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SanomaWSOY's Year-End Statement 2007

SanomaWSOY Group's net sales increased by 6.7%, totalling EUR 2,926.3 (2,742.1) million. Operating profit was up to EUR 343.8 (292.5) million. Operating profit included major non-recurring capital gains of EUR 40.3 (4.3) million, most of which were accrued during the second quarter. Earnings per share were EUR 1.47 (1.32). A dividend of EUR 1.00 is proposed. In the fourth quarter, Group net sales were EUR 799.6 (742.2) million and operating profit was EUR 68.3 (73.9) million.

KEY INDICATORS	10-12/	10-12/	Change	1-12/	1-12/	Change
EUR million	2007	2006	%	2007	2006	%
Net sales	799.6	742.2	7.7	2,926.3	2,742.1	6.7
Operating profit before depreciation and impairment losses	108.9	111.2	-2.1	493.4	428.2	15.2
% of net sales	13.6	15.0		16.9	15.6	
Operating profit	68.3	73.9	-7.7	343.8	292.5	17.5
% of net sales	8.5	10.0		11.7	10.7	
Operating profit excluding major non-recurring capital gains	63.4	73.9	-14.3	303.5	288.2	5.3
% of net sales	7.9	10.0		10.4	10.5	
Result before taxes	63.8	70.1	-8.9	320.4	276.3	16.0
% of net sales	8.0	9.4		11.0	10.1	
Result for the period	54.1	58.0	-6.7	246.1	208.4	18.1
% of net sales	6.8	7.8		8.4	7.6	
Balance sheet total				3,192.3	3,132.2	1.9
Capital expenditure				90.5	81.9	10.5
% of net sales				3.1	3.0	
Return on equity (ROE), %				18.6	17.7	
Return on investment (ROI), %				15.9	14.3	
Equity ratio, %				45.4	45.0	
Gearing, %				58.2	59.2	
Interest-bearing liabilities				881.4	863.9	2.0
Interest-free liabilities				946.7	945.5	0.1
Net debt				793.3	782.4	1.4
Average number of employees				19,587	18,434	6.3
Average number of employees (full-time equivalents)				16,701	15,732	6.2
Earnings/share, EUR	0.32	0.36	-11.5	1.47	1.32	11.9
Earnings/share, diluted, EUR	0.31	0.35	-11.3	1.46	1.31	12.0
Cash flow from operations/share, EUR	0.67	0.84	-20.0	1.38	1.63	-15.3
Equity/share, EUR				8.27	7.92	4.4
Dividend/share, EUR *				1.00	0.95	5.3
Dividend/result, % *				67.9	72.2	
Market capitalisation, EUR million				3,196.2	3,521.8	-9.2

* Year 2007 proposal of the Board of Directors

HANNU SYRJÄNEN, PRESIDENT AND CEO

“The year 2007 went according to our plans. Operating profit excluding capital gains increased by 5.3%, and SanomaWSOY made a record result. We both developed our existing businesses and created new openings in our growth areas. We managed to take advantage of the favourable market situation in many of our media markets, and increased our market shares.

The diversified development of our product and service portfolio that continued actively throughout the year has meant a lot of new opportunities for the Group. In Finland, broadcast operations saw strong expansion during the past year: Instead of one television channel, we now operate five TV channels and two radio networks. Educational publishing further expanded its international operations, and kiosk operations and press distribution made strides in Russia. Most of the new magazines were launched in Central Eastern Europe. Over the year, we added a considerable number of new online services, and we also launched some new businesses, such as online casual gaming. The digital business, including television operations, accounted for 9.5% of our net sales at year end.

In the last quarter, our portfolio expanded with five new magazines and nine new online services. The largest digital project involved focusing Taloussanomat’s resources online.

The diversified development of our business will continue in 2008, and we have already announced several new print and digital launches in January. In the future, our objective is to be one of the leading media companies with focus on sustainable growth and profitability. We also believe in value-adding market leadership in our chosen businesses.

In Finland, we continue to operate widely in different areas of the media industry, while in Europe, we are one of the leading magazine and educational publishers. We are also one of Europe’s most profitable and actively expanding distribution companies in growth markets. At the same time as we are investing to further develop our digital expertise, we will continue to take good care of our core business.”

OPERATING ENVIRONMENT

According to research institute estimates, the Finnish GDP increased by 4.1%, the Dutch GDP by 3.1% and the Belgian GDP by 2.7% during 2007. In Hungary, the growth rate was 2.0%, in the Czech Republic 5.7% and in Russia 7.2%.

According to research institute estimates, private consumption increased by 3.5% in Finland, 2.0% in the Netherlands and 2.2% in Belgium in 2007. In the Czech Republic, the growth rate was 6.1% and in Russia 12.2%. In Hungary, private consumption was down by 1.9%.

In 2007, media advertising in Finland grew by 6% according to TNS Media Intelligence. Advertising in newspapers increased by 5%, but decreased in free sheets by 1%. Job advertising increased by 18%.

Magazine advertising grew by 4% and television advertising by 8%. According to ZenithOptimedia estimates, magazine advertising sales were up by 4% in the Netherlands, but down by 10% in Belgium in 2007. In Hungary, the growth rate was 1% and in the Czech Republic 7%. Expenditure on print media advertising in Russia is estimated to have increased by 24%. The share of magazine advertising sales of all advertising declined somewhat in the Netherlands and Belgium.

According to preliminary information from the Finnish Book Publishers' Association, the sale of books decreased by 1%, while the sale of educational materials remained stable in 2007. The educational material market in Europe is also estimated to have grown by between 1–2%.

According to the Finnish Grocery Trade Association, Finnish grocery sales grew by 4% in January–December 2007.

NET SALES

In 2007, SanomaWSOY's net sales increased by 6.7%, totalling EUR 2.926.3 million (2006: EUR 2,742.1 million; 2005: EUR 2,622.3 million). Net sales increased across all divisions due to e.g., strong media sales. Net sales adjusted for changes in the Group structure increased by a total of 5.2%.

Advertising sales accounted for 24% (23%) of the Group's total net sales, with online advertising sales showing particularly strong growth over the year. They accounted for 11% of the Group's total advertising sales. In geographical terms, Finland accounted for 49% (49%) of net sales, with other EU countries accounting for 46% (45%) and other countries for 5% (6%).

RESULT

In 2007, SanomaWSOY's operating profit increased by 17.5%, totalling EUR 343.8 million (2006: EUR 292.5 million; 2005: EUR 301.3 million) or 11.7% (2006: 10.7%; 2005: 11.5%) of net sales. Operating profit included major non-recurring capital gains of EUR 40.3 (4.3) million mostly from the sale of puzzle magazines and a land area during the second quarter. Operating profit excluding these major non-recurring capital gains was a record EUR 303.5 (288.2) million, a 5.3% growth on the previous year. Sanoma Magazines, Sanoma and SWelcom improved their results. The result of the fourth quarter lagged behind the comparable period of 2006 due to issues such as the timing of marketing investments and costs incurred in connection with reorganisations.

SanomaWSOY's net financial items totalled EUR -35.7 (-24.5) million. Financial income amounted to EUR 9.2 (12.5) million. Financial expenses amounted to EUR 44.9 (37.0) million and primarily comprised of interest costs of EUR 41.4 (32.3) million on interest-bearing liabilities. The general increase in interest rates has increased the Group's interest expenses.

The result before taxes was EUR 320.4 (276.3) million and earnings per share were EUR 1.47 (1.32).

BALANCE SHEET AND FINANCIAL POSITION

On 31 December 2007, the consolidated balance sheet totalled EUR 3,192.3 (3,123.2) million. Cash flow from operations was EUR 227.9 (259.9) million and cash flow per share was EUR 1.38 (1.63). The development of cash flow from operations was impacted by strong fluctuations in working capital due to the timing of the accounts of commission sales, as well as higher taxes and interest expenses in comparison to the comparable year, and the growth of receivables and inventories due to expansion of operations.

SanomaWSOY's equity ratio continued to improve, reaching 45.4% (2006: 45.0%; 2005: 41.3%) at the end of the year, while gearing was reduced to 58.2% (59.2%). Equity increased to EUR 1,364.2 (1,322.7) million. A total of EUR 51.6 million of unrestricted equity was spent on the purchase of treasury shares. Return on equity (ROE) was 18.6% (2006: 17.7%; 2005: 22.3%), and the return on investment (ROI) was 15.9% (14.3%). Interest-bearing liabilities increased to EUR 881.4 (863.9) million and net debt to EUR 793.3 (782.4) million. The net debt/EBITDA ratio was 1.6 (1.8). On 31 December 2007, the Group's cash and cash equivalents totalled EUR 88.1 (81.5) million.

In August 2007, SanomaWSOY replaced the existing short-term bilateral loan agreements with a long-term facility that can be also flexibly utilised to finance possible acquisitions. The new loan facility is a EUR 802 million syndicated five-year credit facility with a group of 12 banks. If necessary, the facility may be renewed for an additional two-year option period. The loan interest rate is Euribor plus a variable margin dependent on the Company's financial status. The initial margin is 0.175%.

