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## SANOMAWSOY'S INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2006

SanomaWSOY's net sales in January–September increased to EUR 1,999.8 (1,887.3) million. Operating profit was EUR 218.5 (221.6) million and excluding major non-recurring capital gains EUR 214.3 (200.2) million. SanomaWSOY's earnings per share amounted to EUR 0.96 (1.00). In the third quarter, net sales totalled EUR 688.2 (637.7) million and operating profit excluding major non-recurring capital gains amounted to EUR 77.5 (66.1) million.

<b>KEY INDICATORS</b>	<b>7-9/</b>	<b>7-9/</b>	<b>Change</b>	<b>1-9/</b>	<b>1-9/</b>	<b>Change</b>	<b>1-12/</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>%</b>	<b>2006</b>	<b>2005</b>	<b>%</b>	<b>2005</b>
Net sales	<b>688.2</b>	637.7	7.9	<b>1,999.8</b>	1,887.3	6.0	2,622.3
Operating profit	<b>80.1</b>	83.5	-4.0	<b>218.5</b>	221.6	-1.4	301.3
% of net sales	<b>11.6</b>	13.1		<b>10.9</b>	11.7		11.5
Operating profit excluding major non- recurring capital gains	<b>77.5</b>	66.1	17.3	<b>214.3</b>	200.2	7.0	269.1
% of net sales	<b>11.3</b>	10.4		<b>10.7</b>	10.6		10.3
Balance sheet total				<b>3,181.3</b>	2,919.8	9.0	2,972.0
Capital expenditure	<b>18.3</b>	16.1	13.7	<b>51.4</b>	51.5	-0.3	93.8
% of net sales	<b>2.7</b>	2.5		<b>2.6</b>	2.7		3.6
Equity ratio, %				<b>39.9</b>	38.5		41.3
Gearing, %				<b>79.5</b>	90.1		72.8
Interest-bearing liabilities				<b>1,066.9</b>	1,013.2	5.3	928.7
Net debt				<b>947.5</b>	953.1	-0.6	843.8
Personnel under employment contract, average				<b>18,277</b>	16,773	9.0	16,885
Personnel, average (full- time equivalents)				<b>15,565</b>	14,200	9.6	14,256
Earnings/share, EUR	<b>0.36</b>	0.43	-16.5	<b>0.96</b>	1.00	-3.6	1.45
Earnings/share, diluted, EUR	<b>0.35</b>	0.42	-15.6	<b>0.94</b>	0.97	-2.9	1.42
Cash flow from operations/share, EUR	<b>0.53</b>	0.53	-0.6	<b>0.78</b>	0.89	-12.0	1.69
Equity/share, EUR *				<b>7.34</b>	6.73	9.0	7.28
Market capitalisation				<b>3,243.7</b>	3,303.4	-1.8	3,121.5

\* Excluding minority interest

## **OUTLOOK FOR 2006**

In 2006, SanomaWSOY's net sales are projected to increase by approximately 4% and operating profit excluding major non-recurring capital gains is expected to improve. In 2005, operating profit excluding these capital gains totalled EUR 269.1 million.

SanomaWSOY's estimates on net sales and operating profits in 2006 are based on organic growth and minor acquisitions. In addition to the Group's own business activities and development projects, the growth of net sales and operating profit are also affected by growth in media markets and private consumption in the Group's operating countries.

European economies are projected to grow in 2006. Research firms predict that GDP will grow by 2.9% in the Netherlands, 2.5% in Belgium, and 4.6% in Finland. In Hungary, the growth is expected to be 3.9%, in the Czech Republic 6.2%, and in Russia 6.5%. Media advertising typically grows faster than GDP. In 2006, private consumption is estimated to increase by 4.0% in Finland, 1.9% in the Netherlands, 2.3% in Belgium, 1.9% in Hungary, 3.7% in the Czech Republic, and 12.1% in Russia.

## **KEY EVENTS AND TARGETS**

In 2006, SanomaWSOY has steadfastly continued to develop and expand its product and service portfolio in its over 20 operating countries.

Sanoma Magazines has launched a total of 15 magazines, the most significant of which was Gloria, a women's weekly launched in Russia in May. Sanoma Magazines strengthened its position in niche magazines through the acquisition of EPN, a Belgian home and decoration magazine publisher, in September, and by completing the acquisition of Wegener Golf, a Dutch publisher of golf magazines, in August. Sanoma's free sheet portfolio was expanded in September, when Sanoma acquired the Finnish operations of the Metro free sheet. In addition, existing titles, such as the women's magazines Libelle and Margriet in the Netherlands and the Taloussanomat financial daily in Finland, were re-designed. Taloussanomat has successfully invested in developing its web services.

Although advertising in print media is growing in nearly all of the Group's countries of operation, the growth rate of digital media has improved and its importance has increased. During the review period, the Group invested heavily in online business, both in terms of acquisitions and development of its own services. ilse media acquired Kieskeurig.nl, a major product and price comparison website in the Netherlands, Ilta-Sanomat acquired Netticaravan.fi, an online service that specialises in marketing motorhomes and caravans, and Oikotie acquired a share in Skillnet, the leading supplier of

recruitment systems in Finland. The TV channel Nelonen was, for example, the first channel in Finland to offer its viewers the opportunity to watch series in advance online.

Market positions were strengthened in, for instance, educational publishing, which expanded to Hungary in June, when the acquisition of a majority share in Láng Kiadó és Holding, the leading Hungarian educational publishing and training company, was approved by the Hungarian competition authorities. In the Netherlands, educational publisher Malmberg became the leading player on the career and study orientation and consultancy markets through acquisitions. Rautakirja has further strengthened its presence in Finland by, for example, increasing the number of its movie theatres and bookstores as a result of acquisitions.

In April, the AGM decided on the combination of SanomaWSOY's share series, which will improve the Company's position in the capital markets.

SanomaWSOY will continue to expand its magazine, educational publishing, and press distribution operations particularly in Russia and Central Eastern Europe. Further growth is being sought from online business where the Group has already established a strong position in the Netherlands, Finland, and Hungary. The Group strives to be the market leader in the areas in which it operates, with the financial target of increasing net sales at a rate faster than GDP growth in its primary market areas.

SanomaWSOY also aims to increase the profitability of its current businesses. The Group's strategic operating profit target is 12%. These targets are based on the assumption that the business environment remains stable.

## **SEASONAL FLUCTUATION**

Developments in media advertising have an impact on the net sales and results of Sanoma Magazines, Sanoma, and SWelcom. Advertising sales are influenced, e.g., by the number of newspaper and magazine issues published during each quarter, which varies yearly. Television advertising in Finland is usually strongest in the second and fourth quarters.

A major portion of the net sales and results in publishing and retail, for example, is generated in the last quarter, particularly from Christmas sales, while educational publishing accrues most of its net sales and results during the second and third quarters.

Seasonal fluctuations in the Group businesses influence net sales and operating profit with the first quarter traditionally showing the weakest and the second and fourth quarter the strongest performance.

## **OPERATING ENVIRONMENT**

In January–September, media advertising in Finland grew by some 3% according to TNS Gallup Adex. Advertising in newspapers increased by 1.7% and in free sheets by 1.5%. Job advertising increased by 15%, while magazine advertising grew by 2.5% and TV advertising by 6%. ZenithOptimedia estimates that magazine advertising in 2006 will grow by 2% in the Netherlands but decrease by 1% in Belgium. In Hungary, the growth is expected to be 8% and in the Czech Republic 10%. Advertising in printed media in Russia is expected to grow by 18% in 2006.

