

SanomaWSOY's Strategic Priorities

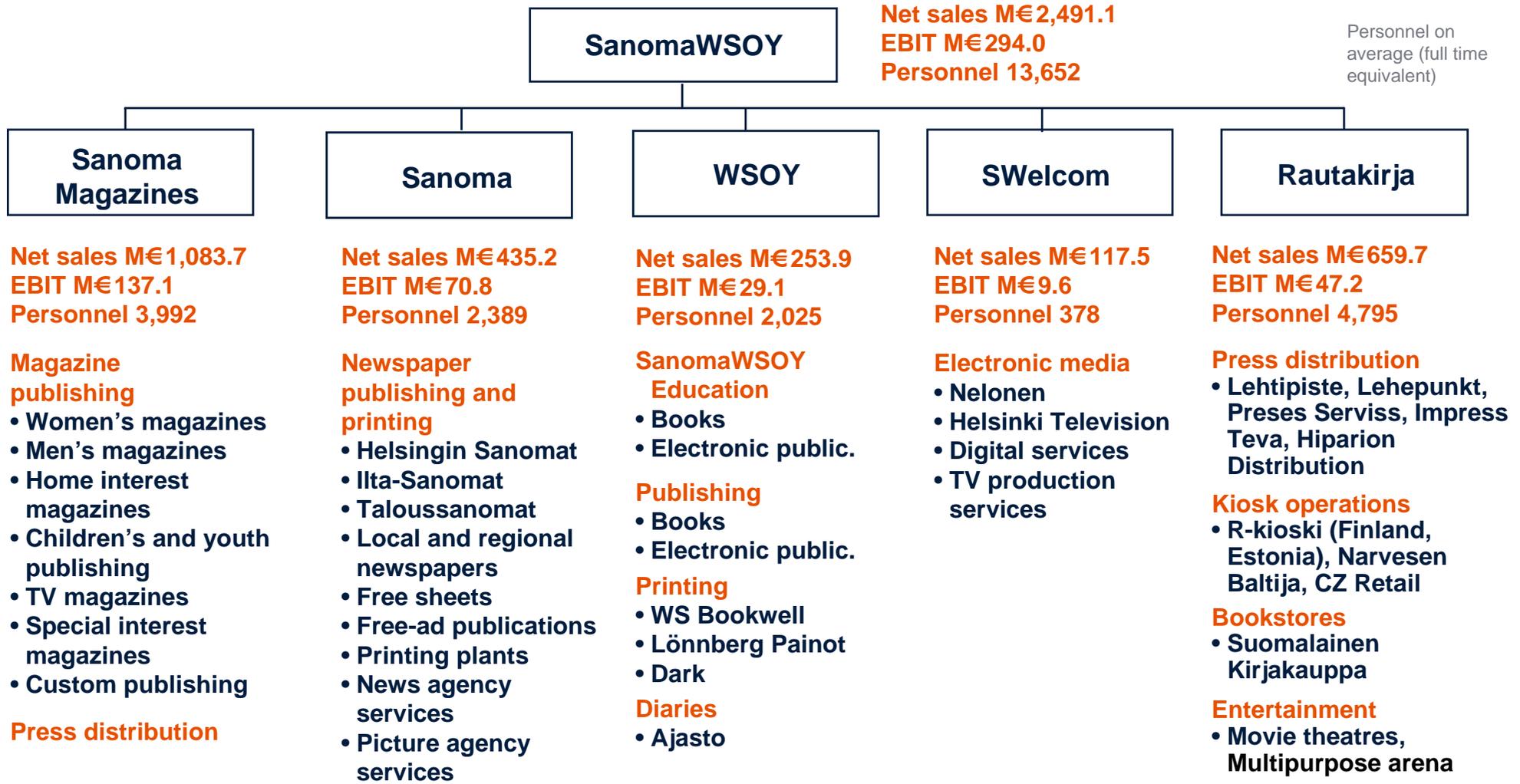
Hannu Syrjänen, President
CMD, 12 May 2005

SanomaWSOY



- The leading Nordic media group
- One of Europe's five largest magazine publishers
- Among Europe's six largest educational publishers
- Wide media portfolio in Finland, focused approach internationally
- Leading positions in the chosen markets
- Targeting smaller and mid-sized language areas and markets
- Growing media presence in 20 European countries

