



SanomaWSOY - Dynamic European Media Portfolio

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SanomaWSOY

Contents

- SanomaWSOY in Brief
- FY07 Result
- Focus Areas in the Future



The SanomaWSOY Group

Group Net Sales M€ 2,926 • Group EBIT M€ 344 • Group Personnel 19,587

Rautakirja

- Net sales M€ 849.3
- EBIT M€ 55.6 (6.5%)

**Kiosks, press distribution,
bookstores, entertainment**

SWelcom

- Net sales M€ 146.0
- EBIT M€ 15.8 (10.8%)

**TV, broadband
internet, radio**

SanomaWSOY Education and Books

- Net sales M€ 322.5
- EBIT M€ 44.5 (13.8%)

**Educational publishing, general literature,
business information and services**

Sanoma Magazines

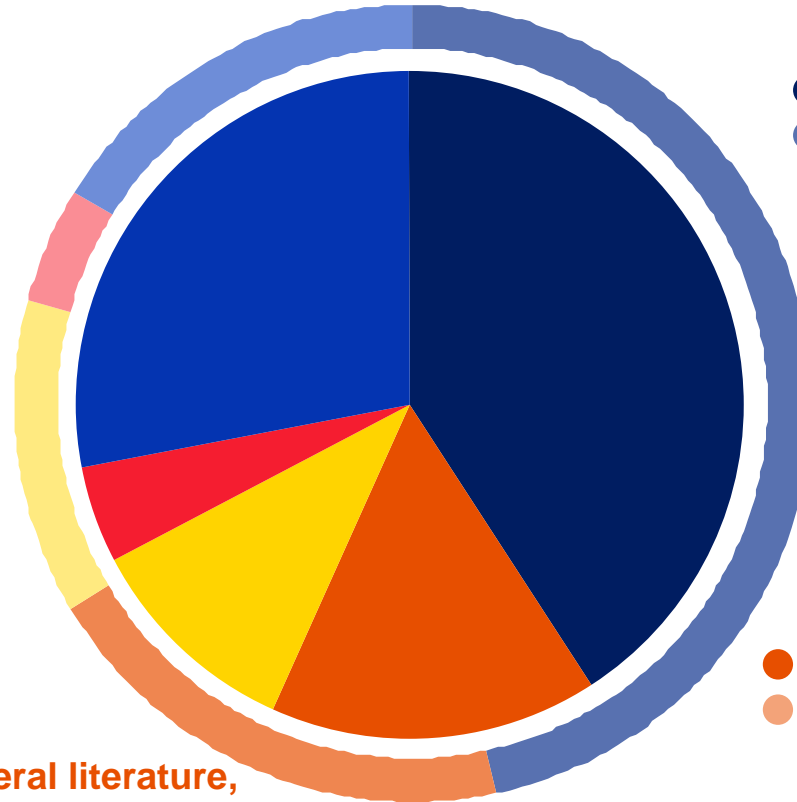
- Net sales M€ 1,238.1
- EBIT M€ 160.9 (13.0%)

