

SanomaWSOY



Q2 2005

Hannu Syrjänen

President & COO

4 August 2005

Key Developments Q2/2005



Internationalisation:

- Rautakirja to acquire the leading Lithuanian kiosk chain Lietuvos Spauda
- Rautakirja acquired the press distribution company Presseexpo from Independent Media

Growth:

- Sanoma acquired Radio Helsinki

Focusing on core business:

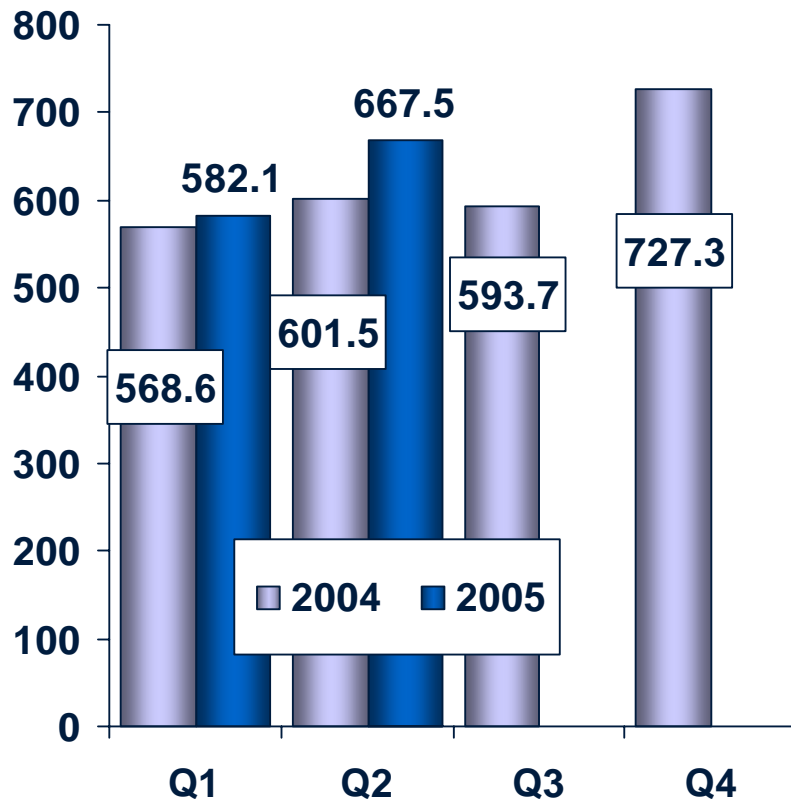
- Sanoma Lehtimedia sold Etelä-Karjalan Jakelu to Finland Post

After the review period:

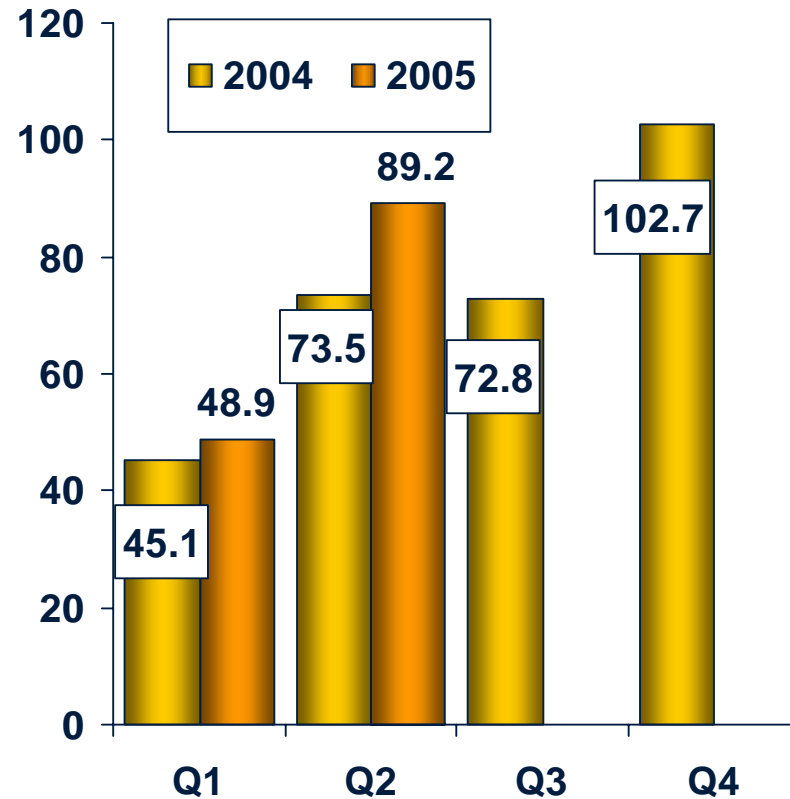
- Ilta-Sanomat acquired Huuto.net

SanomaWSOY Group

Net sales, €million



Operating profit, €million



Group Income Statement

€ million	1-6/2005	1-6/2004	Change,%	1-12/2004
NET SALES	1,249.6	1,170.1	6.8	2,491.1
Other operating income	26.9	31.6	-14.8	81.7
Operating expenses	1,076.0	1,022.2	5.3	2,153.8
Depreciation and impairment losses	62.4	60.9	2.4	125.0
OPERATING PROFIT	138.1	118.6	16.5	294.0
Share of result of associated companies	5.8	4.4	30.6	6.5
Financial items	-14.8	-5.8	115.2	-28.9
RESULT BEFORE TAXES	129.1	117.2	10.2	271.6
Income tax	-40.7	-33.4	22.0	-67.8
RESULT FOR THE PERIOD (TOTAL)	88.4	83.8	5.5	203.8
Minority interests	-1.8	-0.9	99.9	-3.8
NET RESULT FOR THE PERIOD	86.6	82.9	4.5	200.0

Y: Kalvot_HS/HS05/interimreport2_2005

Group Balance Sheet

€million	30.6.2005	30.6.2004	Change,%	31.12.2004
ASSETS				
Non-current assets, total	2,383.1	1,986.7	20.0	2,156.3
Current assets, total	548.0	444.3	23.3	532.9
ASSETS, TOTAL	2,931.1	2,431.0	20.6	2,689.2
EQUITY AND LIABILITIES				
Equity, total	949.1	864.0	9.9	986.0
Long-term liabilities	627.7	531.6	18.1	562.3
Current liabilities	1,354.4	1,035.5	30.8	1,140.9
EQUITY AND LIABILITIES, TOTAL	2,931.1	2,431.0	20.6	2,689.2