SanomaWSOY Group



Delivering our Promises

Delivering our Promises

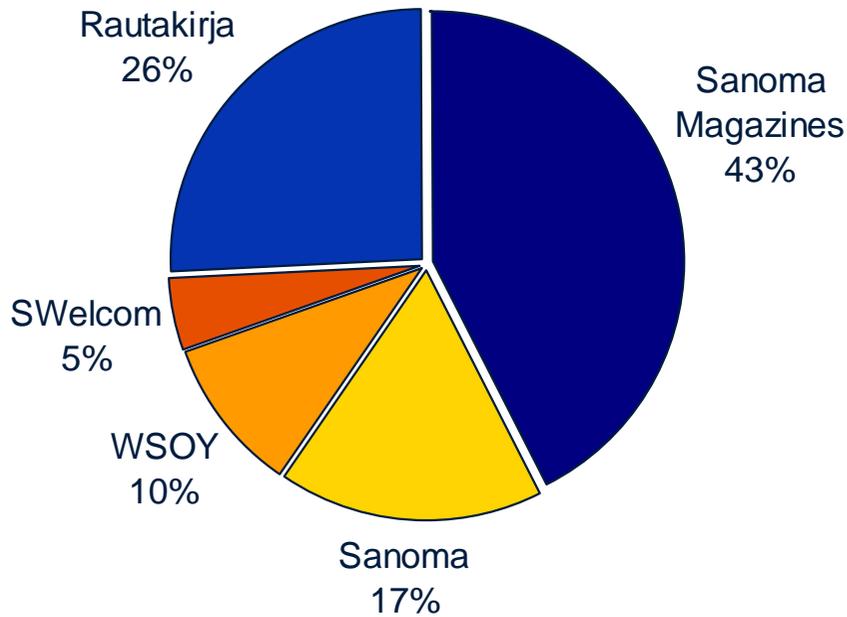
Key Strategic Objectives, Set in 2002

- To build a balanced portfolio, both in terms of businesses and markets
- To be a market leader in our chosen markets and business areas
- To build at least two strong international business areas
- To be a leading European magazine publisher
- To develop profitable products and services; including those that can be successfully expanded cross media or internationally.
- To increase the profitability of our present businesses and improve efficiency, for example through the use of information technology
- To divest non-core assets and businesses
- To promote excellent management practices and ensure that we have the ongoing support of our customers, employees, and shareholders

