

SanomaWSOY 1-6/2001

Hannu Syrjänen, President & COO



Key developments, 1-6/2001

- **Net sales rose by over 4% to €723.6 million**
 - increased sales in all sectors
- **Operating profit softer, at €30.2 million (1-6/2000: 33.8 million)**
 - Lower result at Sanoma and SWelcom,
better result at Helsinki Media, WSOY, and Rautakirja
- **Profit before extraordinary items lower, at €45.7 (91.0 million), as a result of reduced net financial income**
- **Uncertainty on the advertising market affected different businesses differently**
 - Advertising sales down at Helsingin Sanomat
 - Channel Four's advertising sales at 2000 levels
 - Magazine advertising up
- **Cost-saving measures initiated**



Overview of the CIG acquisition

Company	VNU Consumer Information Group Europe's fifth-largest magazine publisher
Price	€1,250 million (enterprise value)
Financing	Syndicated, fully underwritten loan facility Potential convertible capital note issue Cash reserves Disposal of non-core assets and holdings at a later date
Closing	By beginning of Q4, subject to competition authority approval where appropriate



Transaction rationale (1/2)

- **Excellent strategic fit**
 - In line with SanomaWSOY's overall strategic intentions
 - Creates a major new player in the European magazine market, with net sales close to €1 billion
 - Gives us new leading positions in Belgium, the Czech Republic, The Netherlands, and Hungary (CIG: over 250 titles in seven countries)
 - Opportunity to leverage successful brands, formats, and content across multiple markets
- **Makes SanomaWSOY the number-one media company in the Nordic region**
- **Springboard for SanomaWSOY's further expansion**



Transaction rationale (2/2)

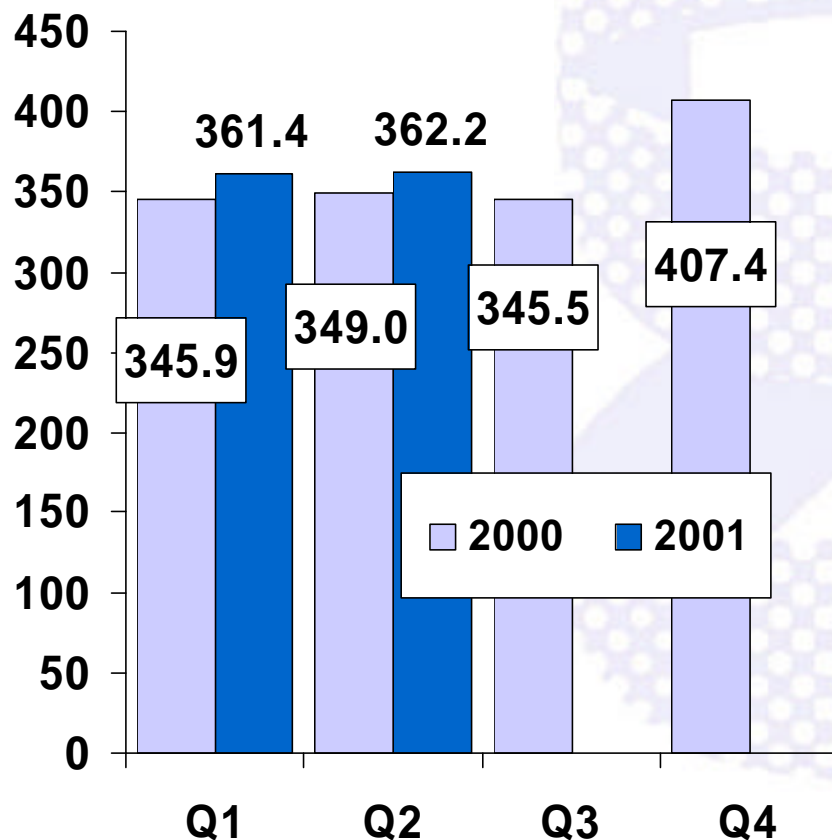
- **Strong operational performance at CIG**
 - Good profitability and strong cash flow
 - High share of revenues from circulation
 - Light balance sheet
- **Balanced deal**
 - EV/EBITDA = 8.7
 - CEPS & EPS positive (pre-goodwill)



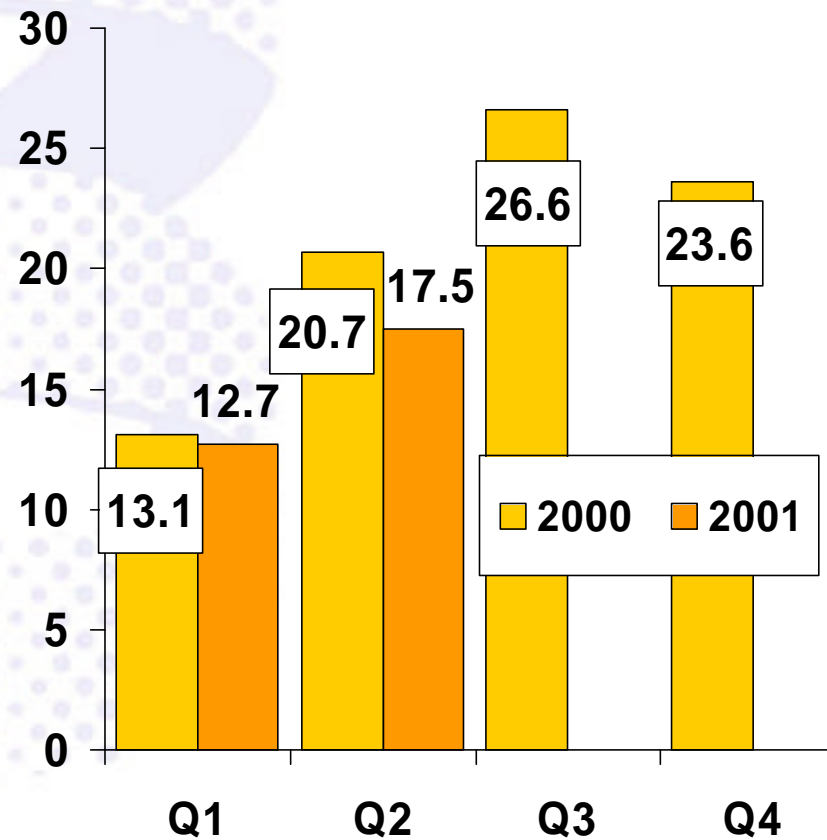
SanomaWSOY Group

(quarterly)

NET SALES, €million



OPERATING PROFIT, €million



Key indicators

€ million	30.6.2001	30.6.2000	Change,%	31.12.2000
Net sales	723.6	694.9	4.1	1 447.8
Operating profit	30.2	33.8	-10.8	84.0
% of net sales	4.2	4.9		5.8
Operating profit before depreciation *)	36.6	37.9	-3.5	94.3
% of net sales	5.1	5.5		6.5
Balance sheet total	1 440.9	1 356.2	6.2	1 439.3
Gross investments	98.5	74.5	32.1	168.4
Equity ratio, %	66.3	70.6		67.9
Earnings/share	0.19	0.47	-58.2	0.67
Cash flow/share	0.37	0.70	-47.8	1.24
Market capitalisation	1 644.0	2 406.2	-31.7	1 964.6
Personnel, average	10 942	10 165	7.6	10 350

