



Interim Report 1–3/2006

Matti Salmi
CFO
May 4, 2006

Advertising Expenditure

Forecast 2006–2008

2006 CAGR
USD million 06–08, %

2006 CAGR
USD million 06–08, %

FINLAND

• Newspapers	810	2.2
• Magazines	249	0.8
• Television	293	2.8
• Internet	48	5.3
<i>Total</i>	<i>1,510</i>	<i>2.2</i>

NETHERLANDS

• Magazines	1,091	0.8
• Internet	150	12.6
<i>Total</i>	<i>4,737</i>	<i>1.6</i>

BELGIUM

• Magazines	357	2.0
• Internet	67	12.0
<i>Total</i>	<i>3,137</i>	<i>3.1</i>

HUNGARY

• Magazines	275	5.6
• Internet	33	14.9
<i>Total</i>	<i>2,843</i>	<i>7.5</i>

RUSSIA

• Print media	1,640	13.0
<i>Total</i>	<i>6,556</i>	<i>18.8</i>

Source:
ZenithOptimedia,
April 2006

Y: Kalvot_HS/HS06/osavuositatsaus1_

Key Developments Q1/2006

Q1/2006

- WSOY acquired a major holding in the leading Hungarian educational group, Láng Kiadó és Holding Zrt
- WSOY acquired 51% holding in AAC Global, a language training and translation service provider

After the review period

- Combination of share series and the directed issue of shares



Key Figures

4

€ million	1–3/2006	1–3/2005	Change, %	2005
Net sales	612.5	582.1	5.2	2,622.3
Operating profit	45.6	48.9	-6.8	301.3
% of net sales	7.4	8.4		11.5
Operating profit excluding major non-recurring capital gains	43.9	44.9	-2.1	269.1
% of net sales	7.2	7.7		10.3
Balance sheet total	2,984.7	2,930.8	1.8	2,972.0
Capital expenditure	15.3	15.9	-3.8	93.8
Equity ratio, %	42.7	36.8		41.3
Gearing, %	71.7	99.1		72.8
Interest-bearing liabilities	920.5	1,061.3	-13.3	928.7
Net debt	851.6	1,002.2	-15.0	843.8
Earnings/share, €	0.21	0.22	-8.0	1.45
Cash flow from operations/share, €	-0.02	0.11		1.69
Equity/share, €	7.49	6.56	14.2	7.28
Market capitalisation	3,519.1	2,959.7	18.9	3,121.5
Personnel *	17,613	16,149	9.1	16,885

* Personnel under employment contract, average

Y: Kalvot_HS/HS06/osavuositaksaus1_

Sanoma Magazines

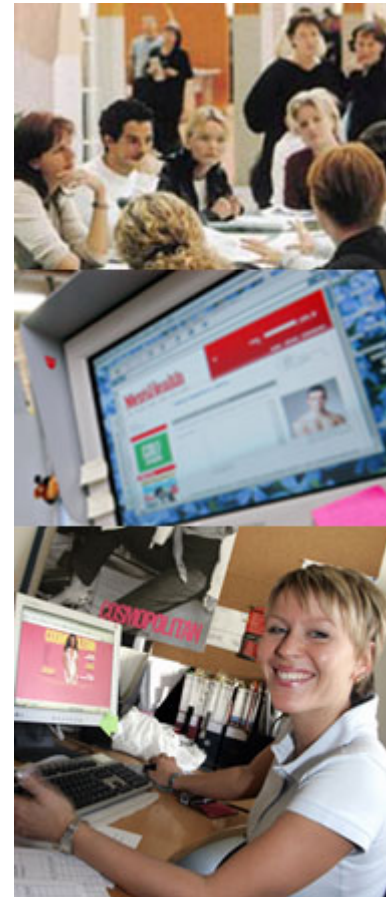
Key Developments

Q1/2006

- Launches
 - Test launch of women's weekly, Gloria, in Russia
 - Business magazine SmartMoney in Russia
 - Women's magazine Prevention in the Ukraine

