

SanomaWSOY

Q1/2003

Hannu Syrjänen
President & COO

8 May 2003

Finland's largest media companies

<u>Net sales / € million</u>	<u>2001</u>	<u>2002</u>
SanomaWSOY Group	1 730,0	2 358
Alma Media Group	478,3	486
YLE - Finnish Broadcasting Company	380,9	375
TS Group Ltd	276,0	
Otava Books and Magazines Group Ltd.	208,9	219
Edita Group	178,9	160
Talentum Group	106,7	115
A-lehdet Group	77,1	
Pohjois-Karjalan Kirjapaino Group	53,3	49
Ilkka Group	52,6	66
Janton Media Group	49,7	53
Keskisuomalainen Group	49,6 *	90

* pro forma net sales 2001: 90.7 MEUR, Savon Mediat Oy is part of Keskisuomalainen from November 22, 2001.

Sources:
Annual Reports,
financial
statements

Y: Kalvo/HS03/interimreport1

The largest media companies in the Nordic Region

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Corporate net sales/€ million		2001	2002
SanomaWSOY Group	Finland	2 321 *	2 358
Bonnier AB	Sweden	1 810	1 925
Egmont	Denmark	1 141	1 200
Schibsted A/S	Norway	1 025	1 012
Orkla Media	Norway	937	910
MTG	Sweden	688	662
Alma Media Group	Finland	478	486
Carl Allers Etablissement	Denmark	443	469
Danmarks Radio	Denmark	442	412
NRK	Norway	407	
Sveriges Television	Sweden	406	
Oy Yleisradio Ab	Finland	381	375
A-pressen	Norway	289	311

* Pro forma

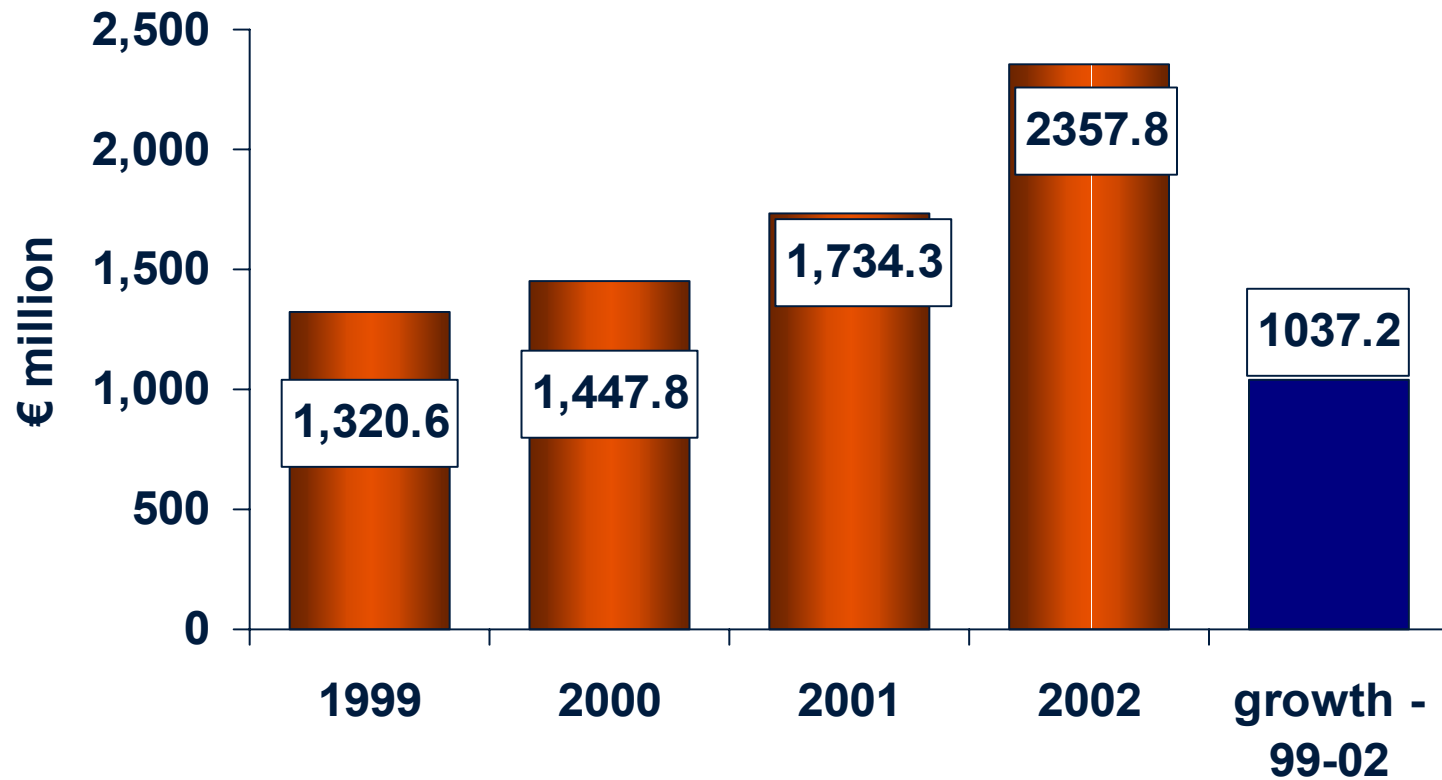
Exchange rates as of 28.12.2001, 8.4.2003

Sources: Annual Reports, financial statements, Balance Consulting

Y: Kalvo/HS03/interimreport1

Strong growth

SanomaWSOY's net sales and growth of net sales in 1999-2002



Y: Kalvot/HS03/interimreport1

Key developments 1–3/2003

- The comparable operating result improved
- The impact of financial income has decreased. In line with the strategy, share portfolio was realised significantly during the years 2001 and 2002.
- Balance sheet lightened, strong cash flow
- Equity ratio continued to increase
- Cautious investments
- Weak advertising market
- Rautakirja merged into SanomaWSOY on 1 March

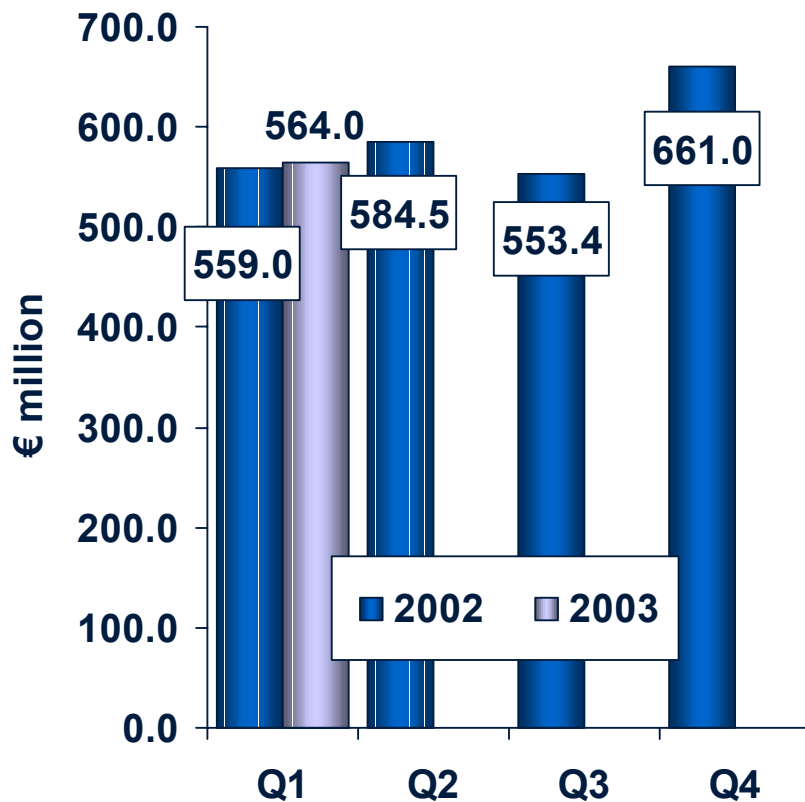
After the period:

