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SANOMAWSOY STRENGTHENED ITS MARKET POSITION IN THE FIRST HALF OF 2006

– In the first half of the year, we focused primarily on the development of our Russian and Central-Eastern European operations as well as educational publishing. Many of our divisions have also diversified their online businesses, says Hannu Syrjänen, President and CEO of SanomaWSOY, commenting on the Interim Report for January–June 2006.

SanomaWSOY's net sales for January–June increased by 5% totalling EUR 1,311.7 million, while operating profit totalled EUR 138.4 million. Earnings per share were up to EUR 0.60. – Due to the growth of our educational publishing business, the importance of second quarter has significantly increased, adds Syrjänen.

Expansion into the internet and radio business

SanomaWSOY broadened its online business in the second quarter with several new services. In April, Sanoma Magazines Finland launched a new internet service called Kiloklubi dedicated to dieters. A similar service was launched in Belgium and the concept is to be replicated in other countries as well. Sanoma, for its part, acquired Netticaravan.fi and Skillnet online services. After the review period, Sanoma Magazines acquired a leading Dutch price comparison website Kieskeurig.nl.

– We'll continue to pursue all online business opportunities that fit well into our existing product and service portfolio, says Syrjänen.

In Finland in May, SanomaWSOY's media portfolio expanded when the Finnish Government granted two semi-national radio licences to SWelcom and an extension to the license of Sanoma's Radio Helsinki.

– In creating content for the new radio channels, we'll utilise the opportunities offered by our cross-media portfolio. For instance, we'll develop content in close collaboration with the TV channel Nelonen, says Syrjänen.

A women's weekly for the Russian market

In May, Sanoma Magazines successfully launched Gloria, the first glossy women's weekly on the Russian market. In second quarter, Sanoma Magazines also launched new periodicals in the Netherlands, Romania, and Hungary, and several of its own magazine concepts, such as, Story, Margriet, and Libelle were redesigned. In the Netherlands, magazine portfolio will become more diversified now that Sanoma Men's Magazines plans to acquire four Dutch golf magazines. And in Finland, a new women's magazine Sara will be launched in the autumn.

Success in educational publishing

The situation in the educational publishing market is favourable, and the order book for WSOY's educational publishing looks promising through to the end of this year. – Third quarter will be the strongest for our recently acquired educational publishing unit in Hungary, comments Syrjänen.

The service portfolio of the Finnish R-kiosk outlets has continued to diversify thanks to the introduction of a new point-of-sale system. Sales of traditional kiosk products did well in all markets. In the first half of the year, Finnkino further strengthened its leading position in Finland by acquiring the movie theatres of Sandrew Metronome.

Continued investments in Russia and Central-Eastern Europe

– We achieved a record operating profit last year and we'll continue at the same vigorous pace this year. In the second half of the year, we'll strengthen our market position in places such as Russia and Central-Eastern Europe in line with our stated strategy, asserts Syrjänen.

– Sanoma Magazines' partnership with Gruner + Jahr and Styria in the Adriatic region will kick-off in earnest in late 2006. In addition, we will continue to invest in developing our online business.

Additional information: SanomaWSOY Group Communications, tel. +358 105 19 5062 or e-mail ir@sanomawsoy.fi

SANOMAWSOY CORPORATION

Matti Salmi
Senior Vice President
Finance and Administration

DISTRIBUTION
Helsinki Stock Exchange
Principal media