According to the Finnish Food Marketing Association, Finnish sales of daily consumer goods grew by 5% in January–August.

## **NET SALES**

SanomaWSOY's net sales for January–September increased in all Divisions and totalled EUR 1,999.8 (1,887.3) million, representing a growth of 6.0% on the comparable period last year. Net sales growth was particularly strong in the Russian magazine operations and in educational publishing business. Net sales adjusted for changes in the Group structure increased by 4.2%. Advertising sales accounted for 22% (21%) of the Group's total net sales. In geographical terms, Finland accounted for 51% (53%) of net sales with other EU countries accounting for 44% (45%), and other countries for 5% (2%).

## **RESULT**

The Group's operating profit for the review period was EUR 218.5 (221.6) million or 10.9% (11.7%) of net sales. Operating profit included major non-recurring capital gains of EUR 4.3 (21.4) million. Excluding these gains, operating profit increased by 7.0% to EUR 214.3 (200.2) million.

SanomaWSOY Education and Books, Rautakirja, and SWelcom improved their results. In SanomaWSOY Education and Books, the success of educational publishing and divestment of the diary business in late 2005 improved the profit. Sanoma Magazines' result decreased, e.g., due to distribution problems in Belgium, challenges associated with newsstand sales in the Netherlands, and major magazine launches in Central Eastern Europe and Russia. Sanoma's operating profit excluding major non-recurring capital gains remained at the previous year's level.

SanomaWSOY's result for January–September was also affected by the realisation of real estate holdings in 2005. The result of the comparable period included a total of EUR 5.8 million in major non-recurring capital gains from real estate sales. Divesting these investment properties has decreased the Parent Company's other earnings due to the significant loss of rental income.

SanomaWSOY's net financial items totalled EUR -19.8 (-19.3) million. Financial income amounted to EUR 7.7 (6.7) million. Financial expenses amounted to EUR 27.5 (26.0) million and were comprised primarily of interest costs of EUR 25.0 (23.1) million on interest-bearing liabilities.

The result before taxes was EUR 206.3 (211.3) million and earnings per share was EUR 0.96 (1.00).

### **BALANCE SHEET AND FINANCIAL POSITION**

As of September 30, 2006, the consolidated balance sheet totalled EUR 3,181.3 (2,919.8) million. Cash flow from operations for January–September was EUR 123.8 (136.5) million. Consolidated cash flow was negatively impacted by strong seasonal fluctuations in working capital and timing differences in the payment of taxes. Cash flow per share was EUR 0.78 (0.89).

SanomaWSOY's equity ratio improved during the review period, rising to 39.9% (38.5%), while gearing was reduced to 79.5% (90.1%). Equity increased to EUR 1,192.3 (1,057.7) million. For example, the conversion of stock options and convertible capital notes into shares has served to increase equity and improve the equity ratio. Interest-bearing liabilities amounted to EUR 1,066.9 (1,013.2) million and net debt to EUR 947.5 (953.1) million. At the end of September, the Group's cash and cash equivalents totalled EUR 119.4 (60.1) million.

### **CAPITAL EXPENDITURE AND ACQUISITIONS**

SanomaWSOY continued to maintain a moderate level of capital expenditure. In January–September, investments in tangible and intangible assets totalled EUR 51.4 (51.5) million, and they were focused, for example, on website development, ICT systems, and replacement investments. R&D expenditure was recorded at EUR 8.9 (12.5) million.

The most significant acquisition made during the review period was the purchase of the Hungarian company Láng Kiadó és Holding. The most significant acquisition in the comparable period was Independent Media, a magazine publisher operating in Russia and the Ukraine.

## **ADMINISTRATION**

The AGM of April 3, 2006 set the number of SanomaWSOY's Board members at ten. Those at the end of their membership term were re-elected and the Board of Directors of SanomaWSOY consists of: Jaakko Rauramo, Chairman, Sari Baldauf, Vice Chairman, and Robert Castrén, Jane Erkko, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Robin Langenskiöld, Hannu Syrjänen, and Sakari Tamminen as members.

## **COMBINATION OF SHARE SERIES AND DIRECTED ISSUE OF SHARES**

The AGM of April 3, 2006 decided on the combination of SanomaWSOY's share series, on a related directed issue to the holders of Series A shares, and on amendments to the Articles of Association.

The combination of share series was facilitated through amending the Articles of Association to remove i.e. the differences between share classes. The new Articles of Association were entered into the Trade Register on April 7, 2006, with SanomaWSOY's Series A and B shares being combined into one share series in the book-entry securities system on April 7, 2006, and trading with the new share began on the Helsinki Stock Exchange on April 10, 2006.

In order to compensate for the decrease in the voting rights of Series A shareholders, the AGM decided to increase the Company's share capital by directing a share issue at holders of Series A shares. A holder of Series A shares could subscribe for one new share for each ten Series A shares held. A total of 2,311,461 new shares were issued in the share issue at a book counter-value of EUR 0.43 per share. As a result, the Company's share capital increased by EUR 993,928.23.

The new shares were combined with ordinary shares in the book-entry securities system on May 17, 2006 and trading with the combined share began on the Helsinki Stock Exchange on May 18, 2006 under the code SWS1V.

## **SHARES AND HOLDINGS**

Trading with SanomaWSOY's shares was brisk in January–September. SanomaWSOY's total stock exchange turnover was EUR 1,134.1 (1,206.9) million. The volume of the comparable period includes the stock exchange turnover of old Series A and B shares. The volume of 2006 includes the stock exchange turnover of the interim shares subscribed for in the share issue, old Series A and B shares, as well as the turnover of the new combined SanomaWSOY share that replaced them on April 10, 2006.

The share price averaged EUR 20.03 over the period with a low of EUR 17.80 and a high of EUR 22.45. At the end of September, SanomaWSOY's market capitalisation was EUR 3,243.7 (3,303.4) million and the Company did not hold any of its own shares (treasury shares).

In January–September, 1,533 convertible capital notes were converted into 963,506 shares. As of September 30, 2006, the outstanding loan capital totalled EUR 68.2 million. After the review period, convertible capital notes worth of some EUR 7 million have been converted into shares.

In 2006, the conversion period of the notes ends on November 30, 2006, and any shares converted before this date entitle their holder to receive a dividend for the financial year 2006. The imputed conversion price of a share is EUR 15.91. A fixed annual interest of 5.25% is payable on the notes and the last interest payment will be made on the maturity date, i.e. July 4, 2007.

During the review period, a total of 136,600 SanomaWSOY's 2001A and 2001B stock options were converted into shares. After the review period, stock options have been exercised to purchase 22,800 shares. At the end of September, SanomaWSOY's registered share capital was EUR 68,945,834.07 and the number of shares on the market was 160,339,149.

During the review period, one of SanomaWSOY's largest shareholders, the estate of Patricia Seppälä, was dissolved. The estate's shareholdings were equally distributed between the parties to the estate, Robin Langenskiöld and Rafaela Seppälä, resulting in their shares of the Company's share capital and votes exceeding one twentieth ( $1/20$ ). SanomaWSOY also issued a flagging announcement with regard to changes in the proportional holdings of Aatos Erkko and the bodies he controls, as well as the Alfred Kordelin Foundation, and the Finnish Cultural Foundation due to the combination of share series and the directed issue of shares. Aatos Erkko's combined share of SanomaWSOY's votes decreased below one fourth ( $1/4$ ), and his personal share of votes decreased below one fifth ( $1/5$ ). The Alfred Kordelin Foundation's and the Finnish Cultural Foundation's share of the Company votes decreased below one twentieth ( $1/20$ ).

