

SanomaWSOY

Q3/2003

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President & COO

30 October 2003

Key developments 1–9/2003

- Net sales increased by 3%, operating profit rose by 67%
- Result before extraordinary items more than doubled
- Comparable operating profit improved in all divisions.
The most substantial non-recurring gains on the sale of assets some EUR 19 million (1–9/2002: EUR 26 million).
- Tentative agreement to sell shares of Janton Oyj 8/2003
- Holding in the Norwegian A-pressen ASA sold 6/2003
- Divestment of the operations of Leijonajakelu Oy to Finland Post into effect 9/2003
- Rautakirja merged into SanomaWSOY 3/2003
- Almost all listed securities sold in line with the Group's strategy
- Interest-bearing liabilities* EUR 915.6 million (1–9/2002: EUR 1,217.7 million)

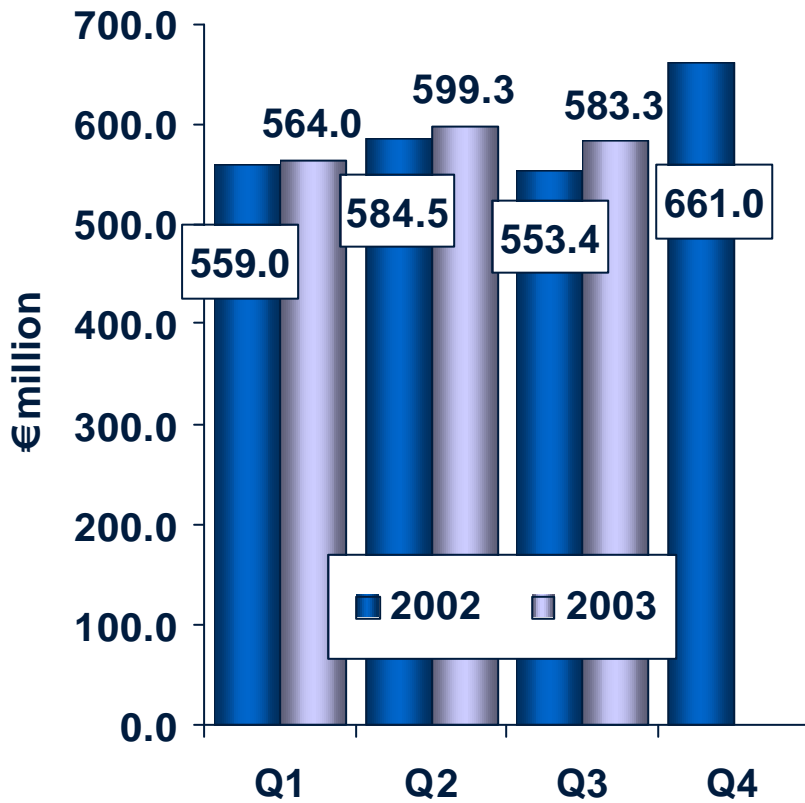
*including capital notes

Y: Kalvo_HS/HS03/interimreport3

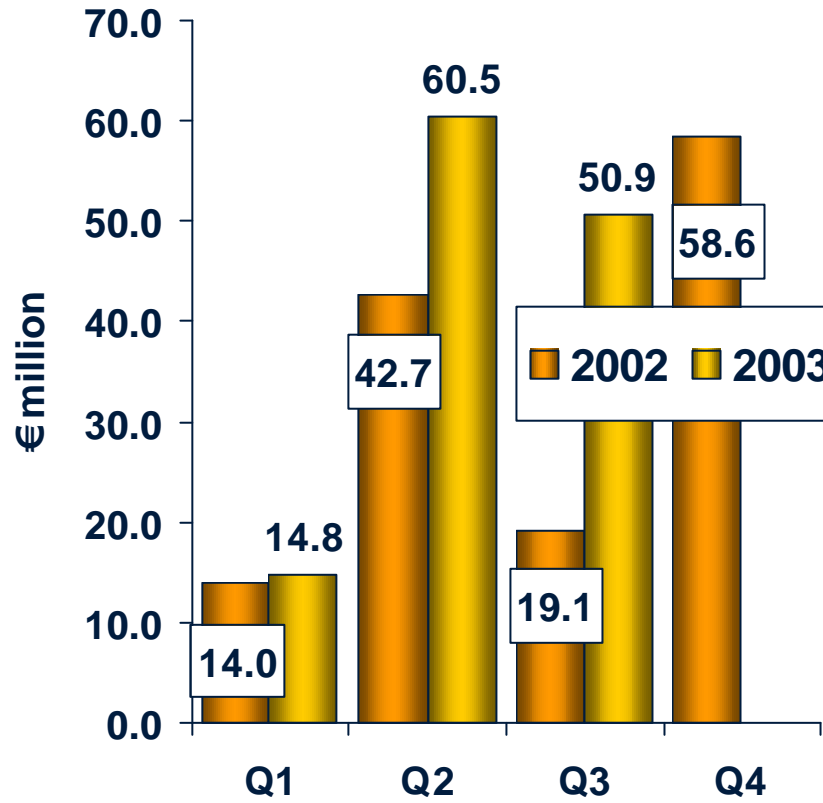
SanomaWSOY Group

By quarters 1/2

NET SALES, €million



OPERATING PROFIT (EBIT), €million



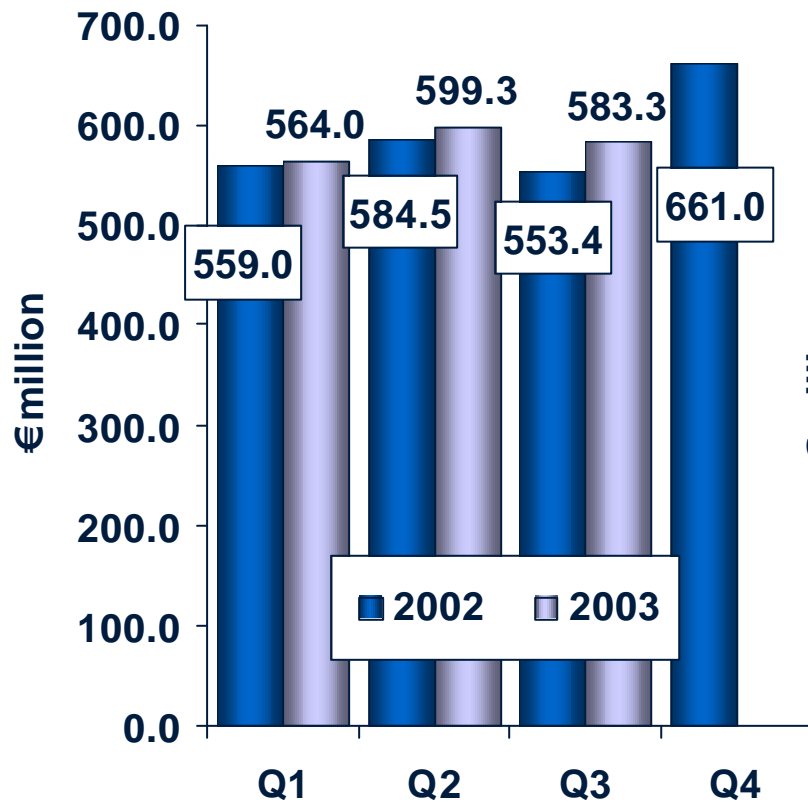
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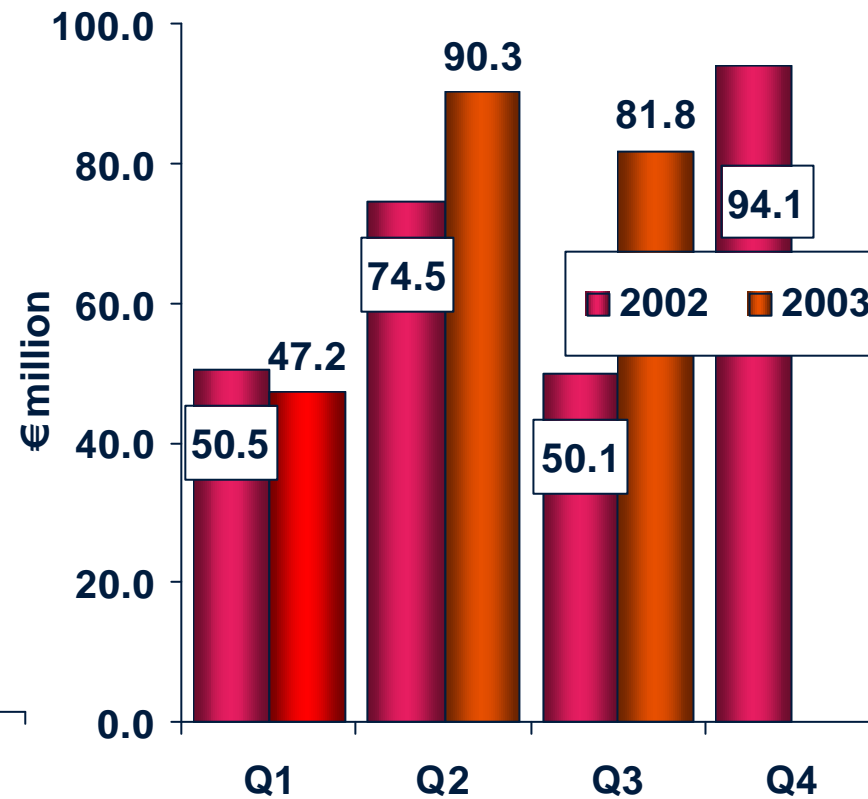
SanomaWSOY Group

By quarters 2/2

NET SALES, €million



EBITA, OPERATING PROFIT before amortisation, €million



Y: KalvoL_HS/HS03/interimreport3

Group income statement

€ million	1-9/2003	1-9/2002	Change, %
Net sales	1,746.5	1,696.9	2.9
Other operating income and change in inventories	48.1	54.5	-11.8
