



Annual General Meeting

Hannu Syrjänen

President

30 March 2004



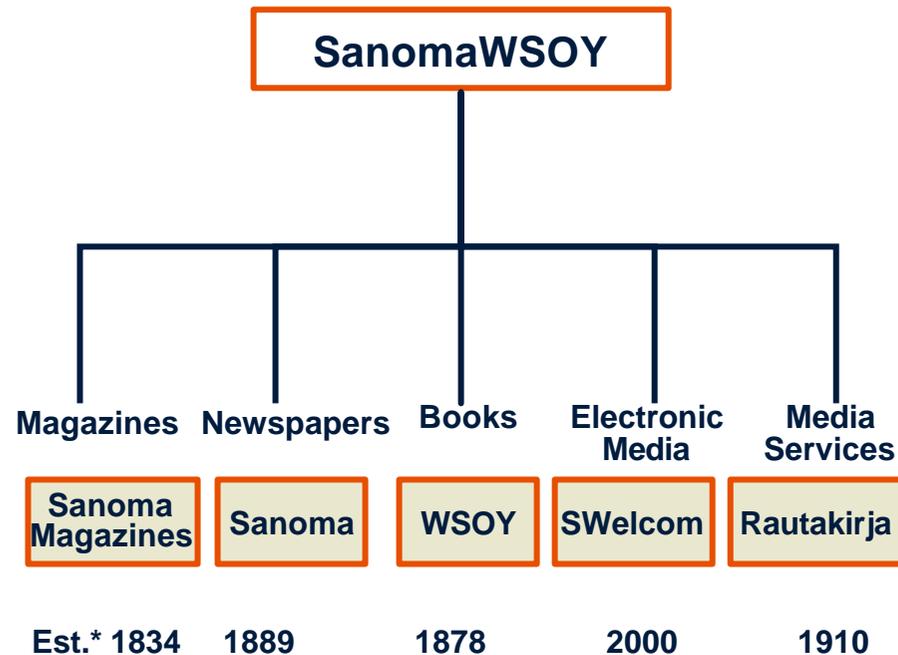
SanomaWSOY - result 2003

A growing European media company

with a market leading media portfolio in Finland

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Organisational structure



Key SanomaWSOY facts

- Leading Nordic media group
 - # 1 in Finland in all businesses except TV
- Among Europe's five largest magazine publishers – in leading position in the Netherlands, Belgium, the Czech Republic, Finland and Hungary
- Growing media presence in 16 European countries
- Net sales (2003) of €2.4 billion
- Operating profit (2003) of €205 million

* Sanoma Magazines International's oldest magazine in the Czech Republic, Kvety, established in 1834 and is still in portfolio.

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Key events in 2003

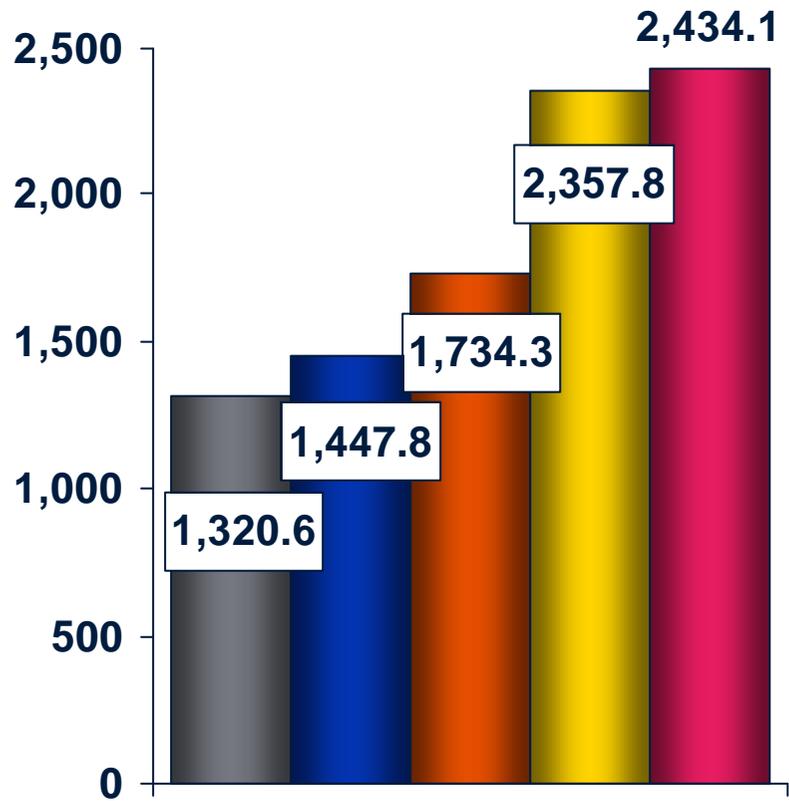
- Net sales grew by 3%, operating profit improved by 53%.
- Result before extraordinary items up by 53%.
- The most substantial non-recurring gains on the sale of assets some EUR 43.4 (34.9) million.
- Comparable EBIT improved in all divisions, cost control was successful.
- Balance sheet lightened to EUR 2,453.0 (2,592.5) million.
- Proposal to AGM: Dividend of EUR 1.00 (0.40) per share.