- Dividend was paid on 10 April (0.40 €/share)
- Share capital was decreased by over € 8 million by invalidating Sanoma's and WSOY's SanomaWSOY Series B shares
- Sanoma divested the operations of its distribution company Leijonajakelu Oy to Finland Post

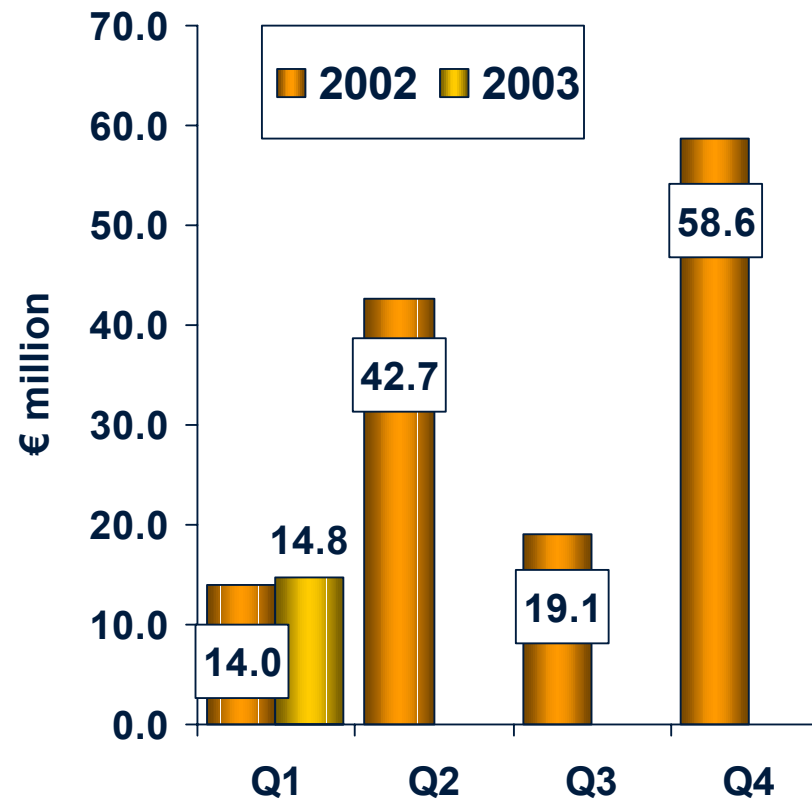
SanomaWSOY Group

By quarters 1/2

NET SALES



OPERATING PROFIT (EBIT)

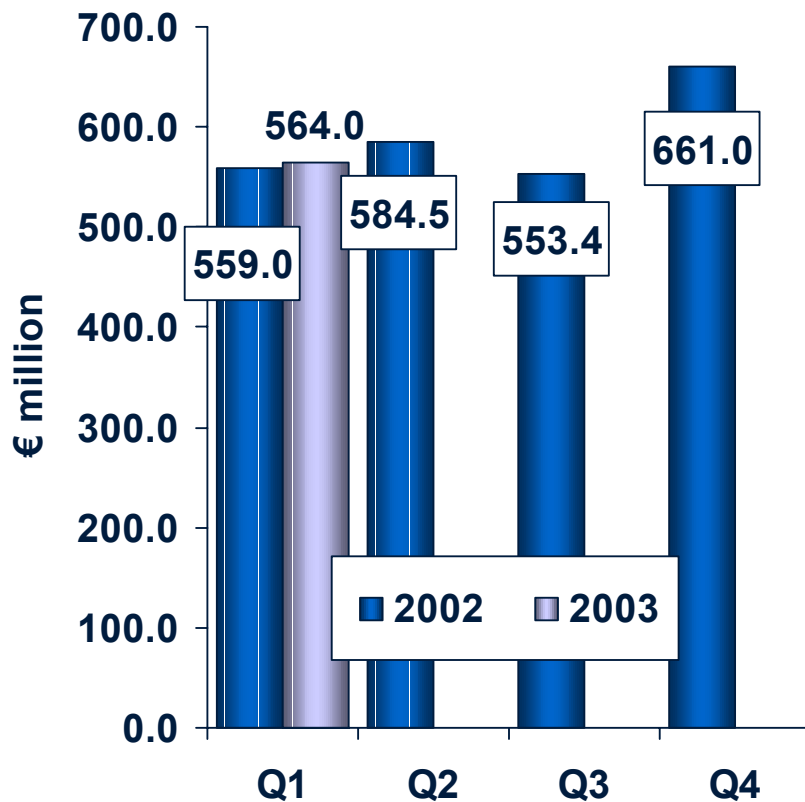


Y: Kalvot/HS03/interimreport1

SanomaWSOY Group

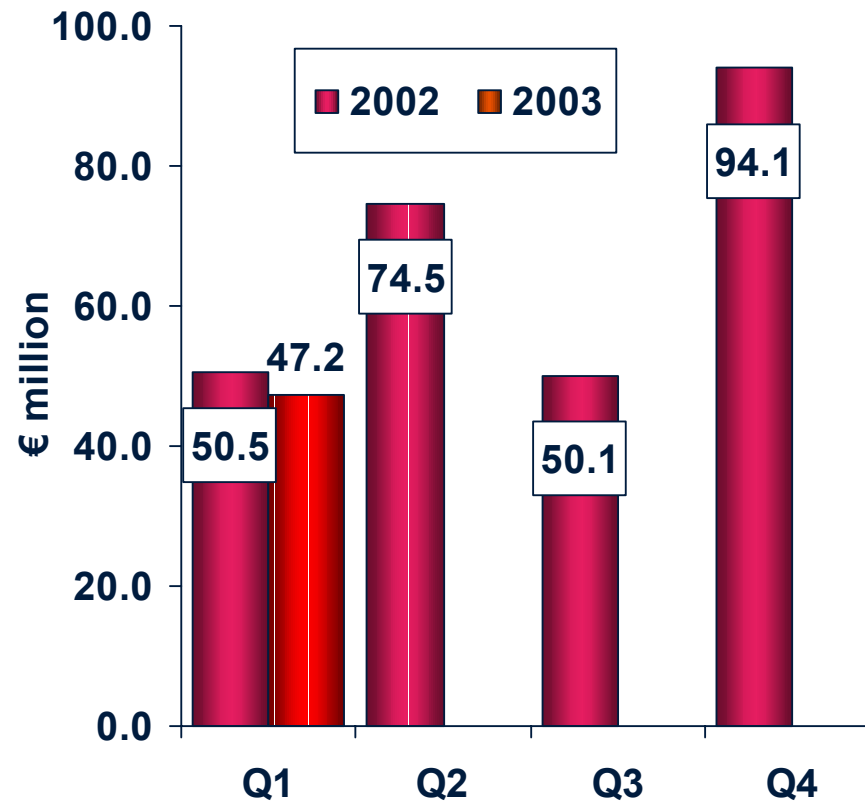
By quarters 2/2

NET SALES



OPERATING PROFIT

before amortisation (EBITA)