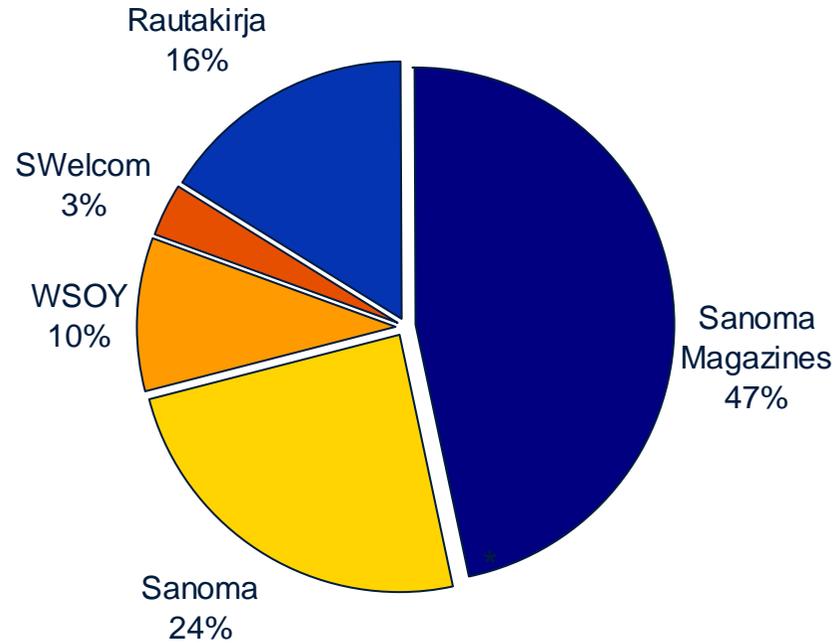
Net Sales and EBIT

By Division, 1-12/2004

Net sales €2,491 million



EBIT €294 million



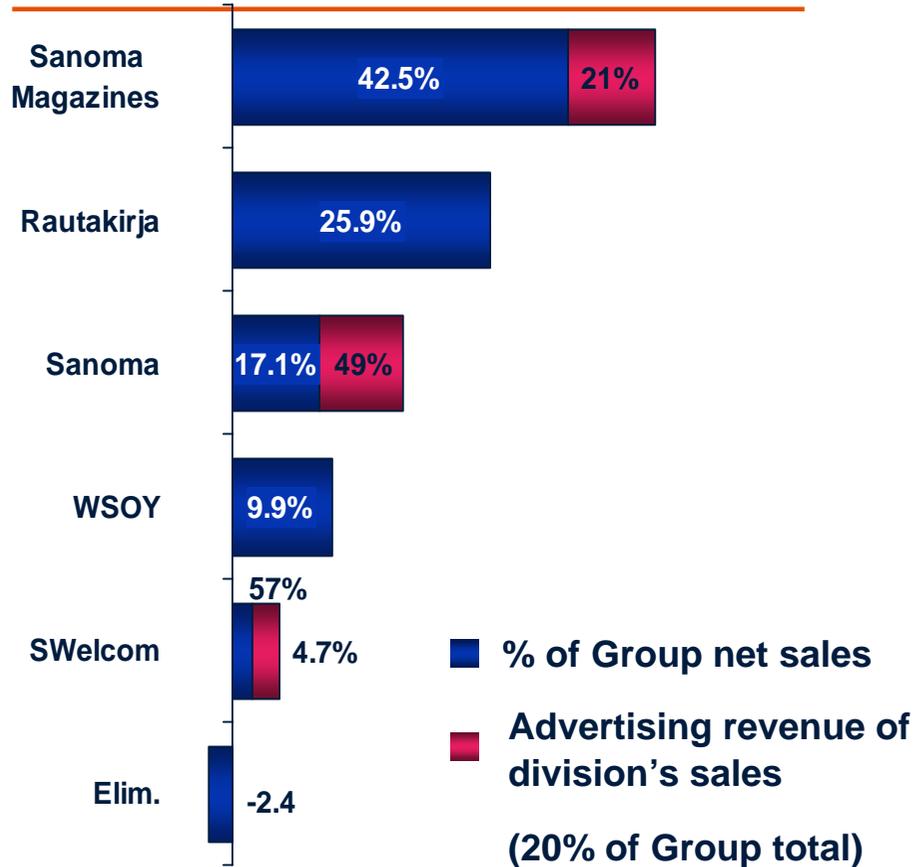
According to IFRS figures

Intracompany eliminations excluded

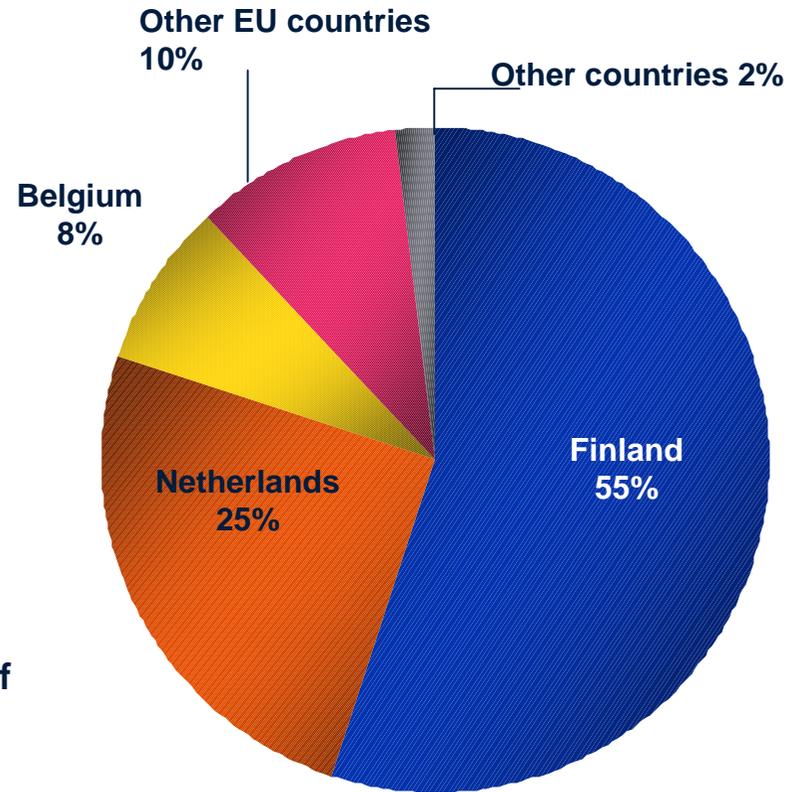
Y:Kalvo/IR/CMD 2005/Syrjänen

Balanced Composition of Net Sales

Divisional 2004A net sales breakdown

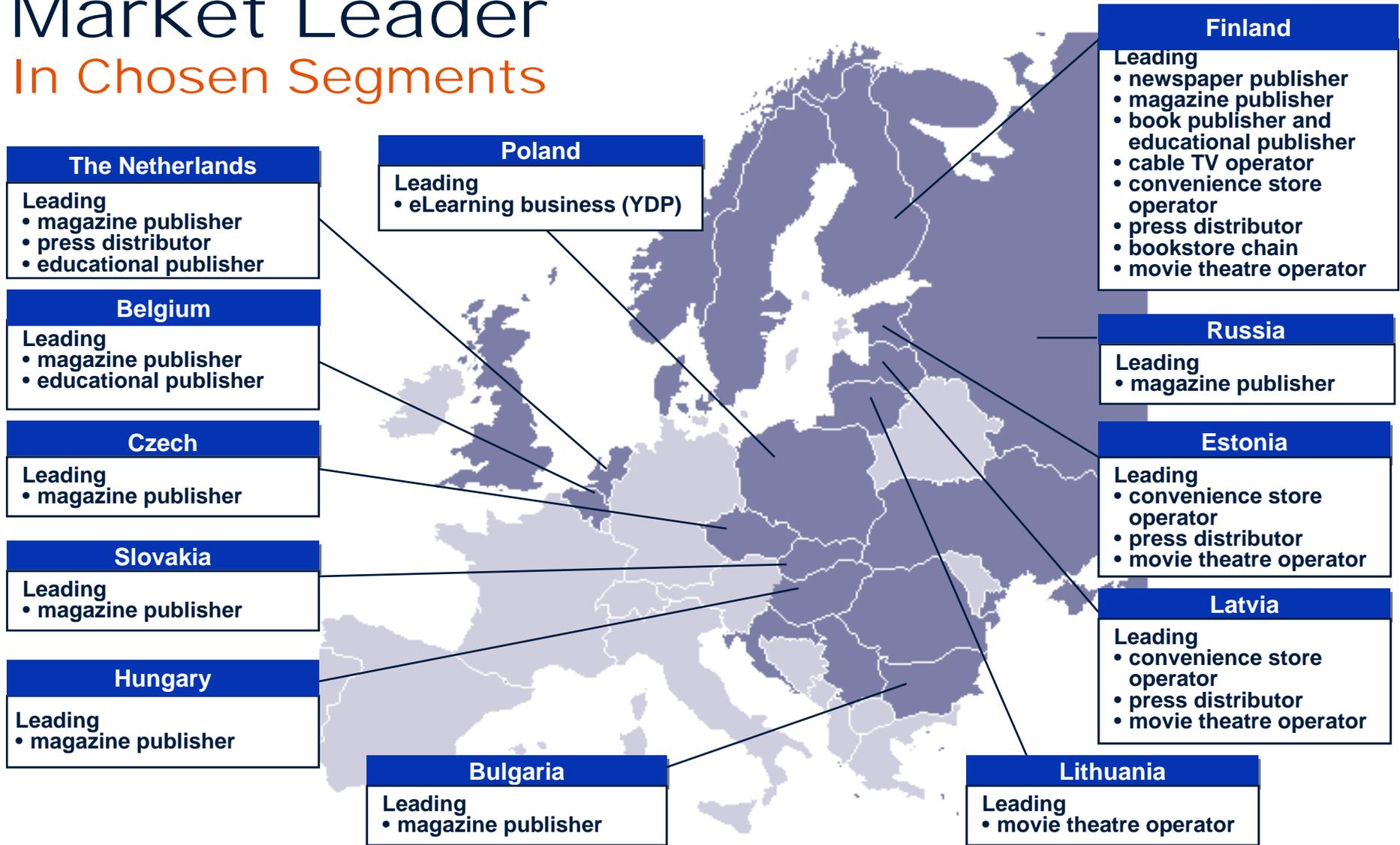


