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SANOMAWSOY'S RESULT CONTINUED TO SHOW AN EXCELLENT TREND - EARNINGS PER SHARE MORE THAN TRIPLED

SanomaWSOY substantially improved its result in 2003. "Operative business did extremely well. We also boosted our profit and cash flow by continuing to divest our non-core assets in accordance with our strategy," President and COO Hannu Syrjänen describes the year.

SanomaWSOY's positive trend continued, and in spite of a challenging market situation, result also developed remarkably during the last quarter. In 2003, operating profit grew by 53% and operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights (EBITA) by 24%. Profit before extraordinary items rose by 53% and earnings per share more than tripled.

A good year for all divisions

Syrjänen points out that all of SanomaWSOY's divisions made it through a challenging year with distinction. Comparable operating profit increased in all of SanomaWSOY's divisions. Net sales grew most at Rautakirja and SWelcom.

"The electronic media division showed an excellent performance and turned profitable. They strengthened their market position markedly. The magazine division continued its strong profitability in a difficult market situation - particularly worthy of mention are the Hungarian, Finnish and Belgian operations. The magazine market in the Netherlands was particularly challenging, but the organisation achieved a good result," Syrjänen observes.

"We measured costs properly and kept them under control. In this way we achieved a considerable improvement in results even with some modest growth.

"In actual business operations, several development projects were carried out: the Rautakirja merger was completed in March. Helsingin Sanomat was revamped structurally and a new printing machine was started up. The IS Business Unit carried out some major development projects and, for example, Veikkaaja was brought into the product family. The magazine division launched eight titles, and operations were started in Bulgaria. Finnkino opened new multiplex movie theatres in Latvia,

Lithuania and Finland. Broadband internet was also among last year's winners, and e-learning services became even more diversified."

Ready to go in 2004

According to forecasts, the economy will grow faster in 2004 than last year in the countries where SanomaWSOY operates, but still modestly. "This means that we will still have to adjust our operations to slow growth this year and attend to efficient cost control and discipline on expenditure."

Syrjänen declares that SanomaWSOY will encounter the challenges of 2004 in a state of 'excellent readiness'. "All our business units have many development and growth projects in their plans. We are also holding tightly to our excellent trend in profitability. The big magazine acquisition of 2001 and the Rautakirja arrangements of 2003 have now been brought to a stage at which new growth projects are possible, both in Finland and internationally.

"We continue to invest in personnel development and expertise. Our well-perceived training programmes are going ahead at full speed. They support strong, customer-centred operations and product development," Syrjänen declares.

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