Y: Kalvo/HS03/interimreport1

Group income statement

€ million	1–3/2003	1–3/2002	Change, %
Net sales	564.0	559.0	0.9
Other operating income and change in inventories	11.5	30.0	-61.7
Share of result of associated companies	1.6	1.0	58.9
Operating expenses	562.2	576.0	-2.4
Operating profit	14.8	14.0	5.5
Financial income and expenses	-14.9	9.8	-251.3
Result before extraordinary items	-0.1	23.9	
Extraordinary items			
Result after extraordinary items	-0.1	23.9	
Direct taxes	-6.1	-12.8	-52.7
Minority interests	-1.0	-1.1	-11.7
Result for the period	-7.1	9.9	

Y: Kalvot/HS03/interimreport1

Group balance sheet

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€ million	31.3.2003	31.3.2002	Change,%
Non-current assets, total	2,005.6	2,185.3	-8.2
Current assets, total	524.2	819.5	-36.0
Shareholders' equity, total	1,096.7	1,034.1	6.1
Minority interest	16.6	124.8	-86.7
Statutory provisions	16.2	6.5	150.7
Liabilities, total	1,400.2	1,839.4	-23.9
Balance sheet total	2,529.8	3,004.8	-15.8

Y: Kalvot/HS03/interimreport1

Key indicators

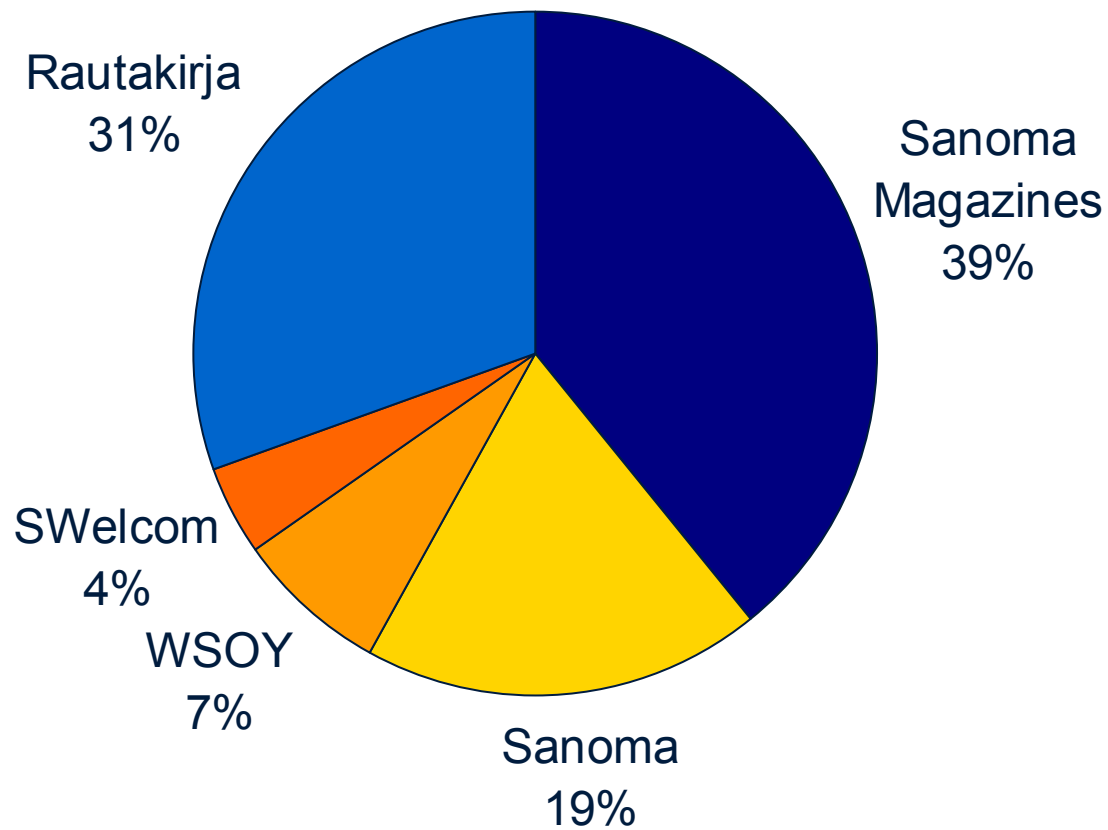
€ million	31.3.2003	31.3.2002	Change,%
Net sales	564.0	559.0	0.9
Operating profit before goodwill amortisation	65.2	70.6	-7.7
% of net sales	11.6	12.6	
Operating profit	14.8	14.0	5.5
% of net sales	2.6	2.5	
Balance sheet total	2,529.8	3,004.8	-15.8
Gross investments	17.5	17.8	-1.7
Equity ratio, % (incl. capital notes)	46.3	40.1	
Equity ratio, %	37.7	32.9	
Earnings/share, €	-0.05	0.07	
Cash flow/share, €	0.50	0.53	-5.3
Market capitalisation	1,322.0	1,823.7	-27.5
Personnel under employment contract *	17,761	18,472	-3.8
Personnel on average **	14,375	15,247	-5.7

* average
** full-time
equivalents

Y: Kalvot/HS03/interimreport1

Net sales by division

1-3/2003



Intracompany
eliminations
excluded

Y: Kalvo/HS03/interimreport1

Advertising sales in Finland 1/2

€ 1,000	1–3/2003	Change, %
NEWSPAPERS	135 127	5,1
Aamulehti	9 902	11,8
Helsingin Sanomat	37 745	2,8
Ilta-Sanomat	3 080	6,6
Iltalehti	2 241	-4,4
Kauppalehti	3 989	-15,8
Taloussanomat	672	-33,8
Turun Sanomat	9 087	2,7
KÄRKIMEDIA*	24 006	4,7

Source:
Gallup-Mainostieto

* Kärkimedia

Y: Kalvo/HS03/interimreport1

Advertising sales in Finland 2/2

€ 1,000	1–3/2003	Change, %
MAGAZINES	32 179	-1,5
TELEVISION	51 989	6,2
RADIO ADVERTISING	9 385	18,7
OUTDOOR ADVERTISING	7 447	4,3
INTERNET	2 630	6,2
FILM ADVERTISING	814	50,2
Advertising sales revenue, total	239 571	4,9

