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SANOMAWSOY POSTS AGAIN ALL-TIME HIGH RESULTS

– In 2005, we invested in growth and strengthening our market position in all our operations. We also continued to focus on our core business, says Syrjänen summing up 2005 events.

In 2005, SanomaWSOY posted an all-time high operating profit of EUR 301.3 million. Excluding major non-recurring capital gains, operating profit remained at the previous year's excellent level and was EUR 269.1 million. Earnings per share rose by 11%, to EUR 1.45. – We were able to keep our profit performance at an excellent level. We delivered on our promise, comments Syrjänen.

Improved operating profit was especially due to the good results posted by WSOY's new educational publishing operations during the second and third quarters and Helsingin Sanomat.

Russian operations make good progress

January marked a major step forward in internationalisation when the magazine publisher Sanoma Magazines expanded its operations into the Russian market. – Operations in Russia have started well. Independent Media's results for 2005 were even higher than we expected, states Syrjänen with satisfaction.

Rautakirja's press distribution continued to go international as it acquired, for example, TK Presseexpo, a press distribution company in the Moscow region. As a result of the acquisition of Lietuvos Spauda, the market leading kiosk chain in Lithuania, Rautakirja became the market leader in kiosk operations in all Baltic countries. – Rautakirja has steadily increased the share of its non-Finnish net sales, currently accounting for some 18%, says Syrjänen.

The Group successfully continued to integrate Malmberg, acquired in 2004, as part of SanomaWSOY Education and share best practices within educational publishing operations.

Of Sanoma's newspapers, especially Helsingin Sanomat recorded excellent performance. – Sanoma's good operating results show that the revamps and redesigns as well as investments in electronic businesses during 2005 have served their purpose.

Electronic solutions – keys to success

– Progress in electronic communications will provide significantly greater opportunities to use media in a variety of ways. At the same time, competition for consumers' time will become tougher, says Syrjänen. SanomaWSOY is constantly analysing opportunities to extend its product and service range created on the basis of its strong and renowned brands.

– An extensive portfolio and appealing solutions that exploit the internet will form keys to future success. We have been active in developing electronic business especially in the Netherlands, Finland, and Hungary. For example, the Dutch ilse media has been highly successful, and we will make use of these experiences in other countries too, explains Syrjänen.

Year 2005 saw the extension of electronic business through the acquisitions of internet portals in, for example, Hungary and Belgium, and investments in Finland, for instance, in an online auction service and the development of an eLearning environment Opit, and bookstore Suomalainen Kirjakauppa's systems. The number of customers for Welho Broadband services also showed strong growth. Welho is part of SWelcom specialising in electronic services.

Sustained favourable development

– In 2006, we will focus on consolidating our market position in Russia and CEE countries, among others, says Syrjänen. – Magazines and press distribution will be at the core in these regions. This will mean new magazine launches onto the Russian market, for example. We will also analyse opportunities to expand our educational publishing operations by entering into new markets.

– Our goal for 2006 is to further develop all our core businesses and related electronic solutions, as well as continue to maintain our good profit performance, Syrjänen sums up.

SANOMAWSOY CORPORATION

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DISTRIBUTION
Helsinki Stock Exchange, major media