

SanomaWSOY



Q1/2004

Hannu Syrjänen

President & COO

7 May 2004

Largest media companies in Finland

Net sales/ € million	2003
1. SanomaWSOY Group	2,396
2. Alma Media Group	461
3. YLE - Finnish Broadcasting Company	330
4. TS Group Ltd	279
5. Otava Books and Magazines Group Ltd.	221
6. Edita Group	171
7. Talentum Group	113
8. Keskisuomalainen Group	90
9. A-lehdet Group	87
10. Ilkka Group	66

Sources: Annual reports, company releases

Y: Kalvo_HS/HS04/interimreport1

Largest media companies in Nordic countries

Net sales/ € million		2003
1.	SanomaWSOY	Finland 2,396
2.	Bonnier AB	Sweden 2,059
3.	Egmont	Denmark 1,107
4.	Schibsted A/S	Norway 1,016
5.	Orkla Media	Norway 876
6.	MTG	Sweden 694
7.	Carl Allers Etablissement	Denmark 472
8.	Alma Media	Finland 461
9.	Danmarks Radio	Denmark 432
10.	Sveriges Television	Sweden 421

Exchange rates on
31 Dec. 2003

Sources: Annual
reports, company
releases

Y: Kalvo_HS/HS04/interimreport1

Key developments 1–3/2004

- Net sales increased by 2.6%, operating profit rose by 82.5%
- EPS increased to EUR 0.05 (-0.05)
- No substantial non-recurring gains on the sale of assets in January–March
- Share portfolio realised according to plan
- Interest-bearing liabilities* EUR 704.9 (941.5) million
- Young Digital Poland WSOY subsidiary 3/2004
- Business operations of the Swedish Everscreen AB divested 3/2004
- Decision on dividend 30.3.2004: EUR 1.00 per share