Source:
Gallup Mainostieto

Y: Kalvo/HS03/interimreport1

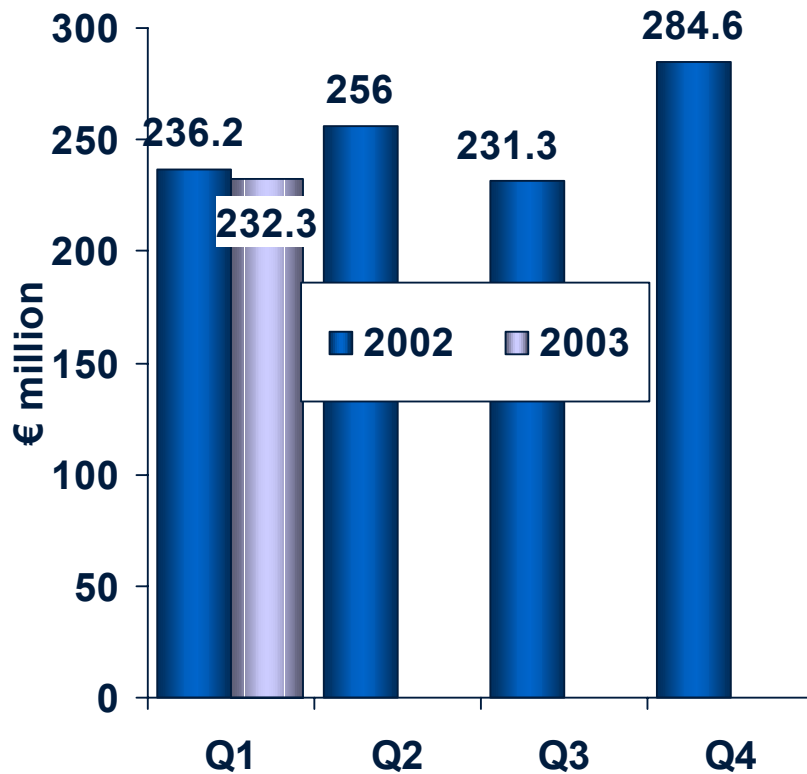
Advertising sales

% of net sales

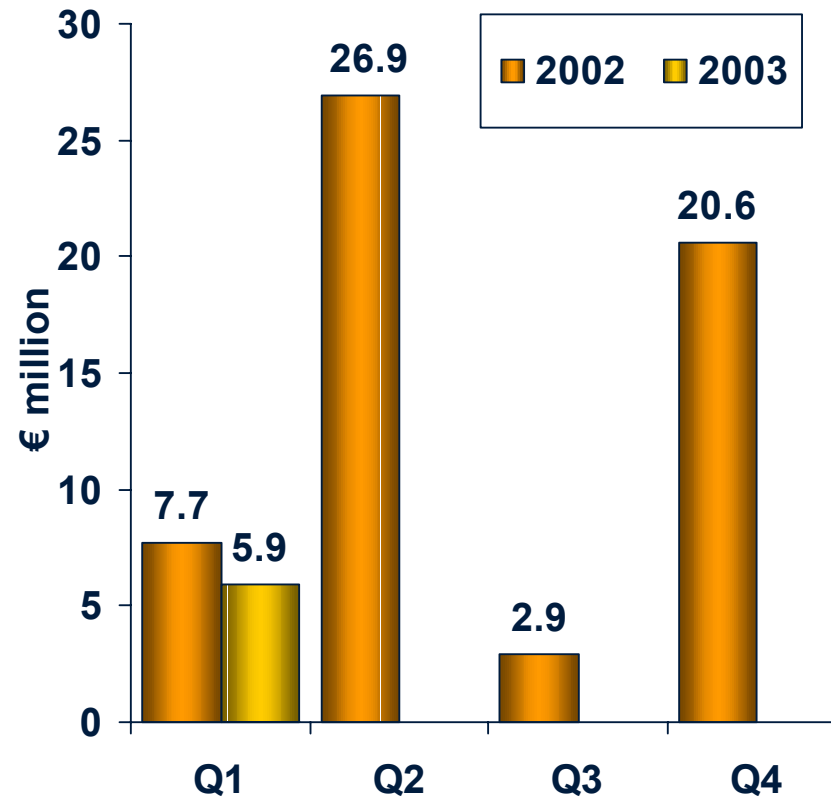
	Q1/2003	Q1/2003
Sanoma Magazines	20%	21%
Sanoma	49%	49%
SWelcom	54%	58%
The Group	20%	21%

Sanoma Magazines Division

NET SALES



OPERATING PROFIT (EBIT)



Y: Kalvo/HS03/interimreport1

Sanoma Magazines 1-3/2003

€ million	NET SALES		OPERATING PROFIT	
	1-3/2003	1-3/2002	1-3/2003	1-3/2002
Sanoma Uitgevers	110.3	110.7		
Sanoma Magazines Finland	41.1	40.3		
Sanoma Magazines Belgium	36.5	36.0		
Sanoma Magazines International	22.4	25.0		
Aldipress	48.6	50.1		
Intracompany eliminations	-26.6	-25.9		
Total	232.3	236.2	5.9	7.7
	<u>3/2003</u>	<u>3/2002</u>		
Gross investments, € million	3.5	3.0		
Personnel, average *	3,907	4,326		