**Magazines,
online operations**

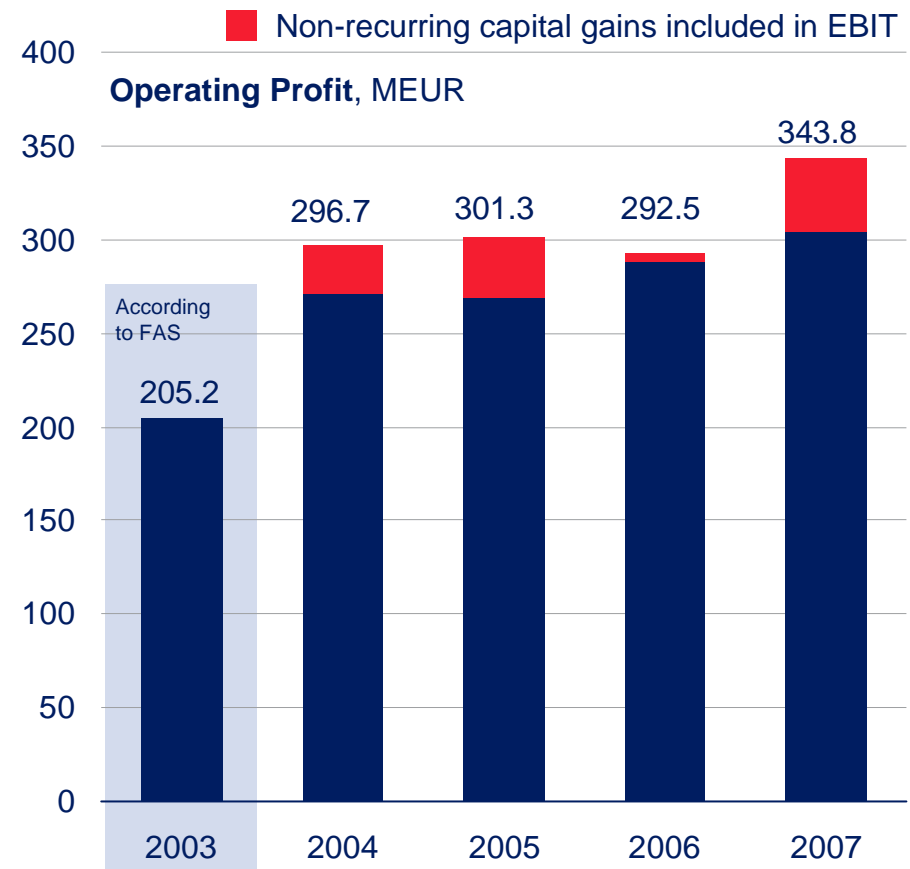
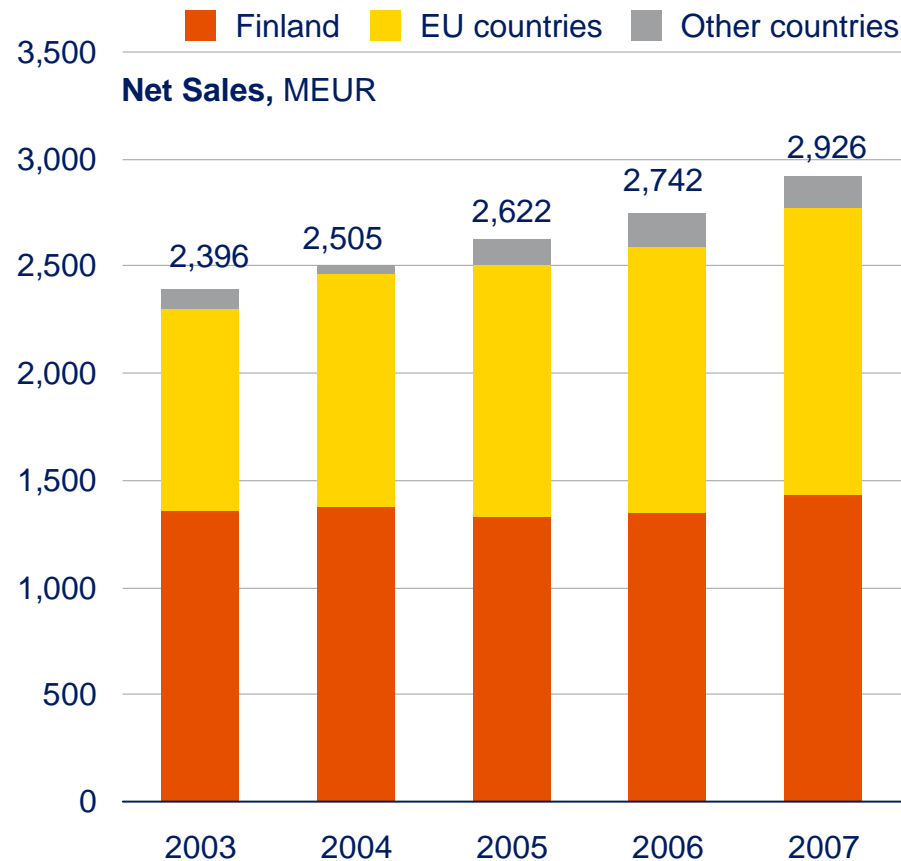
Sanoma

- Net sales M€ 480.8
- EBIT M€ 67.6 (14.1%)

**Newspapers, online
operations, printing**



Sustained Growth and Profitability



Multimedia strategy in Finland

Four Focused International Growth Areas

Magazines



41%

- Concepts travel – magazines are not influenced by national or political issues
- Preferred international license partner + own concepts across borders
- Magazines are perfect platforms for brand extensions and virtual communities

Educational publishing



7%

- Growth potential: investments in CEE and move to eLearning
- Consolidation of business – no big players in Europe
- Modularisation in production: local content, global platforms

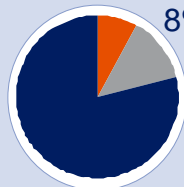
Digital media



10%

- Controlled transition from print to digital (optimal time, optimal pace)
- Consumer defines what content and where he/she wants to use it
- Includes TV and radio, online access, digital content, online advertising and eCommerce (some 6% without broadcasting)

Press distribution and kiosks



8%
13%*

- Good, profitable business & exportable know how
- Supports magazine value chain
- Kiosk operations complement distribution in CEE countries and Russia

The Group's Financial Targets

To increase net sales at a rate faster than GDP growth in main operating countries

