

SanomaWSOY Q2/2003

Hannu Syrjänen
President & COO

7 August 2003

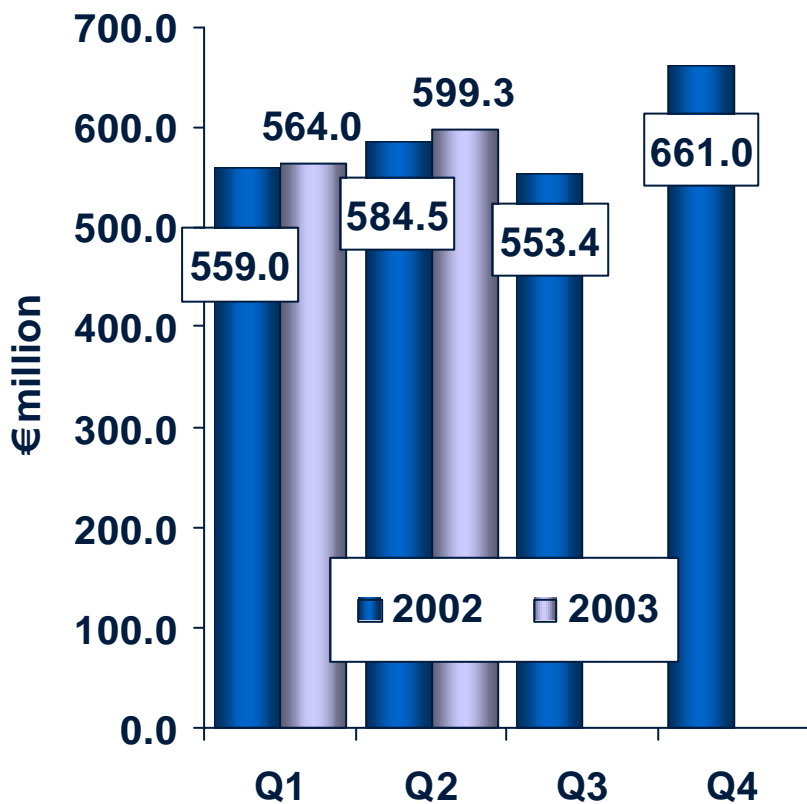
Key developments 1–6/2003

- Net sales increased by 2%, operating profit rose by 33%.
- SanomaWSOY sold its holding in the Norwegian A-pressen ASA at the end of June, gains on sale of shares some EUR 12 million (gains on sale of shares some EUR 25 million in 1–6/2002).
- Almost all of the securities have been realised in line with the Group's strategy.
- Sanoma divested the operations of its distribution company Leijonajakelu Oy to Finland Post in April. The transaction is subject to approval by the competition authorities.
- The shareholders' agreement expired on 14 May 2003 and no new such agreement will be signed.
- Rautakirja was merged into SanomaWSOY on 1 March 2003.

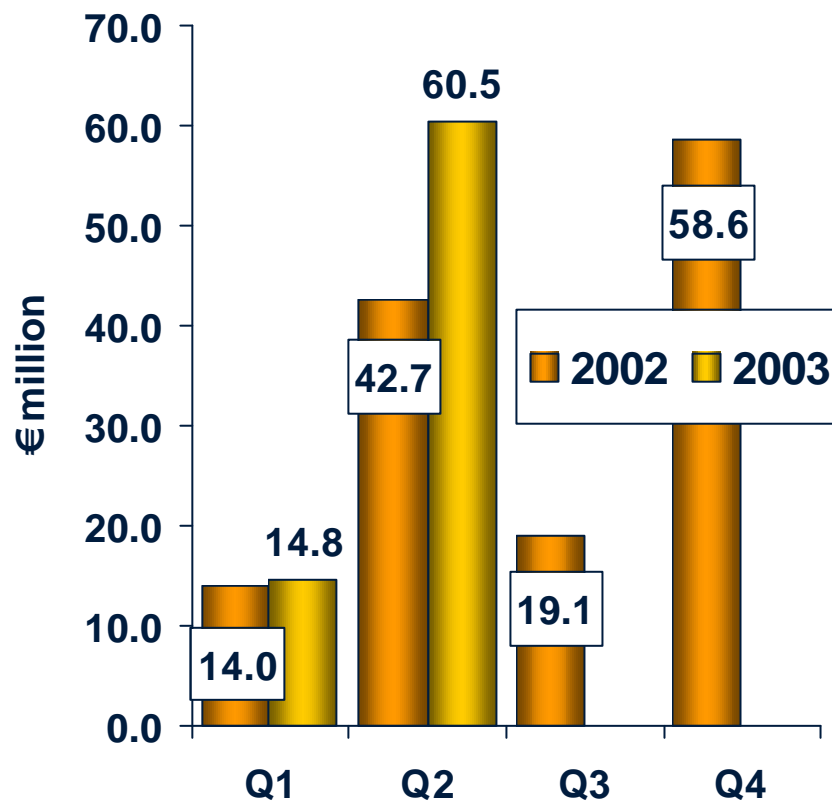
SanomaWSOY Group

By quarters 1/2

NET SALES



OPERATING PROFIT (EBIT)