Y: Kalvot_HS/HS05/interimreport12_2005

Key Indicators

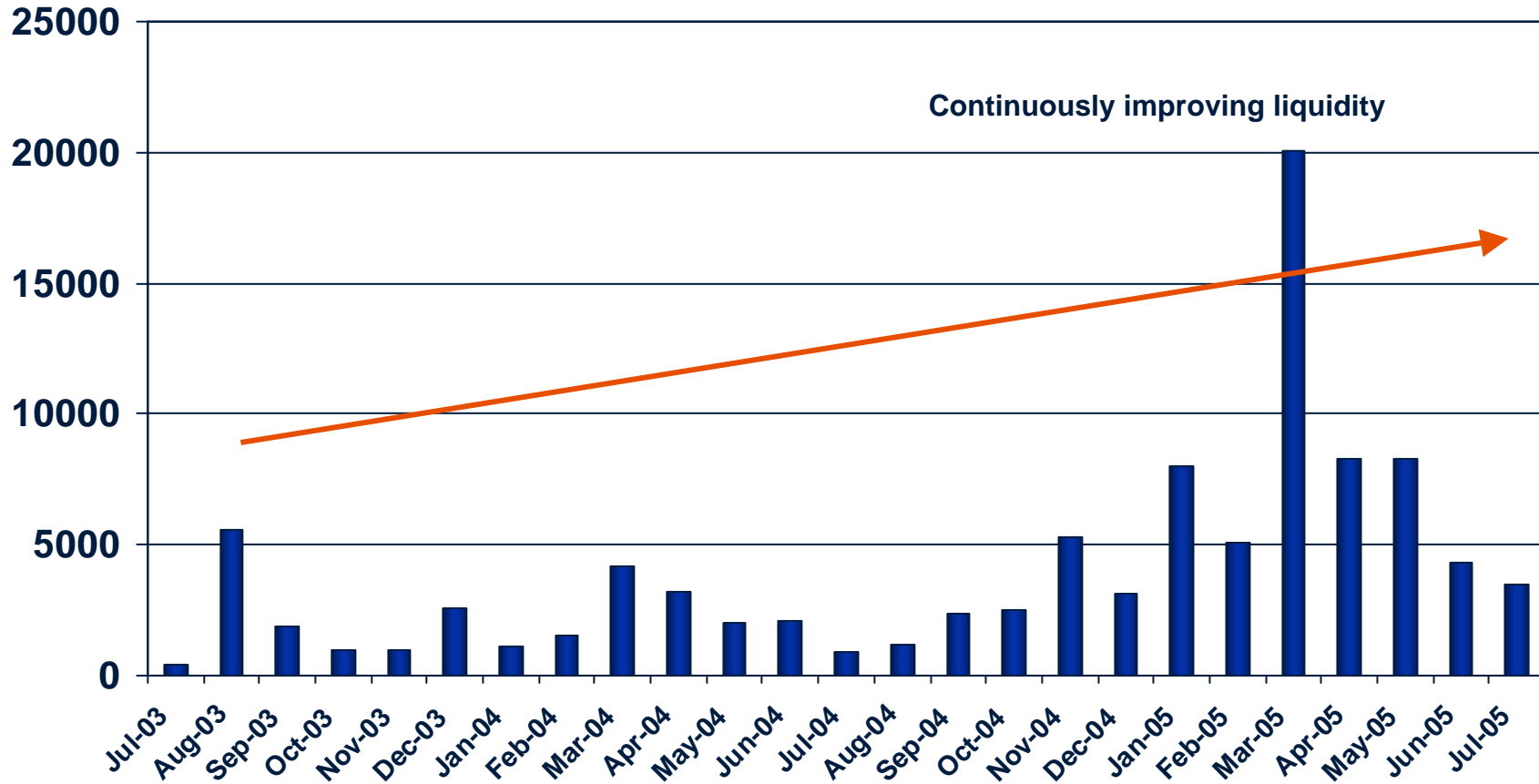
€million	1-6/2005	1-6/2004	Change,%	1-12/2004
Net sales	1,249.6	1,170.1	6.8	2,491.1
Operating profit	138.1	118.6	16.5	294.0
% of net sales	11.1	10.1		11.8
Balance sheet total	2,931.1	2,431.0	20.6	2,689.2
Gross investments	276.2	44.8	517.1	281.6
% of net sales	22.1	3.8		11.3
Equity ratio ¹ , %	34.3	37.7		38.7
Gearing, %	115.9	88.3		82.1
Interest-bearing liabilities	1,161.2	824.7	40.8	894.8
Net debt	1,099.8	762.5	44.2	809.1
Personnel under employment contract ²	16,628	15,977	4.1	16,207
Personnel, average ³	14,064	13,451	4.6	13,652
Earnings/share, €	0.57	0.54	4.5	1.31
Cash flow from operations/share, €	0.37	0.56	-33.6	1.54
Equity/share, € ⁴	6.11	5.55	10.0	6.34
Market capitalisation	3,109.9	2,352.4	32.2	2,632.2

¹If equity includes capital notes, equity ratio would be, on 30 June 2005 some 40%
² In average
³ full-time equivalents
⁴ Excluding minority interests

