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SANOMAWSOY'S INTERIM REPORT 1 JANUARY - 30 JUNE 2004

SanomaWSOY's operating profit developed well and improved in January - June by 13.4%, to EUR 85.4 (75.3) million. Result before extraordinary items rose by 38.6%, to EUR 82.1 (59.2) million. Earnings per share increased to EUR 0.29 (0.24). In the second quarter, the net sales totalled EUR 602.0 (593.8) million. Operating profit, EUR 58.4 (60.5) million, included EUR 2.4 (12.3) million of the most substantial non-recurring gains on the sales of assets, clearly less than in 2003.

KEY INDICATORS, EUR million	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	1,171.1	1,148.5	2.0	2,395.9
Operating profit before depreciation and decrease in value	183.7	176.1	4.3	414.8
% of net sales	15.7	15.3		17.3
Operating profit before amortisation	148.2	139.9	5.9	338.4
% of net sales	12.7	12.2		14.1
Operating profit	85.4	75.3	13.4	205.2
% of net sales	7.3	6.6		8.6
Result before extraordinary items	82.1	59.2	38.6	163.1
% of net sales	7.0	5.2		6.8
Balance sheet total	2,335.0	2,526.3	-7.6	2,453.0
Gross investments	44.8	45.7	-2.1	94.8
% of net sales	3.8	3.9		4.0
Equity ratio, %	38.3	36.4		40.3
Equity ratio, % *)	46.0	45.0		47.6
Gearing, %	89.1	97.5		72.9
Gearing, % *)	57.4	59.7		46.4
Financial cost of liabilities	17.9	23.6	-24.5	47.1
Interest-bearing liabilities	814.9	1,007.7	-19.1	819.4
Interest-free liabilities	675.4	640.8	5.4	686.1
Securities, cash and bank	62.2	152.0	-59.1	128.8
Personnel under employment contract, average	15,977	17,945	-11.0	17,330
Personnel, average (full-time equivalents)	13,451	14,451	-6.9	14,207

Earnings/share, EUR	0.29	0.24	21.3	0.69
Cash flow/share, EUR	0.68	0.50	37.3	1.65
Equity/share, EUR	5.40	5.63	-4.2	6.08
Market capitalisation	2,352.4	1,575.7	49.3	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. Research institutions estimate that GDP will grow in the Netherlands by roughly 1%, in Belgium by 2% 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 grow by some 3% in 2004 and comparable operating profit is expected to improve markedly. 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. Nevertheless, net financing costs will be significantly lower than in 2003. Result before extraordinary items is thus estimated to be on the previous year's level. These estimates are based on the presumption that the advertising market will not weaken significantly towards the end of 2004 compared to the previous year. When completed, the effect of the Malmberg acquisition on the Group's result in 2004 will be minor due to the timing of the deal.

TARGETS AND KEY EVENTS

The operations of the SanomaWSOY Group developed very well in the review period. The divisions consistently continued to implement the set financial targets and strategic objectives. The main objectives were profitability, internationalisation, growth and development. Sanoma Magazines launched 16 magazines in total, and Sanoma acquired the publishing rights of the news publication Uutislehti 100. SWelcom improved its profitability and market share. WSOY invested in educational publishing and Rautakirja in expanding its international press distribution operations, among others. The Group continued to focus on the core businesses: Måndag and Milvus Förlags were sold in April, and a minority share in Savon Mediat was sold after the review period.

International expansion was boosted after the review period. In July, WSOY agreed on acquiring Malmberg Investments, an educational publisher operating in the Netherlands and Belgium. After the closing of the deal, WSOY will be the sixth largest publisher of educational materials in Europe.

Rautakirja signed a preliminary agreement on acquiring the majority share in Hiparion Distribution, a Romanian press distributor. The Group's strong cash flow and reduced balance sheet will also facilitate growth and international expansion in future.

NET SALES

SanomaWSOY's net sales grew by 2.0% in January - June 2004, and amounted to EUR 1,171.1 (1,148.5) million. Growth was generated in Sanoma Magazines, SWelcom and Rautakirja. After adjustment for changes in Group structure, net sales grew by 2.5%. Advertising sales represented 21% (21%) of the Group's total net sales.

RESULT

SanomaWSOY's result development was good: the Group's operating profit grew by 13.4% and reached EUR 85.4 (75.3) million. The operating profit increased in Sanoma Magazines, Sanoma, and SWelcom. The most substantial non-recurring gains on the sales of assets totalled EUR 2.4 (12.3) million in the January - June period. Operating profit excluding these gains grew by 31.7%.

EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 5.9% to EUR 148.2 (139.9) million. Result before extraordinary items improved by 38.6% to EUR 82.1 (59.2) million and earnings per share to EUR 0.29 (0.24).

The Group's net financial items amounted to EUR -3.3 (-16.1) million. Financial income grew to EUR 17.1 (11.5) million, and was mainly composed of gains on realising the share portfolio, EUR 7.0 million, and of dividends, EUR 6.0 million. Financial expenses, EUR 20.4 (27.6) million, mainly consisted of interest expenses on interest-bearing liabilities, EUR 15.8 (21.7) million. The Group's cash flow from operations was EUR 104.6 (73.8) million and cash flow per share EUR 0.68 (0.50).

BALANCE SHEET AND FINANCIAL POSITION

The consolidated balance sheet amounted to EUR 2,335.0 (2,526.3) million at the end of June. The Group's financial position remained strong. The equity ratio was 38.3% (36.4%) and, including capital notes, 46.0% (45.0%). Shareholders' equity, excluding capital notes, amounted to EUR 826.6 (862.5) million. Interest-bearing liabilities, including capital notes, reached EUR 814.9 (1,007.7) million and net debt EUR 752.7 (855.7) million.

The Group's share portfolio was realised in the first quarter. Securities and cash amounted to EUR 62.2 (152.0) million.

The equity ratio will temporarily decrease by some 3 percentage points due to the acquisition of Malmberg Investments B.V. but will recover fast during the rest of the year due to the Group's strong cash flow.

INVESTMENTS

SanomaWSOY continued to invest moderately in January - June, at EUR 44.8 (45.7) million. R&D expenditure recorded as expenses amounted to EUR 6.5 (3.3) million.

OPERATING ENVIRONMENT

The growth in media advertising in Finland speeded up in the second quarter. The growth in advertising in January - June was 4% according to TNS Gallup Adex. Advertising in newspapers grew by 3% and job advertising by 4%. Magazine advertising grew by 3% and TV advertising by 8%. According to advance information, magazine advertising continued to grow in Hungary and Belgium but declined in the Netherlands. According to the Finnish Food Marketing Association, retail trade was up in Finland by almost 1% in January - May.

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 immaterial. 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.

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.

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. SanomaWSOY does not intend to distribute any additional dividend in 2004.

SHARES

During the review period, SanomaWSOY Series A shares were traded at an average price of EUR 15.78 with a low of EUR 14.01 and a high of EUR 17.90. Series B shares were traded at an average price of EUR 15.34, with a low of EUR 13.70 and a high of EUR 17.77. The turnover of shares amounted to EUR 219.1 (42.0) million. Most of the shares traded were Series B, of which some 14.2 million were traded. SanomaWSOY's market capitalisation at the end of the review period, less shares held by the Group, was EUR 2,352.4 (1,575.7) million. At the end of June, through its subsidiary Tiikerijakelu Oy, SanomaWSOY owned 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 was EUR 3,090,528.68.

After the review period, on 31 July 2004, Tiikerijakelu was merged into SanomaWSOY Corporation in accordance with the decision of the AGM and its shares were invalidated. As a result of the invalidation, the share capital of SanomaWSOY Corporation decreased from EUR 68,928,754.04 to EUR 65,838,225.36 and the number of Series B shares was reduced from 137,078,936 shares 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. In April, SanomaWSOY redeemed 121 notes, and after the review period 74 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 issuance of 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	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	526.2	507.2	3.8	1,064.8
Operating profit before amortisation	80.6	72.0	12.1	159.1
% of net sales	15.3	14.2		14.9
Operating profit	43.5	32.0	35.9	78.8
% of net sales	8.3	6.3		7.4
Operating profit excl. associated companies	39.3	24.7	58.8	67.2
% of net sales	7.5	4.9		6.3
Balance sheet total	1,506.5	1,555.1	-3.1	1,504.7
Gross investments	9.4	7.1	33.1	18.4
Personnel under employment contract, average	4,511	4,452	1.3	4,421
Personnel, average (full-time equivalents)	3,980	3,900	2.1	3,879

OPERATIONAL INDICATORS, 1.1 – 30.6.