SanomaWSOY Corporation does not have any other significant agreements covered by the statutory obligation to disclose. In addition, the Group has, within the scope of normal business operations, agreements containing a standard change-of-control clause.

INVESTMENTS AND ACQUISITIONS

In 2007, investments in tangible and intangible assets amounted to EUR 90.5 (81.9) million, and were focused on e.g., website development, ICT systems and the replacement investments. R&D expenditure was recorded at EUR 18.3 million (2006: EUR 11.3 million; 2005: EUR 16.2 million), or 0.6% (2006: 0.4%; 2005: 0.6%) of the net sales.

There were no single major acquisitions in 2007. The Group completed a number of smaller acquisitions discussed in more detail in the division sections of this document. The most significant acquisition in 2006 was the purchase of the Hungarian company Láng Kiadó és Holding.

EVENTS AFTER THE REVIEW PERIOD

On 10 January 2008, Sanoma Magazines sold its Dutch film entertainment distribution company, R.C.V. Entertainment. In 2007, R.C.V. Entertainment had net sales of EUR 34.2 million and made an operating

profit of some EUR 5 million. As a result of the sale, the company will record a capital gain amounting to some EUR 23 million in the first quarter of 2008.

DIVIDEND AND OTHER PROFIT DISTRIBUTIONS

On 31 December 2007, SanomaWSOY Corporation's distributable funds were EUR 503.3 million, of which profit for the year made up EUR 266.8 million.

The Board of Directors will propose to the Annual General Meeting that:

- A dividend of EUR 1.00 per share, or in total an estimated EUR 165.7 million, shall be paid
- A sum of EUR 0.5 million shall be transferred to the donation reserve and used at the Board's discretion
- The amount left in shareholders' equity shall be EUR 337.1 million

In accordance with the AGM's decision, SanomaWSOY paid out a per-share dividend of EUR 0.95 for 2006. The record date for dividend payment was 11 April 2007 and the dividend payment date was 18 April 2007.

SanomaWSOY conducts an active dividend policy and primarily distributes over half of the Group result after taxes in dividends.

SHARES AND HOLDINGS

In 2007, trading with SanomaWSOY shares accounted for 56% (46%) of the average number of shares in issue during the period, or about 92.6 million shares. SanomaWSOY's total stock exchange turnover was EUR 2,014.5 (1,474.5) million.

In 2007, the volume-weighted average price of a SanomaWSOY share was EUR 21.70 with a low of EUR 18.32 and a high of EUR 24.51. At the end of the year, SanomaWSOY's market capitalisation, including treasury shares held by the Company, was EUR 3,246.8 (3,521.8) million and the closing price of the share was EUR 19.63 (21.35). On 31 December 2007, the company had a total of 16,503 shareholders. Foreign holdings accounted for 11.4% (10.9%) of the shares and votes.

There were no major changes in share ownership in 2007 and SanomaWSOY did not issue any flagging announcements. At the end of December, SanomaWSOY's registered share capital was EUR 71,121,910.56 and the number of shares on the market was 165,399,792.

Under the 2007 AGM authorisation, SanomaWSOY began acquiring its shares on 10 August. At the end of the year, the Company held a total of 2,576,903 treasury shares, representing 1.6% of the Company's shares and votes. The total book-counter value of the shares owned by the Company was EUR 1,108,068.29. The share buybacks continued after the end of the accounting period, and on 7 February 2008 the Company owned 3,136,000 shares, representing 1.9% of the shares and votes. On 7 February 2008, the Board of Directors of SanomaWSOY decided to cancel all treasury shares held by the Company.

The cancellation does not affect the Company's share capital. The cancellation of treasury shares is estimated to be entered into the Trade Register on 18 February 2008.

SanomaWSOY Corporation issued a convertible capital note on 31 August 2001 and trading with the notes began on the Main List of the Helsinki Stock Exchange on 6 September 2001. The imputed conversion price of a share was EUR 15.91 and the nominal value of each note was EUR 10,000.

The conversion period of the notes ended on 20 June 2007. During the conversion period from 6 September 2001 to 20 June 2007, convertible capital notes worth EUR 149,900,000 were converted into 9,421,615 SanomaWSOY shares. In addition, SanomaWSOY redeemed and invalidated 4,944 notes, worth EUR 49,440,000. The loan matured on 4 July 2007, on which date the non-converted capital notes totalling EUR 660,000 were repaid.

PERSONNEL

In 2007, the average number of persons employed by the SanomaWSOY Group was 19,587 (2006: 18,434; 2005: 16,885). In full-time equivalents, the number of Group employees averaged 16,701 (2006: 15,732; 2005: 14,256). Sanoma Magazines had an average of 5,623 (5,302) employees, Sanoma 2,716 (2,672), SanomaWSOY Education and Books 2,769 (2,455), SWelcom 501 (437) and Rautakirja 7,886 (7,496). The average number of employees in the Parent Company was 92 (72). The number of employees increased, for example, as a result of acquisitions and investments in new businesses.

The total wages, salaries and fees paid to SanomaWSOY employees in 2007, including the expense recognition of options granted, amounted to EUR 533.0 million (2006: 482.9; 2005: 461.8).

MANAGEMENT

The AGM of 4 April 2007 confirmed the number of SanomaWSOY's Board members at ten and re-elected those who had reached the end of their term. The Board of Directors of SanomaWSOY consists of: Jaakko Rauramo, Chairman, Sari Baldauf, Vice Chairman, and Robert Castrén, Jane Erkkö, Paavo Hohti, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Robin Langenskiöld, Hannu Syrjänen and Sakari Tamminen as members.

The Annual General Meeting re-appointed Pekka Pajamo, APA, and Sixten Nyman, APA, as his deputy, and chartered accountants KPMG Oy Ab, with Kai Salli, APA, acting as the Auditor in Charge, as the auditors of the Company.

At the beginning of 2007, the Management Group comprised Hannu Syrjänen (Chairman), Eija Ailasmaa, Jacques Eijkens, Nils Ittonen, Erkki Järvinen, Tapio Kallioja, Mikael Pentikäinen, Kerstin Rinne and Matti Salmi.

SanomaWSOY's management model was renewed in the spring, and since 5 April 2007 the Executive Management Group (EMG) consists of SanomaWSOY's President and CEO Hannu Syrjänen, and the directors of each division: Eija Ailasmaa, President and CEO of Sanoma Magazines; Mikael Pentikäinen, President of Sanoma; Jacques Eijkens, CEO of SanomaWSOY Education and Books; Tapio Kallioja, President of SWelcom; and Erkki Järvinen, President and CEO of Rautakirja. The authorisations and responsibilities of the EMG remained unchanged.

In connection with this change in management model, SanomaWSOY's Board of Directors appointed deputies for SanomaWSOY's senior management: deputy to Hannu Syrjänen is Eija Ailasmaa; deputy to Mikael Pentikäinen is Pekka Soini, President of Helsingin Sanomat; deputy to Jacques Eijkens is Veli-Pekka Elonen, President of WSOY; and deputy to Erkki Järvinen is Hellevi Kekäläinen, CFO of Rautakirja. At the same time, SanomaWSOY established the Corporate Centre to support the Group's divisions.

After the review period on 7 February 2008, the Board of Directors appointed Anu Nissinen as President of SWelcom and a member of the EMG, effective 25 February 2008. SWelcom's long-term President Tapio Kallioja will retire according to his contract of employment on 31 March 2008.

BOARD AUTHORISATIONS

The AGM of 4 April 2007 authorised the Board of SanomaWSOY to decide on the acquisition of the Company's shares and an increase in share capital.

Under the authorisation, the Board may decide on the acquisition of own shares with distributable profits until the AGM of 2008. A maximum of 8,200,000 shares may be acquired. These shares will not be acquired in relation to the share holdings of existing shareholders. They will be acquired with the Company's unrestricted equity at the market price of the acquisition moment; however, in such a way that the minimum price of a share is the lowest market price in public trading and the maximum price is the highest price noted in public trade during the authorisation period. On 2 August 2007, the Board decided to implement an acquisition programme of own shares starting on 10 August 2007.

The AGM also authorised the Board to decide, until the AGM of 2010, on the issue of new shares, the transfer of treasury shares and the granting of special rights entitling to shares. The authorisation does not exclude the right of the Board of Directors to decide on a directed share issue. With this authorisation, and as a result of the use of special rights, the Board is authorised to decide on the issuance of a maximum of 82,000,000 new shares and the disposal of a maximum of 5,000,000 treasury shares. In a directed share issue, a maximum of 41,000,000 shares can be issued or transferred. With this authorisation, the Board is authorised to issue a maximum of 5,000,000 stock options as part of an incentive programme within the Company. On 19 December 2007, the Board decided on the issuance of Stock Option Scheme 2007.