To increase digital business significantly

Group EBIT target is 12%

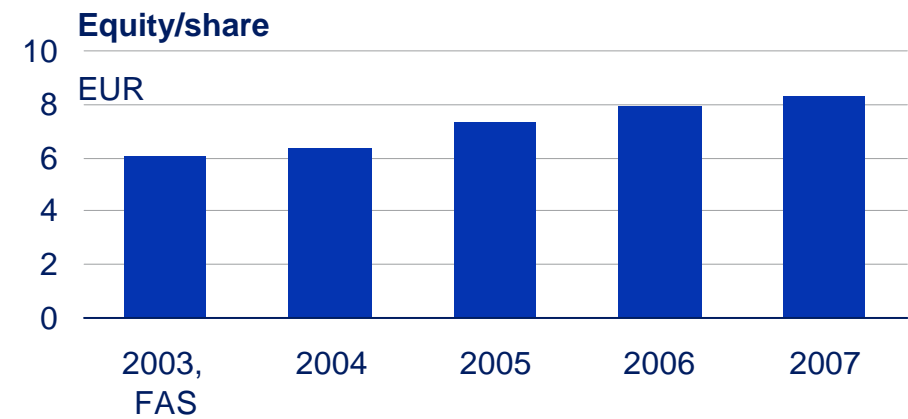
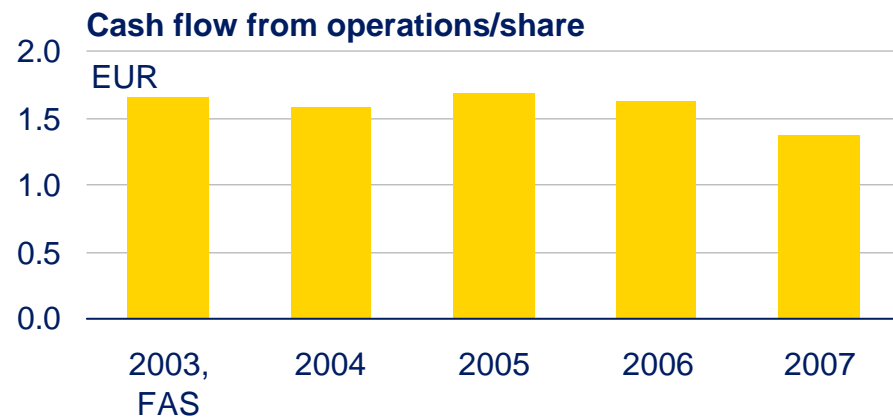
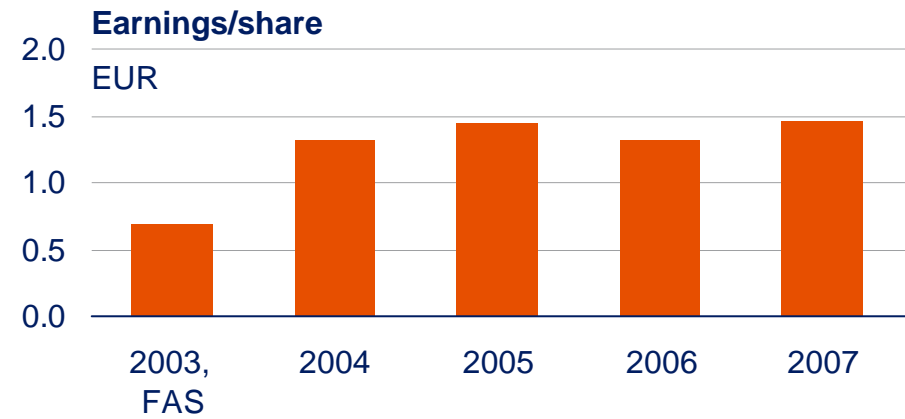
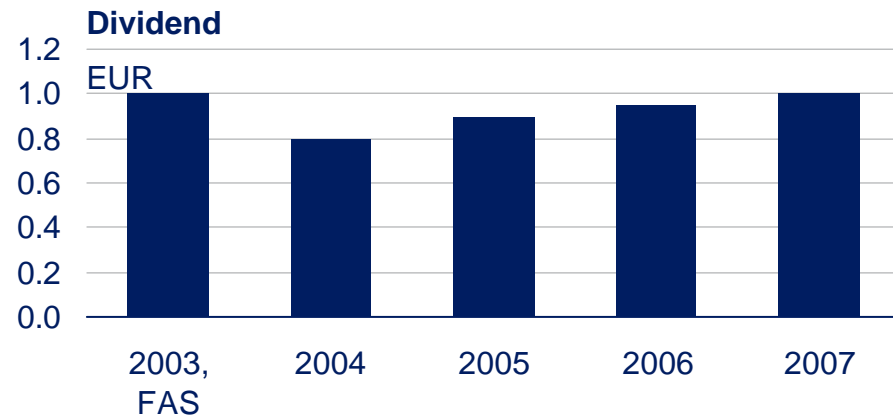
EBIT margin development (%)	2007	2007*	2006*	2005*	2004*
Sanoma Magazines	13.0	11.3	10.9	10.9	12.5
Sanoma (newspapers)	14.1	14.1	13.3	13.0	13.7
SanomaWSOY Education and Books	13.8	13.8	15.5	13.4	11.5
SWelcom (TV and broadband)	10.8	10.8	9.5	7.8	8.2
Rautakirja (distribution)	6.5	6.5	6.8	6.6	7.0
SanomaWSOY	11.7	10.4	10.5	10.3	10.8

Other key ratios

- Annual capital expenditure < EUR 100 million (EUR 90.5 million in 2007)
- Equity ratio 35–45% (45.4% in 2007)
- Gearing < 100% (58.2% in 2007)
- Net debt/EBITDA < 3.5 (1.6 in 2007)