Y: Kalvot_HS/HS05/interimreport2_2005

SanomaWSOY's Liquidity

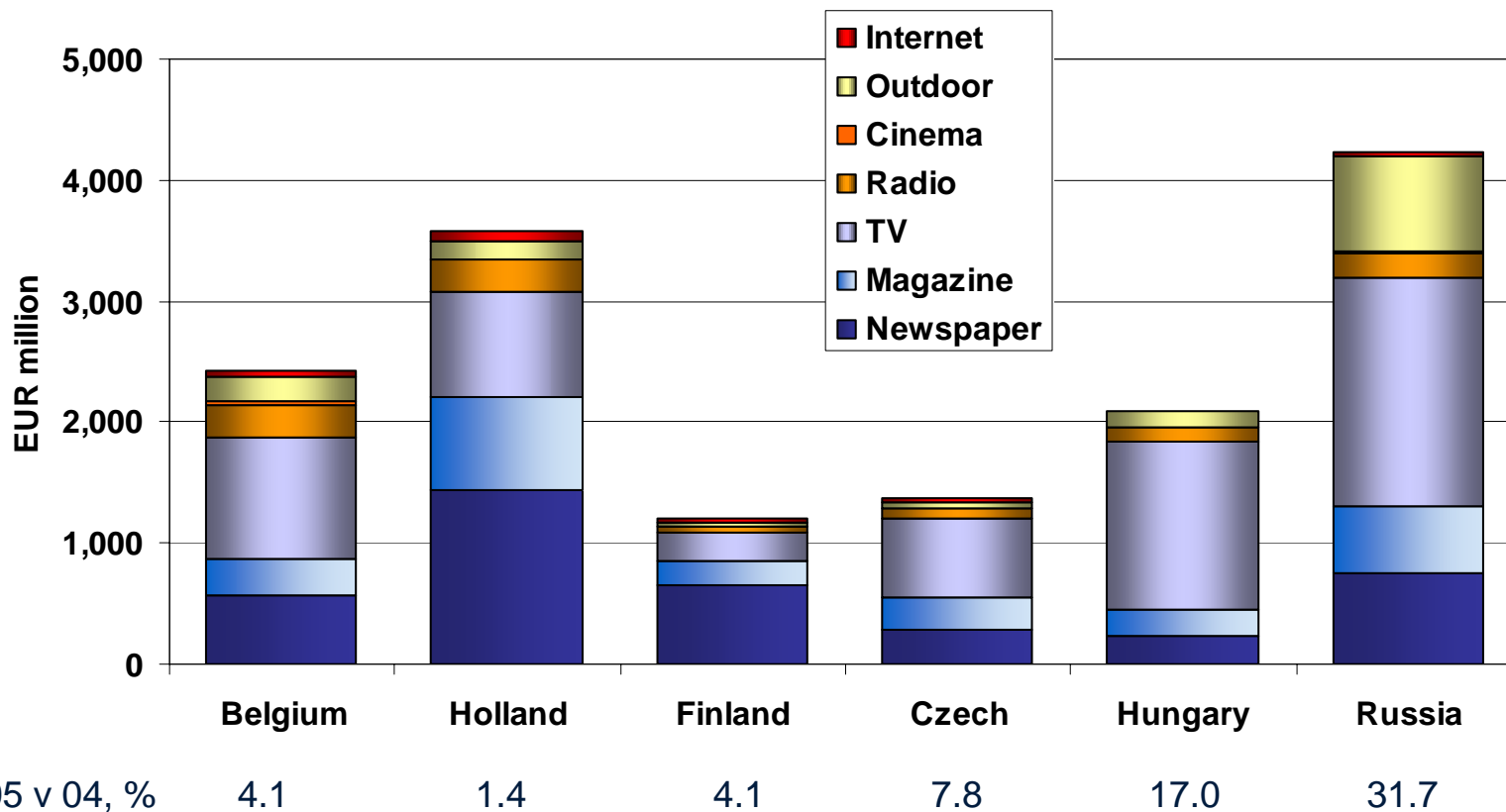
Series B share, monthly trading, thousands



Y: Kalvot_HS/HS05/interimreport2_2005

Advertising Market in Europe

Forecast 2005, EUR million



Source: ZenithOptimedia, July 2005

Y: Kalvot_HS/HS05/interimreport2_2005

Advertising Sales

In Finland 1/2

€1,000	1-6/2005	Change-%
NEWSPAPERS	306,952	5.8
<i>Newspapers</i>	268,036	4.8
<i>Local papers and free sheets</i>	38,916	13.4
Aamulehti	21,635	4.4
Helsingin Sanomat (incl. supplements)	76,710	4.3
Helsingin Sanomat	73,338	4.6
Ilta-Sanomat & Plussa & TV	7,646	1.6
Iltalehti	5,472	4.4
Kauppalehti & Presso	8,557	2.9
Taloussanomat & TS-ITviikko	2,264	15.1
Turun Sanomat	20,566	8.4
Sanoma Lehtimedia*	11,156	12.2
KÄRKIMEDIA**	60,129	6.9

*Incl. Etelä-Saimaa, Kouvola Sanomat, Kymen Sanomat, Lappeenranta, and Kaupunkilehti Seiska

Sources:
TNS Gallup Adex
** Kärkimedia

Y: Kalvot_HS/HS05/interimreport2_2005

Advertising Sales

In Finland 2/2

€1,000	1–6/2005	Change-%
MAGAZINES	74,574	3.9
TELEVISION	116,344	0.4
RADIO	21,511	0.9
OUTDOOR	17,626	6.8
CINEMA	651	-32.6
INTERNET	9,594	29.2
Advertising sales revenue, total	547,251	4.4

