

SanomaWSOY – committed to the future

Hannu Syrjänen
President & COO

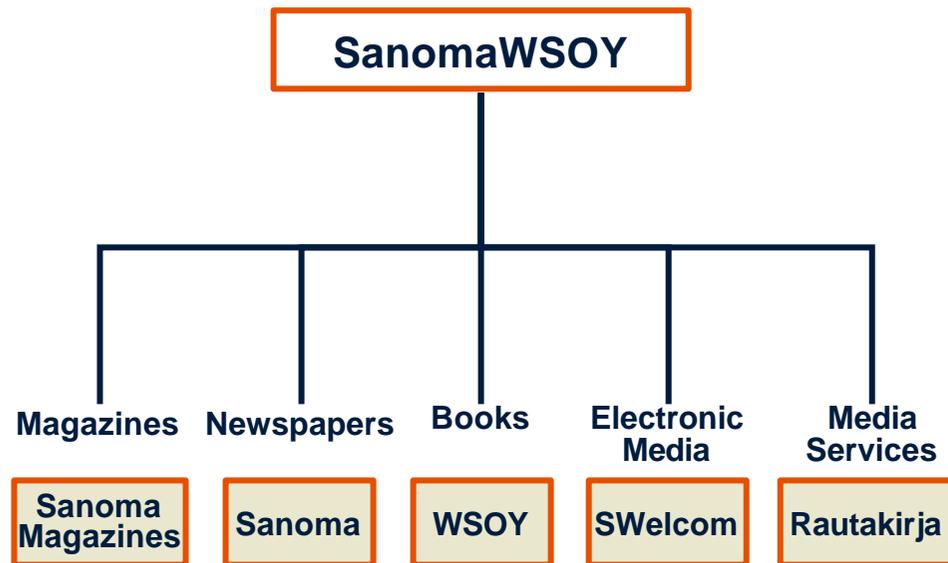
Annual General Meeting
1 April 2003
Finlandia Hall

A growing European media company

with a market leading media portfolio in Finland

2

Organisational structure



Key SanomaWSOY facts

- Leading domestic media portfolio in Finland
 - #1 in all businesses except TV
- Europe's fifth-largest magazine publisher – market leader in the Netherlands, Belgium, Czech Republic, Finland and Hungary
- Growing European media presence in 14 European countries
- Net sales (2002) of € 2.4 billion (36% growth)
- Operating profit (2002) of € 134 million (39% growth)

y/kalvol/kalvol/hs03/yhtiokokous engl 01

Simplifying the structure

Rautakirja merged into SanomaWSOY on
1 March 2003

- Full control of press distribution
- Immediate positive impact on SanomaWSOY's earnings per share
- Simplifies Group's and Rautakirja's ownership structure
- Increase strategic flexibility
- Opportunity to improve free float of SanomaWSOY
- Increases transparency of structure

