkens, CEO of SanomaWSOY Education, is Veli-Pekka Elonen, President of WSOY; deputy to Tapio Kallioja, President of SWelcom, continues to be Pekka Jaakola, Senior Vice President, Technology; and deputy to Erkki Järvinen, President and CEO of Rautakirja, is Hellevi Kekäläinen, CFO of Rautakirja.

At the same time, SanomaWSOY established the Corporate Center to support the Group's divisions. The Corporate Center consists of the following main functions: Group Strategic Development, Group Legal Affairs, Group Financial Management, Group Human Resources, and Group Communications. The Corporate Center's functions will continue to be headed by the following persons: Nils Ittonen, responsible for Group Treasury, Real Estate and Risk Management; Kerstin Rinne, responsible for Legal Affairs; and Matti Salmi, responsible for Group Financial Management. The areas of responsibility will be clarified and directors for the other functions will be appointed later. Directors of the Corporate Center will report to SanomaWSOY's President and CEO.

## **BOARD AUTHORISATIONS**

The authorisation to increase the share capital of the Company granted to the Board by the Annual General Meeting in 2006 and valid for the review period, expired at the AGM of April 4, 2007. Authorisation was not exercised during the period under review.

The AGM of April 4, 2007 authorised the Board of SanomaWSOY to decide on the purchase of the Company's shares and an increase in share capital.

Under this authorisation, the Board may decide on the purchase of the Company's shares with distributable profits until the AGM of 2008. A maximum of 8,200,000 may be purchased. These shares will not be purchased in relation to the share holdings of the existing shareholders. They will be purchased with the Company's un-restricted equity at the market price of the purchasing moment. However, the minimum purchasing price of a share is the lowest market price in the public trading and the maximum purchasing price is the highest price noted on the public trade during the authorisation period.

The AGM also authorised the Board to decide, until the AGM of 2010, on the issue of new shares, the disposal of treasury shares, and the granting of special rights entitling to shares. The authorisation does not exclude the right of the Board of Directors to decide on a directed share issue. With this authorisation, and as a result of the use of special rights, the Board is authorised to decide on an issuance of a maximum of 82,000,000 new shares and disposal of a maximum of 5,000,000 treasury shares. In a directed share issue, a maximum of 41,000,000 shares can be issued or disposed of. With this authorisation, the Board is authorised to issue a maximum of 5,000,000 stock options as part of an incentive programme of the Company.

## **SHARES AND HOLDINGS**

In January–March, trading with SanomaWSOY shares accounted for 12% of the average number of shares in issue during the period, or about 20.1 million shares. SanomaWSOY's total stock exchange turnover was EUR 439.6 (425.2) million.

At the end of the review period, SanomaWSOY's market capitalisation was EUR 3,663.8 (3,519.1) million. The closing price for the period was EUR 22.21 (21.97) per share. The share price averaged EUR 21.89 over the period with a low of EUR 20.56 and a high of EUR 22.97. At the end of the period, the Company had a total of 16,644 shareholders. Foreign holdings accounted for 11.4% (9.2%) of the shares and votes. The Company did not hold any of its own shares (treasury shares) at the end of March.

There were no major changes in share ownership during the review period and SanomaWSOY did not issue any flagging announcements. At the end of March, SanomaWSOY's registered share capital was EUR 70,933,145.29 and the number of shares on the market was 164,960,803.

After the review period, SanomaWSOY's share capital increased as 76 convertible capital notes were converted into 47,760 new shares. After full exercise, SanomaWSOY's share capital was EUR 70,953,682.09 and the number of shares on the market was 165,008,563. The increase in SanomaWSOY's share capital was entered into the Trade Register on April 19, 2007, and trading with the new shares commenced on April 20, 2007.

## **DIVIDEND**

In accordance with the AGM's decision, SanomaWSOY paid out a per-share dividend of EUR 0.95 (0.90) for 2006. The record date for dividend payment was April 11, 2007 and the dividend payment date was April 18, 2007. SanomaWSOY conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.

## **SEASONAL FLUCTUATION**

Developments in media advertising have an impact on the net sales and results of Sanoma Magazines, Sanoma, and SWelcom. Advertising sales are influenced, e.g., by the number of newspaper and magazine issues published during each quarter, which varies yearly. Television advertising in Finland is usually strongest in the second and fourth quarters.

A major portion of the net sales and results in publishing and retail, for example, is generated in the last quarter, particularly from Christmas sales, while educational publishing accrues most of its net sales and results during the second and third quarters.

Seasonal business fluctuations influence the Group's net sales and operating profit with the first quarter traditionally being the smallest.

## **OUTLOOK FOR 2007**

In 2007, SanomaWSOY's net sales are projected to grow more than last year, and operating profit, excluding major non-recurring capital gains, is expected to improve. In 2006, SanomaWSOY's net sales grew by 4.6% and operating profit excluding capital gains totalled EUR 288.2 million.

The forecast of the development of SanomaWSOY's net sales and operating profit in 2007 is based on both organic growth and growth based on minor acquisitions. During 2007, SanomaWSOY will continue its strong focus on investing in digital media and strengthening its market positions. In addition to the Group's own business activities and development projects, the growth of net sales and operating profit are also affected by growth in media markets and private consumption in the Group's operating countries. Short-term risks and uncertainties are related to market development.

European economies are projected to grow in 2007, albeit at a slower rate than in 2006. Research firms predict that GDP will grow by 2.4% in the Netherlands, 2.1% in Belgium, and 3.0% in Finland. The growth rate is expected to be 2.6% in Hungary, 4.9% in the Czech Republic, and 6.0% in Russia. According to ZenithOptimedia estimates, media advertising in SanomaWSOY's primary market areas in 2007 will grow at a rate faster than that of GDP. In 2007, private consumption is estimated to increase by 2.5% in Finland, 2.2% in the Netherlands, 2.0% in Belgium, 4.0% in the Czech Republic, and 10.6% in Russia. In Hungary, private consumption is expected to decrease by 0.5%.