Source:
TNS Gallup Adex

Y: Kalvot_HS/HS05/interimreport2_2005

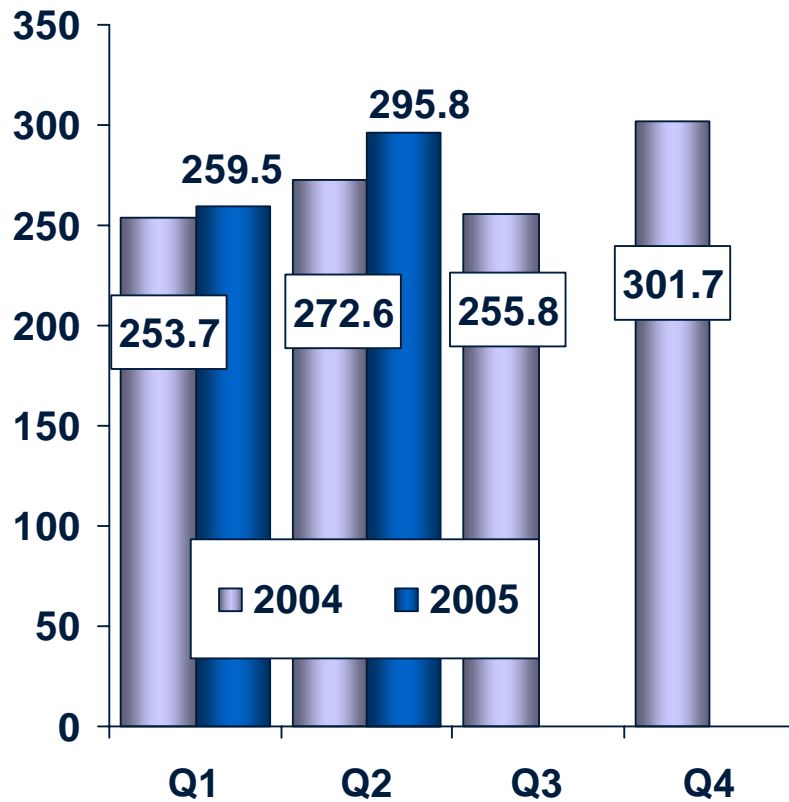
SanomaWSOY's Advertising Sales

% of net sales

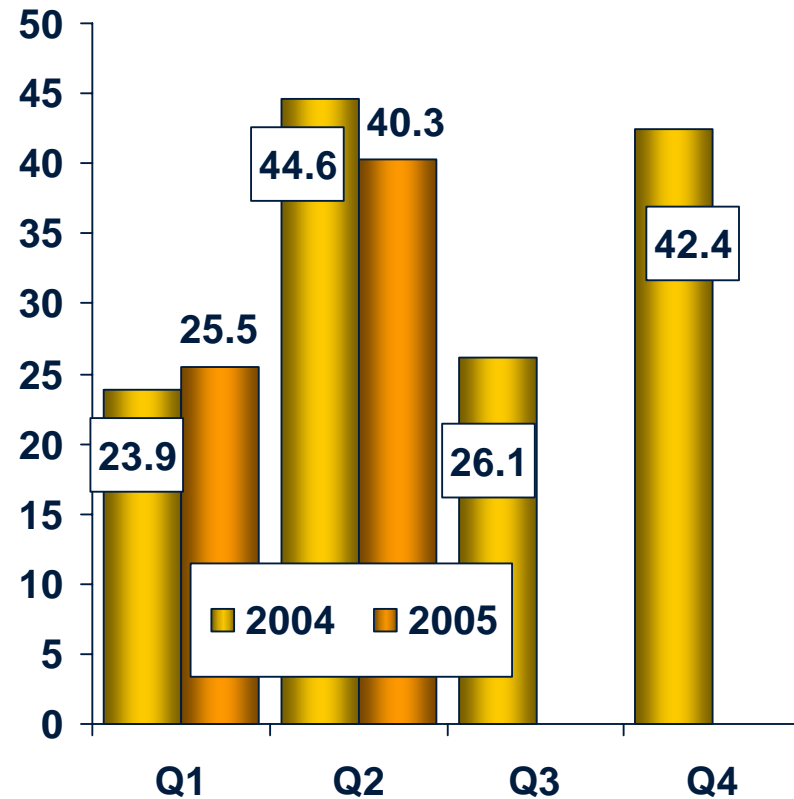
	1-6/2005	1-6/2004
Sanoma Magazines	22%	20%
Sanoma	51%	49%
SWelcom	59%	58%
The Group	22%	21%

Sanoma Magazines

Net sales, €million



Operating profit, €million



Sanoma Magazines

1-6/2005

13

€ million	Net sales		Operating profit	
	1-6/2005	1-6/2004	1-6/2005	1-6/2004
Sanoma Uitgevers	252.5	249.6		
Sanoma Magazines International	92.8	67.5		
Sanoma Magazines Belgium	93.3	97.1		
Sanoma Magazines Finland	87.9	86.1		
Aldipress	57.8	54.9		
Eliminations	-29.0	-28.9		
Total	555.3	526.2	65.8	68.6
Gross investments, € million	167.0	9.4		
Personnel, average*	4,527	3,980		

* full-time equivalents

Y: Kalvot_HS/HS05/interimreport2_2005

Sanoma Magazines

Key Developments



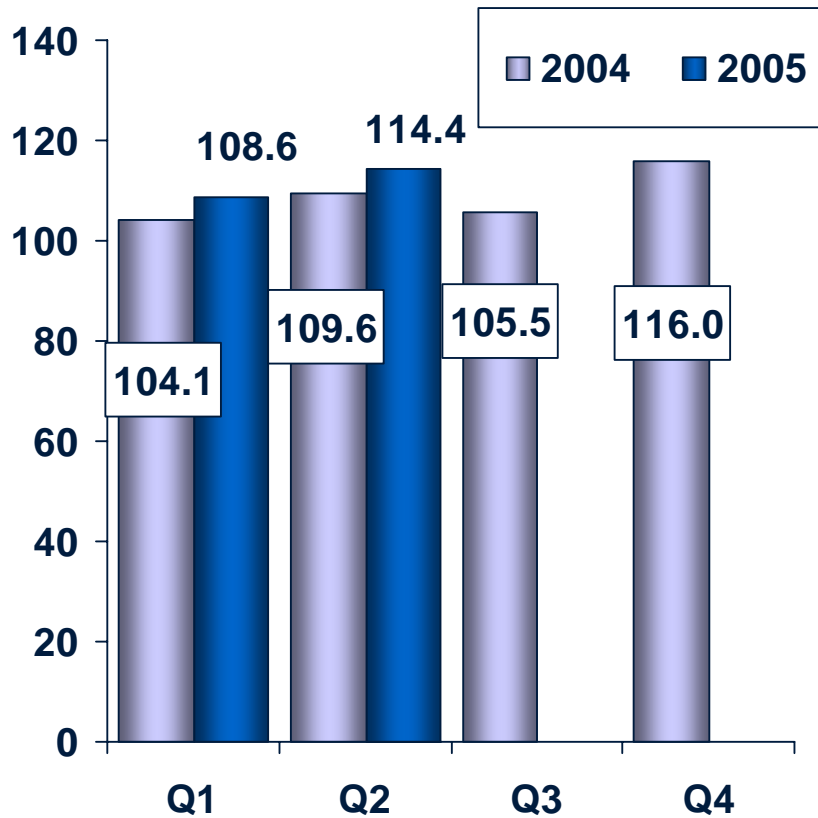
- Sanoma Uitgevers' President changed
 - Ms Christina von Wackerbarth, appointed as President (acting)
 - Magazines' summer events very popular
 - In Libelle zomerweek almost 70,000 and in the first Bobo-day 6,600 visitors.
- Sanoma Magazines Finland continues to publish Finnair's customer magazines
- Sanoma Magazines Finland moved into the new office
 - all magazines into the same building

After the review period:

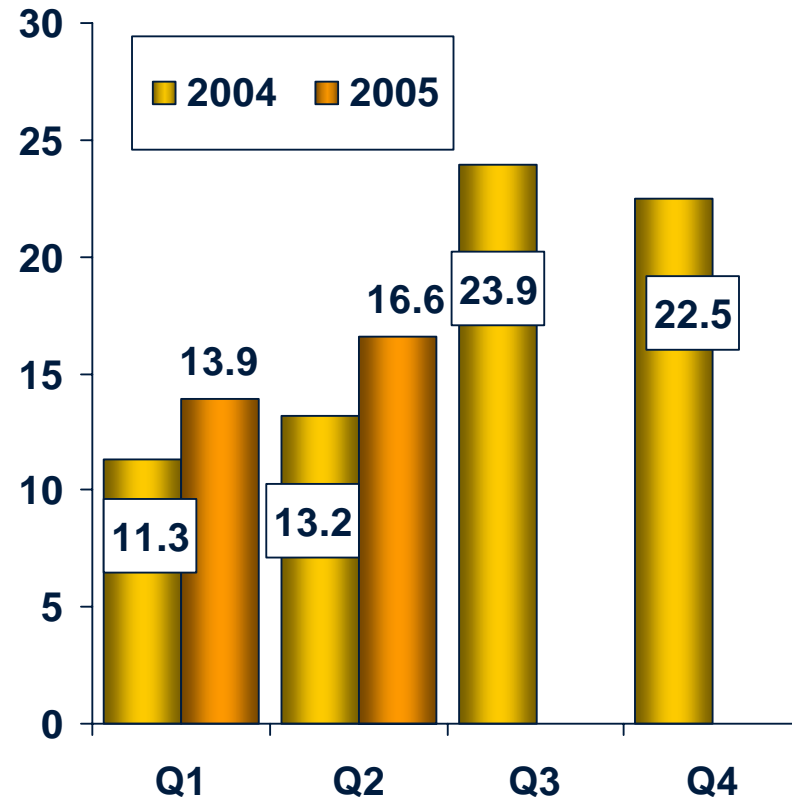
- Sanoma Magazines International acquired 70% of the Czech home and deco publisher Peloton