## **DIVIDEND**

In accordance with the AGM's decision, SanomaWSOY paid out a per-share dividend of EUR 0.90 (0.80) for 2005. The record date for dividend payment was April 6, 2006 and the dividend payment date was April 19, 2006. SanomaWSOY conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.

## **BOARD AUTHORISATIONS**

The AGM of April 3, 2006 authorised the Board to decide, within one year of the AGM, on an increase in share capital by one or more rights issues, issuance of one or more convertible capital notes and/or option rights. The new shares issued shall be Series B or similar, and their aggregate number may not exceed 31,397,736 shares. The total increase in SanomaWSOY's share capital may not exceed EUR 13,501,026.48. According to the Board's proposal, this authorisation excludes the employee incentives.

Authorisation was not exercised during the review period.



## SANOMA MAGAZINES

*Sanoma Magazines is one of Europe's largest consumer magazine publishers, operating in twelve countries. In addition to publishing its strong portfolio of magazine brands for various reader communities, Sanoma Magazines is expanding its business to other media platforms, with a strong focus on interactivity.*

<b>KEY INDICATORS, EUR million</b>	<b>1-9/2006</b>	1-9/2005	Change,%	1-12/2005
Net sales	<b>878.9</b>	830.3	5.8	1,181.9
Operating profit	<b>89.9</b>	89.7	0.2	129.1
% of net sales	<b>10.2</b>	10.8		10.9
Operating profit excluding major non-recurring capital gains	<b>87.3</b>	89.7	-2.7	129.1
% of net sales	<b>9.9</b>	10.8		10.9
Balance sheet total	<b>1,870.5</b>	1,662.3	12.5	1,752.5
Capital expenditure	<b>12.7</b>	12.2	4.5	36.6
Personnel under employment contract, average	<b>5,523</b>	5,142	7.4	5,275
Personnel, average (full-time equivalents)	<b>5,029</b>	4,594	9.5	4,716

<b>OPERATIONAL INDICATORS *</b>	<b>1-9/2006</b>	1-9/2005
Number of copies sold (press distribution / Aldipress), thousands	<b>76,454</b>	86,719
Number of magazines published	<b>275</b>	227
Magazine copies sold, thousands	<b>329,422</b>	316,099
Number of advertising pages sold	<b>41,411</b>	37,734

\* Including joint ventures

Method of calculating number of magazines published has changed after beginning of 2006. Comparative data has been adjusted accordingly.

Sanoma Magazines' net sales in January–September increased to EUR 878.9 (830.3) million. Net sales in the Dutch-based Sanoma Magazines Netherlands grew to EUR 382.8 (375.8) million mainly due to the online activities of ilse media. Sanoma Magazines International's net sales increased to EUR 175.7 (143.6) million. Net sales grew in all operating countries except in the Adriatic region (Croatia, Serbia, and Slovenia) where the new joint venture between Sanoma Magazines International, Gruner + Jahr, and Styria began in August. Most growth came from the Russian operations, which were consolidated as of March 2005. Sanoma Magazines Finland's net sales grew to EUR 140.1 (131.8) million mainly due to increased circulation sales. Net sales at Sanoma Magazines Belgium increased to EUR 136.7 (136.4) million, despite difficult market circumstances. Aldipress' net sales were at EUR 86.2 (86.9) million following the continuous challenging situation in the Dutch single copy market. Adjusted for changes in the Group structure, the Division's net sales increased by 1.7%.

In January–September, Sanoma Magazines' advertising sales grew by 15% and represented 25% (23%) of the Division's total net sales. The Dutch macro-economic indicators are positive, 2006 estimated GDP growth was adjusted upward and consumer confidence continues to increase which has a positive impact on the total advertising market. However, consumer magazine advertising is under pressure. Boosted by online advertising sales, Sanoma Magazines Netherlands' total advertising sales increased. During the first nine months, online advertising has grown 52%. In Belgium, the advertising market continues to be under pressure, but the advertising sales of Sanoma Magazines Belgium increased. Markets developed favourably in most Sanoma Magazines International's countries. Advertising sales grew especially in Russia, Bulgaria, and Hungary. Advertising sales increased slightly in Sanoma Magazines Finland.

Circulation sales increased by 3% and accounted for 56% (58%) of the Division's total net sales. Circulation sales in Sanoma Magazines Netherlands were stable despite the decreasing single copy sales. Restyling of e.g. women's weekly magazines Libelle and Margriet were well received in the readers market. Sanoma Magazines Belgium's circulation sales are recovering from the distribution problems caused by the partner at the beginning of the year. Circulation sales in Sanoma Magazines International developed well in most countries, especially in Russia which is partly attributable to new launches. Sanoma Magazines Finland's circulation sales increased due to continued strong performance in subscription sales.

Sanoma Magazines' operating profit in January–September was EUR 89.9 (89.7) million. An adjustment of EUR 2.4 million related to the acquisition in 2001 and the terms and conditions of the agreement improved the result. Operating profit also includes major non-recurring capital gains of EUR 2.6 million from Sanoma Magazines Finland's divestment of the shares in Suomen Asiakastieto. Sanoma Magazines Netherlands' operating profit decreased mainly due to pressure in single copy sales. Distribution problems at the beginning of the year and the pressure on the readers market as well as on the advertising market decreased Sanoma Magazines Belgium's results. Sanoma Magazines Belgium has changed distribution partner, and both Sanoma Magazines Belgium and the ex-distributor have filed a claim related to the partner change to the court of arbitration. The potential indemnifications are not estimated to have a material effect on SanomaWSOY's result. Sanoma Magazines International's results decreased as the result of heavy investments in new launches. The most important launch was that of a Russian women's weekly Gloria, in May. During the third quarter, five new titles were launched in CEE countries. In January–September, the effect of new launches on Sanoma Magazines International's result was over EUR 4 million. Sanoma Magazines Finland's operating profit increased as a result of good sales development and the capital gain. Aldipress' results also improved.

In addition to new launches in e.g. CEE countries, Sanoma Magazines continued to strengthen its portfolio in other markets. For example, Sanoma Men's Magazines finalised in August the acquisition of Wegener Golf, the publisher of four golf magazines, and in September, Sanoma Magazines Belgium acquired a niche publisher EPN, which focuses on home and decoration titles. Sanoma Magazines Finland's new 40+ magazine Sara was launched in October.

Investments in online operations continued: ilse media acquired a leading Dutch product and price comparison website Kieskeurig.nl and other acquisitions were also made e.g. in the Czech Republic. Other online activities of the Division include e.g. the launch of wellness sites in Finland, Belgium, and Hungary.

Sanoma Magazines continues to invest in growth, especially in Russia and CEE countries. Likewise, the development of online businesses continues. Intense competition both in advertising and readers markets in the Netherlands is expected to continue, with growth being strongest in the online market, where Sanoma Magazines already has a strong position. This will balance the development of print media. In 2006, Sanoma Magazines' net sales are estimated to grow. Operating profit excluding major non-recurring capital gains is expected to remain slightly below last year.

