

Rautakirja to merge into SanomaWSOY

President
Hannu Syrjänen

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Merger in brief (1/2)

- Boards of Directors of SanomaWSOY and Rautakirja have on 19 June 2002 approved a plan to merge Rautakirja into SanomaWSOY.
- Rautakirja is a subsidiary of SanomaWSOY since 1999. SanomaWSOY Group's holding in Rautakirja before the merger is 57%.
- According to the merger plan, Rautakirja's shareholders will receive a merger consideration of 5.3 new SanomaWSOY B-shares for each Rautakirja A- or B-share they hold.
- The extraordinary general meetings of SanomaWSOY and Rautakirja will take a decision on the merger on 18 September 2002.
- The intended time for the merger is 1 March 2003.

Merger in brief (2/2)

- Rautakirja's largest minority shareholders Kesko Food Ltd, Oy Karl Fazer Ab, Pohjola Group and Suomi Group that together hold about 31.33% of Rautakirja's shares and about 35.59% of its votes, have announced that they will support the merger at Rautakirja's extraordinary general meeting.
- SanomaWSOY and Rautakirja's minority shareholders have no mutual business agreements or other unusual agreements connected with the merger.
- Rautakirja's operations will be incorporated into a new Rautakirja Oy that will continue operations on the present basis.

Rationale of the merger

- SanomaWSOY/Rautakirja merger will enable full usage of all the Group's resources in international expansion projects.
- Merger will simplify Rautakirja's ownership structure:
 - Possible internal reorganisation of businesses will become more flexible.
 - Financing and capital planning will become more efficient.
 - Stock Exchange costs of Rautakirja will be saved in long term.
 - Transparency in the stock market will be enhanced.
- The goal of the merger is to improve liquidity of shares and to add interest for SanomaWSOY's shares.

Financial impact of the merger

- The merger will be effective in 2003.
- The merger will have a positive impact on SanomaWSOY's earnings per share in 2003.
- Rautakirja will be merged into SanomaWSOY by applying the acquisition cost method so that SanomaWSOY Group's consolidated goodwill will not increase as a result of the merger.
- There will be no tax consequences neither to merging companies nor their shareholders as a result of the merger.

