



Interim Report 1–9/2006

President and CEO Hannu Syrjänen

November 1, 2006

Strategy

Strategy

- Multimedia strategy in Finland
- International focus
 - magazines
 - educational publishing
 - digital media
 - press distribution/kiosks
- All divisions focus on
 - growth and profitability
 - market leadership
 - way of doing

Strategic Focus Areas

Growth and profitability

- Expansion in growth markets (digital media, CEE, Russia and other CIS countries)
- Efficiency efforts in all businesses (shared services and more efficient ICT enabled processes, well targeted cost cutting in low growth businesses)
- Value adding consolidation
- Controlled increase of investments to digital media in optimal pace and extent

Strategic Focus Areas

Market leadership

- Value-adding market leadership in chosen businesses and markets
- One of the leading European magazine and educational publishers

Way of doing

- Respect for local cultures
- Customer driven product and service development
- Result-oriented, talented, and cooperative people
- Fast and flexible processes
- Group-wide cooperation, optimal use of the Group's scale and scope

Group Financial Targets

Growth targets

- To increase net sales at a rate faster than GDP growth in main operating countries
- To increase digital business significantly

EBIT target

- Group EBIT target is 12%

Digital Business

Investments in Digital Business

- Build on and strengthen leadership position in the Netherlands and Hungary
 - use the expertise in these countries to explore new frontiers of new media business
- Centralize online operations of Sanoma Uitgevers in the Netherlands
 - Paul Molenaar, CEO of ilse media, appointed also COO of Online and Media Innovations
- Establish joint company, focusing in digital media, in Finland to create necessary conditions for growth and leadership in the advertising markets

ilse media in a Nutshell



- Leading Dutch online publisher with an overall reach of 69%
- Sales CAGR 2002–2005 38%
- Some key activities
 - Nu.nl
 - Leading news site in NL, over 200 million monthly page views, reach of 21%
 - Monthly page views and unique visitors grow with overall market growth
 - Startpagina
 - Most popular Dutch internet portal; attracts 4 million daily visitors; no similar competitor, reach of 48%
 - Ilse.nl
 - #2 search engine in NL, reach of 10%
 - Kieskeurig
 - One of three most important Dutch product comparison sites, reach of 14%



Sanoma Digital

- Company focused on developing online products and services as well as online advertising sales in Finland and the Baltic countries
- Company will be owned by Sanoma, Sanoma Magazines Finland and SWelcom
- Operations
 - Development of online classifieds: Oikotie, Keltainen Pörssi, Huuto.net
 - Online advertising: Sanoma Online Ad Sales (Sanoma Verkkomediamyynti)
 - Niche sites: Kiloklubi (wellness), MBNet Price Comparison (MBNetin Hintaseuranta)
- Aims to achieve a leading position in online advertising sales and develop new innovative ways to advertise

Market Environment

Advertising Sales in Finland

€ 1,000	9/2006	Ch %	1–9/2006	Ch %
NEWSPAPERS	55,748	6.0	445,534	1.6
MAGAZINES	15,029	-1.9	107,781	2.5
TELEVISION	21,659	0.4	169,320	5.6
RADIO	3,059	-5.4	30,512	-0.2
OUTDOOR	3,053	-7.8	26,891	1.6
CINEMA	104	-48.3	821	-14.6
ONLINE	3,033	6.1	24,434	23.1
Advertising sales revenues, total	101,683	2.6	805,293	2.9

Advertising Sales in the Netherlands

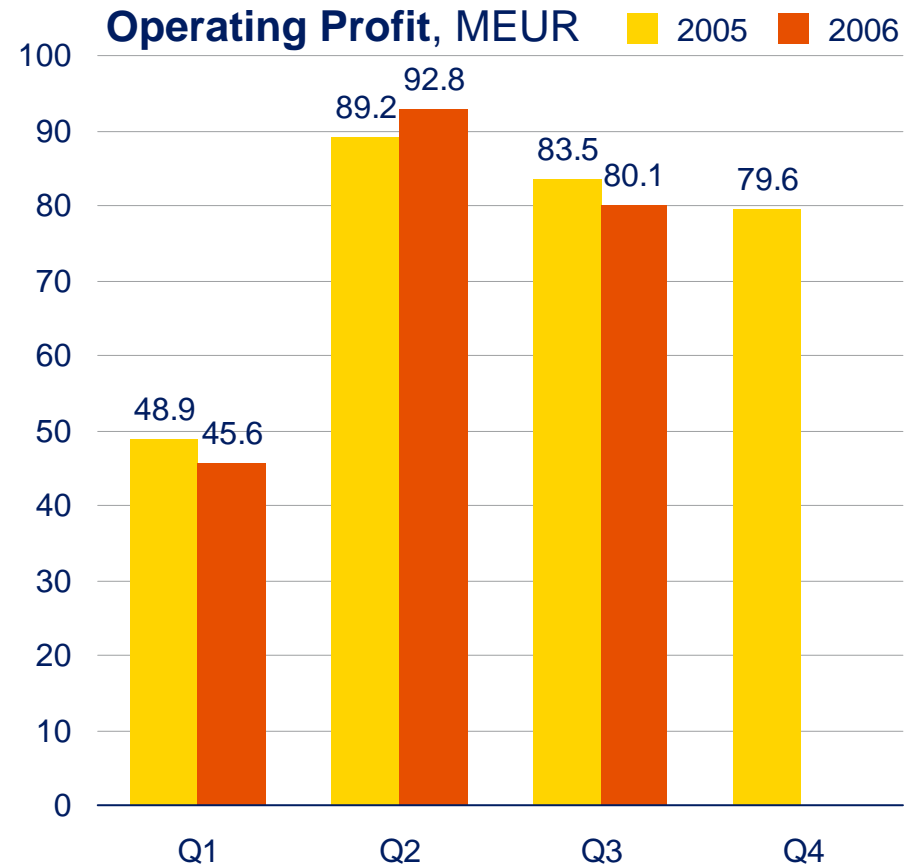
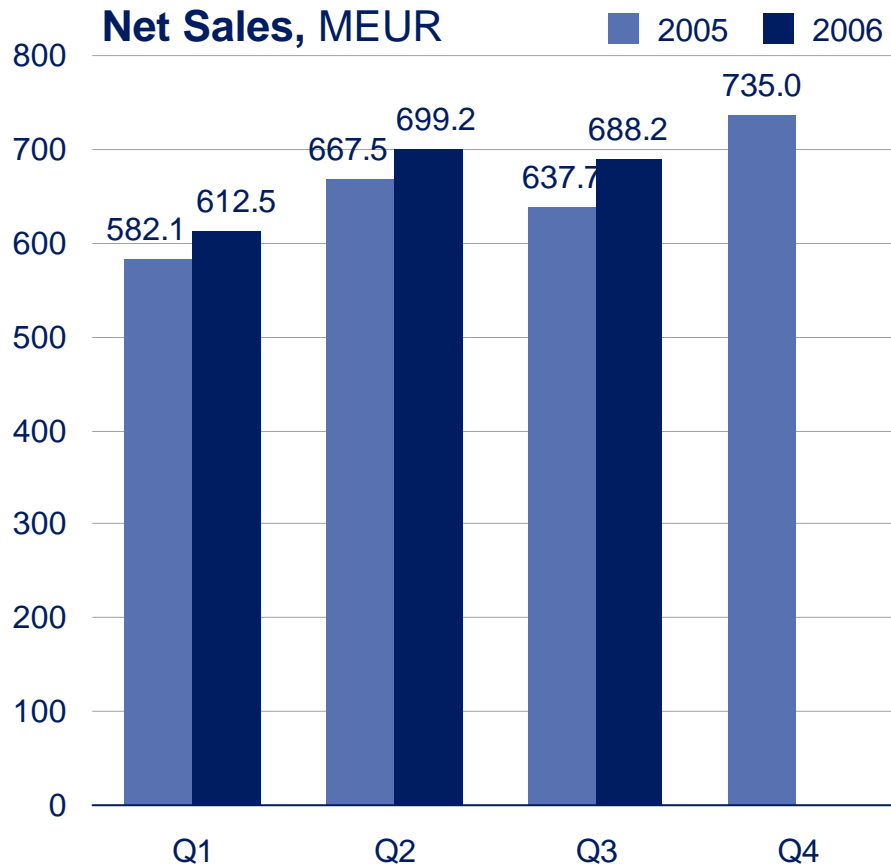
€ 1,000	1-8/2006	Ch %
TELEVISION	1,606,602	4.9
NEWSPAPERS	480,942	-0.3
UNSOLICITED ADV. MATERIAL	316,998	6.6
MAGAZINES	307,802	-6.3
RADIO	275,838	4.3
INTERNET	122,017	31.3
OUTDOOR	147,360	16.5
CINEMA	10,263	15.3
TELETEKST	20,754	-29.3
Total	3,288,575	4.0