Share of result of associated companies	6.4	9.2	-30.3
Operating expenses	1,674.8	1,684.7	-0.6
Operating profit	126.2	75.8	66.5
Financial income and expenses	-25.1	-27.1	7.6
Result before extraordinary items	101.2	48.7	107.6
Extraordinary items			
Result after extraordinary items	101.2	48.7	107.6
Direct taxes	-38.0	-42.1	-9.7
Minority interests	-1.7	-6.1	-72.2
Result for the period	61.5	0.6	

Y: KalvoL_HS/HS03/interimreport3

Group balance sheet

€ million	30.9.2003	30.9.2002	Change,%
Non-current assets, total	1,923.8	2,104.5	-8.6
Current assets, total	543.4	617.9	-12.1
Shareholders' equity, total	1,098.6	957.0	14.8
Minority interest	15.9	122.6	-87.1
Statutory provisions	13.5	17.4	-22.1
Liabilities, total	1,339.2	1,625.4	-17.6
Balance sheet total	2,467.2	2,722.3	-9.4

Y: KalvoL_HS/HS03/interimreport3

Key indicators

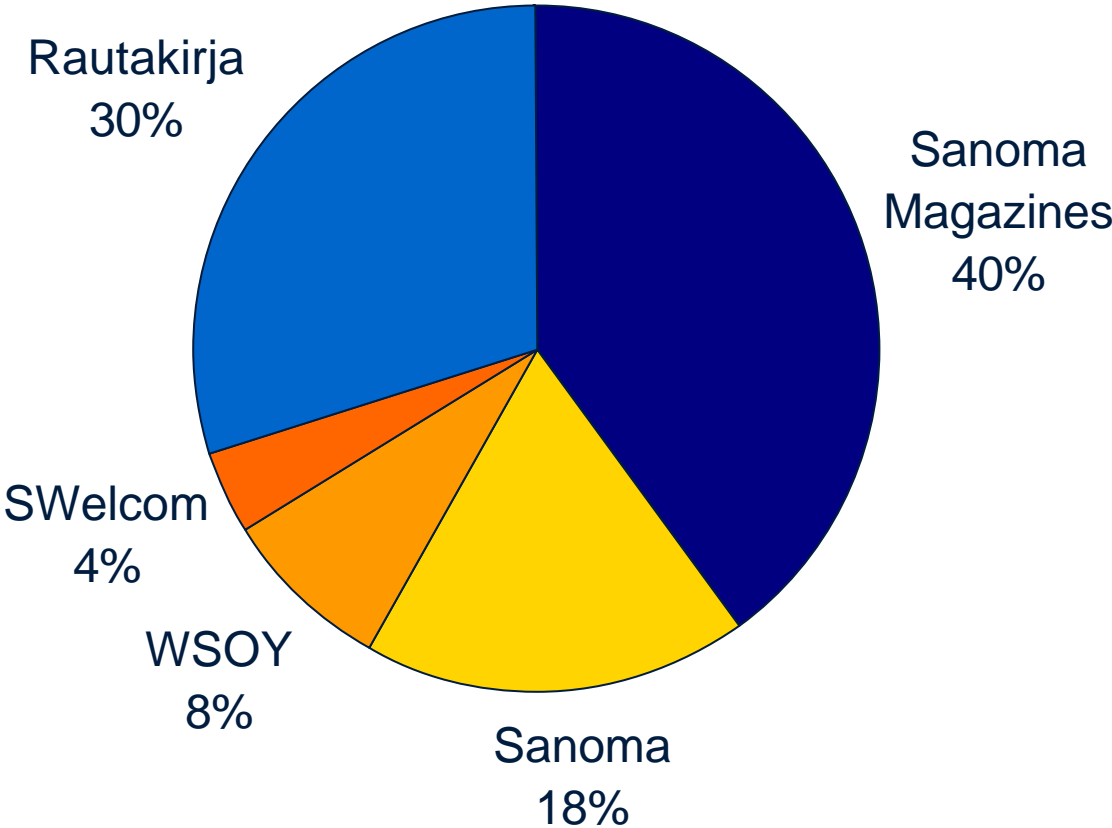
€ million	30.9.2003	30.9.2002	Change,%
Net sales	1,746.5	1,696.9	2.9
Operating profit before amortisation	219.3	175.1	25.2
% of net sales	12.6	10.3	
Operating profit	126.2	75.8	66.5
% of net sales	7.2	4.5	
Balance sheet total	2,467.2	2,722.3	-9.4
Gross investments	67.4	73.9	-8.9
Equity ratio, % (incl. capital notes)	47.3	41.2	
Equity ratio, %	38.5	33.3	
EPS, €	0.41	0.00	
EBITA/share, €	1.03	0.72	
Cash flow/share, €	0.86	0.64	33.2
Market capitalisation	1,837.3	1,337.4	37.4
Personnel under employment contract *	17,833	18,834	-5.3
Personnel on average **	14,427	15,300	-5.7