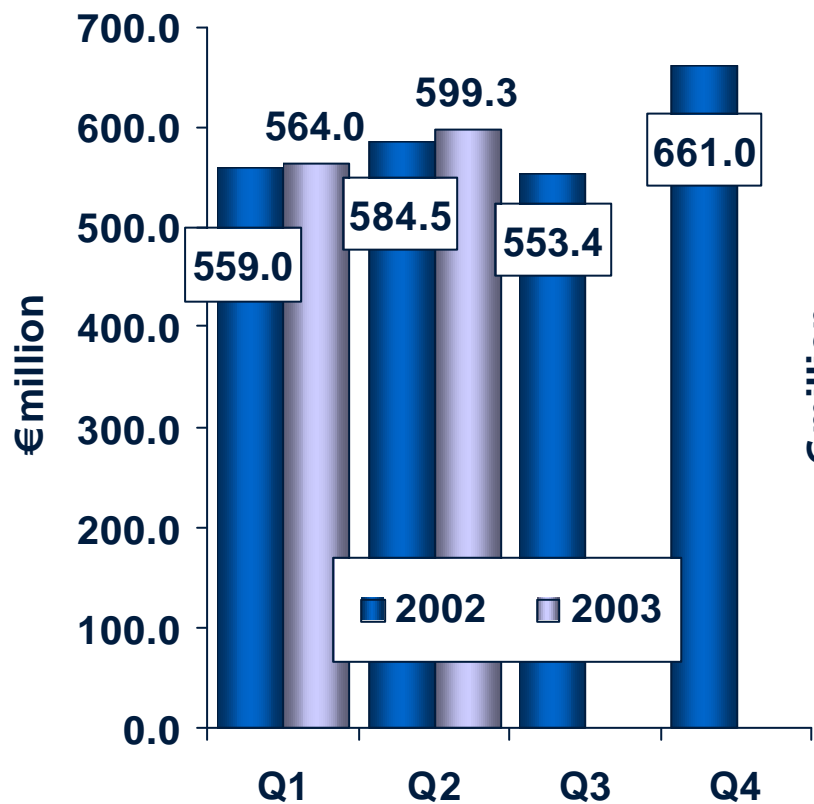
Y: KalvoL_HS/HS03/interimreport2



SanomaWSOY Group

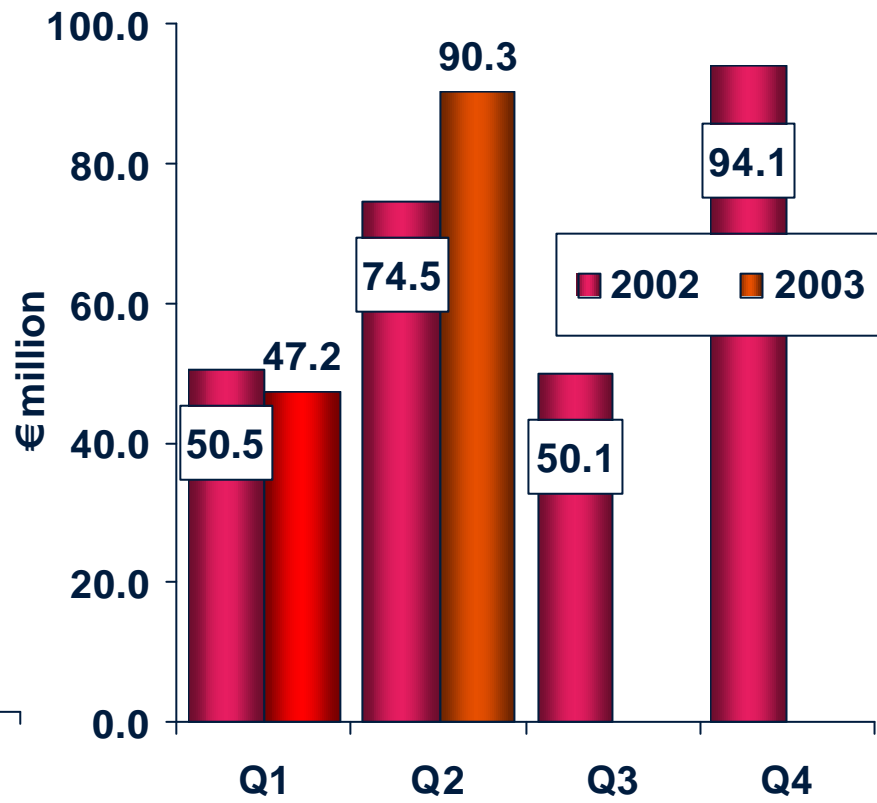
By quarters 2/2

NET SALES



OPERATING PROFIT

before amortisation (EBITA)



Y: KalvoL_HS/HS03/interimreport2



Group income statement

€ million	1-6/2003	1-6/2002	Change, %
Net sales	1,163.3	1,143.5	1.7
Other operating income and change in inventories	32.1	46.1	-30.4
Share of result of associated companies	5.0	6.1	-18.7
Operating expenses	1,124.9	1,138.9	-1.2
Operating profit	75.3	56.8	32.7
Financial income and expenses	-16.1	-2.9	-459.5
Result before extraordinary items	59.2	53.9	9.9
Extraordinary items			
Result after extraordinary items	59.2	53.9	9.9
Direct taxes	-22.2	-30.6	-27.3
Minority interests	-1.5	-3.1	-49.8
Result for the period	35.4	20.2	75.5

Y: KalvoL_HS/HS03/interimreport2

Group balance sheet

€ million	30.6.2003	30.6.2002	Change,%
Non-current assets, total	1,942.2	2,126.5	-8.7
Current assets, total	584.1	647.8	-9.8
Shareholders' equity, total	1,069.9	975.4	9.7
Minority interest	15.4	119.1	-87.1
Statutory provisions	14.7	14.7	-0.5
Liabilities, total	1,426.4	1,665.0	-14.3
Balance sheet total	2,526.3	2,774.2	-8.9

Y: Kalvo_HS/HS03/interimreport2

Key indicators

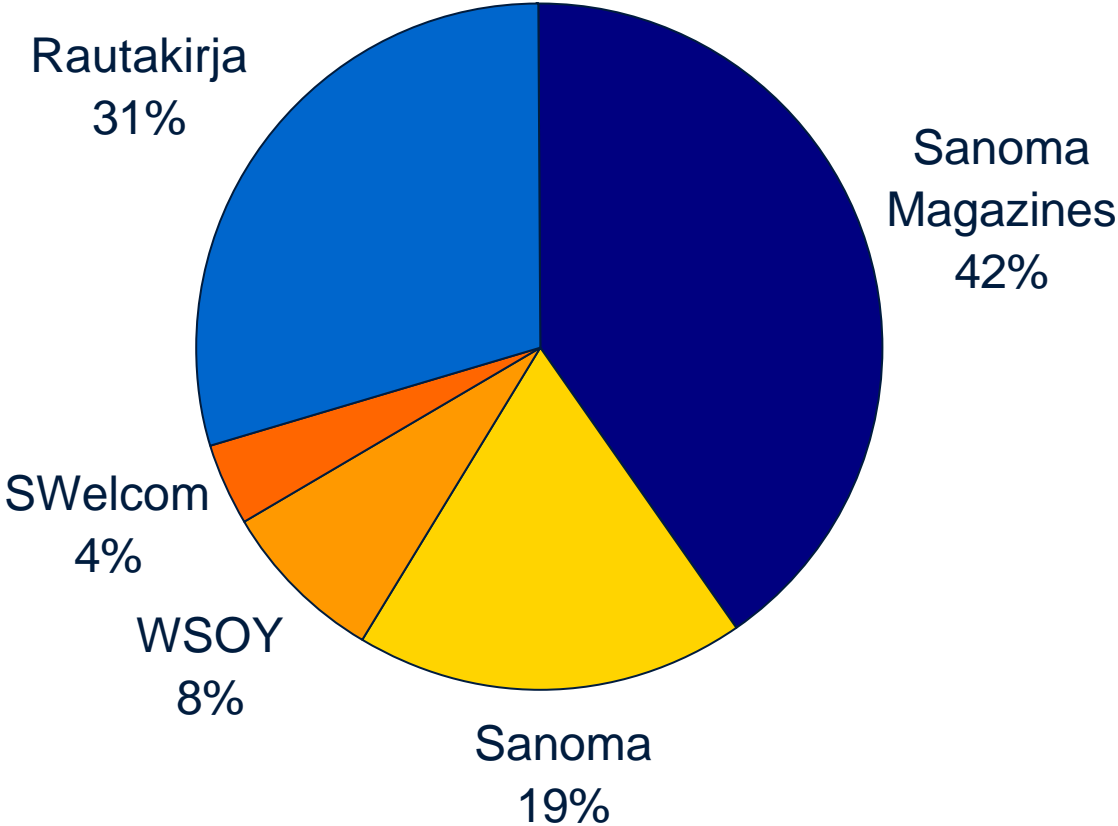
€ million	30.6.2003	30.6.2002	Change,%
Net sales	1,163.3	1,143.5	1.7
Operating profit before amortisation	137.5	125.0	10.0
% of net sales	11.8	10.9	
Operating profit	75.3	56.8	32.7
% of net sales	6.5	5.0	
Balance sheet total	2,526.3	2,774.2	-8.9
Gross investments	45.7	52.8	-13.4
Equity ratio, % (incl. capital notes)	45.0	40.8	
Equity ratio, %	36.4	33.1	
EPS, €	0.24	0.15	63.7
EPS before amortisation, €	0.66	0.64	2.9
Cash flow/share, €	0.50	0.46	9.3
Market capitalisation	1,575.7	1,494.0	5.5
Personnel under employment contract *	17,945	18,681	-3.9
Personnel on average **	14,451	15,263	-5.3