## SANOMA MAGAZINES

*Sanoma Magazines is one of Europe's largest consumer magazine publishers, operating in 13 countries. In addition to publishing its strong portfolio of magazine brands for various reader communities, Sanoma Magazines is expanding its business to other media platforms, with a strong focus on interactivity.*

- Strong magazine brands interest readers.
- Significant growth of online advertising, in total the Division's online sales were up by 42%.
- Investments in magazine launches and developing online operations continued.
- Net sales and operating profit grew markedly.

KEY INDICATORS, EUR million	1–3/2007	1–3/2006	Change,%	1–12/2006
Net sales	<b>287.1</b>	264.1	8.7	1,155.9
Operating profit	<b>32.1</b>	23.3	37.9	128.8
% of net sales	<b>11.2</b>	8.8		11.1
Operating profit excluding major non-recurring capital gains	<b>30.9</b>	23.3	32.8	126.2
% of net sales	<b>10.8</b>	8.8		10.9
Balance sheet total	<b>1,894.8</b>	1,692.6	11.9	1,910.0
Capital expenditure	<b>3.4</b>	4.1	-17.2	16.5
Personnel under employment contract, average	<b>5,485</b>	5,093	7.7	5,302
Personnel, average (full-time equivalents)	<b>5,037</b>	4,650	8.3	4,848

OPERATIONAL INDICATORS *	1–3/2007	1–3/2006
Number of magazines published	<b>305</b>	232
Magazine copies sold, thousands	<b>108,128</b>	107,328
Number of advertising pages sold	<b>13,549</b>	12,082

\* Including joint ventures

Sanoma Magazines' net sales in January–March grew by 8.7%, totalling EUR 287.1 (264.1) million. Most growth came from Sanoma Magazines International, Sanoma Magazines Belgium, and from online operations. Adjusted for changes in the Group structure, the Division's net sales grew by 6.2%. Of the Division's net sales, 17% (17%) came from Finland. The Dutch press distribution company Aldipress has been transferred to Rautakirja as of January 1, 2007 and figures for the comparable year have been adjusted accordingly.

The Division's advertising sales increased by 16% in the first quarter and represented 29% (27%) of net sales. With all businesses developing favourably, most advertising growth came from online advertising sales in the Netherlands and from Sanoma Magazines International.

Circulation sales grew also, by 5%, and represented 59% (61%) of Sanoma Magazines' net sales.

The increase was partly due to improved single copy sales in Belgium and growth of subscription sales in Finland and Belgium.



Net sales in Sanoma Magazines Netherlands amounted to EUR 119.8 (116.7) million. Advertising sales increased, mainly due to the positive development of online advertising sales. In January–March, online advertising grew by 44%. Particularly strong brands like Donald Duck and the recently restyled Libelle and Margriet were favoured by the readers market, but total circulation sales remained slightly below the comparable period. Sanoma Magazines Netherlands strengthened its online operations by acquiring a finance portal, Belegger.nl, in March.

Sanoma Magazines International's net sales in the first quarter increased to EUR 65.8 (58.1) million. Growth came from increased advertising sales in most of the operating countries, especially in Russia, Ukraine, and Hungary where online advertising is developing positively. Circulation sales remained at the previous' year level. In January–March, Sanoma Magazines International made several launches and online acquisitions. It also developed its magazine portfolio: two titles were launched and six divested or discontinued.

Net sales in Sanoma Magazines Belgium grew to EUR 52.5 (44.7) million, partly due to new niche publishing operations acquired in September 2006. Both advertising and circulation sales increased. Single copy sales in particular grew significantly. In the comparable period, net sales were down as a result of single copy distribution problems. In January, Sanoma Magazines Belgium launched Milo, a 40+ magazine.

Sanoma Magazines Finland's net sales increased to EUR 50.1 (45.8) million. Both advertising and circulation sales grew. Single copy sales increased slightly and subscription sales strongly. Sanoma Magazines Finland's titles have succeeded in continuously increasing their circulation. Due to seasonality, some titles had more issues published than in the comparable period.

Sanoma Magazines' operating profit improved significantly and totalled EUR 32.1 (23.3) million. The result included EUR 1.2 (0.0) million of major non-recurring capital gains related to selling of titles. In the comparable period an adjustment of EUR 2.0 million related to the acquisition in 2001 and the terms and conditions of the agreement improved the result.

In January–March, Sanoma Magazines Netherlands' operating profit improved mainly due to moderate cost development and the timing of expenses. Sanoma Magazines International's results increased given strong sales development and the different timing of launch costs than in the comparable period. Sanoma Magazines Belgium's result improved significantly due to growth in single copy sales. In the comparable period, single copy distribution problems decreased the result. Sanoma Magazines Finland's operating profit grew due to good sales development.

Sanoma Magazines continues to develop its online businesses and invest in growth, which is expected to be most rapid in Russia and the CEE countries. Intense competition both in advertising and readers markets

in the Netherlands is expected to continue, with development being strongest in the online market, where Sanoma Magazines already has a strong position.

In 2007, Sanoma Magazines' net sales are estimated to grow, and operating profit excluding major non-recurring capital gains is expected to improve.

## SANOMA

*Sanoma is the leading newspaper publisher in Finland. In addition to Helsingin Sanomat, the largest daily in the Nordic region, the Division publishes national and regional daily newspapers, local papers, and free sheets, and provides digital services.*

- Operational result improved significantly.
- Advertising sales grew faster than the market, with Helsingin Sanomat, Sanoma Kaupunkilehdet, and Sanoma Lehtimedia in particular delivering solid growth.
- Growth in online advertising sales continued to be strong.