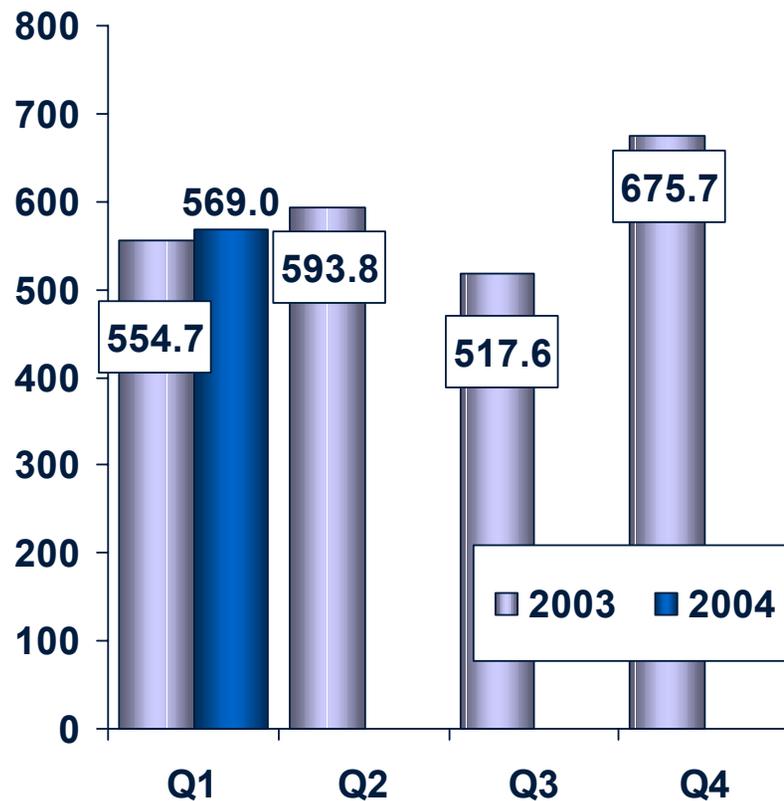
*Including capital notes

Y: Kalvo_HS/HS04/interimreport1

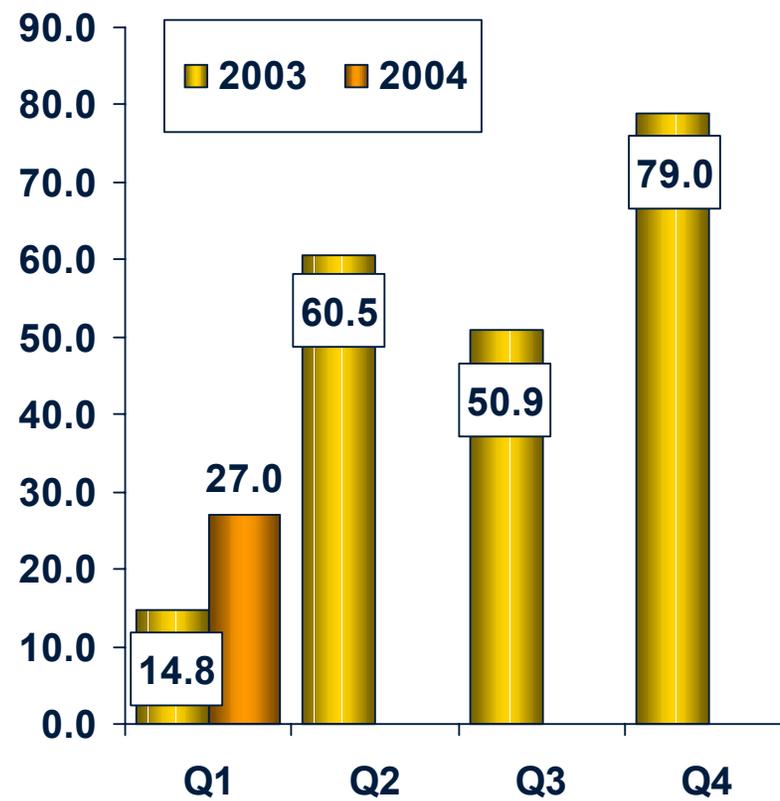
SanomaWSOY Group

By quarters 1/2

Net sales, € million



EBIT*, € million

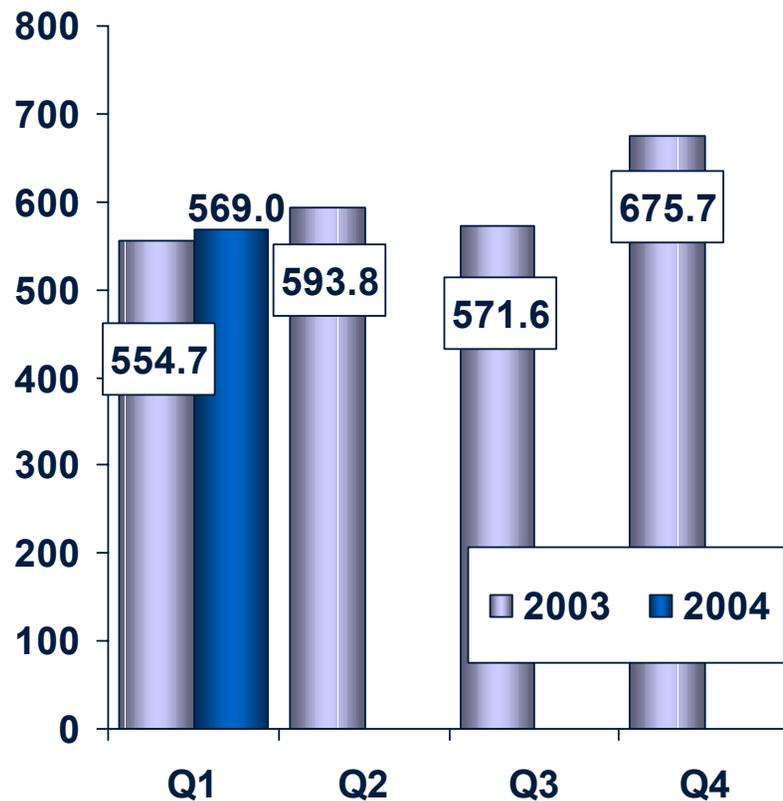


Y: Kalvo_HS/HS04/interimreport1

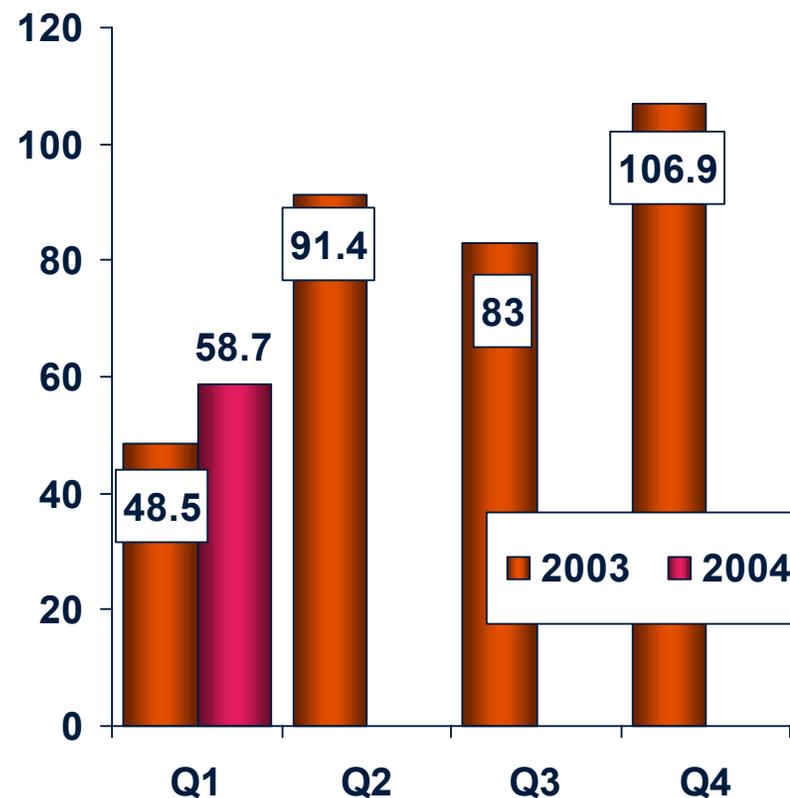
SanomaWSOY Group

By quarters 2/2

Net sales, € million



EBITA*, € million



* Operating profit before amortisation

Y: Kalvo_HS/HS04/interimreport1

Group income statement

7

€ million	1–3/2004	1–3/2003	Change, %
Net sales	569.0	554.7	2.6
Other operating income and change in inventories	15.8	11.9	32.8
Share of result of associated companies	1.3	1.6	-17.3
Operating expenses	559.2	553.3	1.1
Operating profit	27.0	14.8	82.5
Financial income and expenses	-0.0	-14.9	100
Result before extraordinary items	27.0	-0.1	
Extraordinary items	1.4	0.0	
Result after extraordinary items	28.4	-0.1	
Direct taxes	-18.4	-6.1	203.8
Minority interests	-0.2	-1.0	-79.6
Result for the period	9.8	-7.1	

Y: Kalvo_HS/HS04/interimreport1

Group balance sheet

€ million	31.3.2004	31.3.2003	Change, %
Non-current assets, total	1,851.1	2,005.6	-7.7
Current assets, total	518.1	524.2	-1.2
Shareholders' equity, total	961.3	1,096.7	-12.4
Minority interest	17.8	16.6	6.8
Statutory provisions	35.2	16.2	117.2
Liabilities, total	1,354.9	1,400.2	-3.2
Balance sheet total	2,369.2	2,529.8	-6.3

Y: Kalvo_t_HS/HS04/interimreport1

Key indicators

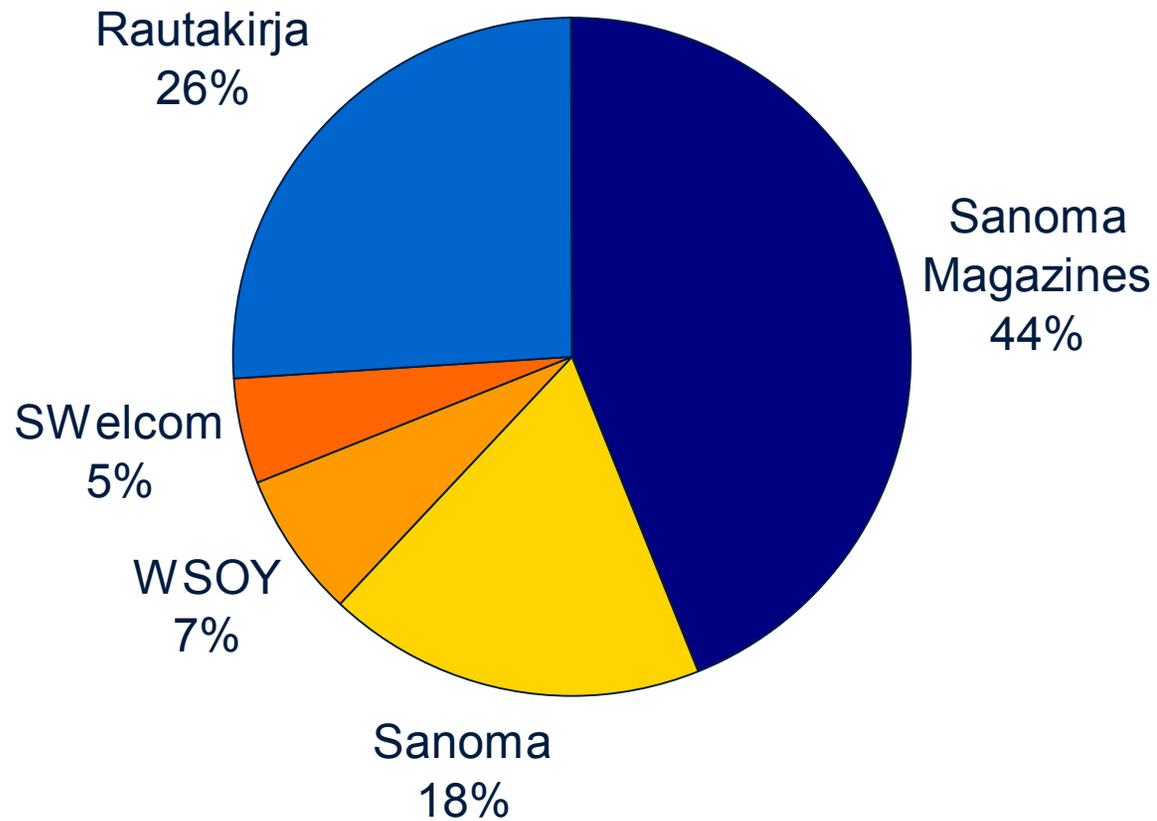
€ million	31.3.2004	31.3.2003	Change,%
Net sales	569.0	554.7	2.9
Operating profit before amortisation	58.7	48.5	20.9
% of net sales	10.3	8.7	
Operating profit	27.0	14.8	82.5
% of net sales	4.7	2.7	
Balance sheet total	2,369.2	2,529.8	-6.3
Gross investments	21.3	17.5	22.0
Equity ratio, % (incl. capital notes)	43.9	46.3	
Equity ratio, %	36.2	37.7	
EPS, €	0.05	-0.05	
EPS excl. goodwill amortisation, €	0.18	0.10	71.3
Cash flow/share, €	0.28	0.50	-43.0
Market capitalisation	2,218.8	1,322.0	67.8
Personnel under employment contract *	15,653	17,761	-11.9
Personnel on average **	13,260	14,375	-7.8