**SANOMA**

*Sanoma is Finland's leading newspaper publisher. In addition to Helsingin Sanomat, the largest subscription-based daily in the Nordic region, the Division publishes national and regional daily newspapers, local papers, and free sheets, as well as related online editions and services.*

<b>KEY INDICATORS, EUR million</b>	<b>1-9/2006</b>	1-9/2005	Change,%	1-12/2005
Net sales	<b>334.7</b>	330.8	1.2	446.4
Operating profit	<b>46.1</b>	46.9	-1.7	59.1
% of net sales	<b>13.8</b>	14.2		13.2
Operating profit excluding major non-recurring capital gains	<b>44.5</b>	45.9	-3.1	58.1
% of net sales	<b>13.3</b>	13.9		13.0
Balance sheet total	<b>501.4</b>	472.1	6.2	471.6
Capital expenditure	<b>11.3</b>	16.5	-31.9	21.9
Personnel under employment contract, average	<b>2,679</b>	2,814	-4.8	2,782
Personnel, average (full-time equivalents)	<b>2,392</b>	2,412	-0.8	2,388

<b>OPERATIONAL INDICATORS</b>	<b>1-9/2006</b>	1-9/2005
<b>Advertising volume (column km)</b>		
Helsingin Sanomat	<b>30.3</b>	30.5
Ilta-Sanomat	<b>5.1</b>	5.3
Free sheets	<b>24.0</b>	10.7
<b>Distribution, free sheets, million copies</b>	<b>70.8</b>	29.9

<b>Audited circulation</b>	1-12/2005	1-12/2004
Helsingin Sanomat	430,785	434,472
Ilta-Sanomat	195,673	201,281

Sanoma's net sales in the January–September period increased to EUR 334.7 (330.8) million. Growth was reported by Sanoma Kaupunkilehdet and Helsingin Sanomat, with the latter increasing its net sales to EUR 195.9 (192.4) million due to the growth of advertising sales. The net sales of Ilta-Sanomat were EUR 68.4 (70.8) million and Sanoma Lehtimedia EUR 33.6 (35.7) million. Sanoma Lehtimedia's net sales decreased primarily due to the transfer of the Kaupunkilehti Seiska and Lappeenrantalainen free sheets to the Sanoma Kaupunkilehdet business unit and the divestment of the business operations of Etelä-Karjalan Jakelu to Finland Post on September 1, 2005.

In January–September, Sanoma reported a 4% improvement in advertising sales, which accounted for 51% (50%) of the Division's net sales. The main sources of growth were the Sanoma Kaupunkilehdet and Helsingin Sanomat business units. Growth in online advertising sales continued to be strong, with an increase of 43% in January–September. Job advertising in the Helsingin

Sanomat business unit increased by 12%. In the third quarter, Sanoma's advertising sales increased by 4%.

The Division's circulation sales decreased by 2% and accounted for 41% (43%) of net sales. The circulation sales of Helsingin Sanomat increased slightly, but the decline of newsstand sales has affected the circulation sales of the Ilta-Sanomat business unit. Ilta-Sanomat commanded a 59.1% (60.4%) share of the tabloid market in January–September. Sanoma Lehtimedia saw a slight increase in its circulation sales. Despite decreases in circulation, the readership of Sanoma's newspapers remained at the previous year's level. However, strong growth in the number of online users has substantially increased the overall readership of the papers.

Sanoma's operating profit was EUR 46.1 (46.9) million. Major non-recurring capital gains amounted to EUR 1.7 (1.0) million, comprising the gain from the sale of Aina Group Oyj shares divested by Sanoma Lehtimedia in February. Sanoma's operating profit was negatively impacted by investments in the development of free sheets and the weakening of newsstand sales. Helsingin Sanomat's result remained almost at the previous year's level, whereas the result of the Ilta-Sanomat business unit has decreased. Sanoma Lehtimedia's operating profit excluding capital gains remained at the previous year's level. Of Sanoma's other business units, the newspaper printing operation Sanomapaino and Sanoma Business Services, which provides business-to-business services, developed favourably.

Sanoma continued to develop its online business and strengthen its market position. In May, Ilta-Sanomat acquired Netticaravan.fi, an online service specialised in marketing motorhomes and caravans, and in June, Oikotie acquired a 38% share in Skillnet, the leading supplier of recruitment systems in Finland. Meanwhile, the financial daily Taloussanomat re-modeled its online services in October. Sanoma also continued to develop its free sheet portfolio with the acquisition of the Finnish operations of the Metro free sheet in September.

Sanoma's 2006 net sales are expected to increase slightly, although the decline in newsstand sales has slowed down the growth rate. Operating profit excluding major non-recurring capital gains is projected to remain at least at the previous year's level.

**SANOMAWSOY EDUCATION AND BOOKS**

*SanomaWSOY Education and Books is a significant European educational publisher with operations in Belgium, the Netherlands, Poland, Finland, and Hungary. The Division is also Finland's leading book publisher.*

<b>KEY INDICATORS, EUR million</b>	<b>1-9/2006</b>	1-9/2005	Change,%	1-12/2005
Net sales	<b>245.8</b>	229.1	7.3	294.4
Operating profit	<b>55.1</b>	51.1	7.8	55.8
% of net sales	<b>22.4</b>	22.3		19.0
Operating profit excluding major non-recurring capital gains	<b>55.1</b>	40.5	35.9	39.3
% of net sales	<b>22.4</b>	17.7		13.4
Balance sheet total	<b>588.7</b>	507.7	15.9	485.0
Capital expenditure	<b>6.9</b>	5.5	26.0	8.1
Personnel under employment contract, average	<b>2,353</b>	2,420	-2.7	2,311
Personnel, average (full-time equivalents)	<b>2,033</b>	2,227	-8.7	2,123

<b>OPERATIONAL INDICATORS</b>	<b>1-9/2006</b>	1-9/2005
<b>Educational</b>		
Number of new titles published, books	<b>803</b>	1,019
Number of new titles published, electronic products	<b>142</b>	286
<b>Publishing</b>		
Number of new titles published, books	<b>436</b>	461
Number of new titles published, electronic products	<b>58</b>	65
Number of copies sold, published books	<b>21.4</b>	12.8

During the review period SanomaWSOY Education and Books (formerly WSOY) recorded net sales of EUR 245.8 (229.1) million. The growth came from increased sales of educational publishing both in existing and newly consolidated units. In late 2005, the diary business and part of printing operations were divested. Net sales adjusted for changes in the Group structure increased in January–September by 11.6%.

Net sales of educational publishing grew in all operating countries and increased to EUR 162.3 (121.9) million. In June, the Hungarian competition authorities approved the acquisition of Láng Kiadó és Holding, which was consolidated with educational publishing. In the Netherlands, primary school materials sold well. The Dutch-based Malmberg expanded into career and study orientation and consultancy through the acquisitions of Aromedia Educatief in August and LDC Publicaties in

September and became the leading operator in this field in the Netherlands. Net sales of Van In in Belgium grew in the Flemish market. In Finland, sales of upper secondary school materials grew, boosted by the curricula reforms. Net sales of Young Digital Planet (YDP), focusing on eLearning products, increased but mainly due to earlier than expected deliveries.

In publishing, net sales grew to EUR 65.2 (59.5) million. The main contributor to growth was the acquisition and consolidation of AAC Global in February, which increased the net sales of the WSOYpro business unit specialising in business-to-business services. In January–September, sales to bookstores and other retail outlets decreased by some 11% compared to the strong comparable period. In general literature, the timing of sales is heavily focused on the later part of the year.

Net sales from other operations were EUR 31.3 (60.8) million and came mainly from book printing, which developed favourably. The net sales of the comparable period include the printing operations and the diary business divested in 2005.

The Division's operating profit increased to EUR 55.1 (51.1) million. The increase was driven by the strong sales growth and new businesses in educational publishing. Sluggish sales of general literature decreased the results in publishing. However, the operating profit in January–September was enhanced by the divestment of the diary business, which traditionally generated operating profit during the fourth quarter. In the comparable period, the operating profit included major non-recurring capital gains of EUR 10.6 million.

