

SanomaWSOY



Q3 2005

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President

November 2, 2005

Key Developments Jan-Sep/2005

Internationalisation

- Sanoma Magazines acquired Independent Media, the leading magazine publisher in Russia
- Rautakirja acquired the leading Lithuanian kiosk chain Lietuvos Spauda*
- Rautakirja acquired the press distribution company TK Presseexpo from Independent Media



Growth

- Sanoma Kaupunkilehdet (free sheet unit) acquired new free sheets and signed distribution agreements
- Helsingin Sanomat acquired Radio Helsinki (local radio station)
- Iltä-Sanomat acquired Huuto.net (online auction service)

Focusing on core business

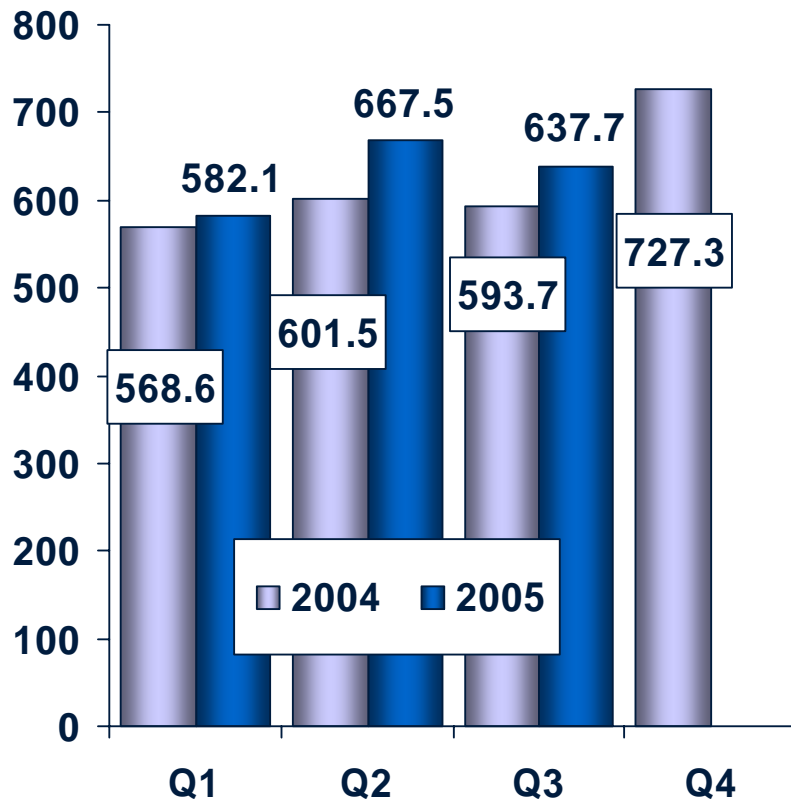
- Rautakirja divested restaurant operations
- Sanoma Lehtimedia divested Etelä-Karjalan Jakelu (local newspaper delivery company)
- WSOY divested Dark (digital printing company)
- WSOY divested Ajasto (diary company)
- WSOY divested Lönnberg (printing house)**



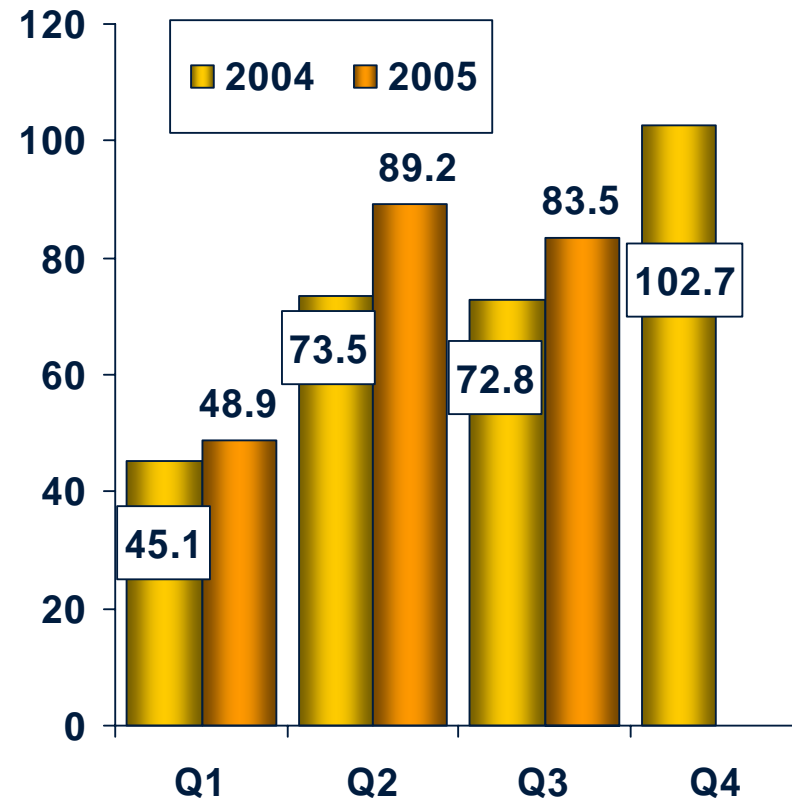
* The acquisition is subject to the approval of the Lithuanian competition authorities
 ** After the review period

SanomaWSOY Group

Net sales, €million



Operating profit, €million



In 2004 Malmberg's figures were consolidated with WSOY retrospectively as of 15 July in the fourth quarter

Y: Kalvot_HS/HS05/interimreport3_2005

Group Income Statement

€ million	1–9/2005	1–9/2004	Change, %	1–12/2004
Net sales	1,887.3	1,763.8	7.0	2,491.1
Other operating income	55.0	51.1	7.7	81.7
Expenses	1,629.5	1,535.3	6.1	2,153.8
Depreciation and impairment losses	91.2	88.2	3.4	125.0
Operating profit	221.6	191.4	15.8	294.0
Share of result of associated companies	9.0	5.3	69.3	6.5
Financial items	-19.3	-13.8	40.1	-28.9
Result before taxes	211.3	182.9	15.5	271.6
Income tax	-56.5	-53.4	5.7	-67.8
Result for the period (total)	154.8	129.5	19.6	203.8
Minority interests	-1.9	-1.0	94.1	-3.8
Net result for the period	152.9	128.5	19.0	200.0

