



# Challenges and opportunities

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President  
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CMD, 7 June 2004

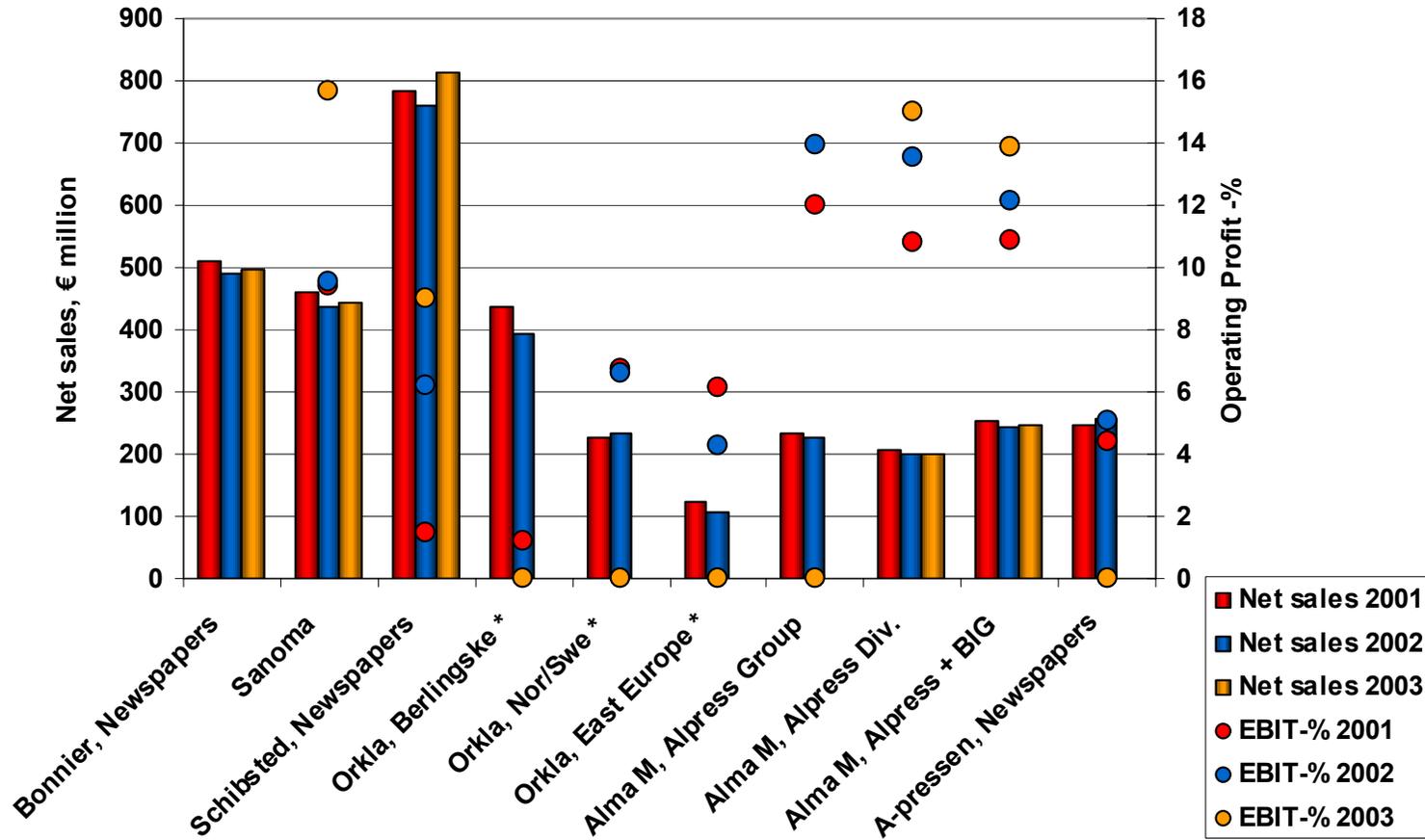
# Key indicators

	2003*	2002
Net sales	425.5	438.1
Operating profit (EBIT)	69.4	41.9
% of net sales	16.3%	9.6%
Personnel under employment contract, avg.	4,027	4,944
Personnel, avg. (full-time equivalents)	3,041	3,578

\* Net sales 2003 not fully comparable with earlier years due to changes in accounting principles.