The Division's structure was refined in September. The new SanomaWSOY Education and Books comprises three main businesses: educational publishing, general literature publishing, and business-to-business services. As of October 1, 2006, the Division is headed by Jacques Eijkens with Veli-Pekka Elonen as his deputy. Eijkens is a member of SanomaWSOY's Management Group and also continues as CEO of the educational publishing business, SanomaWSOY Education. As President of WSOY since October 1, 2006, Elonen is responsible for publishing and other operations. Jorma Kaimio, the former head of the Division, retired on September 30, 2006.

Due to the increased proportion of educational publishing business and the divestment of diaries, the seasonality of the Division's operations has increased. Most of net sales and operating profit is now accrued during the second and third quarters. In 2006, net sales of SanomaWSOY Education and Books are expected to increase, and operating profit excluding major non-recurring capital gains to improve markedly from that of 2005.

## SWELCOM

*The television channel Nelonen is Finland's third largest medium in terms of advertising sales, while Welho is the country's largest cable TV company and a major provider of broadband services.*

<b>KEY INDICATORS, EUR million</b>	<b>1-9/2006</b>	1-9/2005	Change,%	1-12/2005
Net sales	<b>94.6</b>	87.2	8.5	122.5
Operating profit	<b>7.7</b>	5.8	32.4	9.6
% of net sales	<b>8.1</b>	6.6		7.8
Operating profit excluding major non-recurring capital gains	<b>7.7</b>	5.8	32.4	9.6
% of net sales	<b>8.1</b>	6.6		7.8
Balance sheet total	<b>145.5</b>	142.1	2.3	143.5
Capital expenditure	<b>7.9</b>	5.3	49.6	10.1
Personnel under employment contract, average	<b>439</b>	423	3.8	425
Personnel, average (full-time equivalents)	<b>400</b>	383	4.4	385

<b>OPERATIONAL INDICATORS</b>	<b>1-9/2006</b>	1-9/2005
Nelonen's share of Finnish TV advertising	<b>31.7%</b>	31.2%
Nelonen's daily coverage	<b>41%</b>	40%
Nelonen's national commercial viewing share	<b>25.7%</b>	23.7%
Nelonen's national viewing share	<b>12.2%</b>	11.4%
Number of connected households, thousands (30.9)	<b>301</b>	289
Number of pay TV subscriptions, thousands (30.9)	<b>49</b>	41
Number of broadband internet connections, thousands (30.9)	<b>82</b>	63

In January–September, SWelcom's net sales increased to EUR 94.6 (87.2) million due to the growth of Nelonen and Welho. Advertising sales represented 57% (57%) of SWelcom's net sales.

Nelonen's net sales increased at a rate faster than the average for the Finnish TV advertising market and amounted to EUR 53.6 (49.9) million during the review period. The channel's share of all television advertising increased and was 31.7% (31.2%) in January–September. Nelonen enhanced its multimedia approach and expanded its online services by offering – as the first television channel in Finland – its viewers the opportunity to watch episodes in advance on its website, as well as provided its viewers with exclusive online programming content.

Welho's net sales increased given strong growth in pay TV, broadband subscriptions, and the sale of digital set-top boxes. In August, the cable TV network already served some 300,000 homes. Welho



also recently announced an IPTV initiative that will allow most Welho television services to be distributed outside of its cable TV viewing area. IPTV technology uses DSL broadband services, and it is expected to increase Welho's potential customer base in the Helsinki metropolitan area to 500,000 homes by the end of 2008. In addition, Welho added new distribution channels: cable TV and broadband services have now been added to the product line of R-kiosks.

During the review period, SWelcom sold the business operations of Werne, a company providing technical production services for TV, audio, and video content, to the company's management. The deal will have no impact on the Division's earnings in 2006.

SWelcom has started preparations to launch two new commercial radio channels at the beginning of 2007.

SWelcom's operating profit improved significantly to EUR 7.7 (5.8) million. Welho's result was considerably improved by the recent good development of sales, and although the TV advertising market weakened in the third quarter, the development of Nelonen's result has been positive in January–September.

In 2006, SWelcom's net sales and operating profit are expected to grow markedly.

## RAUTAKIRJA

*Rautakirja is the market leader in kiosk operations, press distribution, and movie theatres in Finland and the Baltic countries. Additionally, it is the Finnish and Estonian market leader in bookstores. Its press distribution business has also expanded into the Russian and Romanian markets.*

KEY INDICATORS, EUR million	1-9/2006	1-9/2005	Change,%	1-12/2005
Net sales	<b>480.9</b>	451.5	6.5	635.9
Operating profit	<b>29.1</b>	28.2	3.4	51.2
% of net sales	<b>6.1</b>	6.2		8.0
Operating profit excluding major non-recurring capital gains	<b>29.1</b>	24.2	20.5	42.3
% of net sales	<b>6.1</b>	5.4		6.6
Balance sheet total	<b>423.5</b>	381.8	10.9	397.0
Capital expenditure	<b>11.6</b>	11.7	-0.6	16.6
Personnel under employment contract, average	<b>7,210</b>	5,904	22.1	6,023
Personnel, average (full-time equivalents)	<b>5,640</b>	4,517	24.9	4,577

<b>OPERATIONAL INDICATORS</b>	<b>1-9/2006</b>	<b>1-9/2005</b>
Customer volume in kiosk operations, thousands*	<b>84,016</b>	82,656
Customer volume in bookstores, thousands*	<b>4,419</b>	4,129
Customer volume in movie theatres, thousands	<b>5,746</b>	4,335
Number of copies sold (press distribution), thousands	<b>205,180</b>	178,503

\* Units in Finland

In January–September, Rautakirja’s net sales increased to EUR 480.9 (451.5) million with all businesses improving their net sales. Due to both acquisitions and organic growth, net sales increased in all markets. Of Rautakirja’s net sales, 21% (17%) came from outside Finland. Net sales adjusted for changes in the Group structure increased by 5.2%.

The net sales of kiosk operations increased in all operating countries, rising to EUR 268.1 (254.1) million. Lietuvos Spauda’s chain of over 500 kiosks was consolidated with kiosk operations at the beginning of 2006. The net sales in the comparable period included kiosk operations in the Czech Republic, which were divested in late 2005. During the review period, the sales of traditional kiosk products in particular have grown significantly. The introduction of a new point-of-sale system in Finland has allowed also new kinds of products, such as a ticket sales and collection for various transport services and events, to the R-kiosk product range. In June, the company divested its Pizza Hut restaurant chain. The deal will have no impact on Rautakirja’s earnings in 2006.

The net sales of press distribution increased to EUR 78.7 (72.8) million. Net sales increased in the Baltic countries, Romania, and Russia, but decreased in Finland where the sales of domestic magazines and tabloids, in particular, have declined. In the spring of 2006, Rautakirja restructured its operations in the Baltic countries by transferring the kiosk chain’s press distribution customers to its Lithuanian press distribution subsidiary, and by transferring the wholesale operations and logistics of its Estonian bookstore chain to a press distributor.

The net sales of bookstores were EUR 89.9 (86.2) million. Net sales increased in both Estonia and Finland. Sales of educational books and consumer stationery have grown significantly in Finland. Net sales in Estonia were boosted by increases in the number of outlets in late 2005 and September 2006. Suomalainen Kirjakauppa divested library sales on September 1, 2006. Net sales from the library operations amounted to about EUR 4 million in 2005, and the deal will have no significant impact on Suomalainen Kirjakauppa’s earnings in 2006.

The entertainment business comprises movie theatres in Finland and the Baltic countries, and a multipurpose arena in Hamburg. The business' net sales increased to EUR 53.7 (43.9) million. Net sales grew in all countries of operation. Movie theatre operations expanded in Finland: In early summer, Finnkino signed a distribution agreement with United International Pictures for the theatrical distribution rights of UIP films and acquired the movie theatres of Sandrew Metronome Finland.