SanomaWSOY's dividend for the 2002

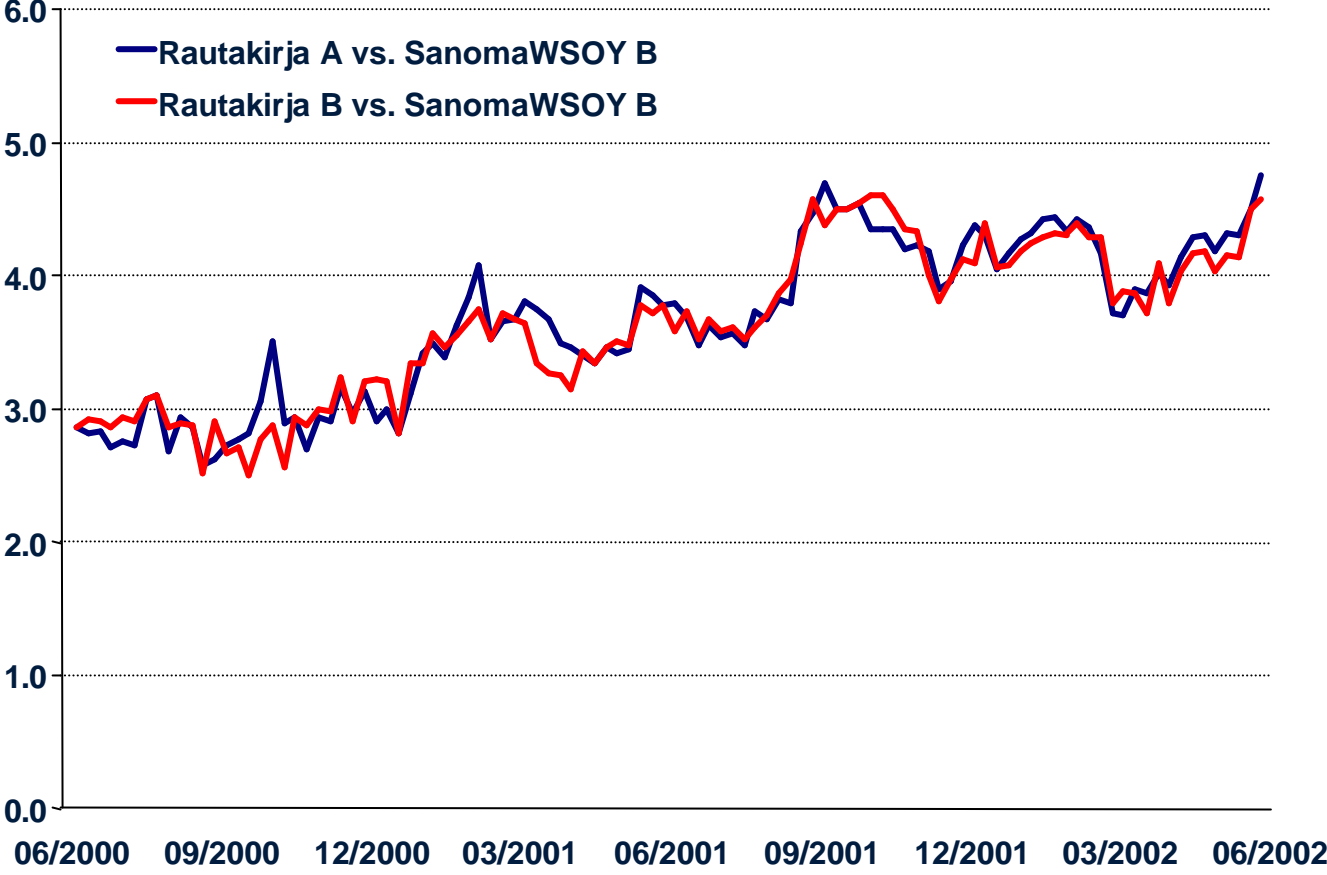
- The signatories of SanomaWSOY's shareholder agreement, who hold more than 50% of all shares and votes in SanomaWSOY, have agreed to vote for and also otherwise operate in a way to ensure that SanomaWSOY will take a decision in the AGM to be held in 2003 to distribute a dividend of at least €0.26 per share for the 2002 financial year.

Merger consideration

- According to the merger plan, Rautakirja's shareholder will receive a merger consideration of 5.3 new SanomaWSOY B-shares for each Rautakirja A- or B-share they hold.
- Boards of Directors of both companies have received statements from independent advisors (fairness opinion). These statements support the financial conditions of the merger.
- The merger consideration is based on a relative valuation between SanomaWSOY and Rautakirja. This valuation has been based on market capitalisation of both companies, the cash flow value of the business and other commonly used valuation methods.