Y: Kalvot_HS/HS05/interimreport3_2005

Group Balance Sheet

€million	30.9.2005	30.9.2004	Change, %	31.12.2004
ASSETS				
Non-current assets, total	2,371.5	1,974.3	20.1	2,156.3
Current assets, total	548.3	475.8	15.2	532.9
Assets, total	2,919.8	2,450.1	19.2	2,689.2
EQUITY AND LIABILITIES				
Equity, total	1,057.7	910.8	16.1	986.0
Long-term liabilities	418.2	509.8	-18.0	562.3
Current liabilities	1,444.0	1,029.5	40.3	1,140.9
Equity and liabilities, total	2,919.8	2,450.1	19.2	2,689.2

Key Indicators

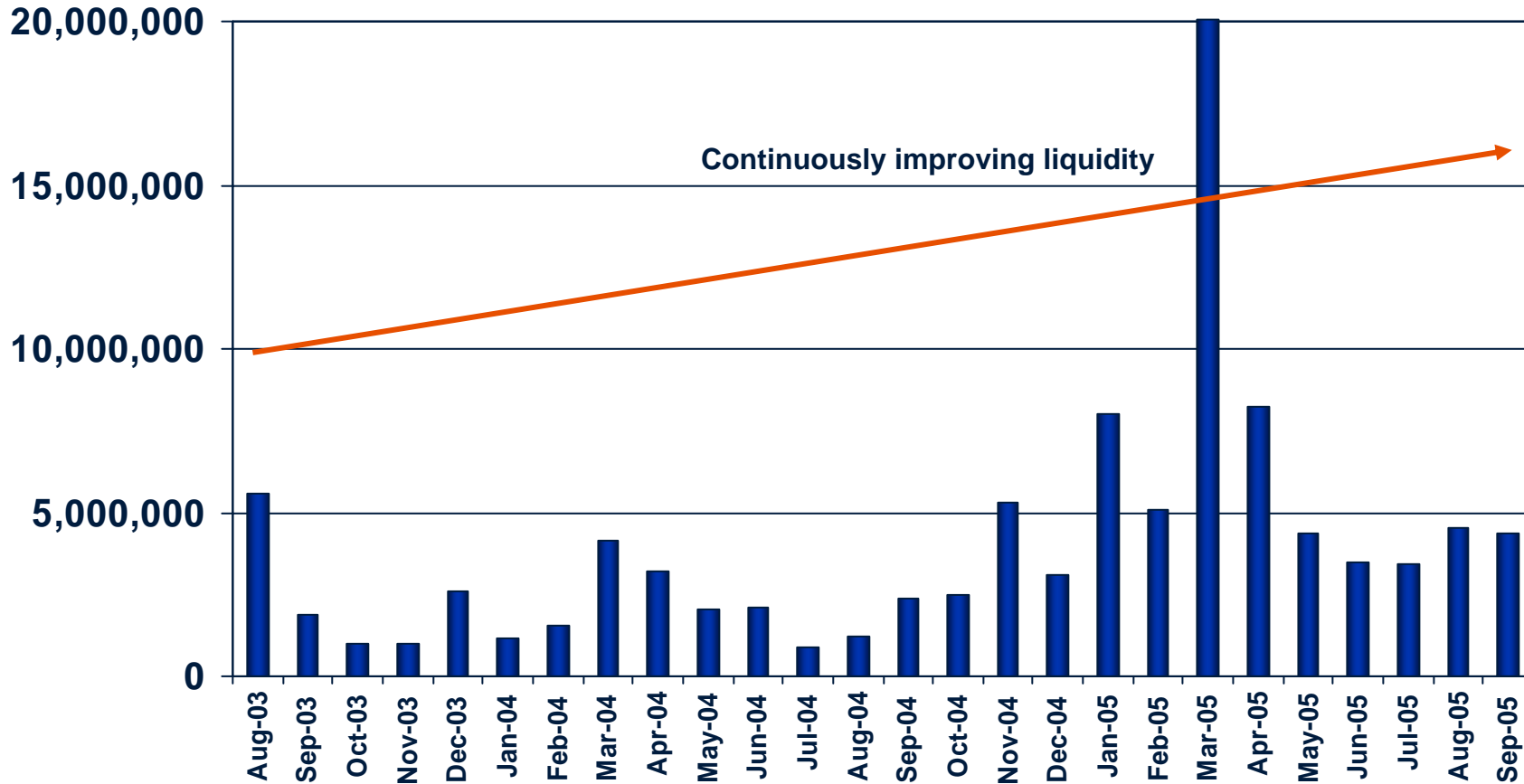
€million	1–9/2005	1–9/2004	Change, %	1–12/2004
Net sales	1,887.3	1,763.8	7.0	2,491.1
Operating profit	221.6	191.4	15.8	294.0
% of net sales	11.7	10.9		11.8
Balance sheet total	2,919.8	2,450.1	19.2	2,689.2
Gross investments	297.2	58.9	404.9	281.6
% of net sales	15.7	3.3		11.3
Equity ratio, %	38.5	39.3		38.7
Gearing, %	90.1	78.8		82.1
Interest-bearing liabilities	1,013.2	792.0	27.9	894.8
Net debt	952.5	717.4	32.8	809.1
Personnel under employment contract*	16,773	16,092	4.2	16,207
Personnel, average**	14,200	13,526	5.0	13,652
Earnings/share, €	1.00	0.84	18.6	1.31
Earnings/share, diluted, €	0.97	0.81	18.6	1.26
Cash flow from operations/share, €	0.90	0.84	8.0	1.54
Equity/share, € ***	6.73	5.86	15.0	6.34
Market capitalisation	3,303.4	2,402.8	37.5	2,632.2

