

SanomaWSOY



Q1 2005

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President & COO

4 May 2005

Key Developments Q1/2005



Growth:

- Acquisition of Independent Media
 - SanomaWSOY the leading magazine publisher in Russia
- Sanoma's new free sheet chain, Kaupunkilehti Kymppi, started
- Sanoma Magazines to Serbia and Montenegro

Focusing on core business:

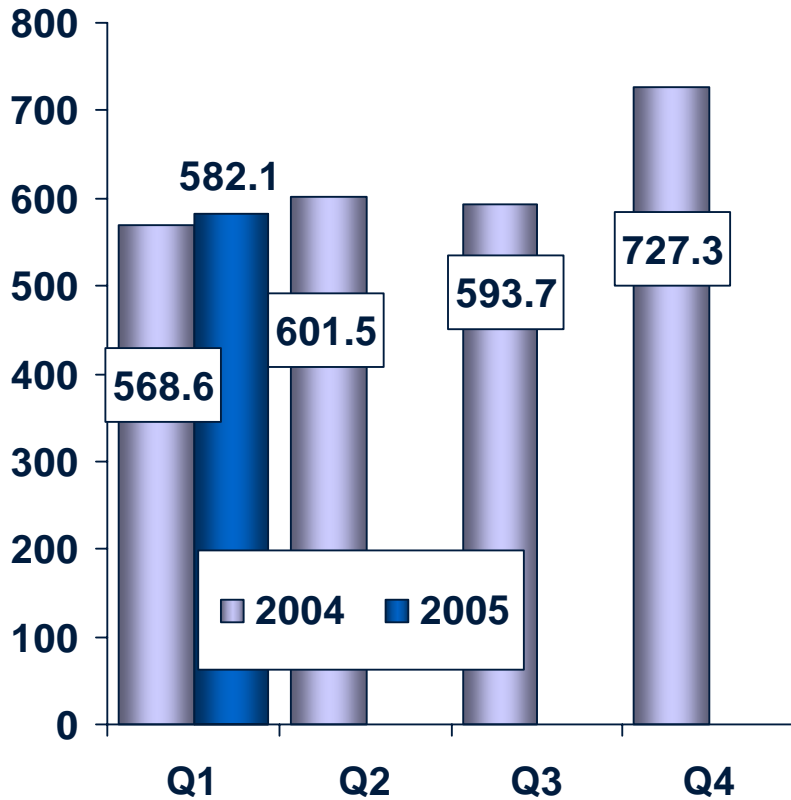
- Rautakirja divested restaurant operations

After the review period:

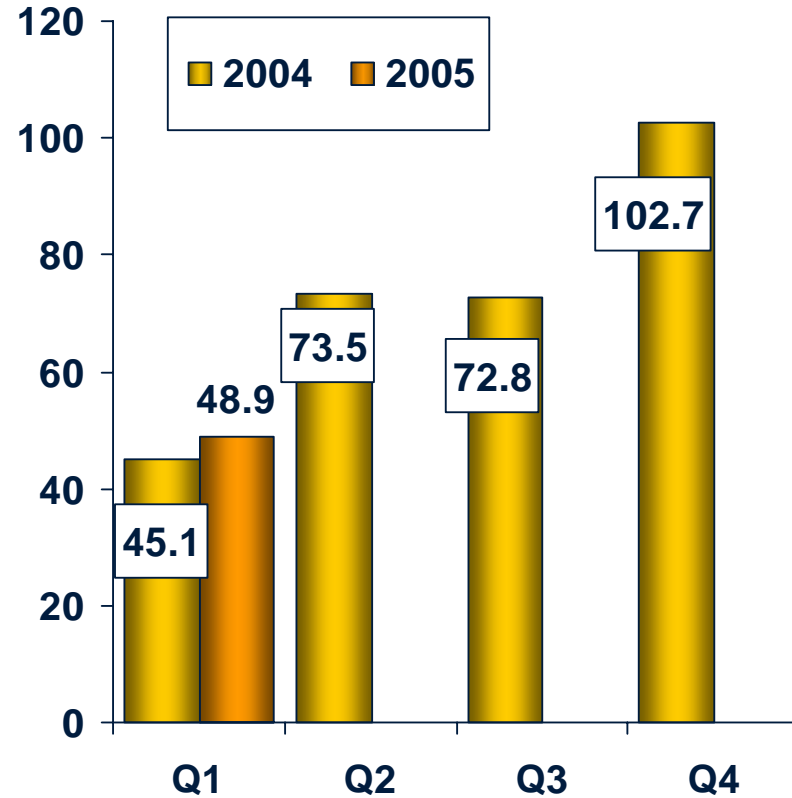
- Sanoma acquired Radio Helsinki

SanomaWSOY Group

Net sales, €million



EBIT, €million



Y: Kalvot_HS/HS05/interimreport1_2005

Group Income Statement

€ million	1-3/2005	1-3/2004	Change,%	1-12/2004
NET SALES	582.1	568.6	2.4	2,491.1
Other operating income	14.5	14.9	-3.1	81.7
Operating expenses	518.3	507.7	2.1	2,153.8
Depreciation and impairment losses	29.4	30.7	-4.2	125.0
OPERATING PROFIT	48.9	45.1	8.4	294.0
Share of result of associated companies	3.3	1.6	100.2	6.5
Financial items	-6.1	-0.6	964.2	-28.9
RESULT BEFORE TAXES	46.0	46.2	-0.3	271.6
Income tax	-12.0	-19.8	-39.3	-67.8
RESULT FOR THE PERIOD (TOTAL)	34.0	26.4	29.0	203.8
Minority interests	0.4	0.0	1,003.6	-3.8
NET RESULT FOR THE PERIOD	34.4	26.4	30.3	200.0

Y: Kalvot_HS/HS05/interimreport1_2005

Group Balance Sheet

€ million	31.3.2005	31.3.2004	Change,%	31.12.2004
ASSETS				
Non-current assets, total	2,383.0	1,997.6	19.3	2,156.3
Current assets, total	547.8	450.4	21.6	532.9
ASSETS, TOTAL	2,930.8	2,448.0	19.7	2,689.2
EQUITY AND LIABILITIES				
Equity, total	1,010.9	805.3	25.5	986.0
Long-term liabilities	570.7	609.8	-6.4	562.3
Current liabilities	1,349.2	1,032.9	30.6	1,140.9
EQUITY AND LIABILITIES, TOTAL	2,930.8	2,448.0	19.7	2,689.2

