

SanomaWSOY Corp. Stock Exchange Release May 7, 2004 at 11:25

SANOMAWSOY'S INTERIM REPORT 1 JANUARY - 31 MARCH 2004

SanomaWSOY's earnings per share increased to EUR 0.05 (-0.05) in the first quarter. EPS excluding goodwill amortisation totalled EUR 0.18 (0.10). Net sales totalled EUR 569.0 (554.7) million. Group's operating profit rose by 82.5% and amounted to EUR 27.0 (14.8) million. EBITA increased to EUR 58.7 (48.5) million. Changes in accounting principles have been adjusted to comparative data.

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	569.0	554.7	2.6	2,395.9
Operating profit before depreciation and decrease in value	76.3	66.5	14.8	414.8
% of net sales	13.4	12.0		17.3
Operating profit before amortisation	58.7	48.5	20.9	338.4
% of net sales	10.3	8.7		14.1
Operating profit	27.0	14.8	82.5	205.2
% of net sales	4.7	2.7		8.6
Result before extraordinary items	27.0	-0.1		163.1
% of net sales	4.7	0.0		6.8
Balance sheet total	2,369.2	2,529.8	-6.3	2,453.0
Gross investments	21.3	17.5	22.0	94.8
% of net sales	3.7	3.1		4.0
Equity ratio, % *)	43.9	46.3		47.6
Equity ratio, %	36.2	37.7		40.3
Gearing, % *)	48.9	56.8		46.4
Gearing, %	80.5	92.8		72.9
Financial cost of liabilities	8.4	11.3	-26.2	47.1
Interest-bearing liabilities	704.9	941.5	-25.1	819.4
Interest-free liabilities	856.6	682.3	25.6	686.1
Securities, cash and bank	55.2	101.2	-45.5	128.8
Personnel under employment contract, average	15,653	17,761	-11.9	17,330
Personnel, average (full-time equivalents)	13,260	14,375	-7.8	14,207

Earnings/share, €	0.05	-0.05		0.69
Cash flow/share, €	0.28	0.50	-43,0	1.65
Equity/share, €	5.16	5.81	-11.2	6.08
Market capitalisation	2,218.8	1,322.0	67.8	2,554.9

*) Capital notes included in equity

Outlook for 2004

The economy within the Euro area will grow faster in 2004 than in the previous year. Nevertheless, research institutions have slightly lowered their estimates of GDP growth. GDP is expected to grow in the Netherlands by roughly 1%, in Belgium by 1.5% and in Finland by slightly less than 3%. Media advertising traditionally grows more than GDP.

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 does not weaken significantly compared to the 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.

Targets and key events

SanomaWSOY's divisions continued to be successful in reaching the financial targets in the first quarter of 2004. Sanoma Magazines and Sanoma developed their magazine and newspaper portfolios. SWelcom continued to improve its profitability and market share. WSOY developed the Opit service, among others. The Polish eLearning company Young Digital Poland became a subsidiary of WSOY. Rautakirja continued to expand its international operations. A strong cash flow and a reduced balance sheet facilitate SanomaWSOY's growth and further international expansion.

At the end of March, the WSOY subsidiary Everscreen divested the business operations of the Swedish Everscreen AB. The Group continued to focus on the core businesses after the review period. In April, the SWelcom subsidiary Tuotantotalo Werne Oy sold Måndag Oy and Sanoma Magazines Finland sold Milvus Förlags AB.

Net sales

SanomaWSOY's net sales grew by 2.6% in January - March 2004, and amounted to EUR 569.0 (554.7) million. Growth was generated in Sanoma Magazines, SWelcom and Rautakirja. After adjustment for changes in Group structure, net sales grew by 3.1%. Advertising sales represented 20% (20%) of the Group's total net sales.

Result

The Group's development in results continued to be good: SanomaWSOY's operating profit increased by 82.5% and reached EUR 27.0 (14.8) million. The result improved in all divisions excluding Rautakirja. In January - March there were no substantial non-recurring gains, as was also the case in the comparable period. EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 20.9% to EUR 58.7 (48.5) million.

Result before extraordinary items increased to EUR 27.0 (-0.1) million and earnings per share rose to EUR 0.05 (-0.05). The Group's net financial items amounted to EUR -0.0 (-14.9) million in the first quarter of 2004. Financial income increased to EUR 9.7 (4.7) million. The Group's share portfolio has now been realised according to plan. Financial expenses, EUR 9.7 (19.6) million, were mainly composed of interest expenses on interest-bearing liabilities, EUR 8.2 (11.2) million. The Group's cash flow from operations was EUR 43.5 (71.4) million and cash flow per share EUR 0.28 (0.50). The change is mainly related to seasonal variation of the working capital.

Balance sheet and financial position

The consolidated balance sheet continued to decrease and at the end of March amounted to EUR 2,369.2 (2,529.8; 31.12.2003: 2,453.0) million. Also, the Group's financial position continued to strengthen. The equity ratio was 36.2% (37.7%; 31.12.2003: 40.3%) and, including capital notes, 43.9% (46.3%; 31.12.2003: 47.6%). The decision on the dividend payment was made in the first quarter, 30 March 2004, which affected the equity ratio. Shareholders' equity, excluding capital notes, amounted to EUR 789.8 (889.3; 31.12.2003: 931.2) million. Net debt declined significantly and was, including capital notes, EUR 649.7 (840.3; 31.12.2003: 690.6) million. Net debt will grow during the second quarter due to dividend payments. Interest-bearing liabilities, including capital notes, decreased to EUR 704.9 (941.5; 31.12.2003: 819.4) million.