*) Depreciation on consolidated goodwill



Group income statement

€ million	30.6.2001	30.6.2000	Change,%	31.12.2000
Net sales	723.6	694.9	4.1	1 447.8
Other operational income and change in inventories	31.4	23.1	35.9	37.1
Share of result of associated companies	4.2	2,9	43.9	6.4
Operational expenses	728.9	687.1	6.1	1 407.3
Operating profit	30.2	33.8	-10.8	84.0
Financial income and expenses	15.6	57.1	-72.7	54.3
Profit before extraordinary items	45.7	91.0	-49.8	138.3
Extraordinary items	0.0	0.0		2.0
Profit after extraordinary items	45.7	91.0	-49.8	140.3
Direct taxes	-12.9	-23.9	-46.2	-39.3
Minority interest of the result for the period	-5.9	-2.6	126.5	-6.8
Profit for the period	27.0	64.5	-58.2	94.2

Group balance sheet

€ million	30.6.2001	30.6.2000	Change,%	31.12.2000
Non-current assets, total	845.1	773.5	9.3	827.4
Current assets, total	595.8	582.7	2.3	611.9
Shareholders' equity, total	788.4	787.7	0.1	822.6
Minority interest	120.4	121.9	-1.3	120.1
Statutory provisions	5.4	1.7	222.8	2.3
Liabilities, total	526.7	444.9	18.4	494.2
Balance sheet total	1 440.9	1 356.2	6.2	1 439.3

Advertising sales revenue in Finland

€ thousand	1-6/2001	Change, %
NEWSPAPERS	283 913	-1.8
Aamulehti	10 935	-1
Helsingin Sanomat	44 093	-5
Helsingin Sanomat, excl. supplements	41 687	-5
Ilta-Sanomat	3 745	2
Iltalehti	3 343	4
Kauppalehti	6 180	-3
Taloussanomat	1 742	32
Turun Sanomat	9 849	-4
KÄRKIMEDIA *)	49 671	10.9

Source: Gallup-Mainostieto,
*) Kärkimedia



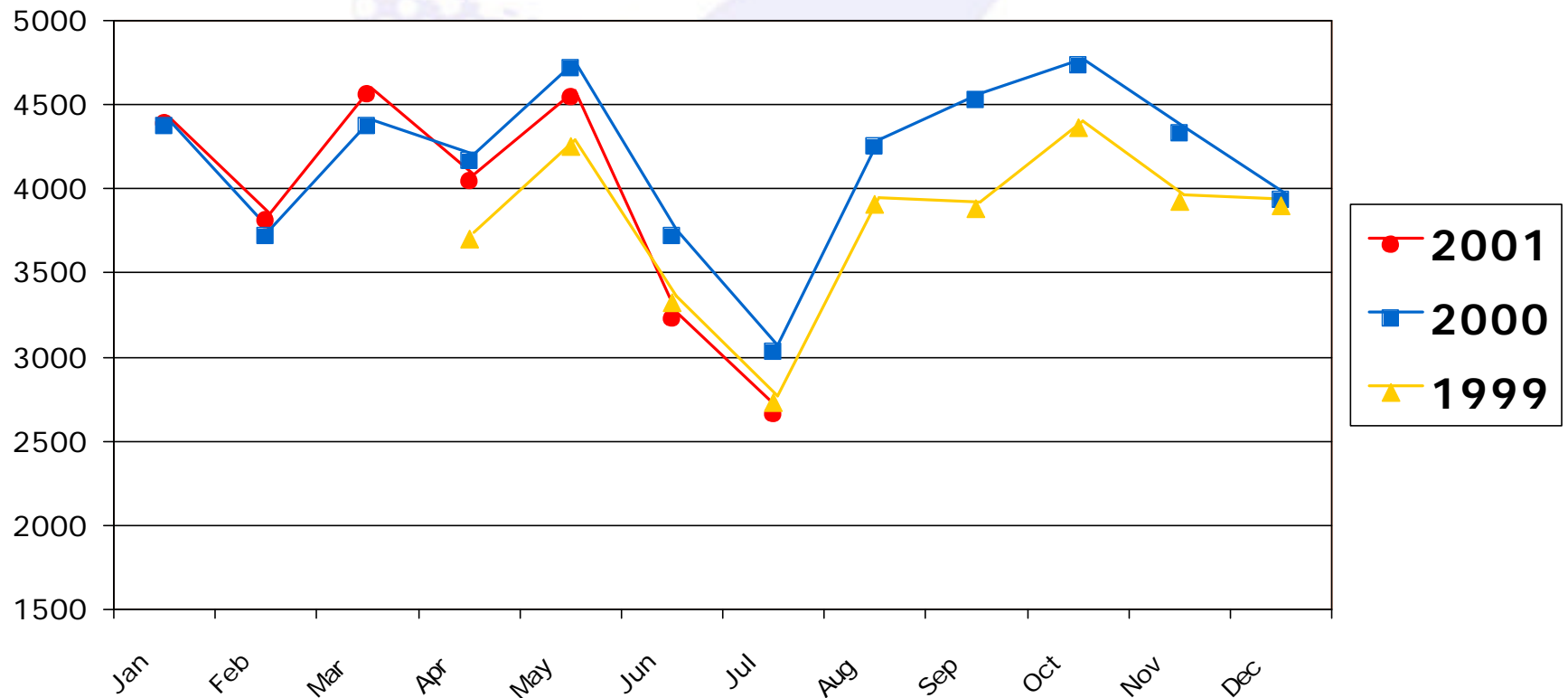
Advertising sales revenue in Finland

€ thousands	1-6/2001	Change, %
MAGAZINES	40 859	2.9
TELEVISION	54 323	-8.6
RADIO	9 133	3.3
OUTDOOR ADVERTISING	9 623	2.9
CINEMA	546	38.8
INTERNET	2 414	5.7

