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SANOMAWSOY'S YEAR BEGINS WELL

SanomaWSOY continues to consistently and successfully implement its strategic objectives – profitability, internationalisation, growth, and development.

– Our result for January - March has exceeded our targets. Traditionally the first quarter is a challenging one for us, so we can be satisfied with our achievements. We succeeded due to consistent hard work and our strong market position, says Hannu Syrjänen, President & COO of SanomaWSOY, commenting on the Group's result for January - March 2005.

SanomaWSOY's operating profit grew by 8.4% in the first quarter. It increased in all divisions except WSOY, where seasonal fluctuation at the new businesses affected the first quarter result. Result before non-recurring gains on the sales of assets remained at the previous year's level, but earnings per share rose by 30%.

Consolidating Operations Proceeded as Planned

During the first quarter, SanomaWSOY continued to consolidate into its operations the new units of its international businesses – magazines, educational publishing, and press distribution.

Independent Media, Russia's leading magazine publisher acquired by Sanoma Magazines, was consolidated with Sanoma Magazines International at the beginning of March. – We have been very satisfied with the acquisition of Independent Media. Consolidating its operations into Sanoma Magazines International has proceeded according to plan, Syrjänen says. Magazine operations are also proceeding according to schedule in Serbia and Montenegro, where the first magazine, Elle, was launched in April.

During the first quarter, WSOY focused particularly on sharing best practice and making use of synergy benefits in its new educational publishing business. The educational publishing business was formed from WSOY's units in Finland, Poland, Belgium, and the Netherlands.

In the beginning of the year, Rautakirja continued to expand internationally and consolidated the units for press distribution in Romania and Lithuania that were acquired at the end of 2004. The acquisition in Lithuania further strengthened Rautakirja's leading position in press distribution in the Baltic countries.

Newspapers and TV Channel Nelonen Strengthened their Positions

– Sanoma Kaupunkilehdet strengthened significantly its position in the Helsinki metropolitan area's free sheet market. The new free sheet, Kaupunkilehti Kymppi, expedited the market. Furthermore, the agreements with Connex and Concordia buses sealed our leadership in the market for free sheets on public transport. We have now a strong grip on all important distribution channels: buses, local trains, metro, and trams, Syrjänen states, in a satisfied tone. After the review period Helsingin Sanomat acquired the operations of a local radio station Radio Helsinki. The acquisition will further strengthen Helsingin Sanomat's position and cross media strategy.

The TV channel Nelonen continued to increase its share in TV advertising in the beginning of the year. New investments in TV programmes increased the channel's popularity especially among young male viewers. Also, the acquisition of the broadcasting rights for Finnish National Ice Hockey League, in co-operation with Canal+, strengthened Nelonen's position as a significant sports channel.

New Financial Targets Carry Out the Growth Strategy

Together with the Interim Report, SanomaWSOY also announced its new financial targets. The Group's new strategic operating profit target is 12%.

– We are moving into the next phase of our internationalisation strategy. We will be emphasising growth and strong market position in all of our operating countries while still focusing on our core competences. We also believe in the strength of new products and services when developing our businesses, Syrjänen summarises.

More information about SanomaWSOY's internationalisation strategy can also be obtained at the company's Capital Markets Day in London on 12 May 2005.

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