Sanoma

Net sales, €million



Operating profit, €million



Y: Kalvot_HS/HS05/interimreport12_2005

Sanoma

1-6/2005

16

€ million	Net sales		Operating profit	
	1-6/2005	1-6/2004	1-6/2005	1-6/2004
Helsingin Sanomat	130.8	126.1		
Ilta-Sanomat	46.3	47.0		
Sanoma Lehtimedia	24.4	23.4		
Others	86.2	71.7		
Eliminations	-64.8	-54.5		
Total	223.0	213.7	30.5	24.4
Gross investments, € million	10.7	16.0		
Personnel, average *	2,379	2,377		

* full-time
equivalents

Y: Kalvot_HS/HS05/interimreport12_2005

Sanoma

Key Developments

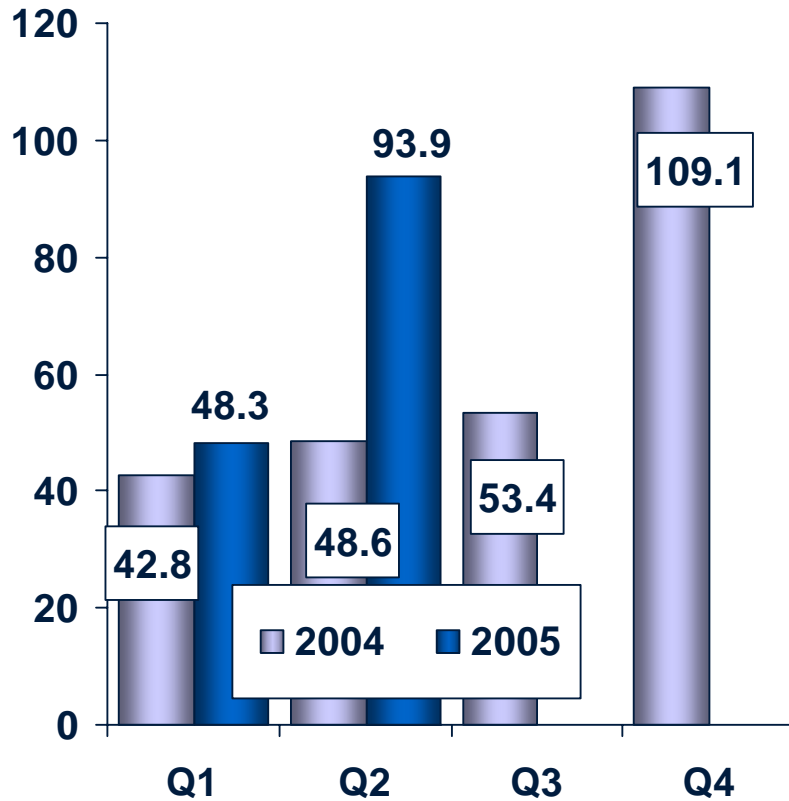


- Helsingin Sanomat acquired Radio Helsinki
- Sanoma Kaupunkilehdet acquired Nöjesguiden
- Sanoma Lehtimedia sold Etelä-Karjalan Jakelu to Finland Post
- For Uutislehti 100 (free sheet), a strong market position in the Helsinki metropolitan area
 - to be distributed in some 600 busses and trams and metro stations
- Kaupunkilehti Kymppi's first edition started in eastern Helsinki

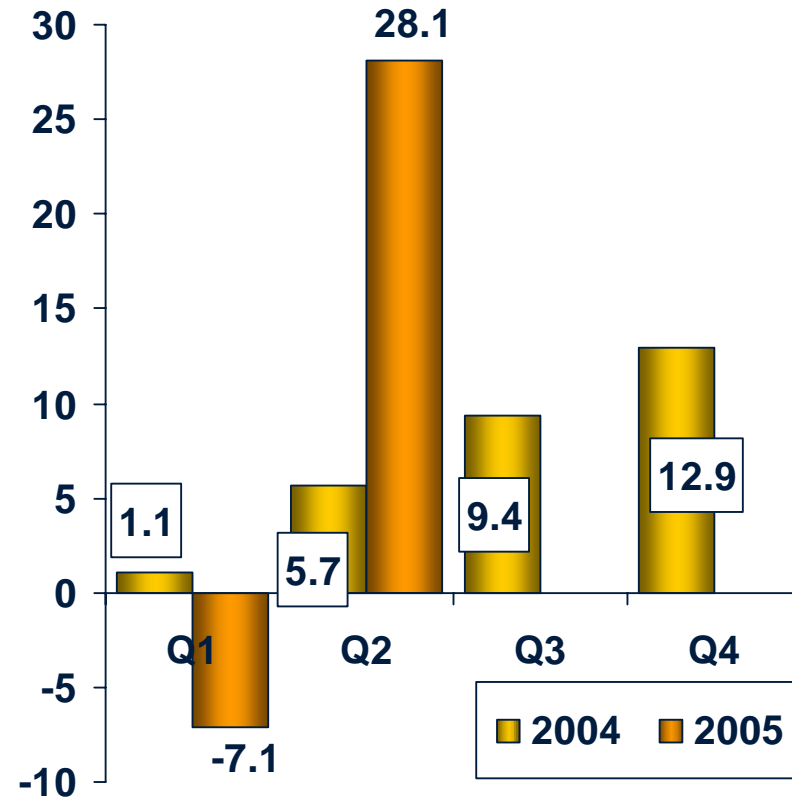
After the review period:

- Iltä-Sanomat acquired Huuto.net
 - Keltainen Pörssi becomes Finland's leading classified ad service