Source: Gallup-Mainostieto

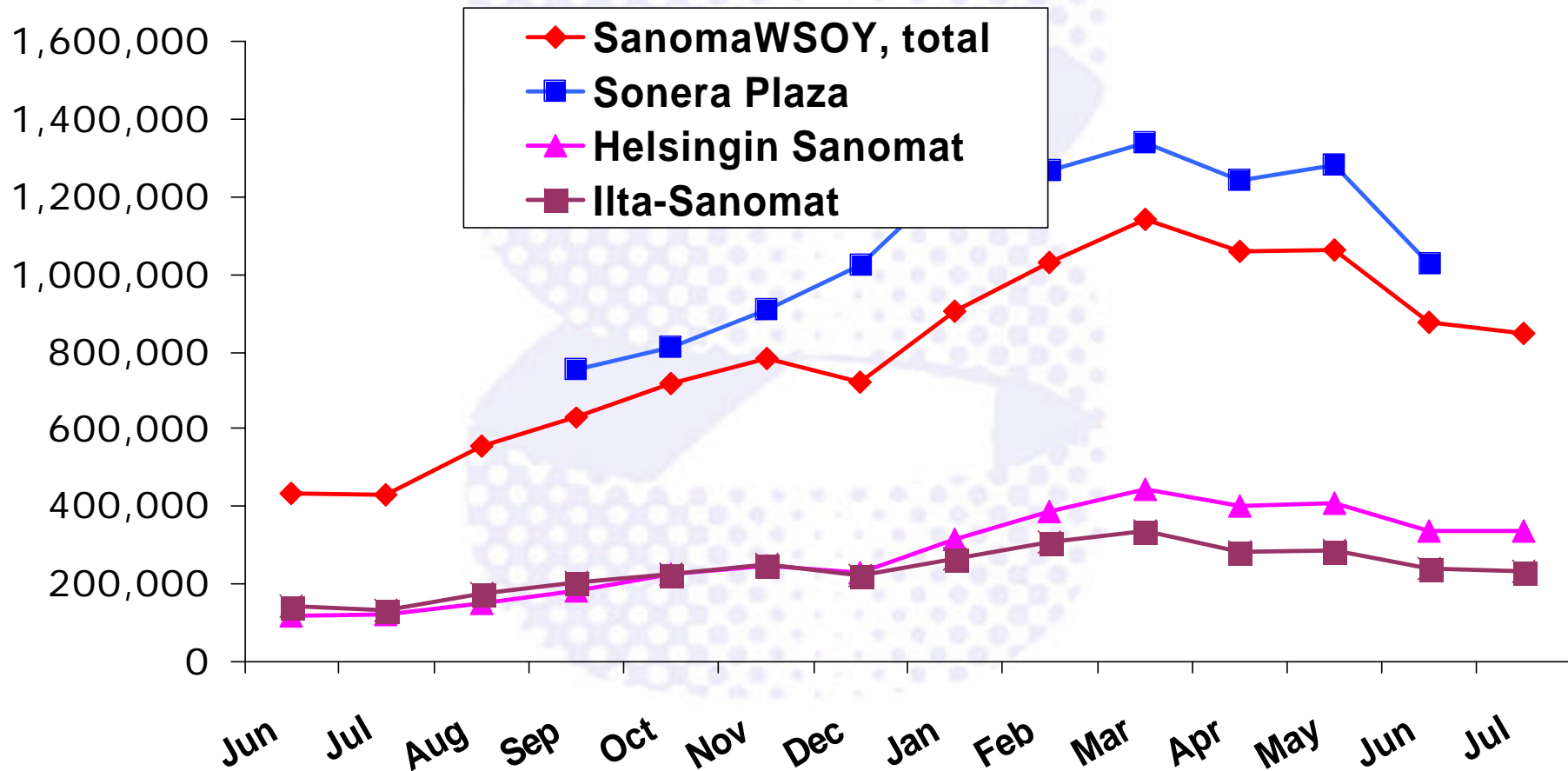


Advertising in Helsingin Sanomat (column metres)



Web site visitors

Unique visitors, average per month

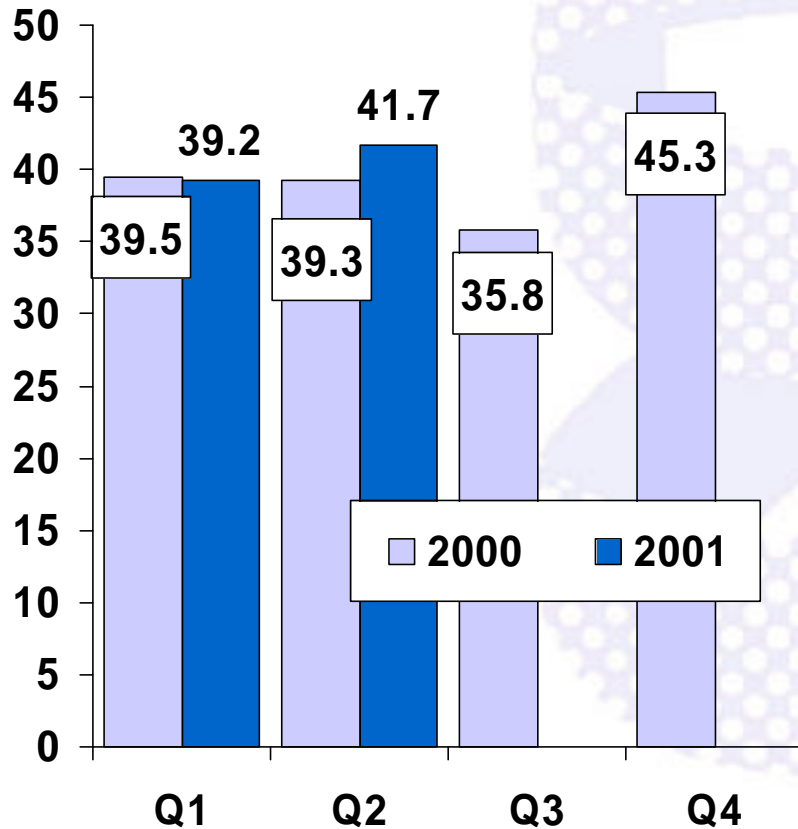


Source: Gallup Web, RedSheriff

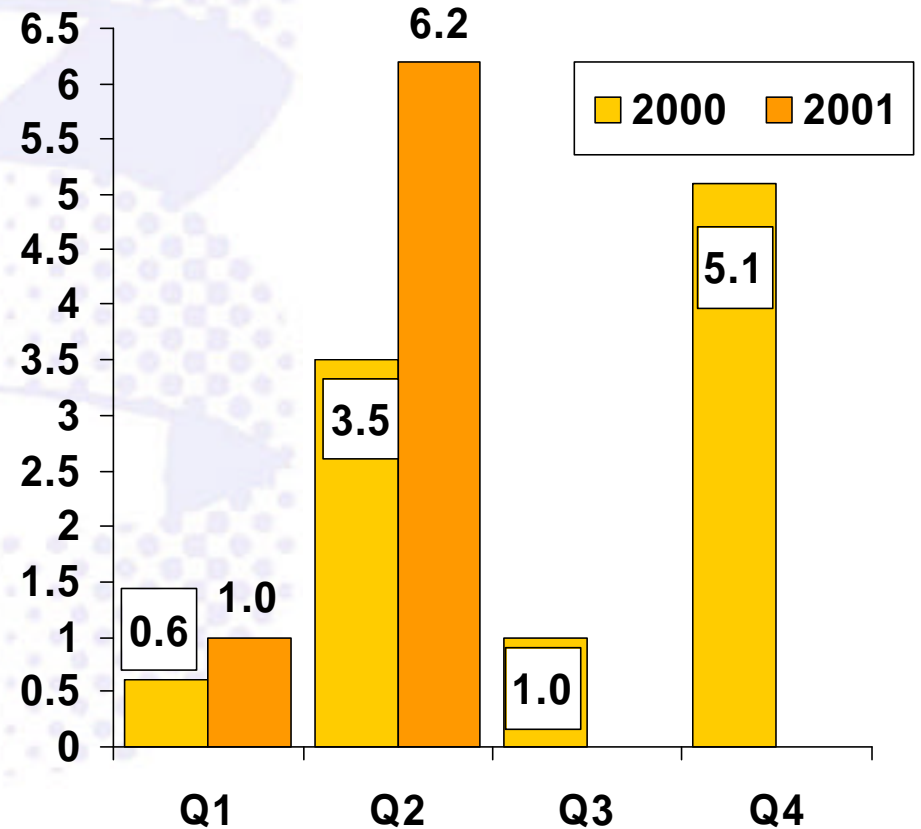


Helsinki Media

NET SALES, €million



OPERATING PROFIT, €million



Helsinki Media

Key developments

- Improved circulation and advertising revenue
 - Advertising revenue up 8%. Helsinki Media's market share rose to 19% between January and May
- Book sales below 2000
- Improved operating profit, driven by good performance at Hansaprint, reduced depreciation, and social security payment refund
- Majority holding acquired in July in Suomen Rakennuslehti Oy, a publisher of construction and real estate titles

Projection for 2001:

- Full-year net sales projected to increase by around 4%
- Operating profit is also projected to improve