RISKS AND RISK MANAGEMENT

The evaluation of business risks and the opportunities associated with them is part of the daily routine of SanomaWSOY's management. The management must take calculated risks in order to run the Company's business as successfully as possible.

Normal business risks associated with the media industry relate to developments in media advertising and consumer spending. Media advertising is sensitive to economic fluctuations. A quarter of SanomaWSOY's net sales are derived from media advertising. SanomaWSOY's diversified operations in various fields of media in over 20 European countries also balance the effects of market fluctuations. SanomaWSOY's growth areas (magazine publishing, educational publishing, digital media and press distribution) are not primarily exposed to any political risk.

Rapid technological development, the diversifying use of the internet and changes in consumer preferences affect the future of the media business. At the same time, the supply of digital content services is growing and becoming more focused. Technological development and changes in consumer preferences may also affect the choices of advertisers regarding the communication channels utilised. SanomaWSOY closely monitors technological development and changes in consumer preferences, and collaborates with technology companies to develop new products and services to meet these changes for both its consumer and advertising customers. The strong development of the digital business has also been selected as one of the focus areas in SanomaWSOY's growth strategy. The wide array of products and services offered by the Group reduces the risks posed by technological development and changes in consumer preferences.

In recent years, SanomaWSOY has grown vigorously through acquisitions. As a result, the consolidated balance sheet on 31 December 2007 included about EUR 1.8 billion in goodwill, publishing rights and other intangible assets, most of which resides in the magazine publishing business. Following the adoption of International Financial Reporting Standards (IFRS), goodwill is no longer amortised over its useful life; instead, it is tested for impairment on an annual basis and whenever indicators of impairment arise. Impairment losses on goodwill and other intangible assets for the financial year totalled EUR 1.3 (0.1) million, and there were no indicators of other impairment losses.

The functioning and reliability of a number of ICT systems are integral aspects of the Group's business. SanomaWSOY assessed the severity of the risks associated with ICT systems, specified system protection levels and the required backup systems, and established continuity plans for the Group's critical systems.

SanomaWSOY's business is based on work performed primarily in an office setting with no known significant environmental hazards. As is typical in the graphics industry, SanomaWSOY's environmental impact is low with no known significant environmental risks.

SEASONAL FLUCTUATION

Developments in media advertising have an impact on the net sales and results of Sanoma Magazines, Sanoma and SWelcom. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published during each quarter, which varies yearly. Television advertising in Finland is usually strongest in the second and fourth quarters.

A major portion of the net sales and results in publishing and retail, for example, is generated in the last quarter, particularly from Christmas sales, while educational publishing accrues most of its net sales and results during the second and third quarters.

Seasonal business fluctuations influence the Group's net sales and operating profit, with the first quarter traditionally being the smallest.

OUTLOOK FOR 2008

In 2008, SanomaWSOY's net sales are projected to grow in line with the previous year. In 2007, Group net sales increased by 6.7%. Operating profit excluding major non-recurring capital gains is expected to continue to improve. In 2007, operating profit excluding capital gains totalled EUR 303.5 million.

The forecast for the development of SanomaWSOY's net sales and operating profit in 2008 is based on both organic growth, and growth based on minor acquisitions. During 2008, SanomaWSOY will continue its strong focus on investing in digital media and strengthening its market positions. In addition to the Group's own business activities and development projects, the growth of net sales and operating profit are naturally also affected by the overall economic development in the Group's operating countries. The most significant short-term uncertainties are related to the growth rate of media advertising and private consumption.

European economies are projected to continue to grow in 2008, but at a slightly slower rate than in 2007. Research institutions predict that GDP will grow by 3.2% in Finland, 1.8% in the Netherlands and 2.2% in Belgium. The growth rate is expected to be 3.0% in Hungary, 4.5% in the Czech Republic and 6.6% in Russia. According to ZenithOptimedia estimates, media advertising in SanomaWSOY's primary market areas in 2008 will grow at a rate faster than that of GDP. In 2008, private consumption is estimated to increase by 3.1% in Finland, 2.2% in the Netherlands, 1.9% in Belgium, 4.4% in the Czech Republic, 0.5% in Hungary and 12.2% in Russia.

SANOMA MAGAZINES

Sanoma Magazines is one of Europe's largest consumer magazine publishers, operating in 13 countries. In addition to publishing its strong portfolio of magazine brands for various reader communities, Sanoma Magazines is expanding its business to other media platforms, with a strong focus on interactivity.

- All businesses performing well; operating profit excluding the sales gains was up by 10.7%
- Online advertising sales outperforming market growth; in total, the Division's online advertising sales grew by 42%
- Continuous investments in magazine launches and developing online operations: 22 new magazine titles and several online services added to the portfolio during the year
- Movie distributor RCV divested after the review period

KEY INDICATORS, EUR million	10-12/ 2007	10-12/ 2006	Change %	1-12/ 2007	1-12/ 2006	Change %
Net sales	352.4	324.3	8.7	1,238.1	1,155.9	7.1
Operating profit	37.2	41.9	-11.4	160.9	128.8	25.0
% of net sales	10.5	12.9		13.0	11.1	
Operating profit excluding major non-recurring capital gains	37.2	41.9	-11.4	139.7	126.2	10.7
% of net sales	10.5	12.9		11.3	10.9	
Balance sheet total				1,937.5	1,910.0	1.4
Capital expenditure				20.6	16.5	24.9
Return on investment (ROI), %				12.4	10.8	
Average number of employees				5,623	5,302	6.1
Average number of employees (full-time equivalents)				5,169	4,848	6.6

OPERATIONAL INDICATORS *	1-12/2007	1-12/2006
Number of magazines published, copies	309	307
Magazine copies sold, thousand copies	429,378	433,526
Number of advertising pages sold	64,601	57,700

* Including joint ventures

In 2007, Sanoma Magazines' net sales grew by 7.1%, amounting to EUR 1,238.1 (1,155.9) million. All businesses increased their net sales, with most growth coming from the Russian, Belgian and Hungarian operations, as well as online sales in the Netherlands. Adjusted for changes in the Group structure, the Division's net sales grew by 6.1%. Of the Division's net sales, 16% (16%) came from Finland. The Dutch press distribution company Aldipress has been transferred to Rautakirja as of 1 January 2007, and figures for the comparable year have been adjusted accordingly.

The Division's advertising sales increased by 16% and represented 30% (28%) of net sales. With all businesses developing favourably, most advertising growth came from Sanoma Magazines International and online advertising sales in the Netherlands.

Circulation sales grew by 2% and represented 55% (57%) of Sanoma Magazines' net sales. The increase was mainly the result of improved single copy sales in Belgium and the growth of subscription sales in Finland and Belgium.

Net sales in Sanoma Magazines Netherlands amounted to EUR 539.8 (531.2) million. Both print and online advertising sales increased. In 2007, Sanoma Magazines Netherlands' online advertising grew by 36%. Strong brands like Donald Duck, Libelle and Margriet performed well on the readers' market. Subscription sales developed favourably, but total circulation sales decreased due to decreased single copy sales and partly due to the divestment of puzzle magazines. Sanoma Magazines Netherlands continued to invest in both print and online activities. During the fourth quarter, Sanoma Uitgevers launched a new wellness title Get in Shape. The most significant launch of the year was that of the glossy fashion weekly Grazia in September. In total, Sanoma Magazines Netherlands made three launches during the year. Online operations were mainly developed through acquisitions.

After the review period, Sanoma Magazines Netherlands divested its movie distribution company R.C.V. Entertainment, the largest independent distributor of films in the Benelux countries. The deal was finalised on 10 January 2008. Sanoma Magazines Netherlands also strengthened its core business by acquiring on 1 January 2008 the shares of Mood for Magazines publishing company.

Sanoma Magazines International's net sales grew to EUR 283.4 (247.6) million. Growth mainly came from increased advertising sales. Advertising sales grew in all countries, except in the Czech Republic where they remained at the previous year's level. Most growth came from Russia and from Hungary, where online advertising continues to develop positively. Net sales in Russia grew by 18% and were slightly above EUR 100 million. Sanoma Magazines International's circulation sales increased slightly, but competition in the single copy market is intense in markets such as the Czech Republic and Hungary. Sanoma Magazines International continues to actively develop its print and online portfolio: in the fourth quarter, three new magazines were launched and several online sites were launched or acquired. A total of 17 titles were launched in 2007, among them Grazia, a new weekly glossy for the Russian market together with Mondadori. Seven titles were divested or discontinued.

Net sales in Sanoma Magazines Belgium grew to EUR 216.6 (188.6) million, partly due to new niche publishing operations acquired in September 2006, as well as increased circulation sales. Single copy sales in particular grew. In the comparable year, net sales were negatively influenced by single copy distribution problems at the beginning of the year. Sanoma Magazines Belgium's major magazine launch was Milo, a 40+ women's magazine, in January. Sanoma Magazines also renewed its flagship title Humo and introduced its first mobile content offering, focused on the readers of its women's titles.