<b>KEY INDICATORS, EUR million</b>	<b>1–3/2007</b>	<b>1–3/2006</b>	<b>Change,%</b>	<b>1–12/2006</b>
Net sales	<b>122.4</b>	112.6	8.7	457.1
Operating profit	<b>19.6</b>	16.1	21.5	62.7
% of net sales	<b>16.0</b>	14.3		13.7
Operating profit excluding major non-recurring capital gains	<b>19.6</b>	14.5	35.3	61.0
% of net sales	<b>16.0</b>	12.8		13.3
Balance sheet total	<b>502.3</b>	489.5	2.6	526.6
Capital expenditure	<b>2.9</b>	4.0	-25.7	16.5
Personnel under employment contract, average	<b>2,624</b>	2,598	1.0	2,672
Personnel, average (full-time equivalents)	<b>2,326</b>	2,298	1.2	2,378

<b>OPERATIONAL INDICATORS</b>	<b>1–3/2007</b>	<b>1–3/2006</b>
<b>ADVERTISING VOLUME, COLUMN KM</b>		
Helsingin Sanomat	<b>11.2</b>	10.4
Ilta-Sanomat	<b>1.6</b>	1.7
Free sheets	<b>9.7</b>	7.6
Distribution, free sheets, million copies	<b>29.8</b>	25.3
<b>AUDITED CIRCULATION, COPIES</b>		
Helsingin Sanomat	<b>426,117</b>	430,785
Ilta-Sanomat	<b>186,462</b>	195,673
<b>ONLINE SERVICES, UNIQUE VISITORS, WEEKLY</b>		
IltaSanomat.fi	<b>916,501</b>	793,402
HS.fi	<b>727,736</b>	569,222
Huuto.net	<b>403,568</b>	376,447
Oikotie.fi	<b>293,888</b>	222,656
Taloussanomat.fi	<b>176,955</b>	68,724
Keltainenpörssi.fi	<b>112,819</b>	70,925

In the first quarter of 2007, Sanoma's net sales increased by 8.7% totalling EUR 122.4 (112.6) million. The net sales were particularly strengthened by the significant increase in the advertising sales of Helsingin Sanomat, Sanoma Kaupunkilehdet, Sanoma Lehtimedia, and online business. Net sales adjusted for changes in the Group structure increased by 7.4%.

In January–March, the Division reported a 15% overall improvement in advertising sales, which accounted for 55% (52%) of net sales. Circulation sales increased by 3% and accounted for 39% (41%) of Sanoma's net sales.

Sanoma's reporting structure has been modified to better reflect the focus of operations. The comparable figures for 2006 have been adjusted accordingly. With effect from 2007, Sanoma's reported businesses include Helsingin Sanomat, Ilta-Sanomat, other publishing, and other operations. Other publishing includes Sanoma Lehtimedia, publishers of regional and local newspapers; Sanoma Kaupunkilehdet, a publisher of free sheets; Sanoma Business Services business unit (Taloussanomat, Lehtikuva, Esmerk), which provides business-to-business services; and Sanoma Digital. Other operations include Sanoma's IT and printing operations.

The Helsingin Sanomat business unit increased its net sales to EUR 72.3 (66.8) million in January–March. The advertising sales of Helsingin Sanomat increased significantly. The biggest risers were job advertising, 29%, and online advertising, 28%. Also the circulation sales of Helsingin Sanomat increased despite a slight decrease in circulation. After the review period, Helsingin Sanomat increased its holding in Skillnet, a supplier of online recruitment systems, to 51%. The deal will further strengthen Helsingin Sanomat and Oikotie.fi's market leadership in job advertising.

The Ilta-Sanomat business unit increased its net sales to EUR 23.6 (22.3) million. Advertising sales were up slightly, but the growth came primarily from increased newsstand sales. Newsstand sales increased driven by the cover price increase implemented in the autumn of 2006. Ilta-Sanomat commanded a 58.2% (59.3%) share of the tabloid market. Ilta-Sanomat, which is celebrating its 75th Anniversary, revised its weekend supplement and online presence in March, and the website visitor numbers have shown a steady increase.

The net sales from other publishing increased to EUR 24.3 (20.8) million. Most of the growth came from the Sanoma Kaupunkilehdet business unit, which substantially increased its advertising sales. The number of newspapers increased from the comparable period with the acquisition of the Finnish operations of the Metro newspaper in September 2006. Sanoma also continued to develop its free sheet portfolio with e.g. brand reforms. Sanoma Lehtimedia and Sanoma Business Services business units also increased their net sales. The development of the online version of the financial newspaper Taloussanomat continued, and its visitor numbers have increased strongly.

Net sales from other operations amounted to EUR 38.5 (37.5) million, most of which came from internal sales.

Sanoma's operating profit increased clearly to EUR 19.6 (16.1) million. The operating profit for the comparable period included EUR 1.7 million in major non-recurring capital gains from the sale of Aina

Group Oyj shares divested by Sanoma Lehtimedia in February 2006. Helsingin Sanomat increased its operating profit considerably in January–March due to the growth of advertising sales. Ilta-Sanomat increased its operating profits, primarily due to increased newsstand sales. Also other publishing increased its operating profits, excluding capital gains, with all units improving their earnings. Earnings from other operations were down slightly.

Sanoma Digital, a new company that focuses on online business was launched on January 1, 2007. The company is jointly owned by Sanoma, Sanoma Magazines Finland, and SWelcom. The majority of the shares are owned by Sanoma.

Sanoma is seeking growth in, for example, new businesses. The positive development of media advertising and the growth of newsstand sales are also expected to continue during the current fiscal year.

In 2007, Sanoma's net sales are estimated to increase and operating profit excluding major non-recurring capital gains is expected to improve.

**SANOMAWSOY EDUCATION AND BOOKS**

*SanomaWSOY Education and Books is a significant European educational publisher with operations in the Netherlands, Finland, Hungary, Belgium, and Poland. The Division is also Finland's leading book publisher and is active in business information and services.*

- Educational publishing acquisitions in 2006 increased the exposure to seasonal fluctuations.
- Finnish fiction sales were strong in first quarter.
- WSOYpro's language services progressing well.