- Rautakirja merged into SanomaWSOY 3/2003.
- Holding in the Norwegian A-pressen sold 6/2003.
- Divestment of the operations of Leijonajakelu to Finland Post into effect 9/2003.
- 90% of Genimap sold 12/2003.
- Holding in Janton sold 12/2003.

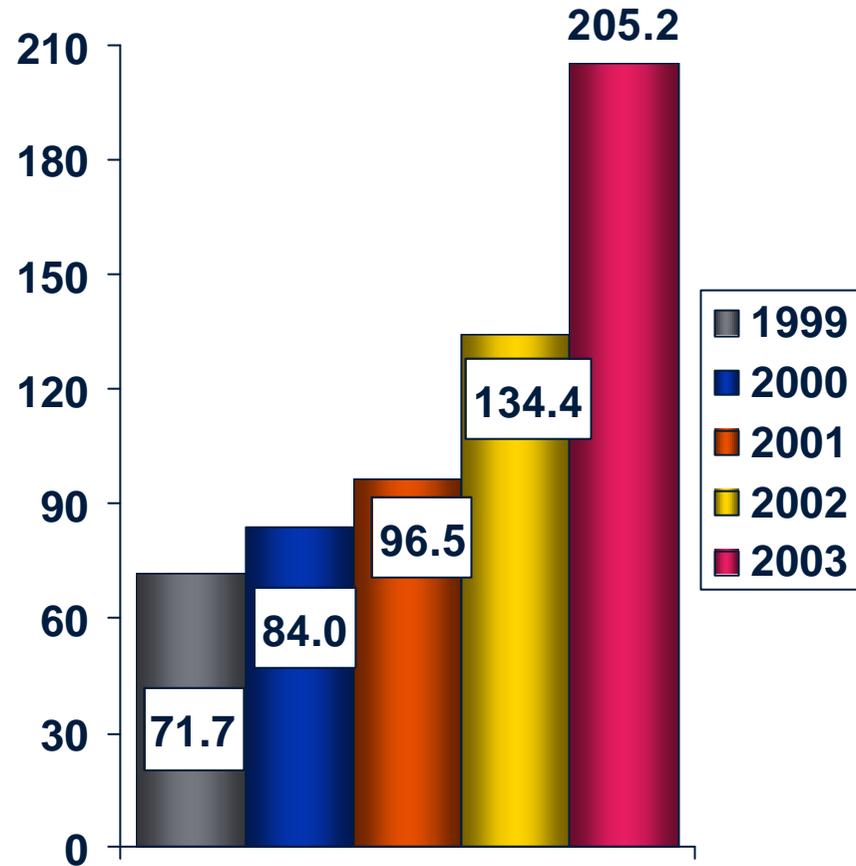
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SanomaWSOY Group

Net sales, €million



EBIT, €million



- 1999
- 2000
- 2001
- 2002
- 2003

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Group income statement

€ million	2003	2002	Change,%
Net sales	2,434.1	2,357.8	3.2
Other operating income and change in inventories	85.8	71.6	19.9
Share of result of associated companies	6.1	13.1	-53.2
Operating expenses	2,320.7	2,308.1	0.5
Operating profit	205.2	134.4	52.7
Financial income and expenses	-42.1	-27.7	52.0
Result before extraordinary items	163.1	106.7	52.9
Extraordinary items		6.1	
Result after extraordinary items	163.1	112.7	44.7
Direct taxes	-55.6	-64.2	-13.3
Minority interests	-3.0	-11.4	-73.8
Result for the period	104.5	37.2	181.2