Sanoma Magazines Finland's net sales increased to EUR 202.8 (193.2) million, with both advertising and circulation sales contributing to the growth. Subscription sales performed particularly well, thanks to

both established titles and the success of recent launches like women's monthly Sara. Sanoma Magazines Finland's titles have succeeded in continuously increasing their circulation, with family and parenting magazines showing the biggest growth percentages. Disney products are also performing well.

The Division's investments in tangible and intangible assets totalled EUR 20.6 (16.5) million and consisted mainly of ICT systems and replacement investments. The most significant acquisition in 2007 was SchoolBANK.nl and its related online sites. In 2006, the Division's most significant acquisitions were those of Kieskeurig.nl, EPN International and Wegener Golf.

Sanoma Magazines' operating profit in 2007 improved significantly, increasing by 25.0% and amounting to EUR 160.9 (128.8) million. The result included EUR 21.2 (2.6) million in major non-recurring capital gains related to the sale of puzzle magazines and other titles. Excluding these sales gains, the Division's operating profit was up by 10.7%, to EUR 139.7 (126.2) million. In the comparable period, an adjustment of EUR 2.0 million related to the acquisition in 2001 and the terms and conditions of the agreement also improved the result.

Sanoma Magazines Netherlands' operating profit improved significantly, mainly due to sales gains. Moderate cost development and the growing share of online operations also improved the result. Sanoma Magazines International's operating profit increased, given the strong sales development. Most growth came from Russia with nearly all other countries improving their results as well. Sanoma Magazines Belgium's result improved markedly due to the growth in single copy sales and the niche publishing activities acquired in September 2006. In the comparable period, single copy distribution problems reduced the result. Sanoma Magazines Finland's result grew mainly due to sales growth and moderate cost development.

Sanoma Magazines is continuing to develop its magazine portfolio and online businesses and invest in growth, which is expected to be most rapid in Russia and the CEE countries.

In 2008, Sanoma Magazines' net sales are estimated to grow and the operating profit excluding major non-recurring capital gains is expected to improve.

SANOMA

Sanoma is the leading newspaper publisher in Finland. In addition to Helsingin Sanomat, the largest daily in the Nordic region, the Division publishes national and regional daily newspapers, free sheets and offers digital services.

- The development of the result over the year was good
- Advertising sales grew faster than the market in 2007
- Online advertising sales continued to develop strongly; financial daily Taloussanomat focused its resources on online services

KEY INDICATORS	10-12/ 2007	10-12/ 2006	Change %	1-12/ 2007	1-12/ 2006	Change %
EUR million						
Net sales	124.6	122.4	1.8	480.8	457.1	5.2
Operating profit	13.6	16.5	-17.9	67.6	62.7	8.0
% of net sales	10.9	13.5		14.1	13.7	
Operating profit excluding major non-recurring capital gains	13.6	16.5	-17.9	67.6	61.0	10.9
% of net sales	10.9	13.5		14.1	13.3	
Balance sheet total				445.0	526.6	-15.5
Capital expenditure				17.7	16.5	7.2
Return on investment (ROI), %				19.7	17.9	
Average number of employees				2,716	2,672	1.6
Average number of employees (full-time equivalents)				2,411	2,378	1.4

OPERATIONAL INDICATORS	1-12/2007	1-12/2006
ADVERTISING VOLUME, COLUMN KM		
Helsingin Sanomat	41.4	42.5
Ilta-Sanomat	7.4	6.8
Free sheets	36.7	35.6
Distribution, free sheets, million copies	102.2	101.8
CIRCULATION	1-12/2007	1-12/2006
Helsingin Sanomat	419,762	426,117
Ilta-Sanomat	176,385	186,462
ONLINE SERVICES, UNIQUE VISITORS, WEEKLY	10-12/2007	10-12/2006
IltaSanomat.fi	1,200,705	770,209
HS.fi	882,531	565,157
Huuto.net	411,842	359,859
Oikotie.fi	290,887	242,383
Taloussanomat.fi	258,584	144,515
Keltainenpörssi.fi	145,883	88,553

In 2007, Sanoma's net sales grew by 5.2%, totalling EUR 480.8 (457.1) million. All businesses improved their net sales particularly due to the strong growth of advertising sales. The clearest growth was in Helsingin Sanomat and other publishing. Net sales adjusted for changes in the Group structure increased by 4.2%.

The good market situation enabled Sanoma to strengthen its positions: during the year, the division reported a 7% overall improvement in advertising sales, which accounted for 53% (52%) of net sales. Advertising sales were clearly up in nearly all newspapers and online products. In the fourth quarter, the growth rate slowed down and amounted to 2%. During the year, circulation sales increased by 2% and accounted for 39% (41%) of Sanoma's net sales.

Sanoma's reporting structure was modified in 2007 to better reflect the focus of its operations. The comparable figures for 2006 have been adjusted accordingly. Sanoma's reporting businesses include Helsingin Sanomat, Ilta-Sanomat, other publishing and other operations, which include Sanoma's ICT and printing operations.

The Helsingin Sanomat business unit increased its net sales to EUR 278.9 (267.3) million, mainly resulting from the growth in advertising sales. Job advertising increased by 16% and real estate advertising by 9%. The strongest growth was seen in online advertising, where sales increased by 31%. The circulation revenue of Helsingin Sanomat also increased despite a slight decrease in circulation. Over the past year, Helsingin Sanomat invested heavily in the development of its online services: the Oikotie.fi website launched a new kind of bidding service for home auctions, among others. Sanoma expanded its recruitment expertise by acquiring a majority holding in recruitment system supplier Skillnet, and, after the review period, increased its holding in car dealing systems developer Netwheels Oy to 55%.

The Ilta-Sanomat business unit increased its net sales to EUR 94.8 (92.2) million. The unit's advertising sales were clearly up. Ilta-Sanomat and its online service in particular increased their advertising sales. Circulation sales increased due to the cover price increase at the end of the comparable year. The paper commanded a 57.6% (58.6%) share of the tabloid market. Ilta-Sanomat continued to invest in its online service. Classified advertising and online marketplaces were also developed in both Estonia and Finland: during the year, the company acquired an 85% share in Auto24.ee, a leading online marketplace in Estonia.

Net sales from other publishing increased to EUR 97.5 (87.6) million. The growth in advertising sales was particularly strong in the Sanoma Kaupunkilehdet business unit and Sanoma Lehtimedia. The number of free sheets increased from the comparable year with the acquisition of the Finnish operations of the Metro free sheet in September 2006. Sanoma Digital, a new company focusing on online business, was established on 1 January 2007. During the year, the company acquired and launched a number of new online services for a number of enthusiast markets, including construction, style and cooking. In October, Sanoma Kaupunkilehdet signed a sales co-operation agreement with other players in the industry and opened a joint online service for its free sheets. In November, financial daily Taloussanomat decided to focus its resources online, and the last issue of the printed newspaper came out at the end of December. Taloussanomat.fi and the unit's other online service continued to grow.

Net sales from other operations, mainly comprising internal services, were EUR 152.6 (145.6) million.

In 2007, Sanoma's investments in tangible and intangible assets totalled EUR 17.7 (16.5) million, and consisted mainly of replacement investments and investments in digital business. The most significant acquisition of 2007 was the Auto24.ee marketplace. The most important acquisition of the comparable year was the purchase of the Finnish business of the Metro free sheet.

Sanoma's operating profit increased by 8.0% in 2007, totalling EUR 67.6 (62.7) million. The good development of Helsingin Sanomat in particular was reflected in the result of the Division as a whole. The operating profit of the fourth quarter includes non-recurring items relating to reorganisations. The operating profit for the comparable year included a total of EUR 1.7 million in major non-recurring capital gains. Helsingin Sanomat improved its operating profit clearly due to the growth of advertising sales and long-term rationalisation measures. The result of Ilta-Sanomat was impacted by market share investments in the latter part of the year. The result of other publishing was also slightly down due to one-time costs related to Taloussanomat and investments in Sanoma Digital. Earnings from other operations were up.

Sanoma is seeking growth in new businesses. The rate of growth in media advertising is expected to be more moderate than in 2007.

In 2008, Sanoma's net sales are estimated to increase and operating profit excluding major non-recurring capital gains is expected to improve.

SANOMAWSOY EDUCATION AND BOOKS

SanomaWSOY Education and Books is a significant European educational publisher with operations in the Netherlands, Finland, Hungary, Belgium and Poland, as well as globally in eLearning. The Division is also Finland's leading book publisher and active in business information and services.