Y: Kalvot_HS/HS05/interimreport1_2005

Key Indicators

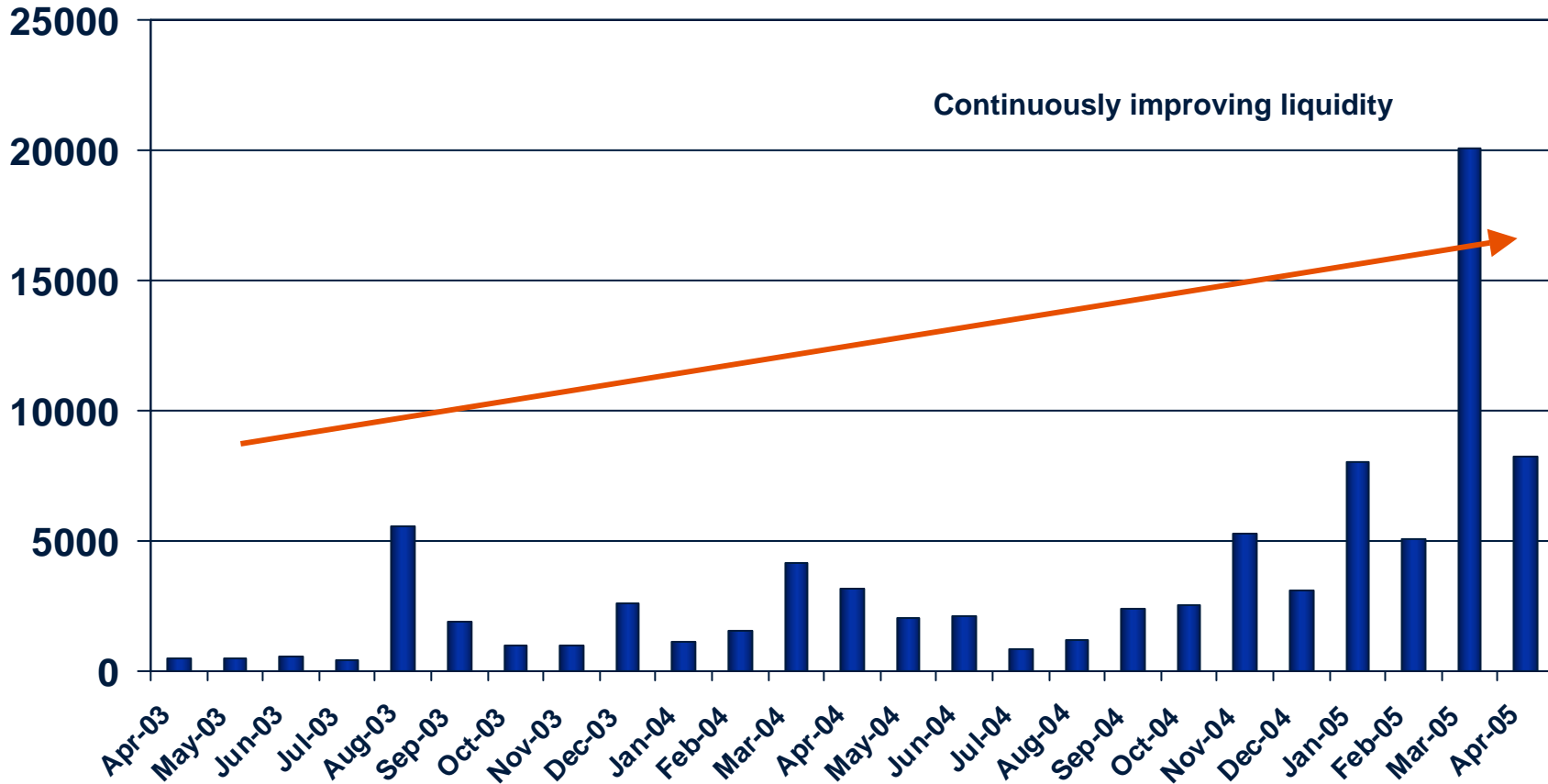
€ million	1-3/2005	1-3/2004	Change,%	1-12/2004
Net sales	582.1	568.6	2.4	2,491.1
Operating profit	48.9	45.1	8.4	294.0
% of net sales	8.4	7.9		11.8
Balance sheet total	2,930.8	2,448.0	19.7	2,689.2
Gross investments	254.0	21.3	1,092.0	281.6
% of net sales	43.6	3.7		11.3
Equity ratio, % ¹	36.8	35.0		38.7
Gearing, %	99.1	81.9		82.1
Interest-bearing liabilities	1,061.3	715.1	48.4	894.8
Net debt	1,001.7	659.9	51.8	809.1
Personnel under employment contract ²	16,149	15,653	3.2	16,207
Personnel, average ³	13,626	13,260	2.8	13,652
Earnings/share, €	0.22	0.17	30.3	1.31
Cash flow from operations/share, €	0.13	0.20	-38.7	1.54
Equity/share, € ⁴	6.56	5.17	26.8	6.34
Market capitalisation	2,959.7	2,218.8	33.4	2,632.2

¹If equity would include capital notes, equity ratio on 31 March.2005 is some 42%
² In average
³ full-time equivalents
⁴ Excluding minority interests