Helsinki Media

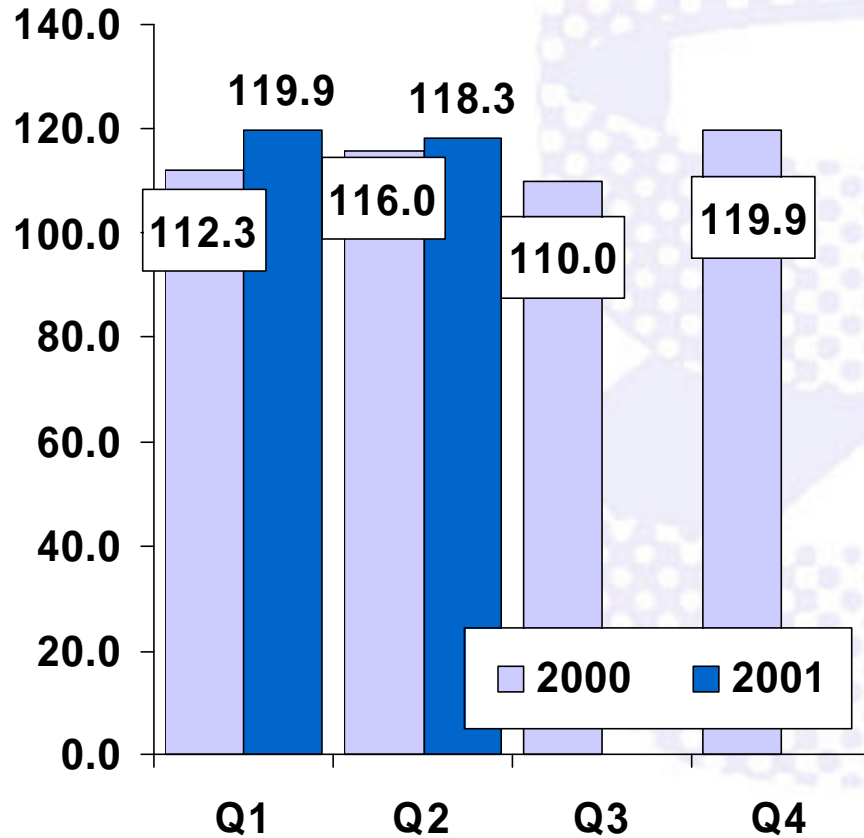
Operational indicators, 1.1 - 30.6

	2001	2000	1999
Share of Finnish magazine advertising market, %	18.8	17.5	
Magazine circulation 1.1 -31.12, thousands *)		1 909	1 803
Number of books published	93	109	

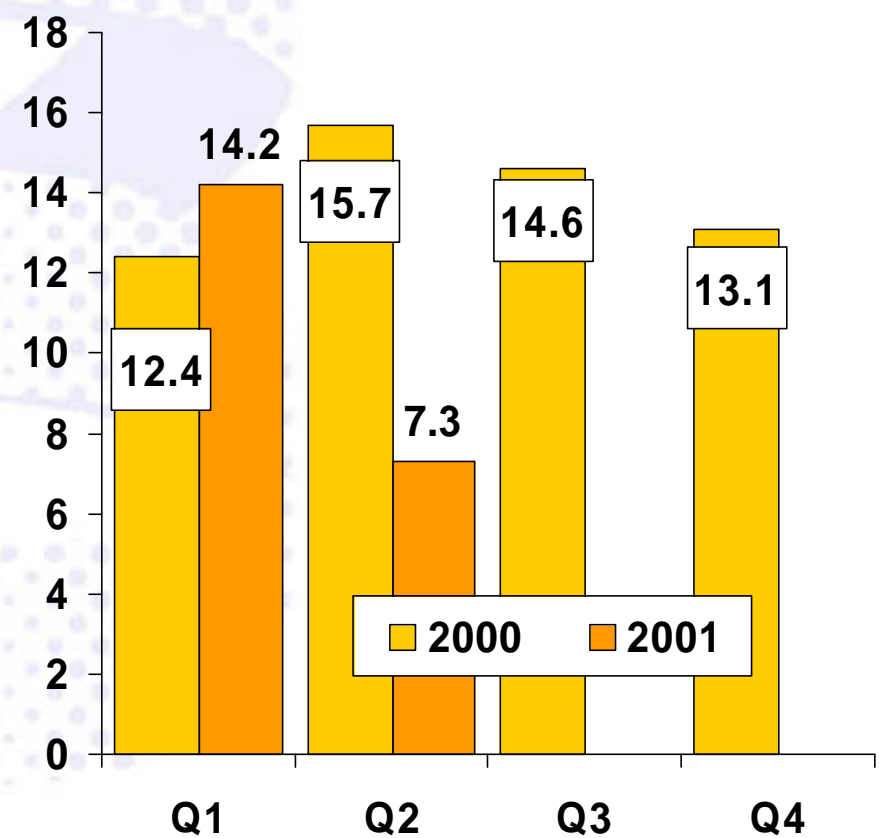
*) Audited average circulation figures for 1999 and 2000

Sanoma

NET SALES, €million



OPERATING PROFIT, €million



Sanoma / Key developments

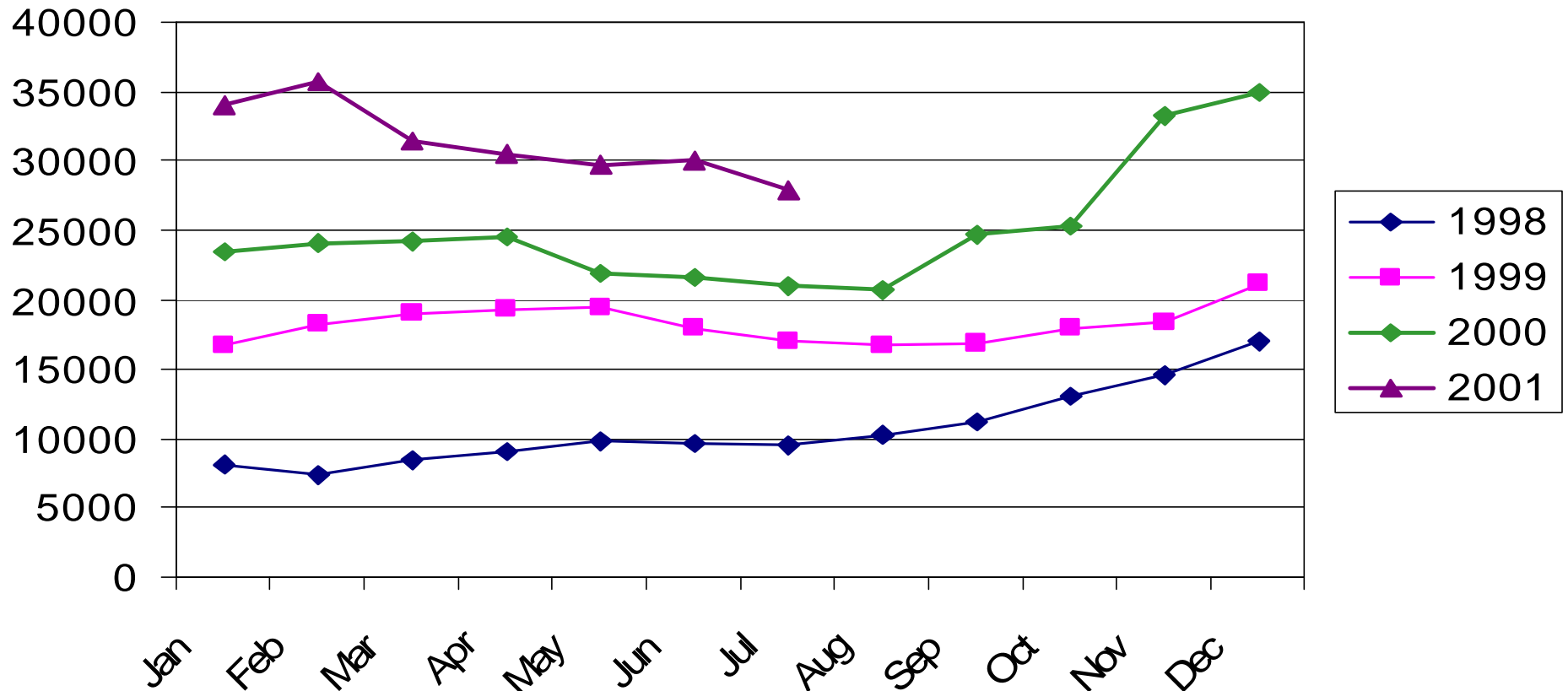
- **Weaker media advertising impacted both net sales and operating profit, job advertisements in Helsingin Sanomat down in particular**
- **Charge of €3 million (incl. associated interest and legal costs) to cover the costs of the fine imposed on Helsingin Sanomat by the Helsinki District Court in the Nostokonepalvelu Oy case**
- **Circulation at Helsingin Sanomat down by over 2.5%. Net sales and operating profit also weaker**
- **Improved net sales and profitability at Ilta-Sanomat**
- **Advertising revenue up at Keltainen Pörssi; profitable performance overall**
- **Improved net sales at Startel, and reduced operating loss**
- **Kymen Lehtimedia's printing company, Lehtikanta Oy, plans to make 13 people redundant**