<b>KEY INDICATORS, EUR million</b>	<b>1–3/2007</b>	<b>1–3/2006</b>	<b>Change %</b>	<b>1–12/2006</b>
Net sales	<b>52.2</b>	45.4	15.1	309.2
Operating profit	<b>-6.5</b>	-4.3	50.6	48.0
% of net sales	<b>-12.4</b>	-9.5		15.5
Operating profit excluding major non-recurring capital gains	<b>-6.5</b>	-4.3	50.6	48.0
% of net sales	<b>-12.4</b>	-9.5		15.5
Balance sheet total	<b>595.3</b>	484.4	22.9	598.2
Capital expenditure	<b>1.2</b>	1.7	-31.9	8.9
Personnel under employment contract, average	<b>2,723</b>	2,039	33.6	2,455
Personnel, average (full-time equivalents)	<b>2,293</b>	1,854	23.7	2,106

<b>OPERATIONAL INDICATORS</b>	<b>1–3/2007</b>	<b>1–3/2006</b>
<b>EDUCATIONAL PUBLISHING</b>		
Number of new titles published, books	<b>300</b>	177
Number of new titles published, electronic products	<b>55</b>	39
<b>PUBLISHING</b>		
Number of new titles published, books	<b>142</b>	151
Number of new titles published, electronic products	<b>10</b>	50
Number of copies sold, published books, million copies	<b>2.1</b>	1.4

In January–March, SanomaWSOY Education and Books' net sales grew by 15.1% totalling EUR 52.2 (45.4) million. Growth came mainly from educational publishing as well as language services acquired in February 2006. A total of 45% (44%) of the Division's net sales came from outside Finland. Net sales adjusted for changes in the Group structure increased by 1.5%.

Educational publishing recorded net sales of EUR 20.0 (15.3) million. Net sales increased in the Netherlands and Belgium, with additional growth coming from the Hungarian operations acquired in June 2006. Sales decreased from the comparable period in Poland due to seasonal fluctuations. After the review period, the Hungarian educational publisher Láng became fully owned by SanomaWSOY Education.

In publishing, net sales amounted to EUR 26.3 (24.2) million in the first quarter. The general literature sales were slightly better than in the comparable period due to strong sales of domestic fiction in particular. WSOYpro, which focuses on business information and services, also performed well, with growth coming mainly from language service provider AAC Global acquired in February 2006. In March 2007, language services were expanded with AAC Global's acquisition of Translation Services Noodi in Finland.

Net sales from other operations, mainly printing, totalled EUR 12.0 (10.3) million. Net sales of other operations are partly affected by the seasonality of both publishing and educational publishing.

The Division's operating profit in January–March was EUR -6.5 (-4.3) million. The decrease was mainly attributable to the seasonality of educational publishing. Growing educational publishing operations increases the seasonality of the Division since most of the educational materials are sold in the second and third quarters. The operating profit in publishing remained at the previous year's level but was slightly behind the previous year's level in other operations.

SanomaWSOY Education and Books continues to develop its three main businesses with focus on internationalising the educational publishing, maintaining Finnish market leadership in general literature publishing, and expanding business information and services, especially in the language services market.

In 2007, net sales of SanomaWSOY Education and Books are estimated to increase, and operating profit excluding major non-recurring capital gains is expected to improve.

## SWELCOM

*Television channel Nelonen, part of SWelcom, the electronic media division of the SanomaWSOY Group, is Finland's third largest medium in terms of advertising sales, while Welho is the country's largest cable television company and a major provider of broadband services.*

- Radio Rock and Radio Aalto were successfully launched with Radio Rock exceeding its projected listening figures.
- TV channel JIM drew strong male demographics right from the start.
- Welho boosted its broadband offering by introducing higher speeds at the same prices.

KEY INDICATORS, EUR million	1–3/2007	1–3/2006	Change %	1–12/2006
Net sales	<b>35.2</b>	33.3	5.7	131.8
Operating profit	<b>2.9</b>	3.2	-9.9	12.5
% of net sales	<b>8.3</b>	9.7		9.5
Operating profit excluding major non-recurring capital gains	<b>2.9</b>	3.2	-9.9	12.5
% of net sales	<b>8.3</b>	9.7		9.5
Balance sheet total	<b>163.0</b>	150.4	8.4	158.6
Capital expenditure	<b>2.7</b>	1.4	92.7	15.2
Personnel under employment contract, average	<b>465</b>	435	6.9	437
Personnel, average (full-time equivalents)	<b>431</b>	393	9.5	398

OPERATIONAL INDICATORS	1–3/2007	1–3/2006
Nelonen's and JIM's share of Finnish TV advertising	<b>29.3%</b>	32.0%
Nelonen's and JIM's daily reach	<b>44%</b>	45%
Nelonen's and JIM's national commercial viewing share	<b>21.8%</b>	23.6%
Nelonen's and JIM's national viewing share	<b>10.6%</b>	10.8%
Number of connected households, thousands (31.3)	<b>308</b>	295
Number of pay TV subscriptions, thousands (31.3)	<b>69</b>	46
Number of broadband internet connections, thousands (31.3)	<b>90</b>	72

In January–March, SWelcom's net sales increased by 5.7% totalling EUR 35.2 (33.3) million. This increase was primarily due to the growth of Welho's net sales. Net sales adjusted for changes in the Group structure increased by 9.9%. Advertising sales represented 56% (58%) of SWelcom's net sales.

The company's TV and radio operations include the commercial television stations Nelonen and JIM, along with radio stations Radio Rock and Radio Aalto. Largely due to the new operations, the broadcast business unit increased its net sales to EUR 19.9 (19.2) million in January–March. The TV channels' combined share of all TV advertising was 29.3% (32.0%). Nelonen's viewing shares in the different age groups lagged behind the comparable period last year, whereas JIM, the new TV channel launched in February, has successfully reached its target demographic.