Rautakirja's operating profit for the January–September period increased to EUR 29.1 (28.2) million. The comparable period included major non-recurring capital gains of EUR 4.0 million from the sale of restaurant operations. Operating profit increased in all businesses, with the exception of kiosk operations, which remained at the previous year's level. The profits were mainly driven by the rapid growth of movie audiences in all countries of operation, the positive development of press distribution operations in the Baltic countries, and the growth of bookstores in Finland and Estonia.

Rautakirja's lines of business will face intensifying competition in all operating countries. Rautakirja will continue to ensure its expansion and success through continuous development, internationalisation, and acquisitions, with Russia and the emerging CEE economies serving as the target countries for expansion. Rautakirja's 2006 net sales are projected to increase and operating profit excluding major non-recurring capital gains to improve markedly.

This Interim Report is unaudited and has been prepared in accordance with the principles of IAS 34 Interim Financial Reporting.

Helsinki  
Board of Directors  
SanomaWSOY Corporation

**CONSOLIDATED FINANCIAL STATEMENTS (non-audited)**
**CONSOLIDATED INCOME STATEMENT**

<b>EUR million</b>	<b>1-9/2006</b>	<b>1-9/2005</b>	<b>Change,%</b>	<b>1-12/2005</b>
<b>Net sales</b>	<b>1,999.8</b>	1,887.3	6.0	2,622.3
Other operating income	<b>42.0</b>	55.0	-23.7	80.7
Materials and services	<b>909.5</b>	840.4	8.2	1,177.8
Personnel expenses	<b>436.4</b>	427.5	2.1	574.7
Other operating expenses	<b>378.9</b>	361.6	4.8	518.6
Depreciation and impairment losses	<b>98.5</b>	91.2	7.9	130.6
<b>Operating profit</b>	<b>218.5</b>	221.6	-1.4	301.3
Share of result of associated companies	<b>7.5</b>	9.0	-16.3	9.8
Financial items	<b>-19.8</b>	-19.3	2.5	-25.1
<b>Result before taxes</b>	<b>206.3</b>	211.3	-2.4	286.0
Income taxes	<b>-55.9</b>	-56.5	-1.1	-57.6
<b>Result for the period</b>	<b>150.4</b>	154.8	-2.9	228.4
Attributable to:				
Equity holders of the Parent Company	<b>151.9</b>	152.9	-0.7	224.0
Minority interest	<b>-1.5</b>	1.9		4.4
<b>Earnings per share for result attributable to the equity holders of the Parent Company:</b>				
Earnings per share, EUR	<b>0.96</b>	1.00	-3.6	1.45
Diluted earnings per share, EUR	<b>0.94</b>	0.97	-2.9	1.42

**CONSOLIDATED BALANCE SHEET**

EUR million	30.9.2006	30.9.2005	Change,%	31.12.2005
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible assets	558.9	553.4	1.0	566.5
Investment property	10.6	13.4	-21.5	12.1
Goodwill	1,376.1	1,318.1	4.4	1,329.3
Other intangible assets	357.9	292.2	22.5	313.0
Interest in associated companies	67.9	68.5	-0.8	61.0
Available-for-sale financial assets	16.2	22.8	-28.8	22.8
Deferred tax receivables	56.0	58.8	-4.8	53.2
Other receivables	37.6	44.3	-15.2	37.7
<b>Non-current assets, total</b>	<b>2,481.1</b>	<b>2,371.5</b>	<b>4.6</b>	<b>2,395.6</b>
<b>Current assets</b>				
Inventories	148.2	148.0	0.1	144.0
Receivables	432.6	339.7	27.3	347.0
Available-for-sale financial assets	0.0	0.5	-96.8	0.5
Cash and cash equivalents	119.4	60.1	98.5	84.9
<b>Current assets, total</b>	<b>700.2</b>	<b>548.3</b>	<b>27.7</b>	<b>576.4</b>
<b>Assets, total</b>	<b>3,181.3</b>	<b>2,919.8</b>	<b>9.0</b>	<b>2,972.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Equity attributable to the equity holders of the Parent Company</b>				
Share capital	69.1	67.0	3.3	67.5
Other equity	1,107.1	976.8	13.3	1,075.3
	1,176.2	1,043.8	12.7	1,142.8
Minority interest	16.0	13.9	15.1	16.3
<b>Equity, total</b>	<b>1,192.3</b>	<b>1,057.7</b>	<b>12.7</b>	<b>1,159.1</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	94.9	96.1	-1.3	90.4
Pension obligations	63.4	62.1	2.0	64.8
Provisions	11.6	18.0	-35.3	12.3
Interest-bearing liabilities	43.3	217.3	-80.1	132.0
Other liabilities	29.2	24.7	18.5	24.2
<b>Current liabilities</b>				
Provisions	9.5	12.1	-21.2	9.9
Interest-bearing liabilities	1,023.6	795.9	28.6	796.8
Other liabilities	713.5	636.0	12.2	682.8
<b>Liabilities, total</b>	<b>1,989.0</b>	<b>1,862.1</b>	<b>6.8</b>	<b>1,813.0</b>
<b>Equity and liabilities, total</b>	<b>3,181.3</b>	<b>2,919.8</b>	<b>9.0</b>	<b>2,972.0</b>

**CHANGES IN CONSOLIDATED EQUITY**

EUR million	Equity attributable to the equity holders of the Parent Company		Minority interest	Equity, total
	Share capital	Other equity		
<b>Equity at Dec. 31, 2004</b>	<b>65.8</b>	<b>904.9</b>	<b>15.3</b>	<b>986.0</b>
Impact of implementing IAS 32 and 39, derivatives		-1.2		-1.2
Impact of implementing IAS 32 and 39, convertible capital note		-0.9		-0.9
<b>Equity at Jan. 1, 2005, adjusted</b>	<b>65.8</b>	<b>902.8</b>	<b>15.3</b>	<b>983.9</b>
Change in translation differences		-0.3	0.1	-0.1
Other items		-0.1		-0.1
Items recognised directly in equity, total		-0.4	0.1	-0.2
Profit for the period		152.9	1.9	154.8
<b>Total recognised income and expenses</b>		<b>152.5</b>	<b>2.1</b>	<b>154.6</b>
Conversion of capital notes	1.1	40.3		41.4
Usage of share options				
Expense recognition of granted options		3.6		3.6
Dividends paid		-122.5	-0.1	-122.6
Change in minority interests			-3.3	-3.3
<b>Equity at Sept. 30, 2005</b>	<b>67.0</b>	<b>976.8</b>	<b>13.9</b>	<b>1,057.7</b>
<b>Equity at Jan. 1, 2006</b>	<b>67.5</b>	<b>1,075.3</b>	<b>16.3</b>	<b>1,159.1</b>
Change in translation differences		-4.7	-0.2	-4.9
Other items		-0.7		-0.7
Items recognised directly in equity, total		-5.4	-0.2	-5.6
Profit for the period		151.9	-1.5	150.4
<b>Total recognised income and expenses</b>		<b>146.5</b>	<b>-1.7</b>	<b>144.8</b>
Directed issue of shares	1.0			1.0
Conversion of capital notes	0.6	21.2		21.8
Usage of share options	0.1	1.4		1.5
Expense recognition of granted options		4.1		4.1
Dividends paid		-141.3	-1.4	-142.7
Change in minority interests			2.8	2.8
<b>Equity at Sept. 30, 2006</b>	<b>69.1</b>	<b>1,107.1</b>	<b>16.0</b>	<b>1,192.3</b>