Geographic 2004A net sales breakdown



Y:Kalvot/IR/CMD 2005/Syrjänen

Market Leader In Chosen Segments



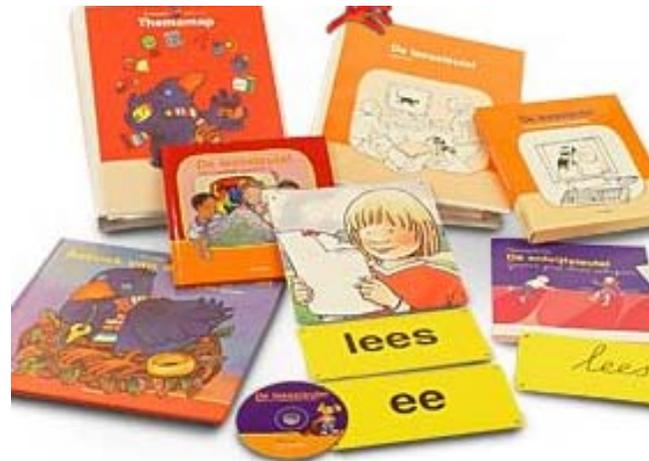
Spearheads of our International Business

Magazines



- 38% of the Group's net sales
- Operations in 12 countries

Educational Publishing



- 5% of the Group's net sales
- Operations in 4 countries

Press Distribution



- 8% of the Group's net sales
- Operations in 6 countries