Key Figures

Key Figures

EUR million	1–9/2006	1–9/2005	Ch %	1–12/2005
Net sales	1,999.8	1,887.3	6.0	2,622.3
Operating profit	218.5	221.6	-1.4	301.3
% of net sales	10.9	11.7		11.5
Operating profit excluding major non-recurring capital gains	214.3	200.2	7.0	269.1
% of net sales	10.7	10.6		10.3
Balance sheet total	3,181.3	2,919.8	9.0	2,972.0
Capital expenditure	51.4	51.5	-0.3	93.8
% of net sales	2.6	2.7		3.6
Equity ratio, %	39.9	38.5		41.3
Gearing, %	79.5	90.1		72.8
Interest-bearing liabilities	1,066.9	1,013.2	5.3	928.7
Net debt	947.5	953.1	-0.6	843.8
Earnings/share, EUR	0.96	1.00	-3.6	1.45
Cash flow from operations/share, EUR	0.78	0.89	-12.0	1.69
Equity/share, EUR *	7.34	6.73	9.0	7.28
Market capitalisation	3,243.7	3,303.4	-1.8	3,121.5
Personnel **	18,277	16,773	9.0	16,885

The SanomaWSOY Group



Consolidated Income Statement

EUR million	1–9/2006	1–9/2005	Ch %	1–12/2005
NET SALES	1,999.8	1,887.3	6.0	2,622.3
Other operating income	42.0	55.0	-23.7	80.7
Materials and services	909.5	840.4	8.2	1,177.8
Personnel expenses	436.4	427.5	2.1	574.7
Other operating expenses	378.9	361.6	4.8	518.6
Depreciation and impairment losses	98.5	91.2	7.9	130.6
OPERATING PROFIT	218.5	221.6	-1.4	301.3
Share of result of associated companies	7.5	9.0	-16.3	9.8
Financial items	-19.8	-19.3	2.5	-25.1
RESULT BEFORE TAXES	206.3	211.3	-2.4	286.0
Income taxes	-55.9	-56.5	-1.1	-57.6
RESULT FOR THE PERIOD	150.4	154.8	-2.9	228.4
Attributable to:				
Equity holders of the Parent Company	151.9	152.9	-0.7	224.0
Minority interest	-1.5	1.9	-178.0	4.4