* On average
 ** Full-time
 equivalents
 *** Excluding
 minority interests

Y: Kalvot_HS/HS05/interimreport3_2005

SanomaWSOY's Liquidity

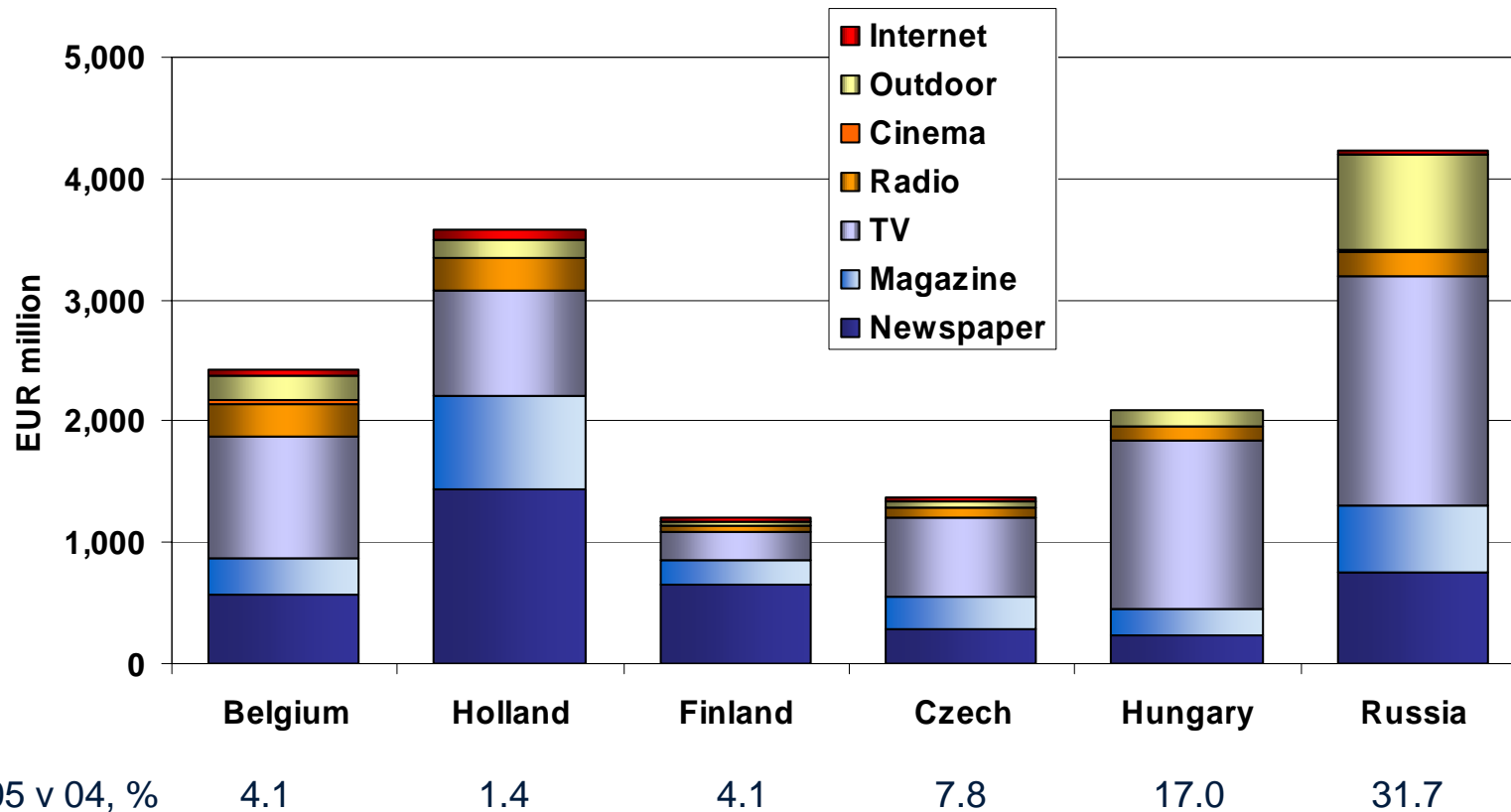
Series B Share, Monthly Trading



Y: Kalvot_HS/HS05/interimreport3_2005

Advertising Market in Europe

Forecast 2005, EUR million



Source:
ZenithOptimedia,
July 2005

Y: Kalvot_HS/HS05/interimreport3_2005

Advertising Sales

In Finland

€1,000	1–9/2005	Change, %
NEWSPAPERS	443,241	5.1
<i>Newspapers</i>	384,849	3.7
<i>Local papers and free sheets</i>	58,392	16.0
MAGAZINES	104,629	3.8
TELEVISION	160,048	-0.3
RADIO	31,197	0.2
OUTDOOR	26,497	9.4
CINEMA	961	-31.9
INTERNET	14,389	30.5
Advertising sales revenue, total	780,961	4.0