	2004	2003
Number of copies sold (press distribution / Aldipress), thousands	59,580	54,784
Number of magazines published	232	218
Magazine copies sold, thousands	202,562	204,538
Number of advertising pages sold	23,614	22,674

Sanoma Magazines' net sales grew to EUR 526.2 (507.2) million in the first half of 2004. Sanoma Uitgevers' net sales totalled EUR 249.6 (250.9) million. Net sales increased at Sanoma Magazines Belgium to EUR 97.1 (92.5) million and at Sanoma Magazines Finland to EUR 86.1 (81.5) million. Sanoma Magazines International's net sales grew to EUR 67.5 (61.8) million. Net sales at Aldipress increased to EUR 54.9 (50.3) million.

The division's advertising sales decreased by 1% in the January - June period. The weak development of the advertising market in the Netherlands decreased the advertising revenue of the Dutch-based Sanoma Uitgevers. Advertising sales grew in the other countries, mainly due to the launch of new titles and the new activities in Bulgaria. Advertising sales accounted for some 21% (22%) of Sanoma Magazines' total net sales.

Sanoma Magazines' circulation sales developed well in all markets and grew by some 2% in total. Sanoma Uitgevers' circulation sales were stable despite enhanced competition on the readers' market, in part due to recently launched magazines. In Sanoma Magazines Finland, the sales increased due to the good performance of major titles and newly launched magazines, and in Sanoma Magazines Belgium due to subscription sales in particular. Sanoma Magazines International's increase in circulation revenue came mainly from Hungary, Croatia, and the new activities in Bulgaria.

Sanoma Magazines' operating profit developed very well and grew to EUR 43.5 (32.0) 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 80.6 (72.0) million. Sanoma Uitgevers' and Sanoma Magazines Finland's results improved whereas Sanoma Magazines Belgium and Sanoma Magazines International posted slightly weakened results.

Investments in new launches impacted the result at Sanoma Magazines International. The result at Aldipress was above the previous year's level, mainly due to new business and cost efficiency.

In April, Sanoma Magazines Finland sold the shares of the Swedish Milvus Förlags AB. The divestment has a positive effect of EUR 2.4 million 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 significant investments in magazine launches and growth.

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, the news publication Uutislehti 100 and several regional papers in south-eastern Finland.

KEY INDICATORS, EUR million	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	213.7	216.6	-1.3	425.5
Operating profit before amortisation	28.0	25.2	10.9	77.5
% of net sales	13.1	11.6		18.2
Operating profit	24.7	21.7	13.7	69.4
% of net sales	11.6	10.0		16.3
Operating profit excl. associated companies	24.6	20.1	22.4	67.3
% of net sales	11.5	9.3		15.8
Balance sheet total	429.7	443.6	-3.1	447.7
Gross investments	16.0	13.8	15.6	29.7
Personnel under employment contract, average	2,723	4,617	-41.0	4,027
Personnel, average (full-time equivalents)	2,377	3,333	-28.7	3,041

OPERATIONAL INDICATORS, 1.1 – 30.6.

	2004	2003	2002
HELSINGIN SANOMAT			
Weekday circulation, copies *)		429,244	431,262
Sunday circulation, copies *)		500,269	500,150
Advertising volume (column metres)	20,432	21,701	
ILTA-SANOMAT			
Circulation, copies *)		198,693	204,820

Advertising volume (column metres)	3,316	3,651	
TALOUSSANOMAT			
Circulation, copies *)		34,784	32,513
Advertising volume (column metres)	1,327	1,120	

*) Audited circulation figures 1.1 – 31.12.

Sanoma's net sales amounted to EUR 213.7 (216.6) million in January - June. The Helsingin Sanomat Business Unit's net sales amounted to EUR 124.3 (123.9) million and those of the IS Business Unit to EUR 47.0 (46.8) million. The net sales of Kymen Lehtimedia were slightly down to EUR 25.7 (26.4) million. The figures for 2003 include Leijonajakelu, which was sold to Finland Post in September 2003. After adjustment for changes in Group structure, the division's net sales were up by 1.0%.

Advertising sales grew in the first half by 2% and accounted for 49% (48%) of Sanoma's net sales. In the second quarter, the growth was 6%. Helsingin Sanomat's advertising sales were on the previous year's level. Job advertising started to increase. The advertising sales of Kymen Lehtimedia and the IS Business Unit in particular increased. In 2003, Sanoma's advertising sales were boosted by parliamentary elections.

Circulation sales grew slightly and accounted for 43% (43%) of the division's net sales. Helsingin Sanomat increased its circulation sales by some 2%. Circulation remained almost at the previous year's level. Ilta-Sanomat's circulation and market share grew, in part due to new inserts. As for regional papers, circulation remained at the previous year's level.