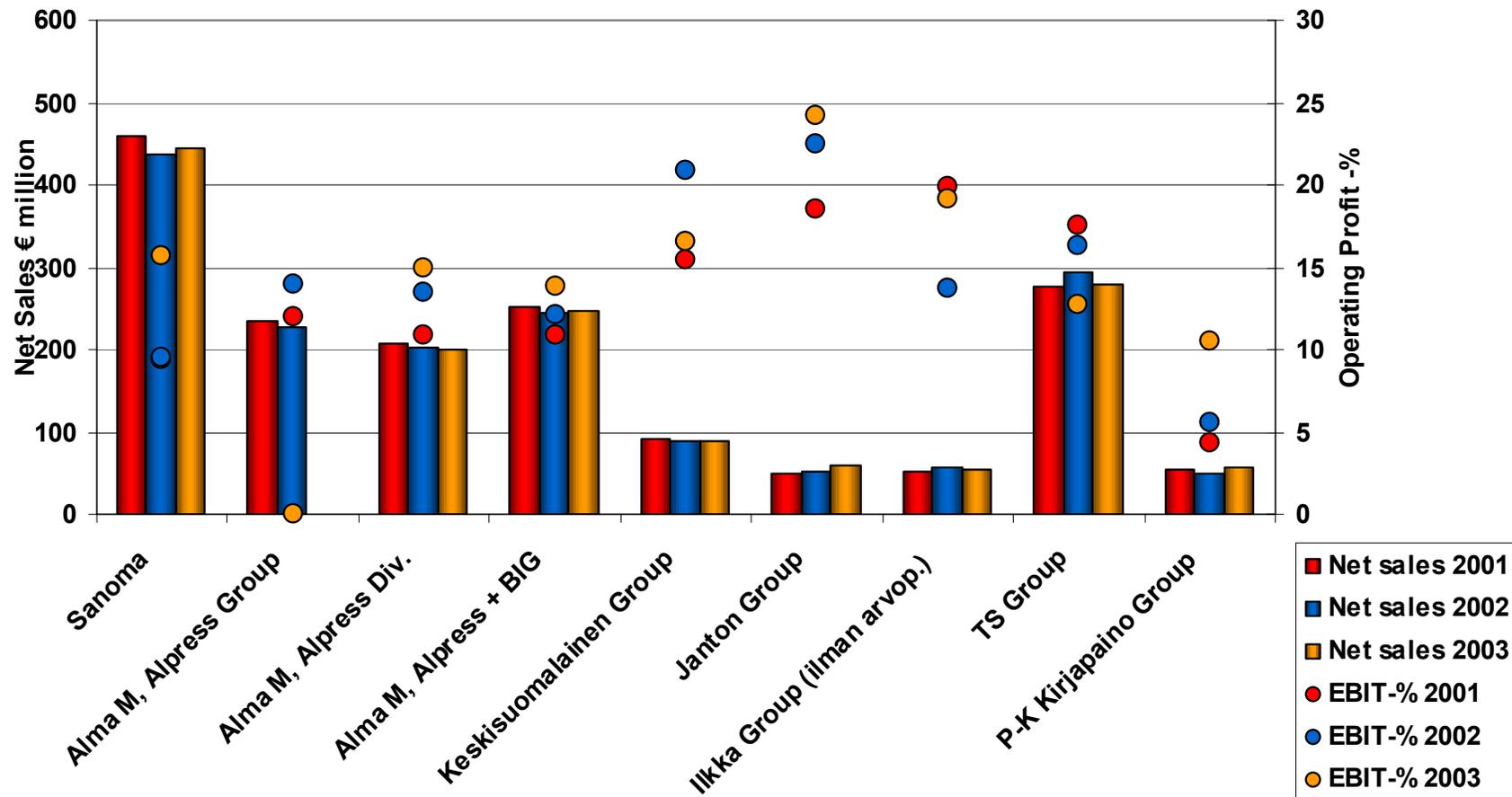
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# Nordic Benchmarking