Investments

SanomaWSOY invested moderately in the review period. The investments totalled EUR 21.3 (17.5) million. R&D expenditure recorded as expenses amounted to EUR 3.8 (1.7) million.

IFRS reporting

SanomaWSOY will start reporting according to IFRS standards in 2005. The new accounting principles will have an impact on the Group's net sales. The most important changes relating to net sales took place at the beginning of 2004 in accordance with Finnish Accounting Standards. The most significant modifications related to press distribution, which is now treated as commission sales, and to harmonising the accounting practice regarding granted discounts and purchased services.

The comparable figures for 2003 have been adjusted according to the changes in accounting principles. According to the unaudited adjustments, SanomaWSOY's net sales decreased as a result of the changes by some EUR 38 million in 2003. Sanoma Magazines' net sales increased by approximately EUR 36 million. The changes within the division are significant: net sales from magazine operations increased by some EUR 106 million whereas net sales from magazine distribution decreased by approximately EUR 115 million. Sanoma's net sales decreased by about EUR 18 million due to the changes, and Rautakirja's net sales by some EUR 116 million. The changes did not affect the net sales of WSOY and SWelcom.

The IFRS standards and their interpretations will be further clarified, and the impact on the income statement and balance sheet specified, at a later stage. According to a preliminary, unaudited estimate, the defined benefit plan treatment of the disability element of the Finnish TEL pension system will increase pension liabilities, and the annual pension expenses are expected to increase. At the Group level, the annual expense increase is not material. As to the other countries where the Group operates, the IFRS impact related to the pension systems will be specified later.

According to the IFRS 3 standard (Business Combinations) issued in March, goodwill and immaterial rights with indefinite useful lives are no longer amortised according to plan but tested for impairment. According to a preliminary, unaudited estimate, this significantly improves the Group's operating profit according to IFRS. Amortisation of goodwill and consolidated goodwill amounted to EUR 81.4 million in 2003.

When preparing the local statutory accounts for 2003, it was evaluated whether there is any indication of impairment related to the most important goodwill items. The evaluations did not indicate any need for write-downs. The goodwill related to the acquisition of the magazine operations in 2001 has been evaluated in accordance with the accounting standards used in the Netherlands. The Dutch standards of impairment testing are mainly in line with the general IFRS principles.

Operating environment

The growth in media advertising continued to be slow in the first quarter. According to TNS Gallup Adex, media advertising grew in Finland by more than 1%. Advertising in newspapers grew by almost 1% whereas job advertising declined by 3%. TV and magazine advertising both increased by almost 4%. According to advance information, magazine advertising increased in Hungary and Belgium but declined in the Netherlands. Retail trade in Finland was up by slightly more than 4% in January - February 2004.

Administration

SanomaWSOY's Annual General Meeting of 30 March 2004 elected Sirkka Hämäläinen, D.Sc. (Econ.), as a new member of the Board, and Seppo Kievari and Hannu Syrjänen were re-elected. In addition, the Board of Directors comprises Jaakko Rauramo, Chairman of the Board, Paavo Hohti, Vice Chairman, and Sari Baldauf, Robert Castrén, Jane Erkko, Robin Langenskiöld and Sakari Tamminen as members.

According to the Articles of Association, the term of office of the Board members is three years. To ensure rotation among the members of the Board, Paavo Hohti, Robert Castrén, Jane Erkko, and Robin Langenskiöld have announced that they will vacate their seats at the AGM in spring 2005. In line with the Articles of Association, the term of Jaakko Rauramo, Sari Baldauf, and Sakari Tamminen is until the AGM in 2006, and the term of Sirkka Hämäläinen, Seppo Kievari, and Hannu Syrjänen until the AGM in 2007.

Mikael Pentikäinen, President of Sanoma Corporation, and Matti Salmi, Senior Vice President, Finance and Administration, of SanomaWSOY, started in their new positions and became members of the SanomaWSOY Management Group on 1 April 2004.

Dividend

In line with the decision of the AGM, SanomaWSOY distributed a dividend of EUR 1.00 (0.40) per share for 2003. The record date for dividend payment was 2 April 2004, and the dividend was paid on 13 April 2004.

Shares

During the review period, SanomaWSOY Series A shares were traded at an average price of EUR 16.69, with a low of EUR 16.00 and a high of EUR 17.90. Series B shares were traded at an average price of EUR 16.00, with a low of EUR 14.15 and a high of EUR 17.77. The turnover of shares amounted to EUR 110.2 (26.9) million. Most of the shares traded were Series B, of which some 6.8 million shares were traded. SanomaWSOY's market capitalisation at the end of March, less shares held by the Group, was EUR 2,218.8 (1,322.0) million. SanomaWSOY owns through its subsidiary Tiikerijakelu Oy a total of 7,187,276 Series B shares equivalent to 4.48% of shares and 1.19% of votes. The book counter-value of these shares is EUR 3,090,528.68.