- Good growth in educational publishing continued; e.g. Van In clearly improving its market share in Belgium
- Strong year for language services: two acquisitions made in the Nordic countries and a sales office opened in St. Petersburg

KEY INDICATORS	10–12/	10–12/	Change	1–12/	1–12/	Change
EUR million	2007	2006	%	2007	2006	%
Net sales	68.5	63.4	8.0	322.5	309.2	4.3
Operating profit	-6.6	-7.1	-6.0	44.5	48.0	-7.3
% of net sales	-9.7	-11.2		13.8	15.5	
Operating profit excluding major non-recurring capital gains	-6.6	-7.1	-6.0	44.5	48.0	-7.3
% of net sales	-9.7	-11.2		13.8	15.5	
Balance sheet total				585.0	598.2	-2.2
Capital expenditure				7.7	8.9	-13.5
Return on investment (ROI), %				10.4	12.7	
Average number of employees				2,769	2,455	12.8
Average number of employees (full-time equivalents)				2,345	2,106	11.3

OPERATIONAL INDICATORS	1-12/2007	1-12/2006
EDUCATIONAL		
Number of new titles published, books, copies	1,379	1,162
Number of new titles published, electronic products, copies	309	202
PUBLISHING		
Number of new titles published, books, copies	520	565
Number of new titles published, electronic products, copies	67	93
Number of copies sold, published books, million copies	23.3	24.2

SanomaWSOY Education and Books' net sales in 2007 increased by 4.3% and totalled EUR 322.5 (309.2) million. Net sales developed well in the international growth areas, educational publishing and language services. A total of 62% (62%) of the Division's net sales came from outside of Finland. Net sales adjusted for changes in the Group structure decreased by 0.6%.

Educational publishing's net sales amounted to EUR 197.7 (187.7) million. All operations performed well, with most growth coming from Belgium, where Van In gained additional market share through successful launch of new learning systems, as well as from Hungary, where Láng became part of SanomaWSOY Education in June 2006. Net sales in the Netherlands increased slightly compared to the previous year, when a large number of products were renewed due to changes in the Dutch spelling. Malmberg has continued to diversify its operations to include career orientation and educational consultancy to schools. Educational sales in Finland were at the comparable year's level. Net sales in Poland increased slightly.

The Polish educational publisher Nowa Era and its subsidiaries were acquired in June and the necessary antitrust approvals were received at the end of October. The deal is expected to be closed during the first quarter of 2008.

Net sales in publishing totalled EUR 97.3 (96.0) million. Net sales of general literature were behind those of the comparable period. Multivolume books in Finland and the Nordic countries faced a strong decrease in sales, and WSOY sales were also lower than in the previous year, particularly in the fourth quarter. WSOY has begun to strengthen its sales and marketing organisation for general literature.

The growth in publishing came from business information and services, where language services and professional books and materials performed particularly well. The language service provider AAC Global, acquired in February 2006, expanded its operations in March 2007 with the acquisition of Translation Services Noodi in Finland and in June 2007 with the business of language service company The Works, Sweden.

Net sales from other operations, mainly printing, totalled EUR 51.1 (43.3) million.

The Division's investments in tangible and intangible asset totalled EUR 7.7 (8.9) million. They mainly comprised investments in the renovation of office buildings, and ICT investments. The most significant acquisition during the year was that of Translation Services Noodi. In the comparable year, the most significant acquisitions included Hungarian publisher Láng Kiadó és Holding and AAC Global.

In 2007, operating profit in SanomaWSOY Education and Books decreased by 7.3% and was EUR 44.5 (48.0) million. There were no major non-recurring capital gains during the review period or the comparable period. Operating profit in educational publishing was at the comparable year's level. Results improved in all countries, except in Poland, where government tender projects had lower margins than in the comparable year. Operating profit in publishing decreased: business information and services improved its results, due to strong performance in language services, but disappointing results in general literature, as well as in other operations, decreased the Division's operating profit.

SanomaWSOY Education and Books is continuing to develop its three main businesses with the focus on internationalising educational publishing, expanding business information and services in the language services market and maintaining Finnish market leadership in general literature publishing.

In 2008, net sales of SanomaWSOY Education and Books are estimated to increase. Operating profit excluding major non-recurring capital gains, Nowa Era included, is expected to improve clearly.

SWELCOM

The commercial television channel Nelonen, part of the electronic media division SWelcom, is Finland's third largest medium in terms of advertising sales, while Welho is the country's largest cable television company and a major provider of broadband services.

- Television operations expanded: SWelcom added four new TV channels during the year
- The radio networks have found their audiences – the two networks have a total of over one million weekly listeners
- Online casual gaming became a new business for SWelcom

KEY INDICATORS EUR million	10-12/ 2007	10-12/ 2006	Change %	1-12/ 2007	1-12/ 2006	Change %
Net sales	42.5	37.2	14.3	146.0	131.8	10.7
Operating profit	5.4	4.8	12.0	15.8	12.5	26.6
% of net sales	12.6	12.9		10.8	9.5	
Operating profit excluding major non-recurring capital gains	5.4	4.8	12.0	15.8	12.5	26.6
% of net sales	12.6	12.9		10.8	9.5	
Balance sheet total				168.2	158.6	6.0
Capital expenditure				14.8	15.2	-2.4
Return on investment (ROI), %				14.2	12.3	
Average number of employees				501	437	14.6
Average number of employees (full-time equivalents)				457	398	14.8

OPERATIONAL INDICATORS	1-12/2007	1-12/2006
TV channels' share of Finnish TV advertising	29.3%	31.4%
TV channels' daily coverage	44%	42%
TV channels' commercial viewing share	26.8%	25.0%
TV channels' national viewing share	12.6%	12.1%
Number of connected households, thousand copies (31 Dec)	319	305
Number of pay TV subscriptions, thousand copies (31 Dec)	86	58
Number of broadband internet connections, thousand copies (31 Dec)	99	86

In 2007, SWelcom's net sales increased substantially by 10.7%, totalling EUR 146.0 (131.8) million. The increase in net sales was particularly due to the growth of Welho, as well as the new radio networks and television channels. Net sales adjusted for changes in the Group structure increased by 9.2%. Advertising sales represented 54% (58%) of SWelcom's net sales.

Largely due to the new channels, broadcast operations increased its net sales to EUR 83.2 (76.5) million. The TV channels' combined share of all television advertising declined to 29.3% (31.4%). Nelonen's viewing shares declined due to the fragmentation of viewing across an increasing number of channels. In the fourth quarter, Nelonen's commercial viewing share turned upwards due to strong programming investments. The new TV channel JIM, launched in February, was a success and attracted higher viewing shares than expected.

SWelcom entered the radio business in January 2007 with two commercial radio channels. Radio Rock and Radio Aalto reached a combined total of over one million weekly listeners. Radio Rock reached its target group better than expected right from the start. Radio Rock had an average of 700,000 listeners each week. The network performed extremely well within its target group of 20–44 year-old males. At its best, Radio Aalto reached a weekly listenership of over 400,000 people in the second half of 2007. Radio Aalto has increased its listening share, particularly among female listeners over 25 years of age.

SWelcom expanded its range of services for television viewers. The pay TV movie and series channel KinoTV was launched in September. By December, KinoTV already had 61,000 subscribers. Nelonen also launched its “Hot from the US” Video On Demand (VOD) service that allows viewers to watch episodes of popular television series’ on Nelonen’s Web TV just a few days after their original broadcast in the United States.

In August, SWelcom became the majority shareholder in the Urheilukanava sports channel and the pay TV sports channel Urheilukanava. Urheilukanava broadcasts over 400 live sports events each year and its audience reach is growing. Urheilukanava had over 230,000 subscribers at the end of 2007.

Welho’s net sales increased due to strong growth in pay TV, broadband subscriptions and the sale of digital set-top boxes. In 2007, Welho’s pay TV subscriptions increased by nearly 50% and broadband subscriptions by 15%.

Welho revised its pay TV offering with new channel packages that can be augmented with individual channels. Welho also offers four high definition (HDTV) channels. Welho launched the Welho Play VOD service, which allows Welho broadband subscribers to download films and television programmes onto their computers whenever they want. In addition, Welho launched an IPTV service in the Helsinki metropolitan area, bringing Welho’s TV services to customers outside the cable network.

SWelcom expanded its business into online casual gaming. August saw the launch of the Pelikone.fi online game portal, where users can play games for free and also publish their own games. In September, SWelcom acquired Aypaa.com, the biggest online quiz portal in Finland.

In 2007, SWelcom’s investments in tangible and intangible assets totalled EUR 14.8 (15.2) million, most of which was allocated to the development of Welho’s cable network and services. The most significant acquisition of the year was the purchase of the Urheilukanava channels. There were no major acquisitions during the comparable year.

SWelcom's operating profit improved significantly, by 26.6%, to EUR 15.8 (12.5) million. The increase in operating profit was driven by the good sales development of Welho and Nelonen's improved profitability, due to cost savings.

After the review period on 7 February 2008, SanomaWSOY's Board of Directors appointed Anu Nissinen as the new President of SWelcom, effective 25 February 2008. Tapio Kallioja, President of the Division, will retire according to his contract of employment on 31 March 2008. At the end of January, SWelcom divested the operations of 2ndhead, focusing on corporate digital communications and marketing solutions. The deal will have no significant impact on the Division's earnings.