Source:
TNS Gallup Adex

Y: Kalvot_HS/HS05/interimreport3_2005

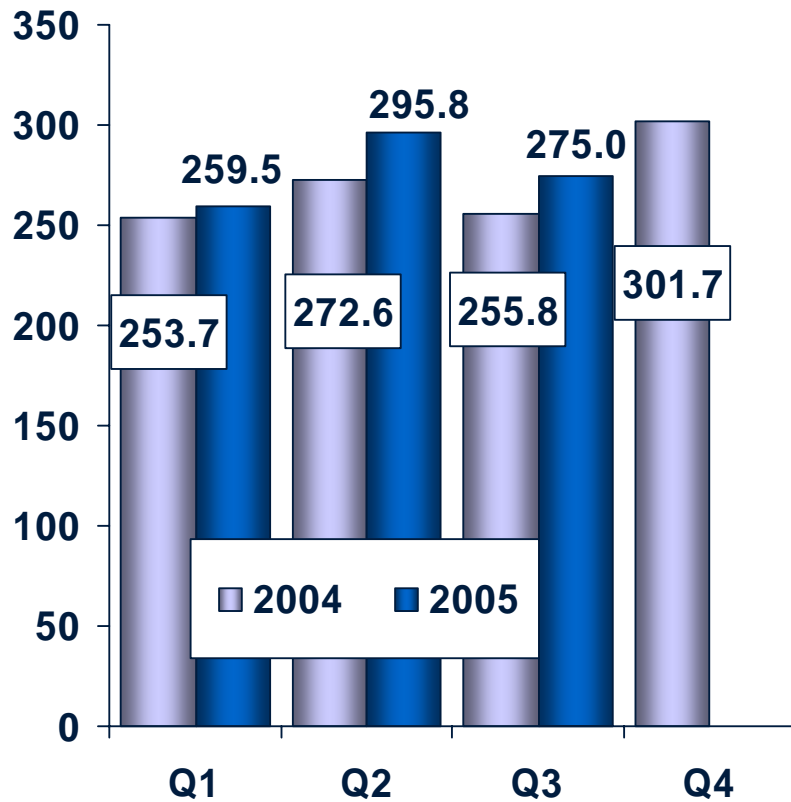
SanomaWSOY's Advertising Sales

% of net sales

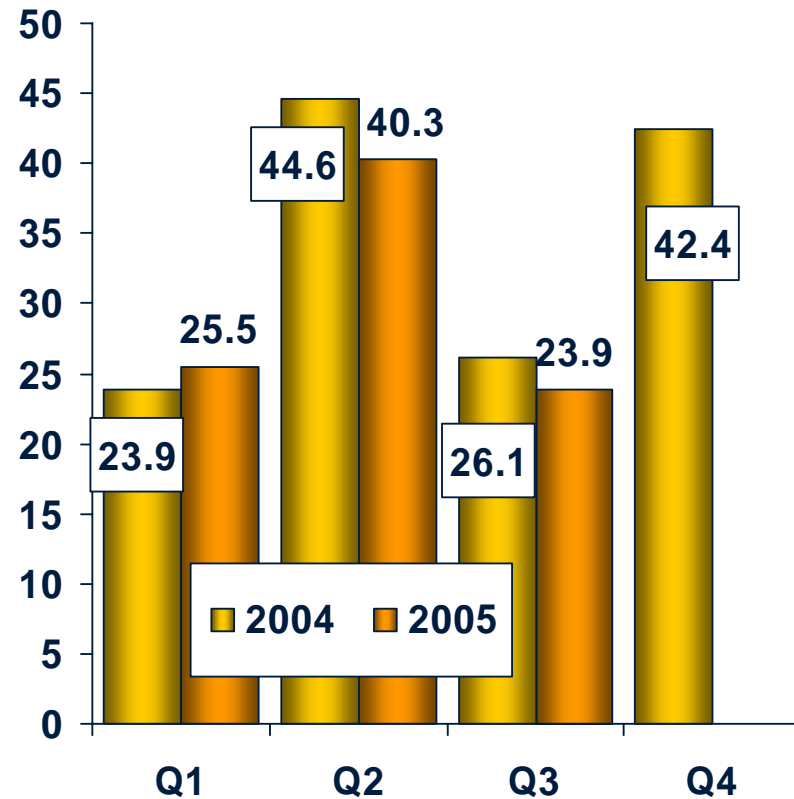
	1–9/2005	1–9/2004
Sanoma Magazines	21%	19%
Sanoma	50%	48%
SWelcom	57%	56%
Group	21%	20%

Sanoma Magazines

Net sales, €million



Operating profit, €million



Sanoma Magazines

1-9/2005

12

€ million	1-9/2005	1-9/2004
NET SALES	830.3	782.0
Sanoma Uitgevers	375.8	374.9
Sanoma Magazines International	143.6	99.4
Sanoma Magazines Belgium	136.4	141.6
Sanoma Magazines Finland	131.8	127.0
Aldipress	86.9	84.5
Eliminations	-44.2	-45.3
OPERATING PROFIT	89.7	94.7
Gross investments	172,8	11,6
Personnel under employment contract, average	5,142	4,520

Y: Kalvot_HS/HS05/interimreport3_2005

Sanoma Magazines

Key Developments Q3

Expansion to Central Eastern Europe

- 70% of the Czech home and deco publisher Peloton
- 25% of the company launching a cable TV channel in Hungary
- Elle to Bulgaria
- Story to Serbia and Montenegro

Investments in online business

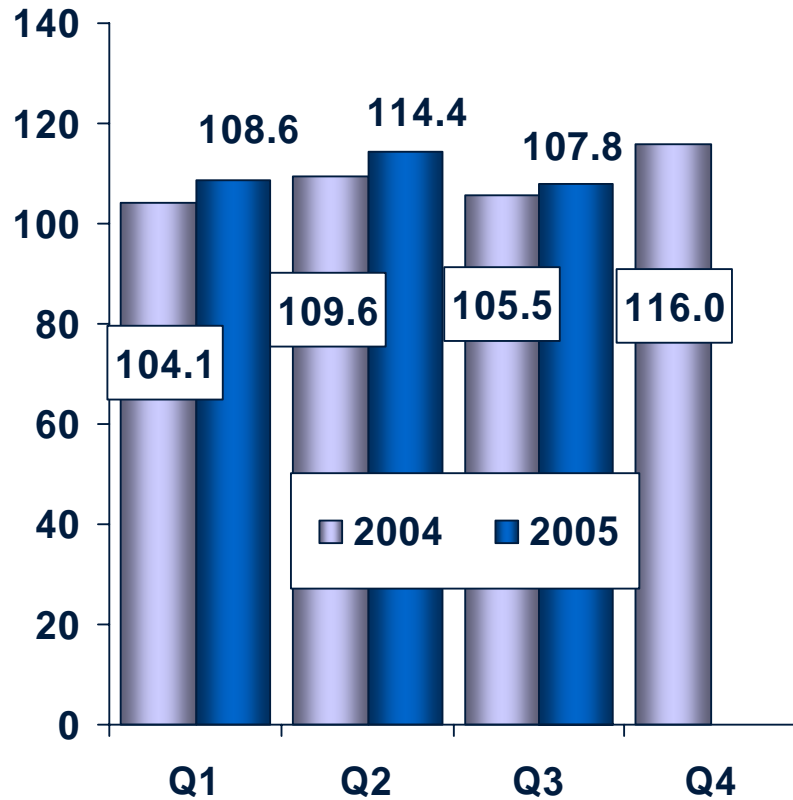
- Zappybaby.be internet portal in Belgium
- Hungarian Profession.hu and Jobmonitor.hu job portals *