The launch of the radio networks was also successful. In March, Radio Rock's weekly reach was 781,000 listeners, while Radio Aalto reached 336,000 weekly listeners. Radio Rock's channel share of all commercial radio listening in Finland was 10%, and Radio Aalto's channel share was 2%. Radio Rock is the most listened to channel among males aged 20–44.

Welho's net sales increased strongly as a result of the rapid growth in pay TV, broadband subscriptions, and the sale of digital set-top boxes. Welho has also upgraded its broadband services, and now offers higher connection speeds at the same prices. Welho has signed an agreement with the City of Helsinki Department of Education on a PCTV service, which will make free-to-air digital terrestrial television channels available to schools so that television programmes can be viewed on any network-connected computer without a separate set-top-box.

In January–March, SWelcom's operating profit was EUR 2.9 (3.2) million. Operating profit was negatively impacted by the investments required by the television and radio channels launched in early 2007.

SWelcom continues the development of its digital content and media solutions business, as well as its online community services. In autumn 2007, SWelcom will launch a nationwide pay TV channel with a focus on television series and movies.

SWelcom's net sales are estimated to increase further in 2007. Operating profit excluding major non-recurring capital gains is expected to increase slightly despite substantial development investments.

## RAUTAKIRJA

*Rautakirja is the market leader in kiosk operations, press distribution, and movie theatres in Finland and the Baltic countries, and press distribution in Romania. Additionally, it leads the Finnish and Estonian markets for bookstores, and, from the beginning of 2007, also the Dutch market for press distribution. Its press distribution business and kiosk operations have also expanded into the Russian market.*

- Net sales increased in all businesses, except bookshops, with overall growth being 6.5%.
- Kiosk operations are expanding in Russia.
- The entertainment business is strengthening its position in the Baltic countries.

KEY INDICATORS, EUR million	1–3/2007	1–3/2006	Change %	1–12/2006
Net sales	<b>192.4</b>	180.7	6.5	799.9
Operating profit	<b>9.0</b>	10.4	-13.5	54.7
% of net sales	<b>4.7</b>	5.7		6.8
Operating profit excluding major non-recurring capital gains	<b>9.0</b>	10.4	-13.5	54.7
% of net sales	<b>4.7</b>	5.7		6.8
Balance sheet total	<b>544.5</b>	501.2	8.6	586.9
Capital expenditure	<b>4.5</b>	4.1	9.8	23.1
Personnel under employment contract, average	<b>7,568</b>	7,377	2.6	7,496
Personnel, average (full-time equivalents)	<b>6,177</b>	5,859	5.4	5,932

OPERATIONAL INDICATORS	1–3/2007	1–3/2006
Customer volume in kiosk operations, thousands	<b>50,889</b>	48,379
Customer volume in bookstores, thousands	<b>1,747</b>	1,696
Customer volume in movie theatres, thousands	<b>2,321</b>	2,041
Number of copies sold (press distribution), thousands	<b>94,834</b>	92,395

Rautakirja's net sales for January–March increased by 6.5% totalling EUR 192.4 (180.7) million, with all countries and business segments improving their sales with the exception of bookstores. Net sales adjusted for changes in the Group structure increased by 4.6%. About 33% (32%) of Rautakirja's net sales came from outside Finland. The Dutch press distribution company Aldipress was combined with Rautakirja on January 1, 2007. The comparable figures have been adjusted to reflect the inclusion of Aldipress.

Net sales from kiosk operations increased in all countries of operation, rising to EUR 86.9 (82.3) million. The net sales for the comparable period include the net sales of the Pizza Hut restaurant chain divested in June 2006. In Finnish R-kiosks, traditional kiosk products and mobile communications products generated the most positive results. Customer numbers increased in all markets. In March, Rautakirja expanded its kiosk operations to Russia by establishing a joint venture with the Russian Partner Service Group. Rautakirja will hold a 70% majority share in the new company. The company will launch its modern kiosk concept in Moscow with the aim of setting up 50 kiosks during the first year. Later the company intends to expand its business to other major Russian cities.

Press distribution increased its net sales to EUR 56.2 (50.7) million in January–March. Net sales grew in the Baltic countries, Romania, Finland, and Russia, but decreased slightly in the Netherlands, where the newsstand market has been challenging for quite some time. The distribution volumes of Aldipress decreased slightly from the comparable period. In Finland, press distribution sales were bolstered by the weekday cover price increase by quality tabloids and the positive development of magazine sales in the first quarter. The operations of the Finnish Lehtipiste were complemented through the acquisition of Printcenter, a company specialised in point-of-sale (POS) marketing products and services, in February.

The net sales of the bookstores were EUR 29.6 (30.2) million in January–March. Sales in Finnish bookstores increased, but subscription sales decreased. Subscription sales decreased primarily as a result of the divestment of the library business in autumn 2006. Net sales increased in Estonia.

The entertainment business comprises movie theatres in Finland and the Baltic countries, and a multi-purpose arena in Hamburg. Net sales from the entertainment business increased in all countries of operation, reaching EUR 23.5 (20.1) million. Net sales were boosted e.g. by the expansion of movie theatre operations primarily in Finland during the second half of 2006 through acquisitions and by the opening of new multiplexes. Movie audiences grew particularly in Latvia and Lithuania. After the review period, Rautakirja has strengthened its position in the Baltic countries by opening a new movie theatre multiplex in Kaunas, Lithuania, and expanding the Forum Cinemas Home Entertainment chain in Latvia.

Rautakirja's operating profit for January–March was EUR 9.0 (10.4) million. Results in kiosk operations and bookstores lagged slightly behind last year. The operating profit of press distribution remained at the previous year's level. In Aldipress, the result of the comparable period included a purchase price adjustment of EUR 0.4 million related to acquisition in 2001 and the terms and conditions of the agreement. The entertainment business unit improved its operating profit.