Consolidated Balance Sheet

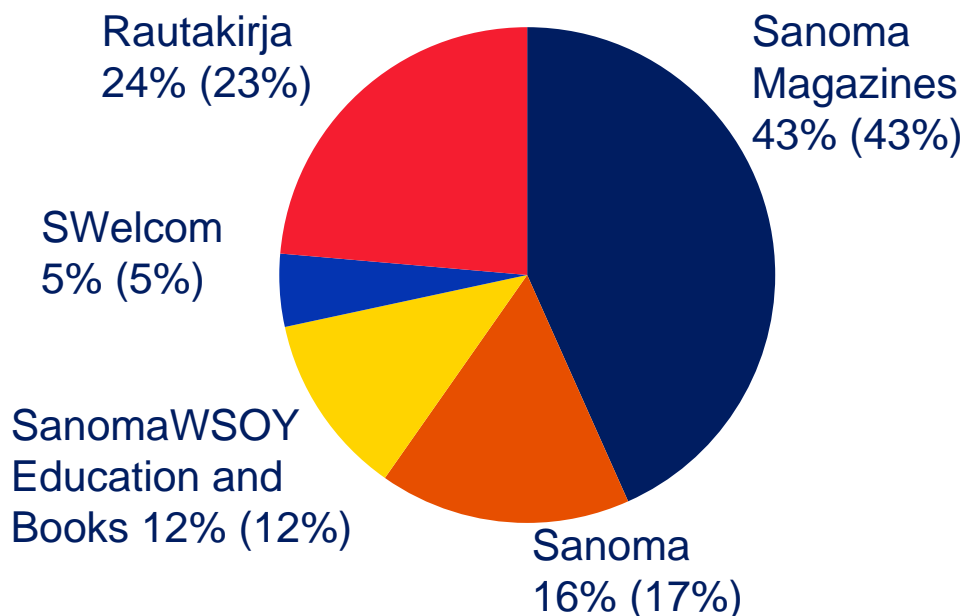
EUR million	30.9.2006	30.9.2005	Ch %	31.12.2005
ASSETS				
Non-current assets, total	2,481.1	2,371.5	4.6	2,395.6
Current assets, total	700.2	548.3	27.7	576.4
Assets, total	3,181.3	2,919.8	9.0	2,972.0
EQUITY AND LIABILITIES				
Equity, total	1,192.3	1,057.7	12.7	1,159.1
Non-current liabilities	242.4	418.2	-42.0	323.6
Current liabilities	1,746.7	1,444.0	21.0	1,489.4
Liabilities, total	1,989.0	1,862.1	6.8	1,813.0
EQUITY AND LIABILITIES, TOTAL	3,181.3	2,919.8	9.0	2,972.0

Net Sales by Division and by Geographic Area

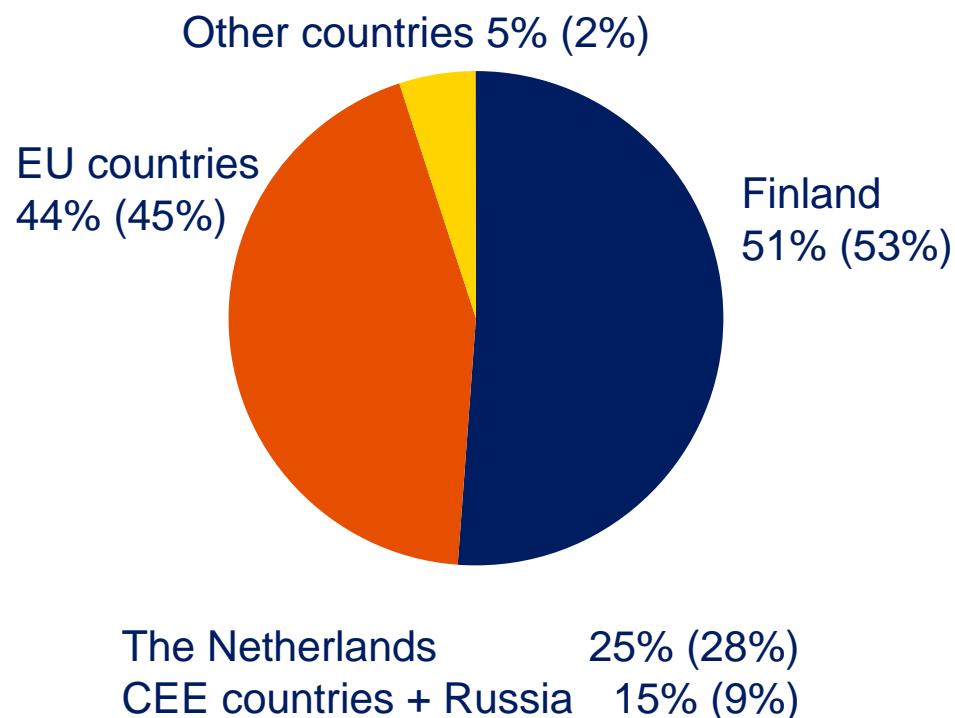
1-9/2006 (1-9/2005)

Net sales EUR 1,999.8 million

By Division



By geographic area



SanomaWSOY's Advertising Sales

% of net sales

	1–9/2006	1–9/2005
Sanoma Magazines	25%	23%
Sanoma	51%	50%
SWelcom	57%	57%
The Group	22%	21%