Net sales, €million



Operating profit, €million



Y: Kalvot_HS/HS05/interimreport12_2005

WSOY

1-6/2005

19

€ million	Net sales		Operating profit	
	1-6/2005	1-6/2004	1-6/2005	1-6/2004
Educational publishing	74.1	22.8		
Publishing	43.3	42.6		
Printing	27.6	28.8		
Diaries	3.2	3.5		
Others	2.6	2.4		
Eliminations	-8.7	-8.7		
Total	142.2	91.4	21.0	6.8
Gross investments, € million	4.5	5.1		
Personnel, average*	2,224	1,819		

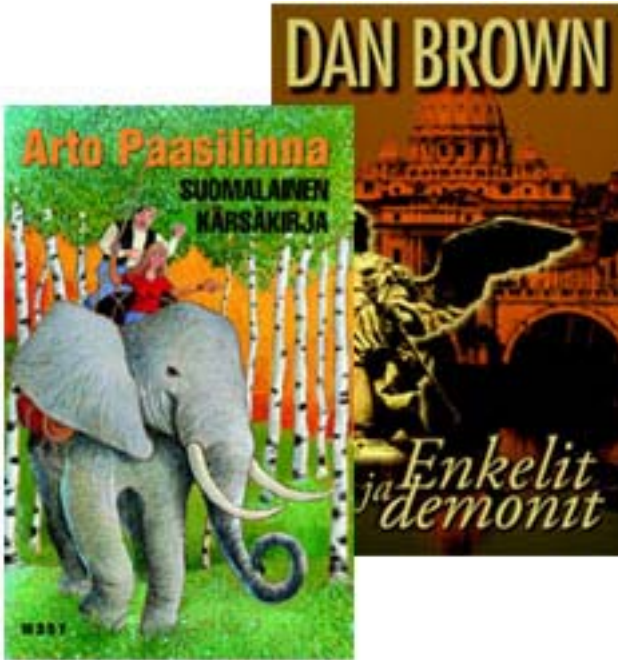
Incl. Malmberg as of 15.7.2004

* full-time equivalents

Y: Kalvot_HS/HS05/interimreport12_2005

WSOY

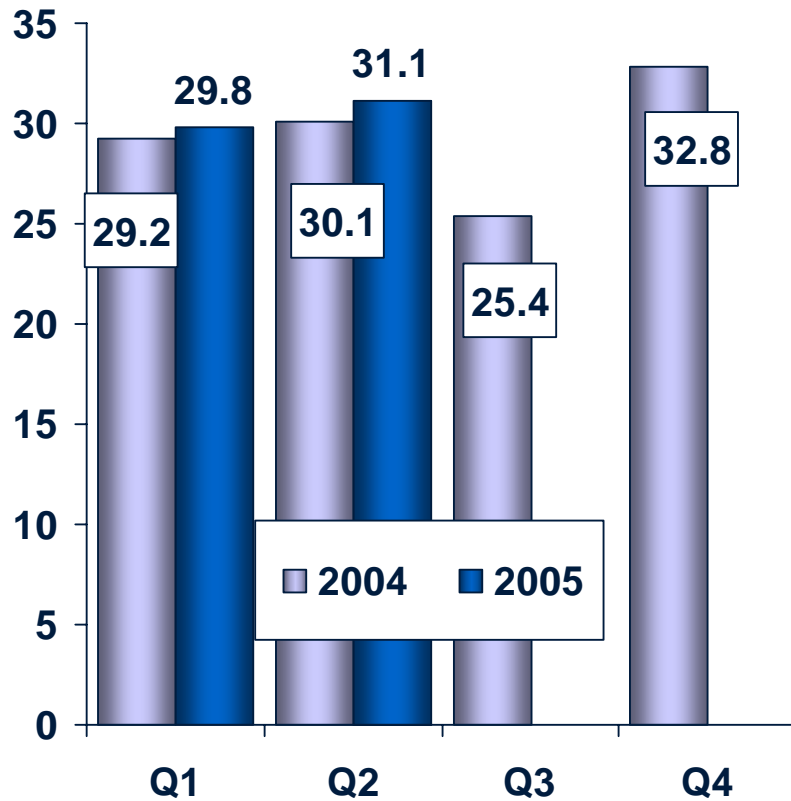
Key Developments



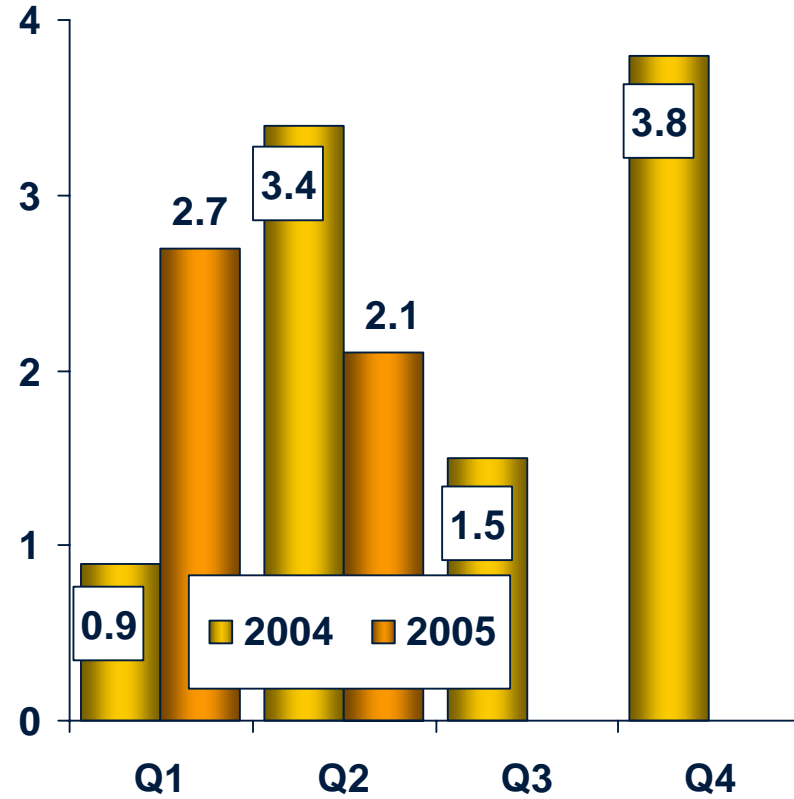
- Educational publishing grew significantly in the Netherlands and Belgium due to new operations
- General literature's summer season increases sales in Finland
 - New books e.g. Dan Brown's Angels and Demons, and Arto Paasilinna's Suomalainen kärsäkirja (Finnish trunk book)
- A publishing contract for the English speaking world to Arto Paasilinna