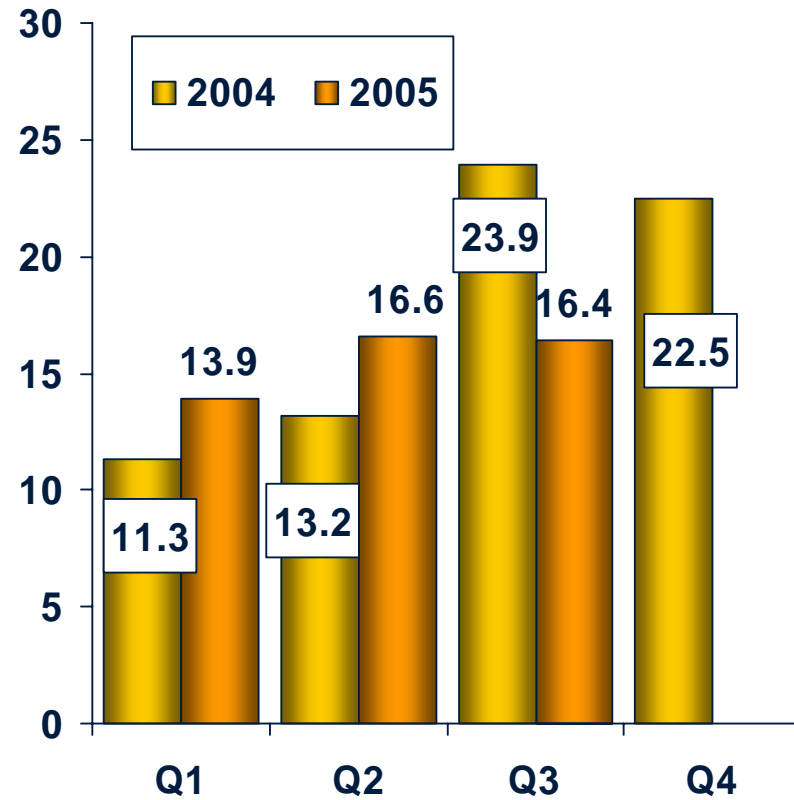
* After the review period

Sanoma

Net sales, €million



Operating profit, €million



Y: Kalvot_HS/HS05/interimreport3_2005

Sanoma

1-9/2005

15

€ million	1-9/2005	1-9/2004
NET SALES	330.8	319.2
Helsingin Sanomat	192.4	186.4
Ilta-Sanomat	70.8	71.2
Sanoma Lehtimedia	35.7	34.7
Other	128.2	108.1
Eliminations	-96.4	-81.3
OPERATING PROFIT	46.9	48.3
Gross investments	17.6	19.1
Personnel under employment contract, average	2,814	2,761

Y: Kalvot_HS/HS05/interimreport3_2005

Sanoma

Key Developments Q3

- Helsingin Sanomat (daily) succeeded well

Investments in online business

- Ilta-Sanomat (tabloid) acquired Huuto.net (online auction service): Keltainen Pörssi now Finland's leading classified ad service
- An online music store established

Investments in free sheets

- Koillis-Helsingin Lähisanomat, Nöjesguiden, Lappeenrantalainen* and Seiska*
- Kaupunkilehti Kymppi renamed Vartti, and expanded to Helsinki Metropolitan area
- Uutislehti 100 now a clear market leader in Helsinki Metropolitan area

Focusing on core business

- Divestment of the printing premise
- Divestment of Etelä-Karjalan Jakelu (local newspaper delivery company)