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# National Benchmarking



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# Sanoma today

- Sanoma Corporation is leading newspaper publisher in Finland with net sales of € 440 million and 34.5% market share in newspaper advertising.
- Sanoma publishes 20 newspaper brands including
  - Helsingin Sanomat
    - Largest newspaper in Finland, circulation 440,000 with 1.1 million readers.
  - Ilta-Sanomat
    - Leader of quality tabloid markets in Finland, circulation 199,000 with 1 million readers.
  - Taloussanomat
    - Second largest business tabloid in Finland, circulation 43,000 with 75,000 readers.



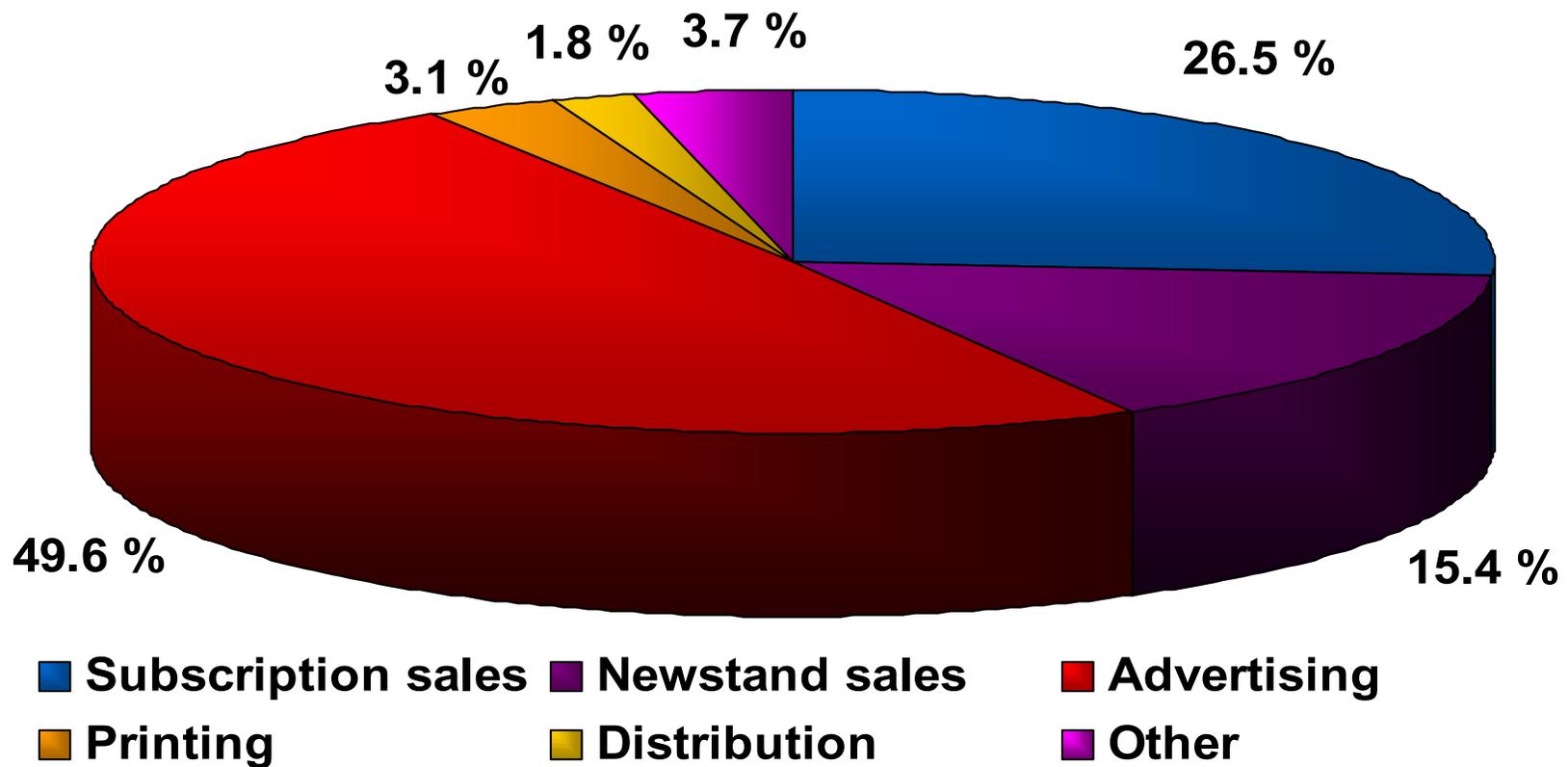