* full-time equivalents

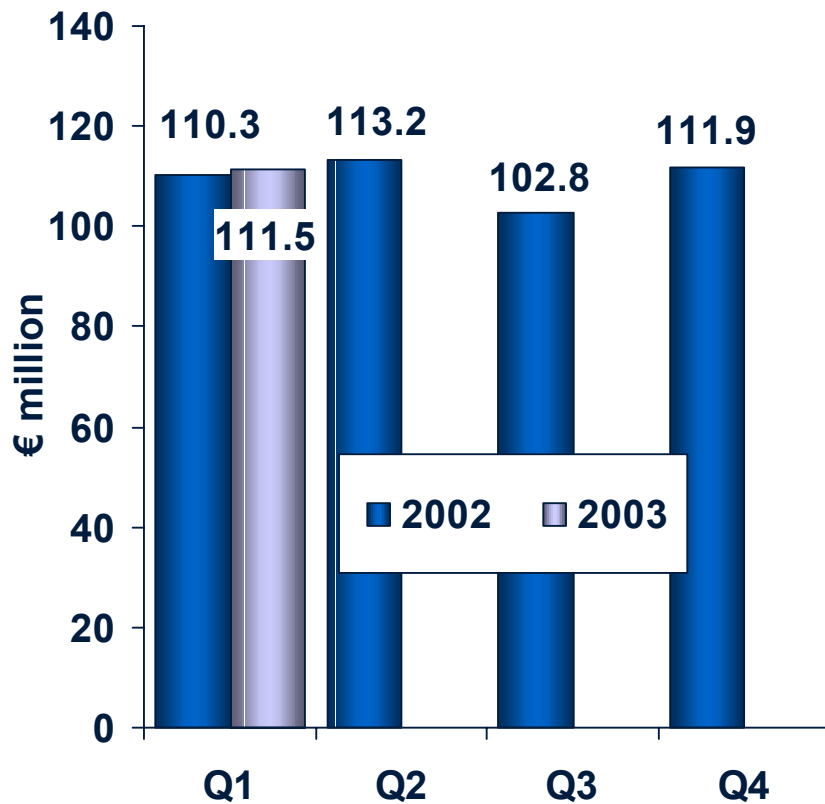
Y: Kalvo/HS03/interimreport1

Sanoma Magazines / Key developments

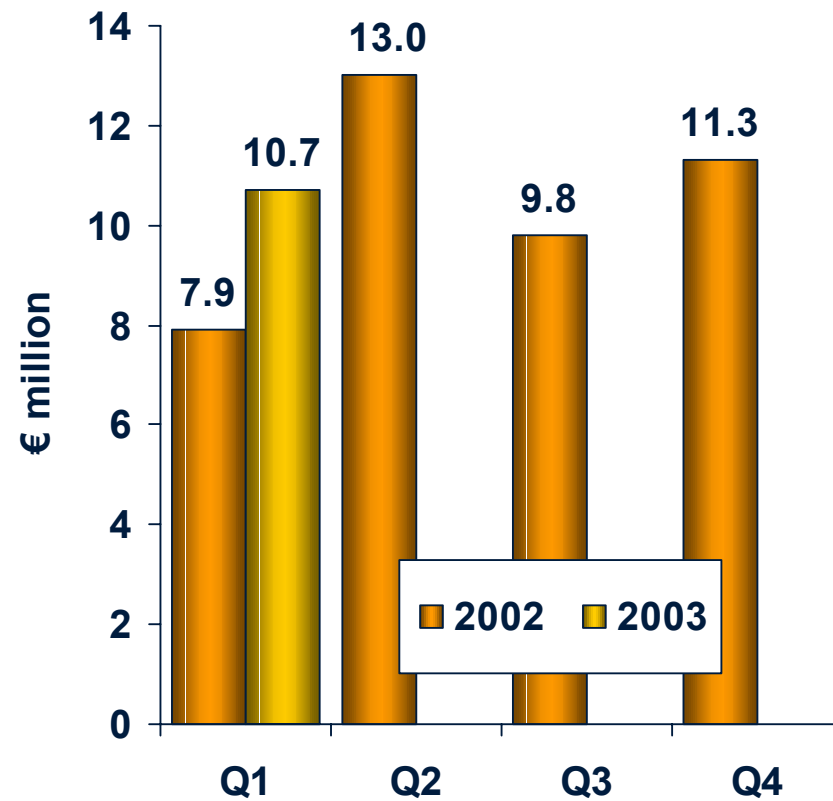
- Comparable operating profit improved due to cost cutting programmes and lower paper prices
- Sanoma Magazines International acquired a 35% holding in Sanoma Magazines Zagreb and became the sole owner of the Croatian company
- Launches
 - National Geographic in Hungary
 - Elle Decoration in Croatia

Sanoma Division

NET SALES



OPERATING PROFIT (EBIT)



Y: Kalvo/HS03/interimreport1

Sanoma 1-3/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-3/2003	1-3/2002	1-3/2003	1-3/2002
Helsingin Sanomat	66.1	65.7		
IS-liiketoimintayksikkö	23.1	22.1		
Kymen Lehtimedia	12.7	12.3		
Others	50.2	51.1		
Intracompany eliminations	-40.7	-40.9		
Total	111.5	110.3	10.7	7.9
	<u>3/2003</u>	<u>3/2002</u>		
Gross investments, € million	4.7	7.3		
Personnel, average **	3,251	3,499		

*Includes a share of Rautakirja's result
 **full-time equivalents

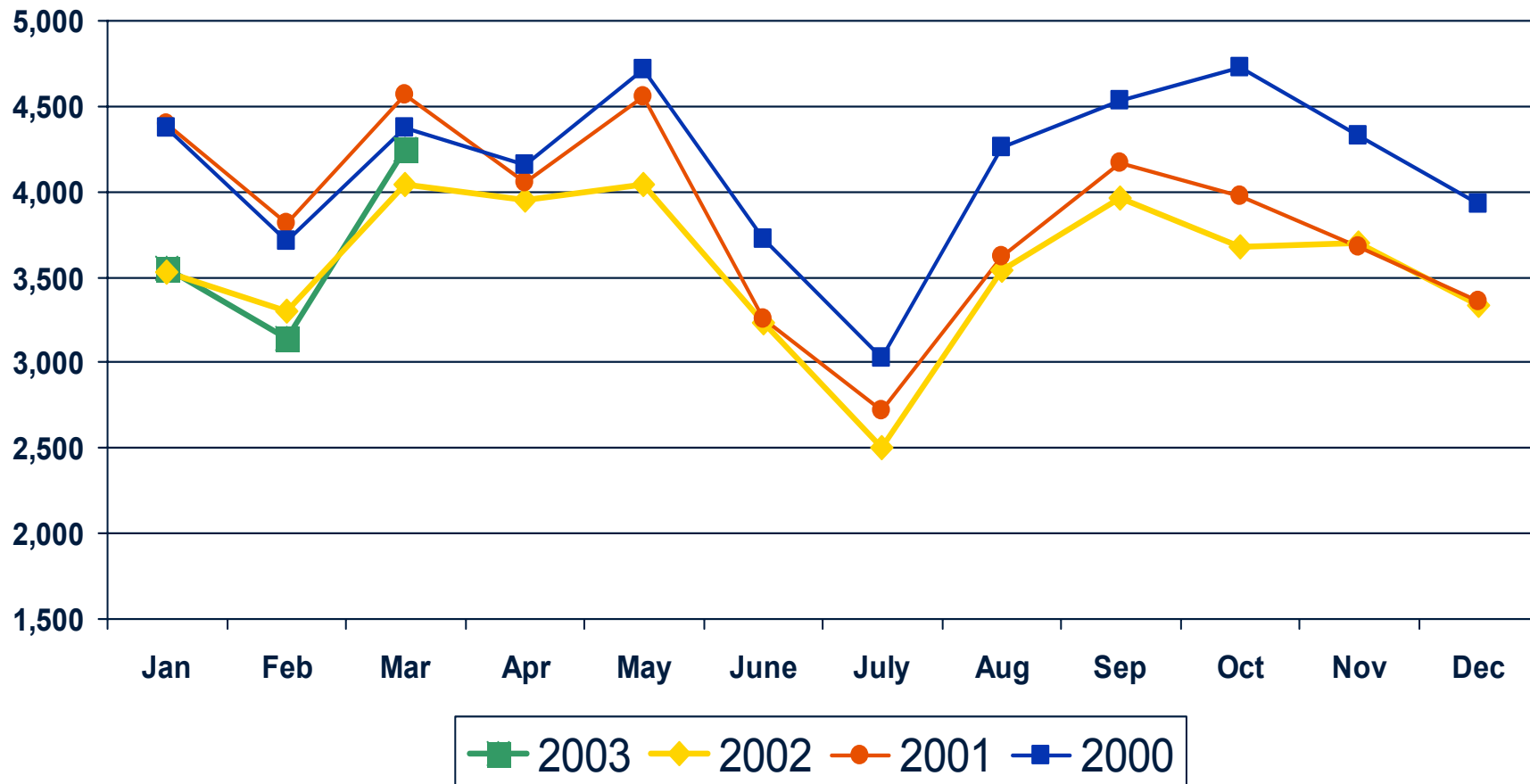
Y: Kalvo/HS03/interimreport1

Sanoma / Key developments

- The advertising sales of the IS Business Unit and Kymen Lehtimedia increased markedly
 - Helsingin Sanomat's job advertising continued to decline
 - Circulation sales grew
 - Operating profit was improved by streamlining measures, savings, and a reduction in the cost of paper
-
- After the review period, Sanoma divested the operations of its distribution company Leijonajakelu Oy to Finland Post
 - Ilta-Sanomat widened its product range