* average
** full-time
equivalents

Y: KalvoL_HS/HS03/interimreport3

Net sales by division

1-9/2003



Intracompany eliminations excluded

Y: KalvoL_HS/HS03/interimreport3



Advertising sales in Finland 1/2

€ 1,000	1–9/2003	Change, %
NEWSPAPERS	404,684	3.7
Aamulehti	29,581	8.8
Helsingin Sanomat	105,560	0.3
Ilta-Sanomat	9,940	0.8
Iltalehti	8,102	-7.7
Kauppalehti	11,198	-15.1
Taloussanomat	2,299	-21.0
Turun Sanomat	26,642	2.3
KÄRKIMEDIA*	74,101	12.6

Source:
Gallup Adex

* Kärkimedia

Y: Kalvo_HS/HS03/interimreport3

Advertising sales in Finland 2/2

€1,000	1–9/2003	Change, %
MAGAZINES	95,736	-1.0
TELEVISION	146,743	2.7
RADIO ADVERTISING	31,214	7.3
OUTDOOR ADVERTISING	23,575	-4.5
INTERNET	7,366	0.7
FILM ADVERTISING	1,612	-7.6
Advertising sales revenue, total	710,930	2.6

Source:
Gallup Adex

Y: KalvoL_HS/HS03/interimreport3

Advertising sales

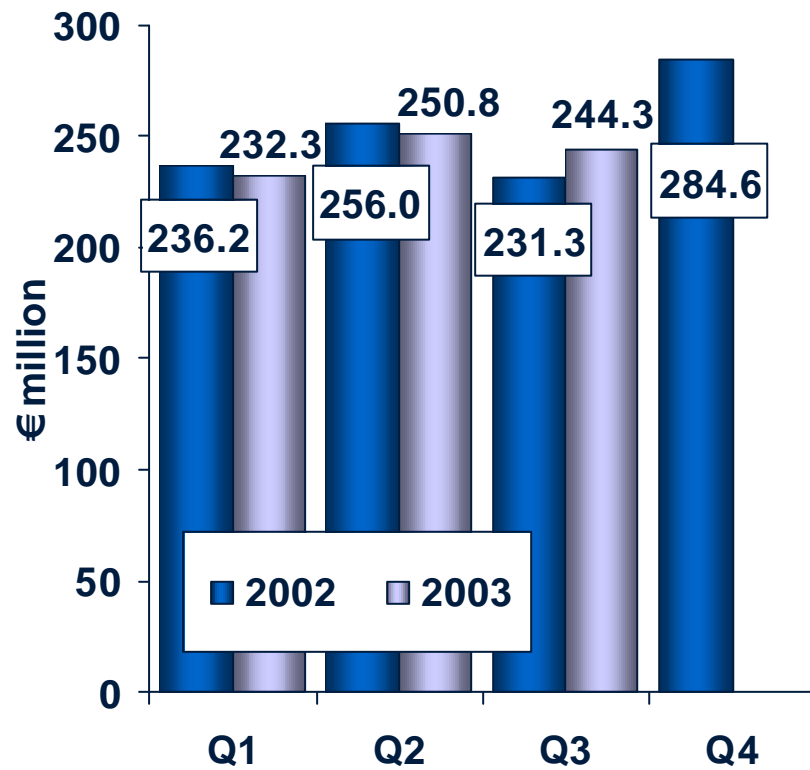
% of net sales

	1–9/2003	1–9/2002
Sanoma Magazines	22%	23%
Sanoma	49%	49%
SWelcom	54%	56%
The Group	21%	21%

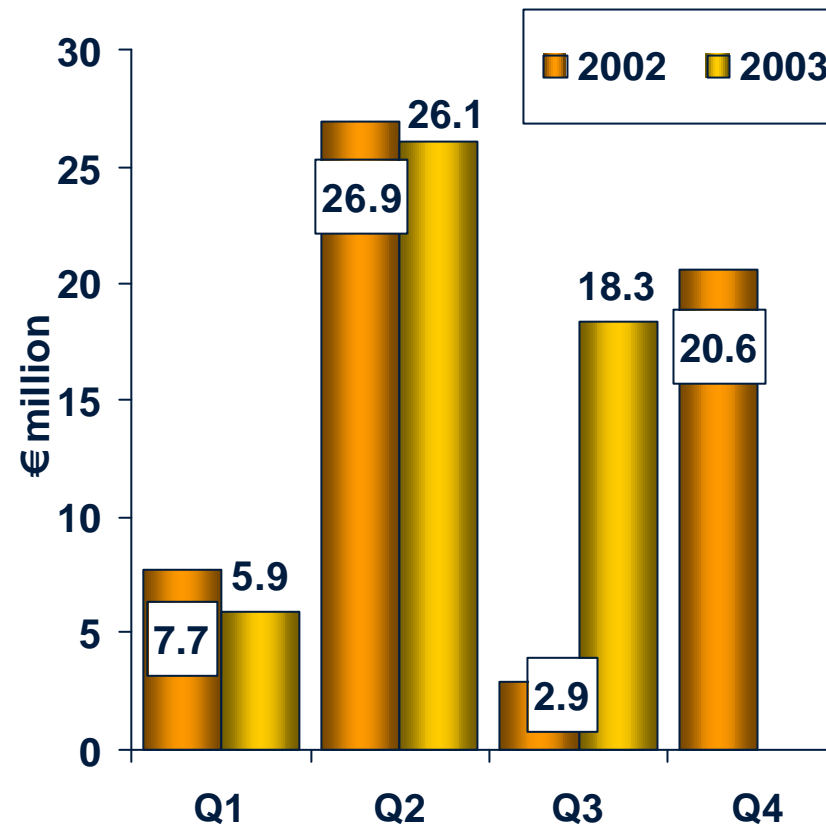
Y: KalvoL_HS/HS03/interimreport3

Sanoma Magazines

NET SALES



OPERATING PROFIT (EBIT)



Y: Kalvo_HS/HS03/interimreport3

Sanoma Magazines 1-9/2003

€ million	NET SALES		OPERATING PROFIT	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
Sanoma Uitgevers	338.9	347.2		
Sanoma Magazines Finland	122.3	118.5		
Sanoma Magazines Belgium	112.6	111.2		
Sanoma Magazines International	73.7	69.0		
Aldipress	160.6	159.3		
Intracompany eliminations	-80.7	-81.7		
Total	727.4	723.5	50.3	37.5
	9/2003	9/2002		
Gross investments, € million	12.1	13.8		
Personnel, average *	3,892	4,276		