Sanoma's operating profit increased to EUR 24.7 (21.7) 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 28.0 (25.2) million in January - June. The Helsingin Sanomat Business Unit, the IS Business Unit and Kymen Lehtimedia posted improved results.

After the review period, Sanoma sold the rest of its holding in Savon Mediat Oy to the Ilkka Group. The selling price was about EUR 7.3 million.

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	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	91.4	97.0	-5.8	212.2
Operating profit before amortisation	4.6	6.7	-31.3	28.0
% of net sales	5.1	6.9		13.2
Operating profit	3.1	5.3	-41.1	22.6
% of net sales	3.4	5.4		10.6
Operating profit excl. associated companies	3.1	3.8	-17.7	21.0
% of net sales	3.4	3.9		9.9
Balance sheet total	193.4	190.9	1.3	203.8
Gross investments	5.1	5.0	1.9	8.7
Personnel under employment contract, average	1,937	1,946	-0.5	1,933
Personnel, average (full-time equivalents)	1,819	1,864	-2.4	1,859

OPERATIONAL INDICATORS, 1.1 – 30.6.

	2004	2003
NUMBER OF NEW TITLES PUBLISHED		
Books	309	302
Electronic products	41	50
NUMBER OF REPRINTS PUBLISHED		
Books	476	670
Electronic products	101	107
Books printed, millions	9.3	9.5
Paper consumption, tonnes	7,594	7,340

WSOY's net sales totalled EUR 91.4 (97.0) million in January - June. After adjustment for changes in Group structure, net sales decreased by 1.2% compared to the previous year. Net sales in publishing amounted to EUR 69.4 (75.5) million. The figure includes the net sales of Young Digital Poland as of 1 March. The net sales in the comparable period included Genimap, sold in December 2003, and Everscreen AB, sold in April 2004. After adjustment for structural changes, net sales in publishing were down by 2.2%. The decrease was, in part, due to the delivery of some multi-volume books and

school textbooks being postponed to the end of the year. Net sales in printing amounted to EUR 28.8 (28.5) million and in calendar operations to EUR 3.5 (4.2) million.

The period was successful for general literature. Sales to bookstores grew by 10% whereas sales through book clubs were slightly down compared to the previous year.

Operating profit from WSOY's own operations was EUR 3.1 (3.8) million. After adjustment for structural changes, operating profit was on the previous year's level. Total operating profit in January - June reached EUR 3.1 (5.3) 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 4.6 (6.7) million. Operating profit in publishing was slightly down compared to the previous year but other businesses improved their results.

After the review period, WSOY agreed on acquiring the Dutch-based educational publisher Malmberg Investments B.V. The acquisition is subject to the approval of the Dutch and Belgian competition authorities and Malmberg's works council. Educational publishing will be organised in a new unit, WSOY Educational. Due to the timing of the acquisition, the effect of the deal on WSOY's profit in 2004 will be minor.

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. Comparable operating profit is expected to increase compared to the previous year. This estimate does not include the effect of the Malmberg acquisition.

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	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	60.3	51.8	16.5	104.9
Operating profit before amortisation	20.3	14.8	37.2	29.6
% of net sales	33.7	28.6		28.3
Operating profit	4.0	0.7	503.5	1.2
% of net sales	6.7	1.3		1.1
Operating profit excl. associated companies	4.0	0.7	488.7	1.0

% of net sales	6.7	1.3		1.0
Balance sheet total	136.1	132.5	2.7	142.3
Gross investments	5.1	3.4	48.6	8.9
Personnel under employment contract, average	418	408	2.3	416
Personnel, average (full-time equivalents)	381	383	-0.5	392

OPERATIONAL INDICATORS, 1.1 – 30.6.

	2004	2003
Nelonen's share of Finnish TV advertising	29.4%	26.9%
Nelonen's daily coverage	43%	43%
Nelonen's national commercial viewing share	24.3%	21.2%
Nelonen's national viewing share	12.2%	10.9%
Number of connected households, thousands (30.6.)	270	245
Number of pay-TV subscriptions, thousands (30.6.)	33	33
Number of broadband internet connections, thousands (30.6.)	47	36

SWelcom's net sales continued their excellent growth in the first half of 2004, reaching EUR 60.3 (51.8) million. Both Nelonen and HTV continued to grow. Nelonen's advertising sales grew by almost 19% during the review period. Nelonen's net sales amounted to EUR 34.1 (28.7) million. The viewing shares, and the commercial viewing share in particular, increased strongly due to investments in programmes. Of the main Finnish TV channels, only Nelonen gained an increased number of viewers in the first half of the year. HTV's growth was driven by successful sales of HTV connections and broadband internet services. Advertising sales amounted to 57% (55%) of SWelcom's net sales.