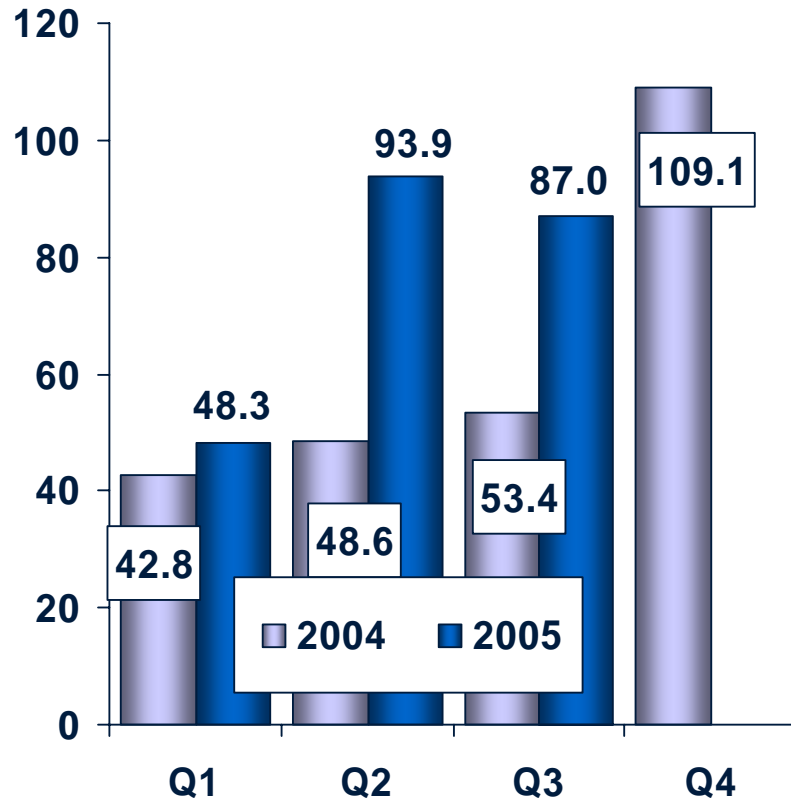


* As of January 1, 2006

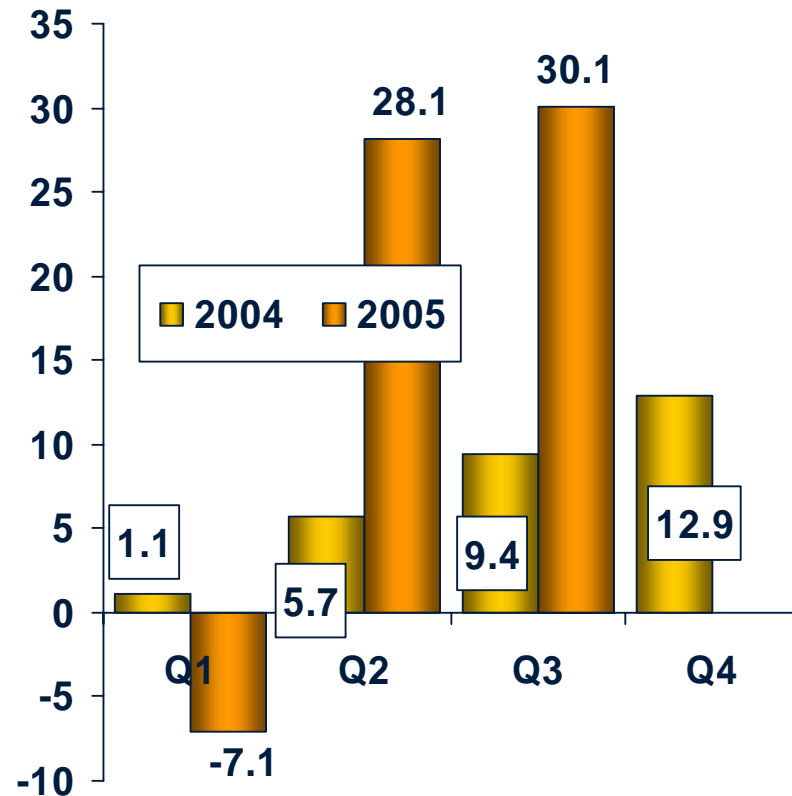
Y: Kalvot_HS/HS05/interimreport3_2005

WSOY

Net sales, €million



Operating profit, €million



In 2004 Malmberg's figures were consolidated with WSOY retrospectively as of 15 July in the fourth quarter

WSOY

1-9/2005

18

€ million	1-9/2005	1-9/2004
NET SALES	229.1	144.8
Educational publishing *	121.9	35.6
Publishing	59.5	61.0
Printing	40.9	43.4
Diaries	15.9	15.3
Others	4.0	3.7
Eliminations	-13.0	-14.2
 OPERATING PROFIT*	 51.1	 16.2
Gross investments	5.5	6.5
Personnel under employment contract, average	2,420	1,996

*In 2004 Malmberg's figures were consolidated with WSOY retrospectively as of 15 July in the fourth quarter

Y: Kalvot_HS/HS05/interimreport3_2005

WSOY

Key Developments Q3

New products and launches

- WSOY Tilauskirjat (order books)
- Tyyli ja koti -book club (style and home)
- From Malmberg, Flo magazine for young girls

- Opit service (internet-based service for schools) also for schools in Espoo
- Kari Hotakainen's novel Juoksuhaudantie success in Sweden, already 60,000 copies sold, as well as publishing rights of the book in 18 languages

Focusing on core business

- Divestment of Dark (digital printing company)
- Divestment of Ajasto (diary company)
- Divestment of Lönnberg (printing house)*