# Sanoma today

- **Sanoma Lehtimedia**
  - Leading publisher of regional dailies (4 titles) and local newspapers (8 titles) in southeast Finland.
  - Total circulation of subscription based titles 88,700 and local titles 33,100.
- **Commuter traffic media**
  - Uutislehti 100, 2<sup>nd</sup> in Metropolitan Helsinki commuter traffic media market, 230,000 readers.
- **Sanoma Print**
  - Sanoma has five modern printing plants with superb production capabilities.
- **Lehtikuva**
  - Leading picture agency in Finland.
- **Esmerk**
  - Producer of business intelligence information, both domestic and international markets.



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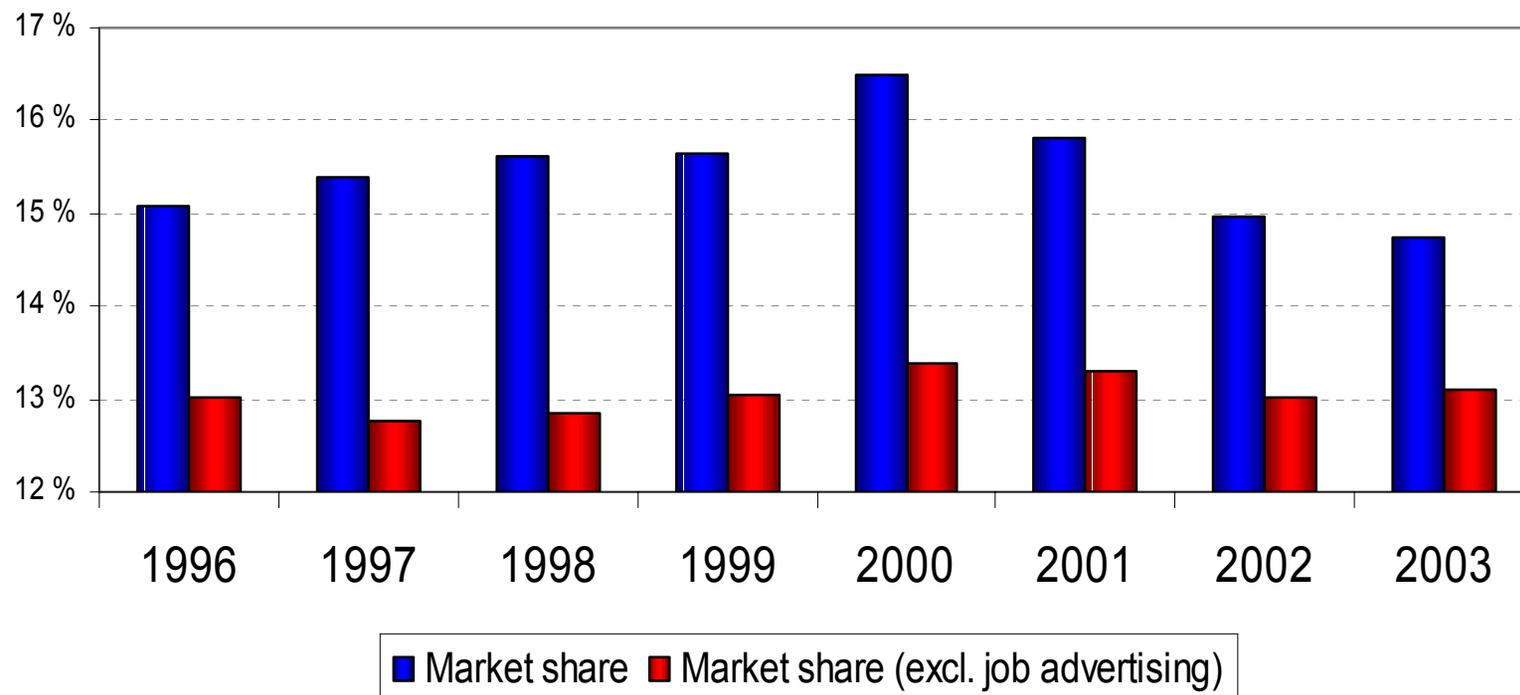
# Structure of sales