Development of merger consideration

SanomaWSOY B vs. Rautakirja A/B

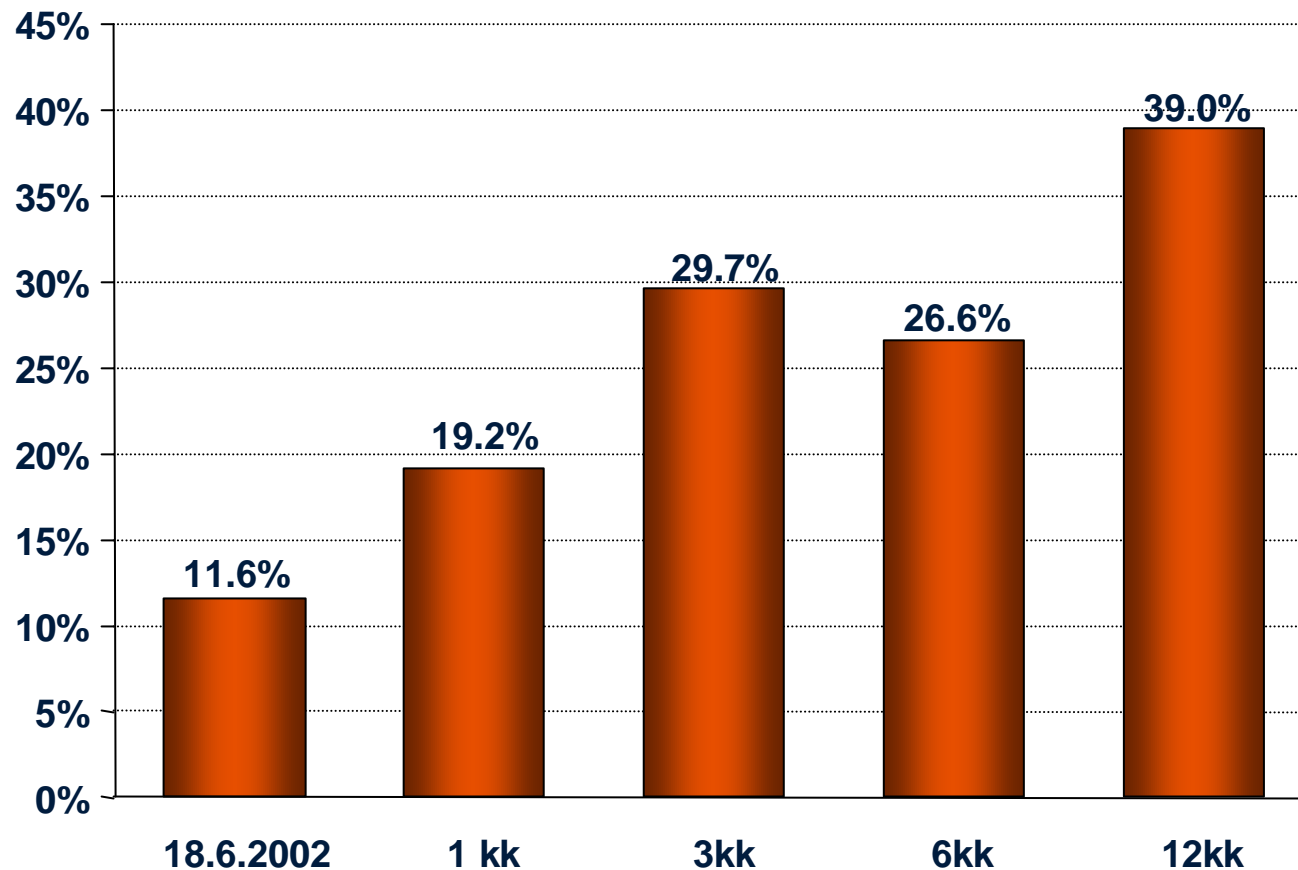


Y: Kalvol/HS02/Rautakirja merger.ppt



Premium

in relation to market prices