Y: Kalvot_HS/HS05/interimreport1_2005

SanomaWSOY's Liquidity

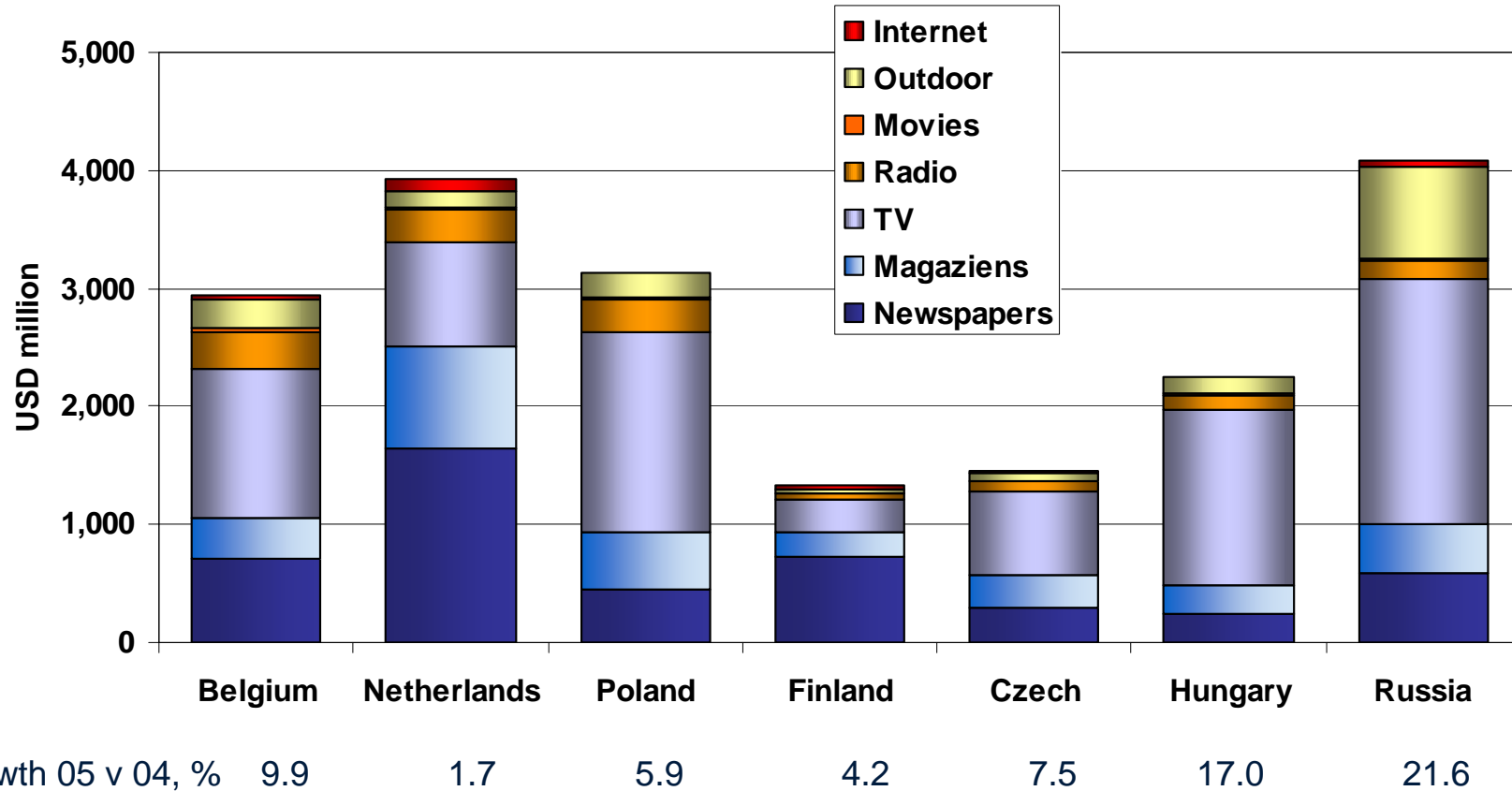
Series B share, monthly trading, thousands



Y: Kalvot_HS/HS05/interimreport1_2005

Advertising Market in Europe

Forecast 2005, USD million



Source: ZenithOptimedia, 2004

Y: Kalvot_HS/HS05/interimreport1_2005

Advertising Sales

In Finland 1/2

€1,000	1–3/2005	Change,%
NEWSPAPERS	145,126	5.9
<i>Newspapers</i>	<i>127,235</i>	<i>5.6</i>
Aamulehti	10,348	3.5
Helsingin Sanomat (incl. supplements)	37,899	4.1
Helsingin Sanomat	36,181	3.8
Ilta-Sanomat & Plussa & TV	3,193	12.8
Iltalehti	2,039	-0.7
Kauppalehti & Presso	4,212	6.0
Taloussanomat & TS-ITviikko	1,046	33.5
Turun Sanomat	9,963	9.2
<i>Local papers and free sheets</i>	<i>17,891</i>	<i>8.2</i>
KÄRKIMEDIA*	29,332	12.4

Source:
TNS Gallup Adex

* Kärkimedia

Y: Kalvot_HS/HS05/interimreport1_2005

Advertising Sales

In Finland 2/2

€1,000	1–3/2005	Change,%
MAGAZINES	33,437	1.4
TELEVISION	58,057	7.3
RADIO	8,942	2.6
OUTDOOR	7,519	9.3
CINEMA	362	-35.8
INTERNET	4,501	29.9
Advertising sales revenue, total	257,944	5.8