* average
** full-time
equivalents

Y: KalvoL_HS/HS03/interimreport2

Net sales by division

1-6/2003



Intracompany
eliminations
excluded

Y: KalvoL_HS/HS03/interimreport2

Advertising sales in Finland 1/2

€ 1,000	1–6/2003	Change, %
NEWSPAPERS	282,084	3.9
Aamulehti	20,712	11.6
Helsingin Sanomat	70,018	-0.2
Ilta-Sanomat	7,241	2.6
Iltalehti	5,974	-3.5
Kauppalehti	8,309	-16.7
Taloussanomat	1,612	-28.4
Turun Sanomat	18,552	2.0
KÄRKIMEDIA*	51,806	11.0

Source:
Gallup Adex

* Kärkimedia

Y: KalvoL_HS/HS03/interimreport2

Advertising sales in Finland 2/2

€1,000	1–6/2003	Change, %
MAGAZINES	70,977	0.4
TELEVISION	106,561	3.4
RADIO ADVERTISING	22,527	12.5
OUTDOOR ADVERTISING	16,884	-4.4
INTERNET	5,244	-3.1
FILM ADVERTISING	1,269	13.8
Advertising sales revenue, total	505,546	3.3

Source:
Gallup Adex

Y: KalvoL_HS/HS03/interimreport2

Advertising sales

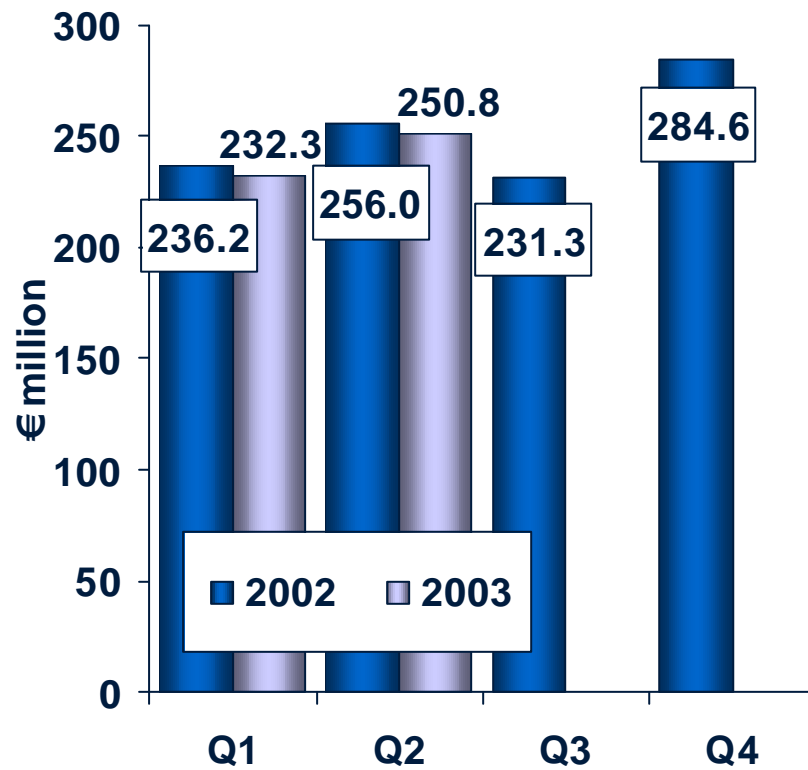
% of net sales

	1–6/2003	1–6/2002
Sanoma Magazines	23%	24%
Sanoma	50%	50%
SWelcom	55%	58%
The Group	22%	22%

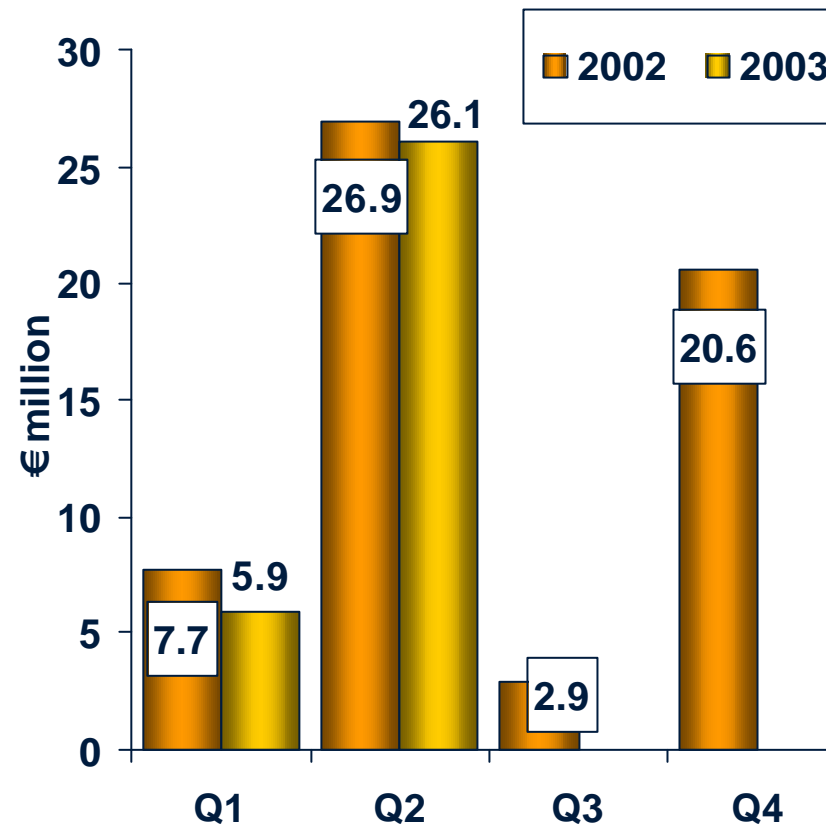
Y: KalvoL_HS/HS03/interimreport2

Sanoma Magazines Division

NET SALES



OPERATING PROFIT (EBIT)