The AGM approved the proposal of the Board of Directors to invalidate, without consideration, the Series B shares that SanomaWSOY will receive when its fully owned subsidiary Tiikerijakelu merges into SanomaWSOY Corporation. These shares will be invalidated immediately after the implementation of the merger is registered. The date scheduled for the implementation of the merger is 31 July 2004. As a result of the invalidation, the share capital of SanomaWSOY Corporation will decrease from EUR 68,928,754.04 to EUR 65,838,225.36, and the number of Series B shares will be reduced from 137,078,936 to 129,891,660 shares. The number of Series A shares remains at 23,220,492.

None of the convertible capital notes issued in 2001, the conversion period of which began on 2 January 2002, had been converted into shares by the end of the review period. The conversion price is EUR 15.91. In 2003 SanomaWSOY redeemed a total of 3,620 notes that were invalidated on 27 February 2004. After the review period, SanomaWSOY redeemed 121 notes that will be invalidated later.

Authorisations of the Board

The AGM of 30 March 2004 authorised the Board to decide, within one year of the AGM, on an increase of share capital by one or more rights issues, issuance of one or more convertible bonds loans and/or option rights. The new shares subscribed under the rights issue and/or converted against the convertible bonds, and/or the new shares subscribed under the option rights, shall be of Series B, and their aggregate number may not exceed 30,622,430 shares. The total increase of share capital may not exceed EUR 13,167,644.90.

The AGM also authorised the Board to decide, within one year of the AGM, to acquire the company's own Series A and B shares. The acquisition will be made by using distributable funds. The aggregate book counter-value of the shares or the total votes conferred by such shares after the acquisition may not exceed 5% of the share capital or of the total votes of the company. The shares will be acquired in the existing proportion of the different share classes.

SANOMA MAGAZINES

Magazine publishing and distribution. Sanoma Magazines is among the five biggest magazine publishers in Europe. The division publishes some 230 titles and operates in nine different countries: Belgium, Bulgaria, Croatia, the Czech Republic, Finland, Hungary, the Netherlands, Romania, and Slovakia. Aldipress is the biggest magazine distributor in the Netherlands.

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	253.7	245.8	3.2	1,064.8
Operating profit before amortisation	28.8	26.5	8.7	159.1
% of net sales	11.4	10.8		14.9
Operating profit	10.9	5.9	86.1	78.8
% of net sales	4.3	2.4		7.4
Operating profit excl. associated companies	9.1	2.5	264.9	67.2
% of net sales	3.6	1.0		6.3
Balance sheet total	1,494.7	1,649.9	-9.4	1,504.7
Gross investments	3.7	3.5	6.8	18.4
Personnel under employment contract, average	4,503	4,474	0.6	4,421
Personnel, average (full-time equivalents)	3,959	3,907	1.3	3,879

OPERATIONAL INDICATORS, 1.1 - 31.3.

	2004	2003
Number of copies sold (press distribution/Aldipress), thousands	28,661	26,526
Number of magazines published	231	218
Magazine copies sold, thousands	102,527	102,586
Number of advertising pages sold	10,189	9,357

Sanoma Magazines' net sales grew to EUR 253.7 (245.8) million in the January - March period. Sanoma Uitgevers' net sales amounted to EUR 119.3 (123.3) million. Net sales increased at Sanoma Magazines Belgium to EUR 47.5 (44.3) million and at Sanoma Magazines Finland to EUR 43.1 (40.2) million. Sanoma Magazines International's net sales grew to EUR 31.6 (28.4) million. Net sales at Aldipress totalled EUR 26.2 (24.8) million.

The division's advertising sales increased by nearly 7% in the January - March period. The competitive advertising market in the Netherlands affected the Dutch-based Sanoma Uitgevers. In the other countries, advertising sales grew, mainly due to the launch of new titles. Advertising sales represented some 19% (19%) of Sanoma Magazines' total net sales.

Circulation sales continued to develop well and showed an increase of some 2%. Circulation sales decreased slightly in Sanoma Uitgevers but increased in the other businesses. In Sanoma Magazines Finland, the increase is due to good performance in major titles and newly launched magazines, and in Sanoma Magazines Belgium to subscription sales in particular. Sanoma Magazines International's circulation revenue increase came mainly from Hungary, Croatia and Romania.

Sanoma Magazines' operating profit developed well and amounted to EUR 10.9 (5.9) million. Lower operational costs, mainly due to cost cutting programmes started last year as well as lower amortisation, contributed to the improved results. The division's EBITA increased to EUR 28.8 (26.5) million. Sanoma Uitgevers and Sanoma Magazines Finland posted improved results whereas the result at Sanoma Magazines Belgium and at Sanoma Magazines International weakened slightly. At Sanoma Magazines International, investments in new launches impacted the result. The result at Aldipress was above the previous year's level, mainly due to cost efficiency.

After the review period, Sanoma Magazines Finland sold the shares of its Swedish unit, Milvus Förlags AB. The divestment will have a positive effect on Sanoma Magazines Finland's EBIT in 2004.