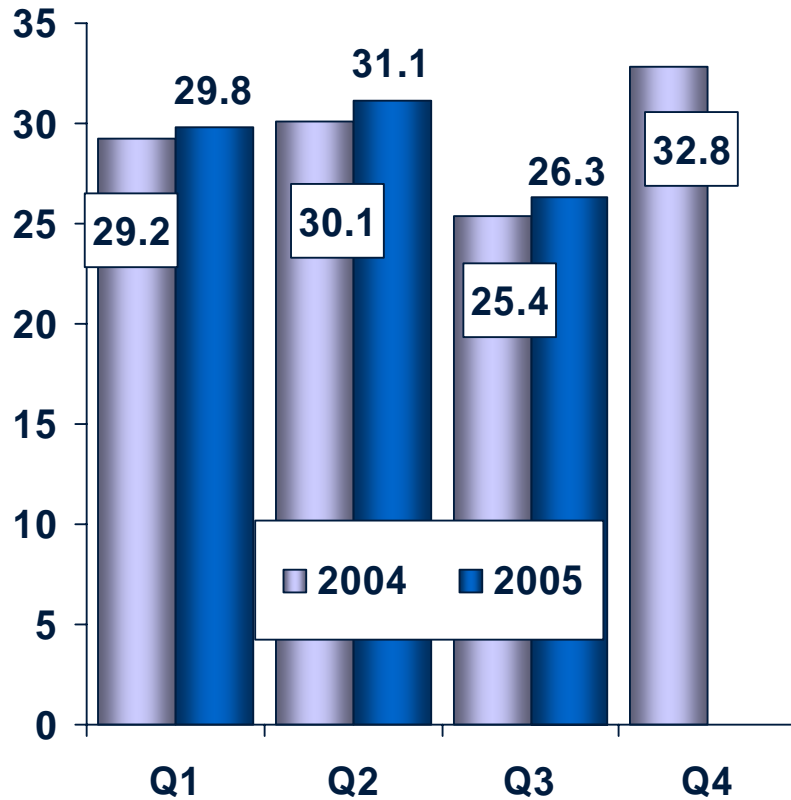


*After the review period

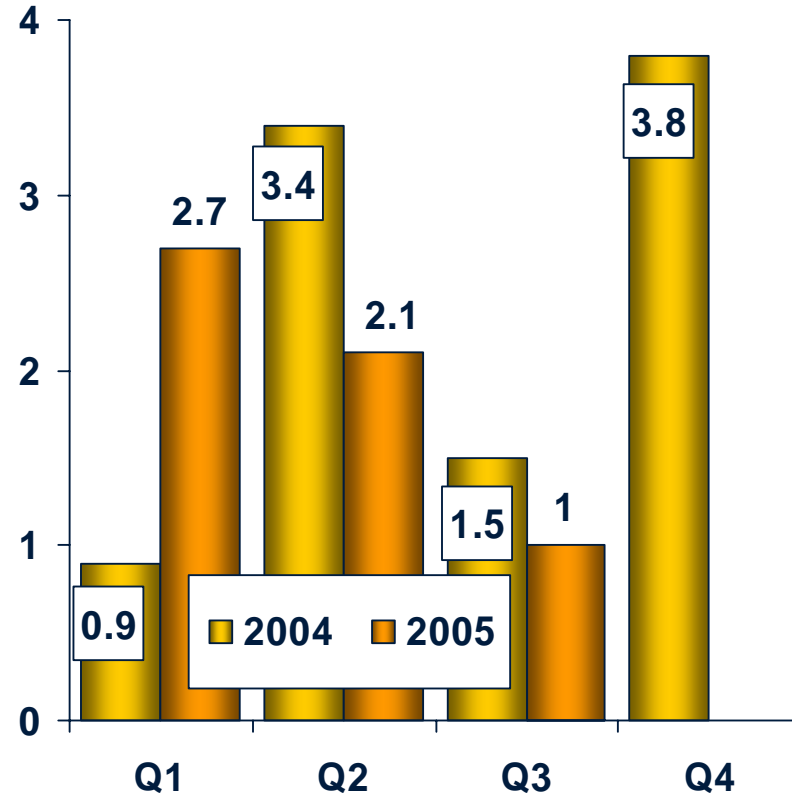
Y: Kalvot_HS/HS05/interimreport3_2005

SWelcom

Net sales, €million



Operating profit, €million



Y: Kalvot_HS/HS05/interimreport3_2005

SWelcom

1-9/2005

21

€ million

1-9/2005

1-9/2004

NET SALES

87.2

84.7

Nelonen

49.9

47.4

Others

38.4

38.2

Eliminations

-1.1

-0.9

OPERATING PROFIT

5.8

5.8

Gross investments

6.3

7.3

Personnel under employment contract, average

423

415

Y: Kalvot_HS/HS05/interimreport3_2005

SWelcom

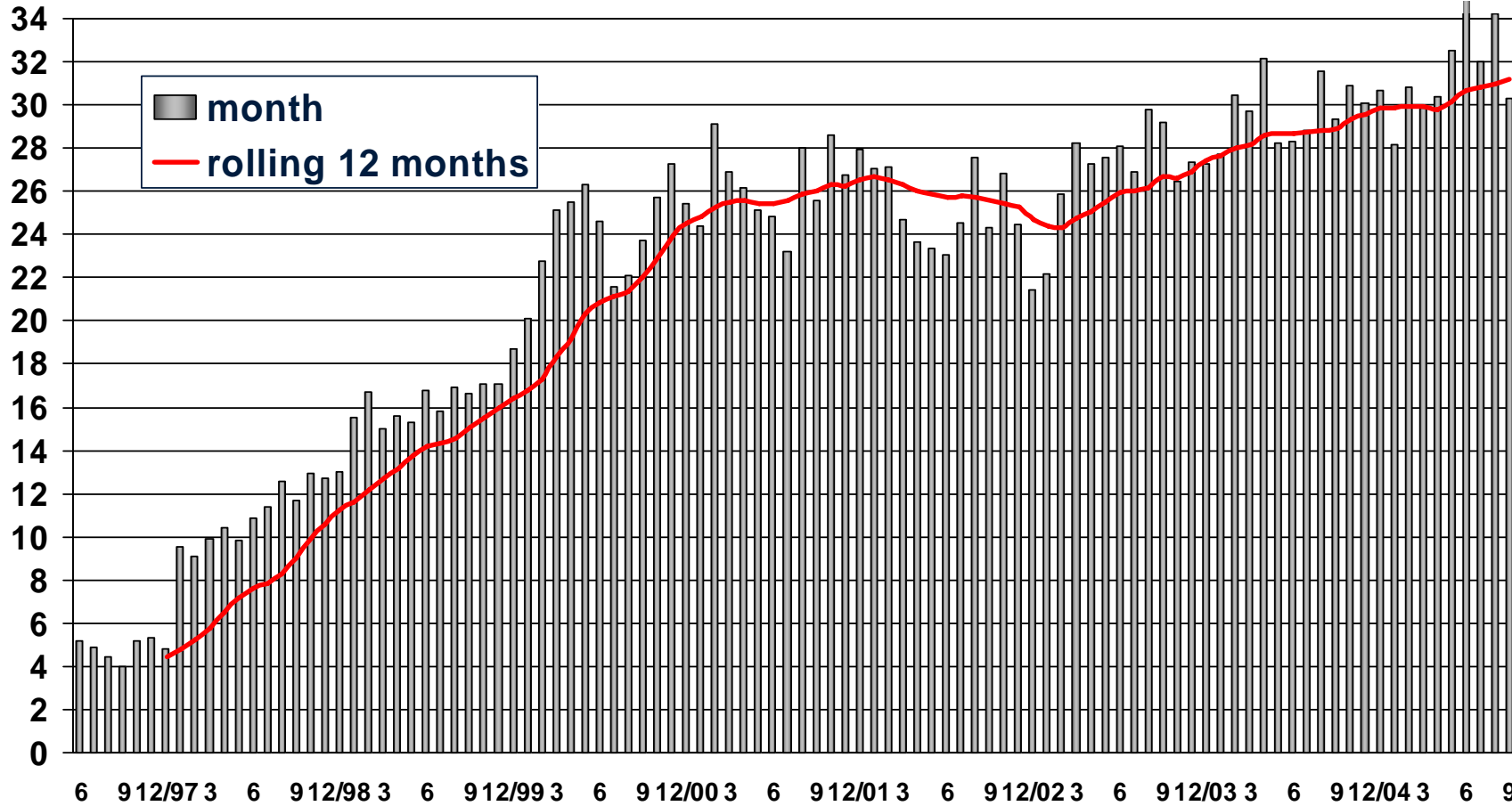
Key Developments

- Welho (broadband and digi TV) bandwidth and speed increases, and network upgrades
- Helsinki Television had all time high September, more than 4,000 new subscribers
- Helsinki Television delivered digiboxes to Finnish Parliament
- Nelonen (TV channel) broadcasts the highlights of the ice hockey league games and exiting finals of the Finnish Championship ice hockey
 - cooperation with Canal+
- Nelonen received four Media & Message awards