Largest Magazine Publishers in Europe

Magazine net sales / €million, 2004

| | |
|------------------------------|-----------|
| 1. Grüner + Jahr | 2,439 * |
| 2. Hachette Filippachi Media | 2,120 |
| 3. Heinrich Bauer Verlag | 1,656 ** |
| 4. Sanoma Magazines | 1,084 |
| 5. Hubert Burda Media | 1,078 *** |

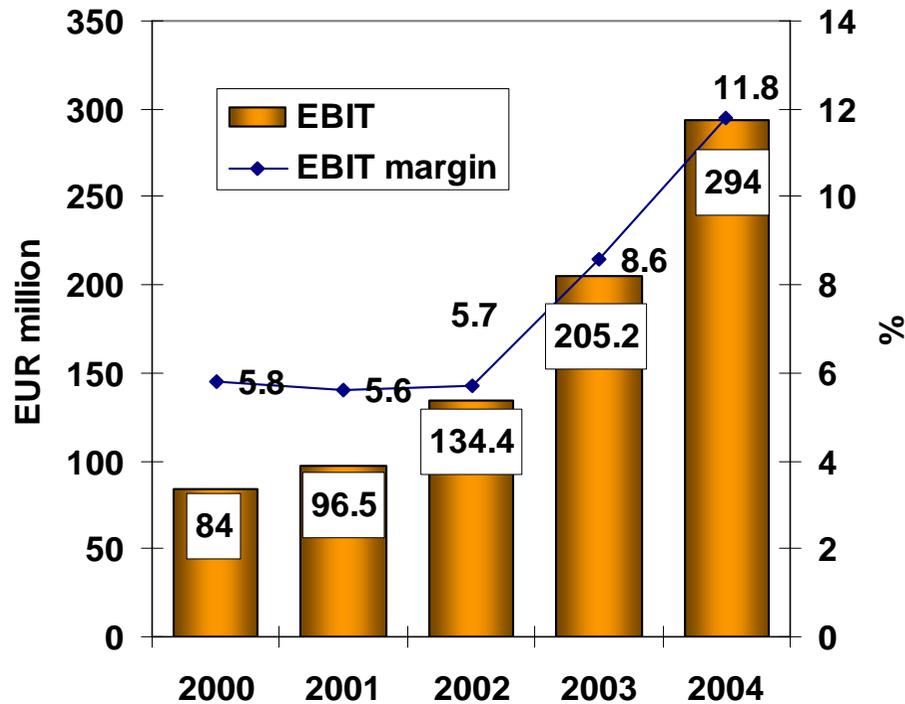
*incl. newspapers
**prel. figures
***2003
Source: Annual Reports, www-sites