* full-time equivalents

Y: KalvoL_HS/HS03/interimreport3

Sanoma Magazines

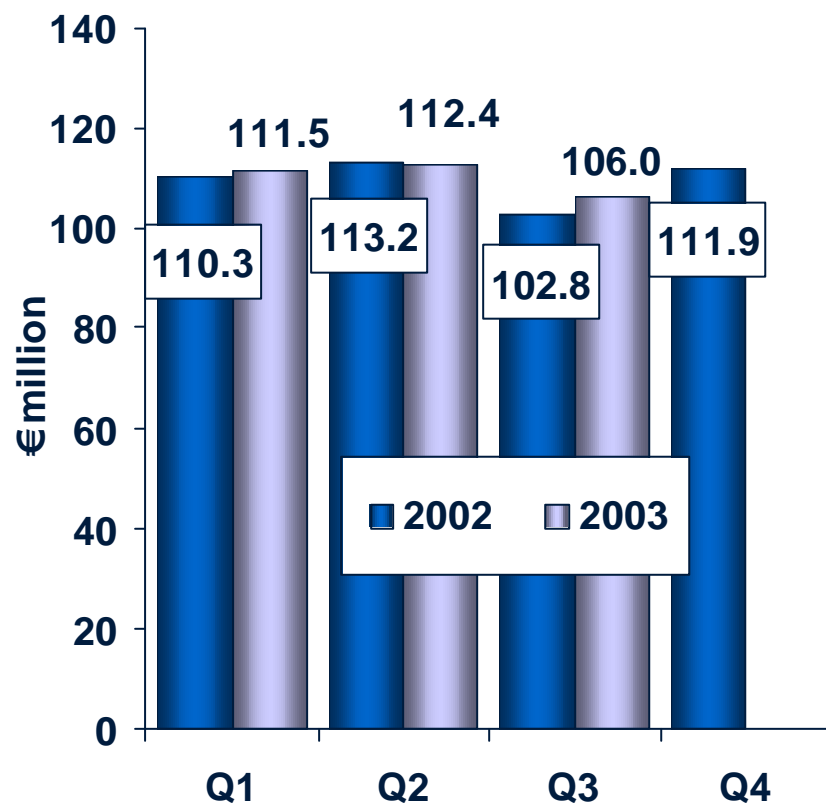
Key developments

- Comparable operating profit increased considerably
- Sanoma Magazines' circulation sales increased in all operating countries, comparable growth was 4%
- Advertising sales declined in Finland and the Netherlands but grew in Eastern Central Europe
- Two launches during the Q3
 - Glamo powered by Flair in Belgium
 - Magazine built around TV star Linda de Mol in the Netherlands
- Two launches after the review period
 - TV-story in Croatia in October
 - National Geographic in Croatia in November
- In 2002, operating profit included gains on the sales of BEAP and Blue Book

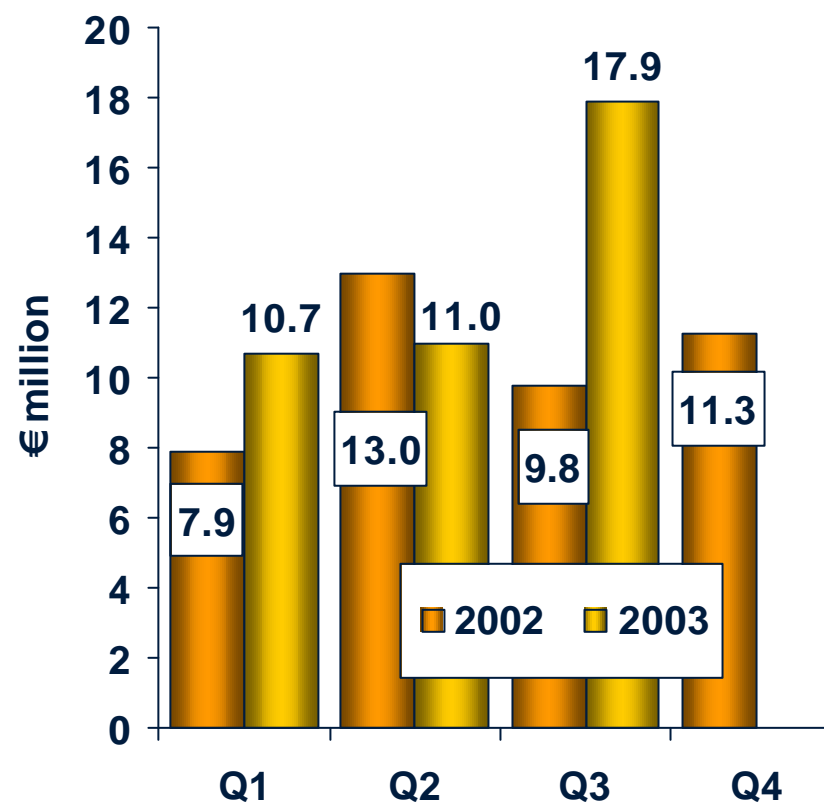
Y: KalvoL_HS/HS03/interimreport3

Sanoma

NET SALES



OPERATING PROFIT (EBIT)



Operating profit includes a share of Rautakirja's result until 1 March 2003

Y: KalvoL_HS/HS03/interimreport3

Sanoma 1-9/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
Helsingin Sanomat	190.9	189.9		
IS Business Unit	71.6	68.3		
Kymen Lehtimedia	39.2	38.2		
Others	143.2	150.7		
Intracompany eliminations	-115.1	-120.9		
Total	329.9	326.2	39.7	30.6
	<u>9/2003</u>	<u>9/2002</u>		
Gross investments, € million	20.2	31.8		
Personnel, average **	3,280	3,639		