SanomaWSOY – Result for 2002

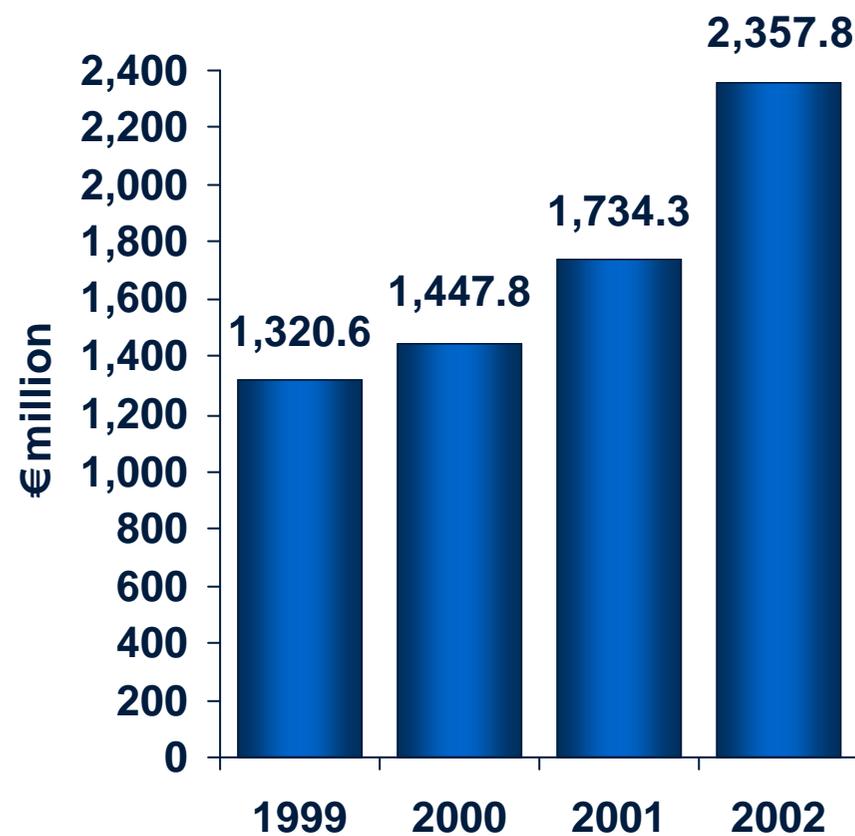
2002 in brief

- Challenging operational environment
- Good operational result
- Excellent operational cash flow: sales of non-core assets and improved cash management
- Net debt declined significantly (to € 883.3 million)
- The acquisition cost of the new magazine operations decreased to € 1,206 million

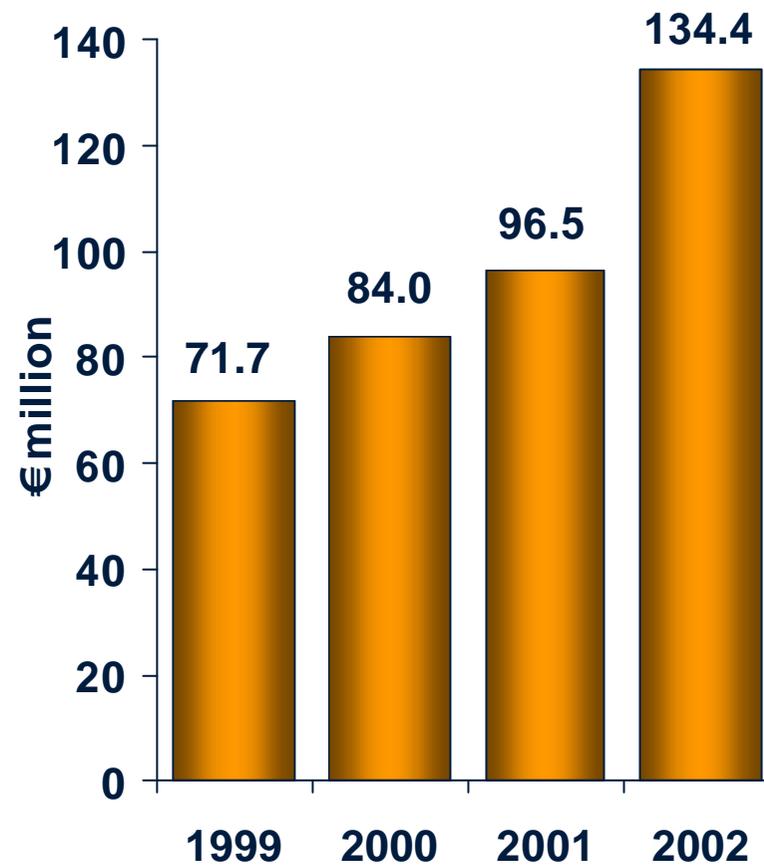
- A dividend proposal 0.40 euro/share

SanomaWSOY Group

NET SALES



OPERATING PROFIT (EBIT)