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Group balance sheet

€ million	31.12.2003	31.12.2002	Change,%
Non-current assets, total	1,871.1	2,037.0	-8.1
Current assets, total	581.9	555.5	4.8
Shareholders' equity, total	1,102.9	996.3	10.7
Minority interest	16.3	130.6	-87.5
Statutory provisions	34.1	15.9	115.3
Liabilities, total	1,299.7	1,449.7	-10.3
Balance sheet, total	2,453.0	2,592.5	-5.4

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Key indicators

€ million	31.12.2003	31.12.2002	Change,%
Net sales	2,434.1	2,357.8	3.2
Operating profit before amortisation	334.1	269.2	24.1
% of net sales	13.7	11.4	
Operating profit	205.2	134.4	52.7
% of net sales	8.4	5.7	
Balance sheet, total	2,453.0	2,592.5	-5.4
Gross investments	94.8	113.5	-16.5
Equity ratio, % (incl. capital notes)	47.6	45.2	
Equity ratio, %	40.3	36.9	
EPS, €	0.69	0.22	208.4
Cash flow/share, €	1.65	1.33	23.8
Market capitalisation	2,554.9	1,319.1	93.7
Personnel under employment contract *	17,330	18,657	-7.1
Personnel on average **	14,207	15,210	-6.6

* Average
** Full-time
equivalents

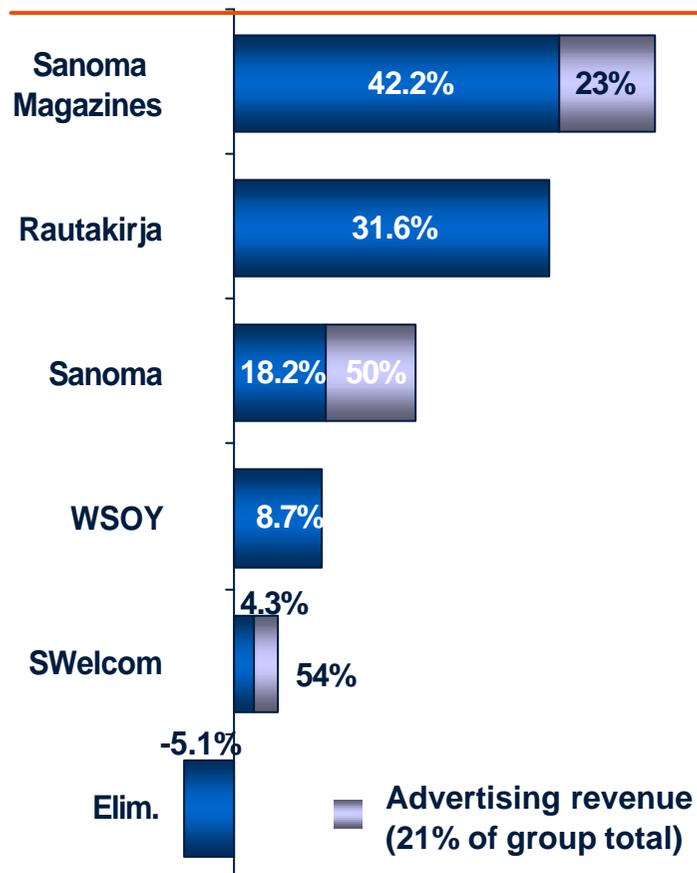
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Media environment