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

**full-time equivalents

Y: KalvoL_HS/HS03/interimreport3

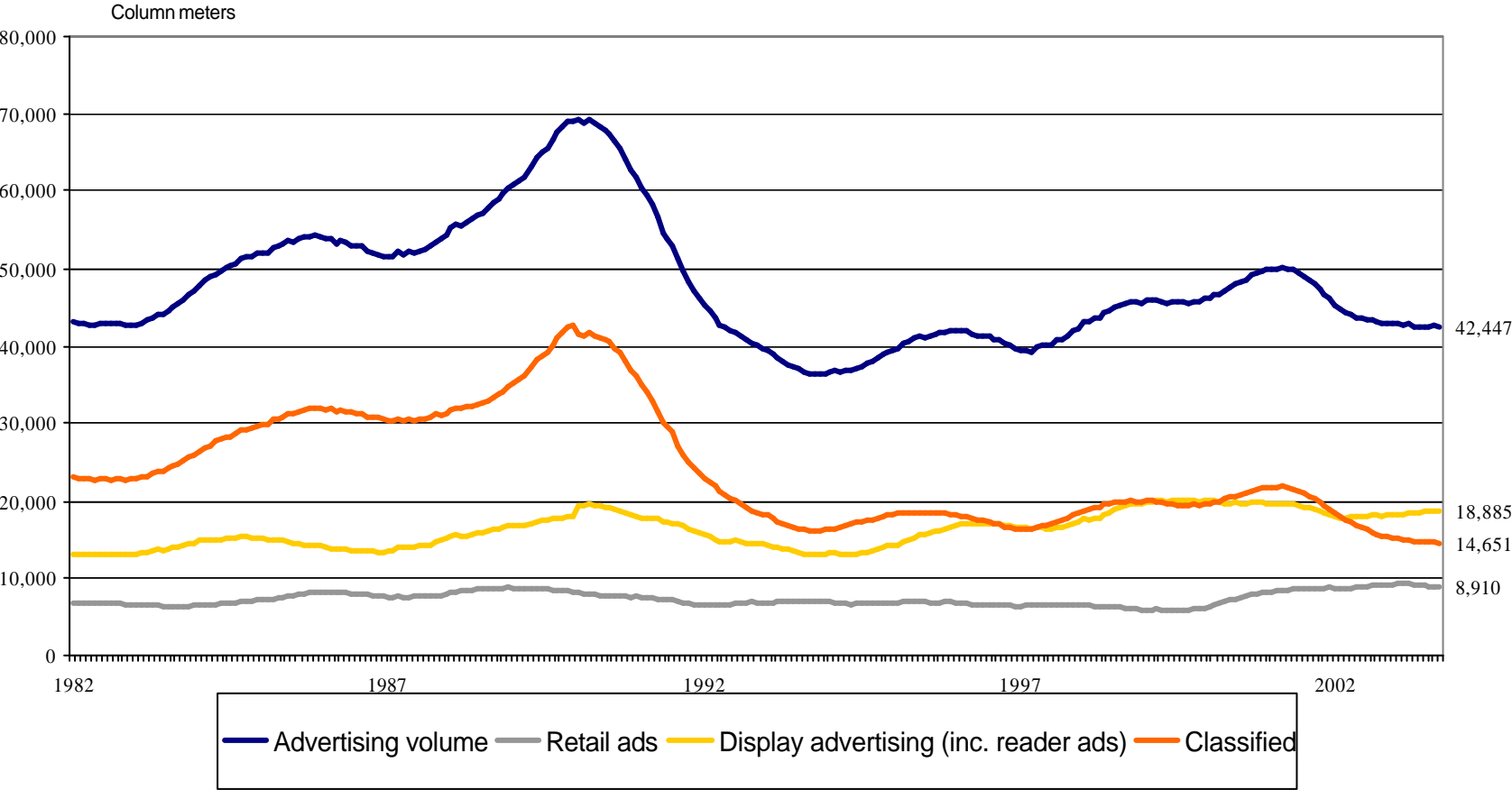
Sanoma

Key developments

- Operating profit increased substantially more than net sales. Operating profit improved in Helsingin Sanomat, the IS Business Unit and Kymen Lehtimedia.
- Net sales grew slightly, most growth generated by the IS Business Unit.
- Advertising sales increased in the third quarter, most growth in Helsingin Sanomat's supplement advertising.
- Circulation sales grew by 3%, partly due to IS Veikkaaja.
- In August, Helsingin Sanomat's circulation started to increase slightly.
- Divestment of operations of Leijonajakelu finalized in September.
- Tentative agreement to sell Janton's shares in August.
- The share of Rautakirja's result excluded as of beginning of March.