* average
** full-time
equivalents

Y: Kalvo_HS/HS04/interimreport1

Net sales by division

1-3/2004



Intracompany
eliminations
excluded

Y: Kalvo_HS/HS04/interimreport1

Advertising sales in Finland 1/2

€ 1 000	1–3/2004	Change-%
NEWSPAPERS	136,417	0.6
<i>Newspapers</i>	<i>121,236</i>	<i>-0.5</i>
<i>Local and free distributed papers</i>	<i>15,181</i>	<i>9.9</i>
Aamulehti	9,969	0.7
Helsingin Sanomat	36,410	-3.5
Ilta-Sanomat	2,660	-13.6
Iltalehti	2,053	-8.4
Kauppalehti	3,949	-1.0
Taloussanomat	783	16.6
Turun Sanomat	9,126	0.4
KÄRKIMEDIA*	26,089	8.7

Source:
TNS Gallup Adex

* Kärkimedia

Y: Kalvo_HS/HS04/interimreport1

Advertising sales in Finland 2/2

€ 1 000	1–3/2004	Change-%
MAGAZINES	33,447	3.7
<i>Consumer magazines</i>	18,031	3.1
<i>Professional publications</i>	11,649	1.9
<i>Customer publications</i>	3,766	12.7
TELEVISION	54,300	3.6
RADIO	8,717	-7.1
OUTDOOR	6,923	-7.0
INTERNET	3,330	-32.5
CINEMA	564	-31.2
Advertising sales revenue, total	243,698	1.3

Source:
TNS Gallup Adex

Y: Kalvo_HS/HS04/interimreport1

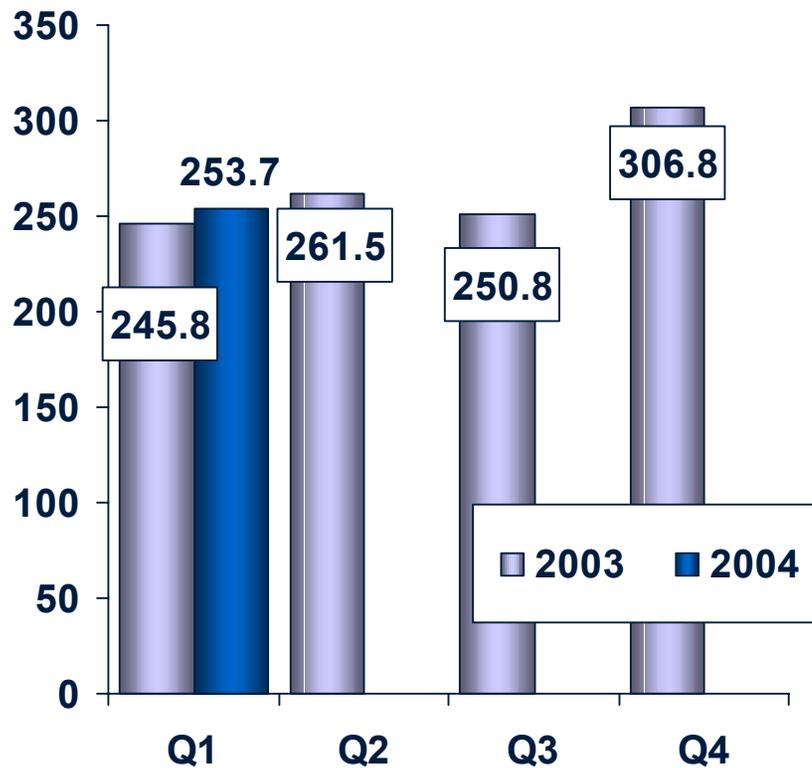
Advertising sales

% of net sales

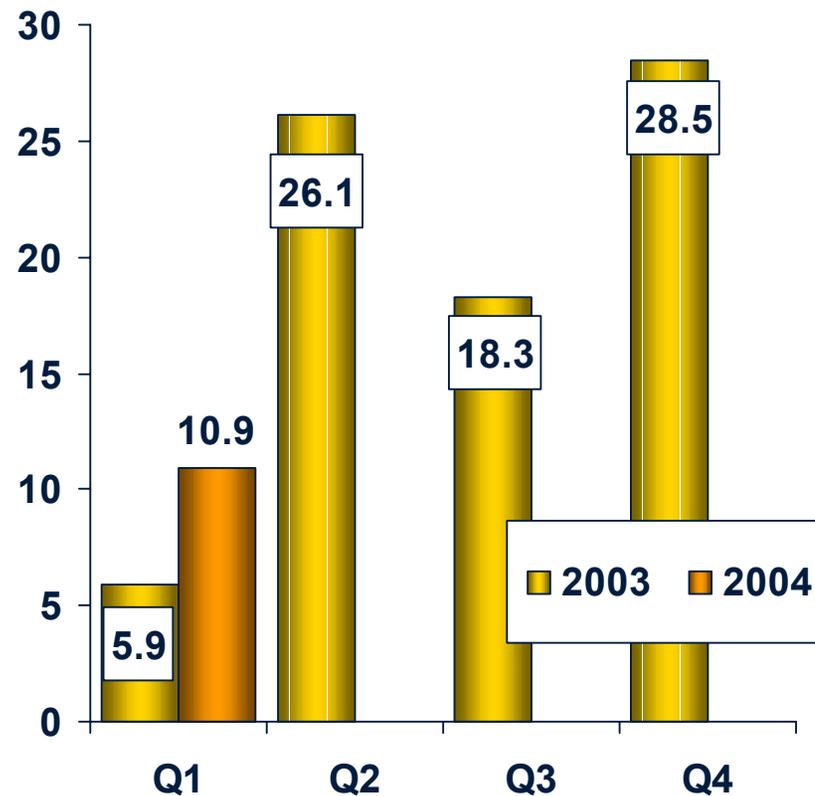
	1–3/2004	1–3/2003
Sanoma Magazines	19%	19%
Sanoma	48%	48%
SWelcom	54%	54%
The Group	20%	20%

Sanoma Magazines

Net sales, € million



EBIT, € million



Y: Kalvo_HS/HS04/interimreport1

Sanoma Magazines

1-3/2003

15

€ million	Net sales		EBITA*	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Sanoma Uitgevers	119.3	123.3		
Sanoma Magazines Belgium	47.5	44.3		
Sanoma Magazines Finland	43.1	40.2		
Sanoma Magazines International	31.6	28.4		
Aldipress	26.2	24.8		
Intracompany eliminations	-14.1	-15.3		
Total	253.7	245.8	28.8	26.5
	3/2004	3/2003		
Gross investments, € million	3.7	3.5		
Personnel, average *	3,959	3,907		