Divisions

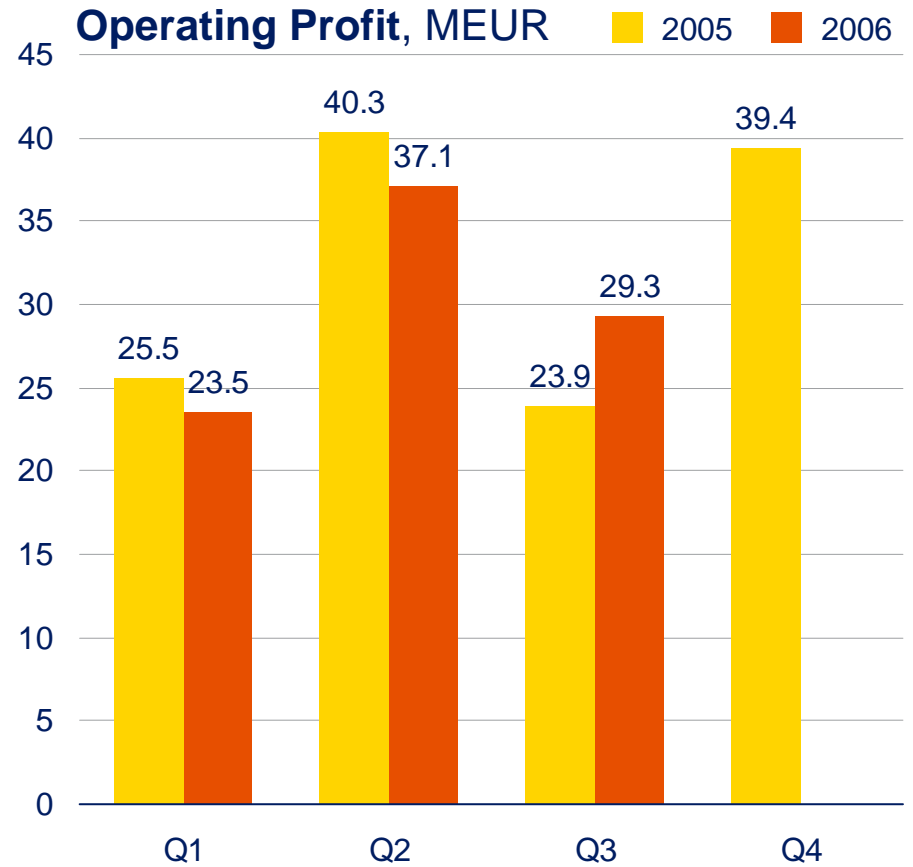
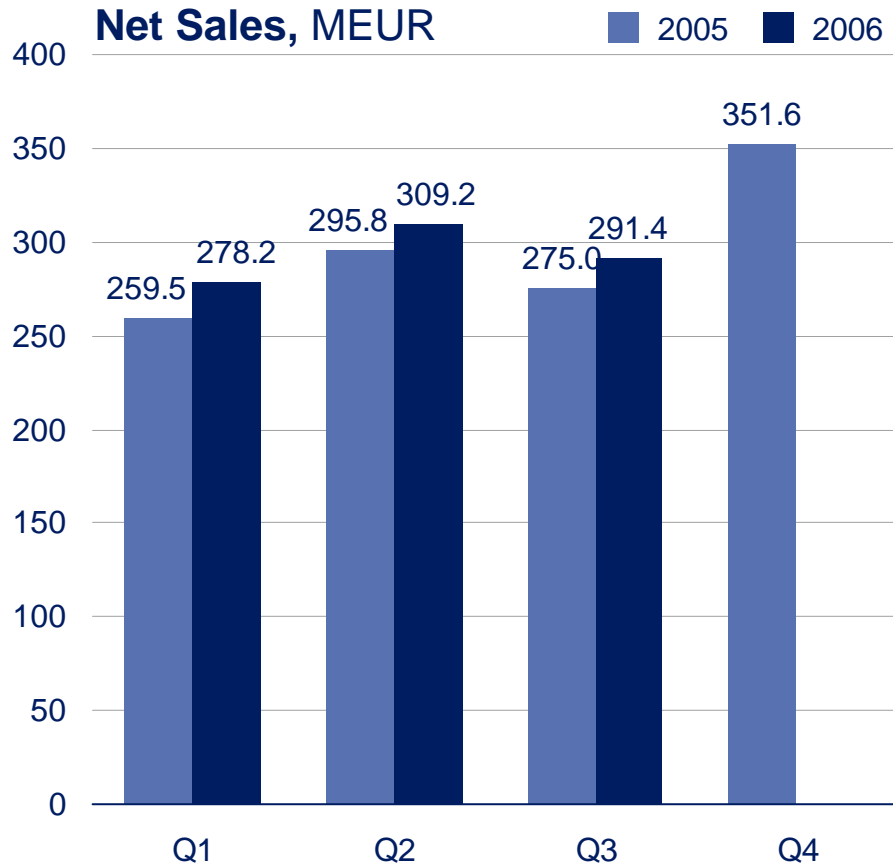
Sanoma Magazines

Key Developments

- Acquisitions
 - a leading Belgian niche publishing house EPN
 - a leading publisher of golf related publications Wegener Golf
 - a leading Dutch product and price comparison site Kieskeurig.nl
 - holding in the leading website creator in the Czech Republic eStranky.cz
- Launches
 - Story in Bulgaria
 - HELLÓ V.I.P.! in Hungary
 - Sara in Finland (in Oct)
 - Felderhof in the Netherlands
 - Casa si Gradina (Home and Garden) in Romania
 - Femeia di Azi in Romania
 - National Geography in Bulgaria
 - WellnessCafe.hu in Hungary
- Restyling of Libelle and Margriet
- Dick Molman appointed CEO of Sanoma Uitgevers



Sanoma Magazines



Sanoma Magazines 1-9/2006

EUR million	1-9/2006	1-9/2005	Ch %
Net sales	878.9	830.3	5.8
Sanoma Magazines Netherlands	382.8	375.8	1.9
Sanoma Magazines International	175.7	143.6	22.4
Sanoma Magazines Belgium	136.7	136.4	0.2
Sanoma Magazines Finland	140.1	131.8	6.4
Aldipress	86.2	86.9	-0.8
Eliminations	-42.7	-44.2	-3.3
Operating profit	89.9	89.7	0.2
% of net sales	10.2	10.8	
Operating profit excluding major non-recurring capital gains	87.3	89.7	-2.7
% of net sales	9.9	10.8	
Balance sheet total	1,870.5	1,662.3	12.5
Capital expenditure	12.7	12.2	4.5
Personnel under employment contract, average	5,523	5,142	7.4