y/kalvot/kalvot/hs03/yhtiokokous engl 01

Key indicators

€ million	31.12.2002	31.12.2001	Change,%
Net sales	2,357.8	1,734.3	36.0
Operating profit before goodwill amortisation	269.2	161.4	66.8
% of net sales	11.4	9.3	
Operating profit	134.4	96.5	39.3
% of net sales	5.7	5.6	
Balance sheet total	2,592.5	3,053.1	-15.1
Gross investments	113.5	1,473.9	-92.3
Equity ratio, %	36.9	31.6	
Equity ratio, % (incl. capital notes)	45.2	38.6	
Earnings/share, €	0.22	0.35	-37.1
Cash flow/share, €	1.33	1.24	7.2
Market capitalisation	1,319.1	1,510.4	-12.7
Personnel under employment contract *	18,657	15,129	23.3

* average

y/kalvot/kalvot/hs03/yhtiokokous engl 01

Group income statement

€ million	2002	2001	Change,%
Net sales	2,357.8	1,734.3	36.0
Other operating income and change in inventories	70.8	45.2	56.5
Share of result of associated companies	13.1	5.5	139.6
Operating expenses	2,307.3	1,688.5	36.6
Operating profit	134.4	96.5	39.3
Financial income and expenses	-27.7	-4.0	601.4
Profit before extraordinary items	106.7	92.5	15.3
Extraordinary items	6.1		
Profit after extraordinary items	112.7	92.5	21.8
Direct taxes	-64.2	-31.0	-107.1
Minority interests	-11.4	-13.7	-17.0
Profit for the period	37.2	47.8	-22,3

y/kalvot/kalvot/hs03/yhtiokokous engl 01

Group balance sheet

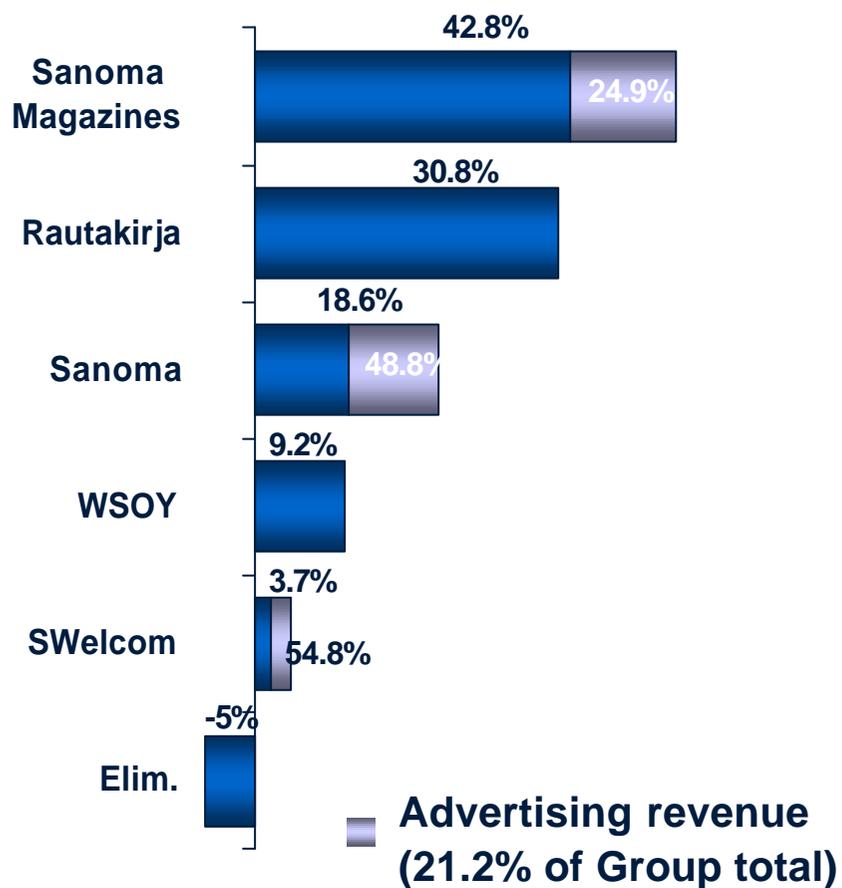
€ million	31.12.2002	31.12.2001	Change,%
Non-current assets, total	2,037,0	2,220.0	-8.2
Current assets, total	555.5	833.0	-33.3
Shareholders' equity, total	996.3	1,019.7	-2.3
Minority interest	130.6	122.3	6.8
Statutory provisions	15.9	8.1	95.7
Liabilities, total	1,449.7	1,903.0	-23.8
Balance sheet total	2,592.5	3,053.1	-15.1