Projection for 2001

- **Full-year net sales projected to increase by something under 3%**
- **Operating profit projected to be clearly below 2000**



Taloussanomamat subscriber volume, 1998-2001



Monthly average



Sanoma

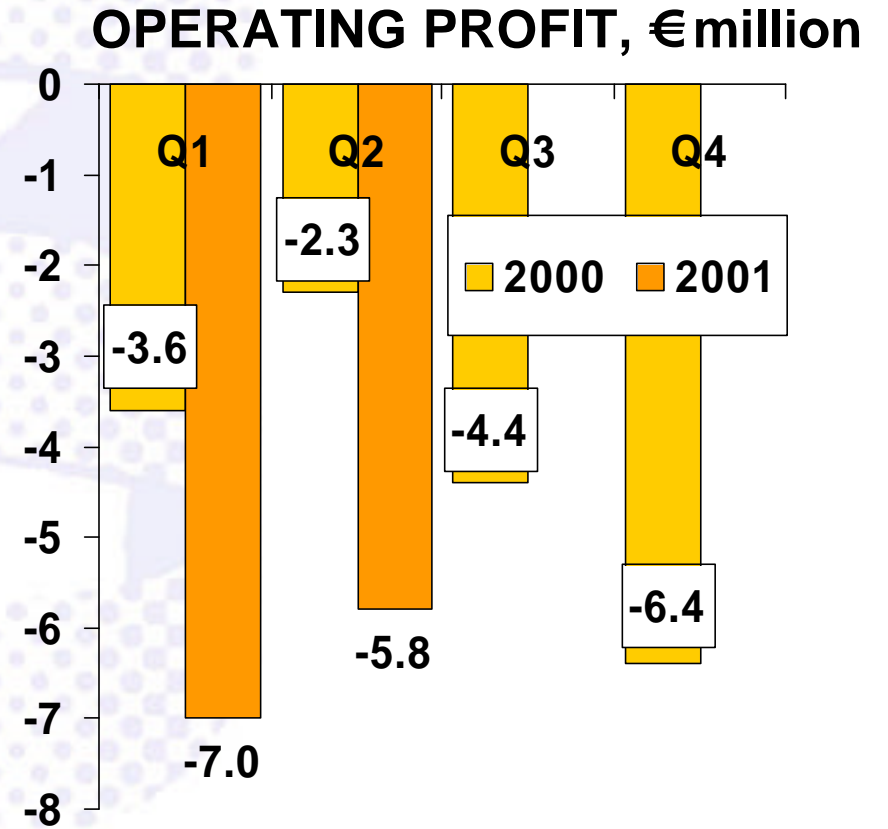
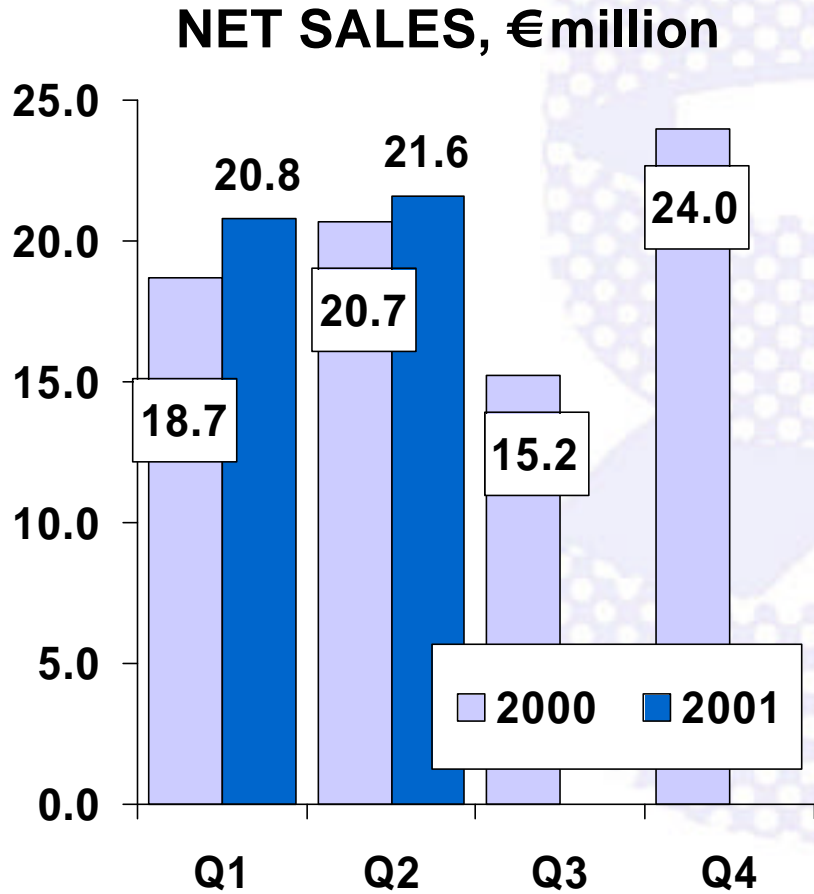
Operational indicators, 1.1 - 30.6

	2001	2000	1999
Helsingin Sanomat			
Weekday circulation, copies *)	439 902	451 463	
Sunday circulation, copies *)	510 370	524 919	
Advertising volume (column metres)	24 579	25 061	
Ilta-Sanomat			
Circulation 1.1.-31.12., copies *)		214 610	218 931
Advertising volume (column metres)	3 647	3 465	
Taloussanomat			
Circulation, copies *)	32 141	23 454	
Advertising volume (column metres)	2 527	1 961	