Good Dividend Payer

Over half of Group result after taxes distributed in dividends



Ohra multimedial	6,3	19,00
Ohra new energy f	4,26	8,30
Ohra obl div	31,80	4,05
Ohra opr goed	39,00	31,30
Ohra spaarstiv f	22,19	39,40
Ohra totaal	20,80	22,00
Opt biotech fd	26,00	21,00
Opt europe fd D	61,60	26,00
Opt incorne fd C	36,35	61,40
Opt mix fd E	24,15	24,20
Opt techn. fd A	8,45	36,30
Orange deeln fd	29,30	8,37
Orange eur comp fd	7,30	29,30
Orange eur mc f	11,45	7,30
Orange eur prop fd	10,60	11,35
Orange eur smc f	11,9	12,20
Orange fund	5	19,90
Orange eur.largcapf	19,5	5,55
Orange largcapf	5	5,45
Orange sense fd	11,30	
Orange wine fund	11,30	
Pacific r.c.f.	11,30	
Pan glob conv f.	11,30	
Postb.aandf	11,30	
Postb.aex click	11,30	
Postb.amerit	11,30	
Postb.com tech f	11,30	
Postb.duurz aandf	11,30	
Postb.easy bluefd	11,30	
Postb.eur aandf	11,30	
Postb.hoog div aandf	11,30	
Postb.hoog div obl f	11,30	
Postb.internet fd	11,30	
Postb.japan o.f.	11,30	
Postb.multimedia fd	11,30	
Postb.ned.fonds	11,30	
Postb.opk.landf.	11,30	
Postb.wereldmf.	11,30	
Rente plus f. 1	11,30	
Rob amerika	11,30	
Rob balanced mix	11,30	
Rob dynamic mix	11,30	
Rob duurz aand	11,30	
Rob econ recovery	11,30	
Rob emerob.mark.	11,30	
Rob euroland aand	11,30	
Rob euro midcaps	11,30	
Rob europe	11,30	
Rob eur.obl div.	11,30	
Rob growth mix	11,30	
Rob high yield o.	11,30	
Rob holl.bezit	11,30	
Rob holl t-0	11,30	
Rob holl t-20	11,30	
Rob holl t-50	11,30	
Rob holl t-100	11,30	
Rob hypotheek	11,30	
Rob milieu techn	11,30	
Rob pacific	11,30	
Rob private eq	11,30	
Rob safe mix	11,30	
Rob solid mix	11,30	
Rob young	11,30	