Sanoma Key Developments

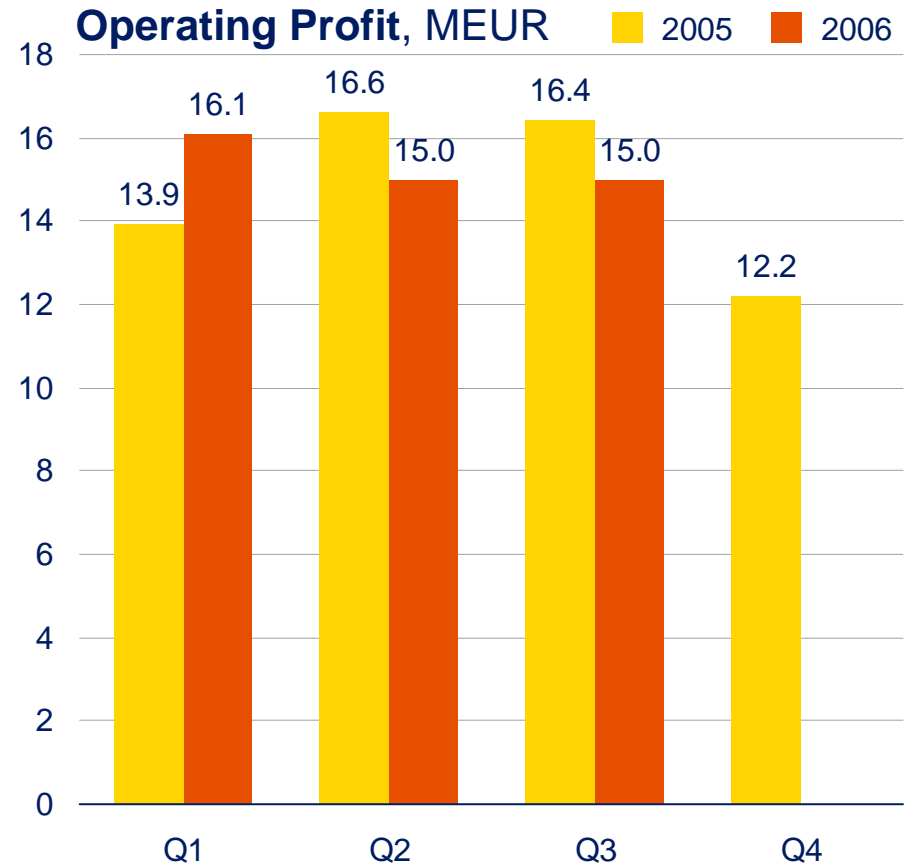
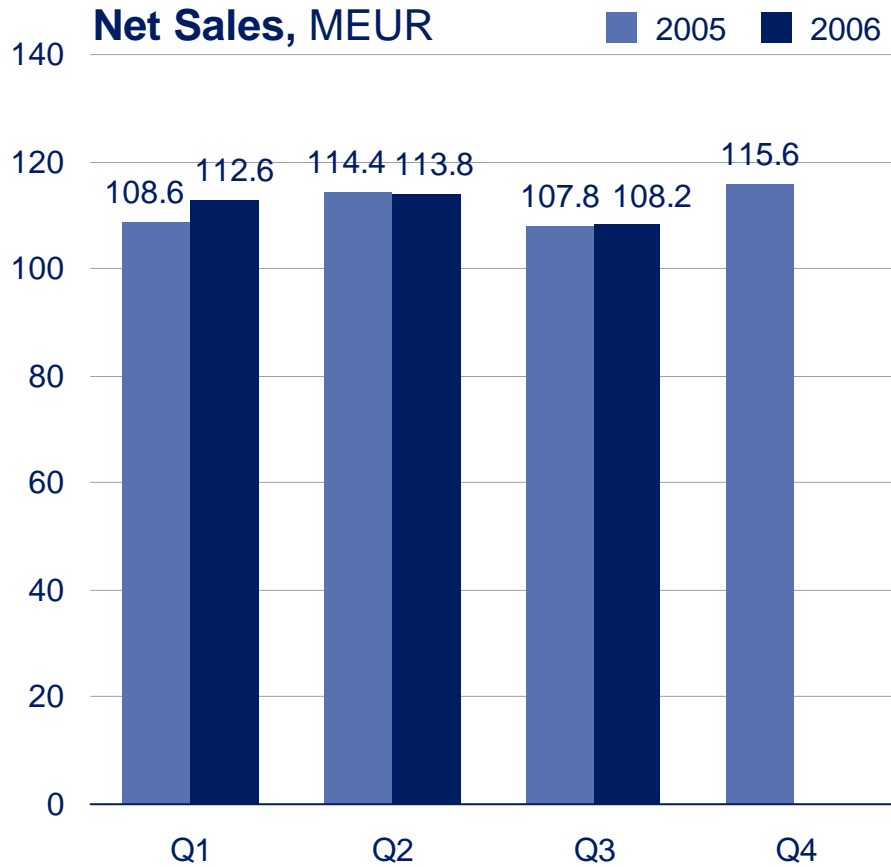
- Acquisition of free sheet Metro in Finland
- Taloussanomat strengthens its online presence
- Hannu Savola appointed Senior Editor-in-Chief of Ilta-Sanomat

After the review period

- Establishing Sanoma Digital business unit focusing on developing online products and services as well as online advertising sales

The screenshot displays the Taloussanomat website interface. At the top, there is a navigation bar with links for 'Teläversio', 'Päivän lehti näköislehtiä', 'Arkisto', 'Tilaa Taloussanomat', 'Asiakaspalvelu', 'Jätä nimitysuutinen', 'Media tiedot', 'Palautte', 'Sivukartta', and 'Ajutus'. Below this, there are two main news items: 'Vesa Varhee Yhdysvallat hytty' and 'Kai Seikku Drove my Toyota to the levee...'. The main content area features a sidebar with navigation links (ETUSIVU, UUTISET, TEEMAT, PORSSI JA RAHA, OMA TALOUS, KESKUSTELUT, BLOGIT, VIDEOT, TOIMITUS, TAKASIVU) and a 'Pörssi ja raha' section. The main headline is 'Suomen sähköyhtiöt valmiit syysmyrskyyn' with a sub-headline 'Suomessa sähköyhtiöt varautuvat Ruotsin tapaan poikkeuksellisen rajuun syysmyrskyyn. Täällä siitä odotetaan pahinta sitten marraskuun 2001.' Below this is a 'YIT teki jättimäiset tonttikaupat Pietarissa' article. The right sidebar contains 'Uusimmat uutiset' and 'Tarkista verosi' sections. The bottom of the page features a 'TAKASIVU' section and a 'Yhteistyössä Tjäreborg.fi' logo.