SWelcom will increasingly focus on providing a wider variety of programming and continue to develop its digital content and media solutions businesses, as well as its online community services.

In 2008, SWelcom's net sales are estimated to increase and operating profit excluding major non-recurring capital gains is expected to improve clearly.

RAUTAKIRJA

Rautakirja is the market leader in kiosk operations, press distribution and movie theatres in Finland and the Baltic countries, and press distribution in the Netherlands and Romania. Additionally, it leads the Finnish and Estonian markets for bookstores. Its press distribution business and kiosk operations have also expanded into the Russian market.

- Net sales grew across all businesses; movie theatres had an excellent year
- Rautakirja sold its multi-purpose arena in Hamburg in October
- Kiosk operations in Russia are showing good momentum; at the end of the year, Rautakirja had 43 kiosks in Russia

KEY INDICATORS EUR million	10-12/ 2007	10-12/ 2006	Change %	1-12/ 2007	1-12/ 2006	Change %
Net sales	241.1	232.9	3.5	849.3	799.9	6.2
Operating profit	23.1	22.5	2.7	55.6	54.7	1.6
% of net sales	9.6	9.7		6.5	6.8	
Operating profit excluding major non-recurring capital gains	18.2	22.5	-19.1	50.7	54.7	-7.3
% of net sales	7.5	9.7		6.0	6.8	
Balance sheet total				565.0	586.9	-3.7
Capital expenditure				28.4	23.1	22.7
Return on investment (ROI), %				20.9	20.1	
Average number of employees				7,886	7,496	5.2
Average number of employees (full-time equivalents)				6,234	5,932	5.1

OPERATIONAL INDICATORS	1-12/2007	1-12/2006
Number of customers in kiosks, thousands	213,081	207,745
Number of customers in bookstores, thousands	7,459	7,247
Number of customers in movie theatres, thousands	9,784	8,163
Number of copies sold (press distribution), thousands	376,108	374,838

In 2007, Rautakirja's net sales grew by 6.2%, totalling EUR 849.3 (799.9) million. Net sales increased across all businesses. Growth was particularly strong in kiosk operations, entertainment business and press distribution. Net sales adjusted for changes in the Group structure increased by 5.2%. Of Rautakirja's net sales, 34% (33%) came from outside Finland. The Dutch press distribution company Aldipress was combined with Rautakirja on 1 January 2007. The comparable figures have been adjusted to reflect the inclusion of Aldipress.

Net sales from kiosk operations increased in all countries of operation, rising to EUR 385.5 (369.1) million. Net sales for the comparable period include the net sales of the Pizza Hut restaurant chain, which was divested in June 2006. Traditional kiosk products did well in Finland and the Baltic countries. Finnish R-kiosks developed several new service products, such as the kiosk-based ÄrräExpress pick-up service for parcels.

The first R-kiosks in Moscow opened their doors in June. In October, the press distributor Press Point International and the kiosk operator HDS CIS acquired from Lagardère Services were consolidated in Rautakirja's kiosk and press distribution operations. The combined net sales of the two companies are about EUR 5 million and they have about 180 employees. As a result of the deal, Rautakirja acquired 25 store locations, most of which are in Moscow, and the rest in St. Petersburg, Kazan, Yekaterinburg and Nizhny Novgorod. These stores will be converted into R-kiosks. At the end of the year, Rautakirja already had 43 kiosks in Russia.

The net sales of press distribution rose to EUR 245.5 (223.6) million. Net sales increased in all markets except the Netherlands. The increase was particularly strong in the Baltic countries and Romania. In Finland, press distribution was bolstered by the February acquisition of the point-of-sale (POS) marketing company Printcenter and the weekday cover price increase by quality tabloids. The sales of women's magazines and comics have also clearly increased. The weak performance of the Dutch single copy market was also reflected in the net sales of Aldipress, with distribution volumes decreasing somewhat from the comparable period. In September, a decision was made to rationalise the operations of Aldipress; the company's workforce will be reduced by about one-third in 2008. In December, Rautakirja announced that it is exploring the possibility of co-operating with the Swiss Ringier Group on Romanian press distribution. The October transaction, in which Rautakirja increased its shareholding in the Lithuanian press distributor Impress Teva to 100%, was concluded in January 2008, when it was approved by antitrust officials.

The net sales of bookstores were EUR 140.3 (138.9) million. The net sales of the comparable period included the library business divested in the autumn of 2006. On the whole, the development of the bookstore business was weak, but Suomalainen Kirjakauppa strengthened its market share. Net sales increased strongly in Estonia. During the year, new stores were opened in Pärnu in May and in Rakvere in December.

Net sales from the entertainment business increased clearly in all countries of operation, rising to EUR 95.9 (81.7) million. Driven by summer blockbusters, movie theatres in Finland and the Baltic countries broke all-time box office records in July. Development in the latter part of the year was also strong and in December, Finnish movie theatres again attracted a record number of customers, although there were no such box-office hits as there were in the comparable year. In addition to the good selection of movies, the growth has been particularly boosted by new movie theatres: Finnish operations were expanded significantly in the second half of 2006. In April 2007, the company opened a new multiplex in Kaunas, Lithuania, followed by a multiplex in Lahti, Finland, in November. In October, Rautakirja sold D+J Arena Hamburg GmbH, the company responsible for the multi-purpose arena in Hamburg, in line with its stated strategy. The net sales of the company were EUR 12.7 million in 2006.

In 2007, Rautakirja's investments in tangible and intangible assets totalled EUR 28.4 (23.1) million. They focused mainly on business ICT projects, as well as the acquisition of new retail premises and the renovation of existing ones. The most significant acquisitions of the year were Printcenter in Finland, along with Press Point International and HDS CIS in Russia. There were no major acquisitions during the comparable period.

In 2007, Rautakirja's operating profit grew by 1.6%, totalling EUR 55.6 (54.7) million. The operating profit includes a total of EUR 4.9 million in major non-recurring capital gains from the multi-purpose arena and real estate sales. The entertainment business significantly improved its operating income, with movie theatres doing extremely well. Operating profit from kiosk operations improved despite the start-up costs of the Russian operations. The operating profit of press distribution was below the comparable period last year, reflecting the non-recurring costs incurred in connection with the rationalisation of Aldipress operations. Operating profit from bookstores declined from the comparable year due to lower Christmas sales and the decrease of subscription sales.

In addition to the home markets of Finland and the Baltic countries, Rautakirja's expansion and development efforts will also focus on the emerging economies of Russia and Central Eastern Europe.

In 2008, Rautakirja's net sales are estimated to grow. Operating profit excluding major non-recurring capital gains is expected to improve.

This Year-End Statement is unaudited. Definitions of key indicators are presented in SanomaWSOY's Financial Statements 2006.

Helsinki

Board of Directors

SanomaWSOY Corporation

CONSOLIDATED FINANCIAL STATEMENTS (NON-AUDITED)

CONSOLIDATED INCOME STATEMENT			
EUR million	1-12/2007	1-12/2006	Change, %
NET SALES	2,926.3	2,742.1	6.7
Other operating income	95.2	57.2	66.4
Materials and services	1,308.9	1,243.3	5.3
Personnel expenses	646.5	595.5	8.6
Other operating expenses	572.7	532.2	7.6
Depreciation and impairment losses	149.7	135.8	10.3
OPERATING PROFIT	343.8	292.5	17.5
Share in result of associated companies	12.4	8.4	47.8
Financial income	9.2	12.5	-26.2
Financial expenses	44.9	37.0	21.4
RESULT BEFORE TAXES	320.4	276.3	16.0
Income taxes	-74.4	-68.0	9.4
RESULT FOR THE PERIOD	246.1	208.4	18.1
Attributable to:			
Equity holders of the Parent company	242.8	209.5	15.9
Minority interest	3.2	-1.1	
Earnings per share for result attributable to the equity holders of the Parent company:			
Earnings per share, EUR	1.47	1.32	11.9
Diluted earnings per share, EUR	1.46	1.31	12.0