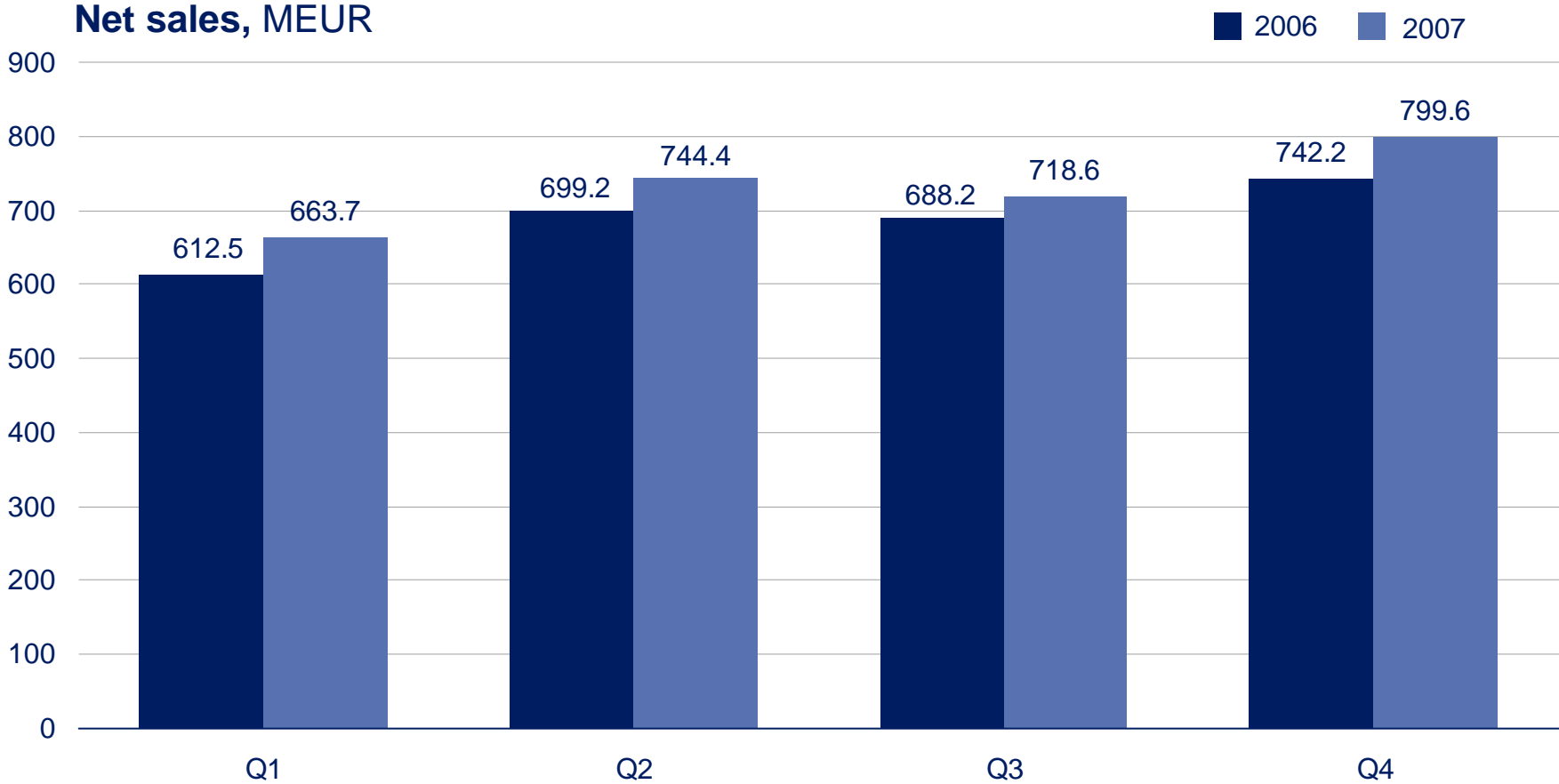
Full-Year Result 2007

Key Indicators

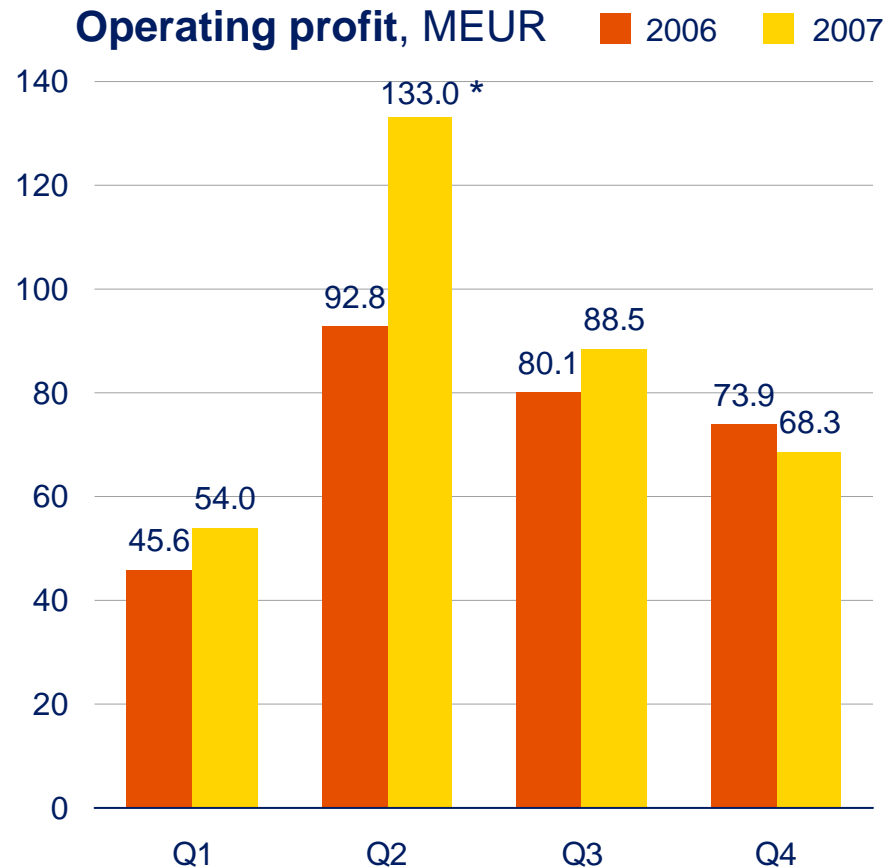
EUR million	1–12/2007	1–12/2006	Ch %
Net sales	2,926.3	2,742.1	6.7
Operating profit	343.8	292.5	17.5
% of net sales	11.7	10.7	
Operating profit excluding major non-recurring capital gains	303.5	288.2	5.3
% of net sales	10.4	10.5	
Balance sheet total	3,192.3	3,132.2	1.9
Capital expenditure *	90.5	81.9	10.5
Return on equity (ROE), %	18.6	17.7	
Return on investment (ROI), %	15.9	14.3	
Equity ratio, %	45.4	45.0	
Gearing, %	58.2	59.2	
Interest-bearing liabilities	881.4	863.9	2.0
Net debt	793.3	782.4	1.4
Earnings/share, EUR	1.47	1.32	11.9
Cash flow from operations/share, EUR	1.38	1.63	-15.3
Dividend/share, EUR	1.00	0.95	5.3
Market capitalisation, EUR million	3,196.2	3,521.8	-9.2
Average number of employees	19,587	18,434	6.3

* Definition of capital expenditure has been changed in 2006.
Comparative data has been adjusted accordingly.