SWelcom's development in results continued to be excellent due to increased sales: the operating profit totalled EUR 4.0 (0.7) million in January - June. EBITA was EUR 20.3 (14.8) million. Both HTV and Nelonen improved their results considerably.

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	30.6.2004	30.6.2003	Change,%	31.12.2003
Net sales	305.0	303.5	0.5	653.8
Operating profit before amortisation	15.9	17.5	-9.5	45.7
% of net sales	5.2	5.8		7.0
Operating profit	11.5	12.5	-7.8	35.5
% of net sales	3.8	4.1		5.4
Operating profit excl. associated companies	12.1	14.4	-16.1	41.3
% of net sales	4.0	4.7		6.3
Balance sheet total	330.8	296.0	11.7	348.6
Gross investments	8.6	16.3	-47.2	28.7
Personnel under employment contract, average	6,314	6,447	-2.1	6,458
Personnel, average (full-time equivalents)	4,821	4,897	-1.6	4,962

OPERATIONAL INDICATORS, 1.1 – 30.6. *)

	2004	2003
Customer volume in kiosk operations, thousands	57,803	59,774
Customer volume in bookstore operations, thousands	2,556	2,687
Customer volume in movie theatres, thousands	1,703	1,781
Number of copies sold (press distribution), thousands	63,120	61,946

*) Units in Finland

Rautakirja's net sales grew to EUR 305.0 (303.5) million in January - June. Net sales grew in Estonia, Lithuania and the Czech Republic but fell slightly in Finland and Latvia. Finland accounts for almost 90% of the net sales.

Kiosk operations generated net sales of EUR 167.8 (172.3) million in the first half. The beer price competition and the decrease in the sales of prepaid telephone cards reduced net sales in Finland;

also, sales of ice cream and drinks were low at the beginning of the summer. Net sales from press distribution decreased to EUR 39.6 (42.4) million as the Latvian unit outsourced the logistics for own kiosk chains. In Finland, newsstand sales increased by 4.1%.

Net sales from bookstores increased to EUR 48.4 (45.3) million, boosted by the acquisitions in spring 2003. Also, the development in book sales was very positive. Net sales from movie theatre operations were EUR 26.1 (25.1) million. The number of movie theatre visits continued to grow strongly in Latvia and Lithuania but decreased in Estonia and Finland. In Finland, the number of visits started to increase in May. Growth in net sales was also due to the acquisition of V & K Holding, a video wholesaler based in Estonia, in April. Net sales from restaurant operations fell to EUR 28.8 (30.0) million, due to the decreased sales of Motorest and Pizza Hut restaurants. One sales unit in each chain was discontinued.

Rautakirja's operating profit decreased to EUR 11.5 (12.5) million. The result was influenced by the sluggish first half in movie theatre operations in Finland and the new periodisation of subscription sales at bookstores, which will not affect the annual result of Rautakirja. Rautakirja's EBITA totalled EUR 15.9 (17.5) million in January - June. The EBITA from kiosk operations and press distribution 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 half of 2004 by EUR 2.4 million and the year-level impact was EUR 4.3 million. The change has no impact on the operating profit.

At the beginning of July, after the review period, Rautakirja signed a preliminary agreement on acquiring a 51% share in Hiparion Distribution SRL, a Romanian press distributor. The deal will become effective in the autumn.

2004 will be a challenging year for trade, and annual growth is likely to be smaller than in previous years. Rautakirja's comparable net sales are expected to grow in line with the growth in retail business. However, operating profit is expected to improve.

Helsinki, 10 August 2004

Board of Directors
SanomaWSOY Corporation

INTERIM REPORT TABLES

Figures are unaudited.