* Operating profit before amortisation

** Full-time equivalents

Y: Kalvo_HS/HS04/interimreport1

Sanoma Magazines

Key developments

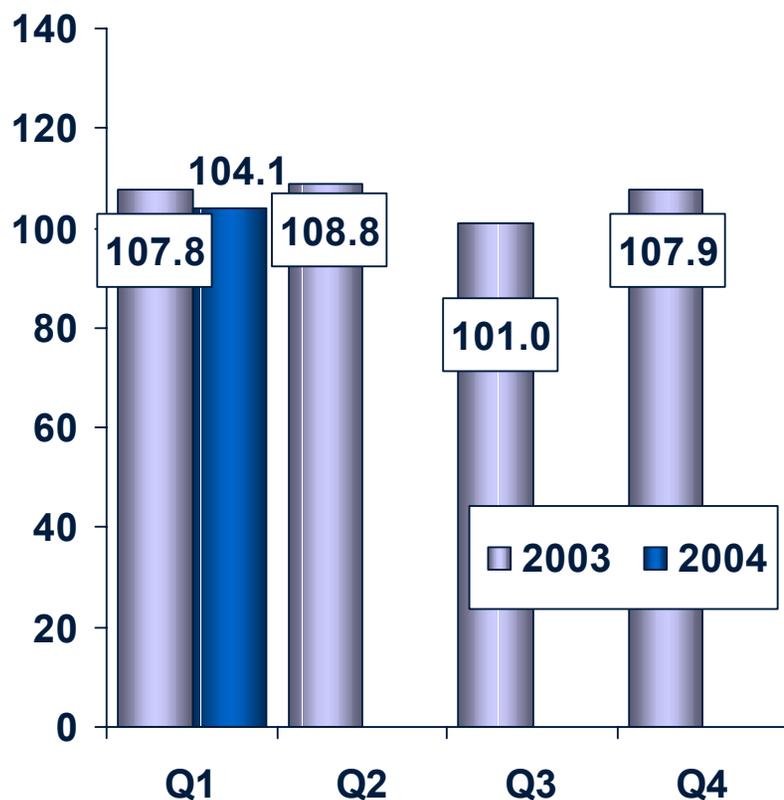
- Net sales rose by 3.2% and operating profit by 86.1%
- Circulation sales grew some 2%, growth in all businesses except Sanoma Uitgevers
- Advertising sales increased by almost 7%, mainly due to new launches
- 9 launches in January-March:
 - The Netherlands: Disney's Prinses
 - Belgium: TV7 and Flair New Generation (re-launch)
 - Finland: Auto Bild and Meidän Perhe
 - Hungary: Maxima
 - The Czech Republic: Hvezny Vikend and Viky
 - Bulgaria: Cosmopolitan



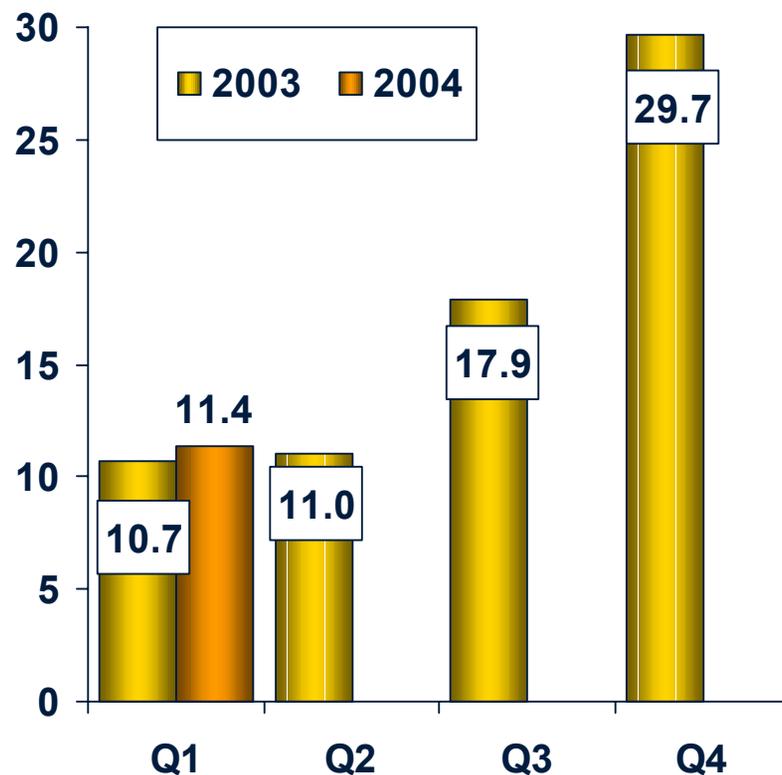
Y: Kalvo_HS/HS04/interimreport1

Sanoma

Net sales, € million



EBIT*, € million



* Operating profit; includes a share of Rautakirja's result until 1 March 2003

Y: Kalvo_HS/HS04/interimreport1

Sanoma

1-3/2004

18

€ million	Net sales		EBITA*	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Helsingin Sanomat	62.2	63.0		
IS Business Unit	22.1	22.7		
Kymen Lehtimedia	12.0	12.7		
Others	32.3	50.1		
Intracompany eliminations	-24.5	-40.7		
Total	104.1	107.8	13.1	12.5
	3/2004	3/2003		
Gross investments, € million	9.4	4.7		
Personnel, average **	2,301	3,251		