In 2004, the net sales of Sanoma Magazines 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

Newspaper publishing and printing. Sanoma publishes and prints Finland's leading newspapers, Helsingin Sanomat and Ilta-Sanomat. Sanoma's newspaper titles also include the business daily Taloussanomat, the sports and sport betting weekly IS Veikkaaja, the free ad publication Keltainen Pörssi, and several regional and local papers in south-eastern Finland.

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	104.1	107.8	-3.4	425.5
Operating profit before amortisation	13.1	12.5	4.7	77.5
% of net sales	12.6	11.6		18.2
Operating profit	11.4	10.7	6.3	69.4
% of net sales	11.0	10.0		16.3
Operating profit excl. associated companies	11.4	9.5	19.7	67.3
% of net sales	10.9	8.8		15.8
Balance sheet total	424.4	506.7	-16.3	447.7
Gross investments	9.4	4.7	101.2	29.7
Personnel under employment contract, average	2,661	4,518	-41.1	4,027
Personnel, average (full-time equivalents)	2,301	3,251	-29.2	3,041

OPERATIONAL INDICATORS, 1.1 - 31.3.

	2004	2003	2002
HELSINGIN SANOMAT			
Weekday circulation, copies *)		429,244	431,262
Sunday circulation, copies *)		500,269	500,150
Advertising volume (column metres)	10,052	10,950	
ILTA-SANOMAT			
Circulation, copies *)		198,693	204,820
Advertising volume (column metres)	1,377	1,609	

TALOUSSANOMAT

Circulation, copies *)		34,784	32,513
Advertising volume (column metres)	570	486	

*) Audited circulation figures 1.1 - 31.12.

Sanoma's net sales amounted to EUR 104.1 (107.8) million in January - March. The decrease in net sales was mainly due to a decline in distribution and advertising sales. Sanoma sold its early-morning distribution company Leijonajakelu to Finland Post in 2003. The Helsingin Sanomat Business Unit's net sales amounted to EUR 62.2 (63.0) million and those of the IS Business Unit to EUR 22.1 (22.7) million. The net sales of Kymen Lehtimedia were down to EUR 12.0 (12.7) million as the printing exports to Russia were discontinued. After adjustment for changes in Group structure, the division's net sales were down by 0.9%.

Advertising sales decreased by 2% and accounted for 48% (48%) of Sanoma's net sales. At the beginning of the previous year, parliamentary elections boosted advertising sales. The overall development in Helsingin Sanomat's advertising sales was sluggish, and job advertising declined further. The comparable development in March was positive. The advertising sales of the IS Business Unit and Kymen Lehtimedia both declined. Advertising sales grew strongly at Oikotie, Taloussanomat, and Ilta-Sanomat Plussa.

Circulation sales grew slightly and accounted for 45% (43%) of the division's net sales. Helsingin Sanomat increased its circulation sales by 3%, and circulation remained at the previous year's level. Ilta-Sanomat's market share grew markedly even though circulation declined. As for regional papers, Kouvolan Sanomat increased its circulation.

Sanoma's operating profit increased to EUR 11.4 (10.7) million due to moderate cost development and profit on sales of fixed assets. The figure in 2003 included a EUR 1.0 million share of the result of Rautakirja from January - February. Sanoma's EBITA was EUR 13.1 (12.5) million. All businesses posted improved results except the IS Business Unit whose result declined slightly due the launch of new products and decreased circulation sales.

After the review period Sanoma acquired the publishing rights of a news publication Uutislehti 100. Also, a decision to renew Sanoma's organisation was made, to improve cost efficiency and clarity.

In 2004, Sanoma's comparable net sales are expected to grow slightly. The operating profit from basic business operations is expected to improve more than net sales, due to long-term development measures. The division's operating profit will fall short of the previous year's figure, as non-recurring gains on the sales of assets are expected to be smaller than in 2003.

WSOY

Publishing, printing and calendar operations. WSOY is Finland's largest book publisher and the market leader in general literature, educational materials and several special publications. WSOY is also one of the largest book printers and the leading calendar publisher in the Nordic region.

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	42.8	42.4	1.0	212.2
Operating profit before amortisation	-0.8	-0.9	4.1	28.0
% of net sales	-1.9	-2.1		13.2
Operating profit	-1.5	-1.6	3.1	22.6
% of net sales	-3.6	-3.8		10.6
Operating profit excl. associated companies	-1.5	-3.1	51.5	21.0
% of net sales	-3.5	-7.4		9.9
Balance sheet total	190.6	267.7	-28.8	203.8
Gross investments	2.9	1.1	163.7	8.7
Personnel under employment contract, average	1,799	1,924	-6.5	1,933
Personnel, average (full-time equivalents)	1,697	1,848	-8.2	1,859

OPERATIONAL INDICATORS, 1.1 - 31.3.