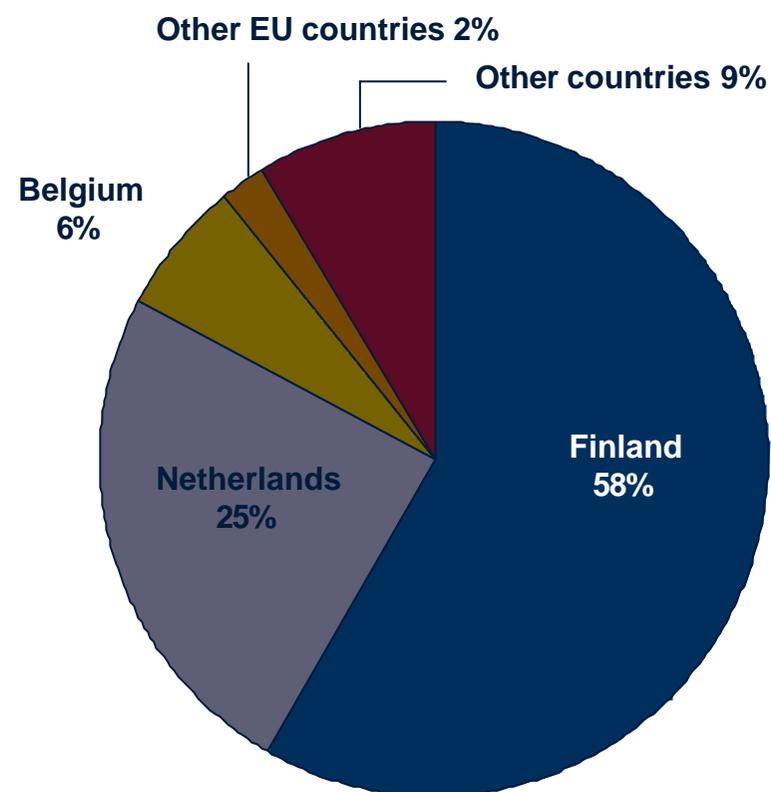
Balanced composition of net sales

Advertising revenue 21% of group net sales

Divisional 2003A net sales breakdown



Geographic 2003A net sales breakdown



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Advertising sales in Finland

€ million	2003	Change,%	Share,%
Newspapers and free sheets	595.8	2.8	55.2
Television	207.4	3.0	19.2
Magazines	178.3	-0.3	16.5
Radio	47.5	8.3	4.4
Outdoor	30.8	-3.4	2.9
Internet	17.1	13.9	1.6
Film	2.2	-5.5	0.2
Total	1,079.0	2.5	

Source:
Mainonnan
Neuvottelukunta,
TNS Gallup Adex

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Magazine advertising in Europe

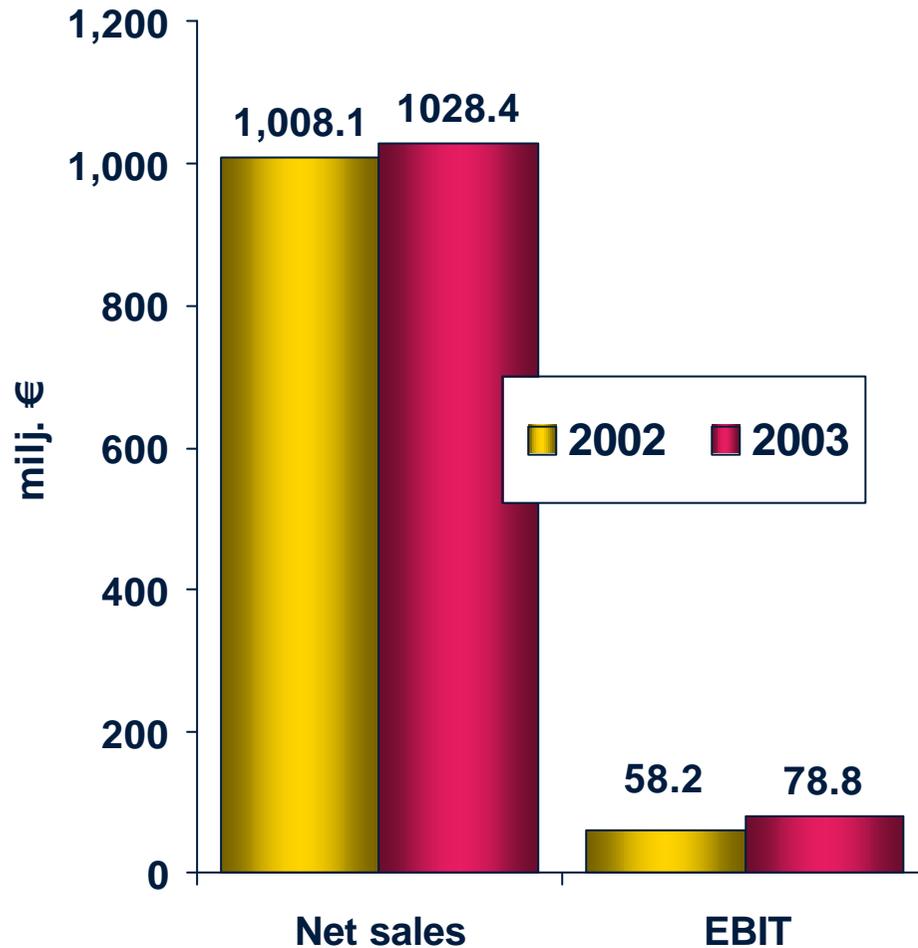
	Share of advertising sales	Change in 2002–2003
Belgium	12.5%	-0.5%
the Netherlands	23.7%	-10.3%
Finland	16.5%	-0.3%
the Czech Republic	19.9%	6.1%
Hungary	11.1%	9.5%