y/kalvot/kalvot/hs03/yhtiokokous engl 01

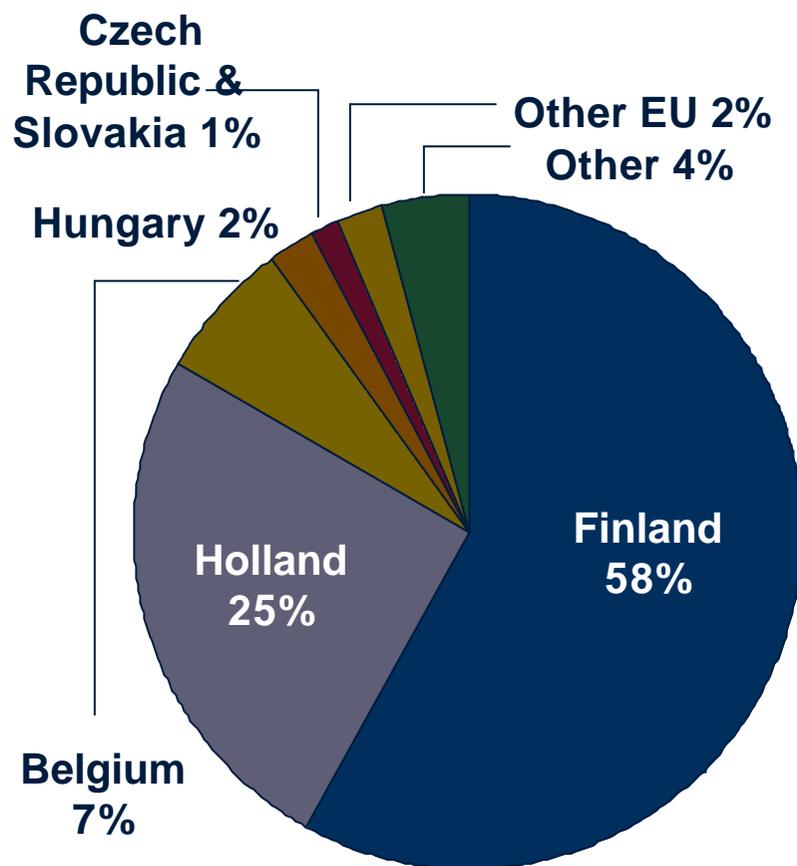
Environment

Balanced composition of net sales

Divisional 2002A net sales breakdown



Geographic 2002A net sales breakdown



y/kalvot/kalvol/hs03/yhtiokokous engl 01

Advertising sales revenue in Finland

12

€ million	2002	Change,%	Share,%
Newspapers and free distributed papers	579.5	-3.3	55.0
Television	201.4	3.4	19.1
Magazines	179.0	-2.9	17.0
Radio	43.9	10.1	4.2
Outdoor and traffic advertising	31.9	-5.0	3.2
Internet	15.0	1.5	1.4
Movie advertising	2.3	19.2	0.2
Total	1,052.8	-1.4	