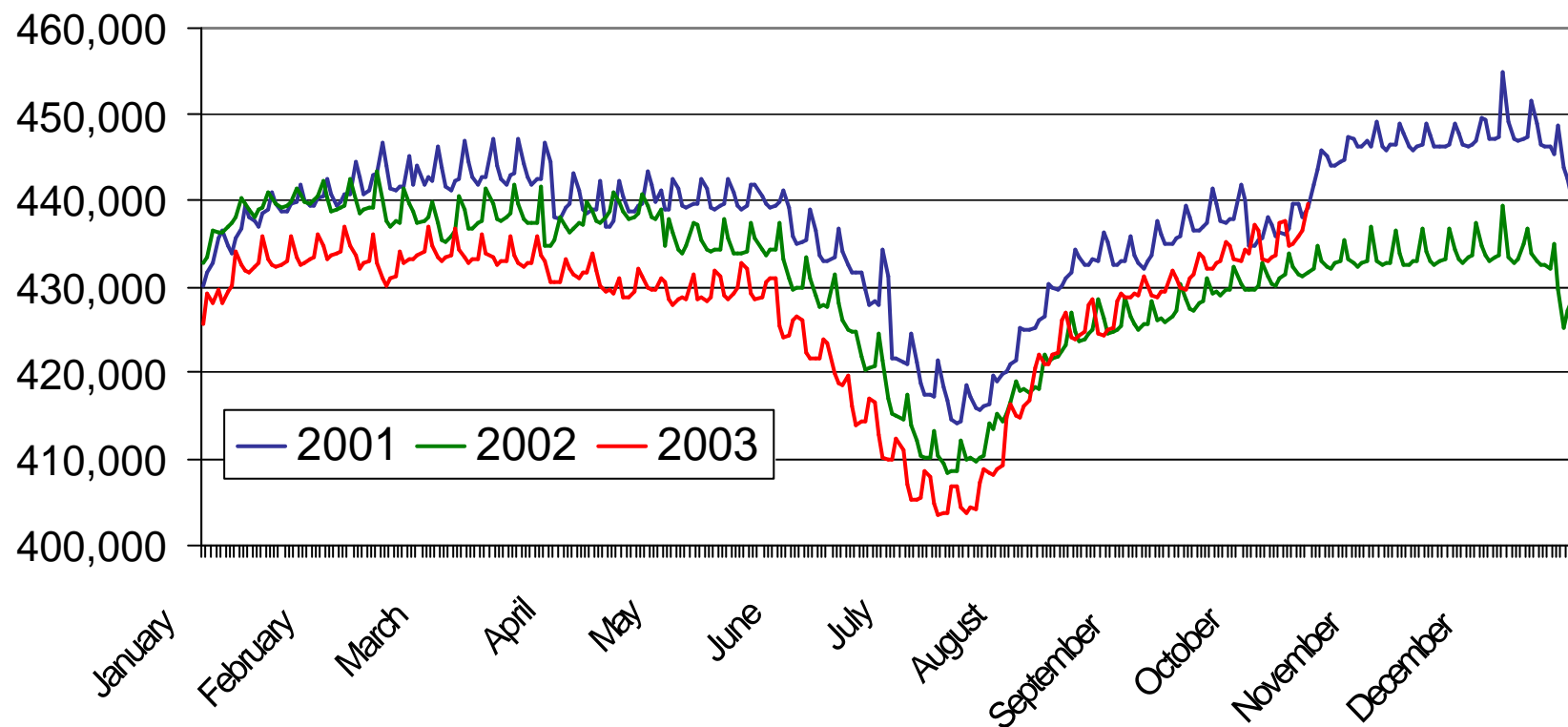
Helsingin Sanomat

Advertising volume the rolling 12 months average 1982-9/2003



Y: KalvoL_HS/HS03/interimreport3

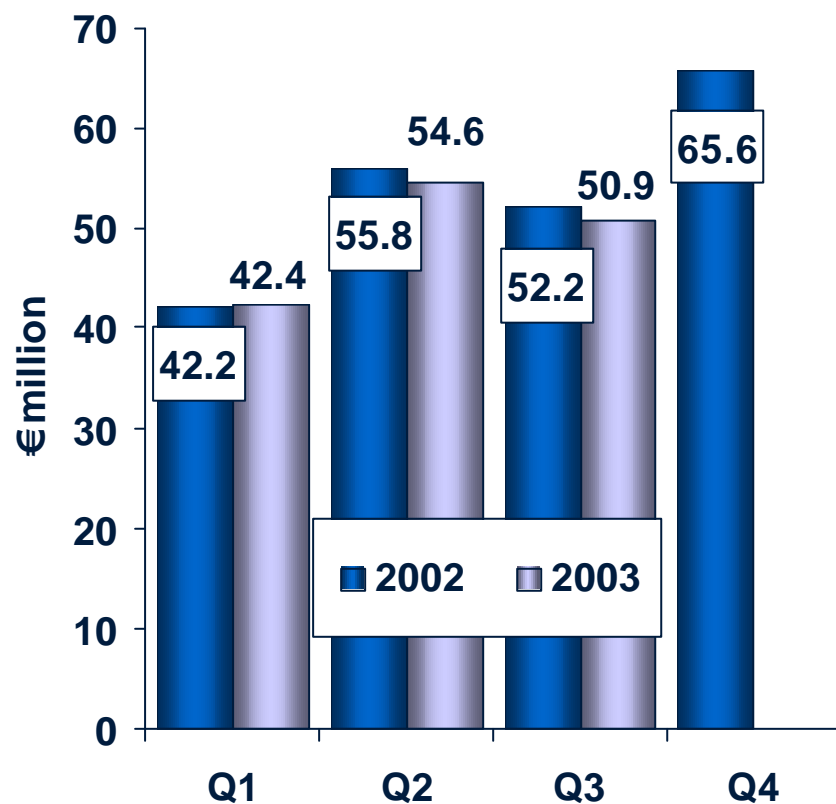
Helsingin Sanomat's net daily circulation



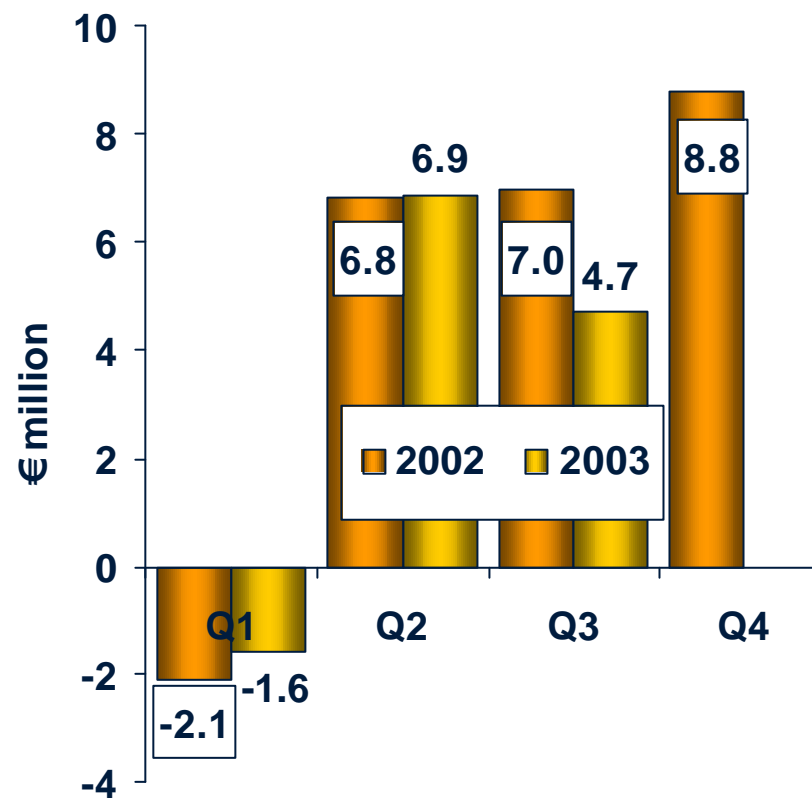
Y: KalvoL_HS/HS03/interimreport3

WSOY

NET SALES



OPERATING PROFIT (EBIT)



Operating profit includes a share of Rautakirja's result until 1 March 2003

Y: KalvoL_HS/HS03/interimreport3

WSOY 1-9/2003

€ million	NET SALES		OPERATING PROFIT*	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
Publishing	104.6	103.5		
Printing	43.2	46.8		
Calendar operations	16.0	17.1		
Others	3.3	2.7		
Intracompany eliminations	-19.2	-19.9		
Total	147.9	150.2	9.9	11.8
	<u>9/2003</u>	<u>9/2002</u>		
Gross investments, € million	6.4	6.8		
Personnel, average **	1,874	1,834		