Y: Kalvo_HS/HS03/interimreport2

Sanoma Magazines 1-6/2003

€ million	NET SALES		OPERATING PROFIT	
	1-6/2003	1-6/2002	1-6/2003	1-6/2002
Sanoma Uitgevers	225.1	234.9		
Sanoma Magazines Finland	83.3	81.8		
Sanoma Magazines Belgium	76.8	75.7		
Sanoma Magazines International	50.2	48.9		
Aldipress	99.6	104.0		
Intracompany eliminations	-51.9	-53.1		
Total	483.1	492.2	32.0	34.6
	<u>6/2003</u>	<u>6/2002</u>		
Gross investments, € million	7.1	11.9		
Personnel, average *	3,900	4,296		

* full-time equivalents

Y: KalvoL_HS/HS03/interimreport2

Sanoma Magazines

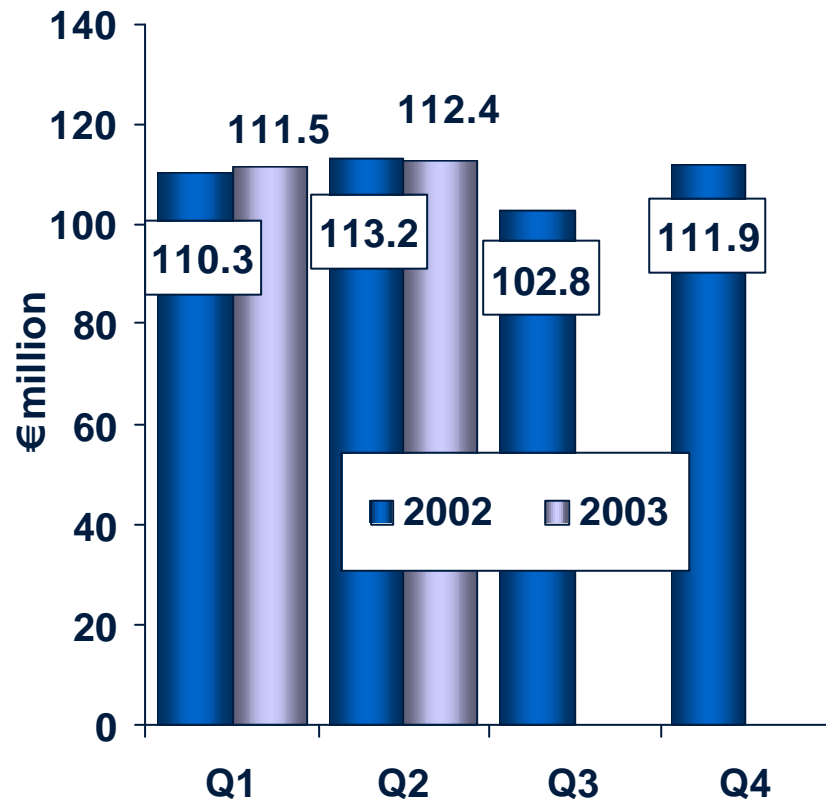
Key developments

- Net sales improved in Sanoma Magazines Finland, Sanoma Magazines Belgium, and Sanoma Magazines International.
- Advertising sales declined in several countries but grew in most of the Eastern Central European countries.
- Circulation sales increased in the Netherlands and Finland. In addition, circulation sales increased in the Czech Republic, Romania and Croatia due to launches.
 - National Geographic in Romania in May
 - Elle Dekor in Croatia at the end of March
 - National Geographic in Hungary at the beginning of March
- Comparable operating profit improved due to cost cutting programmes and lower paper prices. In 2002, operating profit included gains on the sales of BEAP and Blue Book.
- Good result was largely due to the successful integration and improved efficiency.

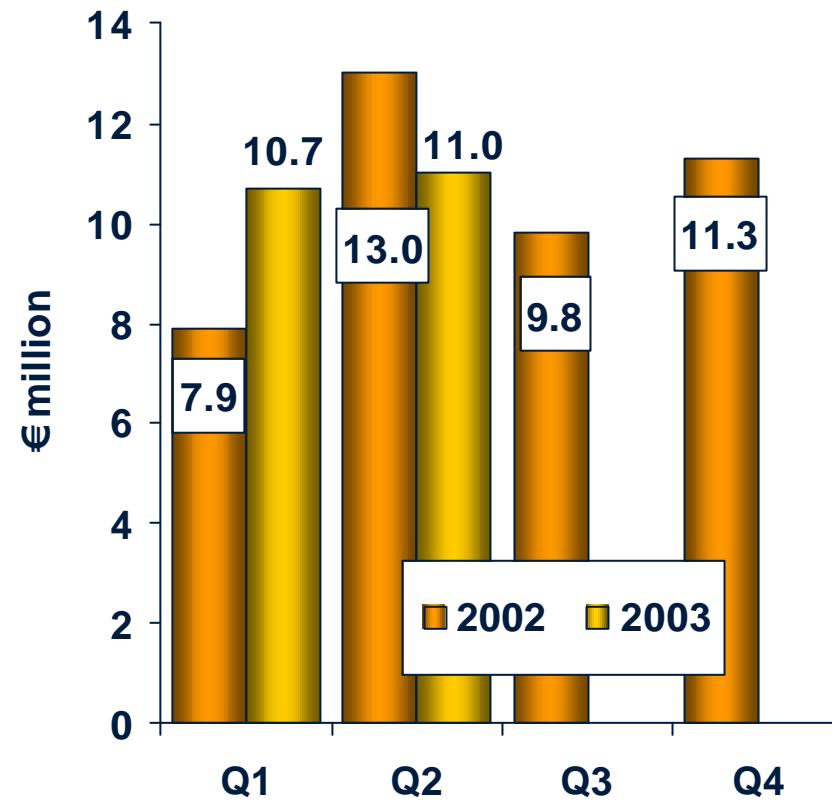
Y: KalvoL_HS/HS03/interimreport2

Sanoma Division

NET SALES



OPERATING PROFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport2

Sanoma 1-6/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-6/2003	1-6/2002	1-6/2003	1-6/2002
Helsingin Sanomat	129.9	132.0		
IS Business Unit	47.8	44.9		
Kymen Lehtimedia	26.4	25.7		
Others	100.9	102.7		
Intracompany eliminations	-81.1	-82.0		
Total	223.9	223.4	21.7	20.9
	<u>6/2003</u>	<u>6/2002</u>		
Gross investments, € million	13.8	23.3		
Personnel, average **	3,333	3,587		