Net Sales



Operating Profit



4Q07 result affected by:

- Sanoma Magazines' heavy investments in marketing and launches
- Sanoma's restructuring
- General literature's weak sales
- Bookstore chain Suomalainen Kirjakauppa's Christmas sales and reorganisation of Aldipress

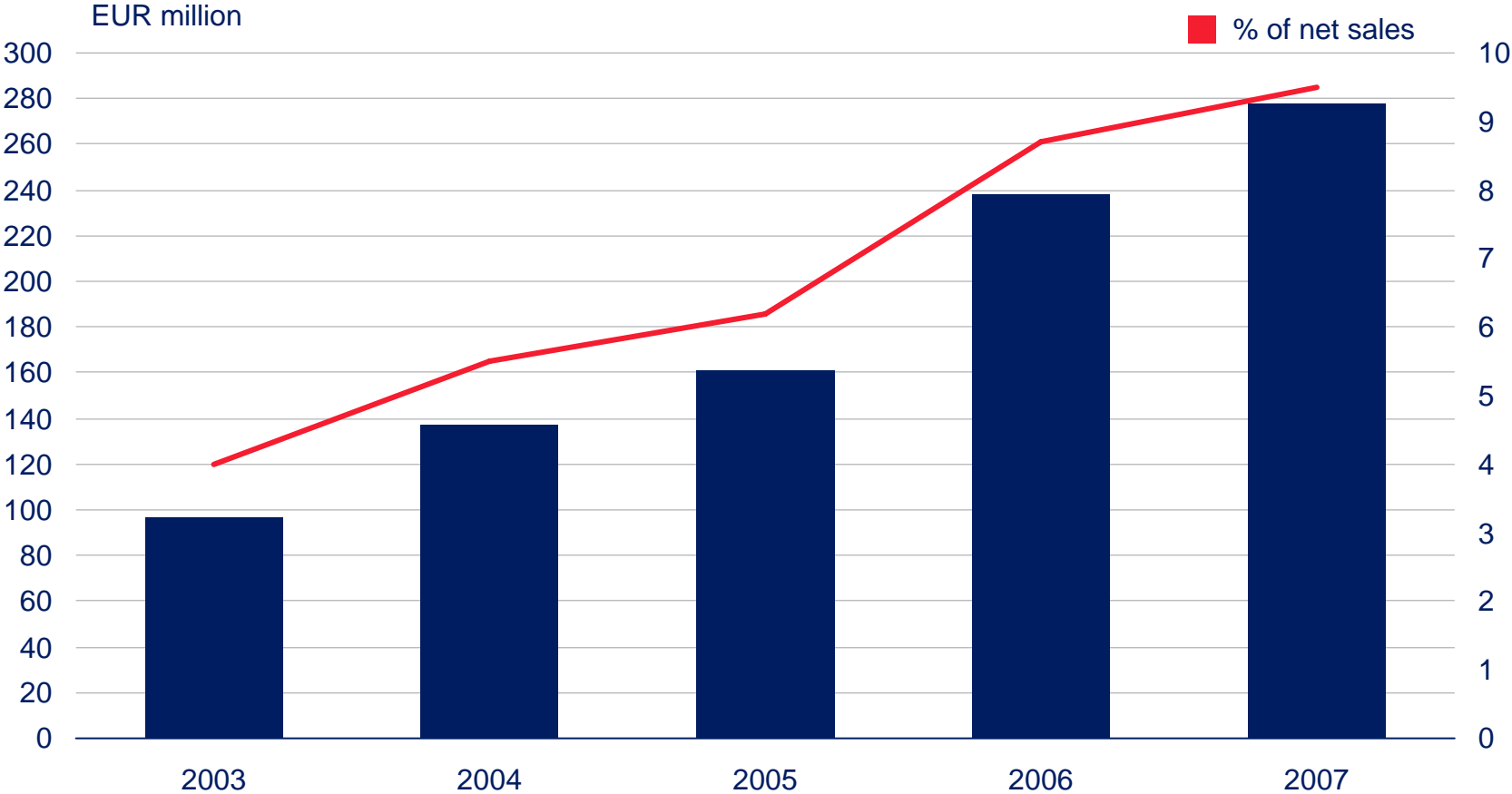
Magazine Launches in 2007

- Health magazine Nők Lapja Egészség, Hungary
- Weekly magazine Story, Ukraine
- National Geographic Traveler, Russia
- Fashion magazine Grazia, Russia
- Women's magazine Milo, Belgium
- Women's magazine TYA!, Bulgaria
- Women's magazine Marie Claire, Hungary
- Food and lifestyle magazine Delicious, NL
- Psychological magazine Mind Magazine, NL
- Food magazine Prekvapeni v Kuchyni, Czech
- Health magazine Diabetik, Slovenia
- Lifestyle magazine Gala Style, Croatia
- Fashion magazine Grazia, NL
- Fashion and beauty magazine Harper's Bazaar, Romania
- Men's magazine Esquire, Romania
- Women's magazine Sensa, Croatia
- Architecture and design magazine Interni, Russia
- Fashion magazine Try!, Russia
- Lifestyle magazine Gala Style, Serbia
- Health magazine Get in Shape, NL
- Women's magazine Good Housekeeping, Ukraine