Source:
Mainonnan
Neuvottelukunta

y/kalvot/kalvot/hs03/yhtiokokous engl 01

Development of magazine advertising

13

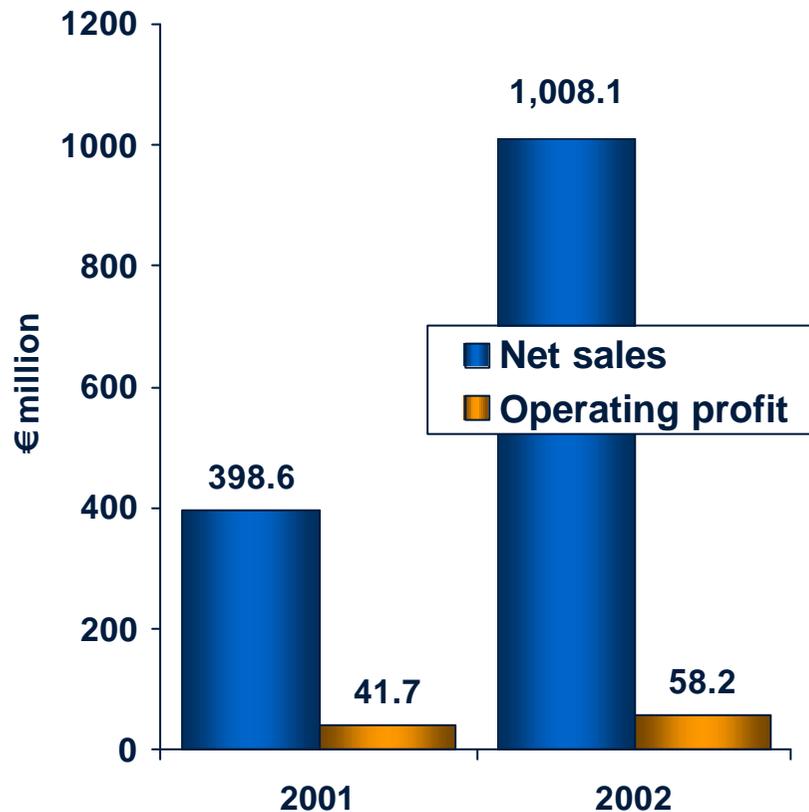
	% of total media advertising	Change 2001–2002,%
Belgium	13.9%	2.7%
The Netherlands	13.5%	-2.8%
Finland	17.1%	-2.7%
Czech Republic	20.9%	8.7%
Hungary	12.0%	7.2%

Source: Zenith
Media's forecast

y/kalvot/kalvot/hs03/yhtiokokous engl 01

Divisions

Sanoma Magazines Division



- Division succeeded well in spite of difficult market situation
- Divestments of Blue Book and BEAP units
- Sanoma Uitgevers' reorganisation project's non-recurring costs € 13.1 million

Outlook for 2003:

- Net sales are expected to grow slightly.
- EBIT is expected to be roughly 6% of net sales.

Dynamic portfolio

• Launches:

- Prenza, Holland
- Flair, Holland
- Elle, Croatia
- Story, Croatia
- Story, Romania
- TV Story, Romania
- Sestra, Slovakia
- Sport, Finland
- National Geographic, Czech Rep.
- Best, Hungary
- Wellness, Hungary
- Elle Dekor, Croatia



• Relaunches:

- Story, Czech Rep.
- Me Naiset, Finland

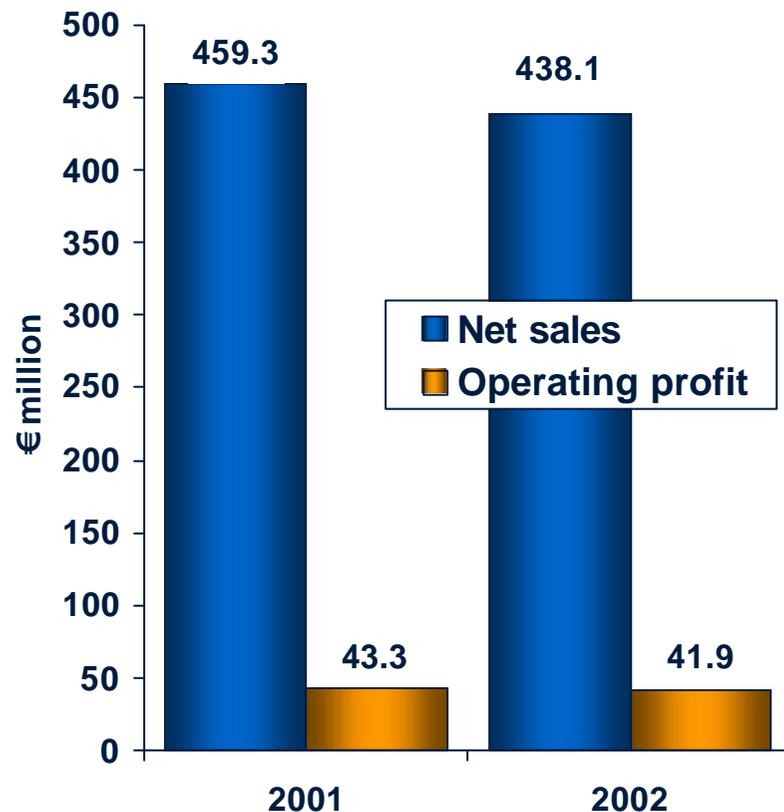


• Discontinuances:

- Prenza, Holland
- Avenue, Holland
- Sköna Dagar, Sweden
- Sériál, Czech Rep.
- Prekvapenie, Slovakia
- KotiPC, Finland



Sanoma Division



- Good result in decreasing market situation
- Expenses cut by €22 million through savings and lower paper costs
- Net sales decreased mainly due to the prolonged decline in media advertising and decreasing exports of printing products

Outlook for 2003:

- Net sales are expected to grow at least as much as the general trend in the media market in Finland.
- Operating profit is forecasted to improve by more than net sales due to long-term development plan.

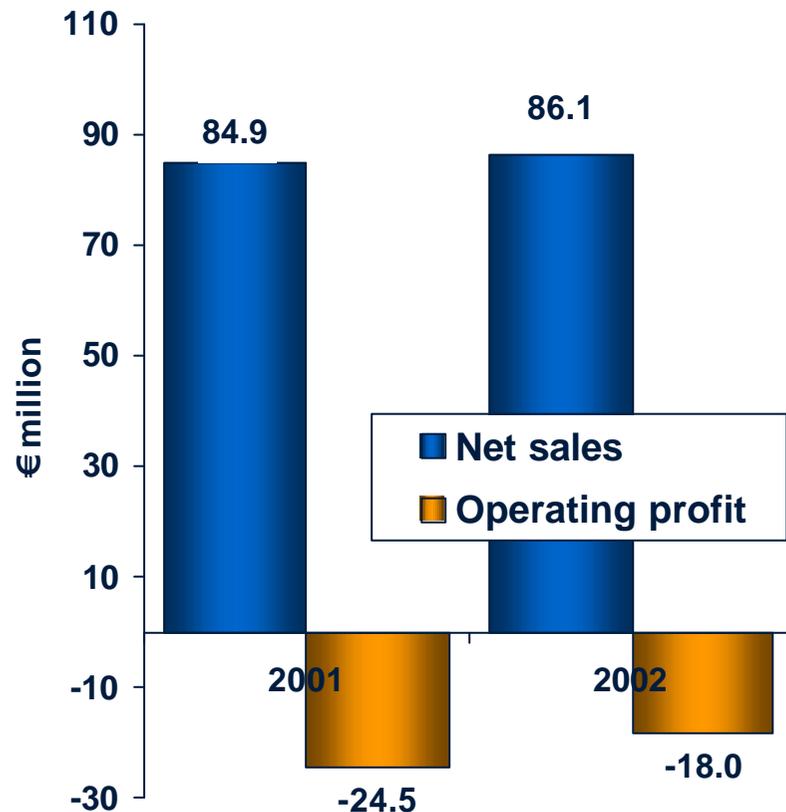
y/kalvot/kalvot/hs03/yhtiökokous_engl_01