	2004	2003
NUMBER OF THE TITLES PUBLISHED		
Books	161	157
Electronic products	23	12
NUMBER OF THE REPRINTS PUBLISHED		
Books	245	355
Electronic products	51	38
Books printed, millions	5.3	5.5
Paper consumption, tonnes	4,056	4,099

WSOY's net sales totalled EUR 42.8 (42.4) million in the first quarter. After adjustment for changes in Group structure, net sales grew by 7.1%. Net sales in publishing amounted to EUR 31.6 (31.3) million despite the divestment of the map and location company Genimap in December 2003. The figure includes the net sales of the new subsidiary Young Digital Poland as of 1 March. At the end of the review period, the WSOY subsidiary Everscreen Oy sold the business operations of the Swedish Everscreen AB. After adjustment for structural changes in publishing, the growth rate was 9.4%. Net sales in printing amounted to EUR 15.2 (15.1) million and in calendar operations to EUR 1.3 (1.6) million.

The first quarter was successful for general literature. Sales to bookstores and through book clubs both grew by some 7% compared to the previous year. WSOY's position as the leading school textbook publisher is stable. The response to the new school textbook series related to the renewed curriculum in comprehensive schools is good, judging by the advance orders for the school year 2004–2005.

Operating result from WSOY's own operations grew to EUR -1.5 (-3.1) million. WSOY's operating result for the first quarter totalled EUR -1.5 (-1.6) million. In 2003, the figure included a EUR 1.4 million share of the result of Rautakirja from January - February. The division's EBITA was EUR -0.8 (-0.9) million. All businesses improved their results compared to the previous year.

WSOY's net sales in 2004 are expected to be on the previous year's level but, after adjustment for changes in Group structure, net sales will grow. Operational result will continue to grow - solid market positions and profitability improvement measures will enhance the increase.

SWELCOM

Electronic media. The SWelcom-owned TV channel Nelonen is the third-largest advertising medium in Finland. HTV (Helsinki Television) is Finland's biggest cable TV company.

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	29.6	24.9	19.1	104.9
Operating profit before amortisation	9.9	6.7	48.0	29.6
% of net sales	33.2	26.7		28.3
Operating profit	0.8	-1.1		1.2
% of net sales	2.5	-4.4		1.1
Operating profit excl. associated companies	0.7	-1.1		1.0
% of net sales	2.5	-4.4		1.0

Balance sheet total	136.5	134.6	1.4	142.3
Gross investments	2.4	1.6	49.5	8.9
Personnel under employment contract, average	426	402	6.1	416
Personnel, average (full-time equivalents)	388	376	3.4	392

OPERATIONAL INDICATORS, 1.1 - 31.3.	2004	2003
Nelonen's share of Finnish TV advertising	29.3%	26.1%
Nelonen's daily coverage	45%	45%
Nelonen's national commercial viewing share	23.4%	20.4%
Nelonen's national viewing share	12.0%	10.5%
Number of connected households, thousands (31.3.)	265	240
Number of pay-TV subscriptions, thousands (31.3.)	34	35
Number of broadband internet connections, thousands (31.3.)	46	34

SWelcom's net sales continued to grow strongly in the first quarter, reaching EUR 29.6 (24.9) million. There was growth at both Nelonen and HTV. The growth of the Finnish TV advertising market was generated by Nelonen's advertising sales, which grew by more than 17%. Its market share rose to above 29%. Nelonen's net sales amounted to EUR 15.9 (13.6) million. HTV's growth was driven by successful sales of HTV connections and broadband internet services. Advertising sales amounted to 54% (54%) of SWelcom's net sales.

SWelcom's development in results continued to be excellent due to increased sales: the operating profit totalled EUR 0.8 (-1.1) million in the first quarter. EBITA was EUR 9.9 (6.7) million. Both HTV and Nelonen improved their results considerably.

In April, after the review period, SWelcom's subsidiary Tuotantotalo Werne Oy sold its fully owned subsidiary Måndag Oy to the Danish Toft & Fischer A/S. Also, SWelcom sold its minority holding in Päijät-Visio Oy.

In 2004, SWelcom's net sales are expected to grow substantially due to the increase in Nelonen's advertising sales, sales of HTV connections and the popularity of the broadband services. Operating profit is expected to improve further.

RAUTAKIRJA

Kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations. Rautakirja operates in the Czech Republic, Estonia, Finland, Latvia, and Lithuania. The division consists of Finland's leading chain of convenience outlets (R-kiosks), the country's principal press distributor (Lehtipiste), Finland's most extensive bookstore chain (Suomalainen Kirjakauppa), and Finland's largest movie theatre chain (Finnkino).

KEY INDICATORS, EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
Net sales	152.4	148.0	3.0	653.8
Operating profit before amortisation	8.5	9.9	-14.0	45.7
% of net sales	5.6	6.7		7.0
Operating profit	6.3	7.3	-14.2	35.5
% of net sales	4.1	5.0		5.4
Operating profit excl. associated companies	6.8	8.5	-20.4	41.3
% of net sales	4.4	5.7		6.3
Balance sheet total	337.7	293.9	14.9	348.6
Gross investments	2.5	6.6	-61.7	28.7
Personnel under employment contract, average	6,192	6,371	-2.8	6,458
Personnel, average (full-time equivalents)	4,842	4,922	-1.6	4,962

OPERATIONAL INDICATORS, 1.1 - 31.3. *)

	2004	2003
Customer volume in kiosk operations, thousands	28,561	29,542
Customer volume in bookstore operations, thousands	1,474	1,524
Customer volume in movie theatres, thousands	1,005	1,081
Number of copies sold (press distribution), thousands	30,921	30,744

*) Units in Finland

Rautakirja's net sales grew to EUR 152.4 (148.0) million in the first quarter. 64% of the growth was generated outside Finland. Finland accounted for 90% of the net sales.