Digital Media Launches and Acquisitions in 2007

- Sanoma Digital unit, Finland
- Radio Rock and Radio Aalto, Finland
- Commercial TV channel JIM, Finland
- Women's site Rozali.com, Bulgaria
- Celebrity portal StoryOnline.hu, Hungary
- Business site Belegger.nl, NL
- TV production company Jok Foe (50%), Belgium
- Ticket service Mr Ticket.nl (40%), NL
- Food site Foody.fi, Finland
- Car site Autotaivas.fi, Finland
- Fashion site Tyylitaivas.fi, Finland
- Cosmetic site Glossy.fi, Finland
- Pay TV channel KinoTV, Finland
- Price comparison site PDAMania.hu, Hungary
- Game portal Älypää, Finland
- Hot from the US, Disney's top series on Nelonen Web TV
- Croportal.net, Croatia
- Game site Pelikone.fi, Finland
- Mobile service for women, Belgium
- News site Newsreport.ro, Romania
- Blog site Blogilista.fi, Finland
- Food site Ruokala.tv, Finland
- Bridal community Miresici.ro, Romania
- Social bookmarking site NuJij.nl, NL
- Fashion and beauty site Styletoday.nl, NL
- Consumer site Kirakat.hu, Hungary
- Free sheet Vartti's online service (relaunch), Finland
- User-generated content platform, Maakjezo.nl, NL
- Schoolmate community Schoolbank.nl, NL
- Travel site Vakantie.nl, NL
- TV channels Urheilukanava and Urheilu+kanava, Finland
- Online publisher CE Media Online, Czech
- Women's site Ameno.ru, Russia

Digital Media Sales



2003–2005 figures are not fully comparable to 2006 and 2007

Acquisitions and Other Key Events in 2007

Acquisitions

- Educational publisher Nowa Era, Poland (estimated closing during 1Q08)
- Press distributor Press Point International and kiosk company HDS CIS, Russia
- Translation agency Noodi, Finland
- Language service company The Works, Sweden
- Educational consultancy company TSM Consultants, NL
- Classified ads market place Auto24, Estonia
- Point-of-sale marketing services and products company Printcenter, Finland

- Kiosk operations expanded to Russia, establishment of R-Kiosk OOO
- Dutch press distribution company Aldipress transferred to Rautakirja
- Divestment of crossword magazines in the NL
- Divestment of multipurpose arena in Hamburg Germany
- Hungarian educational publisher Láng fully owned by SanomaWSOY Education
- New movie theatre centre in Lithuania and new multiplex in Lahti, Finland
- R-kioski developed new services: ÄrräPaketti pick-up service for parcels, Finland



After the Review Period

Development of Product and Service Portfolio Continues

Magazine launches

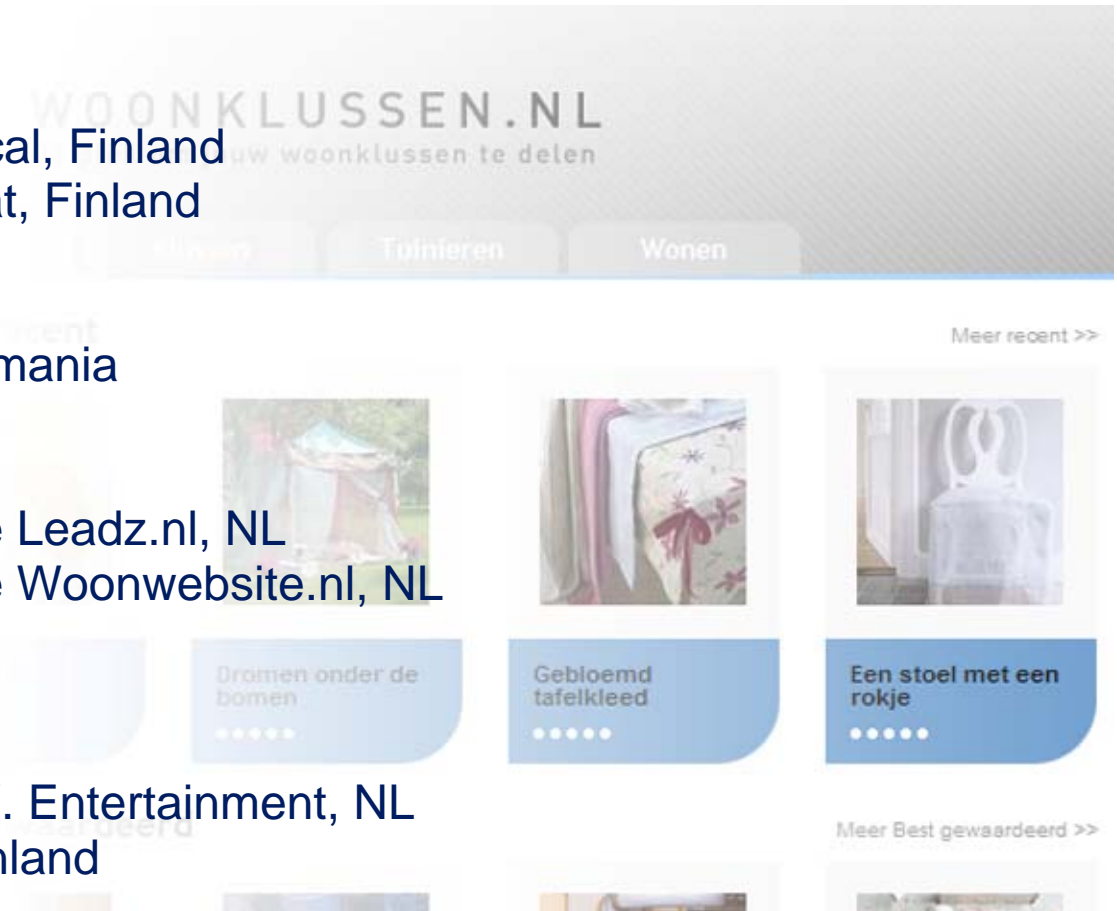
- Reportage magazine GEO, Finland
- Magazine for youth High School Musical, Finland
- LukuNaiset, book in a magazine format, Finland