Source:
Zenith Optimedia
forecast, Finnish
data from TNS
Gallup Adex

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Divisions

Sanoma Magazines



Outlook 2004:

- Net sales are expected to grow, partly due to the new accounting principles.
- EBIT is expected to be on the same level as in 2003 despite heavy investments in growth in all major markets.

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Sanoma Magazines

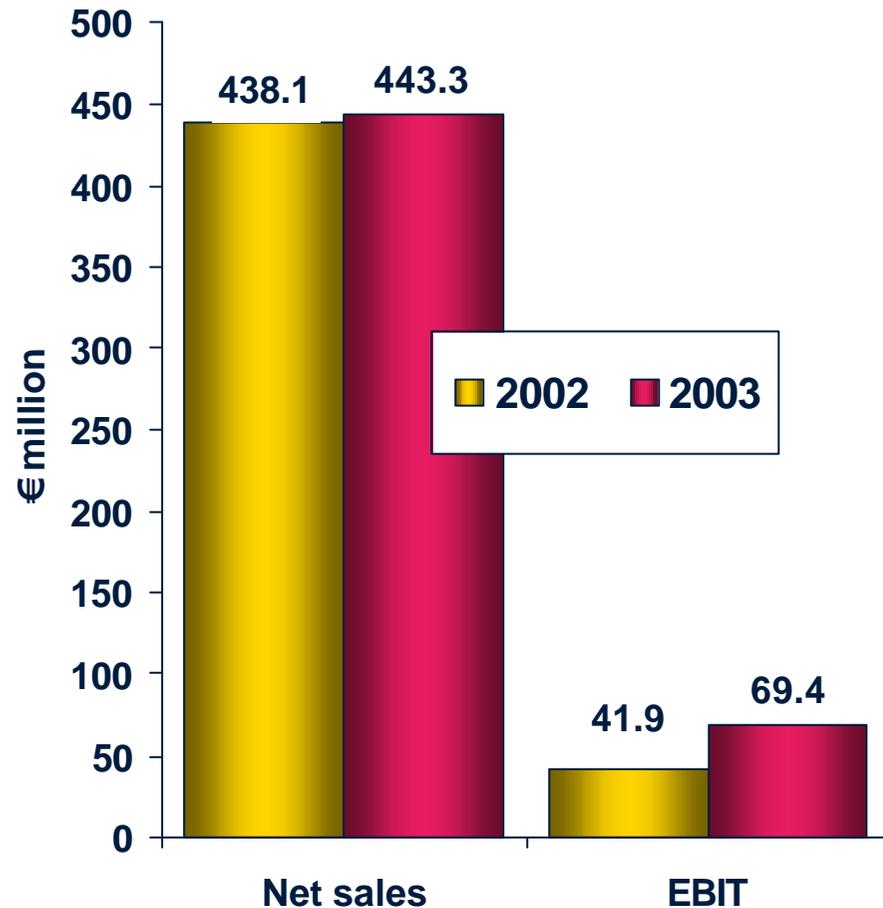
Successful integration – Strong year

- Successful integration process: enhancing operational efficiency, leveraging synergies and sharing best practices continues.
- Advertising market was down, but magazines performed well among readers.
 - Eight new launches
- Custom Publishing units established in the Netherlands, Belgium and the Czech Republic.
- Sanoma Magazines International began operations in Bulgaria on 1 January 2004.