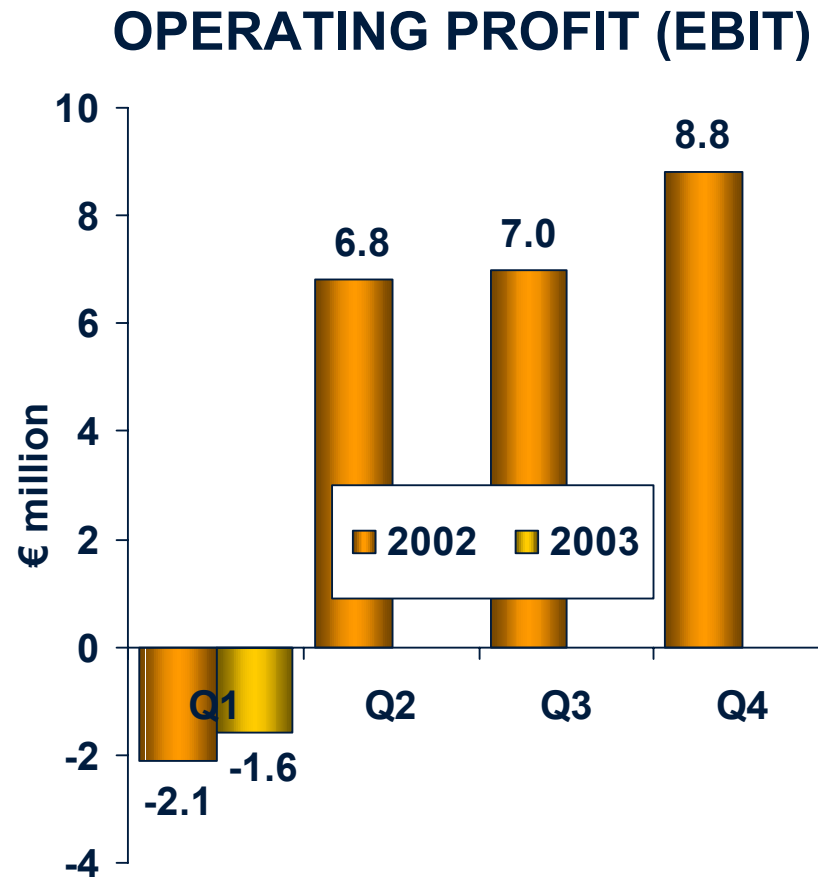
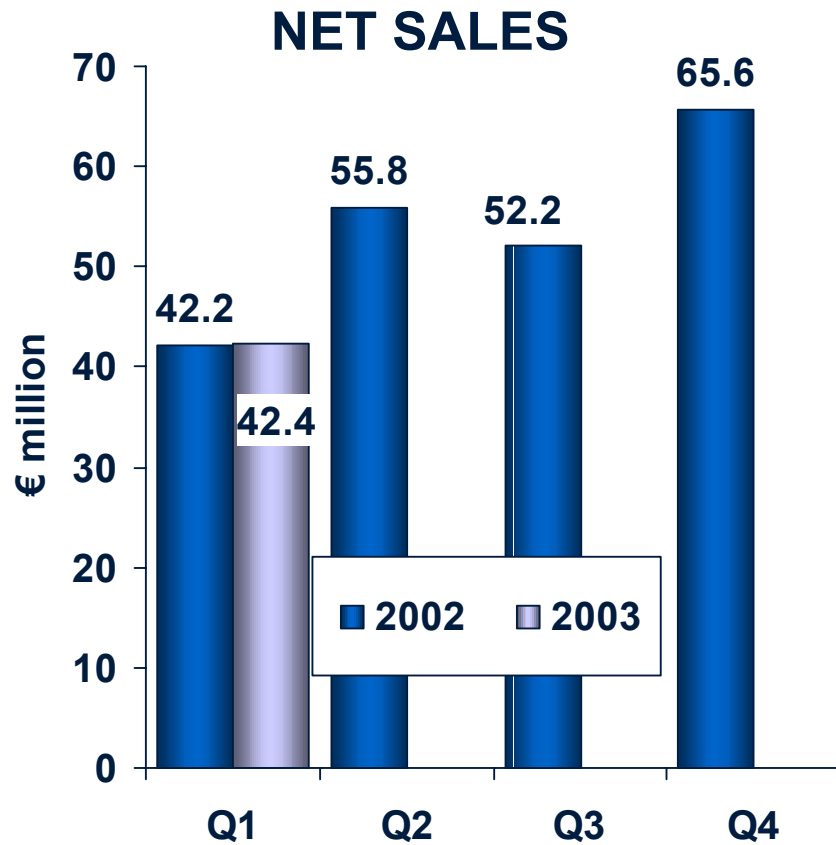
Advertising in Helsingin Sanomat

Column metres



Y: Kalvo/HS03/interimreport1

WSOY Division



Y: Kalvo/HS03/interimreport1

WSOY 1-3/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-3/2003	1-3/2002	1-3/2003	1-3/2002
Publishing	31.3	30.3		
Printing	15.1	15.9		
Calendar operations	1.6	1.7		
Others	1.0	0.9		
Intracompany eliminations	-6.6	-6.6		
Total	42.4	42.2	-1.6	-2.1
	<u>3/2003</u>	<u>3/2002</u>		
Gross investments, € million	1.1	1.9		
Personnel, average **	1,848	1,814		

*Includes a share of Rautakirja's result

** full-time equivalents

Y: Kalvo/HS03/interimreport1

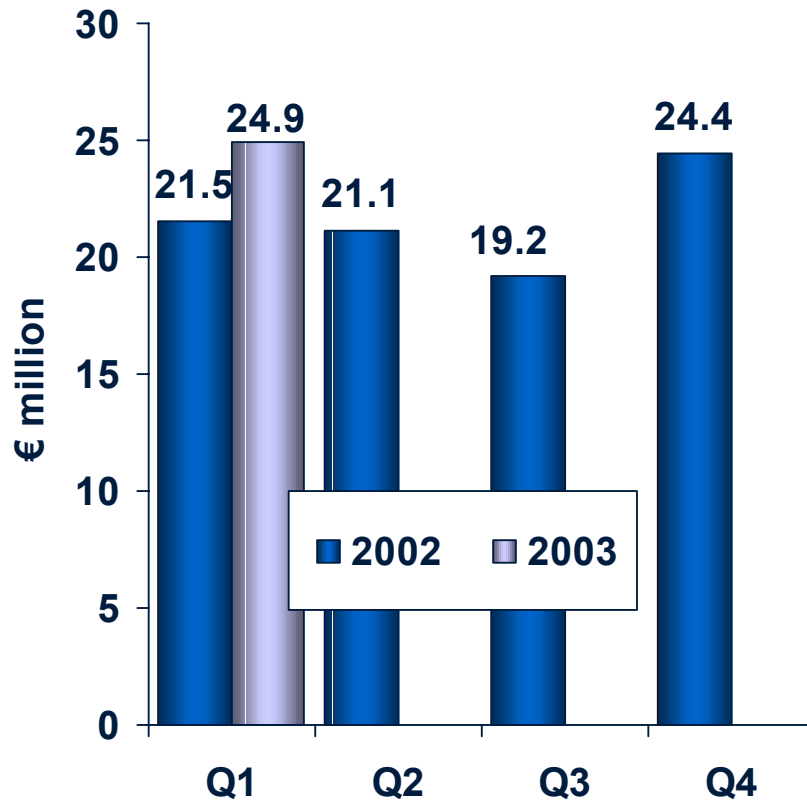
WSOY / Key developments

- Publishing succeeded
 - the success of printed books, especially non-fiction books
 - cost cuttings in electronic publishing
- The first quarter traditionally the weakest, result accumulated during the remaining part of the year