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

**full-time equivalents

Y: KalvoL_HS/HS03/interimreport2

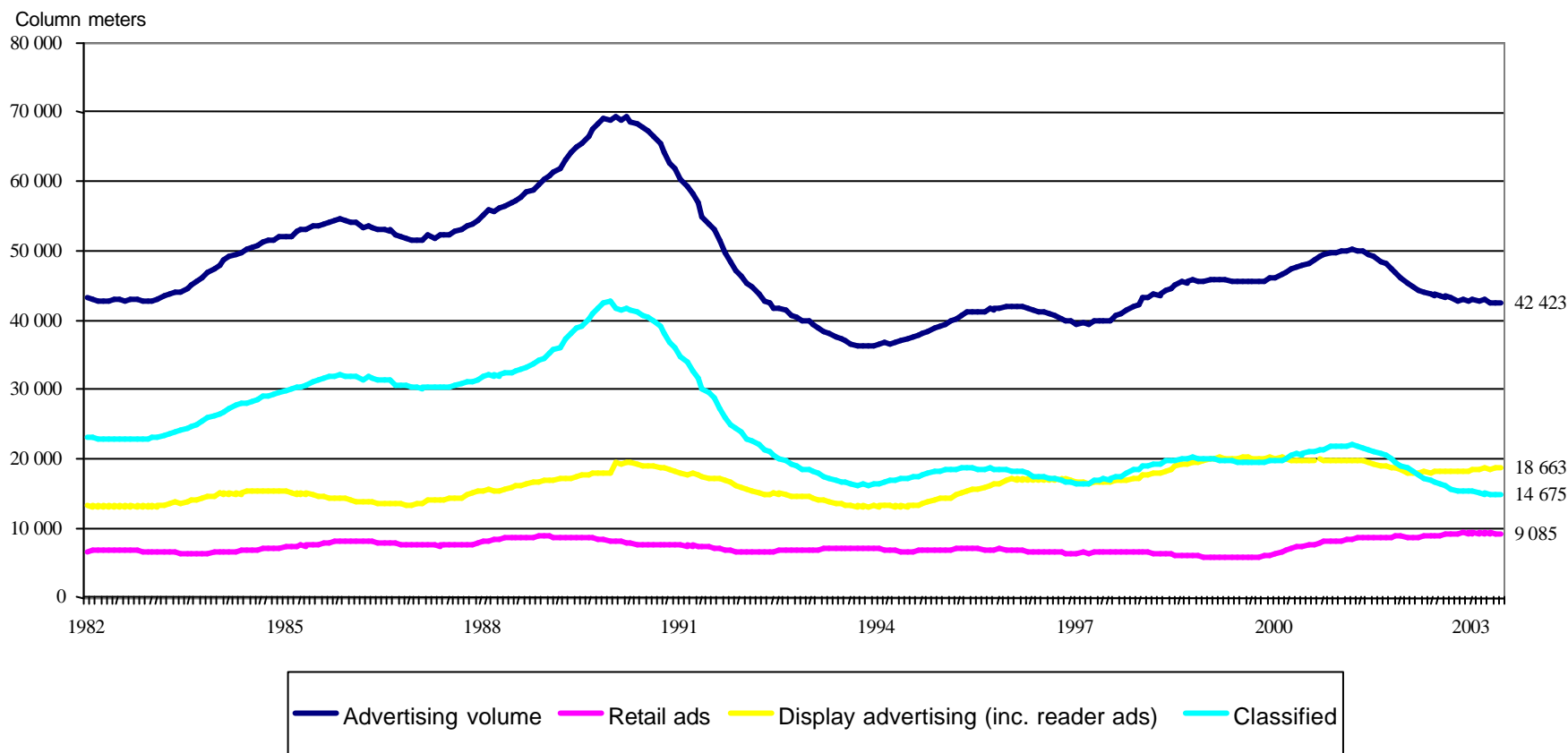
Sanoma

Key developments

- Net sales at previous year's level, most growth generated by the IS Business Unit as a result of IS Veikkaaja publication acquired in 2002.
- Advertising sales decreased slightly, especially Helsingin Sanomat suffered from the decline in job advertising.
- Circulation sales grew by 3%, mainly as a result of IS Veikkaaja and a price increase. Taloussanomat increased its circulation, but the circulations of other papers declined slightly.
- Operating profit improved both in Helsingin Sanomat, the IS Business Unit and Kymen Lehtimedia.
- The increase in operating profit was depressed by the exclusion of the share of Rautakirja's result as of beginning of March, a decrease in the gains on sales and non-recurring pension arrangements.

Helsingin Sanomat

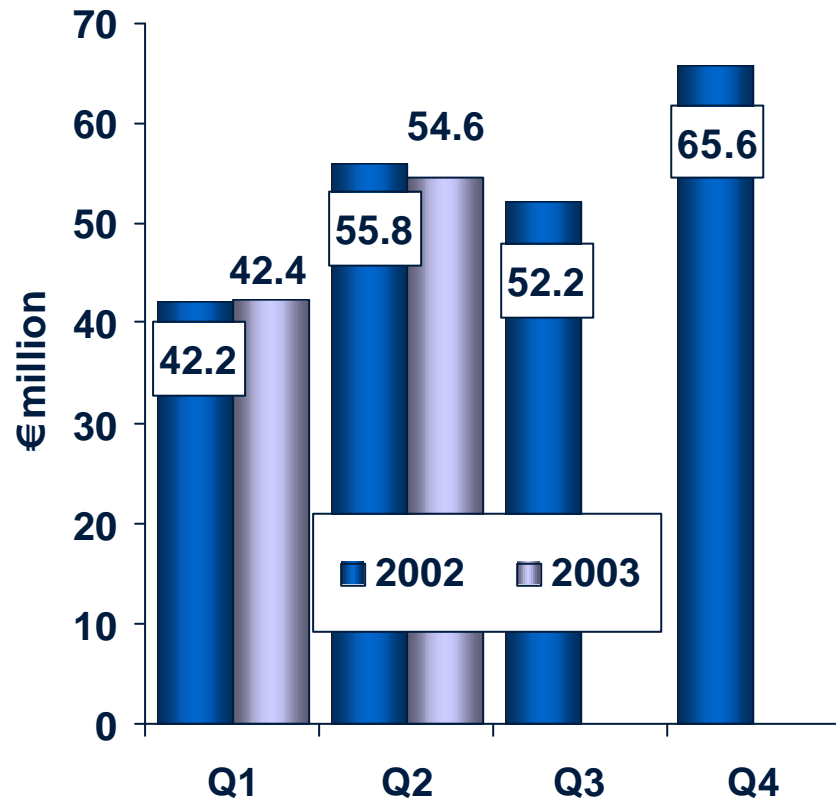
Advertising volume the rolling 12 months average
1982-6/2003