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

** full-time equivalents

Y: KalvoL_HS/HS03/interimreport3

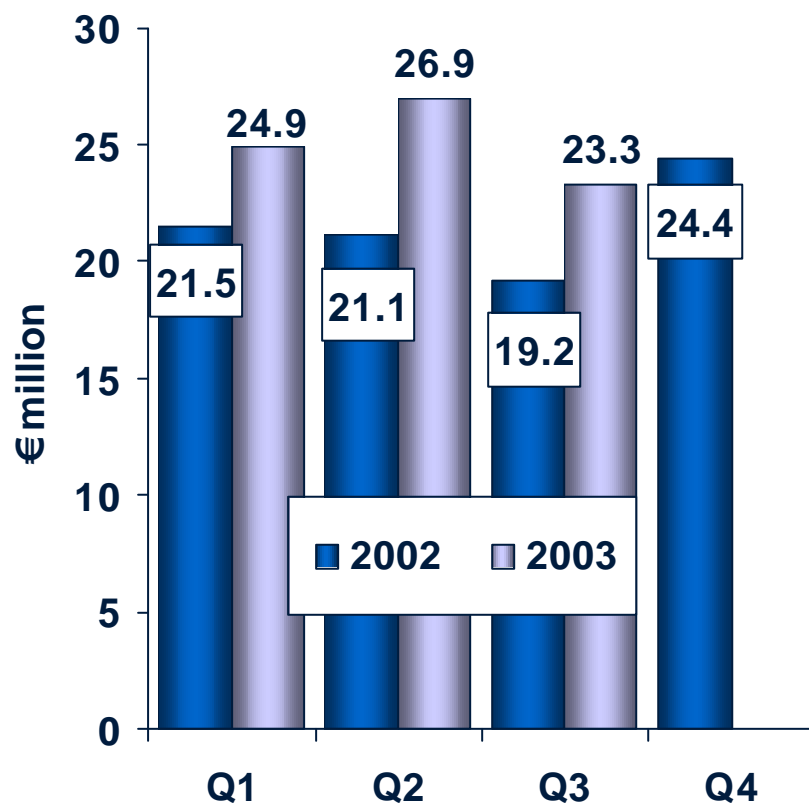
WSOY

Key developments

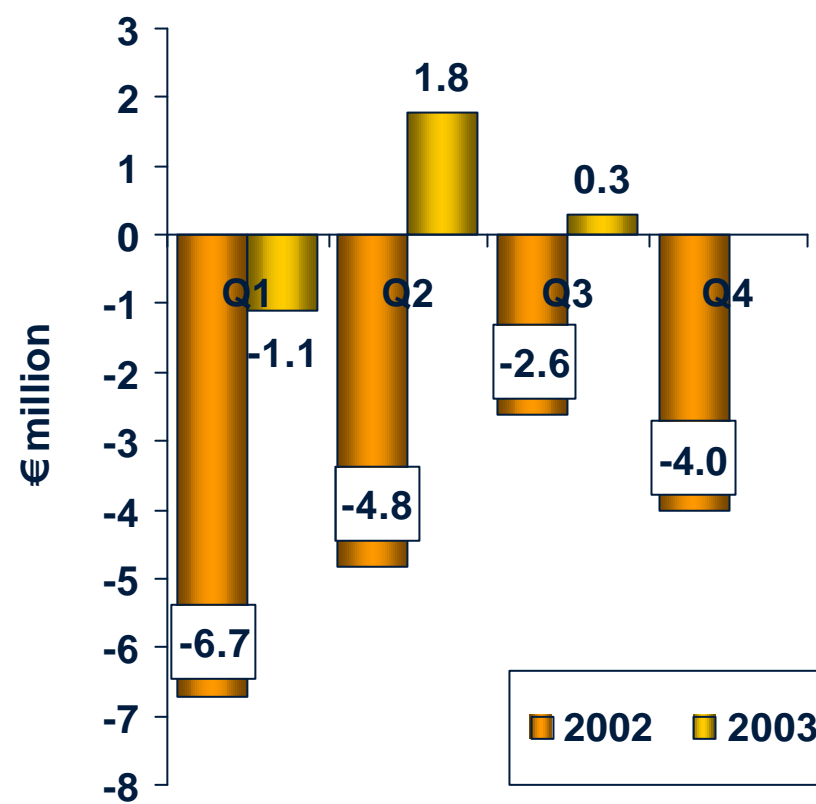
- Operating profit from own operations increased in spite of decline in sales. Operating result improved in publishing and calendar operations, but decreased in printing operations.
- Cost-cutting measures and the reduction of losses from electronic publishing contributed to improving the result for the period.
- The share of Rautakirja's result excluded as of beginning of March.
- Non-recurring amortisation of goodwill of EUR 1.5 million at Everscreen AB.
- Publishing operations' net sales grew, but the net sales of printing operations declined due to low demand for printed advertising material.
- Non-fiction sold well, sales of translated fiction and children's books decreased from 2002.
- The frequency of new books published influenced sales on the third quarter.

SWelcom

NET SALES



OPERATING PFOFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport3

SWelcom 1-9/2003

€ million	NET SALES		OPERATING PROFIT	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
Nelonen	40.4	35.3		
HTV	28.2	20.2		
Others	8.3	8.2		
Intracompany eliminations	-1.8	-1.9		
Total	75.1	61.8	1.0	-14.1
	<u>9/2003</u>	<u>9/2002</u>		
Gross investments, € million	5.8	5.5		
Personnel, average	390	385		

Y: KalvoL_HS/HS03/interimreport3

SWelcom

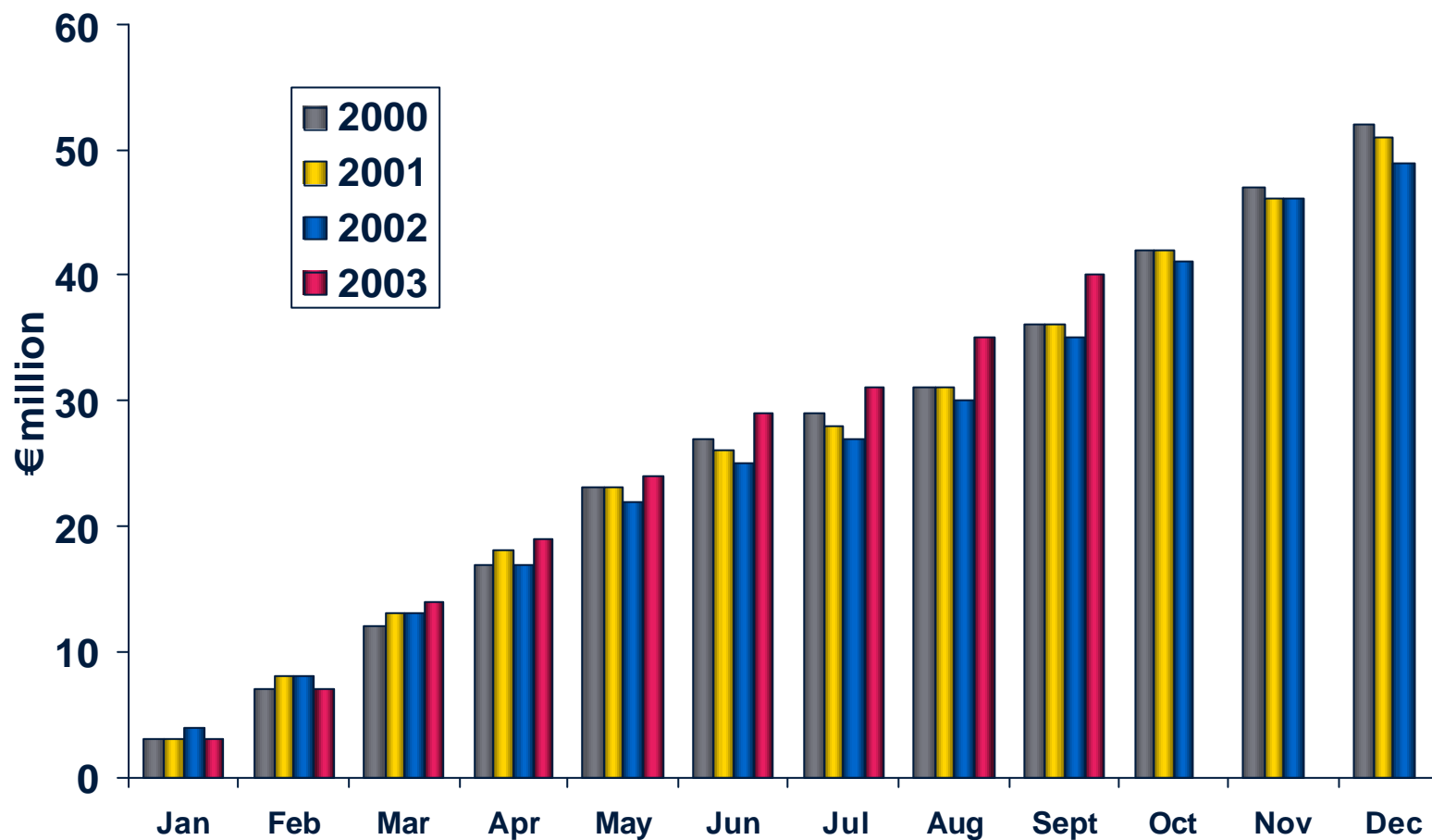
Key developments

- Net sales increased strongly due to both Nelonen's and HTV's growth.
- Considerably improved operating profits both in HTV and Nelonen.
- 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 improved the operating result.
- The halving of Nelonen's operating licence fee improved the operating result for the first half of the year.