Nelonen's Share of TV advertising

Percent

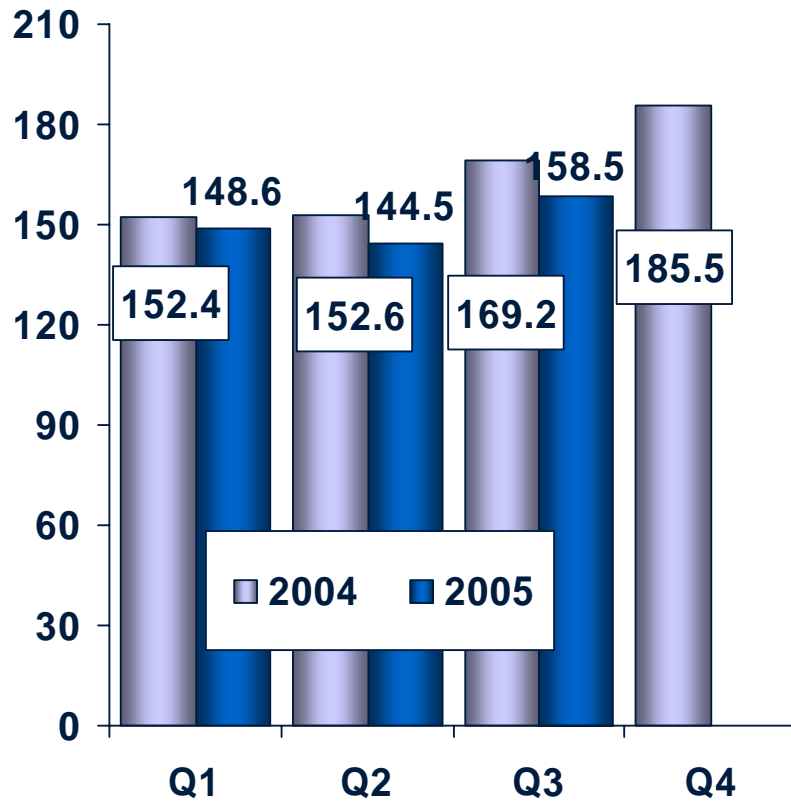


Source: TNS
Gallup Oy

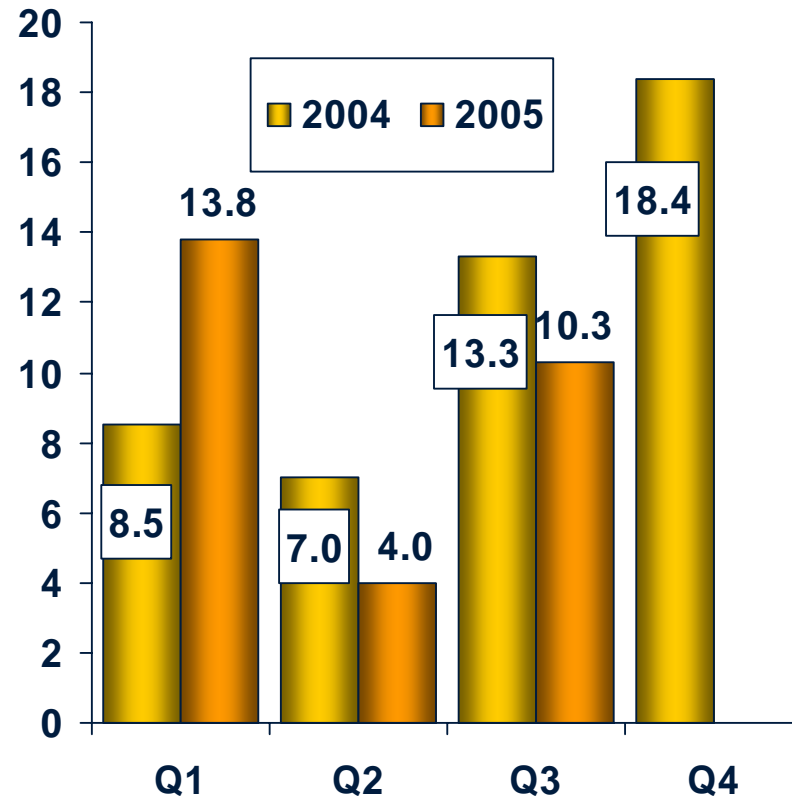
Y: Kalvot_HS/HS05/interimreport3_2005

Rautakirja

Net sales, €million



Operating profit, €million



Rautakirja

1-9/2005

25

€ million

1-9/2005

1-9/2004

NET SALES

451.5

474.2

Kiosk operations

254.1

259.7

Press distribution

72.8

59.5

Bookstores

86.2

82.3

Entertainment

43.9

39.9

Others

2.6

41.1

Eliminations

-8.0

-8.3

OPERATING PROFIT

28.2

28.8

Gross investments

94.8

13.7

Personnel under employment contract, average

5,904

6,325

Y: Kalvot_HS/HS05/interimreport3_2005

Rautakirja

Key Developments Q3

- TK Presseexpo (Russian press distribution company) acquisition approved by the competition authorities
- Suomalainen Kirjakauppa (bookstore chain) has already around 150,000 registrations in a loyal customer programme
- New store for Suomalainen Kirjakauppa
- The new point-of-sale system in wider use in R-kiosks
 - Lippupalvelu's ticket delivery in R-kiosks started
- Finnkino (movie theatre operator) divested Interpret (subtitling unit)



Estimates for 2005

By Division

Sanoma Magazines

- Net sales estimated to grow
- Operating profit including Independent Media expected to remain below that of 2004 due to continuing investments in future growth and expansion into new markets.

Sanoma

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

WSOY

- Net sales and operating profit expected to grow significantly

SWelcom

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

Rautakirja

- Comparable net sales expected to grow, particularly outside Finland
- Comparable operating profit expected to remain at the previous year's level

Group's Outlook for 2005

Estimate :

- Net sales to grow by some 5%
- Net sales adjusted for changes in Group structure to grow by slightly more than 2%
- Operating profit excluding non-recurring gains on the sales of assets to be at the previous year's good level.
 - In 2004, operating profit excluding the most substantial non-recurring gains on the sales of assets was to EUR 268.2 million.
- These estimates take account of the effect of divested operations on net sales and operating profit.



Committed to the Future

www.sanomawsoy.fi