Y:Kalvo/IR/CMD 2005/Syrjänen

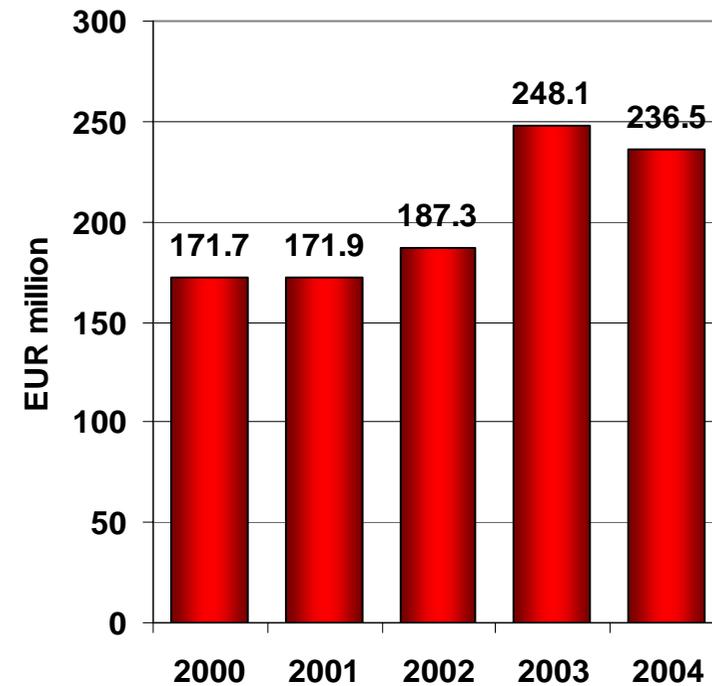
Operational Excellence

Dynamic and Profitable Growth

EBIT and EBIT margin



Cash flow from operations**



2000-2003 figures according to FAS, 2004 according to IFRS

** Cash flow from operations does not include capital expenditure

Y:Kalvo/IR/CMD 2005/Syrjänen

Divesting Non-core

Divestments since 2001

- Reitan Narvesen ASA
- BEAP, Blue Book
- Ecovision, StarDesk and StarWeb operations
- Dose
- Leijonajakelu
- A-pressen
- Janton
- Real estates and share portfolio
- Genimap
- Minority share holdings (Nettirahastot, Savon Mediat, Ilkka-Yhtymä, Euromedia, Pro Licensing Nordic etc.)
- Milvus
- Måndag
- Rautakirja's restaurant operations
- Kotkan Tietoruutu