GROUP INCOME STATEMENT

EUR million	1-6 2004	1-6 2003	Change,%	1-12 2003
NET SALES	1,171.1	1,148.5	2.0	2,395.9
Increase (+) / decrease (-) in inventories of finished goods and work in progress	5.3	4.1	29.1	1.5
Production for own use	0.5	0.6	-16.0	1.2
Other operating income	24.5	27.3	-10.2	83.2
Share of result of associated companies	3.8	5.0	-23.0	6.1
Materials and services	531.0	500.6	6.1	1,058.4
Personnel expenses	271.0	287.7	-5.8	562.9
Depreciation and decrease in value	98.3	100.8	-2.5	209.5
Other operating expenses	219.6	221.1	-0.7	451.8
OPERATING PROFIT	85.4	75.3	13.4	205.2
Financial income	17.1	11.5	48.8	21.5
Financial expenses	20.4	27.6	-26.0	63.6
RESULT BEFORE EXTRAORDINARY ITEMS	82.1	59.2	38.6	163.1
Extraordinary items	1.4			
RESULT AFTER EXTRAORDINARY ITEMS	83.5	59.2	41.1	163.1
Direct taxes	-36.9	-22.2	65.8	-55.6
Minority interests	-0.9	-1.5	-43.4	-3.0
RESULT FOR THE PERIOD	45.8	35.4	29.3	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	30.6.2004	30.6.2003	Change,%	31.12.2003
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	158.9	166.0	-4.2	158.0
Goodwill	1,050.2	1,120.2	-6.2	1,081.7
Tangible assets	450.4	458.8	-1.8	453.9
Investments	167.6	197.4	-15.1	177.5
NON-CURRENT ASSETS, TOTAL	1,827.1	1,942.2	-5.9	1,871.1
CURRENT ASSETS				
Inventories	98.0	97.9	0.1	95.0
Long-term receivables	63.8	67.6	-5.7	66.0
Short-term receivables	283.9	266.6	6.5	292.2
Securities	14.9	98.1	-84.8	60.6
Cash and bank	47.3	53.8	-12.2	68.2
CURRENT ASSETS, TOTAL	507.8	584.1	-13.1	581.9
ASSETS, TOTAL	2,335.0	2,526.3	-7.6	2,453.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	68.9	68.9		68.9
Premium fund	31.8	31.8		31.8
Other funds	369.4	369.4		369.4
Retained earnings	310.7	357.0	-13.0	356.7
Result for the period	45.8	35.4	29.3	104.5
Capital notes	170.3	207.4	-17.9	171.6
SHAREHOLDERS' EQUITY, TOTAL	996.9	1,069.9	-6.8	1,102.9
MINORITY INTEREST	18.1	15.4	17.7	16.3
STATUTORY PROVISIONS	38.7	14.7	164.0	34.1
LIABILITIES				
Deferred tax liability	34.6	34.1	1.2	36.4
Long-term liabilities	211.4	589.3	-64.1	365.3
Current liabilities	1,035.3	803.0	28.9	898.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	2,335.0	2,526.3	-7.6	2,453.0

GROUP CASH FLOW STATEMENT

EUR million	1-6 2004	1-6 2003	Change,%	1-12 2003
Operating profit	85.4	75.3	13.4	205.2
Adjustments to operating profit	72.9	57.7	26.3	129.5
Change in working capital	-24.4	-4.8	-410.3	-1.4
Cash flow from operations before financial items and taxes	134.0	128.3	4.4	333.3
Financial items and taxes	-29.3	-54.5	46.1	-85.2
Cash flow from operations	104.6	73.8	41.7	248.1
Cash flow from investments	-16.0	26.5		19.7
Cash flow before financing	88.7	100.4	-11.6	267.8
Cash flow from financing	-163.2	-64.3	-153.7	-253.4
CHANGE IN LIQUIDITIES ACCORDING TO THE CASH FLOW STATEMENT	-74.5	36.1		14.4
Exchange rate differences under liquidities	7.9	-6.5		-8.1
Net increase (+)/decrease (-) in liquidities	-66.6	29.6		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 30 June / 31 Dec.	62.2	152.0	-59.1	128.8

CONTINGENCIES AND PLEDGED ASSETS

EUR million	30.6.2004	30.6.2003	Change,%	31.12.2003
DEBTS WITH COLLATERAL CONSISTING OF REAL ESTATE AND SHARES				
Pension loans	15.8	17.8	-11.2	16.9
Loans from financial institutions	1.4	2.4	-40.1	1.9
Other loans	5.5	4.8	14.8	8.0
Mortgages, real estate, total	8.9	10.8	-17.5	9.2
Mortgages, movable property, total	18.2	2.6	613.5	18.3
Pledged securities, total	5.6	22.7	-75.4	5.6
OTHER CONTINGENCIES FOR OWN COMMITMENTS				
Mortgaged bearer bonds		0.9		
Corporate mortgages	2.9	5.0	-42.3	2.8
Book value of pledged securities	2.2	3.0	-27.2	2.2
Deposits	5.6	2.5	122.0	4.0
TOTAL	10.7	11.5	-7.1	8.9
CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES				
Guarantees	15.9	8.9	77.4	15.7
CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES				
Guarantees	18.2	19.7	-7.4	18.2
OTHER CONTINGENCIES				
Leasing liabilities for premises	164.9	149.7	10.2	179.8
Other leasing liabilities	34.6	35.1	-1.5	36.8
Interest on capital notes	4.5	3.7	24.3	4.1
Other liabilities	66.1	97.0	-31.9	73.2
OTHER CONTINGENCIES, TOTAL	270.1	285.5	-5.4	293.9
ALL LIABILITIES, TOTAL	347.6	361.6	-3.9	369.8