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Sanoma



Outlook 2004:

- Comparable net sales are expected to grow in line with the general trend in the media market.
- The profit from basic business operations is expected to improve more than net sales, due to long-term development measures.
- Operating profit will fall short of the previous year's figure, as non-recurring gains on the sales of assets are not expected to reach the previous year's level in 2004.

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Sanoma

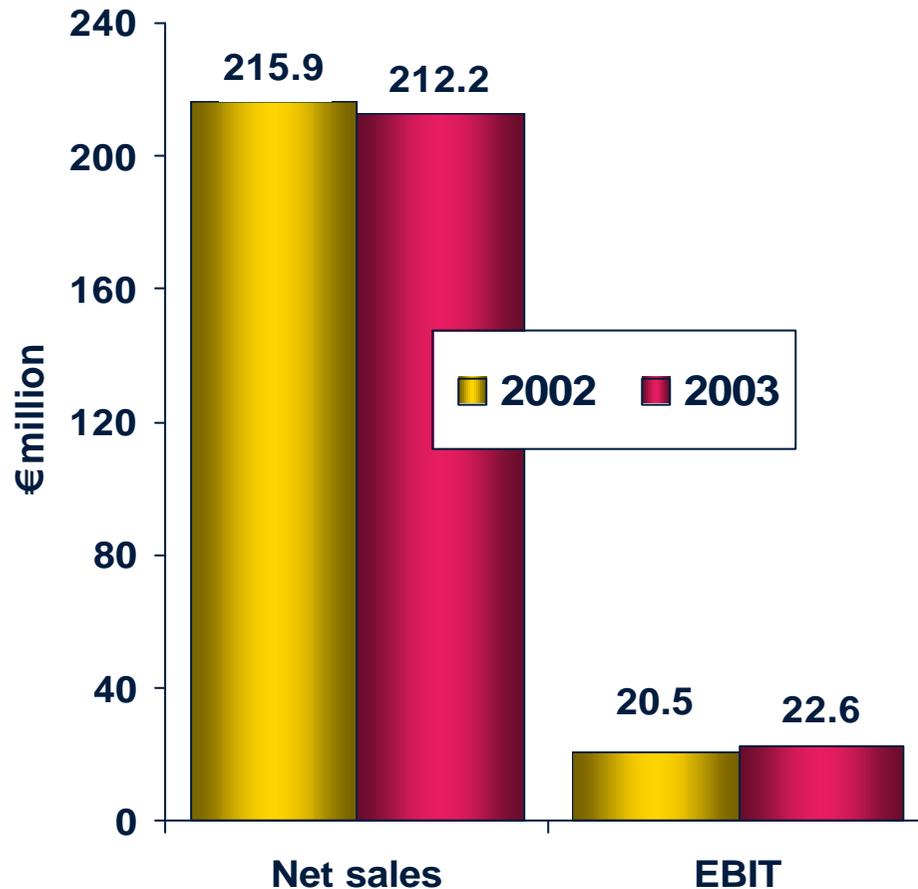
Profitability and enhanced operations

- Sanoma focused on improving profitability and enhancing operational efficiency.
- Strong journalistic year.
- Operations of Leijonajakelu, Janton and part of Ilkka-Yhtymä shares were sold.
- New printing plant in Sanomala became operational.
- Redesign of Helsingin Sanomat, its on-line supplement, Taloussanomat, IS Business Units brands.
- Co-operation with e.g. Nelonen (IS Sport News) widened in February 2004.



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WSOY



Outlook 2004:

- Net sales are expected to grow from previous year in line with the improving operating environment.
- Growth in results will continue – solid market positions and profitability improvement measures will enhance the increase.

