



Interim Report 1–9/2006

President and CEO Hannu Syrjänen

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Strategic Focus Areas

Growth and profitability

- Expansion in growth markets (digital media, CEE, Russia and other CIS countries)
- Efficiency efforts in all businesses (shared services and more efficient ICT enabled processes, well targeted cost cutting in low growth businesses)
- Value adding consolidation
- Controlled increase of investments to digital media in optimal pace and extent

Market leadership

- Value-adding market leadership in chosen businesses and markets
- One of the leading European magazine and educational publishers

Way of doing

- Respect for local cultures
- Customer driven product and service development
- Result-oriented, talented, and cooperative people
- Fast and flexible processes
- Group-wide cooperation, optimal use of the Group's scale and scope

ilse media in a Nutshell



- Leading Dutch online publisher with an overall reach of 69%
- Sales CAGR 2002–2005 38%
- Some key activities
 - Nu.nl
 - Leading news site in NL, over 200 million monthly page views, reach of 21%
 - Monthly page views and unique visitors grow with overall market growth
 - Startpagina
 - Most popular Dutch internet portal; attracts 4 million daily visitors; no similar competitor, reach of 48%
 - ilse.nl
 - #2 search engine in NL, reach of 10%
 - Kieskeurig
 - One of three most important Dutch product comparison sites, reach of 14%



Advertising Sales 2006–2008

EUR million	2006	CAGR 06–08,%
Finland		
Newspapers	662	2.5
Magazines	198	1.8
TV	244	2.4
Internet	41	10.4
Total advertising	1,232	2.8
The Netherlands		
Magazines	796	2.0
Internet	126	22.5
Total advertising	3,760	2.8
Belgium		
Magazines	278	4.2
Internet	85	30.6
Total advertising	2,581	4.8

EUR million	2006	CAGR 06–08,%
Hungary		
Magazines	207	7.9
Internet	32	22.0
Total advertising	1,947	11.2
Russia		
Print Media	1,289	16.0
Total advertising	5,120	29.2

The SanomaWSOY Group

Key Figures

EUR million	1–9/2006	1–9/2005	Change,%	1–12/2005
Net sales	1,999.8	1,887.3	6.0	2,622.3
Operating profit	218.5	221.6	-1.4	301.3
% of net sales	10.9	11.7		11.5
Operating profit excluding major non-recurring capital gains	214.3	200.2	7.0	269.1
% of net sales	10.7	10.6		12.34
Balance sheet total	3,181.3	2,919.8	9.0	2,972.0
Capital expenditure	51.4	51.5	-0.3	93.8
% of net sales	2.6	2.7		3.6
Equity ratio, %	39.9	38.5		41.3
Gearing, %	79.5	90.1		72.8
Interest-bearing liabilities	1,066.9	1,013.2	5.3	928.7
Net debt	947.5	953.1	-0.6	843.8
Earning/share, EUR	0.96	1.00	-3.6	1.45
Cash flow from operations/share, EUR	0.78	0.89	-12.0	1.69
Equity/share, EUR*	7.34	6.73	9.0	7.28
Market capitalisation	3,243.7	3,303.4	-1.8	3,121.5
Personnel**	18,277	16,773	9.0	16,885

Sanoma Magazines

Key Developments

- Acquisitions
 - a leading Belgian niche publishing house EPN
 - a leading publisher of golf related publications Wegener Golf
 - a leading Dutch product and price comparison site Kieskeurig.nl
 - holding in the leading website creator in the Czech Republic eStranky.cz
- Launches
 - Story in Bulgaria
 - HELLÓ V.I.P.! in Hungary
 - Sara in Finland (in Oct)
 - Felderhof in the Netherlands
 - Casa si Gradina (Home and Garden) in Romania
 - Femeia di Azi in Romania
 - National Geography in Bulgaria
 - WellnessCafe.hu in Hungary
- Restyling of Libelle and Margriet
- Dick Molman appointed CEO of Sanoma Uitgevers



Sanoma Magazines 1–9/2006

EUR million	1–9/2006	1–9/2005	Ch %
Net sales	878,9	830,3	5,8
Sanoma Magazines Netherlands	382,8	375,8	1,9
Sanoma Magazines International	175,7	143,6	22,4
Sanoma Magazines Belgium	136,7	136,4	0,2
Sanoma Magazines Finland	140,1	131,8	6,4
Aldipress	86,2	86,9	-0,8
Eliminations	-42,7	-44,2	-3,3
Operating profit	89,9	89,7	0,2
% of net sales	10,2	10,8	
Operating profit excluding major non-recurring capital gains	87,3	89,7	-2,7
% of net sales	9,9	10,8	
Balance sheet total	1 870,5	1 662,3	12,5
Capital expenditure	12,7	12,2	4,5
Personnel under employment contract, average	5 523	5 142	7,4