*) Audited circulation figures



SWelcom



SWelcom

Key developments

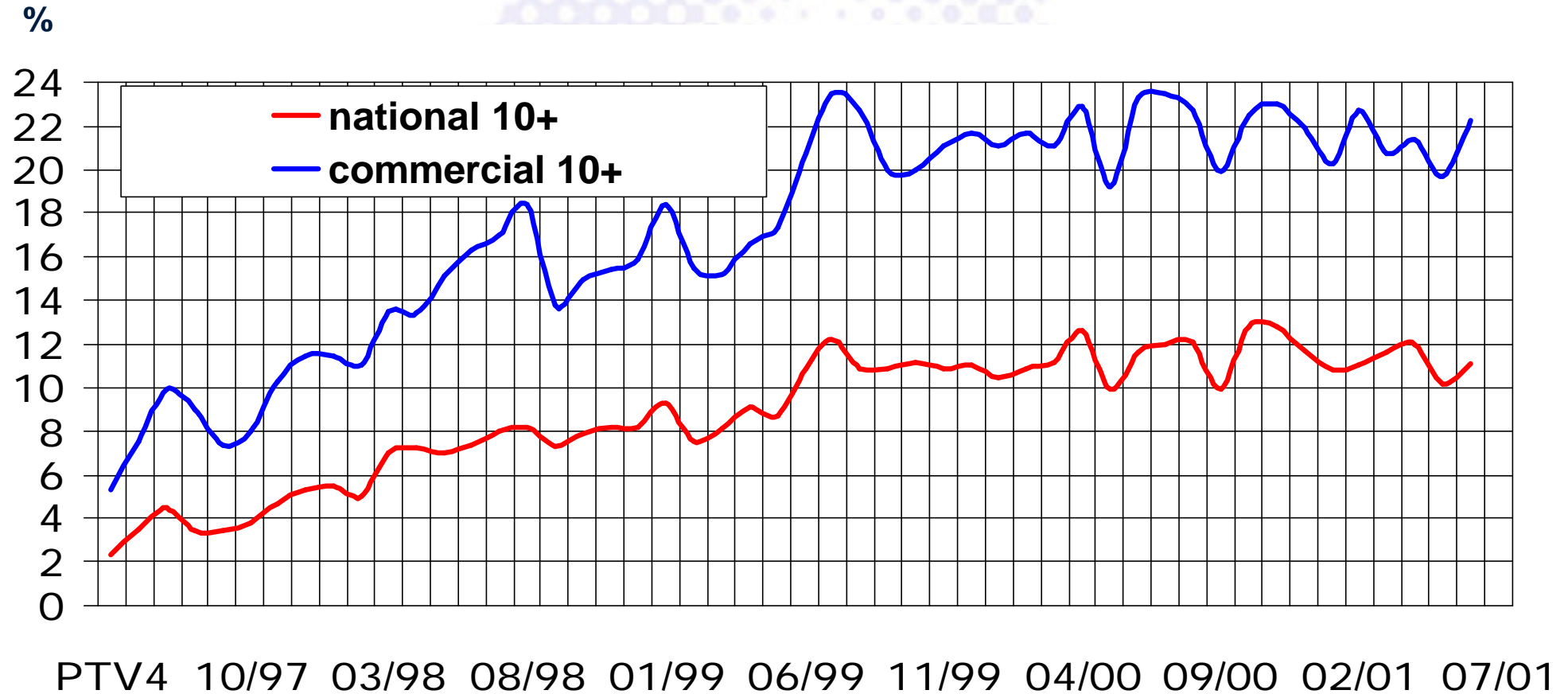
- **TV advertising market still moving downward compared to 2000**
 - **Channel Four's comparable sales of advertising time in June were 0.3% down on 2000; MTV3's were down 13.3%**
- **Channel Four's net sales remained at 2000 levels, but the channel's operating loss increased**
- **Net sales and profitability improved at Helsinki Television**
- **Verkkovoima and Virtual Portal merged with Swwap at the beginning of June, creating a single IP services and products business**

Projection for 2001

- **Full-year net sales projected to be in excess of €94 million**
- **Operating loss projected to be in the order of €24 million**



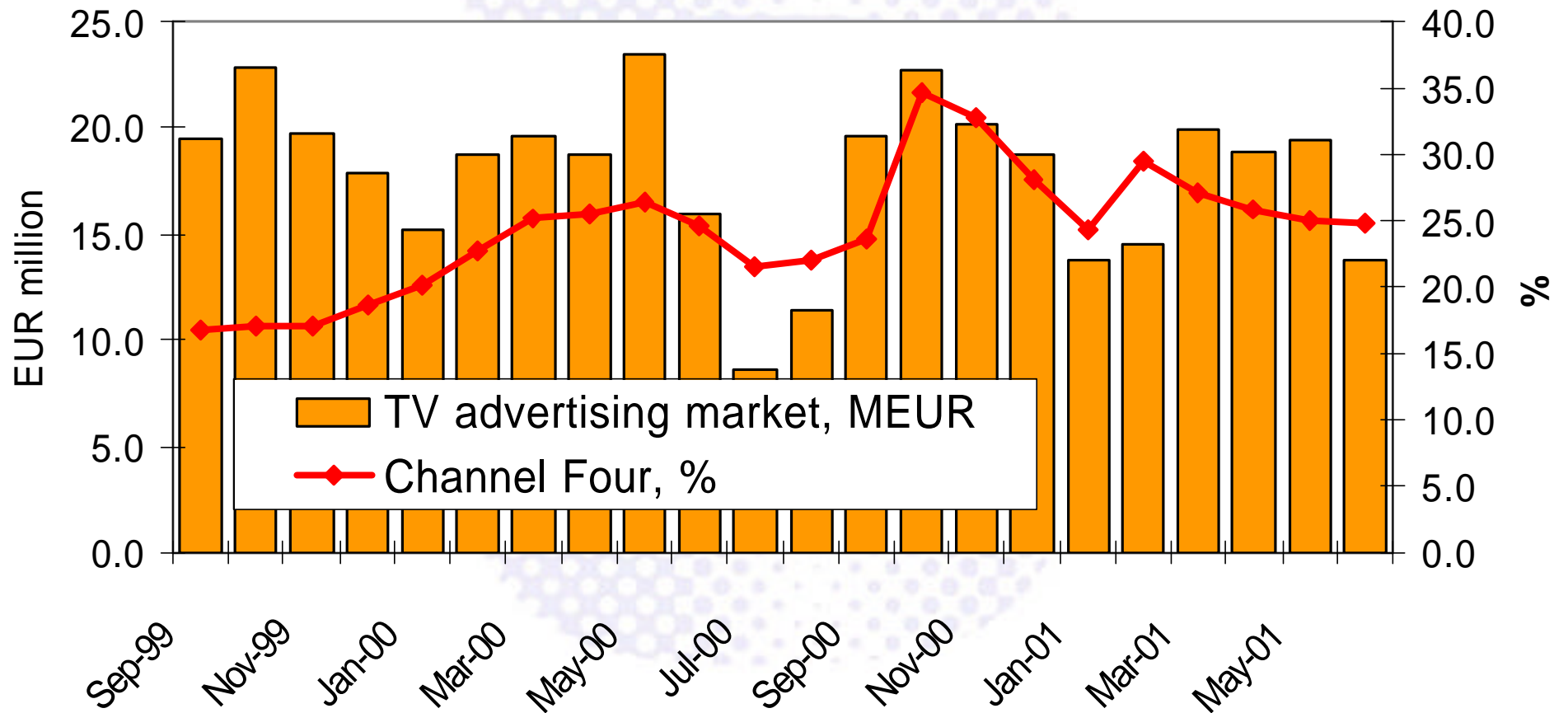
Audience figures for Channel Four Finland