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WSOY

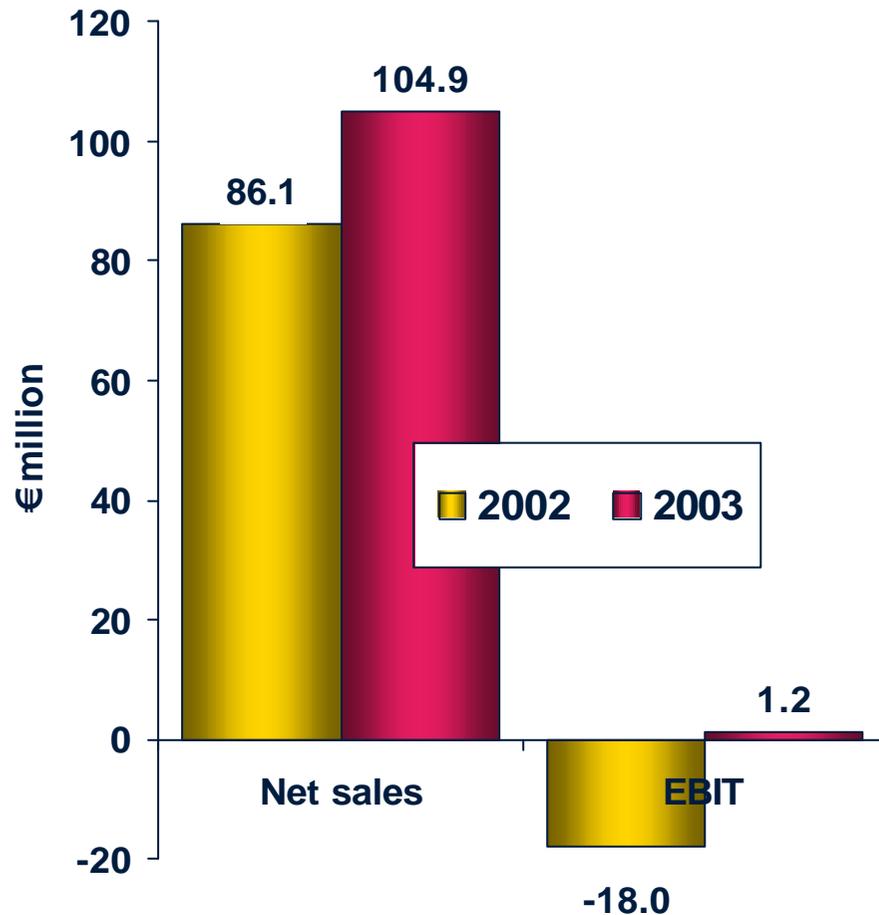
125 years in publishing

- WSOY celebrated its 125th anniversary.
- Good year for Finnish fiction:
 - Finlandia Prize: Pirkko Saisio, *'The Red Book about Separation'*
 - Tieto-Finlandia Prize: Elina Sana, *'The Extradicted'*
 - Runeberg Prize: Rakel Liehu, *'Helene'*
 - Nordic Counsel's award: Kari Hotakainen, *Juoksuhaudantie*
- Opit learning service doubled its users and made long-term agreements with several cities. (Some 100,000 users in March 2004).
- WSOY sold Genimap.
- Young Digital Poland a subsidiary in March 2004.



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SWelcom



Outlook 2004:

- Net sales are expected to grow substantially due to the increase in Nelonen's advertising sales, sales of HTV's connections and the popularity of the broadband services.
- Operating profit is expected to improve further despite growing investments.