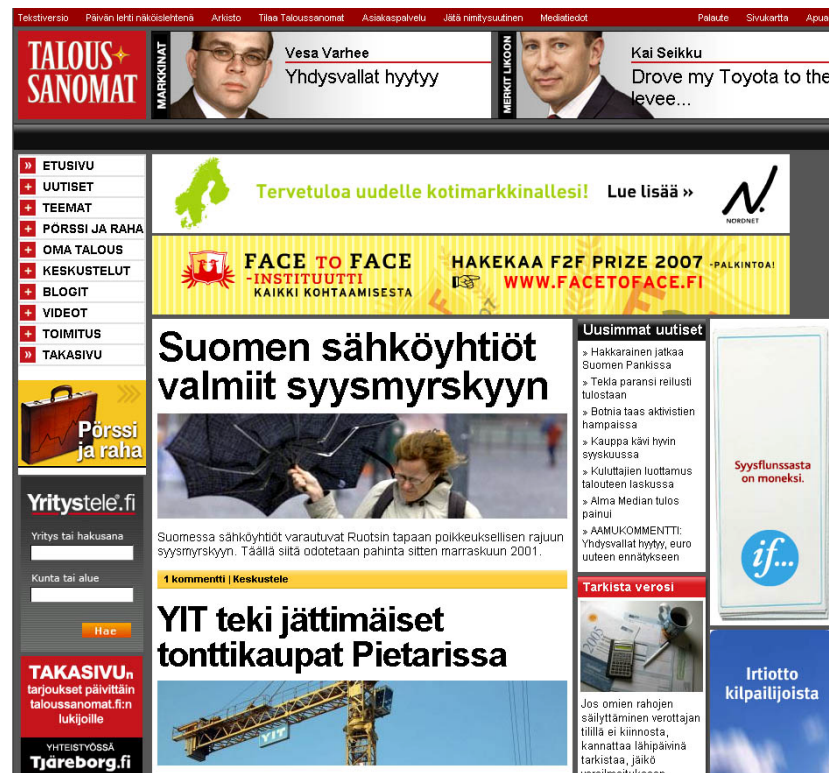
Sanoma

Key Developments

- Acquisition of free sheet Metro in Finland
- Taloussanomat strengthens its online presence
- Hannu Savola appointed Senior Editor-in-Chief of Ilta-Sanomat

After the review period

- Establishing Sanoma Digital business unit focusing on developing online products and services as well as online advertising sales



Sanoma 1–9/2006

EUR million	1–9/2006	1–9/2005	Ch %
Net sales	334,7	330,8	1,2
Helsingin Sanomat	195,9	192,4	1,8
Ilta-Sanomat	68,4	70,8	-3,3
Sanoma Lehtimedia	33,6	35,7	-6,0
Others	138,0	128,2	7,6
Eliminations	-101,2	-96,4	5,1
Operating profit	46,1	46,9	-1,7
% of net sales	13,8	14,2	
Operating profit excluding major non-recurring capital gains	44,5	45,9	-3,1
% of net sales	13,3	13,9	
Balance sheet total	501,4	472,1	6,2
Capital expenditure	11,3	16,5	-31,9
Personnel under employment contract, average	2 679	2 814	-4,8

SanomaWSOY Education and Books

Key Developments

- Malmberg acquired Aromedia and LDC Publicaties (career and study orientation and consultation companies in the Netherlands)
- Reorganisation of the Division
- Translation services as a new growth area

aromedia



SanomaWSOY Education and Books 1-9/2006

EUR million	1-9/2006	1-9/2005	Muutos, %
Net sales	245,8	229,1	7,3
Educational publishing	162,3	121,9	33,2
Publishing	65,2	59,5	9,5
Others	31,3	60,8	-48,5
Eliminations	-13,0	-13,0	-0,1
Operating profit	55,1	51,1	7,8
% of net sales	22,4	22,3	
Operating profit excluding major non-recurring capital gains	55,1	40,5	35,9
% of net sales	22,4	17,7	
Balance sheet total	588,7	507,7	15,9
Capital expenditure	6,9	5,5	26,0
Personnel under employment contract, average	2 353	2 420	-2,7

SWelcom

Key Developments

- Launch of Nelonen Web TV
- Nelonen's volume deal with Buena Vista
- Welho's number of connected households exceeded 300,000
- Selection of Welho broadband and TV services available in R-kiosks
- Preparations for radio operations
- Welho launched a mobile voice over IP service
- Welho launched a PCTV service where TV channels can be watched on PC or on screens connected to PC
- Welho to install some 100 WLAN spots ("Hotspots") in the Helsinki region
- Divestment of Werne



SWelcom 1–9/2006

EUR million	1–9/2006	1–9/2005	Ch %
Net sales	94,6	87,2	8,5
Nelonen	53,6	49,9	7,4
Others	41,3	38,4	7,6
Eliminations	-0,3	-1,1	-70,3
Operating profit	7,7	5,8	32,4
% of net sales	8,1	6,6	
Operating profit excluding major non-recurring capital gains	7,7	5,8	32,4
% of net sales	8,1	6,6	
Balance sheet total	145,5	142,1	2,3
Capital expenditure	7,9	5,3	49,6
Personnel under employment contract, average	439	423	3,8

Rautakirja

Key Developments

Movie theatre operations

- The lease contract of a 3-screen movie theatre in Espoo
- New movie advertising agreement with Clear Channel

Bookstores

- New bookstore outlets in Lohja and Salo in Finland, Tallinn and Pärnu in Estonia
- Divestment of Library Sales



Rautakirja 1–9/2006

EUR million	1–9/2006	1–9/2005	Ch %
Net sales	480,9	451,5	6,5
Kiosk operations	268,1	254,1	5,5
Press distribution	78,7	72,8	8,2
Bookstores	89,9	86,2	4,3
Entertainment	53,7	43,9	22,4
Others	0,0	2,6	-100,0
Eliminations	-9,4	-8,0	17,8
Operating profit	29,1	28,2	3,4
% of net sales	6,1	6,2	
Operating profit excluding major non-recurring capital gains	29,1	24,2	20,5
% of net sales	6,1	5,4	
Balance sheet total	423,5	381,8	10,9
Capital expenditure	11,6	11,7	-0,6
Personnel under employment contract, average	7 210	5 904	22,1

Group's Outlook for 2006

Outlook:

- 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 Future