CONSOLIDATED BALANCE SHEET			
EUR million	31.12.2007	31.12.2006	Change, %
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	498.7	572.3	-12.9
Investment property	9.5	10.0	-4.7
Goodwill	1,432.8	1,392.7	2.9
Other intangible assets	379.6	368.1	3.1
Interest in associated companies	75.2	68.2	10.2
Available-for-sale financial assets	15.9	16.4	-3.1
Deferred tax receivables	42.4	45.2	-6.2
Other receivables	37.9	38.4	-1.1
NON-CURRENT ASSETS, TOTAL	2,492.1	2,511.3	-0.8
CURRENT ASSETS			
Inventories	170.7	150.1	13.7
Income tax receivables	25.9	20.1	29.3
Trade and other receivables	415.4	369.2	12.5
Available-for-sale financial assets	0.1		
Cash and cash equivalents	88.1	81.5	8.1
CURRENT ASSETS, TOTAL	700.2	620.9	12.8
ASSETS, TOTAL	3,192.3	3,132.2	1.9
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the equity holders of the Parent company			
Share capital	71.3	70.9	0.5
Premium fund	187.6	181.0	3.7
Treasury shares	-51.6		
Other reserves	0.1	6.9	-99.0
Translation differences	11.4	17.6	-35.1
Retained earnings	1,127.1	1,029.3	9.5
	1,345.9	1,305.7	3.1
Minority interest	18.3	17.0	7.9
EQUITY, TOTAL	1,364.2	1,322.7	3.1
NON-CURRENT LIABILITIES			
Deferred tax liabilities	103.9	96.2	8.1
Pension obligations	45.2	57.6	-21.5
Provisions	8.8	7.8	13.5
Interest-bearing liabilities	328.1	44.2	
Trade and other payables	28.3	36.0	-21.6
CURRENT LIABILITIES			
Provisions	7.8	7.9	-1.4
Interest-bearing liabilities	553.4	819.7	-32.5
Income tax liabilities	8.4	28.8	-70.8
Trade and other payables	744.3	711.2	4.6
LIABILITIES, TOTAL	1,828.1	1,809.5	1.0
EQUITY AND LIABILITIES, TOTAL	3,192.3	3,132.2	1.9

CHANGES IN CONSOLIDATED EQUITY									
EUR million									
	Equity attributable to the equity holders of the Parent Company							Minority interest	Equity, total
	Share capital	Premium fund	Other reserves	Translation differences	Treasury shares	Retained earnings	Total		
Equity at 1 Jan 2006	67.5	93.7	363.8	15.9		600.5	1,141.5	16.3	1,157.7
Change in translation differences				1.7			1.7	0.3	2.0
Other items						-0.5	-0.5		-0.5
Items recognised directly in equity, total				1.7		-0.5	1.2	0.3	1.5
Result for the period						209.5	209.5	-1.1	208.4
Total recognised income and expenses				1.7		209.0	210.7	-0.8	209.9
Directed issue of shares	1.0						1.0		1.0
Conversion of capital notes	2.4	85.5	-1.2				86.7		86.7
Usage of share options	0.1	1.7					1.8		1.8
Expense recognition of granted options						5.4	5.4		5.4
Dividends paid						-141.3	-141.3	-1.4	-142.7
Change in minority interests								3.0	3.0
Other changes			-355.6			355.6			
Equity at 31 Dec 2006	70.9	181.0	6.9	17.6		1,029.3	1,305.7	17.0	1,322.7
Equity at 1 Jan 2007	70.9	181.0	6.9	17.6		1,029.3	1,305.7	17.0	1,322.7
Change in translation differences				-6.2			-6.2	0.3	-5.9
Other items						-0.7	-0.7		-0.7
Items recognised directly in equity, total				-6.2		-0.7	-6.9	0.3	-6.6
Result for the period						242.8	242.8	3.2	246.1
Total recognised income and expenses				-6.2		242.1	235.9	3.5	239.4
Unregistered usage of share options	0.1	2.4					2.6		2.6
Conversion of capital notes	0.0	1.7	0.0				1.7		1.7
Purchase of treasury shares						-51.6	-51.6		-51.6
Usage of share options	0.1	2.5					2.6		2.6

Expense recognition of options granted					5.5	5.5		5.5	
Dividends paid					-156.7	-156.7	-2.1	-158.8	
Change in minority interests							0.0	0.0	
Other changes			-6.9		6.9				
Equity at 31 Dec 2007	71.3	187.6	0.1	11.4	-51.6	1,127.1	1,345.9	18.3	1,364.2

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1–12/2007	1–12/2006	Change, %
OPERATIONS			
Result for the period	246.1	208.4	18.1
Adjustments			
Income taxes	74.4	68.0	9.4
Financial expenses	44.9	37.0	21.4
Financial income	-9.2	-12.5	-26.2
Share in result of associated companies	-12.4	-8.4	47.8
Depreciation and impairment losses	149.7	135.8	10.3
Profit on sales of non-current assets	-41.3	-8.2	
Other adjustments	-44.6	-53.6	-16.7
Change in working capital			
Change in trade and other receivables	-38.6	-27.9	38.3
Change in inventories	-19.0	2.3	
Change in trade and other payables, and provisions	11.9	30.5	-61.1
Interest paid	-38.2	-34.9	9.5
Other financial items	-1.8	1.3	
Taxes paid	-93.8	-77.9	20.4
CASH FLOW FROM OPERATIONS	227.9	259.9	-12.3
INVESTMENTS			
Acquisition of tangible and intangible assets	-88.6	-81.2	9.2
Operations acquired	-49.1	-88.5	-44.5
Associated companies acquired	-0.6	-2.5	-75.3
Acquisition of other holdings	-0.1	-0.2	-62.4
Sales of tangible and intangible assets	23.8	11.9	99.8
Operations sold	83.7	11.5	
Associated companies sold	0.3	0.3	6.6
Sales of other companies	0.9	11.9	-92.3
Loans granted	-4.4	-9.5	-53.6
Repayments of loan receivables	3.9	3.4	11.8
Sales of short-term investments	0.0	0.5	-100.5
Interest received	5.5	4.8	13.9
Dividends received	7.6	4.6	62.7
CASH FLOW FROM INVESTMENTS	-17.2	-132.9	-87.1
CASH FLOW BEFORE FINANCING	210.7	127.0	65.9
FINANCING			
Proceeds from share subscriptions	5.2	2.8	89.1
Minority capital investment/repayment of equity	-0.1	0.2	
Purchase of treasury shares	-51.0		
Change in loans with short maturity	101.5	7.1	
Drawings of other loans	295.5	328.3	-10.0

Repayments of other loans	-403.1	-329.1	22.5
Payment of finance lease liabilities	-2.5	-2.2	14.1
Dividends paid	-158.8	-142.7	11.3
Donations/other profit sharing	-0.4	-0.4	17.4
CASH FLOW FROM FINANCING	-213.7	-136.0	57.2
Change in cash and cash equivalents according to cash flow statement	-3.0	-8.9	-66.5
Effect of exchange rate differences on cash and cash equivalents	-1.7	1.1	
Net increase(+)/decrease(-) in cash and cash equivalents	-4.7	-7.8	-40.5
Cash and cash equivalents at 1 Jan	77.1	84.9	-9.2
Cash and cash equivalents at 31 Dec	72.4	77.1	-6.1

Cash and cash equivalents in cash flow statement include cash and cash equivalents less bank overdrafts.

NET SALES BY BUSINESS								
EUR million	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-3/ 2006	4-6/ 2006	7-9/ 2006	10-12/ 2006
Sanoma Magazines								
Sanoma Magazines								
Netherlands	119.8	136.6	129.2	154.2	116.7	138.7	127.4	148.3
Sanoma Magazines								
International	65.8	68.5	66.0	83.2	58.1	59.7	57.9	71.9
Sanoma Magazines Belgium	52.5	55.8	48.1	60.1	44.7	48.2	43.8	51.9
Sanoma Magazines Finland	50.1	48.6	48.1	56.0	45.8	47.1	47.3	53.1
Eliminations	-1.2	-1.2	-1.0	-1.2	-1.2	-1.3	-1.2	-0.9
Total	287.1	308.2	290.4	352.4	264.1	292.3	275.2	324.3
Sanoma								
Helsingin Sanomat	72.3	68.0	66.2	72.4	66.8	66.2	62.9	71.4
Ilta-Sanomat	23.6	24.6	22.9	23.6	22.3	23.4	22.8	23.7
Other publishing	24.3	24.7	22.6	25.9	20.9	21.5	20.3	24.8
Others	38.5	38.0	37.0	39.1	37.5	36.5	34.9	36.8
Eliminations	-36.4	-35.5	-34.8	-36.4	-34.9	-33.7	-32.6	-34.3
Total	122.4	119.8	114.0	124.6	112.6	113.8	108.2	122.4
SanomaWSOY Education and Books								
Educational publishing	20.0	78.5	68.7	30.6	15.3	69.7	77.3	25.4
Publishing	26.3	20.8	20.7	29.6	24.2	22.1	19.0	30.7
Others	12.0	11.0	14.2	14.0	10.3	9.7	11.3	12.0
Eliminations	-6.0	-5.4	-6.5	-5.7	-4.5	-4.3	-4.3	-4.7
Total	52.2	104.8	97.0	68.5	45.4	97.2	103.3	63.4
SWelcom								
TV and radio	20.1	20.3	16.3	26.5	19.2	21.0	13.4	22.8
Others	15.4	15.3	16.7	16.2	14.3	13.2	14.0	14.6
Eliminations	-0.3	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.1
Total	35.2	35.4	32.8	42.5	33.3	34.1	27.2	37.2
Rautakirja								
Kiosk operations	86.9	99.3	95.5	103.8	82.3	94.4	91.4	101.0
Press distribution	56.2	61.0	61.8	66.5	50.7	57.5	56.6	58.7
Bookstores	29.6	23.1	37.7	50.0	30.2	22.5	37.2	49.0
Entertainment	23.5	22.0	24.0	26.6	20.1	15.7	18.0	28.0