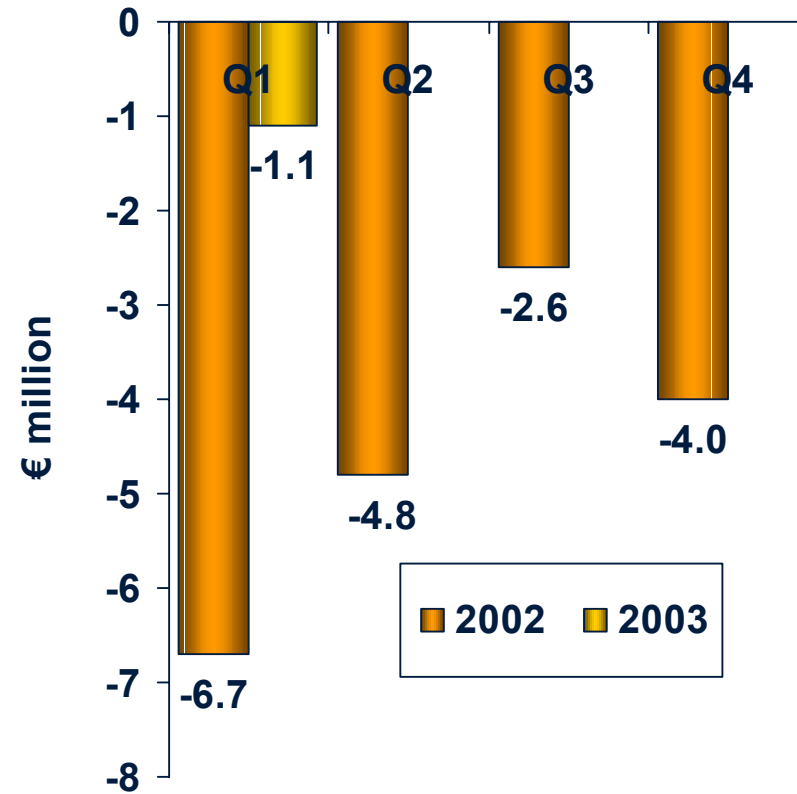
- After the review period WSOY acquired 10% of the digital printer Dark Oy and became the sole owner of the company.

SWelcom Division

NET SALES



OPERATING PFOFIT (EBIT)



Y: Kalvo/HS03/interimreport1

SWelcom 1-3/2003

€ million	NET SALES		OPERATING PROFIT	
	1-3/2003	1-3/2002	1-3/2003	1-3/2002
Nelonen	13.6	12.7		
HTV	9.2	6.5		
Others	2.7	3.3		
Intracompany eliminations	-0.6	-1.0		
Total	24.9	21.5	-1.1	-6.7
	<u>3/2003</u>	<u>3/2002</u>		
Gross investments, € million	1.6	2.2		
Personnel, average	376	388		

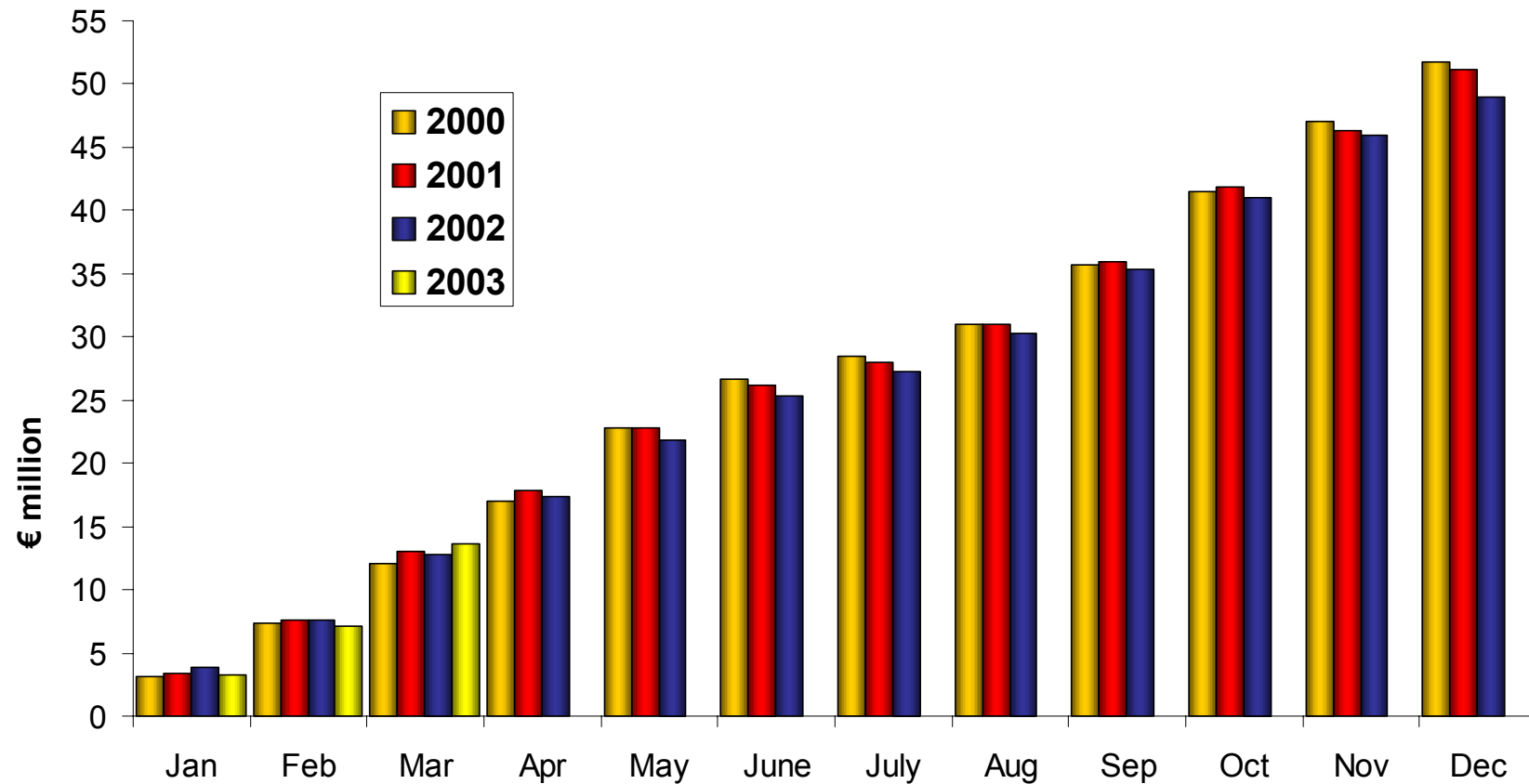
Y: Kalvo/HS03/interimreport1

SWelcom / Key developments

- HTV's broadband internet services successful
- Operating result improved markedly
- The halving of Nelonen's operating licence fee
- Holding in Suomen Urheilutelevisio (Finnish Sport Channel) was reduced