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SWelcom

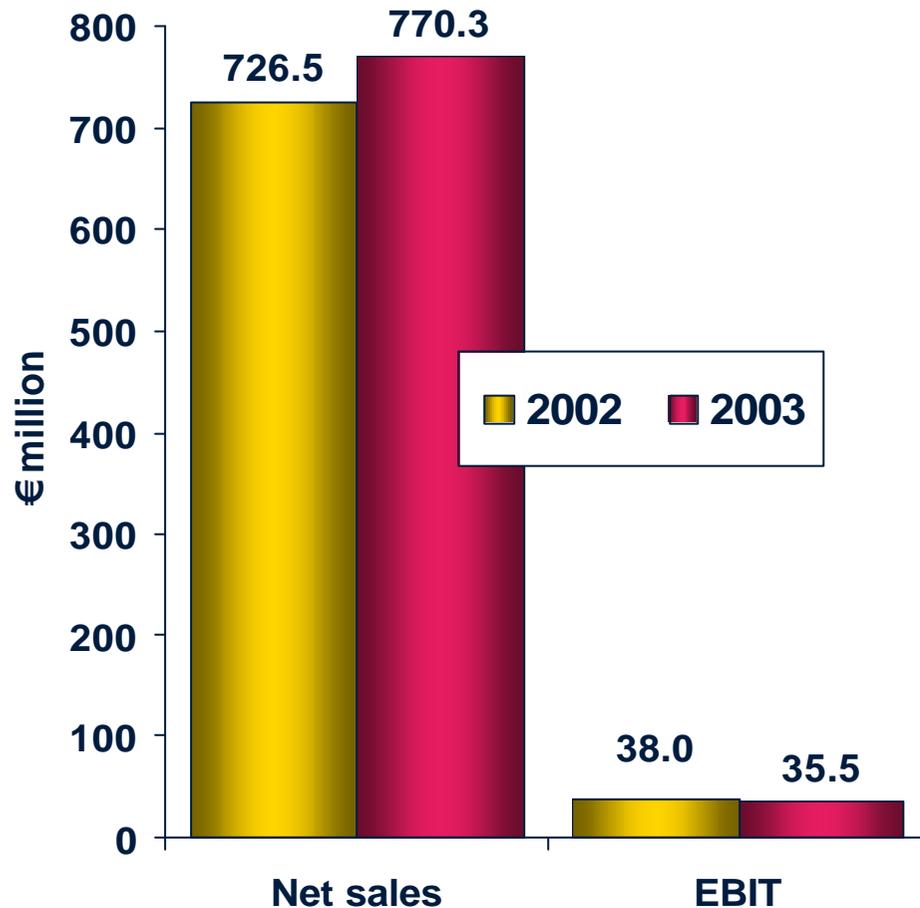
Year of success

- Excellent year: considerable improvement in performance and SWelcom posted a profit.
- Nelonen's sales increased by nearly 15%.
- Nelonen became the second most-watched in the target group important to advertisers (aged 10–44).
- Broadband internet connections increased by 40%.
- Number of households connected to cable network continued to grow, 257,000 connected households at the end of the year.



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Rautakirja



Outlook 2004:

- Comparable net sales are expected to grow more than wholesale and retail business in general.
- Operating profit is expected to improve.

y/kalvot/kalvot/hs04/AGM

Rautakirja

Growth from international expansion

- Rautakirja merged into SanomaWSOY 1.3.2003
- Kiosk operations developed, operations launched in the Czech Republic.
- Press distribution in Finland successful. Operations in Estonia and Latvia were further developed.
- Especially non-fiction and fiction sold well. Suomalainen Kirjakauppa expanded through acquisitions.
- Finnkino opened new multiplexes in Lithuania (2 theatres), Latvia and Finland. Finnkino's ticket service Kinolippu to co-operate with Finnish Lippupalvelu.



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Targets

Strategic objectives

Focus on growth, cash generation and being #1

Growth

- To build a balanced business and market portfolio, that ensures sustainable growth and profitability.
- To internationalise 1–2 additional businesses step by step.
- To develop profitable new products and services; including those that can be successfully expanded cross-media or internationally.

Business practises

- To continuously promote best management practices.

Market leadership

- To be a market leader and successfully leverage that leadership in our chosen businesses and markets.
- To be a leading European magazine publisher.

Costs

- To increase the profitability of our present businesses and improve efficiency
- To divest non-core assets and businesses.

Financial targets

Heading for better profitability

Operating profit (EBIT) margin, %

	1999	2000	2001	2002	2003	Target
Sanoma Magazines	3.5*	6.4*	10.5	5.8	7.7	9.0
Sanoma	11.1	12.2	9.4	9.6	15.6	12.5
WSOY	11.1	9.0	8.6	9.5	10.6	12.0
SWelcom	-33.1	-21.3	-28.8	-20.9	1.1	7.5
Rautakirja	5.7	5.6	6.1	5.2	4.6	6.0
SanomaWSOY	5.4	5.8	5.6	5.7	8.4	9.0

- Net sales are expected to grow slightly, comparable EBIT is expected to grow.
- At least 1/3 of group's cash flow from operations distributed as dividends.
- Capex yearly basic level < €100 million.
- Equity ratio 50%.

* Includes only
Sanoma
Magazines
Finland

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Emphasis in 2004

- Profitability
- Internationalisation
- Growth
- Development
 - Personnel
 - Focusing
 - Divestments
 - Critical investment approach
 - New structures



Committed to future.