- Nelonen's advertising sales grew considerably faster than TV advertising in general, channel's market share was over 30% in August
- HTV's broadband internet services were successful.

Nelonen's sales

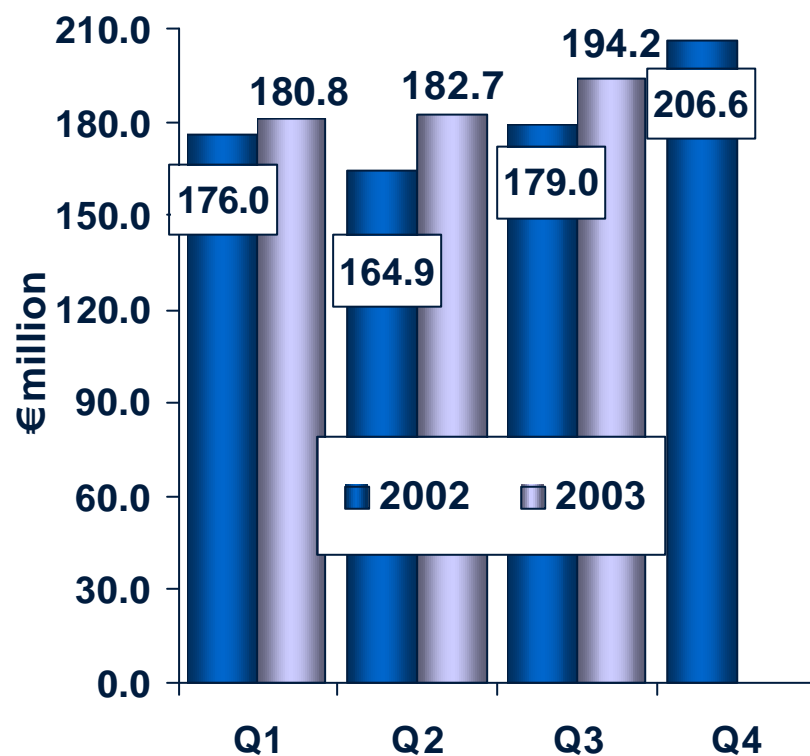
Cumulative



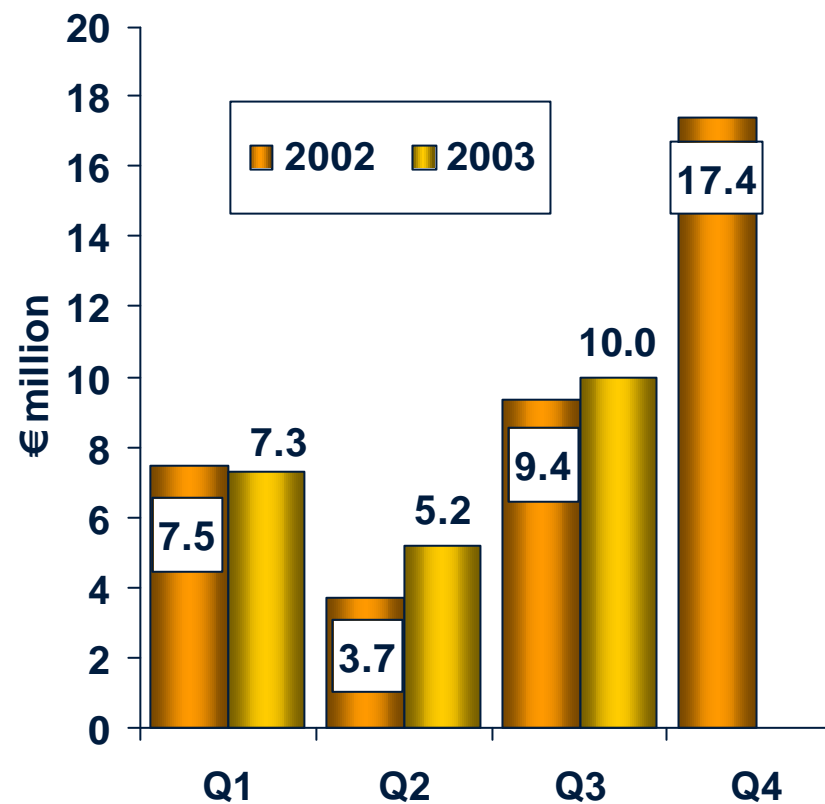
Y: Kalvo_HS/HS03/interimreport3

Rautakirja

NET SALES



OPERATING PFOFIT (EBIT)



Y: KalvoL_HS/HS03/interimreport3

Rautakirja 1-9/2003

€ million	NET SALES		OPERATING PROFIT	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
Kiosk operations	286.0	273.8		
Press distribution	142.8	127.9		
Bookstores	79.3	74.0		
Movie theatre operations	36.9	34.9		
Restaurant operations	47.4	36.5		
Others	0.0	0.8		
Intracompany eliminations	-34.8	-28.0		
Total	557.7	519.9	22.5	20.6
	9/2003	9/2002		
Gross investments, € million	22.8	15.5		
Personnel, average*	4,915	5,092		

*full-time
equivalents

Y: KalvoL_HS/HS03/interimreport3

Rautakirja

Key developments

- Operating profit improved: Kiosk operations, press distribution and bookstores improved results, movie theatre and restaurant operations declined 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.
- Net sales grew in all operations, 1/3 was generated from abroad
 - Over 1/3 of the growth in kiosk operations generated by the joint-venture in the Czech Republic.
 - Press distribution's net sales increased due to expansion of operations in Estonia and Latvia in summer 2002 and favourable development of sales of newspapers, magazines and collector's items in Finland.
 - Bookstores' net sales increased mainly due to corporate and business acquisitions in Finland.
 - Movie theatre operations grew most vigorously in Lithuania, new multiplex theatre in Riga will open on 31 October.
 - Increasing number of outlets improved net sales in restaurant operations.

Y: KalvoL_HS/HS03/interimreport3

Estimates for 2003

by Division

30

Sanoma Magazines

- Net sales are estimated to be EUR one billion.
- Operating profit is expected to be about 7% 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 gains on the sales and long-range development measures.

WSOY

- Net sales are estimated to be on the previous year level.
- 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.

Y: Kalvo_HS/HS03/interimreport3

Group's outlook for 2003

- Net sales are forecast to grow faster than GDP in Finland.
- Operating profit will grow considerably due to highly successful operational streamlining, cost-cutting and business management. Also, earnings per share will rise considerably.

Emphasis in 2004

- Profitability
- Internationalisation
- Utilization of growth opportunities
- Development
 - Personnel
 - Focus
 - Divestments
 - Critical investment approach
 - New structures



Committed to the Future