Some EUR 570 million in total

Investing Core

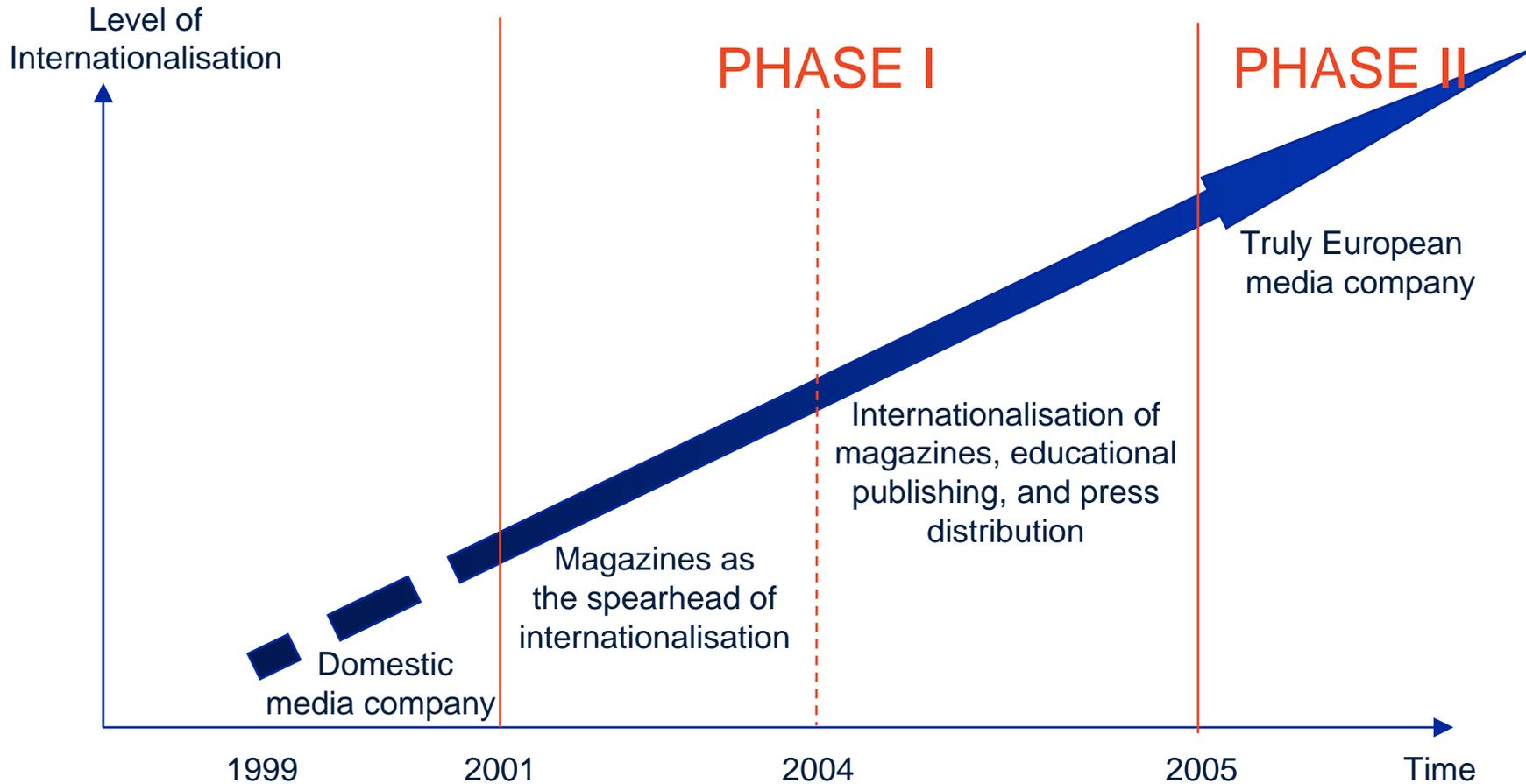
M&As since 2001

- Infosto
- Compad
- Press Agency Santa 52%
- CIG
- UAB Vingio kino teatras 90%
- Uutisvuoksi
- AS V&K Holding 75%
- Free sheets: Uutislehti 100, Kellokas, Hyvinkään Kellokas, Palvelulehti Itäväylä
- Hiparion Distribution 51%
- Malmberg Investments
- Büroodisain 30%
- UAB Impress Teva 51%
- Independent Media

Some EUR 1,900 million in total

Internationalisation

Phases of Internationalisation



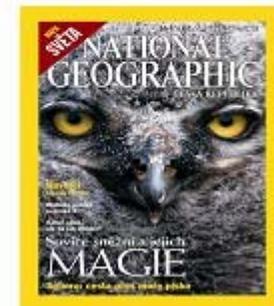
Y:Kalvo/IR/CMD 2005/Syrjänen

Truly International Media Company

- Operates in 20 European countries
- Expansion is based on business criteria
 - not anymore selected operations for internationalisation

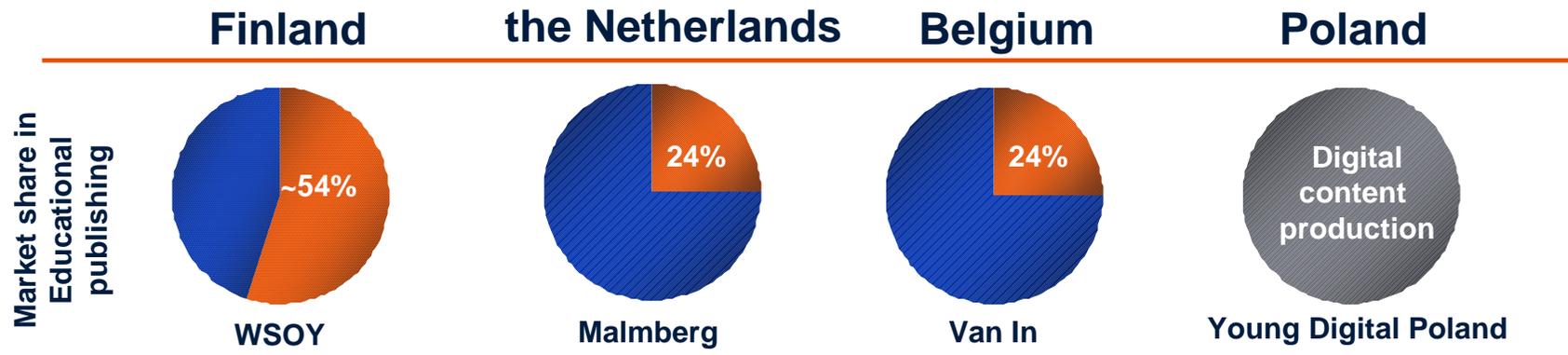
Why Magazines?