Sanoma



Sanoma 1-9/2006

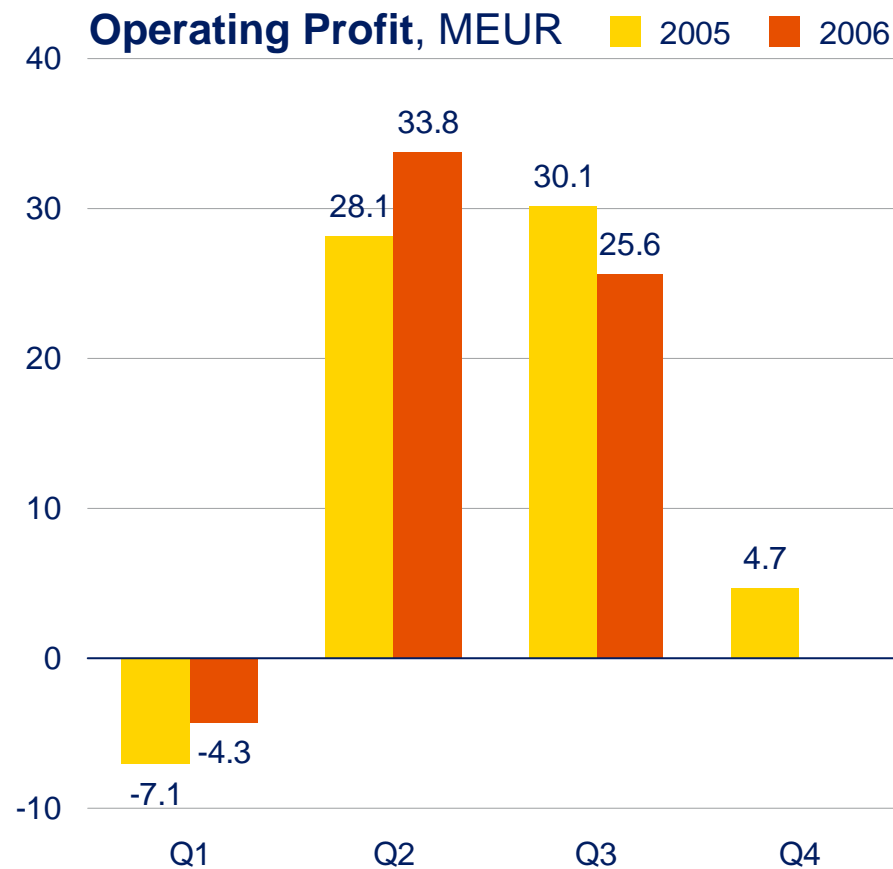
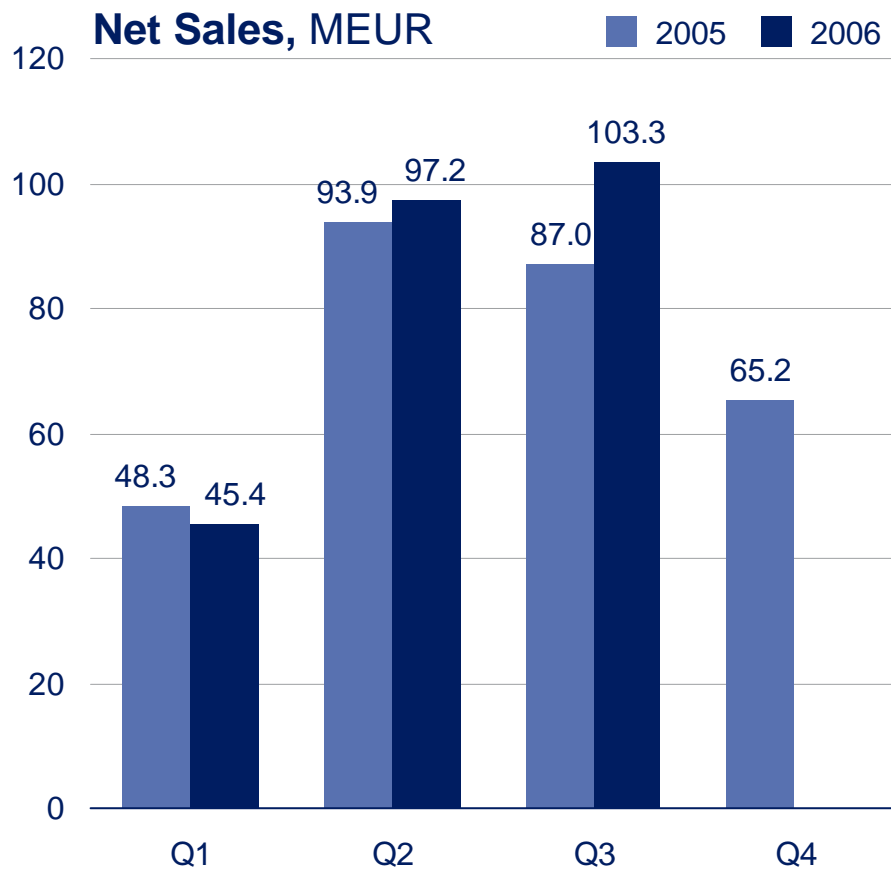
EUR million	1-9/2006	1-9/2005	Ch %
Net sales	334.7	330.8	1.2
Helsingin Sanomat	195.9	192.4	1.8
Ilta-Sanomat	68.4	70.8	-3.3
Sanoma Lehtimedia	33.6	35.7	-6.0
Others	138.0	128.2	7.6
Eliminations	-101.2	-96.4	5.1
Operating profit	46.1	46.9	-1.7
% of net sales	13.8	14.2	
Operating profit excluding major non-recurring capital gains	44.5	45.9	-3.1
% of net sales	13.3	13.9	
Balance sheet total	501.4	472.1	6.2
Capital expenditure	11.3	16.5	-31.9
Personnel under employment contract, average	2,679	2,814	-4.8

SanomaWSOY Education and Books Key Developments

- Malmberg acquired Aromedia and LDC Publicaties (career and study orientation and consultation companies in the Netherlands)
- Reorganisation of the Division
- Translation services as a new growth area