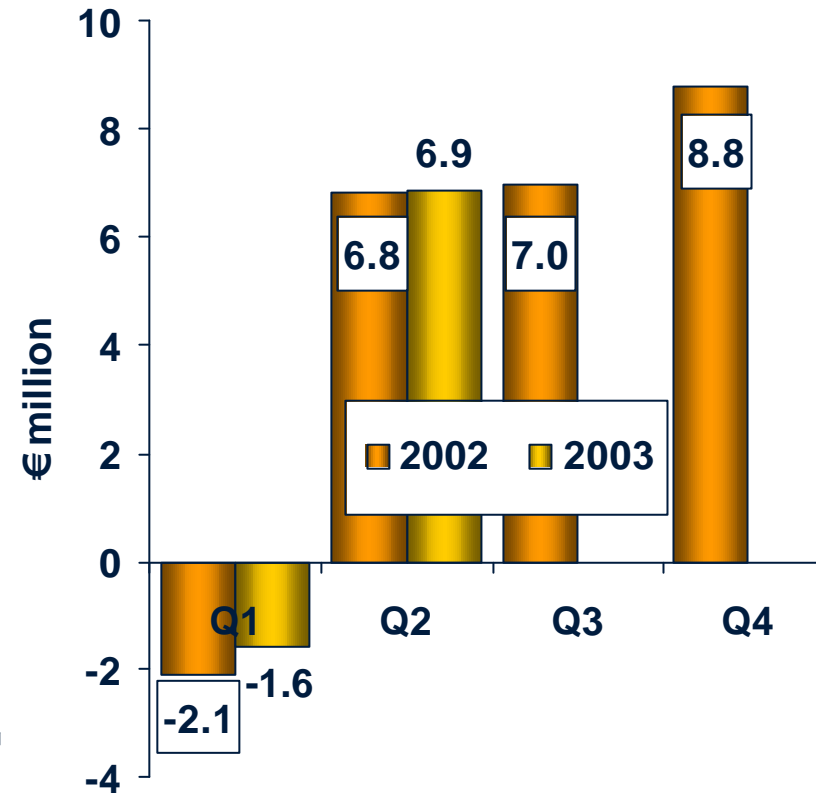
Y: Kalvo_HS/HS03/interimreport2

WSOY Division

NET SALES



OPERATING PROFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport2

WSOY 1-6/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-6/2003	1-6/2002	1-6/2003	1-6/2002
Publishing	75.5	72.8		
Printing	28.5	31.5		
Calendar operations	4.2	4.9		
Others	2.2	1.7		
Intracompany eliminations	-13.4	-12.9		
Total	97.0	98.0	5.3	4.8
	<u>6/2003</u>	<u>6/2002</u>		
Gross investments, € million	5.0	3.8		
Personnel, average **	1,864	1,830		