SWelcom

Net sales, €million



Operating profit, €million



SWelcom

1-6/2005

22

€ million	Net sales		Operating profit	
	1-6/2005	1-6/2004	1-6/2005	1-6/2004
Nelonen	36.1	34.1		
Others	25.5	25.8		
Eliminations	-0.7	-0.6		
Total	60.9	59.3	4.8	4.3
Gross investments, € million	3.7	5.1		
Personnel, average *	379	381		

* full-time
equivalents

Y: Kalvot_HS/HS05/interimreport2_2005

SWelcom

Key Developments

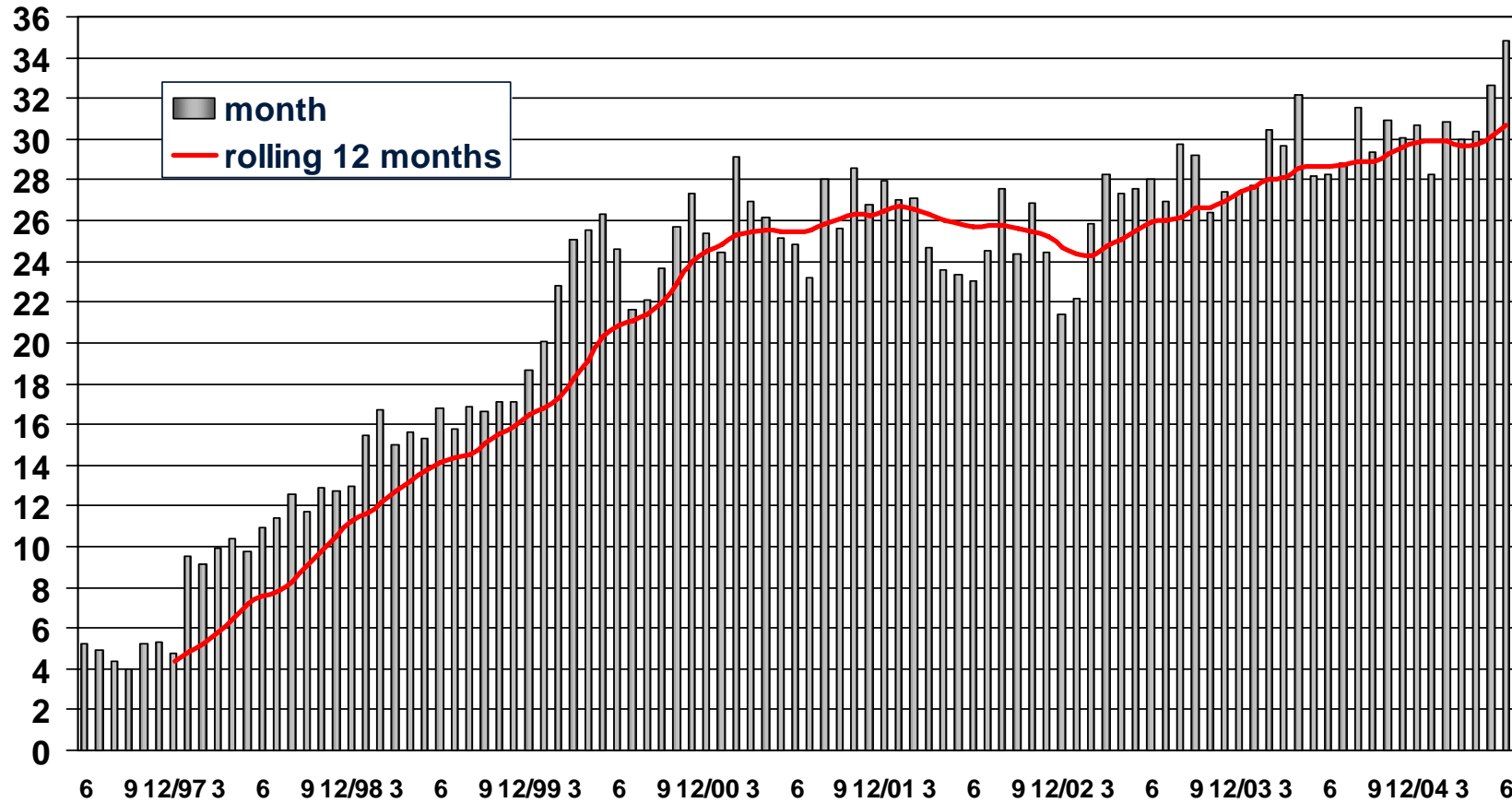


- In June, Nelonen reached its all time high market share, 34.8%*
- Finnish versions of reality TV programmes Under Construction and Queer Eye for the Straight Guy attracted viewers
 - The biggest ever price in the Finnish TV history in the Under Construction final : One-family house and the site
- HTV delivered 200 digiboxes to Finnish Parliament: now every Member of Parliament has a digital TV
- Consumer market for broadband services challenging
- Rationalisation of organisation: the consolidation of TV operations, i.e. Nelonen, HTV, and Werne in one company as of 1 January 2006