* Operating profit before amortisation

Includes a share of Rautakirja's result until 1 March 2003

**full-time equivalents

Y: Kalvo_HS/HS04/interimreport1

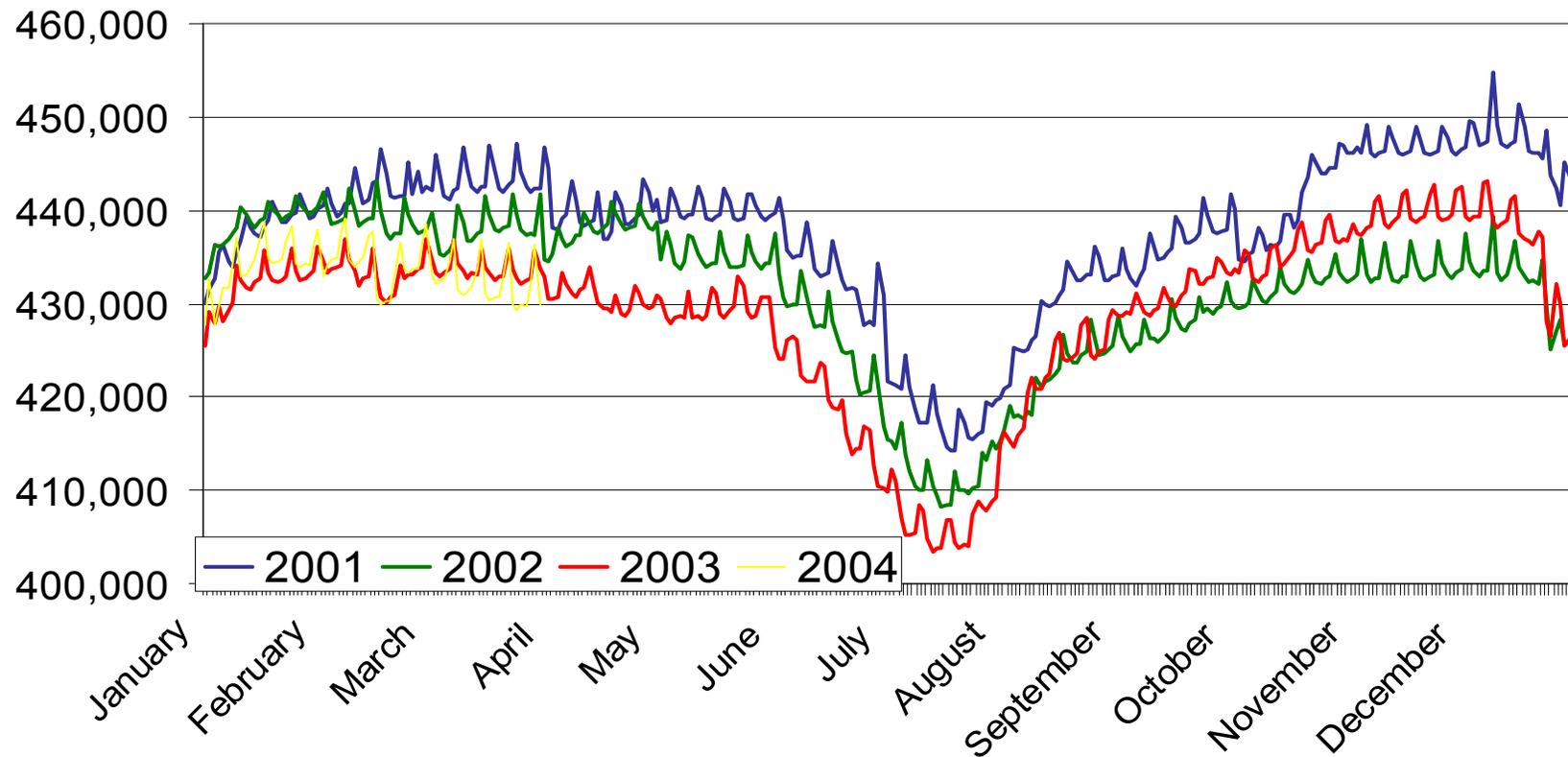
Sanoma

Key developments

- Net sales decreased slightly mainly due to decline in distribution and advertising sales
 - Circulation sales grew slightly, Ilta-Sanomat increased its market share
 - Helsingin Sanomat's circulation grew by 3%.
 - Advertising sales decreased by 2%, strong growth at Oikotie, Taloussanomat and Ilta-Sanomat Plussa
- Operating profit grew
 - The result of Helsingin Sanomat and Kymen Lehtimedia improved
 - IS Business Unit's result declined slightly due to new product launches and decreased circulation sales
- IS and Nelonen started IS Sports News 2/2004
- Taloussanomat bought operations of ITviikko and Digitoday.fi 2/2004



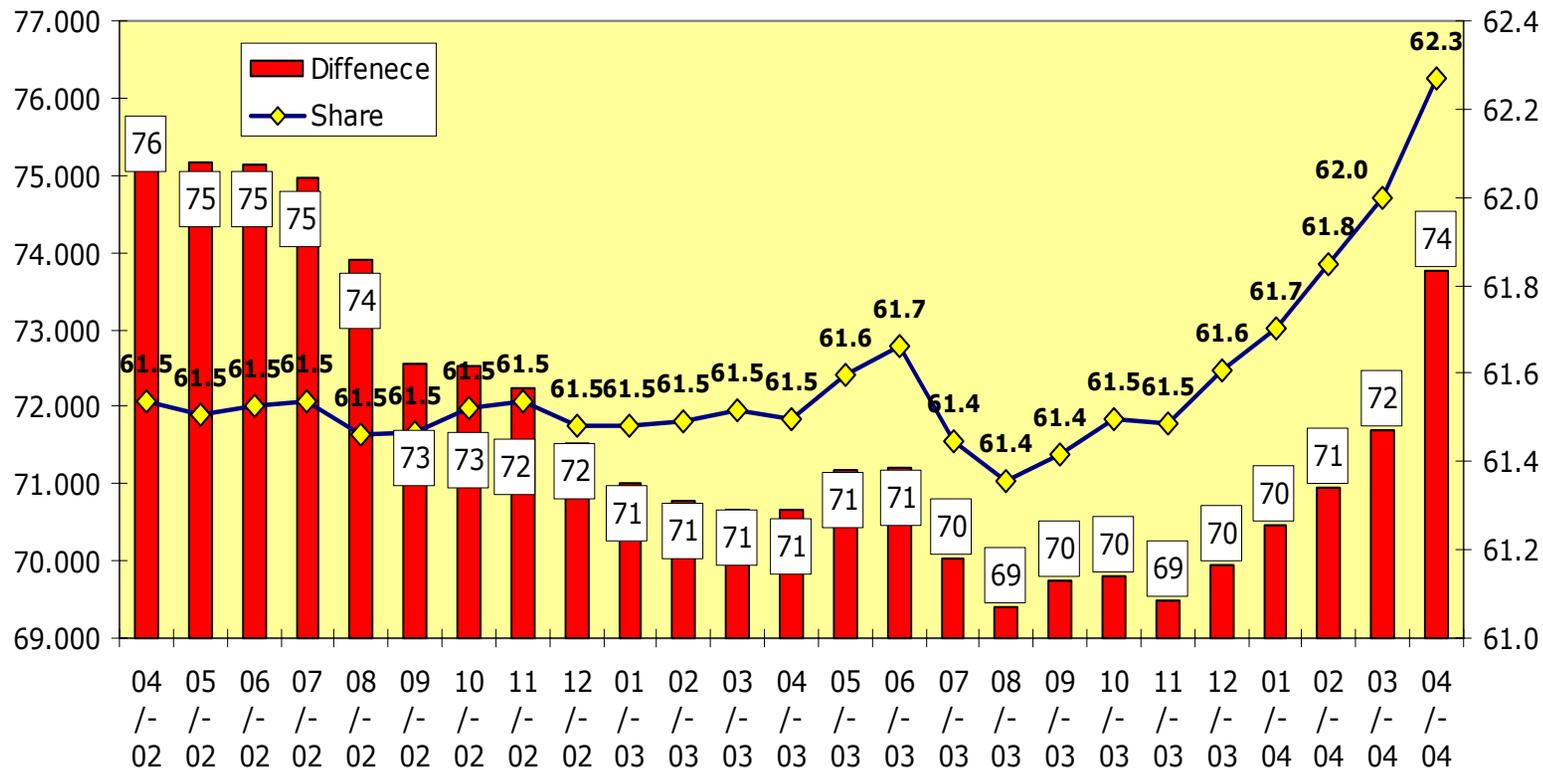
Helsingin Sanomat's net daily circulation