NOMINAL VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS

EUR million	30.6.2004	30.6.2003	Change,%	31.12.2003
INTEREST RATE DERIVATIVES				
Options				
Purchased	340.0	580.0	-41.4	340.0
Written	254.8	254.8		254.8
Interest rate swaps	210.0	380.0	-44.7	210.0
TOTAL	804.8	1,214.8	-33.8	804.8
CURRENCY DERIVATIVES				
Forward contracts	12.0	57.6	-79.2	18.1
TOTAL	12.0	57.6	-79.2	18.1
SHARE DERIVATIVES				
Options				
Purchased				15.2
Written				16.6
TOTAL				31.7
TOTAL	816.7	1,272.4	-35.8	854.6

MARKET VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS

EUR million	30.6.2004	30.6.2003	Change,%	31.12.2003
INTEREST RATE DERIVATIVES				
Options				
Purchased	0.5	0.2	189.3	0.6
Written	-2.8	-4.6	-39.8	-4.3
Interest rate swaps	-0.2	-5.6	-95.8	0.0
TOTAL	-2.5	-10.0	-75.1	-3.7
CURRENCY DERIVATIVES				
Forward contracts	-0.1	-0.8	-92.9	0.2
TOTAL	-0.1	-0.8	-92.9	0.2
SHARE DERIVATIVES				
Options				
Purchased				0.0
Written				-0.8
TOTAL				-0.8
TOTAL	-2.5	-10.8	-76.4	-4.3

GROUP INCOME STATEMENT BY QUARTER

EUR million	1-3 2004	4-6 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
NET SALES	569.0	602.0	554.7	593.8	571.6	675.7	2,395.9
Increase (+) / decrease (-) in inventories of finished goods and work in progress	3.7	1.6	4.4	-0.3	-0.1	-2.6	1.5
Production for own use	0.2	0.3	0.4	0.2	0.2	0.4	1.2
Other operating income	11.9	12.7	7.1	20.3	15.9	39.9	83.2
Share of result of associated companies	1.3	2.5	1.6	3.4	1.5	-0.3	6.1
Materials and services	261.9	269.1	244.5	256.1	254.4	303.3	1,058.4
Personnel expenses	134.7	136.2	143.6	144.1	133.9	141.3	562.9
Depreciation and decrease in value	49.3	48.9	51.7	49.1	50.8	58.0	209.5
Other operating expenses	113.3	106.3	113.5	107.6	99.2	131.5	451.8
OPERATING PROFIT	27.0	58.4	14.8	60.5	50.9	79.0	205.2
Financial income	9.7	7.4	4.7	6.8	6.7	3.3	21.5
Financial expenses	9.7	10.7	19.6	8.0	15.6	20.3	63.6
RESULT BEFORE EXTRAORDINARY ITEMS	27.0	55.1	-0.1	59.3	42.0	61.9	163.1
Extraordinary items	1.4	0.0	0.0	0.0	0.0	0.0	0.0
RESULT AFTER EXTRAORDINARY ITEMS	28.4	55.1	-0.1	59.3	42.0	61.9	163.1
Direct taxes	-18.4	-18.5	-6.1	-16.2	-15.7	-17.7	-55.6
Minority interests	-0.2	-0.7	-1.0	-0.6	-0.1	-1.3	-3.0
RESULT FOR THE PERIOD	9.8	36.0	-7.1	42.6	26.1	42.9	104.5