Source: Finnpanel Oy



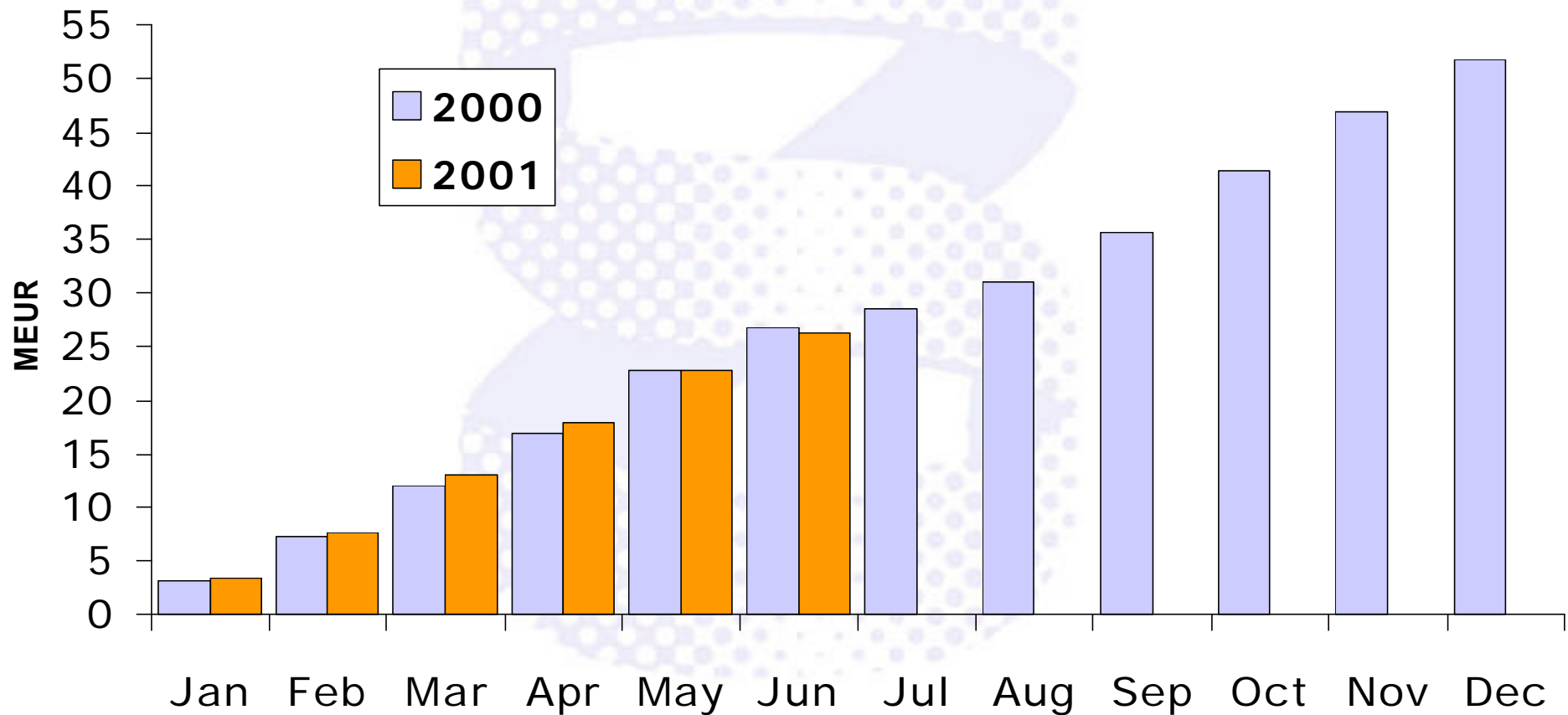
TV advertising market and Channel Four



Source: Gallup-Mainostieto



Channel Four sales revenue (cumulative)



SWelcom

Operational indicators

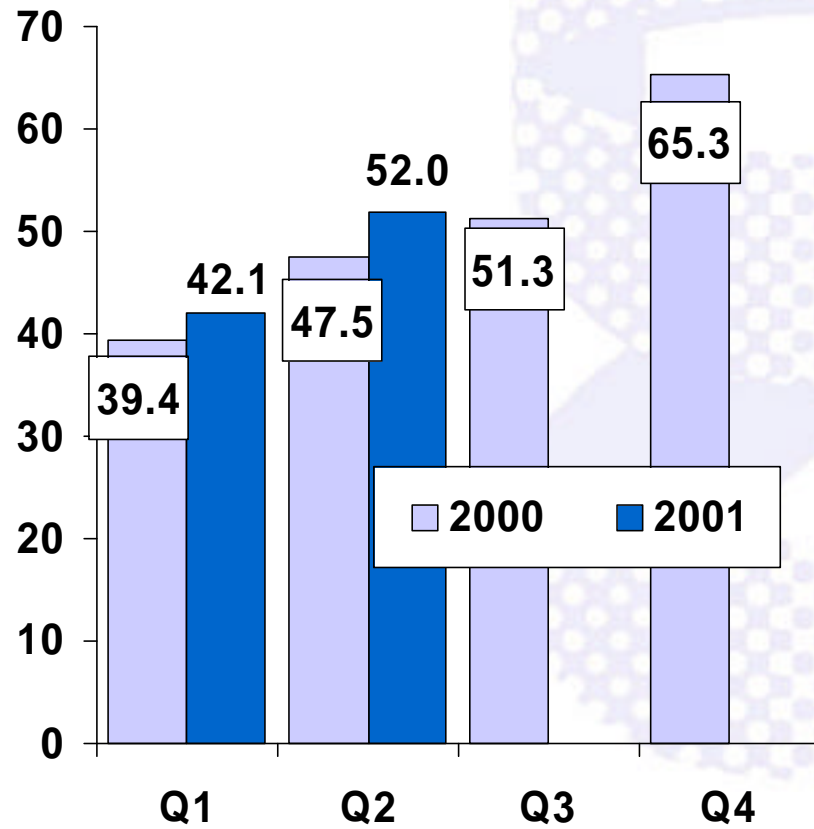
30.6.2001

30.6.2000

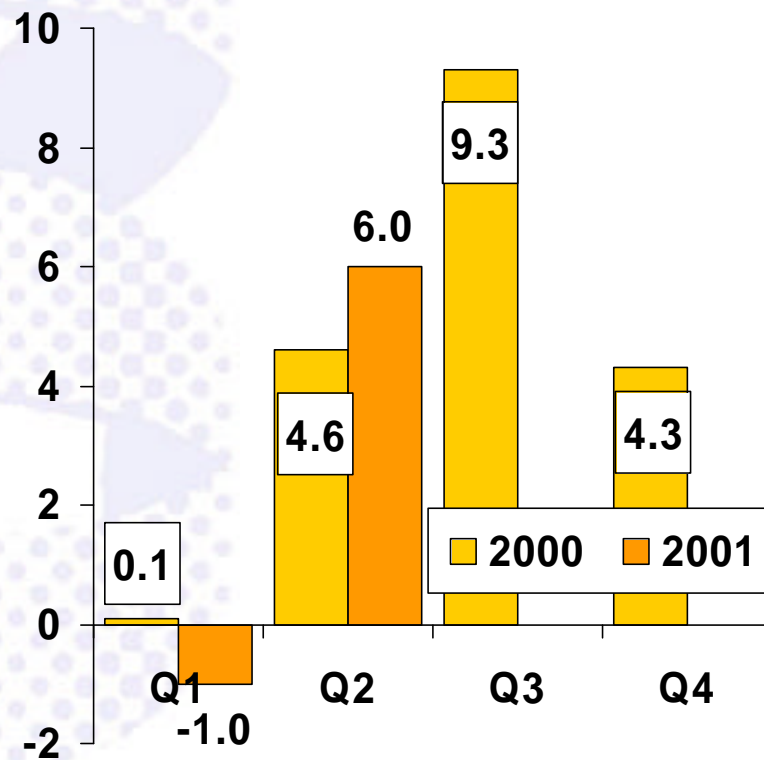
Channel Four's share of Finnish TV advertising, January - June	26.1%	24.2%
Number of cable-TV households, thousands	214	206
Number of pay-TV subscriptions, thousands	40	43

WSOY

NET SALES, €million



OPERATING PROFIT, €million



WSOY

Key developments

- Traditional publishing performed positively, increased operating profit
 - eLearning-related investments had a downward impact
- First Opit eLearning portal products to be launched in August
 - Platform partner: Elisa Communications
- Genimap signed agreements with:
 - TeleAtlas (digital map data for car navigation use in Finland) and
 - Nokia (AddressFinder service for new Communicator models)
- Corporate eLearning market has not developed as expected, particularly in Sweden.
 - Reorganisation at the Docendo Group, incl. 17 redundancies
- Printing-related investments: new hard cover line at WS Bookwell and new A0 four-colour offset unit at Lönnberg Painot