Kiosk operations generated net sales of EUR 80.5 (79.9) million. Sales in Finland were affected in the first quarter by price competition in the kiosk product market. The successful development in commission sales was primarily due to product renewal at Veikkaus and a new price for Lotto. Net

sales from press distribution decreased to EUR 19.0 (20.0) million. In Finland, sales of both Finnish and foreign magazines grew markedly, and newsstand sales increased by 5% in total. A change in operational practices decreased net sales from press distribution: the Latvian unit discontinued operating the logistics for its own kiosk chains.

Net sales from bookstores increased to EUR 27.6 (25.7) million in the first quarter, partly as a result of the acquisitions in spring 2003. The Finnish edition of Harry Potter book boosted sales through bookstores in children's and juvenile literature and sales of non-fiction improved also. Net sales from movie theatre operations were EUR 14.5 (14.6) million. Net sales in Finland fell short of the previous year, which had an exceptionally high rate of successful movies. Sales developed positively in the Baltic region thanks to the new multiplex movie theatres in Vilnius and Riga. Net sales from restaurant operations were on the previous year's level, at EUR 13.6 (13.4) million.

Rautakirja's operating profit was down, to EUR 6.3 (7.3) million. The result was influenced by the decline in movie theatre operations in Finland and the new periodization of subscription sales at bookstores, which will not affect the annual result of the business or division. Rautakirja's EBITA totalled EUR 8.5 (9.9) million. The comparable EBITA from bookstores was on the previous year's level whereas other businesses declined. The accounting practice for rights relating to distribution of visual recordings was revised at the beginning of 2004, and the comparable figures have been adjusted accordingly. The change increased Rautakirja's EBITA for the first quarter of 2003 by EUR 1.3 million and the year-level impact was EUR 4.3 million. The change has no impact on the operating profit.

2004 will be a challenging year for trade, and growth is likely to be smaller than in previous years. Rautakirja's comparable net sales are expected to grow more than those of retail trade business in general. Operating profit is expected to improve.

Helsinki, 7 May 2004

Board of Directors
SanomaWSOY Corporation

INTERIM REPORT TABLES

Figures are unaudited.

GROUP INCOME STATEMENT

EUR million	1-3 2004	1-3 2003	Change,%	1-12 2003
NET SALES	569.0	554.7	2.6	2,395.9
Increase (+) / decrease (-) in inventories of finished goods and work in progress	3.7	4.4	-15.1	1.5
Production for own use	0.2	0.4	-38.1	1.2
Other operating income	11.9	7.1	67.8	83.2
Share of result of associated companies	1.3	1.6	-17.3	6.1
Materials and services	261.9	244.5	7.1	1,058.4
Personnel expenses	134.7	143.6	-6.2	562.9
Depreciation and decrease in value	49.3	51.7	-4.6	209.5
Other operating expenses	113.3	113.5	-0.2	451.8
OPERATING PROFIT	27.0	14.8	82.5	205.2
Financial income	9.7	4.7	106.0	21.5
Financial expenses	9.7	19.6	-50.4	63.6
RESULT BEFORE EXTRAORDINARY ITEMS	27.0	-0.1		163.1
Extraordinary items	1.4			
RESULT AFTER EXTRAORDINARY ITEMS	28.4	-0.1		163.1
Direct taxes	-18.4	-6.1	203.8	-55.6
Minority interests	-0.2	-1.0	-79.6	-3.0
RESULT FOR THE PERIOD	9.8	-7.1		104.5

The accounting practice of net sales has been modified and comparative data has been adjusted as explained in the chapter IFRS reporting.

The classification of materials and services as well as operating expenses has been harmonised, in particular regarding press distribution. Comparative data has been adjusted accordingly. The reclassifications have no impact on operating profit.

GROUP BALANCE SHEET

EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	156.4	172.1	-9.1	158.0
Goodwill	1,066.5	1,132.5	-5.8	1,081.7
Tangible assets	456.2	457.5	-0.3	453.9
Investments	172.0	243.5	-29.3	177.5
NON-CURRENT ASSETS, TOTAL	1,851.1	2,005.6	-7.7	1,871.1
CURRENT ASSETS				
Inventories	93.6	95.0	-1.6	95.0
Long-term receivables	66.9	69.0	-3.1	66.0
Short-term receivables	302.4	258.9	16.8	292.2
Securities	10.2	49.3	-79.3	60.6
Cash and bank	45.0	52.0	-13.4	68.2
CURRENT ASSETS, TOTAL	518.1	524.2	-1.2	581.9
ASSETS, TOTAL	2,369.2	2,529.8	-6.3	2,453.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	68.9	77.0	-10.5	68.9
Premium fund	31.8	23.7	34.1	31.8
Other funds	369.4	369.4		369.4
Retained earnings	309.9	426.3	-27.3	356.7
Result for the period	9.8	-7.1		104.5
Capital notes	171.4	207.4	-17.4	171.6
SHAREHOLDERS' EQUITY, TOTAL	961.3	1,096.7	-12.4	1,102.9
MINORITY INTEREST	17.8	16.6	6.8	16.3
STATUTORY PROVISIONS	35.2	16.2	117.2	34.1
LIABILITIES				
Deferred tax liability	35.0	36.1	-2.9	36.4
Long-term liabilities	280.2	589.6	-52.5	365.3
Current liabilities	1,039.7	774.5	34.2	898.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	2,369.2	2,529.8	-6.3	2,453.0