**CONSOLIDATED CASH FLOW STATEMENT**

<b>EUR million</b>	<b>1-9/2006</b>	<b>1-9/2005</b>	<b>Change,%</b>	<b>1-12/2005</b>
Result for the period	<b>150.4</b>	154.8	-2.9	228.4
Adjustments	<b>122.6</b>	101.0	21.4	121.2
Change in working capital	<b>-56.2</b>	-47.4	18.5	2.0
Financial items and taxes	<b>-93.0</b>	-71.9	29.4	-90.7
Cash flow from operations	<b>123.8</b>	136.5	-9.3	260.9
Cash flow from investments	<b>-99.2</b>	-147.8	-32.9	-164.7
Cash flow before financing	<b>24.5</b>	-11.3		96.2
Cash flow from financing	<b>3.0</b>	-18.4		-93.8
<b>Change in cash and cash equivalents according to the cash flow statement</b>	<b>27.5</b>	-29.7		2.4
Exchange rate differences under cash and cash equivalents	<b>-1.1</b>	-0.2	442.8	-1.1
Net change in cash and cash equivalents	<b>26.4</b>	-29.9		1.3
Cash and cash equivalents at Jan. 1	<b>84.9</b>	83.6	1.6	83.6
Cash and cash equivalents at Sept. 30 / Dec. 31	<b>111.3</b>	53.7	107.3	84.9

**ACCOUNTING POLICIES**

SanomaWSOY has prepared its Interim Report in accordance with IAS 34 standard while adhering to related standards and interpretations.

SanomaWSOY applies all the standards, amendments to standards, and interpretations, that took effect at January 1, 2006. These have no material effect on consolidated financial statements.

**NET SALES BY BUSINESS**

EUR million	1-3/ 2006	4-6/ 2006	7-9/ 2006	1-3/ 2005	4-6/ 2005	7-9/ 2005	10-12/ 2005	1-12/ 2005
<b>Sanoma Magazines</b>								
Sanoma Magazines Netherlands	116.7	138.7	<b>127.4</b>	117.8	134.7	<b>123.4</b>	165.4	541.2
Sanoma Magazines International	58.1	59.7	<b>57.9</b>	39.7	53.1	<b>50.8</b>	68.8	212.4
Sanoma Magazines Belgium	44.7	48.2	<b>43.8</b>	47.3	46.0	<b>43.1</b>	48.0	184.4
Sanoma Magazines Finland	45.8	47.1	<b>47.3</b>	41.4	46.5	<b>43.9</b>	52.6	184.3
Aldipress	26.4	29.8	<b>30.0</b>	28.0	29.8	<b>29.0</b>	31.7	118.6
Eliminations	-13.4	-14.2	<b>-15.1</b>	-14.7	-14.3	<b>-15.2</b>	-14.9	-59.0
<b>Total</b>	<b>278.2</b>	<b>309.2</b>	<b>291.4</b>	<b>259.5</b>	<b>295.8</b>	<b>275.0</b>	<b>351.6</b>	<b>1,181.9</b>
<b>Sanoma</b>								
Helsingin Sanomat	66.8	66.2	<b>62.9</b>	64.6	66.2	<b>61.6</b>	68.6	261.1
Ilta-Sanomat	22.3	23.4	<b>22.8</b>	22.1	24.2	<b>24.5</b>	22.9	93.7
Sanoma Lehtimedia	11.0	11.6	<b>10.9</b>	11.7	12.7	<b>11.3</b>	12.3	48.0
Others	47.4	46.4	<b>44.2</b>	42.2	44.1	<b>42.0</b>	47.0	175.2
Eliminations	-34.9	-33.7	<b>-32.6</b>	-32.0	-32.8	<b>-31.6</b>	-35.2	-131.6
<b>Total</b>	<b>112.6</b>	<b>113.8</b>	<b>108.2</b>	<b>108.6</b>	<b>114.4</b>	<b>107.8</b>	<b>115.6</b>	<b>446.4</b>
<b>SanomaWSOY</b>								
<b>Education and Books</b>								
Educational publishing	15.3	69.7	<b>77.3</b>	12.8	61.3	<b>47.8</b>	29.3	151.2
Publishing	24.1	22.0	<b>19.0</b>	23.4	19.9	<b>16.2</b>	27.7	87.2
Others	10.3	9.7	<b>11.3</b>	16.0	17.4	<b>27.4</b>	12.3	73.0
Eliminations	-4.4	-4.3	<b>-4.3</b>	-3.9	-4.7	<b>-4.3</b>	-4.1	-17.1
<b>Total</b>	<b>45.4</b>	<b>97.2</b>	<b>103.3</b>	<b>48.3</b>	<b>93.9</b>	<b>87.0</b>	<b>65.2</b>	<b>294.4</b>
<b>SWelcom</b>								
Nelonen	19.2	21.0	<b>13.4</b>	17.2	18.9	<b>13.9</b>	21.6	71.5
Others	14.3	13.2	<b>14.0</b>	13.0	12.6	<b>12.9</b>	14.2	52.6
Eliminations	-0.2	-0.1	<b>-0.2</b>	-0.4	-0.3	<b>-0.4</b>	-0.5	-1.6
<b>Total</b>	<b>33.3</b>	<b>34.1</b>	<b>27.2</b>	<b>29.8</b>	<b>31.1</b>	<b>26.3</b>	<b>35.3</b>	<b>122.5</b>
<b>Rautakirja</b>								
Kiosk operations	82.3	94.4	<b>91.4</b>	81.9	86.7	<b>85.6</b>	91.7	345.8
Press distribution	24.4	27.7	<b>26.6</b>	22.7	24.4	<b>25.6</b>	25.8	98.5
Bookstores	30.2	22.5	<b>37.2</b>	27.9	22.6	<b>35.8</b>	49.1	135.3
Entertainment	20.1	15.7	<b>18.0</b>	16.2	13.7	<b>14.1</b>	21.1	65.0
Others	0.0	0.0	<b>0.0</b>	2.5	0.0	<b>0.0</b>	0.0	2.6
Eliminations	-2.6	-3.2	<b>-3.6</b>	-2.6	-2.9	<b>-2.5</b>	-3.3	-11.3
<b>Total</b>	<b>154.3</b>	<b>157.0</b>	<b>169.6</b>	<b>148.6</b>	<b>144.5</b>	<b>158.5</b>	<b>184.4</b>	<b>635.9</b>
Other companies and eliminations								
	-11.3	-12.2	<b>-11.5</b>	-12.5	-12.2	<b>-17.0</b>	-17.1	-58.8
<b>Total</b>	<b>612.5</b>	<b>699.2</b>	<b>688.2</b>	<b>582.1</b>	<b>667.5</b>	<b>637.7</b>	<b>735.0</b>	<b>2,622.3</b>



**OPERATING PROFIT BY DIVISION**

<b>EUR million</b>	1-3/ 2006	4-6/ 2006	7-9/ 2006	1-3/ 2005	4-6/ 2005	7-9/ 2005	10-12/ 2005	1-12/ 2005
Sanoma Magazines	23.5	37.1	<b>29.3</b>	25.5	40.3	<b>23.9</b>	39.4	129.1
Sanoma	16.1	15.0	<b>15.0</b>	13.9	16.6	<b>16.4</b>	12.2	59.1
SanomaWSOY Education and Books	-4.3	33.8	<b>25.6</b>	-7.1	28.1	<b>30.1</b>	4.7	55.8
SWelcom	3.2	4.0	<b>0.4</b>	2.7	2.1	<b>1.0</b>	3.8	9.6
Rautakirja	10.1	6.3	<b>12.6</b>	13.8	4.0	<b>10.3</b>	23.0	51.2
Other companies and eliminations	-3.1	-3.4	<b>-2.9</b>	0.0	-1.9	<b>1.8</b>	-3.5	-3.5
<b>Total</b>	<b>45.6</b>	<b>92.8</b>	<b>80.1</b>	<b>48.9</b>	<b>89.2</b>	<b>83.5</b>	<b>79.6</b>	<b>301.3</b>