After the review period

- Dick Molman appointed president of Dutch business



Sanoma Magazines

1-3/2006

6

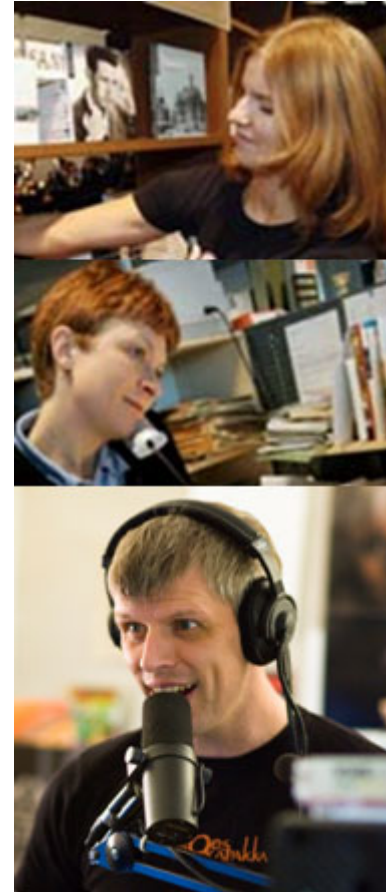
€ million	1-3/2006	1-3/2005	Change, %
NET SALES	278.2	259.5	7.2
Sanoma Magazines Netherlands	116.7	117.8	-0.9
Sanoma Magazines International	58.1	39.7	46.3
Sanoma Magazines Belgium	44.7	47.3	-5.4
Sanoma Magazines Finland	45.8	41.4	10.5
Aldipress	26.4	28.0	-5.7
Eliminations	-13.4	-14.7	
OPERATING PROFIT	23.5	25.5	-7.6
% of net sales	8.5	9.8	
Operating profit excluding major non-recurring capital gains	23.5	25.5	-7.6
% of net sales	8.5	9.8	
Capital expenditure	4.3	2.3	83.7
Personnel under employment contract, average	5,377	4,774	12.6

Y: Kalvot_HS/HS06/osavuositilauk1_

Sanoma Key Developments

Q1/2006

- Free sheets
 - Uutislehti 100 the most read free sheet in public transport around Helsinki Metropolitan Area
 - V launched for young active city dwellers
- Aina Group shares divested
- Keltainen Pörssi (classified ad publication) launched Autot (cars) special edition
- Strong development of online services
 - Unique visitors of Ilta-Sanomat, Huuto.Net and HS.fi increased heavily



Sanoma

1-3/2006

8

€ million	1-3/2006	1-3/2005	Change, %
NET SALES	112.6	108.6	3.7
Helsingin Sanomat	66.8	64.6	3.5
Ilta-Sanomat	22.3	22.1	0.7
Sanoma Lehtimedia	11.0	11.7	-6.2
Others	47.4	42.2	12.4
Eliminations	-34.9	-32.0	9.0
OPERATING PROFIT	16.1	13.9	15.8
% of net sales	14.3	12.8	
Operating profit excluding major non-recurring capital gains	14.5	13.9	3.9
% of net sales	12.8	12.8	
Capital expenditure	4.0	6.9	-42.9
Personnel under employment contract, average	2,598	2,730	-4.8

Y: Kalvot_HS/HS06/osavuositiedot

WSOY Key Developments

Q1/2006

- Major holding of Hungarian educational group, Láng Kiadó és Holding
- 51% holding of Finland's leading communication services provider of professional multilingual AAC Global
- Educational operations in Finland incorporated
- Malmberg signed a license agreement with Sesame Workshop for issuing the youth magazine Sesamstraat
- WSOY Business Information, Docendo and Evercreen combined into WSOYpro
- Several awards and citations in general literature