GROUP CASH FLOW STATEMENT EUR million	1-3 2004	1-3 2003	Change,%	1-12 2003
Operating profit	27.0	14.8	82.5	205.2
Adjustments to operating profit	35.6	35.5	0.4	129.5
Change in working capital	-6.5	37.3		-1.4
Cash flow from operations before financial items and taxes	56.1	87.6	-35.9	333.3
Financial items and taxes	-12.6	-16.2	22.3	-85.2
Cash flow from operations	43.5	71.4	-39.0	248.1
Cash flow from investments	-4.0	-10.0	60.5	19.7
Cash flow before financing	39.5	61.4	-35.5	267.8
Cash flow from financing	-120.0	-77.3	-55.2	-253.4
CHANGE IN LIQUIDITIES ACCORDING TO THE CASH FLOW STATEMENT	-80.5	-16.0	-404.1	14.4
Exchange rate differences under liquidities	6.8	-5.2		-8.1
Net increase (+)/ decrease (-) in liquidities	-73.6	-21.2	-247.6	6.4
Liquidities according to the balance sheet at 1 Jan.	128.8	122.4	5.2	122.4
Liquidities according to the balance sheet at 31 March/31 Dec.	55.2	101.2	-45.5	128.8

CONTINGENCIES AND PLEDGED ASSETS

EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
DEBTS WITH COLLATERAL CONSISTING OF REAL ESTATE AND SHARES				
Pension loans	16.5	20.0	-17.8	16.9
Loans from financial institutions	1.6	2.5	-38.2	1.9
Other loans	6.8	0.7	852.6	8.0
Mortgages, real estate, total	9.2	15.4	-39.9	9.2
Mortgages, movable property, total	18.3	2.6	599.9	18.3
Pledged securities, total	5.6	28.3	-80.3	5.6
OTHER CONTINGENCIES FOR OWN COMMITMENTS				
Mortgaged bearer bonds		0.9	-100.0	
Corporate mortgages	2.8	5.0	-42.8	2.8
Book value of pledged securities	2.2	3.0	-27.2	2.2
Deposits	5.6	1.1	422.1	4.0
TOTAL	10.6	10.0	6.5	8.9
CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES				
Guarantees	15.9	8.9	77.9	15.7
CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES				
Guarantees	18.2	20.7	-11.9	18.2
OTHER CONTINGENCIES				
Leasing liabilities for premises	170.0	157.4	8.0	179.8
Other leasing liabilities	35.6	41.1	-13.4	36.8
Interest on capital notes	4.4	3.5	27.6	4.1
Other liabilities	68.9	102.1	-32.5	73.2
OTHER CONTINGENCIES, TOTAL	278.9	304.1	-8.3	293.9
ALL LIABILITIES, TOTAL	356.7	390.0	-8.5	369.8

NOMINAL VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS

EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
INTEREST RATE DERIVATIVES				
Options				
Purchased	340.0	480.0	-29.2	340.0
Written	254.8	200.0	27.4	254.8
Interest rate swaps	210.0	380.0	-44.7	210.0
TOTAL	804.8	1,060.0	-24.1	804.8
CURRENCY DERIVATES				
Forward contracts	12.3	35.5	-65.3	18.1
TOTAL	12.3	35.5	-65.3	18.1
SHARE DERIVATIVES				
Options				
Purchased				15.2
Written				16.6
TOTAL				31.7
TOTAL	817.1	1,095.5	-25.4	854.6

MARKET VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS

EUR million	31.3.2004	31.3.2003	Change,%	31.12.2003
INTEREST RATE DERIVATIVES				
Options				
Purchased	0.3	0.0		0.6
Written	-3.1	-3.8	-19.0	-4.3
Interest rate swaps	-0.5	-6.8	-93.2	0.0
TOTAL	-3.2	-10.5	-69.7	-3.7
CURRENCY DERIVATIVES				
Forward contracts	-0.1	-0.6	-82.2	0.2
TOTAL	-0.1	-0.6	-82.2	0.2
SHARE DERIVATIVES				
Options				
Purchased				0.0
Written				-0.8
TOTAL				-0.8
TOTAL	-3.3	-11.2	-70.4	-4.3