Y: Kalvo_HS/HS04/interimreport1

Ilta-Sanomat and Iltalehti market shares

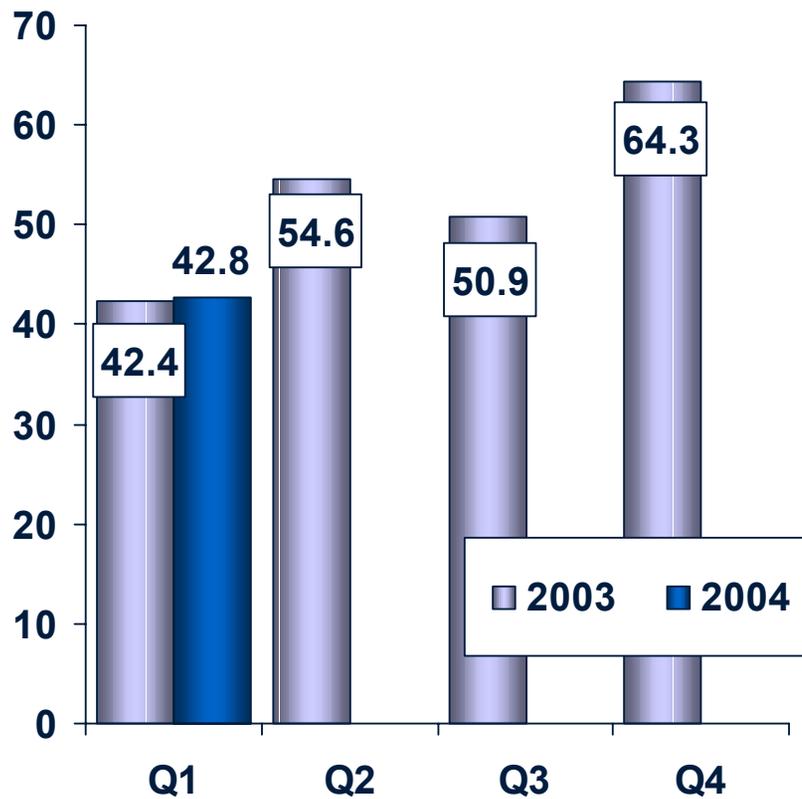
The rolling difference between Ilta-Sanomat and Iltalehti (24 months) and Ilta-Sanomat's market share



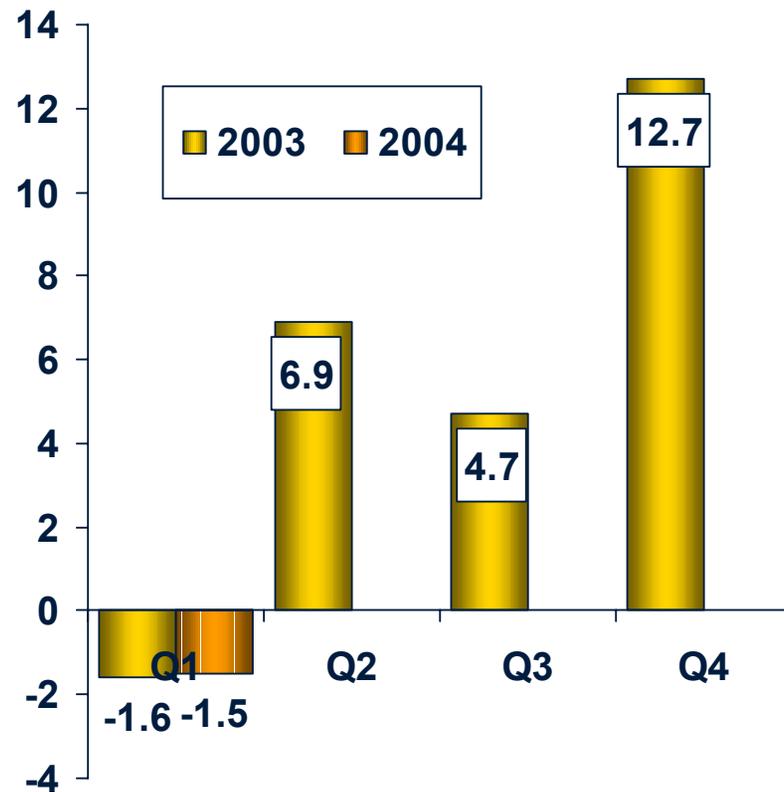
Y: Kalvo_HS/HS04/interimreport1

WSOY

Net sales, € million



EBIT*, € million



* Operating profit; includes a share of Rautakirja's result until 1 March 2003

Y: Kalvo_HS/HS04/interimreport1

WSOY

1-3/2004

23

€ million	Net sales		EBITA*	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Publishing	31.6	31.3		
Printing	15.2	15.1		
Calendar operations	1.3	1.6		
Others	1.2	1.0		
Intracompany eliminations	-6.5	-6.6		
Total	42.8	42.4	-0.8	-0.9
	3/2004	3/2003		
Gross investments, € million	2.9	1.1		
Personnel, average **	1,697	1,848		

* Operating profit before amortisation

Includes a share of Rautakirja's result until 1 March 2003.

** full-time equivalents

Y: Kalvo_HS/HS04/interimreport1

WSOY

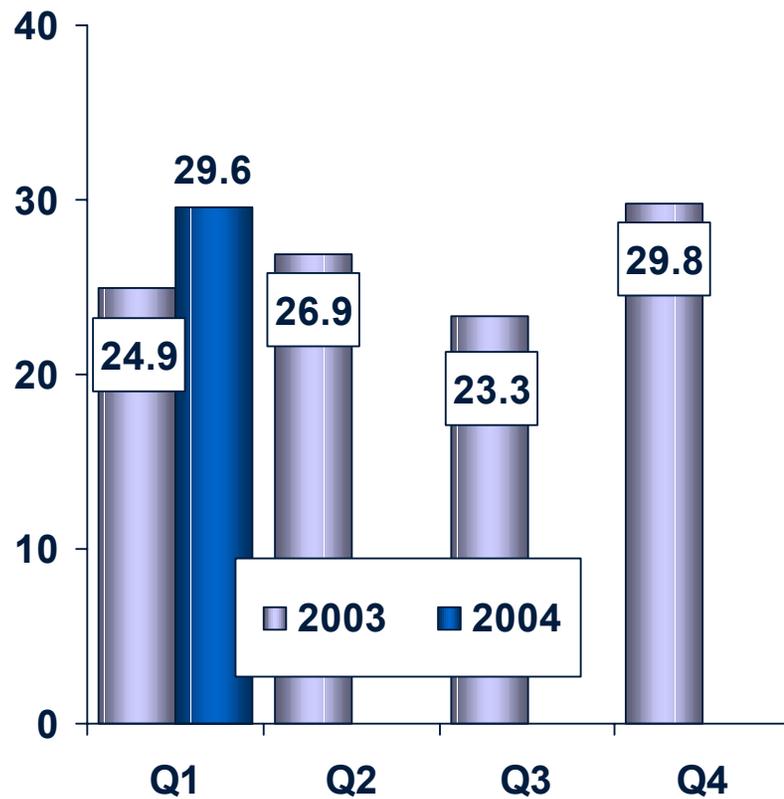
Key developments

- After adjustment for changes in Group structure, net sales grew by 7.1%
 - Genimap sold 12/2003
 - New subsidiary Young Digital Poland 3/2004
 - Everscreen AB divested 3/2004
- All businesses improved their results compared to 1–3/2003
- Sales to bookstores and through book clubs both grew by some 7%
- School textbook series related to renewed curriculum in comprehensive schools successful in advance orders
- Development of Opit service continues