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# Media advertising market share

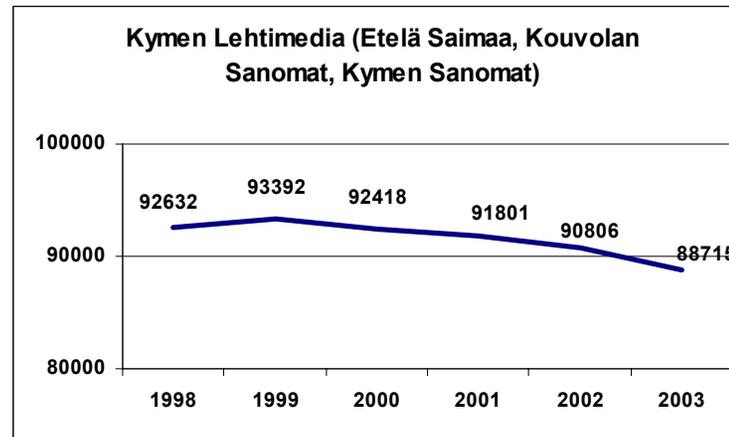
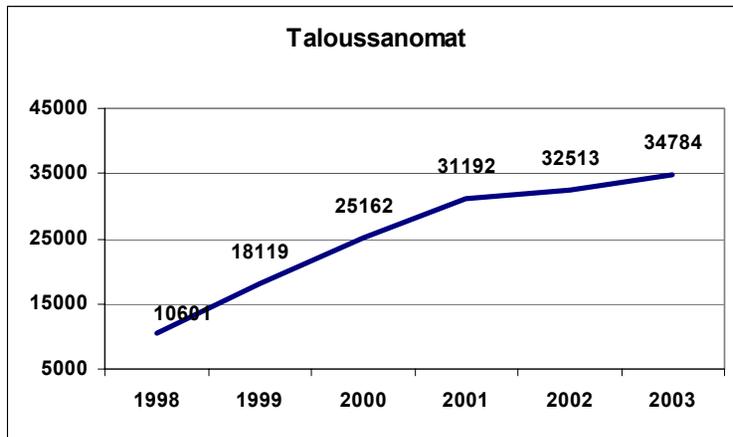
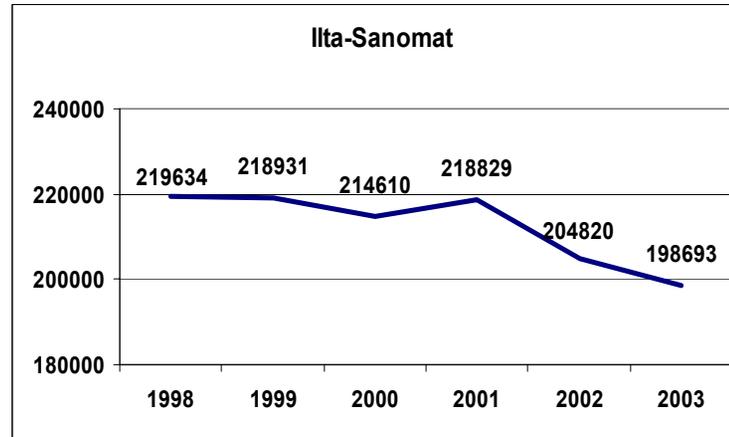
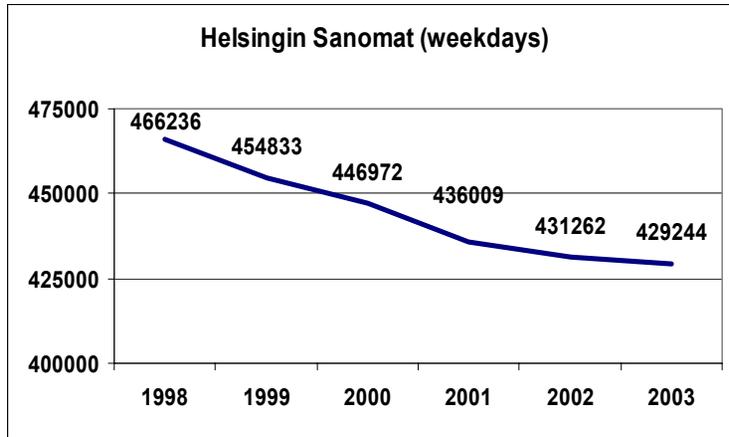
## Helsingin Sanomat