Source:
TNS Gallup Adex

Y: Kalvot_HS/HS05/interimreport1_2005

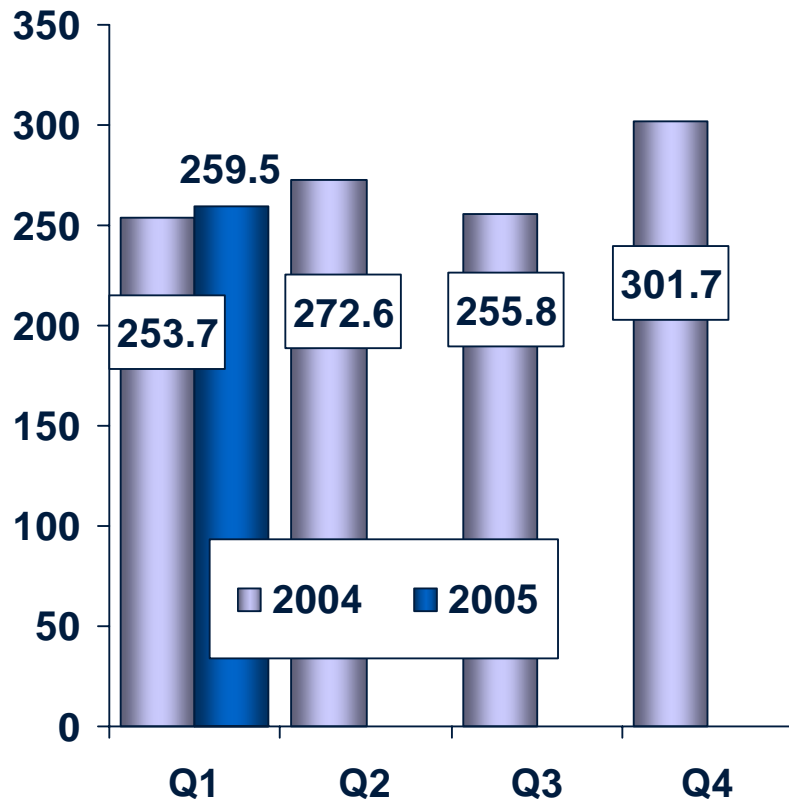
SanomaWSOY's Advertising Sales

% of net sales

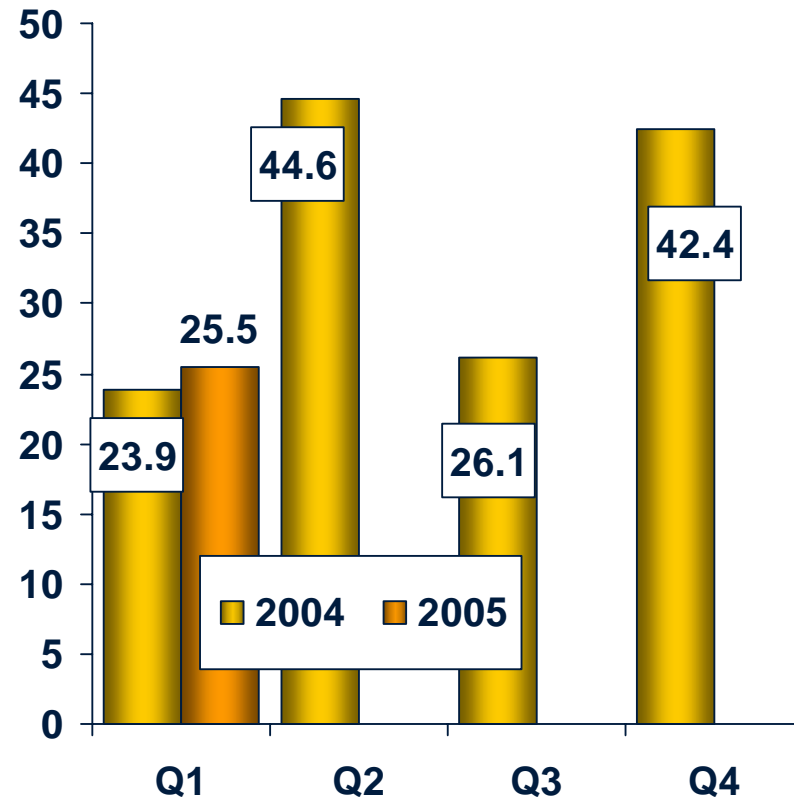
	1–3/2005	1–3/2004
Sanoma Magazines	20%	19%
Sanoma	50%	48%
SWelcom	58%	55%
The Group	21%	20%

Sanoma Magazines

Net sales, €million



EBIT, €million



Sanoma Magazines

Q1/2005

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€ million	NET SALES		EBIT	
	1-3/2005	1-3/2004	1-3/2005	1-3/2004
Sanoma Uitgevers	117.8	119.3		
Sanoma Magazines Belgium	47.3	47.5		
Sanoma Magazines Finland	41.4	43.1		
Sanoma Magazines International	39.7	31.6		
Aldipress	28.0	26.2		
Eliminations	-14.7	-14.1		
Total	259.5	253.7	25.5	23.9
Gross investments, € million	159.5	3.7		
Personnel, average *	4,247	3,959		

* full-time equivalents

Y: Kalvot_HS/HS05/interimreport1_2005

Sanoma Magazines

Key Developments



Growth continues:

- Independent Media merged with Sanoma Magazines International as of 1 March
- Expansion to Serbia & Montenegro
- Operates in 12 countries

After the review period:

- Sanoma Magazines SMG to launch Elle to Serbia and Montenegro

Independent Media Acquisition

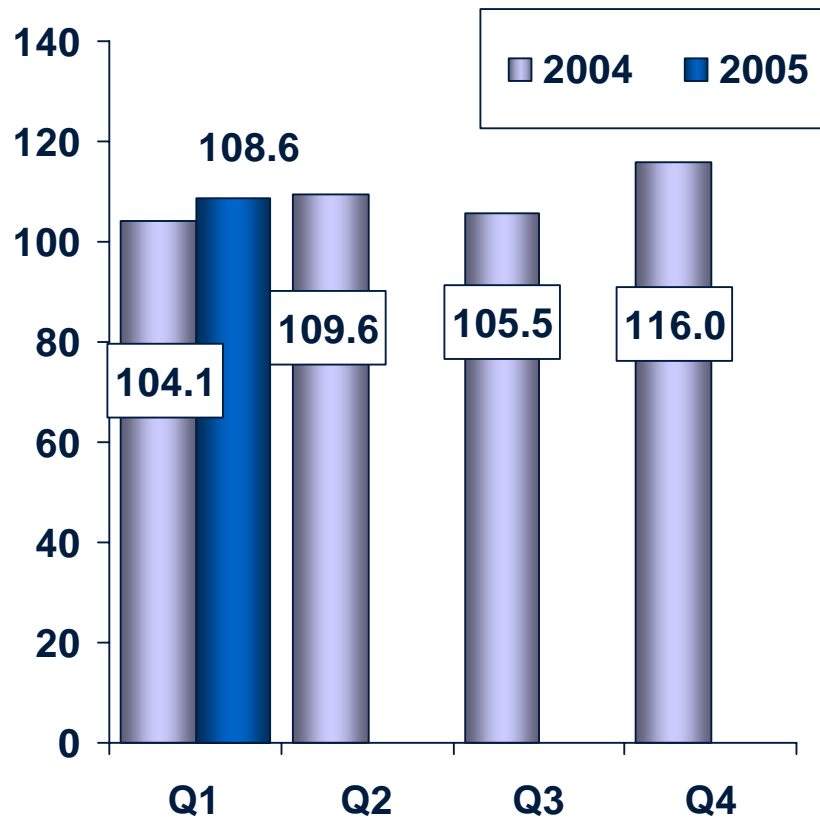


- Operates in Russia and Ukraine
 - 28 magazines of which 11 licensed
 - 3 newspapers
- Estimated net sales* 2004 EUR 70 million, SanomaWSOY's share EUR 47 million**
- Enterprise value some EUR 142 million
- **Clear market leader** in Russian magazine market
- **Huge markets**