GROUP INCOME STATEMENT BY QUARTER

EUR million	1-3 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
NET SALES	569.0	554.7	593.8	571.6	675.7	2,395.9
Increase (+) / decrease (-) in inventories of finished goods and work in progress	3.7	4.4	-0.3	-0.1	-2.6	1.5
Production for own use	0.2	0.4	0.2	0.2	0.4	1.2
Other operating income	11.9	7.1	20.3	15.9	39.9	83.2
Share of result of associated companies	1.3	1.6	3.4	1.5	-0.3	6.1
Materials and services	261.9	244.5	256.1	254.4	303.3	1,058.4
Personnel expenses	134.7	143.6	144.1	133.9	141.3	562.9
Depreciation and decrease in value	49.3	51.7	49.1	50.8	58.0	209.5
Other operating expenses	113.3	113.5	107.6	99.2	131.5	451.8
OPERATING PROFIT	27.0	14.8	60.5	50.9	79.0	205.2
Financial income	9.7	4.7	6.8	6.7	3.3	21.5
Financial expenses	9.7	19.6	8.0	15.6	20.3	63.6
RESULT BEFORE EXTRAORDINARY ITEMS	27.0	-0.1	59.3	42.0	61.9	163.1
Extraordinary items	1.4	0.0	0.0	0.0	0.0	0.0
RESULT AFTER EXTRAORDINARY ITEMS	28.4	-0.1	59.3	42.0	61.9	163.1
Direct taxes	-18.4	-6.1	-16.2	-15.7	-17.7	-55.6
Minority interests	-0.2	-1.0	-0.6	-0.1	-1.3	-3.0
RESULT FOR THE PERIOD	9.8	-7.1	42.6	26.1	42.9	104.5

NET SALES BY BUSINESS

EUR million	1-3 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
SANOMA MAGAZINES						
Sanoma Uitgevers	119.3	123.3	127.6	128.0	157.7	536.6
Sanoma Magazines Belgium	47.5	44.3	48.2	43.5	52.1	188.1
Sanoma Magazines Finland	43.1	40.2	41.3	38.4	48.0	167.9
Sanoma Magazines International	31.6	28.4	33.4	29.0	36.4	127.2
Aldipress	26.2	24.8	25.5	28.8	30.2	109.3
Intracompany transactions	-14.1	-15.3	-14.5	-16.9	-17.7	-64.3
TOTAL	253.7	245.8	261.5	250.8	306.8	1,064.8
SANOMA						
Helsingin Sanomat	62.2	63.0	60.9	56.6	63.2	243.7
IS Business Unit	22.1	22.7	24.1	23.4	23.4	93.6
Kymen Lehtimedia	12.0	12.7	13.7	12.8	13.5	52.7
Others	32.3	50.1	50.5	42.2	33.5	176.3
Intracompany transactions	-24.5	-40.7	-40.4	-34.0	-25.7	-140.8
TOTAL	104.1	107.8	108.8	101.0	107.9	425.5
WSOY						
Publishing	31.6	31.3	44.2	29.2	37.9	142.6
Printing	15.2	15.1	13.4	14.7	17.0	60.2
Calendar operations	1.3	1.6	2.6	11.8	16.1	32.1
Others	1.2	1.0	1.1	1.1	1.3	4.6
Intracompany transactions	-6.5	-6.6	-6.7	-5.9	-7.9	-27.2
TOTAL	42.8	42.4	54.6	50.9	64.3	212.2
SWELCOM						
Nelonen	15.9	13.6	15.2	11.7	16.1	56.5
Others	14.0	11.8	12.1	12.0	14.1	50.0
Intracompany transactions	-0.3	-0.5	-0.4	-0.4	-0.4	-1.7
TOTAL	29.6	24.9	26.9	23.3	29.8	104.9

RAUTAKIRJA

Kiosk operations	80.5	79.9	92.4	88.1	92.4	352.8
Press distribution	19.0	20.0	22.3	22.3	23.0	87.6
Bookstores	27.6	25.7	19.6	31.8	44.7	121.8
Movie theatre operations	14.5	14.6	10.6	11.8	15.9	52.8
Restaurant operations	13.6	13.4	16.6	17.4	15.2	62.6
Intracompany transactions	-2.7	-5.6	-6.0	-6.1	-6.2	-23.8
TOTAL	152.4	148.0	155.5	165.4	185.0	653.8
Intragroup transactions	-13.6	-14.1	-13.3	-19.8	-18.1	-65.3
TOTAL	569.0	554.7	593.8	571.7	675.7	2,395.9

OPERATING PROFIT BY DIVISION

EUR million	1-3 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
Sanoma Magazines	10.9	5.9	26.1	18.3	28.5	78.8
Sanoma *)	11.4	10.7	11.0	17.9	29.7	69.4
WSOY *)	-1.5	-1.6	6.9	4.7	12.7	22.6
SWelcom	0.8	-1.1	1.8	0.3	0.2	1.2
Rautakirja	6.3	7.3	5.2	10.0	13.0	35.5
Other companies **)	0.0	-4.5	5.4	-1.2	-5.8	-6.1
Intragroup eliminations	-0.8	-1.9	4.2	0.9	0.7	3.9
TOTAL	27.0	14.8	60.5	50.9	79.0	205.2

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

***) Parent company SanomaWSOY Corporation and real estate and investment companies

SANOMAWSOY CORPORATION

Raija Kariola
 Vice President
 Investor Relations and Group Communications

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