Rautakirja will continue to ensure its expansion and success through continuous development, internationalisation, and acquisitions, with Russia and the emerging Central Eastern European economies serving as the target countries for expansion.

In 2007, Rautakirja's net sales are estimated to grow and operating profit excluding major non-recurring capital gains is expected to be at the previous year's level.

This Interim Report is unaudited.

Helsinki

Board of Directors

SanomaWSOY Corporation

<b>CONSOLIDATED INCOME STATEMENT</b>				
<b>EUR million</b>	<b>1-3/2007</b>	<b>1-3/2006</b>	<b>Change,%</b>	<b>1-12/2006</b>
<b>NET SALES</b>	<b>663.7</b>	612.5	8.4	2,742.1
Other operating income	13.3	15.4	-13.9	57.2
Materials and services	294.9	280.9	5.0	1,243.3
Personnel expenses	158.4	145.6	8.8	595.5
Other operating expenses	135.0	124.8	8.2	532.2
Depreciation and impairment losses	34.6	30.9	12.0	135.8
<b>OPERATING PROFIT</b>	<b>54.0</b>	45.6	18.4	292.5
Share of result of associated companies	1.8	1.9	-8.1	8.4
Financial items	-7.1	-6.2	13.9	-24.5
<b>RESULT BEFORE TAXES</b>	<b>48.6</b>	41.3	17.8	276.3
Income taxes	-13.7	-12.4	11.1	-68.0
<b>RESULT FOR THE PERIOD</b>	<b>34.9</b>	28.9	20.7	208.4
Attributable to:				
Equity holders of the Parent Company	35.5	32.5	9.5	209.5
Minority interest	-0.6	-3.6		-1.1
<b>Earnings per share for result attributable to the equity holders of the Parent Company:</b>				
Earnings per share, EUR	0.22	0.21	4.1	1.32
Diluted earnings per share, EUR	0.21	0.21	4.1	1.31

<b>CONSOLIDATED BALANCE SHEET</b>				
<b>EUR million</b>	<b>31.3.2007</b>	<b>31.3.2006</b>	<b>Change,%</b>	<b>31.12.2006</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Tangible assets	565.6	562.2	0.6	572.3
Investment property	10.0	10.9	-8.6	10.0
Goodwill	1,401.2	1,335.0	5.0	1,392.7
Other intangible assets	365.8	312.6	17.0	368.1
Interest in associated companies	70.3	62.5	12.4	68.2
Available-for-sale financial assets	16.4	16.6	-1.2	16.4
Deferred tax receivables	46.3	53.9	-14.0	45.2
Other receivables	36.4	35.1	3.6	38.4
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>2,512.0</b>	<b>2,388.8</b>	<b>5.2</b>	<b>2,511.3</b>
<b>CURRENT ASSETS</b>				
Inventories	159.3	145.8	9.3	150.1
Receivables	428.6	381.7	12.3	389.3
Available-for-sale financial assets		0.0		
Cash and cash equivalents	72.7	68.9	5.5	81.5
<b>CURRENT ASSETS, TOTAL</b>	<b>660.6</b>	<b>596.4</b>	<b>10.8</b>	<b>620.9</b>
<b>ASSETS, TOTAL</b>	<b>3,172.6</b>	<b>2,985.2</b>	<b>6.3</b>	<b>3,132.2</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Equity attributable to the equity holders of the Parent Company</b>				
Share capital	71.0	67.5	5.1	70.9
Other equity	1,273.9	1,106.6	15.1	1,234.8
	<b>1,344.9</b>	<b>1,174.1</b>	<b>14.5</b>	<b>1,305.7</b>
Minority interest	14.8	12.3	20.2	17.0
<b>EQUITY, TOTAL</b>	<b>1,359.6</b>	<b>1,186.4</b>	<b>14.6</b>	<b>1,322.7</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	95.6	90.4	5.8	96.2
Pension obligations	57.1	64.8	-12.0	57.6
Provisions	7.8	10.9	-28.6	7.8
Interest-bearing liabilities	43.7	129.6	-66.3	44.2
Other liabilities	34.7	26.3	31.7	36.0
<b>CURRENT LIABILITIES</b>				
Provisions	7.4	10.4	-29.0	7.9
Interest-bearing liabilities	821.6	790.9	3.9	819.7
Other liabilities	745.2	675.5	10.3	740.1
<b>LIABILITIES, TOTAL</b>	<b>1,812.9</b>	<b>1,798.8</b>	<b>0.8</b>	<b>1,809.5</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>3,172.6</b>	<b>2,985.2</b>	<b>6.3</b>	<b>3,132.2</b>

CHANGES IN CONSOLIDATED EQUITY EUR million	Equity attributable to the equity holders of the Parent Company		Minority interest	Equity, total
	Share capital	Other equity		
<b>EQUITY AT DEC. 31, 2005</b>	<b>67.5</b>	<b>1,074.0</b>	<b>16.3</b>	<b>1,157.7</b>
Change in translation differences		-1.5	0.0	-1.5
Other items		-0.2		-0.2
Items recognised directly in equity, total		-1.7	0.0	-1.8
Profit for the period		32.5	-3.6	28.9
<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>		<b>30.7</b>	<b>-3.6</b>	<b>27.1</b>
Conversion of capital notes				
Usage of share options	0.0	0.6		0.6
Expense recognition of granted options		1.3		1.3
Dividends paid			-0.6	-0.6
Change in minority interests			0.2	0.2
<b>EQUITY AT MARCH 31, 2006</b>	<b>67.5</b>	<b>1,106.6</b>	<b>12.3</b>	<b>1,186.4</b>
<b>EQUITY AT JAN. 1, 2007</b>	<b>70.9</b>	<b>1,234.8</b>	<b>17.0</b>	<b>1,322.7</b>
Change in translation differences		1.1	0.0	1.1
Other items		0.3		0.3
Items recognised directly in equity, total		1.4	0.0	1.4
Profit for the period		35.5	-0.6	34.9
<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>		<b>36.9</b>	<b>-0.6</b>	<b>36.3</b>
Conversion of capital notes	0.0	0.7		0.8
Usage of share options	0.0	0.0		0.0
Expense recognition of granted options		1.4		1.4
Dividends paid			-1.1	-1.1
Change in minority interests			-0.4	-0.4
<b>EQUITY AT MARCH 31, 2007</b>	<b>71.0</b>	<b>1,273.9</b>	<b>14.8</b>	<b>1,359.6</b>