* Source: TNS Gallup

Nelonen's Share of TV advertising

Percent

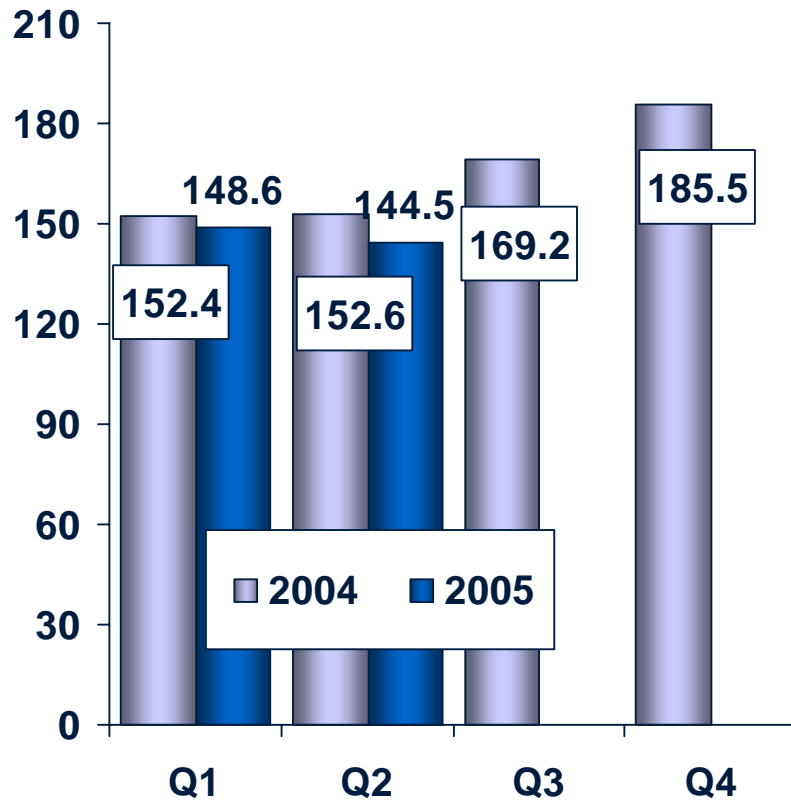


Source: TNS Gallup

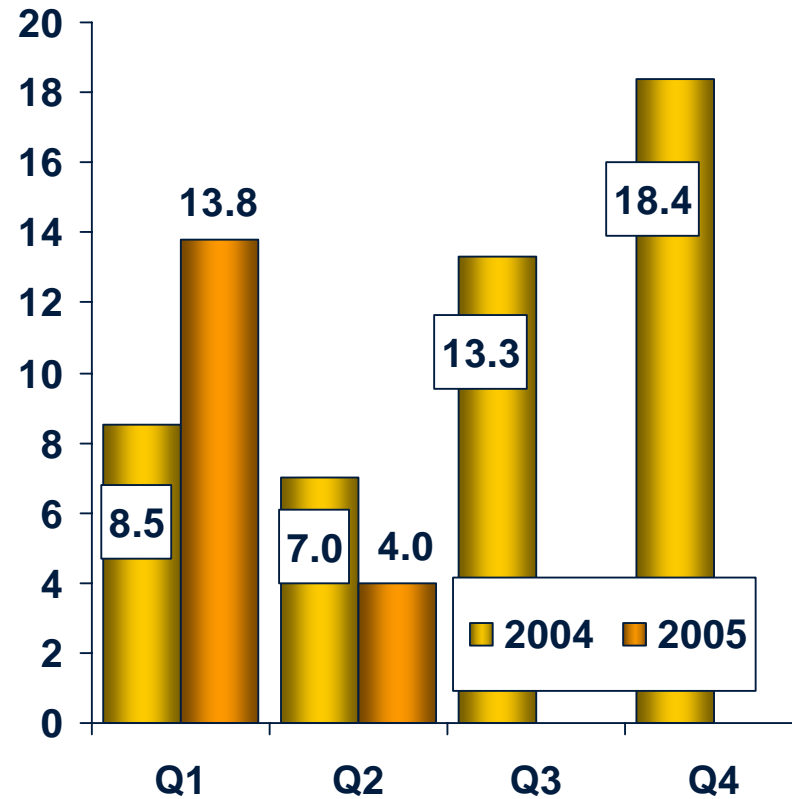
Y: Kalvot_HS/HS05/interimreport2_2005

Rautakirja

Net sales, €million



Operating profit, €million



Y: Kalvot_HS/HS05/interimreport12_2005

Rautakirja

1-6/2005

26

€ million	Net sales		Operating profit	
	1-6/2005	1-6/2004	1-6/2005	1-6/2004
Kiosk operations	168.5	170.2		
Press distribution	47.1	39.6		
Bookstores	50.5	48.4		
Entertainment	29.8	26.1		
Others	2.6	26.4		
Eliminations	-5.5	-5.7		
Total	293.0	305.0	17.8	15.5
Gross investments, € million	90.4	8.6		
Personnel, average*	4,489	4,821		

* full-time equivalents

Y: Kalvot_HS/HS05/interimreport12_2005

Rautakirja

Key Developments



- Acquisitions:*
- The leading Lithuanian kiosk chain Lietuvos Spauda
- The press distribution company TK Presseexpo operating in the Moscow area
- New cash register system in Finnish R-kiosks enables new partner agreements
- Co-operation agreement with TeliaSonera on sales of electronic talk time
- Agreement with VR: sales of train tickets in R-kiosks as of 2006
- Three new Suomalainen Kirjakauppa bookstores in shopping centres:
- Kamppi and Koskikeskus in Finland
- Kristiine-centre in Estonia

*Acquisitions are subject to the approval of the competition authorities

Y: Kalvot_HS/HS05/interimreport12_2005

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
- Comparable operating profit is expected to improve

Some Events To Come in 2005

Sanoma Magazines

- Sanoma Magazines International to launch Elle in Bulgaria
- Sanoma Magazines Belgium to launch Release for young trendsetters

Sanoma

- Helsingin Sanomat's structure revamps
- For young adults:
 - In addition to Nöjesguiden and Radio Helsinki, re-organisation of online business and NYT weekly supplement improvement
- New editions of Kaupunkilehti Kymppi (free sheet) in the autumn



WSOY

- Synergy processes in educational publishing to continue
- New books e.g.:
 - Jonathan Strange and Mr Norrel by Susanna Clarke (sold over 1 million copies abroad)
 - from Finnish authors: e.g. Hannu Raittila and Pirkko Saisio

SWelcom

- Nelonen's new series e.g. Suomen Robinson (Finland's Robinson) and Desperate housewives

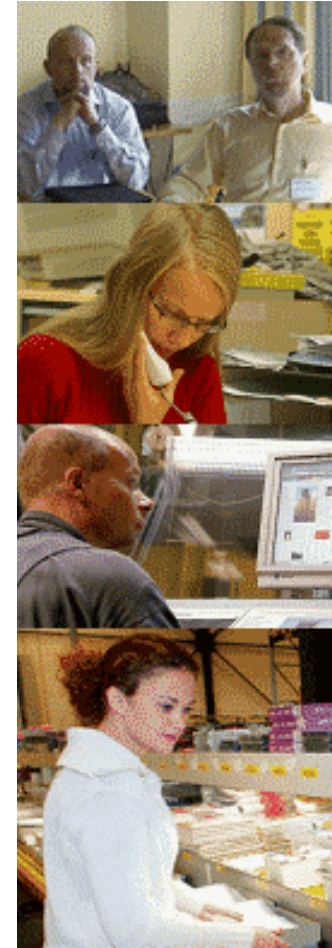
Rautakirja 95th anniversary in September

- New bookstores to shopping centres Sello in Leppävaara and Mylly in Raisio, and more space for Jumbo in Vantaa
- Batman, Harry Potter, Sin City, etc. coming to movie theatres

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 good level
 - In 2004, operating profit excluding the most substantial non-recurring gains on the sales of assets was EUR 268.2 million.



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



Committed to the Future

www.sanomawsoy.fi