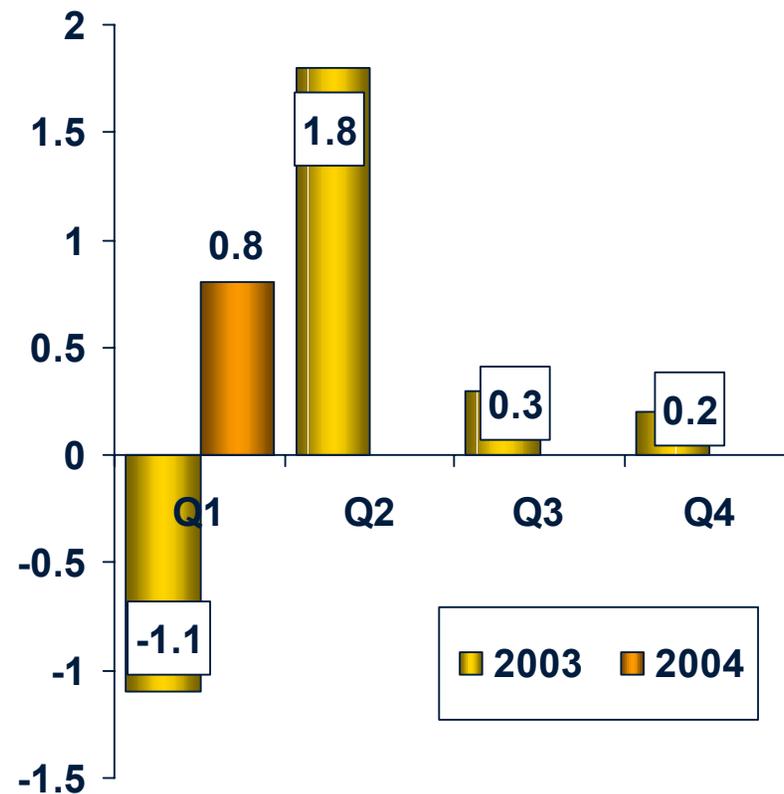


SWelcom

Net sales, € million



EBIT, € million



Y: KalvoT_HSI/HS04/interimreport1

SWelcom

1-3/2004

26

€ million	Net sales		EBITA*	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Nelonen	15.9	13.6		
Others	14.0	11.8		
Intracompany eliminations	-0.3	-0.5		
Total	29.6	24.9	9.9	6.7
	3/2004	3/2003		
Gross investments, € million	2.4	1.6		
Personnel, average**	388	376		

* Operating profit
before
amortisation

**full-time
equivalents

Y: Kalvo_HS/HS04/interimreport1

SWelcom

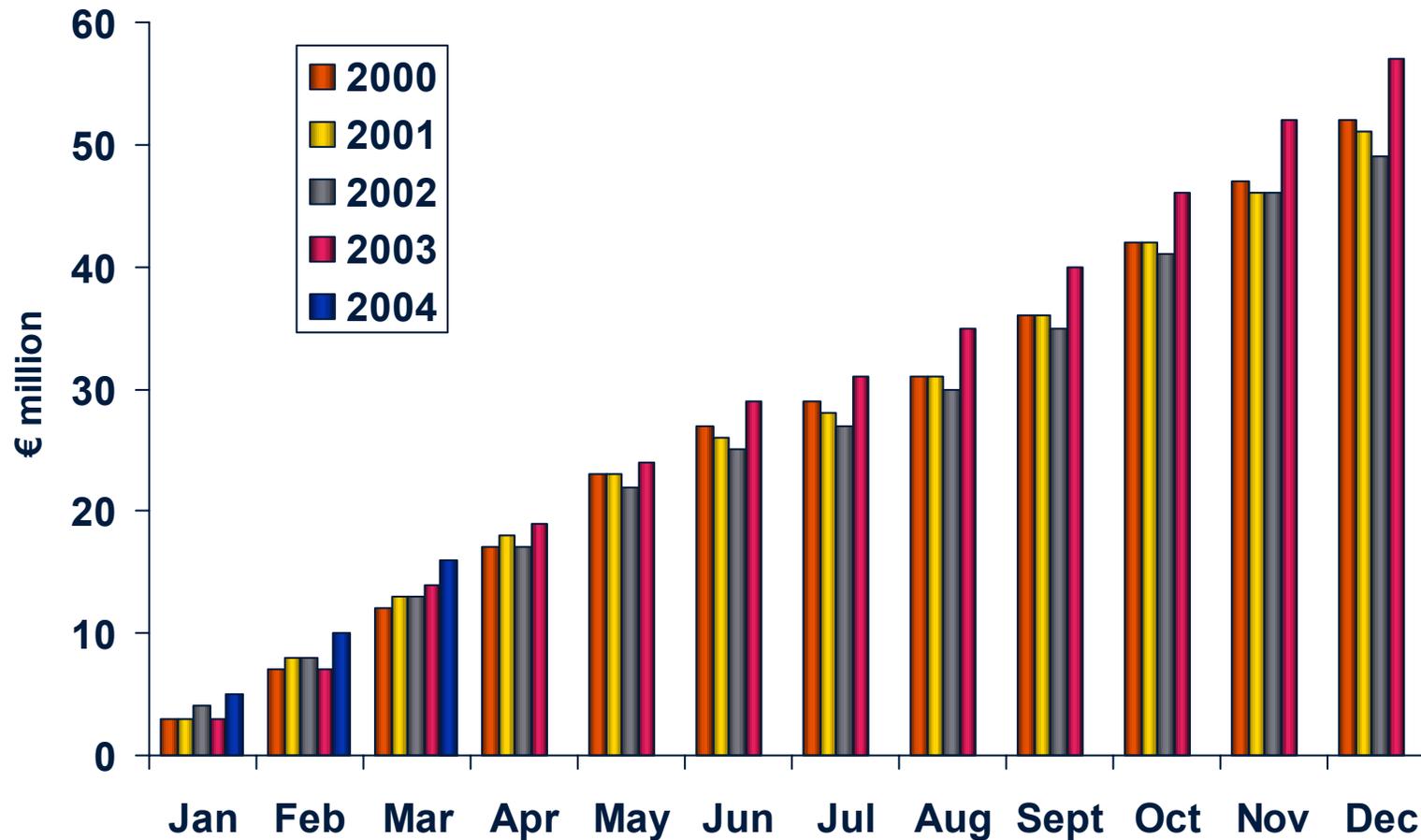
Key developments

- Development in results continued to be excellent, both HTV and Nelonen improved their results
- Net sales continued to grow strongly
 - Growth at the Finnish TV advertising market was generated by Nelonen's advertising sales, which rose more than 17%
 - HTV's growth due to successful sales of HTV connections and broadband internet services
- Nelonen and Ilta-Sanomat to co-operate in IS Sports News