NET SALES BY BUSINESS

EUR million	1-3 2004	4-6 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
SANOMA MAGAZINES							
Sanoma Uitgevers	119.3	130.3	123.3	127.6	128.0	157.7	536.6
Sanoma Magazines Belgium	47.5	49.6	44.3	48.2	43.5	52.1	188.1
Sanoma Magazines Finland	43.1	43.0	40.2	41.3	38.4	48.0	167.9
Sanoma Magazines International	31.6	36.0	28.4	33.4	29.0	36.4	127.2
Aldipress	26.2	28.7	24.8	25.5	28.8	30.2	109.3
Intracompany transactions	-14.1	-14.8	-15.3	-14.5	-16.9	-17.7	-64.3
TOTAL	253.7	272.6	245.8	261.5	250.8	306.8	1,064.8

SANOMA

Helsingin Sanomat	62.2	62.1	63.0	60.9	56.6	63.2	243.7
IS Business Unit	22.1	24.9	22.7	24.1	23.4	23.4	93.6
Kymen Lehtimedia	12.0	13.7	12.7	13.7	12.8	13.5	52.7
Others	32.3	33.3	50.1	50.5	42.2	33.5	176.3
Intracompany transactions	-24.5	-24.4	-40.7	-40.4	-34.0	-25.7	-140.8
TOTAL	104.1	109.6	107.8	108.8	101.0	107.9	425.5

WSOY

Publishing	31.6	37.8	31.3	44.2	29.2	37.9	142.6
Printing	15.2	13.6	15.1	13.4	14.7	17.0	60.2
Calendar operations	1.3	2.2	1.6	2.6	11.8	16.1	32.1
Others	1.2	1.2	1.0	1.1	1.1	1.3	4.6
Intracompany transactions	-6.5	-6.2	-6.6	-6.7	-5.9	-7.9	-27.2
TOTAL	42.8	48.6	42.4	54.6	50.9	64.3	212.2

SWELCOM

Nelonen	15.9	18.2	13.6	15.2	11.7	16.1	56.5
Others	14.0	12.7	11.8	12.1	12.0	14.1	50.0
Intracompany transactions	-0.3	-0.3	-0.5	-0.4	-0.4	-0.4	-1.7
TOTAL	29.6	30.6	24.9	26.9	23.3	29.8	104.9

RAUTAKIRJA

Kiosk operations	80.5	87.4	79.9	92.4	88.1	92.4	352.8
Press distribution	19.0	20.6	20.0	22.3	22.3	23.0	87.6
Bookstores	27.6	20.8	25.7	19.6	31.8	44.7	121.8
Movie theatre operations	14.5	11.6	14.6	10.6	11.8	15.9	52.8
Restaurant operations	13.6	15.3	13.4	16.6	17.4	15.2	62.6
Intracompany transactions	-2.7	-3.0	-5.6	-6.0	-6.1	-6.2	-23.8
TOTAL	152.4	152.6	148.0	155.5	165.4	185.0	653.8

Intragroup transactions	-13.6	-12.0	-14.1	-13.3	-19.8	-18.1	-65.3
TOTAL	569.0	602.0	554.7	593.8	571.7	675.7	2,395.9

EBITA*) BY DIVISION

EUR million	1-3 2004	4-6 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
Sanoma Magazines	28.8	51.8	26.5	45.4	37.6	49.6	159.1
Sanoma **)	13.1	14.9	12.5	12.7	19.7	32.5	77.5
WSOY **)	-0.8	5.5	-0.9	7.6	6.9	14.3	28.0
SWelcom	9.9	10.5	6.7	8.2	5.9	8.9	29.6
Rautakirja	8.5	7.4	9.9	7.6	13.0	15.2	45.7
Other companies ***)	0.0	-1.1	-2.8	8.7	0.2	-4.8	1.3
Intragroup eliminations	-0.8	0.6	-3.4	1.1	-0.3	-0.2	-2.7
TOTAL	58.7	89.5	48.5	91.4	83.0	115.5	338.4

*) Operating profit before amortisation

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

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

OPERATING PROFIT BY DIVISION

EUR million	1-3 2004	4-6 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003	1-12 2003
Sanoma Magazines	10.9	32.6	5.9	26.1	18.3	28.5	78.8
Sanoma *)	11.4	13.3	10.7	11.0	17.9	29.7	69.4
WSOY *)	-1.5	4.6	-1.6	6.9	4.7	12.7	22.6
SWelcom	0.8	3.3	-1.1	1.8	0.3	0.2	1.2
Rautakirja	6.3	5.3	7.3	5.2	10.0	13.0	35.5
Other companies **)	0.0	-1.1	-4.5	5.4	-1.2	-5.8	-6.1
Intragroup eliminations	-0.8	0.5	-1.9	4.2	0.9	0.7	3.9
TOTAL	27.0	58.4	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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