Nelonen's sales

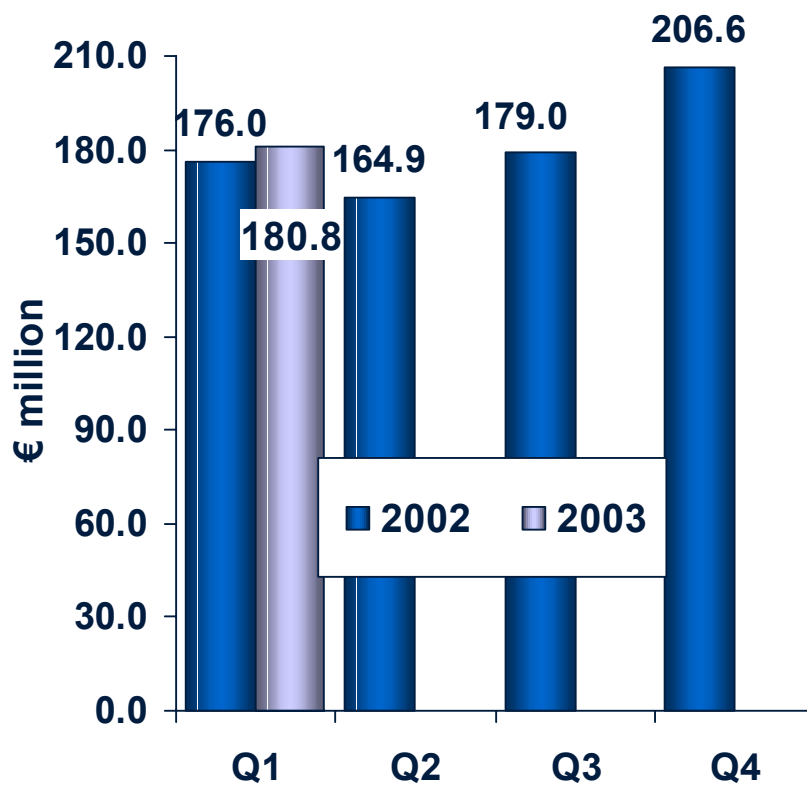
Cumulative



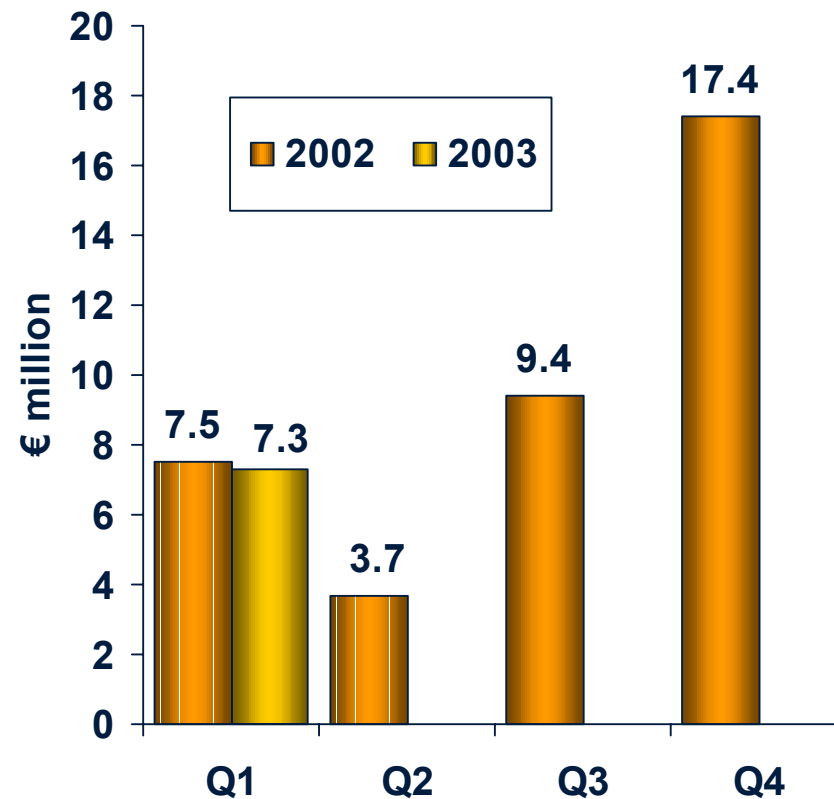
Y: Kalvo/HS03/interimreport1

Rautakirja Division

NET SALES



OPERATING PFOFIT (EBIT)



Y: Kalvo/HS03/interimreport1

Rautakirja 1–3/2003

€ million

	NET SALES		OPERATING PROFIT	
	1–3/2003	1–3/2002	1–3/2003	1–3/2002
Kiosk operations	88.3	88.1		
Press distribution	44.1	38.7		
Bookstores	31.7	30.8		
Movie theatre operations	14.6	14.6		
Restaurant operations	13.4	10.7		
Others	0.0	0.3		
Intracompany eliminations	-11.3	-7.2		
Total	180.8	176.0	7.3	7.5
	<u>3/2003</u>	<u>3/2002</u>		
Gross investments, € million	6.6	3.1		
Personnel, average*	4,922	5,148		

*full-time
equivalents

Y: Kalvo/HS03/interimreport1

Rautakirja / Key developments

- Press distribution's net sales grew
 - considerable expansion in Estonia and Latvia in 2002
- Easter sales falling in the second quarter impacted the first quarter sales of both kiosk operations and press distribution
- Movie theatre operations' operating profits decreased because of the start-up costs of a multiplex movie theatre in Lithuania
- Operating profit was reduced by a downturn in gains on the sales of real estate assets and by the transfer of investment real estate to SanomaWSOY Corporation

Estimates for 2003

by Division

Sanoma Magazines

- Net sales is estimated to achieve slightly above EUR one billion.
- Operating profit is expected to be about 6% of net sales.

Sanoma

- Net sales are forecast to grow slightly .
- Operating profit is forecast to improve more than net sales, due to long-range development measures.

WSOY

- Net sales are expected to grow faster than last year.
- The operating profit of its own operations will improve.

SWelcom

- Net sales are expected to grow markedly.
- Operating loss is expected to continue to decline significantly.

Rautakirja

- Net sales are forecast to grow faster than wholesale and retail business in general.
- The operational profit of the basic business operations is forecast to be on a par with 2002.

Emphasis in 2003

- To continue improving profitability
- To focus the operations / divest non-core assets
- To pay attention on cash flow
 - lighten the balance sheet
 - decrease the net debt
- To use wisely growth possibilities
 - enhance internationalisation
- To enforce Groups internal integration and cooperation

Group's outlook for 2003

- Net sales are forecast to grow faster than GDP in Finland.
- Operating profit will grow faster than net sales, due to operational streamlining and cost cutting.



Committed to the Future