SanomaWSOY Education and Books



SanomaWSOY Education and Books 1-9/2006

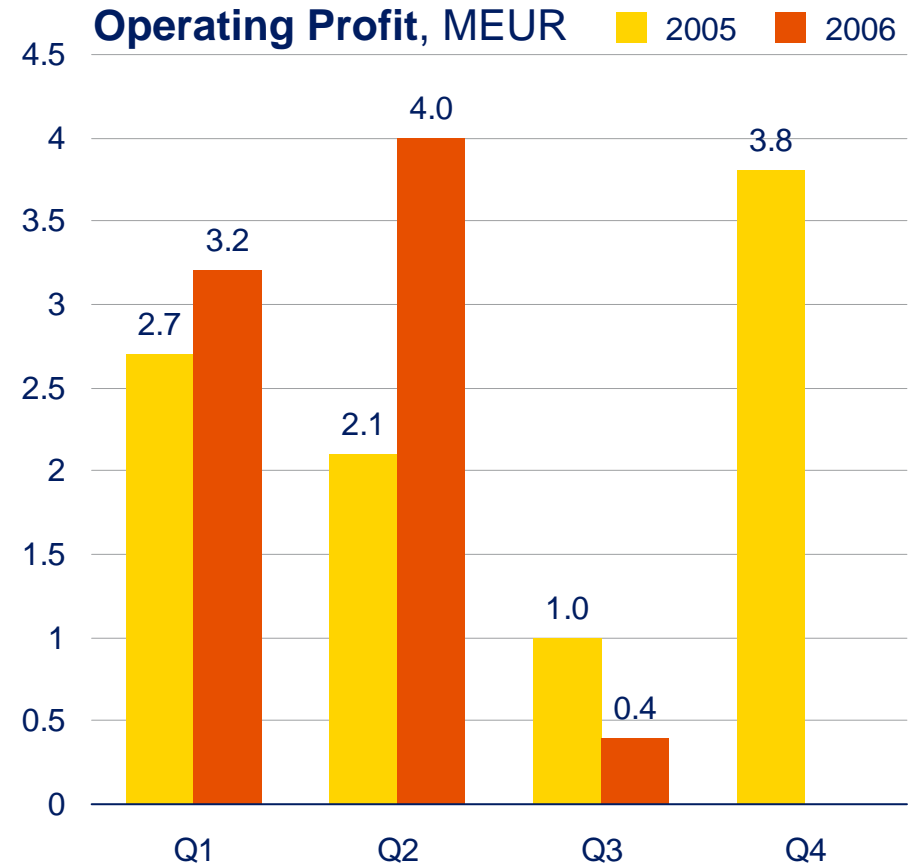
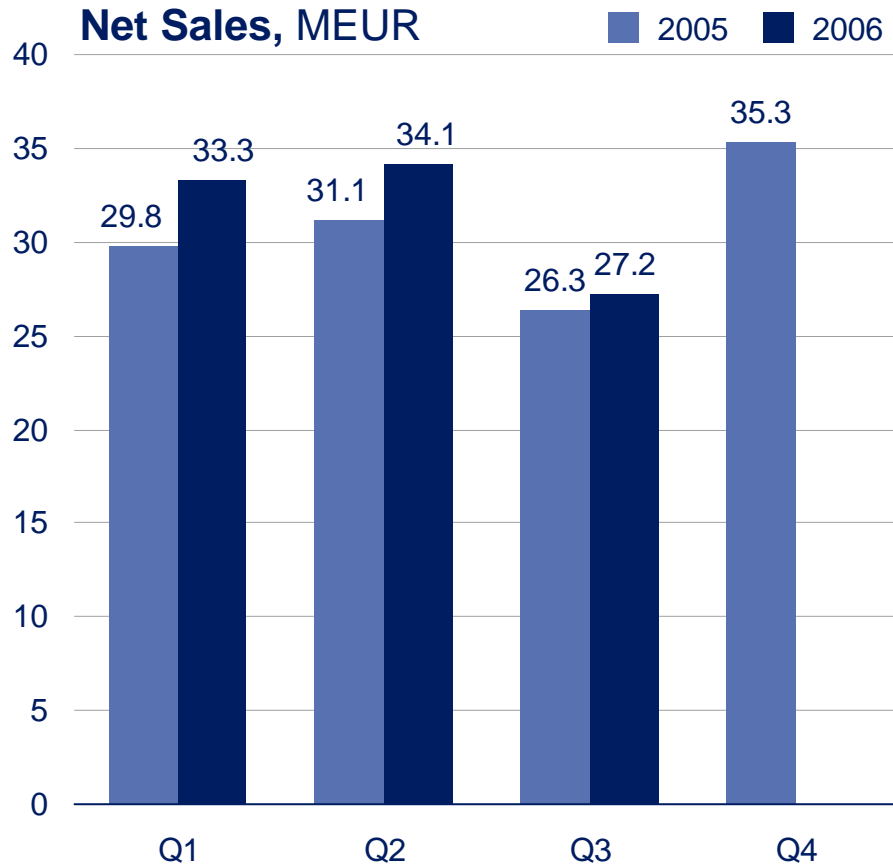
EUR million	1-9/2006	1-9/2005	Ch %
Net sales	245.8	229.1	7.3
Educational publishing	162.3	121.9	33.2
Publishing	65.2	59.5	9.5
Others	31.3	60.8	-48.5
Eliminations	-13.0	-13.0	-0.1
Operating profit	55.1	51.1	7.8
% of net sales	22.4	22,3	
Operating profit excluding major non-recurring capital gains	55.1	40.5	35.9
% of net sales	22.4	17.7	
Balance sheet total	588.7	507.7	15.9
Capital expenditure	6.9	5.5	26.0
Personnel under employment contract, average	2,353	2,420	-2.7

SWelcom Key Developments

- Launch of Nelonen Web TV
- Nelonen's volume deal with Buena Vista
- Welho's number of connected households exceeded 300,000
- Selection of Welho broadband and TV services available in R-kiosks
- Preparations for radio operations
- Welho launched a mobile voice over IP service
- Welho launched a PCTV service where TV channels can be watched on PC or on screens connected to PC
- Welho to install some 100 WLAN spots ("Hotspots") in the Helsinki region
- Divestment of Werne



SWelcom



SWelcom 1-9/2006

EUR million	1-9/2006	1-9/2005	Ch %
Net sales	94.6	87.2	8.5
Nelonen	53.6	49.9	7.4
Others	41.5	38.4	8.1
Eliminations	-0.5	-1.1	-54.0
Operating profit	7.7	5.8	32.4
% of net sales	8.1	6.6	
Operating profit excluding major non-recurring capital gains	7.7	5.8	32.4
% of net sales	8.1	6.6	
Balance sheet total	145.5	142.1	2.3
Capital expenditure	7.9	5.3	49.6
Personnel under employment contract, average	439	423	3.8