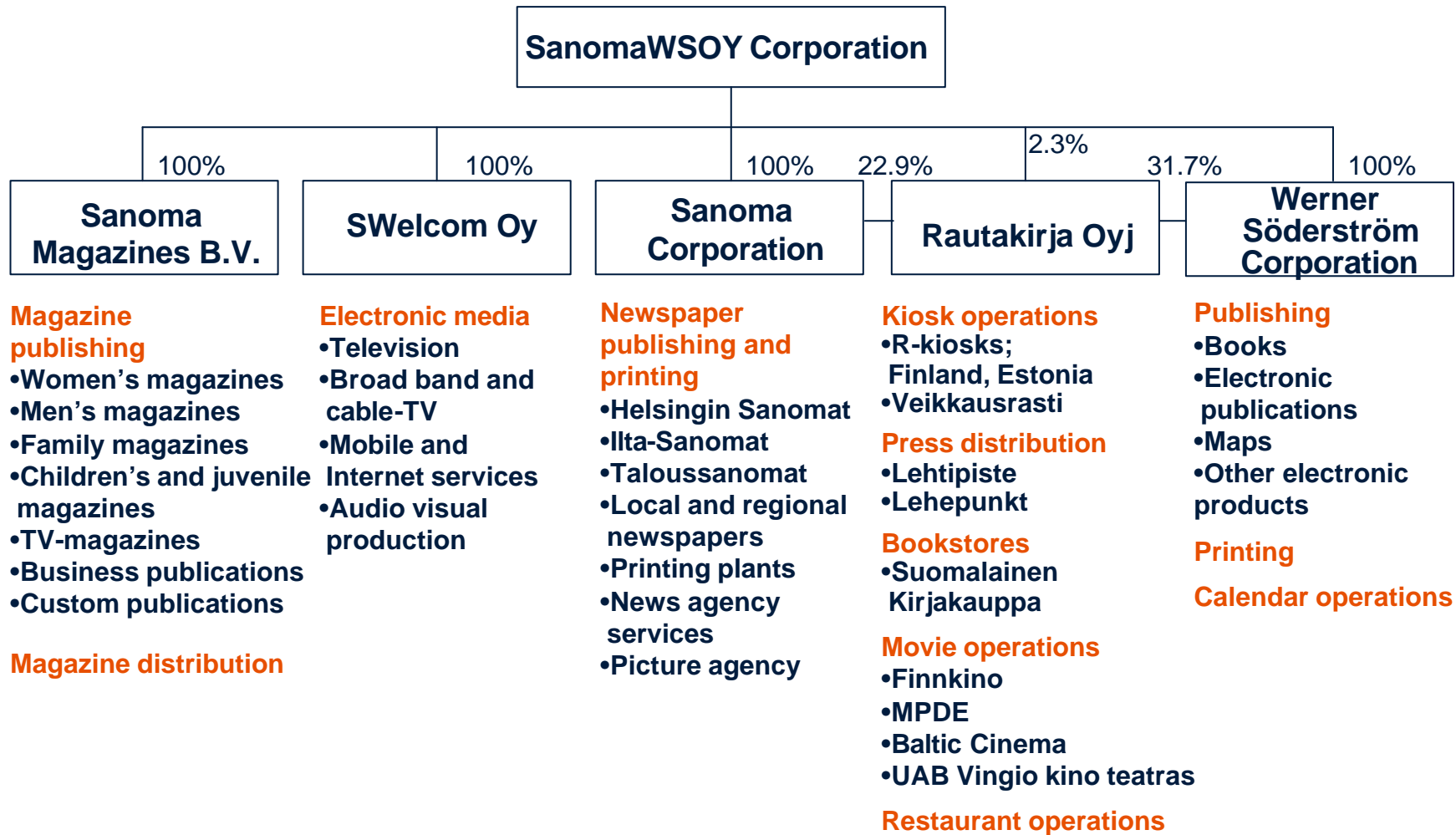


SanomaWSOY B vs. Rautakirja A premium is calculated based on volume weighted average share price and exchange ratio of 5.3.