Projection for 2001

- Full-year net sales projected to rise by 8%
- Operating profit projected to be an improvement in last year



WSOY

Operational indicators

1.1 - 30.6.2001

1.1 - 30.6.2000

Number of new titles published

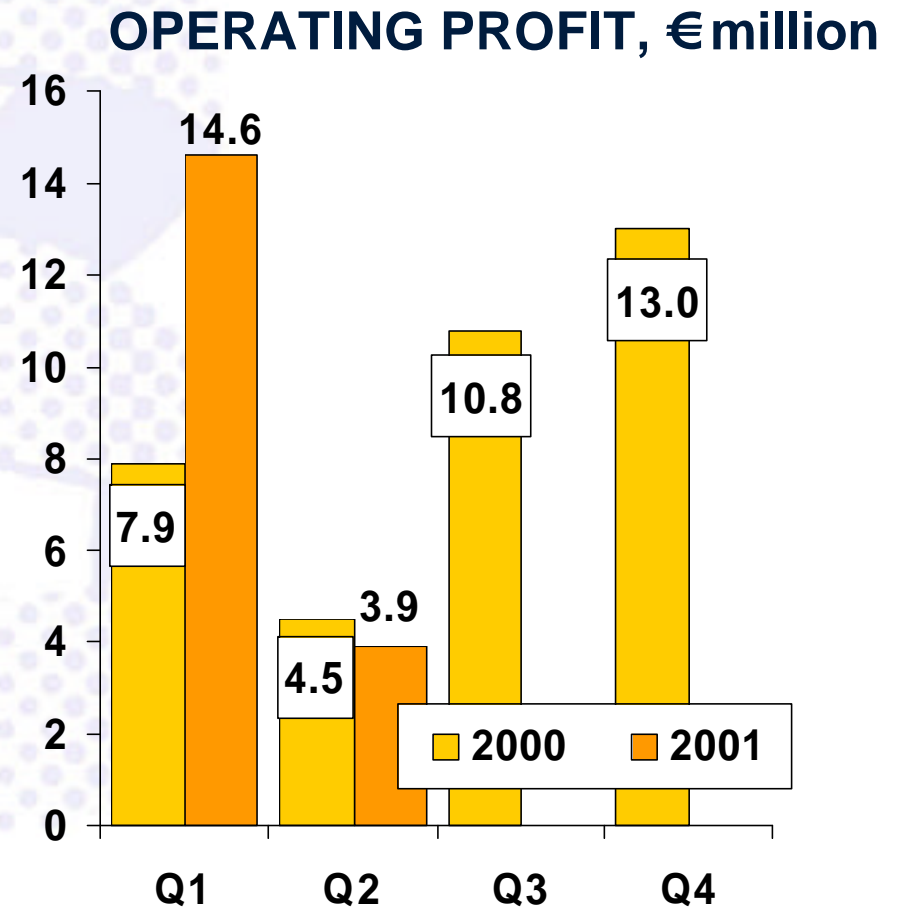
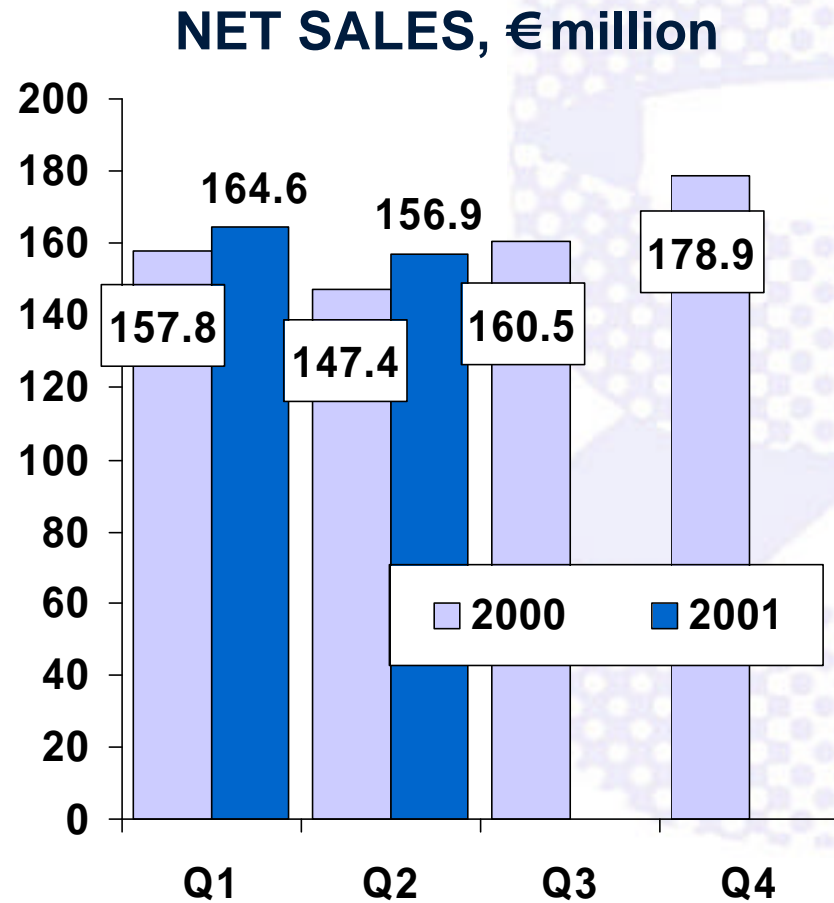
Books	258	259
Electronic products	79	53

Number of reprints published

Books	715	670
Electronic products	126	121

Books printed, million	10.2	10.8
Paper consumption, tonnes	5 665	5 501

Rautakirja



Rautakirja

Key developments

- Impact of liberalised Sunday opening hours on R-kiosks has declined
- Sales of quality tabloids and magazines developed well at Lehtipiste
- Slight downswing in demand for Veikkaus' betting and lottery products
- No real major box-office attractions in the cinema
- Letter of intent signed with four leading Latvian publishers to launch a joint press distribution company at the beginning of 2002
- Finnkino acquired 90% of Lithuanian cinema operator

Projection for 2001

- Full-year net sales projected to increase to more than €670 million
- Overall result expected to better than last year's



Rautakirja

Operational indicators *)

	1.1 - 30.6.2001	1.1 - 30.6.2000
Customer volumes in kiosk operations, thousands	41 073	43 139
Customer volumes in bookstore operations, thousands	2 734	2 723
Customer volumes in cinemas, thousands	1 599	1 944
Number of magazines sold, thousands	66 278	67 238

*) Outlets in Finland

SanomaWSOY in 2001

- **We will be a major European magazine publisher following the CIG acquisition**
- **CIG integration**
 - integration process
 - impact analysis
- **A challenging year**
 - cost control
 - investment-critical
 - growth and profitability



Outlook for 2001

- **Excluding the impact of the CIG acquisition:**
 - Net sales are projected to rise around 5%
 - Operating profit is expected to be slightly below 2000
- **CIG will be integrated with the Group in Q4:**
 - CIG will increase net sales by more than €200 million
 - CIG will enhance our operating margin, but related goodwill depreciation and financing costs will have a downward impact on profit before extraordinary items



SanomaWSOY in 2002

- **Net sales in 2002 could well reach close to €2.5 billion**
- **Growth through selected acquisitions and alliances**
 - **in areas where a significant market share can be achieved within a reasonable time-frame**
- **Use of Internet, mobile, and digital-TV opportunities across the portfolio**
- **Leverage our expanded international infrastructure**
- **Focus on Europe as a whole**