CONSOLIDATED CASH FLOW STATEMENT EUR million	1-3/2007	1-3/2006	Change,%	1-12/2006
Result for the period	<b>34.9</b>	28.9	20.7	208.4
Adjustments	<b>43.5</b>	36.0	20.8	158.1
Change in working capital	<b>-34.3</b>	-50.3	-31.9	4.9
Financial items and taxes	<b>-22.8</b>	-17.1	33.3	-111.5
<b>CASH FLOW FROM OPERATIONS</b>	<b>21.3</b>	-2.5		259.9
Cash flow from investments	<b>-30.0</b>	-3.8	688.7	-132.9
<b>CASH FLOW BEFORE FINANCING</b>	<b>-8.6</b>	-6.3	37.7	127.0
Cash flow from financing	<b>-17.4</b>	-15.0	15.9	-136.0
<b>CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO THE CASH FLOW STATEMENT</b>	<b>-26.0</b>	-21.3	22.3	-8.9
Exchange rate differences under cash and cash equivalents	<b>0.2</b>	-1.2		1.1

NET CHANGE IN CASH AND CASH EQUIVALENTS	<b>-25.8</b>	-22.5	14.7	-7.8
Cash and cash equivalents at Jan. 1	<b>77.1</b>	84.9	-9.2	84.9
Cash and cash equivalents at March 31 / Dec. 31	<b>51.2</b>	62.4	-17.9	77.1

## ACCOUNTING POLICIES

SanomaWSOY has prepared its Interim Report in accordance with IAS 34 standard while adhering to related standards and interpretations.

SanomaWSOY applies all the standards, amendments to standards, and interpretations, that took effect at January 1, 2007. These have no material effect on consolidated financial statements.

<b>NET SALES BY BUSINESS</b> EUR million	1–3 2007	1–3 2006	4–6 2006	7–9 2006	10–12 2006	1–12 2006
<b>SANOMA MAGAZINES</b>						
Sanoma Magazines Netherlands	119.8	116.7	138.7	127.4	148.3	531.2
Sanoma Magazines International	65.8	58.1	59.7	57.9	71.9	247.6
Sanoma Magazines Belgium	52.5	44.7	48.2	43.8	51.9	188.6
Sanoma Magazines Finland	50.1	45.8	47.1	47.3	53.1	193.2
Eliminations	-1.2	-1.2	-1.3	-1.2	-0.9	-4.7
<b>TOTAL</b>	<b>287.1</b>	<b>264.1</b>	292.3	275.2	324.3	1,155.9
<b>SANOMA</b>						
Helsingin Sanomat	72.3	66.8	66.2	62.9	71.4	267.3
Ilta-Sanomat	23.6	22.3	23.4	22.8	23.7	92.2
Other publishing	24.3	20.8	21.4	20.2	24.8	87.3
Others	38.5	37.5	36.5	34.9	36.8	145.6
Eliminations	-36.3	-34.8	-33.6	-32.5	-34.2	-135.2
<b>TOTAL</b>	<b>122.4</b>	<b>112.6</b>	113.8	108.2	122.4	457.1
<b>SANOMAWSOY EDUCATION AND BOOKS</b>						
Educational publishing	20.0	15.3	69.7	77.3	25.4	187.7
Publishing	26.3	24.2	22.1	19.0	30.7	96.0
Others	12.0	10.3	9.7	11.3	12.0	43.3
Eliminations	-6.0	-4.5	-4.3	-4.3	-4.7	-17.8
<b>TOTAL</b>	<b>52.2</b>	<b>45.4</b>	97.2	103.3	63.4	309.2
<b>SWELCOM</b>						
TV and radio	19.9	19.2	21.0	13.4	22.8	76.5
Others	15.6	14.3	13.2	14.0	14.6	56.0
Eliminations	-0.3	-0.2	-0.1	-0.2	-0.1	-0.6
<b>TOTAL</b>	<b>35.2</b>	<b>33.3</b>	34.1	27.2	37.2	131.8
<b>RAUTAKIRJA</b>						
Kiosk operations	86.9	82.3	94.4	91.4	101.0	369.1
Press distribution	56.2	50.7	57.5	56.6	58.7	223.6
Bookstores	29.6	30.2	22.5	37.2	49.0	138.9
Entertainment	23.5	20.1	15.7	18.0	28.0	81.7
Eliminations	-3.9	-2.6	-3.2	-3.6	-3.9	-13.4
<b>TOTAL</b>	<b>192.4</b>	<b>180.7</b>	186.8	199.6	232.9	799.9
Other companies and eliminations	-25.6	-23.6	-25.1	-25.3	-37.9	-111.9
<b>TOTAL</b>	<b>663.7</b>	<b>612.5</b>	699.2	688.2	742.2	2,742.1

<b>OPERATING PROFIT BY DIVISION</b>						
<b>EUR million</b>	<b>1–3</b>	<b>1–3</b>	<b>4–6</b>	<b>7–9</b>	<b>10–12</b>	<b>1–12</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>
Sanoma Magazines	32.1	23.3	35.3	28.2	41.9	128.8
Sanoma	19.6	16.1	15.0	15.0	16.5	62.7
SanomaWSOY Education and Books	-6.5	-4.3	33.8	25.6	-7.1	48.0
SWelcom	2.9	3.2	4.0	0.4	4.8	12.5
Rautakirja	9.0	10.4	8.1	13.7	22.5	54.7
Other companies and eliminations	-3.1	-3.1	-3.4	-2.9	-4.7	-14.1
<b>TOTAL</b>	<b>54.0</b>	<b>45.6</b>	<b>92.8</b>	<b>80.1</b>	<b>73.9</b>	<b>292.5</b>