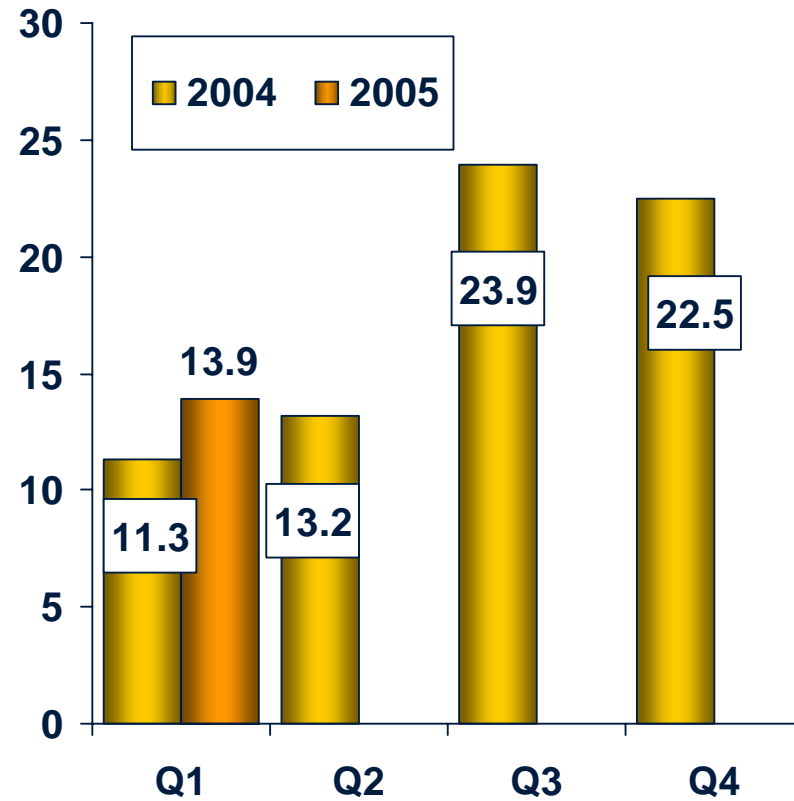
* incl. sales of 50/50 joint ventures
 incl. share of associated companies
 ** pro forma consolidated share

Sanoma

Net sales, €million



EBIT, €million



Y: Kalvot_HS/HS05/interimreport1_2005

Sanoma

Q1/2005

17

€ million	NET SALES		EBIT	
	1-3/2005	1-3/2004	1-3/2005	1-3/2004
Helsingin Sanomat	64.6	63.1		
Ilta-Sanomat	22.1	22.1		
Sanoma Lehtimedia	11.7	11.2		
Others	42.2	35.0		
Eliminations	-32.0	-27.3		
Total	108.6	104.1	13.9	11.3
Gross investments, € million	6.6	9.4		
Personnel, average *	2,313	2,301		

* full-time
equivalents

Y: Kalvot_HS/HS05/interimreport1_2005

Sanoma

Key Developments



A new growth area:

- Free sheet chain, Kaupunkilehti Kymppi, to the Greater Helsinki area

Sanoma Business Services business unit started

- offers B-to-B services of Taloussanomat, Esmerk and Lehtikuva

- New organisation structure completed

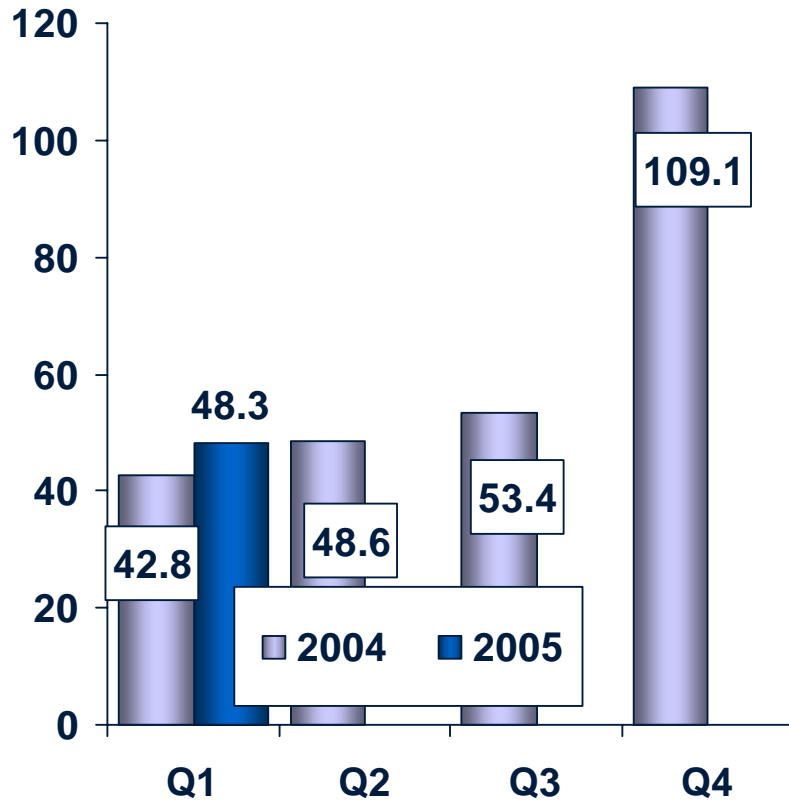
- Helsingin Sanomat and Nelonen to cooperate: Helsingin Sanomat produces online news for TV-channel Nelonen

After the review period:

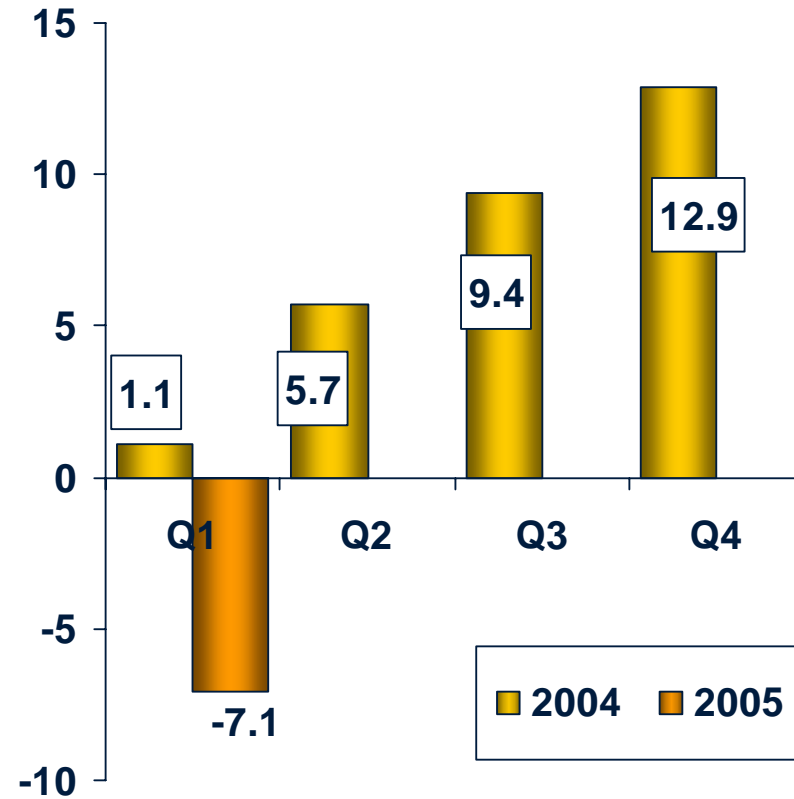
- For Uutislehti 100 (free sheet) a strong market position in the Greater Helsinki area
 - to be distributed in some 600 busses and trams and metro stations
- Helsingin Sanomat to acquire Radio Helsinki