Nelonen's sales

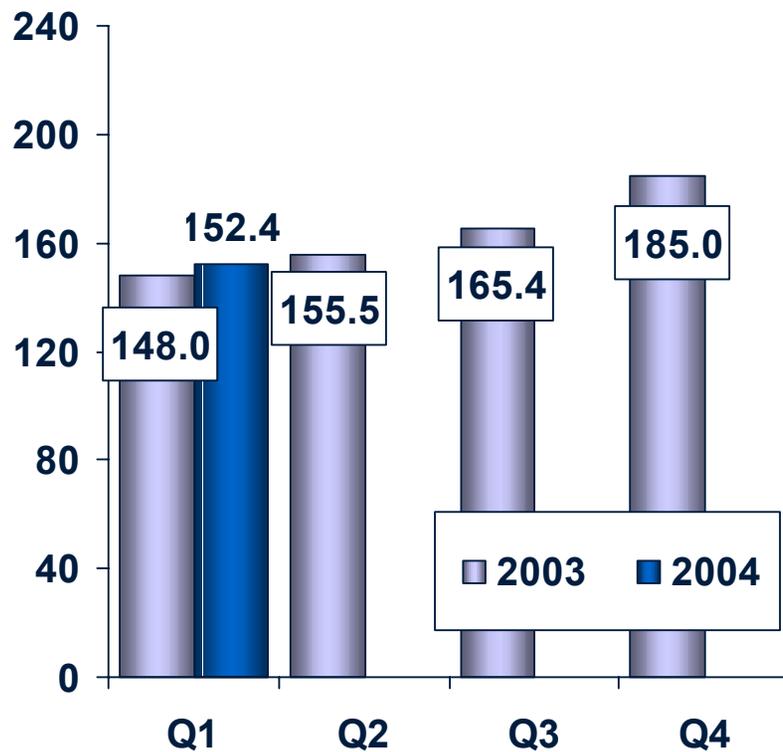
Cumulative



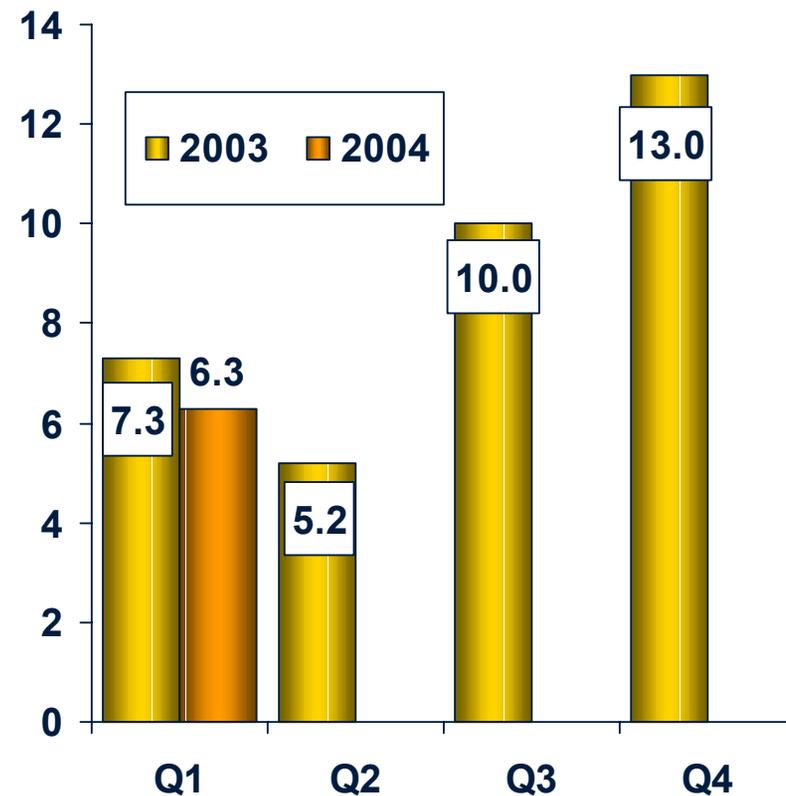
Y: Kalvo_HS/HS04/interimreport1

Rautakirja

Net sales, € million



EBIT, € million



Y: Kalvo_HS/HS04/interimreport1

Rautakirja

1-3/2004

€ million	Net sales		EBITA*	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Kiosk operations	80.5	79.9		
Press distribution	19.0	20.0		
Bookstores	27.5	25.7		
Movie theatre operations	14.5	14.6		
Restaurant operations	13.6	13.4		
Intracompany eliminations	-2.7	-5.6		
Total	152.4	148.0	8.5	9.9
	3/2004	3/2003		
Gross investments, € million	2.5	6.6		
Personnel, average**	4,842	4,922		

* Operating profit before amortisation

**full-time equivalents

Y: Kalvo_HS/HS04/interimreport1

Rautakirja

Key developments

- Net sales increased in all businesses, 64% of the growth generated outside Finland
 - Sales in kiosk operations affected by price competition in the kiosk product market. Growth mainly due to product renewal at Veikkaus and a new price for Lotto
 - In Finland, sales of both Finnish and foreign magazines grew, newsstand sales increased by 5%.
 - Children and juvenile books (Harry Potter) and non-fiction sold well
 - Movie theatre operations developed positively in the Baltic region
- Operating profit declined 14.2% (due to decline in movie theatre operations in Finland and the new periodization of subscription sales at bookstores)



Estimates for 2004

by Division

Sanoma Magazines

- Net sales are expected to grow.
- EBIT is also expected to increase, despite heavy investment in growth in all major markets, mainly from the second quarter onwards.

Sanoma

- Comparable net sales are expected to grow slightly.
- Operating 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 2003 figure, as non-recurring gains on the sales of assets are expected to be smaller.

WSOY

- Net sales are expected to be on previous year's level; after adjustment for changes in Group structure, net sales will grow.
- Operational result will continue to grow.

SWelcom

- Net sales are expected to grow substantially.
- Operating profit is expected to improve further.

Rautakirja

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

After the review period

Sanoma Magazines

- New magazine launches after the review period
 - The Netherlands: Maxim and OOK
 - Belgium: GLAM-IT (re-launch)

WSOY

- New books:
 - New Finnish translations from Shakespeare's Henrik IV and Macbeth
 - Jamie Oliver's: Happy Days with Naked Chief (Finnish translation)
 - Coming in Q2: Dan Brown's Da Vinci code

Sanoma

- Publishing rights of news publication Uutislehti 100 bought – Sanoma moves to free sheet markets
- Ilta-Sanomat's market share grew markedly

SWelcom

- Nelonen's sales in April excellent
- HTV broadband internet connections continuing good sales

Rautakirja

- Newsstand sales in Finland developing well, especially in magazines
- Hit movies bringing viewers to movie theatres

Targets on scope

Market expectations:

Positive swing in media advertising in April:

- April one of the best months in Nelonen's history
 - Helsingin Sanomat's media advertising developing well
 - Job advertising grew
- Concentration on core businesses continued after the review period, divestments:
 - Måndag Oy 4/2004
 - Minority holding in Päijät-Visio Oy 4/2004
 - Milvus Förlags AB 4/2004
 - Internationalisation areas: magazines, distribution and educational materials



Y: Kalvo_HS/HS04/interimreport1

Group's outlook for 2004

- After adjustment for changes in Group structure, SanomaWSOY's net sales are expected to increase in 2004 by at least as much as in the first quarter.
 - Comparable profitability is expected to improve markedly provided that the advertising market will not weaken significantly compared to previous year.
 - In 2003, operating profit included some EUR 43 million of non-recurring gains on the sales of assets. In 2004, the non-recurring gains on the sales of assets may remain below that.
- ➔ SanomaWSOY will start to report according to IFRS standards **in the beginning of 2005**. This will improve the Group's operating profit significantly.



Committed to the Future