Eliminations	-3.9	-4.0	-4.3	-5.8	-2.6	-3.2	-3.6	-3.9
Total	192.4	201.3	214.5	241.1	180.7	186.8	199.6	232.9
Other companies and eliminations	-25.6	-25.1	-30.1	-29.4	-23.6	-25.1	-25.3	-37.9
Total	663.7	744.4	718.6	799.6	612.5	699.2	688.2	742.2

NET SALES BY BUSINESS		
EUR million	1-12/ 2007	1-12/ 2006
Sanoma Magazines		
Sanoma Magazines Netherlands	539.8	531.2
Sanoma Magazines International	283.4	247.6
Sanoma Magazines Belgium	216.6	188.6
Sanoma Magazines Finland	202.8	193.2
Eliminations	-4.6	-4.7
Total	1,238.1	1,155.9
Sanoma		
Helsingin Sanomat	278.9	267.3
Ilta-Sanomat	94.8	92.2
Other publishing	97.5	87.6
Others	152.6	145.6
Eliminations	-143.0	-135.6
Total	480.8	457.1
SanomaWSOY Education and Books		
Educational publishing	197.7	187.7
Publishing	97.3	96.0
Others	51.1	43.3
Eliminations	-23.7	-17.8
Total	322.5	309.2
SWelcom		
TV and radio	83.2	76.5
Others	63.6	56.0
Eliminations	-0.8	-0.6
Total	146.0	131.8
Rautakirja		
Kiosk operations	385.5	369.1
Press distribution	245.5	223.6
Bookstores	140.3	138.9
Entertainment	95.9	81.7
Eliminations	-18.0	-13.4
Total	849.3	799.9
Other companies and eliminations	-110.3	-111.9
Total	2,926.3	2,742.1

OPERATING PROFIT BY DIVISION								
EUR million	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-3/ 2006	4-6/ 2006	7-9/ 2006	10-12/ 2006
Sanoma Magazines	32.1	61.3	30.4	37.2	23.3	35.3	28.2	41.9
Sanoma	19.6	17.3	17.2	13.6	16.1	15.0	15.0	16.5
SanomaWSOY Education and Books	-6.5	29.8	27.9	-6.6	-4.3	33.8	25.6	-7.1
SWelcom	2.9	4.0	3.5	5.4	3.2	4.0	0.4	4.8
Rautakirja	9.0	10.6	13.0	23.1	10.4	8.1	13.7	22.5
Other companies and eliminations	-3.1	10.1	-3.4	-4.3	-3.1	-3.4	-2.9	-4.7
Total	54.0	133.0	88.5	68.3	45.6	92.8	80.1	73.9

OPERATING PROFIT BY DIVISION		1-12/ 2007	1-12/ 2006
EUR million			
Sanoma Magazines		160.9	128.8
Sanoma		67.6	62.7
SanomaWSOY Education and Books		44.5	48.0
SWelcom		15.8	12.5
Rautakirja		55.6	54.7
Other companies and eliminations		-0.7	-14.1
Total		343.8	292.5

CHANGES IN PROPERTY, PLANT AND EQUIPMENT			
EUR million	31.12.2007	31.12.2006	Change, %
Carrying amount at 1 Jan	572.3	566.5	1.0
Increases	63.4	59.4	6.7
Acquisition of operations	1.2	15.5	-92.3
Decreases	-4.3	-5.3	-19.1
Disposals of operations	-66.9	-2.3	
Depreciation for the period	-65.7	-62.9	4.4
Impairment losses for the period	-0.3	-0.2	6.3
Exchange rate differences and other changes	-1.1	1.6	
Carrying amount at 31 Dec	498.7	572.3	-12.9

In the end of financial period commitments for acquisitions of tangible assets were EUR 3.1 million (2006: EUR 6.3 million).

CONTINGENT LIABILITIES			
EUR million	31.12.2007	31.12.2006	Change, %
Contingencies for own commitments			
Mortgages	20.2	10.5	92.4
Pledges	5.8	18.4	-68.6
Other items	0.4	0.4	-2.0
Total	26.4	29.4	-10.1
Contingencies incurred on behalf of associated companies			
Guarantees	7.9	7.9	
Total	7.9	7.9	
Contingencies incurred on behalf of other companies			
Guarantees	0.1	0.1	-0.4
Total	0.1	0.1	-0.4
Other commitments			
Operating lease liabilities (Note 25)	275.8	249.1	10.7
Royalties	27.2	15.9	70.6
Other items	42.9	47.2	-9.1
Total	345.9	312.2	10.8
Total	380.4	349.6	8.8

No derivative contracts were open in the end of financial period in SanomaWSOY Group.

CONSOLIDATED INCOME STATEMENT BY QUARTER								
EUR million	1-3/ 2007	4-6/ 2007	7-9/ 2007	10-12/ 2007	1-3/ 2006	4-6/ 2006	7-9/ 2006	10-12/ 2006
NET SALES	663.7	744.4	718.6	799.6	612.5	699.2	688.2	742.2
Other operating income	13.3	49.0	12.4	20.6	15.4	12.8	13.8	15.2
Materials and services	294.9	327.1	323.3	363.5	280.9	306.6	322.0	333.8
Personnel expenses	158.4	162.2	151.8	174.2	145.6	148.7	142.0	159.1
Other operating expenses	135.0	133.9	130.3	173.5	124.8	129.8	124.3	153.3
Depreciation and impairment losses	34.6	37.3	37.1	40.7	30.9	34.0	33.5	37.3
OPERATING PROFIT	54.0	133.0	88.5	68.3	45.6	92.8	80.1	73.9
Share in result of associated companies	1.8	2.7	2.0	5.9	1.9	2.3	3.4	0.8
Financial items	-7.1	-9.6	-8.7	-10.3	-6.2	-7.5	-6.1	-4.7
RESULT BEFORE TAXES	48.6	126.1	81.9	63.8	41.3	87.6	77.4	70.1
Income taxes	-13.7	-30.6	-20.3	-9.7	-12.4	-25.3	-18.2	-12.1
RESULT FOR THE PERIOD	34.9	95.5	61.5	54.1	28.9	62.3	59.2	58.0
Attributable to:								
Equity holders of the Parent Company	35.5	95.8	59.7	51.8	32.5	62.2	57.2	57.6
Minority interest	-0.6	-0.3	1.8	2.3	-3.6	0.1	2.0	0.4

CONSOLIDATED INCOME STATEMENT BY YEAR		
EUR million	1-12/ 2007	1-12/ 2006
NET SALES	2,926.3	2,742.1
Other operating income	95.2	57.2
Materials and services	1,308.9	1,243.3
Personnel expenses	646.5	595.5
Other operating expenses	572.7	532.2
Depreciation and impairment losses	149.7	135.8
OPERATING PROFIT	343.8	292.5
Share in result of associated companies	12.4	8.4
Financial items	-35.7	-24.5
RESULT BEFORE TAXES	320.4	276.3
Income taxes	-74.4	-68.0
RESULT FOR THE PERIOD	246.1	208.4
Attributable to:		
Equity holders of the Parent Company	242.8	209.5
Minority interest	3.2	-1.1

PRESS CONFERENCE

Press and analyst meeting in Finnish will be held by Hannu Syrjänen, President and CEO of SanomaWSOY at 1:30 pm (Finnish time) at Sanomatalo, Töölönlahdenkatu 2, Helsinki. The event can also be viewed on the Group's website at www.sanomawsoy.fi either live or later on as on demand.

The conference call in English for analysts and investors will be arranged at 4 pm (Finnish time). Hannu Syrjänen will present the result. To join the conference, please dial +44 20 3003 2666 (Europe) or +1 866 966 5335 (US). The event can also be listened on web at www.sanomawsoy.fi either live or later on as on demand.

The presentation material of the press and analyst meeting as well as the slides used in the conference call will be available on SanomaWSOY's website after the press and analyst meeting has started.

PUBLISHING OF 1Q08 RESULT

SanomaWSOY will publish its Interim Report January–March on 9 May 2008, approximately at 12 pm Finnish time.

SANOMAWSOY CORPORATION

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Finance and Administration

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www.sanomawsoy.fi

www.sanomawsoy.fi/Investors

SanomaWSOY provides information, experiences, education and entertainment to millions of people. Quality content, products and services that are creative and customer centric, and efficient distribution ensure satisfaction for our customers in the more than 20 European countries we operate in. With net sales of EUR 2.9 billion, SanomaWSOY was the largest media company in the Nordic countries in 2007. The Group employs nearly 20,000 people.