Rautakirja

Key Developments

Movie theatre operations

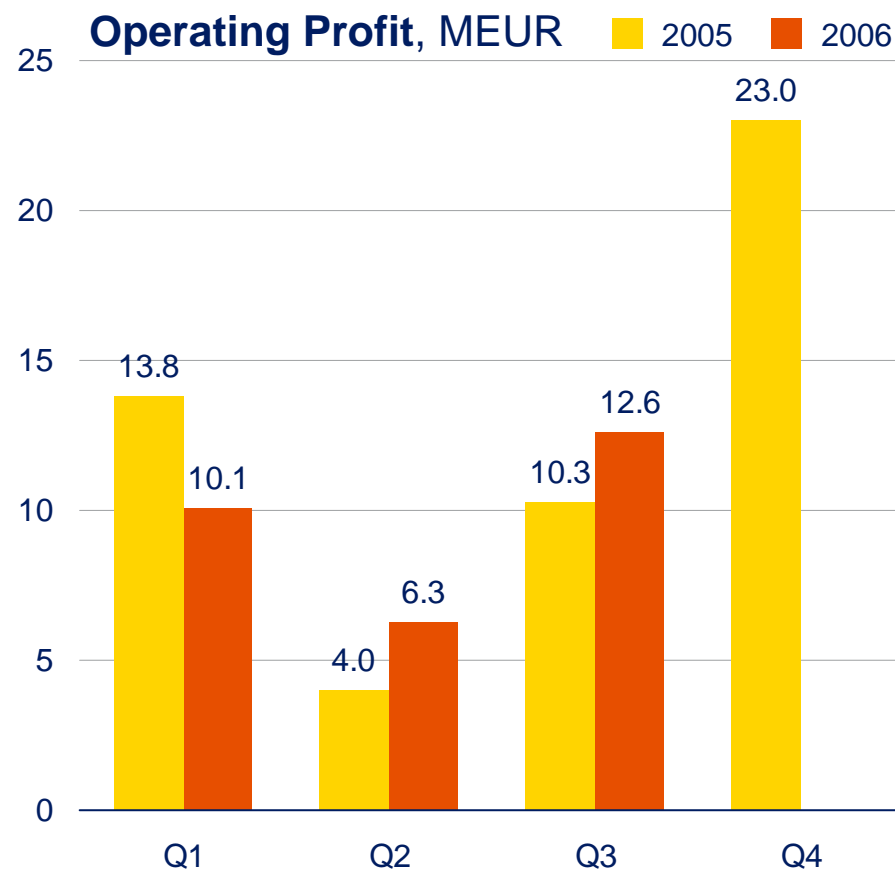
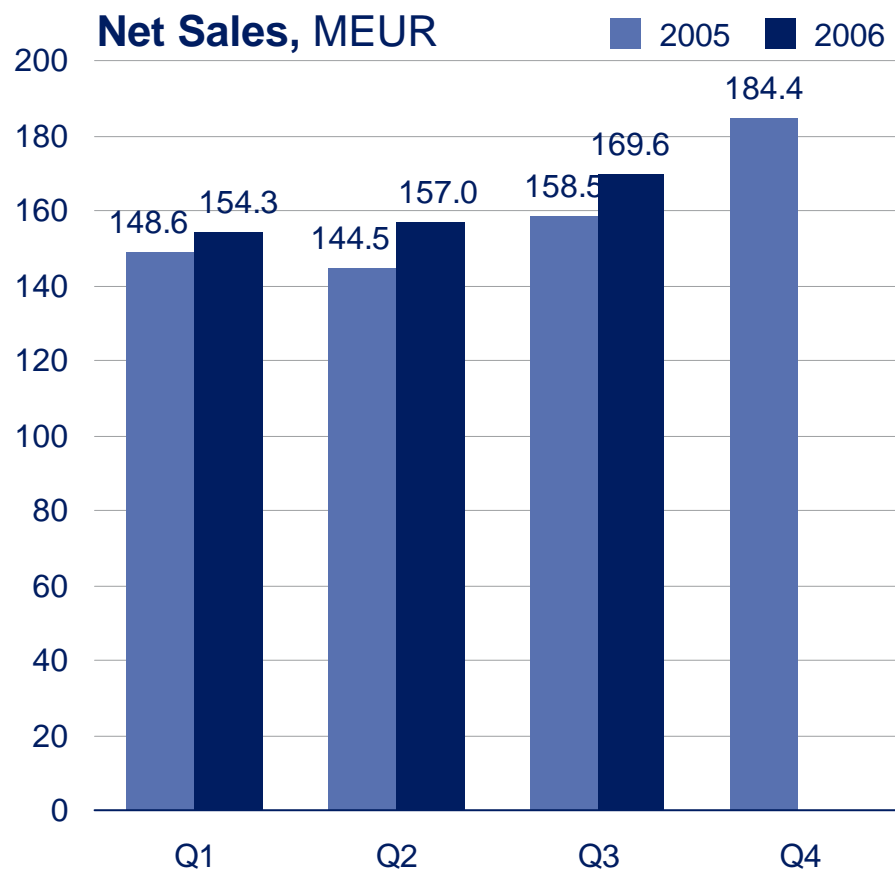
- The lease contract of a 3-screen movie theatre in Espoo
- New movie advertising agreement with Clear Channel

Bookstores

- New bookstore outlets in Lohja and Salo in Finland, Tallinn and Pärnu in Estonia
- Divestment of Library Sales



Rautakirja



Rautakirja 1–9/2006

EUR million	1–9/2006	1–9/2005	Ch %
Net sales	480,9	451,5	6,5
Kiosk operations	268,1	254,1	5,5
Press distribution	78,7	72,8	8,2
Bookstores	89,9	86,2	4,3
Entertainment	53,7	43,9	22,4
Others	0,0	2,6	-100,0
Eliminations	-9,4	-8,0	17,8
Operating profit	29,1	28,2	3,4
% of net sales	6,1	6,2	
Operating profit excluding major non-recurring capital gains	29,1	24,2	20,5
% of net sales	6,1	5,4	
Balance sheet total	423,5	381,8	10,9
Capital expenditure	11,6	11,7	-0,6
Personnel under employment contract, average	7 210	5 904	22,1

Outlook for 2006

Group's Outlook for 2006

Outlook:

- Net sales to increase by around 4%
- Operating profit excluding the major non-recurring capital gains to improve
- In 2005, operating profit excluding these capital gains totalled EUR 269.1 million



Committed to Future