Láng

- The leading Hungarian educational group
- Pro forma net sales EUR 27.5 million in 2005
- Some 300 employees
- Láng consists of:
 - the leading educational publisher Nemzeti Tankönyvkiadó Rt (70.35%)
 - a very large product portfolio with over 2,300 titles; approximately half of these are included on Hungary's Ministry of Education's list of approved titles
 - one of the leading educational training companies Perfekt Zrt
 - training services include provision of courses e.g. in economics, finance, IT, and foreign languages to companies and individuals, some 20,000 customers yearly
- The acquisition is subject to the approval of the Hungarian competition authorities
- Expansion to CEE countries according to strategy



WSOY

1-3/2006

11

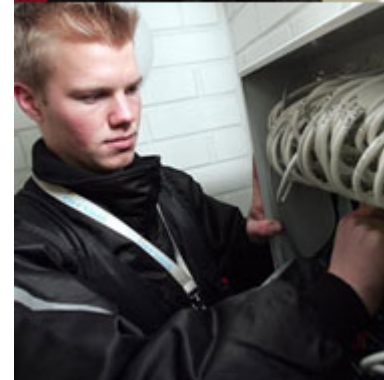
€ million	1-3/2006	1-3/2005	Change, %
NET SALES	45.4	48.3	-6.0
Educational publishing	15.3	12.8	19.7
Publishing	24.1	23.4	3.1
Others	10.3	16.0	-35.5
Eliminations	-4.4	-3.9	12.1
OPERATING PROFIT	-4.3	-7.1	-39.0
% of net sales	-9.5	-14.6	
Operating profit excluding major non-recurring capital gains	-4.3	-7.1	-39.0
% of net sales	-9.5	-14.6	
Capital expenditure	1.7	2.1	-19.2
Personnel under employment contract, average	2,039	2,368	-13.9

Y: Kalvot_HS/HS06/osavuositkaus1_

SWelcom Key Developments

Q1/2006

- Welho online Music Store launched
- Several multimedia concepts within Nelonen e.g. Unelmakämpä (The Block) and Funny Home Videos
 - The Funny Web Videos is Nelonen's first TV programme on the internet, based on user generated content



SWelcom

1-3/2006

13

€ million	1-3/2006	1-3/2005	Change, %
NET SALES	33.3	29.8	11.8
Nelonen	19.2	17.2	11.8
Others	14.3	13.0	10.3
Eliminations	-0.2	-0.4	-41.2
OPERATING PROFIT	3.2	2.7	19.4
% of net sales	9.7	9.1	
Operating profit excluding major non-recurring capital gains	3.2	2.7	19.4
% of net sales	9.7	9.1	
Capital expenditure	1.4	2.2	-35.5
Personnel under employment contract, average	435	415	4.8

Y: Kalvot_HS/HS06/osavuositaksaus1_

Rautakirja Key Developments

Q1/2006

- Integration of Lietuvos Spauda (kiosk chain) started
- Finnkino signed a rental agreement for new multiplex movie theatre in Jumbo shopping centre in Vantaa
- Number of movie theatre customers increased heavily
- Oiva point-of-sale system installation in all R-kiosks in Finland completed
 - e.g. domestic train tickets can be paid and collected from R-kiosk



Rautakirja

1-3/2006

15

€ million	1-3/2006	1-3/2005	Change, %
NET SALES	154.3	148.6	3.9
Kiosk operations	82.3	81.9	0.5
Press distribution	24.4	22.7	7.3
Bookstores	30.2	27.9	8.4
Entertainment	20.1	16.2	24.1
Others	0.0	2.5	-100.0
Eliminations	-2.6	-2.6	-0.5
OPERATING PROFIT	10.1	13.8	-26.7
% of net sales	6.6	9.3	
Operating profit excluding major non-recurring capital gains	10.1	9.8	3.1
% of net sales	6.6	6.6	
Capital expenditure	3.9	2.7	46.9
Personnel under employment contract, average	7,092	5,793	22.4

Y: Kalvot_HS/HS06/osavuositaksaus1_

Group's Outlook for 2006

Estimation:

- Net sales to increase by around 4%
- Operating profit, excluding the major non-recurring capital gains, to improve
- In 2005, operating profit, excluding these capital gains, totalled EUR 269.1 million.





Committed to the Future

www.sanomawsoy.fi