Synergies and co-operations

- Marketing in Taloussanomat and Helsingin Sanomat
- Financial news in Taloussanomat and Nelonen
- Iltä-Sanomat's sports supplement and Veikkaaja
- Oikotie
- Kärkimedia
- Helsingin Sanomat printing plants and Kymen Lehtimedia printing plants



SWelcom Division

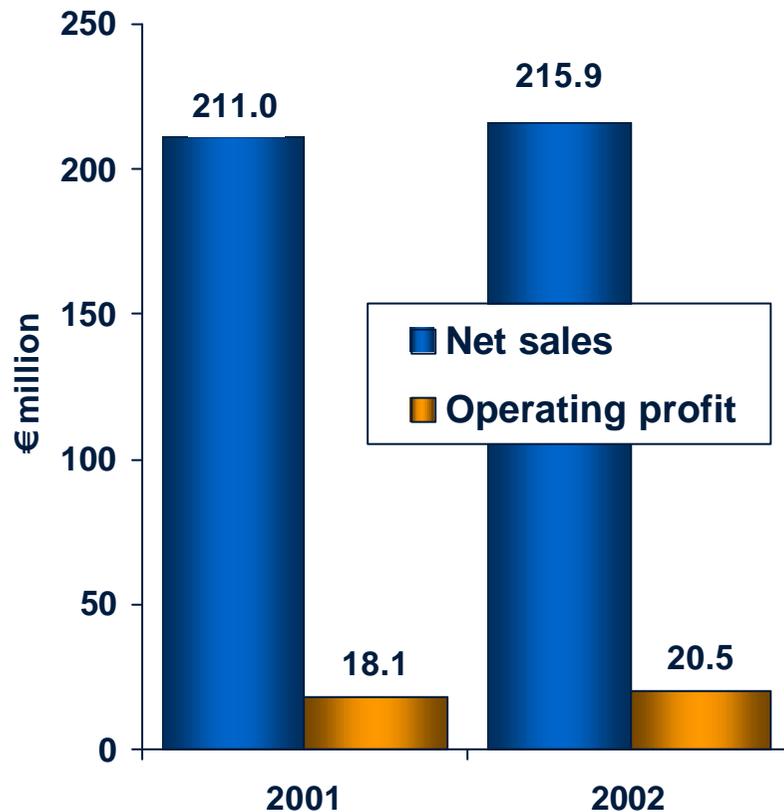


- Net sales increased, operating loss decreased markedly
- Nelonen's licence fee halved as of 1 July
- HTV's broadband internet services succeeded well
- 2ndhead's operations refocused

Outlook for 2003:

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

WSOY Division



- Traditional business (book publishing and printing) successful
- Christmas season in book sales record high
- Business books affected by the economic slowdown
- Profitability enhanced by cost reductions and streamlining

Outlook for 2003:

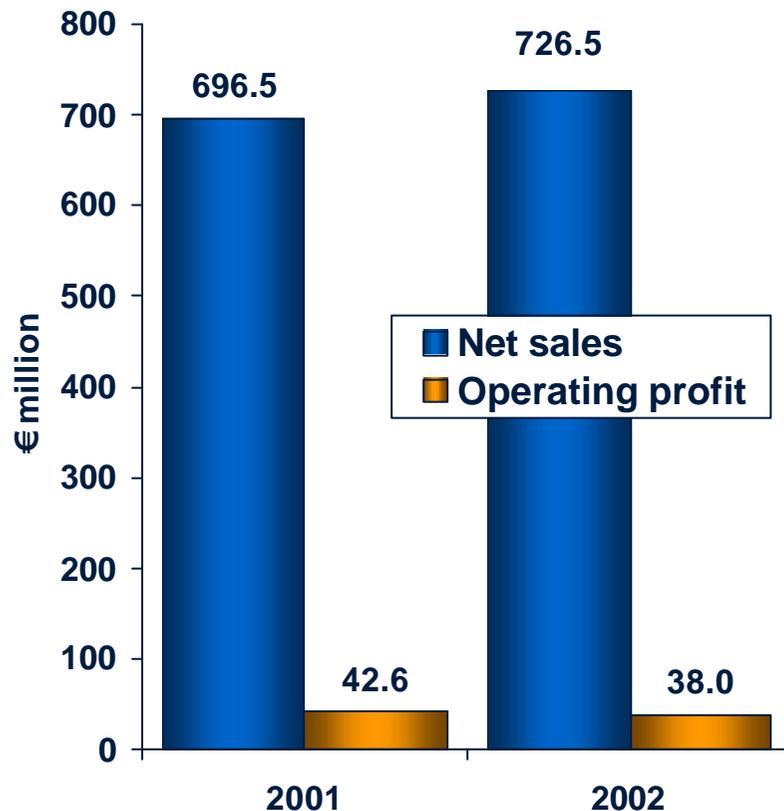
- Net sales are projected to increase faster than in the previous year.
- Operating profit from own operations will continue to improve, but the total operating profit will be diminished by the absence of the share of Rautakirja.