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

** full-time equivalents

Y: KalvoL_HS/HS03/interimreport2

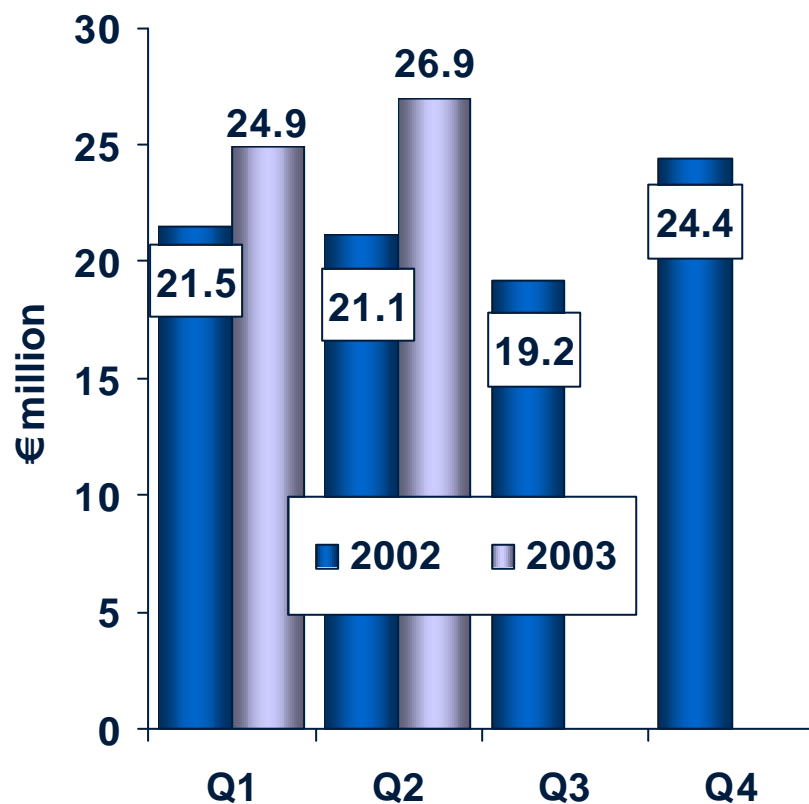
WSOY

Key developments

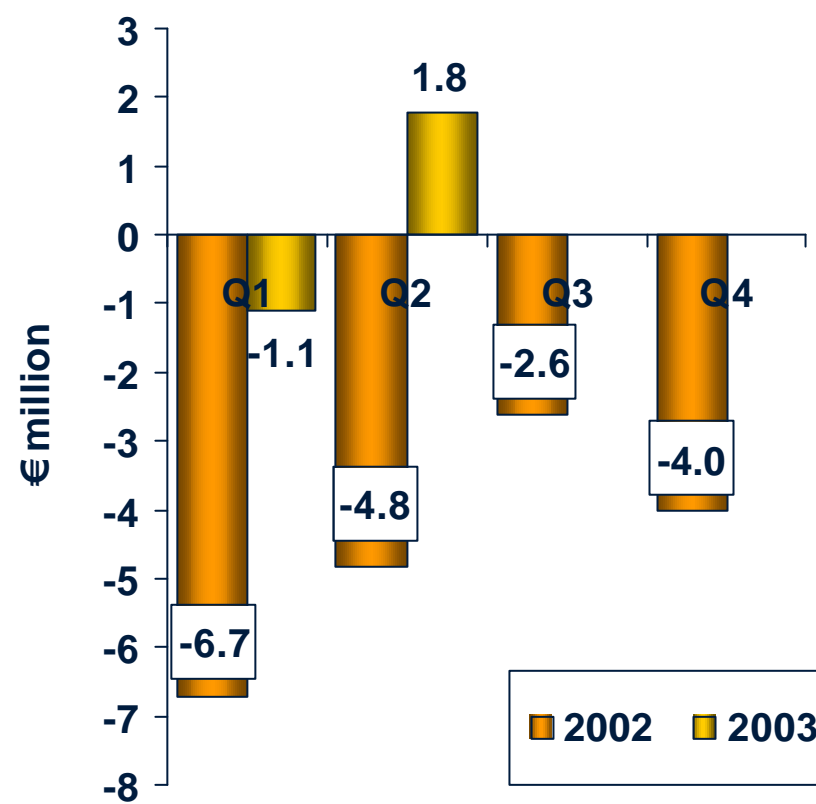
- Publishing operations' net sales grew, but the net sales of printing operations declined due to sluggish demand.
- Sales to bookstores grew, but bookclub sales diminished. Non-fiction sold well. WSOY continued to retain its clear market leadership on textbook market despite the reduced demand.
- Operating profit from own operations increased in spite of decline in sales. Operating profit improved in publishing and calendar operations, but decreased in printing operations.
- Cost-cutting measures and the reduction of losses from electronic publishing contributed to improving the result for the period, but it was decreased by the exclusion of the share of Rautakirja's result as of beginning of March.

SWelcom Division

NET SALES



OPERATING PFOFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport2

SWelcom 1-6/2003

€ million	NET SALES		OPERATING PROFIT	
	1-6/2003	1-6/2002	1-6/2003	1-6/2002
Nelonen	28.7	25.3		
HTV	18.7	13.2		
Others	2.4	5.6		
Intracompany eliminations	2.0	-1.4		
Total	51.8	42.6	0.7	-11.5
	<u>6/2003</u>	<u>6/2002</u>		
Gross investments, € million	3.4	4.1		
Personnel, average	383	387		

Y: KalvoL_HS/HS03/interimreport2

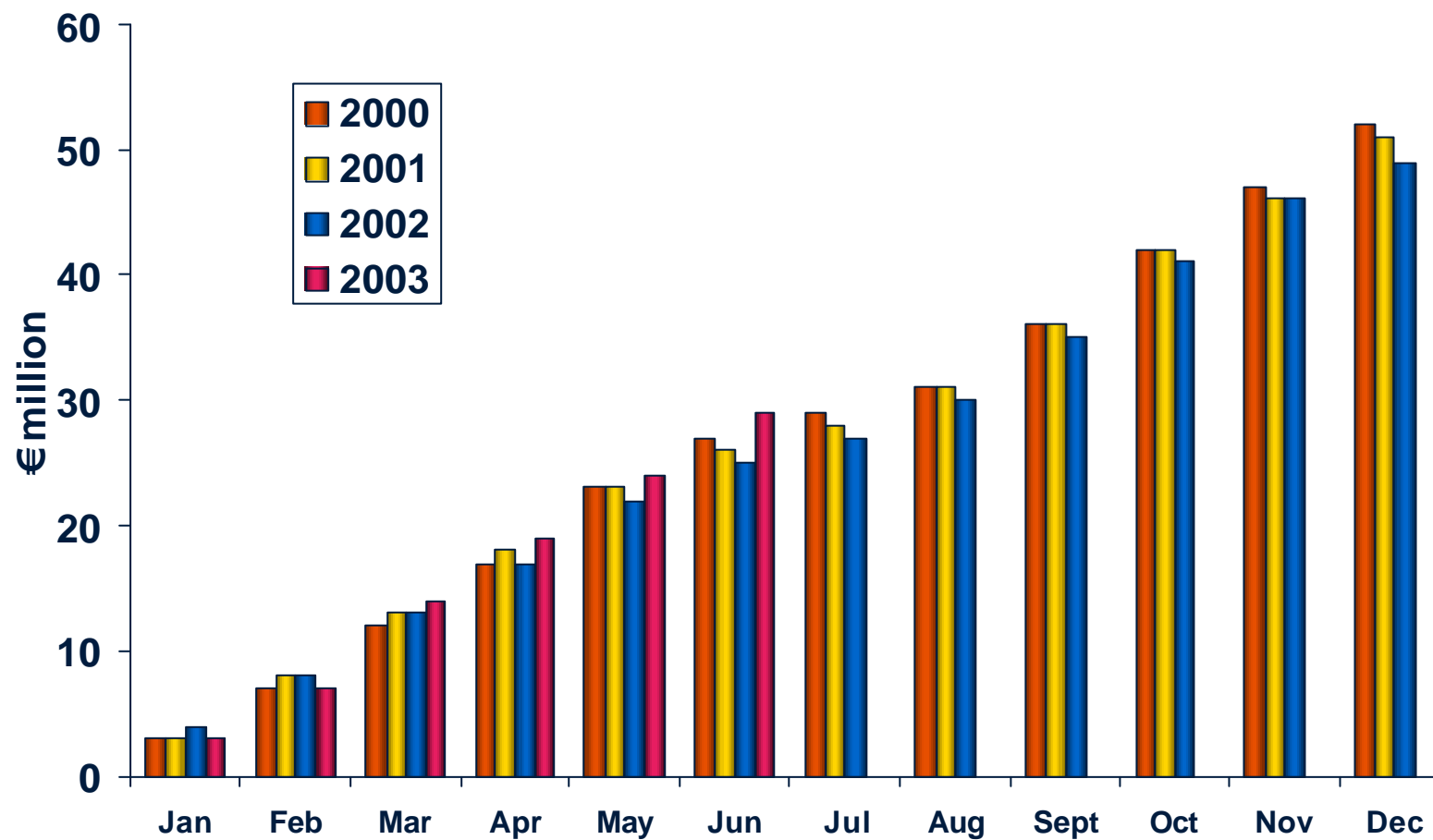
SWelcom

Key developments

- Net sales increased strongly due to both Nelonen's and HTV's growth.
- Nelonen's advertising sales grew considerably faster than TV advertising in general.
- HTV's broadband internet services were successful.
- SWelcom's result was positive for the first time.
- Both HTV and Nelonen posted considerably improved operating profits. Financial performance was also contributed by the halving of Nelonen's operating licence fee, the inclusion of HTV's connection fees in the income statement from the beginning of the year and a reduction in the ownership of Suomen Urheilutelevisio.