Y: Kalvol/HS02/Rautakirja merger.ppt

SanomaWSOY Group

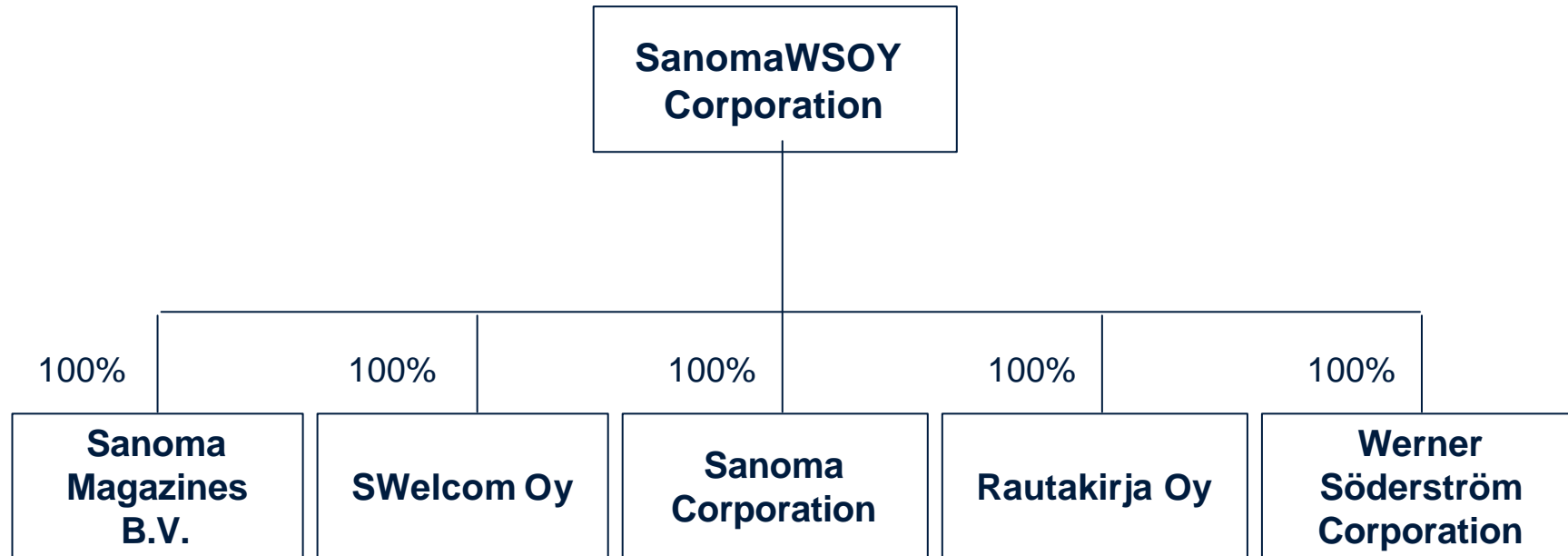
before the Rautakirja merger



Y: Kalvol/H502/Rautakirja merger.ppt

Group structure

after the Rautakirja merger



SanomaWSOY's principal shareholders before the merger

SanomaWSOY's shareholder	Number of shares		% of shares	% of votes
	Series A	Series B		
Aatos Erkko	6,480,816	36,354,720	29.44	28.29
Patricia Seppälä's estate	2,317,876	10,378,524	8.72	9.67
Robin Langenskiöld	1,119,604	6,577,712	5.29	4.94
Rafaela Seppälä	1,119,600	6,577,716	5.29	4.94
Tiikerijakelu Oy (treasury shares)		7,187,276	4.94	1.23
Alfred Kordelinin yleinen edistys- ja sivistysrahasto (Fund)	1,801,332	3,214,084	3.45	6.69
Helsingin Sanomat Centennial Foundation	915,932	4,086,796	3.44	3.82
Ilmarinen Mutual Pension Insurance Company	720,544	3,762,142	3.08	3.10
Pohjola Group	326,100	2,761,976	2.12	1.58
Finnish Cultural Foundation	1,848,956	630,784	1.70	6.41
Foundation for Actor's Old-Age Home	386,248	1,824,484	1.52	1.63
WSOY Literary Foundation	1,338,300	633,852	1.36	4.67
Suomi Group		1,950,000	1.34	0.33
Sampo Group	310,664	1,470,130	1.22	1.31
Finnish Literature Foundation	264,000	1,133,800	0.96	1.09
Päivälehti Archives Foundation	345,992	676,656	0.70	1.29
Lorna Aubouin	87,056	873,208	0.66	0.45
Alex Noyer	87,044	873,216	0.66	0.45
Other shareholders	3,750,428	31,334,028	24.11	18.13
TOTAL	23,220,492	122,301,104	100.0	100.0