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# Circulation development

## Statistics



# Circulation development

## Comments

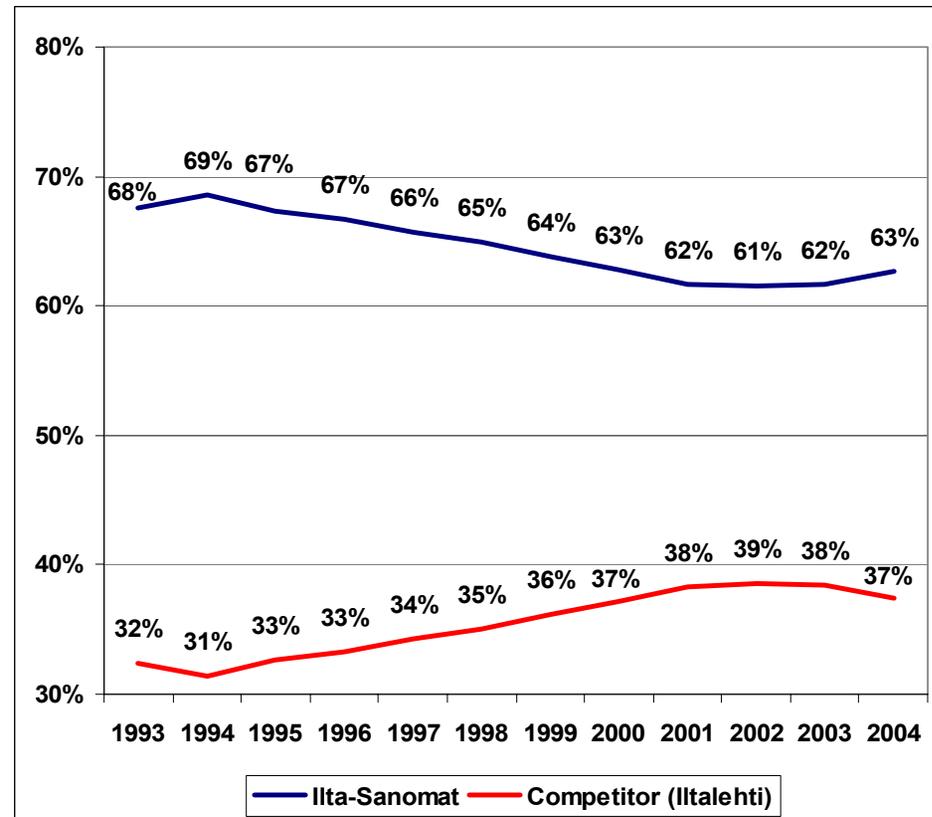
- In general newspaper readership has been falling in Finland and western Europe for some time.
- Especially newspaper reading has declined among young adults.
- In Helsinki Metropolitan area the coverage of Helsingin Sanomat has declined due to the rapid growth of the surrounding areas. However the coverage is still nearly 57%.