Book year 2002

- General literature increased its market share
- Children's books and juvenile books succeeded
- Range of fiction books especially strong
 - Juoksuhaudantie by Hotakainen sold 75,000 copies
- Sales of educational books increased
- 681 new titles and 1,251 reprints published
- Several awards and candidacies
 - Finlandia literature award to Hotakainen
 - Pro Oeconomia 2002 award to Christian Grönroos



Rautakirja Division



- Operating profit improved in all lines of business except for press distribution
- The share of book sales of the total sales grew, especially paperbacks succeeded
- Many domestic and foreign hit movies in movie theatres

Outlook for 2003:

- Net sales are estimated to grow faster than wholesale and retail business in general in Finland.
- The operating result from basic business operations will remain largely unchanged from 2002.

Internationalisation continues

- Lehtipiste's joint venture NB Logistika began press distribution operations in Latvia (2.5.02)
- Lehtipiste acquired Estonian press distributor Lehepunkt wholly (4.6.02)
- Joint company CZ Retail began kiosk operations in the Czech Republic (18.11.02)
- Finnkino opened new multiplex in Vilnius (24.1.03)
- Joint company CZ Retail bought Amadeo chain with 11 kiosks (3.3.03)
 - 124 kiosks after the acquisition
- Finnkino rented multiplex in Vilnius (24.3.03)
 - market share in Lithuania approx. 50%



FINNKINO



y/kalvot/kalvot/hs03/yhtiokokous engl 01

Strategic objectives

Clear Strategic Objectives

- To build a balanced portfolio, in terms of both businesses and markets
- To be a market leader in our chosen markets and business areas
- To build at least two strong international business areas
- To be a leading European magazine publisher
- To develop profitable products and services; including those that can be successfully expanded cross-media or internationally.
- To increase the profitability of our present businesses and improve efficiency e.g. through the use of information technology
- To divest non-core assets and businesses
- To promote excellent management practices and ensure that we have the ongoing support of our customers, employees, and shareholders

Future

Financial targets

Heading for better profitability

Operating profit (EBIT) margin, %

	1999	2000	2001	2002	Target
Sanoma	11.1	12.2	9.4	9.6	12.5
Sanoma Magazines	3.5*	6.4*	10.5	5.8	9.0
SWelcom	-33.1	-21.3	-28.8	-20.9	0.0
WSOY	11.1	9.0	8.6	9.5	12.5
Rautakirja	5.7	5.6	6.1	5.2	5.5
SanomaWSOY	5.4	5.8	5.6	5.7	9.0

- **Net sales** are expected to grow faster than GDP in Finland
- As **dividend** at least one-third of the Group's cash flow from operations
- **Capex** yearly basic level < € 100 million
- **Equity ratio** approx. 50%

* Includes only
Sanoma
Magazines
Finland

y/kalvot/kalvot/hs03/yhtiokokous engl 01

Emphasis in 2003

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



Committed to the Future