WSOY

Net sales, €million



EBIT, €million



Y: Kalvot_HS/HS05/interimreport1_2005

WSOY

Q1/2005

20

€ million	NET SALES		EBIT	
	1-3/2005	1-3/2004	1-3/2005	1-3/2004
Educational publishing	12.8	4.0		
Publishing	23.4	27.6		
Printing	13.9	15.2		
Diaries	0.8	1.3		
Others	1.3	1.2		
Eliminations	-3.9	-6.6		
Total	48.3	42.8	-7.1	1.1
Gross investments, € million	2.1	2.9		
Personnel, average *	2,185	1,697		

Including
Malmberg as of
15 July 2004

* full-time
equivalents

Y: Kalvot_HS/HS05/interimreport1_2005

WSOY

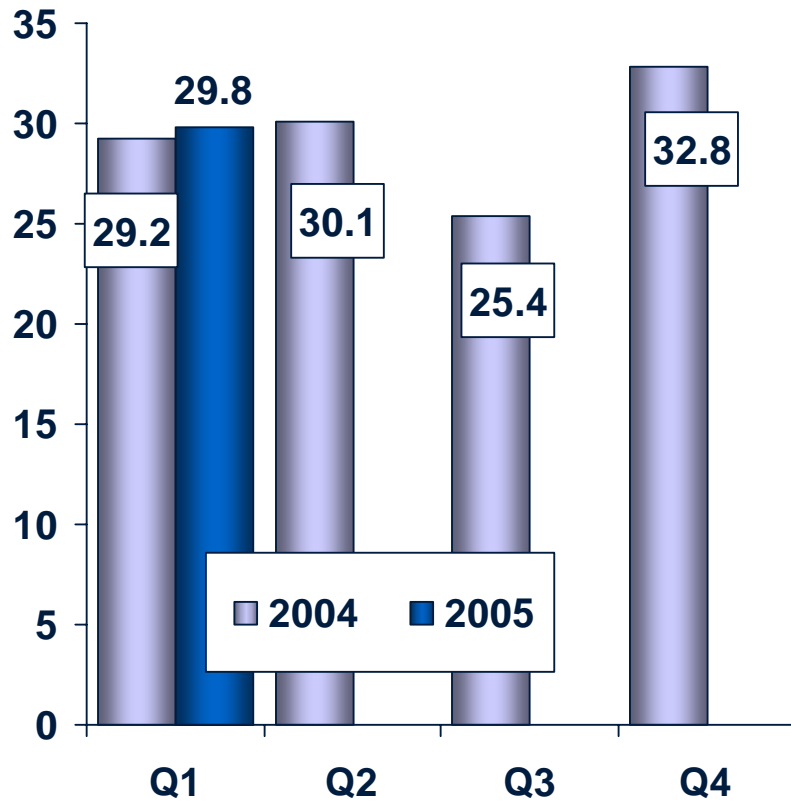
Key Developments



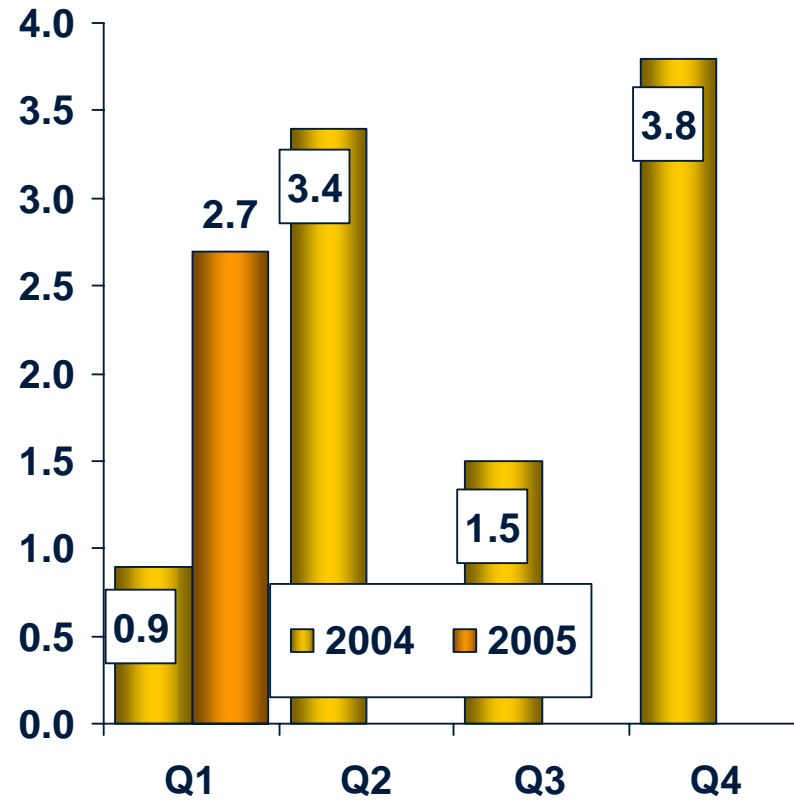
- Educational publishing units operating in Finland, the Netherlands, Belgium and Poland to create a new business unit, SanomaWSOY Education
 - sharing best practices
 - synergy benefits in printing, ICT, and content production
- Success of general literature continues
- The majority of orders and sales of educational materials come in the second and third quarters
- Filofax agency in Finland to Ajasto

SWelcom

Net sales, €million



EBIT, €million



Y: Kalvot_HS/HS05/interimreport1_2005

SWelcom

Q1/2005

23

€ million	NET SALES		EBIT	
	1-3/2005	1-3/2004	1-3/2005	1-3/2004
Nelonen	17.2	15.9		
Others	13.0	13.6		
Eliminations	-0.4	-0.3		
Total	29.8	29.2	2.7	0.9
Gross investments, € million	2.2	2.4		
Personnel, average *	377	388		