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# Quality tabloid market

- Ilta-Sanomat's market share\* has reached 63% in the early 2004
- Both Ilta-Sanomat and the competitor have introduced new weekly and monthly supplements in 2004



\* 12 month average  
(1-4/2004)

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# Challenges and opportunities

## Overview of strategic themes

1. Strengthening Sanoma's market position at the current markets
2. Seeking growth from new and current markets by product development, acquisitions and possible product launches
3. Improving operational excellence in journalism, marketing, printing and ICT-operations
4. Continuing divestments of non-core assets and building alliances especially at the printing operations
5. Adding value through SanomaWSOY's corporate synergies



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# Strong market position

## Helsingin Sanomat

- Maintaining Helsingin Sanomat as #1 advertisement media in Finland
- Maintaining Helsingin Sanomat as the largest subscribed newspaper in Finland and undisputable #1 in Helsinki Metropolitan area
- Strengthening Helsingin Sanomat's position at the core market (Helsinki metropolitan area) both in advertisement and subscriptions
- Improving Helsingin Sanomat's readership especially among young adults
- Developing Helsingin Sanomat's online services, target is to be the most profitable Finnish online service and to belong to top three players in unique visitors



# Strong market position

## IS Business Unit

- Maintaining Ilta-Sanomat as # 1 quality tabloid in Finland.
- Strengthening Ilta-Sanomat's position as the leading single copy sales title in Finland and increasing circulation sales e.g. by magazine brand extensions.
- Improving Ilta-Sanomat's role at the national advertisement and online market.
- Developing IS Business Units free ad newspapers to be an international c-to-c concept.
- Analysing the sports betting market and offering Ilta-Sanomat's sports and betting content to customers.
- Delivering Ilta-Sanomat's content to various channels.



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# New growth

## Sanoma Corporation

- Entering the free sheet market especially at the Helsinki Metropolitan area, first focus at the commuter traffic media
- Developing the current titles especially to the online market, one significant asset is the online classified service Oikotie
- Utilizing the editorial content also in electronic media, e.g. in television and online
- Monitoring acquisition targets firstly from Finland, e.g. regional newspapers, and later on from the SanomaWSOY countries



# Operational excellence

## Sanoma Corporation

- Maintaining the operational excellence in journalism, media and subscription sales and processes.
- Restructuring Sanoma and incorporating some operations to improve clarity and cost efficiency.
- Special focus in printing and ICT-operations.
- Critical analysis of the cost structure of all Sanoma's operative processes, including newsrooms and marketing functions.
- Sharply focused cost-cutting program.
- Continuing the divestments of non-core businesses.
- Increasing corporate co-operation in marketing, HR-policies, ICT-operations and content production.
- Strengthening brands by increasing marketing efforts especially in corporate channels.



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# Sanoma's Vision

- To be the leading in Finland and most profitable newspaper publisher in Northern Europe.
- To grow in selected businesses and markets in Northern Europe and SanomaWSOY countries.





**SANOMA**  
**CORPORATION**