<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT</b>				
<b>EUR million</b>	<b>31.3.2007</b>	<b>31.3.2006</b>	<b>Change,%</b>	<b>31.12.2006</b>
Carrying amount at Jan. 1	572.3	566.5	1.0	566.5
Increases	11.3	10.4	8.5	59.4
Acquisition of operations	0.4	1.2	-66.2	15.5
Decreases	-0.8	-0.3		-5.3
Disposals of operations	-0.8	0.0		-2.3
Depreciation for the period	-16.2	-15.4	5.0	-62.9
Impairment losses for the period	0.0	0.0		-0.2
Exchange rate differences and other changes	-0.6	0.0		1.6
<b>Carrying amount at March 31 / Dec. 31</b>	<b>565.6</b>	<b>562.2</b>	<b>0.6</b>	<b>572.3</b>

The commitments for acquisitions of tangible assets were EUR 6.3 million (2006: EUR 7.8 million).

<b>CONTINGENT LIABILITIES</b>				
<b>EUR million</b>	<b>31.3.2007</b>	<b>31.3.2006</b>	<b>Change,%</b>	<b>31.12.2006</b>
<b>CONTINGENCIES FOR OWN COMMITMENTS</b>				
Mortgages	8.8	9.7	-9.3	10.5
Pledges	18.7	10.8	72.7	18.4
Other items	0.4	1.0	-55.2	0.4
<b>TOTAL</b>	<b>28.0</b>	<b>21.5</b>	<b>29.9</b>	<b>29.4</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES</b>				
Guarantees	7.9	7.9	0.0	7.9
<b>TOTAL</b>	<b>7.9</b>	<b>7.9</b>	<b>0.0</b>	<b>7.9</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES</b>				
Guarantees	0.1	0.2	-15.5	0.1
<b>TOTAL</b>	<b>0.1</b>	<b>0.2</b>	<b>-15.5</b>	<b>0.1</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES</b>				
Operating lease liabilities	251.7	234.0	7.6	249.1
Royalties	24.9	20.3	22.7	15.9
Other	44.4	43.7	1.7	47.2
<b>TOTAL</b>	<b>321.1</b>	<b>298.0</b>	<b>7.7</b>	<b>312.2</b>
<b>CONTINGENT LIABILITIES, TOTAL</b>	<b>357.1</b>	<b>327.6</b>	<b>9.0</b>	<b>349.6</b>



<b>DERIVATIVE INSTRUMENTS</b>				
<b>NOMINAL VALUES, EUR million</b>	<b>31.3.2007</b>	31.3.2006	Change,%	31.12.2006
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Purchased		100.0		
Written		54.8		
<b>TOTAL</b>		154.8		

<b>FAIR VALUES, EUR MILLION</b>	<b>31.3.2007</b>	31.3.2006	Change,%	31.12.2006
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Written		-0.1		
<b>TOTAL</b>		-0.1		

<b>CONSOLIDATED INCOME STATEMENT BY QUARTER</b>						
<b>EUR million</b>	<b>1–3</b>	<b>1–3</b>	<b>4–6</b>	<b>7–9</b>	<b>10–12</b>	<b>1–12</b>
	<b>2007</b>	<b>2006</b>	2006	2006	2006	2006
<b>NET SALES</b>	<b>663.7</b>	<b>612.5</b>	699.2	688.2	742.2	2,742.1
Other operating income	13.3	15.4	12.8	13.8	15.2	57.2
Materials and services	294.9	280.9	306.6	322.0	333.8	1,243.3
Personnel expenses	158.4	145.6	148.7	142.0	159.1	595.5
Other operating expenses	135.0	124.8	129.8	124.3	153.3	532.2
Depreciation and impairment losses	34.6	30.9	34.0	33.5	37.3	135.8
<b>OPERATING PROFIT</b>	<b>54.0</b>	<b>45.6</b>	92.8	80.1	73.9	292.5
Share of result of associated companies	1.8	1.9	2.3	3.4	0.8	8.4
Financial items	-7.1	-6.2	-7.5	-6.1	-4.7	-24.5
<b>RESULT BEFORE TAXES</b>	<b>48.6</b>	<b>41.3</b>	87.6	77.4	70.1	276.3
Income taxes	-13.7	-12.4	-25.3	-18.2	-12.1	-68.0
<b>RESULT FOR THE PERIOD</b>	<b>34.9</b>	<b>28.9</b>	62.3	59.2	58.0	208.4
Attributable to:						
Equity holders of the Parent Company	35.5	32.5	62.2	57.2	57.6	209.5
Minority interest	-0.6	-3.6	0.1	2.0	0.4	-1.1

## PRESS CONFERENCE

Press and analyst meeting in Finnish will be held by Mr Hannu Syrjänen, President and CEO of SanomaWSOY on May 3, 2007 at 1 pm (Finnish time) at Sanomatalo, Töölönlahdenkatu 2, Helsinki.

The conference call in English for analysts and investors will be arranged at 3 pm (Finnish time). Mr Hannu Syrjänen will present the result. To join the conference, please dial +44 20 3003 2666 (Europe) or +1 866 966 5335 (US). The code for the call is SanomaWSOY. The event can also be viewed on web at [www.sanomawsoy.fi](http://www.sanomawsoy.fi) either live or later on as on demand.

The presentation material of the press and analyst meeting as well as the slides used in the conference call will be available on SanomaWSOY's website after the press and analyst meeting has started.

SANOMAWSOY CORPORATION

Matti Salmi  
Senior Vice President  
Finance and Administration

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