Y: Kalvol/HS02/Rautakirja merger.ppt

Rautakirja's principal shareholders before the merger

Rautakirja's shareholder	Number of shares		% of shares	% of votes
	Series A	Series B		
Werner Söderström Corporation	1,690,256	365,574	31.73	31.33
Sanoma Corporation	1,266,182	220,067	22.94	23.42
SanomaWSOY Corporation	117,600	32,000	2.31	2.19
Ruokakesko Oy	647,250		9.99	11.87
Oy Karl Fazer Ab	581,171	93,856	10.42	10.74
Pohjola Group	528,000		8.15	9.68
Suomi Group	180,000		2.78	3.30
Finnish Literature Foundation	72,545	20,119	1.43	1.35
The Local Government Pensions Institution	70,000	52,920	1.90	1.33
Tapiola Group	63,965	107,338	2.64	1.27
Sampo Life Insurance Company Limited	26,406	4,700	0.48	0.49
Yleisradion Eläkesäätiö	12,000		0.19	0.22
Optiomi Oy	10,550		0.16	0.19
Oy Veikkaus Ab	9,360	1,872	0.17	0.17
WSOY Literature Foundation	9,005	1,030	0.15	0.17
Other shareholders	115,710	180,524	4.56	2.28
TOTAL	5,400,000	1,080,000	100.0	100.0

Y: Kalvol/HS02/Rautakirja merger.ppt

SanomaWSOY's principal shareholders after the merger

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	Series A	Series B		
Aatos Erkkö	6,480,816	36,354,720	23.92	26.76
Patricia Seppälä's estate	2,317,876	10,378,524	7.09	9.15
Werner Söderström Corporation		10,895,899	6.08	1.76
Sanoma Corporations		7,877,120	4.40	1.27
Robin Langenskiöld	1,119,604	6,577,712	4.30	4.67
Rafaela Seppälä	1,119,600	6,577,716	4.30	4.67
Tiikerijakelu Oy (treasury shares)		7,187,276	4.01	1.16
Pohjola Group	326,100	5,560,376	3.29	1.95
Alfred Kordelinin yleinen edistys- ja sivistysrahasto (Fund)	1,801,332	3,219,384	2.80	6.33
Helsingin Sanomat Centennial Foundation	915,932	4,086,796	2.79	3.61
Ilmarinen Mutual Pension Insurance Company	720,544	3,762,142	2.50	2.93
Oy Karl Fazer Ab		3,577,643	2.00	0.58
Ruokakesko Oy		3,430,425	1.92	0.55
Finnish Cultural Foundation	1,848,956	737,049	1.44	6.08
Foundation for Actors' Old-Age Home	386,248	1,824,484	1.23	1.53
Suomi Group		2,109,000	1.18	0.34
WSOY Literature Foundation	1,338,300	687,038	1.13	4.43
Sampo Group	310,664	1,634,992	1.09	1.27
Finnish Literature Foundation	264,000	1,624,919	1.05	1.11
Other shareholders	4,270,520	37,749,009	23.93	19.99
TOTAL	23,220,492	155,852,224	100.0	100.0

Y: Kalvol/H502/Rautakirja merger.ppt

Effects of the merger on personnel

- Rautakirja's employment contracts will remain as before. Employees will retain their existing employee benefits.
- Rautakirja's business structure and operative independence will remain as before.
- Rautakirja's employees' internal transfer possibilities in SanomaWSOY Group will improve.

Merger schedule

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| 19.6.2002 | Rautakirja's and SanomaWSOY's Boards of Directors' meetings.
Approval and publication of the merger plan. |
| 10.9.2002 | Planned publication of the merger memorandum. |
| 18.9.2002 | Rautakirja's and SanomaWSOY's extraordinary general meetings. Approval of the merger. |
| 1.3.2003 | Estimated registration of the enforcement of the merger.
Rautakirja's shares will be de-listed. |