**CHANGES IN PROPERTY, PLANT, AND EQUIPMENT**

<b>EUR million</b>	<b>30.9.2006</b>	30.9.2005	Change,%	31.12.2005
Carrying amount at Jan. 1	<b>566.5</b>	496.7	14.1	496.7
Increases	<b>32.7</b>	33.0	-0.9	67.6
Acquisition of operations	<b>9.6</b>	78.3	-87.8	81.7
Decreases	<b>-3.0</b>	-4.5	-31.8	-4.5
Disposals of operations	<b>-0.7</b>	-9.9	-93.3	-18.6
Depreciation for the period	<b>-46.5</b>	-46.5	0.0	-62.2
Impairment losses for the period	<b>0.0</b>	0.0	18.7	-0.1
Exchange rate differences and other changes	<b>0.3</b>	6.3	-94.7	5.9
<b>Carrying amount at Sept. 30 / Dec. 31</b>	<b>558.9</b>	553.4	1.0	566.5

**CONTINGENT LIABILITIES**

<b>EUR million</b>	<b>30.9.2006</b>	30.9.2005	Change, %	31.12.2005
<b>Contingencies for own commitments</b>				
Mortgages	10.3	5.0	108.2	7.3
Pledges	10.9	15.4	-29.1	10.8
Other items	0.4	0.1	723.5	1.6
<b>Total</b>	<b>21.7</b>	20.5	6.3	19.8
<b>Contingencies given on behalf of associated companies</b>				
Guarantees	7.9	7.9	-0.5	7.9
<b>Total</b>	<b>7.9</b>	7.9	-0.5	7.9
<b>Contingencies given on behalf of other companies</b>				
Guarantees	0.2	0.3	-38.7	0.2
<b>Total</b>	<b>0.2</b>	0.3	-38.7	0.2
<b>Other commitments</b>				
Operating lease liabilities	214.5	255.8	-16.1	225.6
Royalties	16.1	22.1	-26.9	19.2
Commitments for acquisition of intangible assets (incl. film rights)	22.0	17.8	23.5	23.5
Commitments for acquisition of tangible assets	10.4			7.8
Other	43.6	49.1	-11.2	49.6
<b>Total</b>	<b>306.5</b>	344.7	-11.1	325.6
<b>Contingent liabilities, total</b>	<b>336.3</b>	373.4	-9.9	353.4

**DERIVATIVE INSTRUMENTS**
**NOMINAL VALUES**

<b>EUR million</b>	<b>30.9.2006</b>	30.9.2005	Change, %	31.12.2005
<b>Interest rate derivatives</b>				
Options				
Purchased		100.0	-100.0	100.0
Written		54.8	-100.0	54.8
Interest rate swaps		20.0	-100.0	
<b>Total</b>		174.8	-100.0	154.8
<b>Currency derivatives</b>				
Forward contracts		4.7	-100.0	
<b>Total</b>		4.7	-100.0	
<b>Total</b>		179.4	-100.0	154.8

**FAIR VALUES**

<b>EUR million</b>	<b>30.9.2006</b>	30.9.2005	Change, %	31.12.2005
<b>Interest rate derivatives</b>				
Options				
Purchased		0.0	-100.0	0.0
Written		-0.4	-100.0	-0.2
Interest rate swaps				
		-0.1	-100.0	
<b>Total</b>		-0.5	-100.0	-0.2
<b>Currency derivatives</b>				
Forward contracts				
		0.0	-100.0	
<b>Total</b>		0.0	-100.0	
<b>Total</b>		-0.5	-100.0	-0.2

**CONSOLIDATED INCOME STATEMENT BY QUARTER**

<b>EUR million</b>	1-3/ 2006	4-6/ 2006	<b>7-9/ 2006</b>	1-3/ 2005	4-6/ 2005	<b>7-9/ 2005</b>	10-12/ 2005	1-12/ 2005
<b>Net sales</b>	612.5	699.2	<b>688.2</b>	582.1	667.5	<b>637.7</b>	735.0	2,622.3
Other operating income	15.4	12.8	<b>13.8</b>	14.5	12.5	<b>28.1</b>	25.6	80.7
Materials and services	280.9	306.6	<b>322.0</b>	263.6	284.7	<b>292.2</b>	337.4	1,177.8
Personnel expenses	145.6	148.7	<b>142.0</b>	143.0	147.3	<b>137.2</b>	147.2	574.7
Other operating expenses	124.8	129.8	<b>124.3</b>	111.7	125.8	<b>124.1</b>	157.0	518.6
Depreciation and impairment losses	30.9	34.0	<b>33.5</b>	29.4	33.0	<b>28.8</b>	39.4	130.6
<b>Operating profit</b>	45.6	92.8	<b>80.1</b>	48.9	89.2	<b>83.5</b>	79.6	301.3
Share of result of associated companies								
	1.9	2.3	<b>3.4</b>	3.3	2.5	<b>3.2</b>	0.8	9.8
Financial items								
	-6.2	-7.5	<b>-6.1</b>	-6.1	-8.6	<b>-4.6</b>	-5.8	-25.1
<b>Result before taxes</b>	41.3	87.6	<b>77.4</b>	46.0	83.1	<b>82.2</b>	74.7	286.0
Income taxes								
	-12.4	-25.3	<b>-18.2</b>	-12.0	-28.7	<b>-15.8</b>	-1.1	-57.6
<b>Result for the period</b>	28.9	62.3	<b>59.2</b>	34.0	54.4	<b>66.4</b>	73.6	228.4
Attributable to:								
Equity holders of the Parent Company								
	32.5	62.2	<b>57.2</b>	34.4	52.2	<b>66.3</b>	71.1	224.0
Minority interest								
	-3.6	0.1	<b>2.0</b>	-0.4	2.2	<b>0.1</b>	2.5	4.4

**PRESS CONFERENCE AT THE SANOMA HOUSE**

Press and analyst meeting in Finnish will be held by Mr Hannu Syrjänen, President and CEO of SanomaWSOY, at 11:00 a.m. (Finnish time) at the Sanoma House, Töölönlahdenkatu 2, Helsinki.

The conference call in English for analysts and investors will be arranged at 14:00 p.m. (Finnish time). Mr Hannu Syrjänen will present the Q3 results. To join the conference, please dial +44 (0)20 7162 0125. The code for the call is SanomaWSOY. The event can also be followed on web at [www.sanomawsoy.fi](http://www.sanomawsoy.fi) either live or later on as on demand.

The presentation material of the press and analyst meeting as well as the slides used in the conference call will be available on SanomaWSOY's website after the press and analyst meeting has started.

**PUBLICATION OF SANOMAWSOY'S RESULT 2006**

SanomaWSOY will publish its Year-End Statement 2006 on February 8, 2007 approximately at 11 a.m. Finnish time.

Further information: SanomaWSOY's IR & Group Communications, tel. +358 105 19 5062 or [ir@sanomawsoy.fi](mailto:ir@sanomawsoy.fi)

SANOMAWSOY CORPORATION

Matti Salmi  
Senior Vice President  
Finance and Administration

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