- Magazines are not influenced by national political or cultural issues
- Preferred international license partner:
 - Cosmopolitan, Elle, Disney, National Geographic...
- Own concepts, which can be internationalised:
 - Story, Beaumonde
- In Finland, a long tradition of custom publishing, which can be internationalised
- Magazines are perfect platforms for brand extensions
- Combination of magazines, internet sites, and virtual communities offers interesting new business opportunities



Why Educational Publishing?

- European educational publishing market is unconsolidated (no big players)
- Has great growth potential
 - harmonisation of curriculum
 - centralized digital content production
 - modularisation of educational materials
 - internet based services, eLearning
 - international licensing of educational materials
 - CEE countries are investing heavily in education

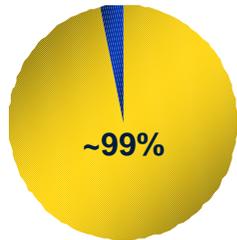


Y:Kalvo/IR/CMD 2005/Syrjänen

Why Press Distribution?

Market share in
Press distribution

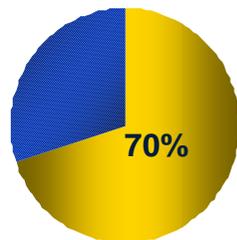
Finland



Lehtipiste

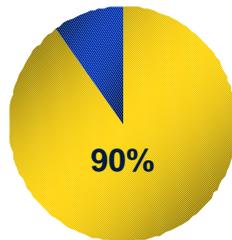
- Exportable press distribution and press retail knowhow
 - good, profitable business as such
 - leading position is the key
 - possibility to further develop with add-on business
- Supports magazine value chain
- Kiosk operations complement distribution in CEE countries

the Netherlands



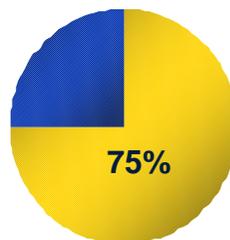
Aldipress

Estonia



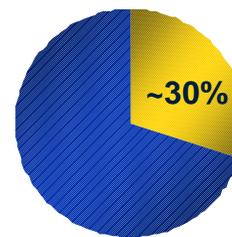
Lehepunkt

Latvia



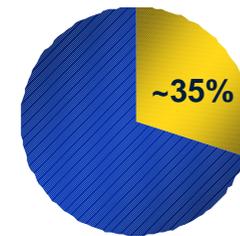
Preses Serviss

Romania



Hiparion

Lithuania



Impress Teva

Y:Kalvo/IR/CMD 2005/Syrjänen

Strategy and Objectives

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

Group's Financial Targets

| EBIT Margin (%) | FAS 2004 | IFRS 2004 excl. substantial non-recurring gains | IFRS 2004 | Group's strategic target |
|------------------|-------------|---|--------------|--------------------------------|
| Sanoma Magazines | 7.4 | 12.4 | 12.6 | |
| Sanoma | 16.3 | 13.7 | 16.3 | |
| WSOY | 11.5 | 11.5 | 11.5 | |
| SWelcom | 7.6 | 8.2 | 8.2 | |
| Rautakirja | 6.5 | 7.0 | 7.1 | |
| SanomaWSOY | 9.4 | 10.8 | 11.8 | 12.0 |

- Net sales grow faster than GDP in main markets
- Capex yearly level < EUR 100 million
- Equity ratio ~ 50%

Media Company of Opportunities

Our Vision

Our vision is to be the media company of opportunities and operational excellence.



Committed to the Future

www.sanomawsoy.fi