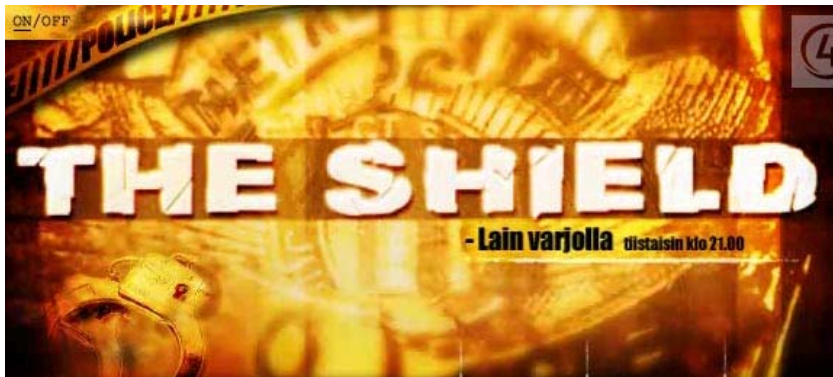
* full-time
equivalents

Y: Kalvot_HS/HS05/interimreport1_2005

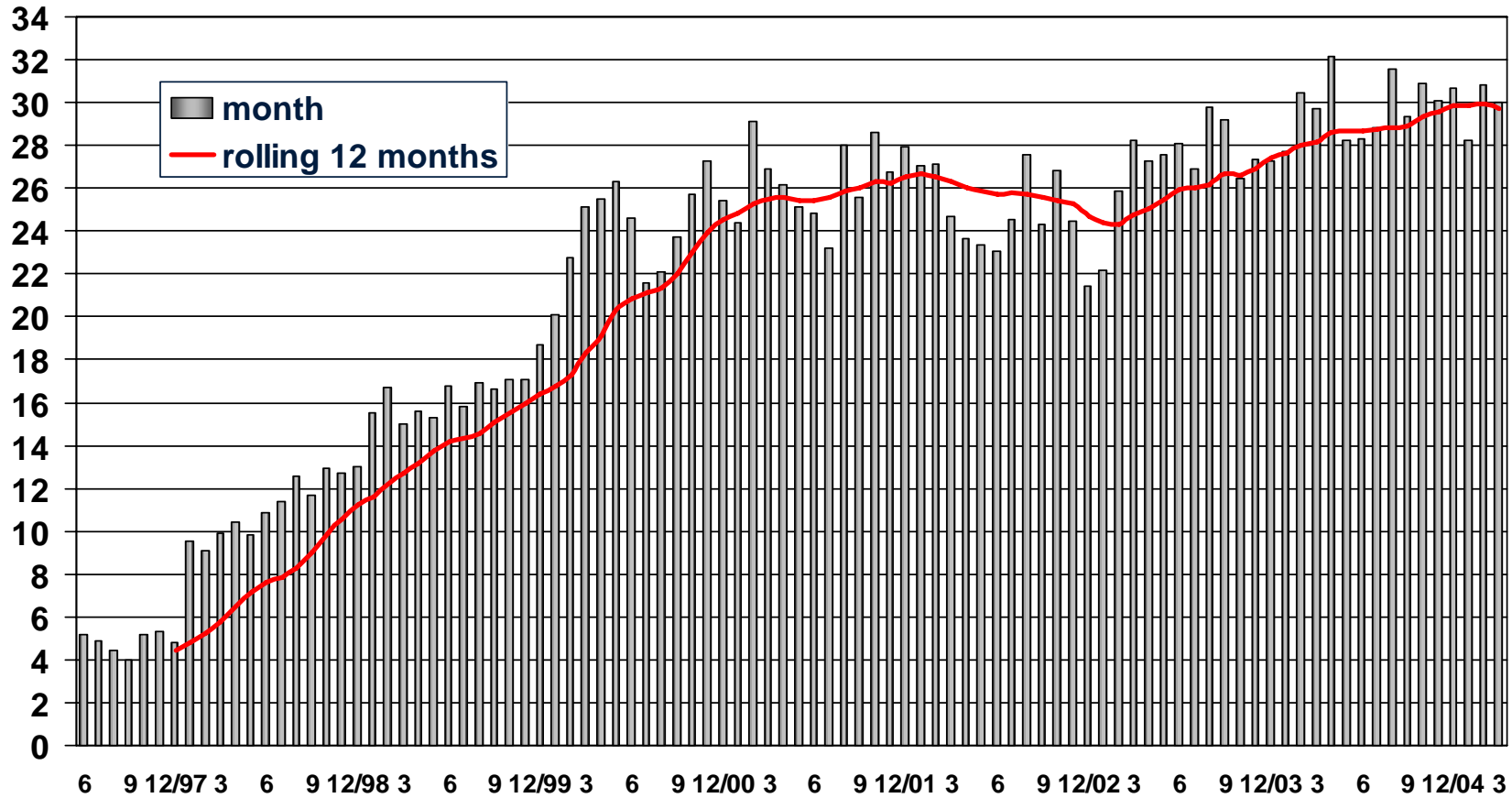
SWelcom

Key Developments

- Investments in new programmes (Shield, Las Vegas) increase viewing shares especially in 15–24 year old men
- Nelonen's news awarded gold & silver in TV news competition 2004
- Welho Broadband users the most satisfied with their service in Finland*
- HTV launch VoIP service for its customers
- After the review period:
 - Nelonen acquired the broadcasting rights for Finnish National Ice hockey League for 2005–2008, in cooperation with Canal+