Nelonen's sales

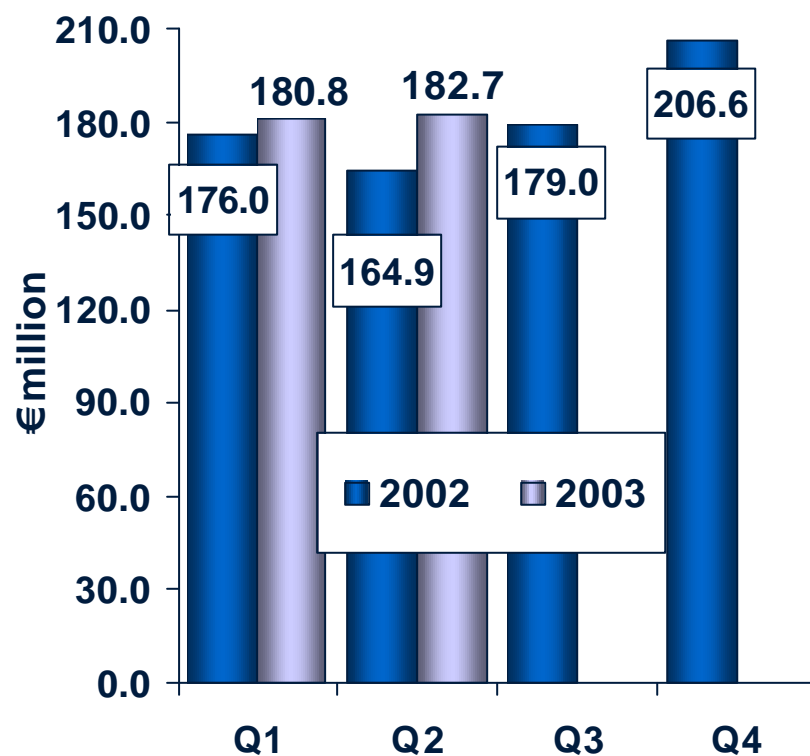
Cumulative



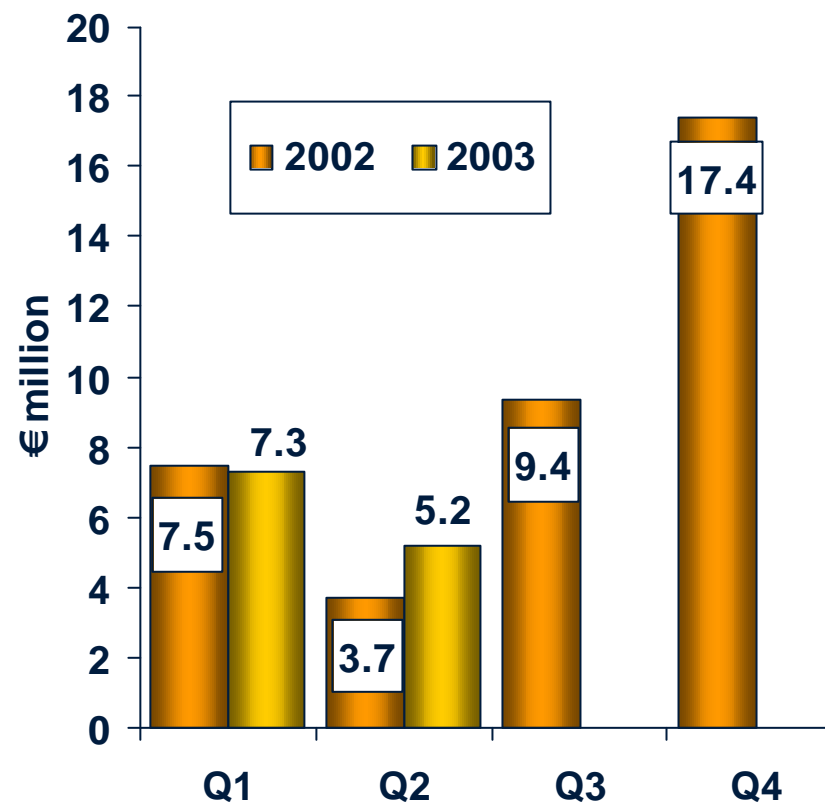
Y: Kalvo_HS/HS03/interimreport2

Rautakirja Division

NET SALES



OPERATING PFOFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport2

Rautakirja 1-6/2003

€ million	NET SALES		OPERATING PROFIT	
	1-6/2003	1-6/2002	1-6/2003	1-6/2002
Kiosk operations	189.1	180.6		
Press distribution	92.9	81.7		
Bookstores	49.5	48.0		
Movie theatre operations	25.1	23.7		
Restaurant operations	30.0	23.1		
Others	0.0	0.6		
Intracompany eliminations	-23.2	-16.9		
Total	363.5	340.9	12.5	11.2
	<u>6/2003</u>	<u>6/2002</u>		
Gross investments, € million	16.3	9.4		
Personnel, average*	4,897	5,089		

*full-time
equivalents

Y: KalvoL_HS/HS03/interimreport2

Rautakirja

Key developments

- Net sales grew in all operations, 1/3 was generated from abroad
 - 1/3 of the growth in kiosk operations generated by the beginning of a joint-venture in the Czech Republic.
 - Press distribution's increased net sales due to expansion of operations in Estonia and Latvia in summer 2002 and favourable development of sales of Finnish newspapers and magazines.
 - Increase in number of outlets improved net sales in restaurant operations.
- Operating profit increased slightly.
- Kiosk operations, press distribution and bookstores improved results, movie theatre and restaurant operations declined slightly compared to the previous year.
- Operating profit was weakened by the transfer of real estate held as an investment to SanomaWSOY Corporation in conjunction with the merger on 1 March 2003.

Y: Kalvo_LHS/HS03/interimreport2

Estimates for 2003

by Division

Sanoma Magazines

- Net sales are estimated to be EUR one billion.
- Operating profit is expected to be about 6% of net sales.
- Goodwill amortisation will be some 6% of net sales.

Sanoma

- Net sales are forecast to grow slightly.
- Operating profit is forecast to improve more than net sales, due to long-range development measures.

WSOY

- Net sales are estimated to increase slightly.
- The operating profit of own operations will improve.

SWelcom

- Net sales are expected to grow substantially.
- Operating result will improve very considerably.

Rautakirja

- Net sales are forecast to grow faster than wholesale and retail business in general.
- Operating profit is forecast to be broadly the same as the previous year.

Emphasis in 2003

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

Group's outlook for 2003

- Net sales are forecast to grow faster than GDP in Finland.
- Operating profit will grow considerably due to operational streamlining, cost cutting and improved business management.



Committed to the Future