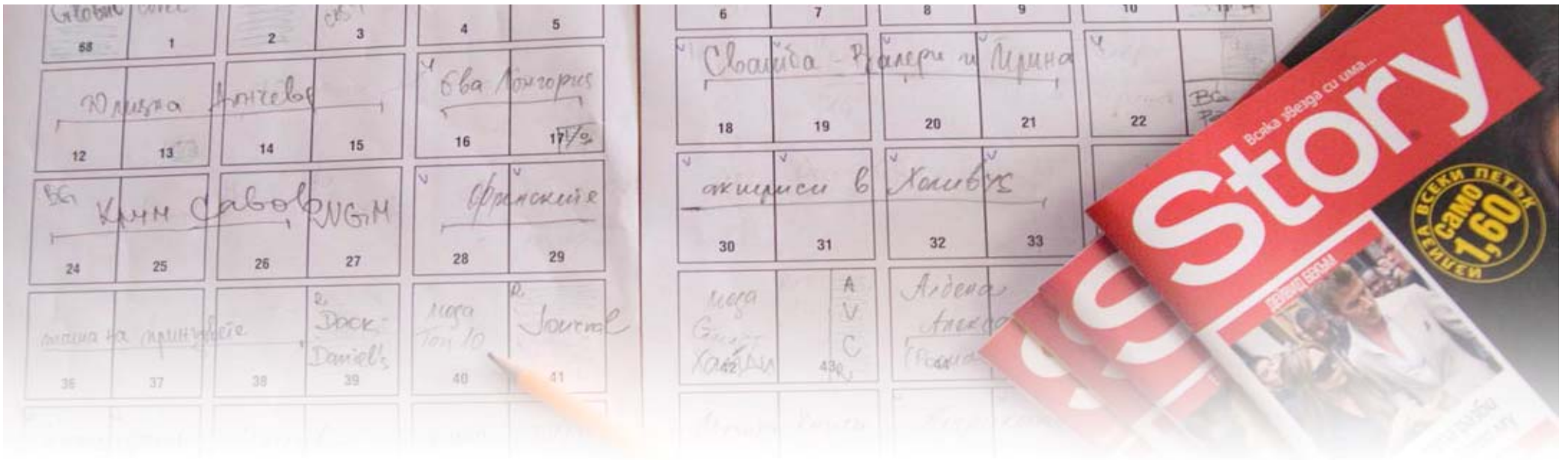
Digital media launches and acquisitions

- Parenting Community Parinti.com, Romania
- Decoration site Woonklussen.nl, NL
- Motor cycle site Motomania.fi, Finland
- Home decoration and construction site Leadz.nl, NL
- Home decoration and construction site Woonwebsite.nl, NL
- Blog site Webpark.ru, Russia

Divestments

- Filmed entertainment distributor R.C.V. Entertainment, NL
- Digital services company 2ndhead, Finland





Strategic Objectives and Outlook

Our Strategic Objectives

A Leading European Media Portfolio

- **One of the leading media companies, with focus on sustainable growth and profitability**
 - Multimedia in Finland
 - Four international growth areas
 - Magazine publishing
 - Educational publishing
 - Digital media
 - Press distribution/kiosks
- **Value adding market leadership in chosen businesses**



Our Strategic Focus Areas

Sustainable Growth

Creating opportunities for growth by

- Organising for growth and innovation
- Building competitive edge on local customer know-how
- Expanding core businesses and driving synergies
- Driving strong expansion in defined growth markets (digital media, RUS, CEE and other CIS countries)
- Acting on value-adding consolidation opportunities



Our Strategic Focus Areas

Sustainable Profitability

Ensuring operational excellence by

- Leveraging scale and scope
- New, often ICT enabled, ways of doing
- Value-adding process development initiatives
- Utilising profitable opportunities in digital business



Group's Outlook for 2008

Outlook

- Net sales to grow in line with the previous year
- Operating profit excluding major non-recurring capital gains continues to improve
- In 2007, operating profit excluding capital gains totalled EUR 303.5 million and net sales grew by 6.7%



Content for your life