Nelonen's Share of TV-advertising Percent

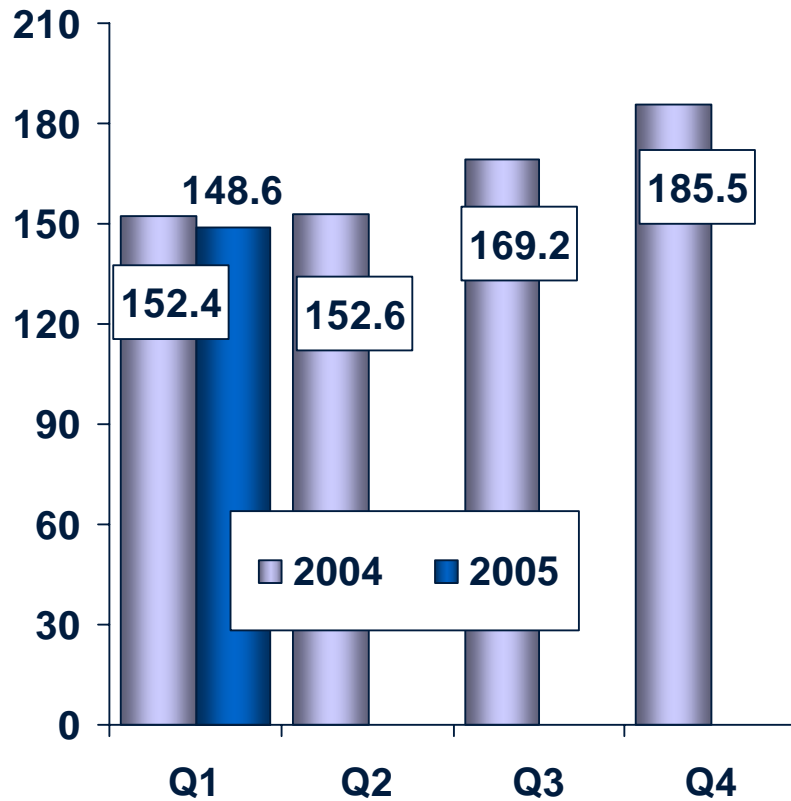


Source: TNS Gallup

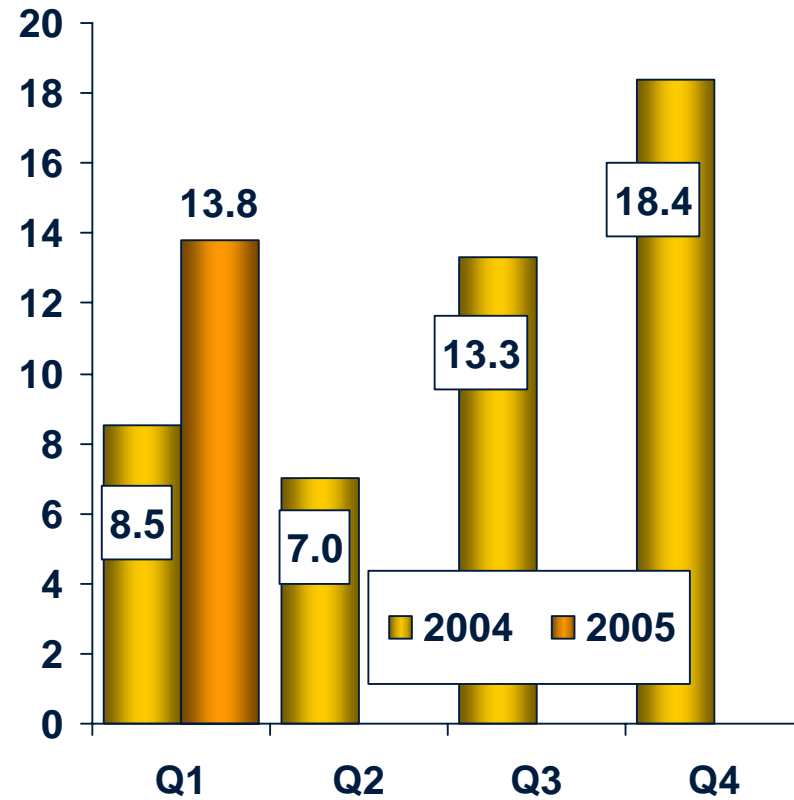
Y: Kalvot_HS/HS05/interimreport1_2005

Rautakirja

Net sales, €million



EBIT, €million



Y: Kalvot_HS/HS05/interimreport1_2005

Rautakirja

Q1/2005

27

€ million	NET SALES		EBIT	
	1-3/2005	1-3/2004	1-3/2005	1-3/2004
Kiosk operations	81.9	81.7		
Press distribution	22.7	19.0		
Bookstores	27.9	27.6		
Entertainment	16.2	14.5		
Others	2.5	12.2		
Eliminations	-2.6	-2.7		
Total	148.6	152.4	13.8	8.5
Gross investment, € million	83.9	2.5		
Personnel, average *	4,439	4,842		

*full-time
equivalents

Y: Kalvot_HS/HS05/interimreport1_2005

Rautakirja

Key Developments



- Consolidated to press distribution:
 - Romanian Hiparion Distribution (51%)
 - Lithuanian Impress Teva (51%)
- New cash register system in Finnish R-kiosks
 - test use began in February
- Suomalainen Kirjakauppa launched a loyal customer programme
 - already 58,000 registrations
- JHC Arena Holding and its multi-purpose arena in Hamburg to Rautakirja
- Finnkinno made lease agreements on multiplex theatres in Oulu and Lahti (Finland)
- Divestment of restaurant operations

Estimates for 2005

By Division

Sanoma Magazines

- Net sales are estimated to grow
- Operating profit is expected to remain to some extent below that of 2004

Sanoma

- Net sales are expected to grow
- Comparable operating profit is estimated to be at least at the previous year's level

WSOY

- Net sales and operating profit are expected to grow significantly, due to the international expansion of educational publishing, among others

SWelcom

- Net sales are expected to grow
- Operating profit is estimated to remain at the previous year's level

Rautakirja

- Comparable net sales are expected to grow, particularly outside Finland
- Operating profit is expected to improve

Group's Outlook for 2005

Estimate:

- Net sales to grow by some 6%
- Operating profit excluding non-recurring gains on the sales of assets to be at least at the previous year's level
- In 2004, operating profit included some EUR 26 million of non-recurring gains on the sales of assets



Strategic Focus Areas

Growth	Cash flow
Market leadership	Business practises

In 2005:

- Controlled growth
- Focus on core
- Strong market positions
- Strong financial position
- Best practices
- Training

Group's Financial Targets

EBIT Margin (%)	FAS 2004	IFRS 2004 excl. substantial non-recurring gains	IFRS 2004	Group's strategic target
Sanoma Magazines	7.4	12.4	12.6	
Sanoma	16.3	13.7	16.3	
WSOY	11.5	11.5	11.5	
SWelcom	7.6	8.2	8.2	
Rautakirja	6.5	7.0	7.1	
SanomaWSOY	9.4	10.8	11.8	12.0

- Net sales grow faster than GDP in main markets
- Capex yearly level < EUR 100 million
- Equity ratio ~ 50%



Committed to the Future

www.sanomawsoy.fi