

SanomaWSOY Corp. Stock Exchange Release Feb. 10, 2005 at 11:30

## SANOMAWSOY'S YEAR-END STATEMENT 2004

SanomaWSOY's result development in 2004 was excellent: operating profit grew by 16.7%, to EUR 239.5 (205.2) million. Result before extraordinary items rose by 30.1%, to EUR 212.2 (163.1) million. Earnings per share increased to EUR 0.87 (0.69) and earnings per share excluding goodwill amortisation to EUR 1.39 (1.23). In the last quarter, net sales were EUR 727.8 (675.7) million and operating profit was EUR 96.4 (79.0) million. The proposed dividend is EUR 0.80 (1.00) per share.

<b>KEY INDICATORS</b>			
<b>EUR million</b>	<b>31.12.2004</b>	31.12.2003	Change,%
Net sales	<b>2,493.0</b>	2,395.9	4.1
Operating profit before depreciation and decrease in value	<b>440.7</b>	414.8	6.2
% of net sales	<b>17.7</b>	17.3	
Operating profit before amortisation	<b>370.5</b>	338.4	9.5
% of net sales	<b>14.9</b>	14.1	
Operating profit	<b>239.5</b>	205.2	16.7
% of net sales	<b>9.6</b>	8.6	
Profit before extraordinary items	<b>212.2</b>	163.1	30.1
% of net sales	<b>8.5</b>	6.8	
Profit after extraordinary items	<b>213.7</b>	163.1	31.0
% of net sales	<b>8.6</b>	6.8	
Profit for the year	<b>134.1</b>	104.5	28.4
% of net sales	<b>5.4</b>	4.4	
Balance sheet total	<b>2,528.8</b>	2,453.0	3.1
Gross investments	<b>274.7</b>	94.8	189.8
% of net sales	<b>11.0</b>	4.0	
Return on equity, % (ROE)	<b>15.5</b>	11.9	
Return on investment, % (ROI)	<b>14.8</b>	11.4	
Equity ratio, %	<b>39.0</b>	40.3	
Equity ratio, % *)	<b>45.6</b>	47.6	
Gearing, %	<b>85.4</b>	72.9	
Gearing, % *)	<b>58.6</b>	46.4	
Financial costs of liabilities	<b>36.6</b>	47.1	-22.3
Interest-bearing liabilities	<b>885.9</b>	819.4	8.1
Interest-free liabilities	<b>705.9</b>	686.1	2.9
Securities, cash and bank	<b>85.8</b>	128.8	-33.4
Personnel under employment contract, average	<b>16,207</b>	17,330	-6.5
Personnel, average (full-time equivalents)	<b>13,652</b>	14,207	-3.9

**SHARE-RELATED INDICATORS AND SHARE CAPITAL**

	<b>31.12.2004</b>	31.12.2003	Change,%
Earnings/share, EUR	<b>0.87</b>	0.69	25.0
Earnings/share, diluted, EUR **)	<b>0.85</b>	---	
Cash flow/share, EUR	<b>1.67</b>	1.65	1.3
Equity/share, EUR	<b>5.99</b>	6.08	-1.5
Dividend/share, EUR ***)	<b>0.80</b>	1.00	-20.0
Dividend/result, % ***)	<b>92.3</b>	144.3	
Market capitalisation, Series A	<b>399.0</b>	392.2	1.7
Market capitalisation, Series B	<b>2,233.2</b>	2,162.7	3.3
Market capitalisation, total	<b>2,632.2</b>	2,554.9	3.0
Effective dividend yield, %, Series A ***)	<b>4.7</b>	5.9	
Effective dividend yield, %, Series B ***)	<b>4.7</b>	6.0	
P/E ratio, Series A	<b>19.9</b>	24.4	
P/E ratio, Series B	<b>19.8</b>	24.0	
Number of shares at 31 Dec., Series A	<b>23,199,492</b>	23,220,492	
Number of shares at 31 Dec., Series B	<b>129,912,660</b>	137,078,936	
Number of shares at 31 Dec., with diluting effect, Series B	<b>142,297,667</b>	149,149,727	
Average number of shares, Series A	<b>23,215,864</b>	23,220,492	
Average number of shares, Series B	<b>134,079,047</b>	134,690,191	
Average number of shares with diluting effect, Series B	<b>146,464,054</b>	146,760,982	
Lowest share price, Series A	<b>14.01</b>	9.00	
Lowest share price, Series B	<b>13.70</b>	7.62	
Highest share price, Series A	<b>17.90</b>	17.00	
Highest share price, Series B	<b>17.77</b>	17.20	
Average share price, Series A	<b>16.09</b>	13.18	
Average share price, Series B	<b>15.72</b>	11.77	
Share price, 31 Dec., Series A	<b>17.20</b>	16.89	
Share price, 31 Dec., Series B	<b>17.19</b>	16.65	
Trading volumes, Series A	<b>309,491</b>	195,335	
% of share capital	<b>1.3</b>	0.8	
Trading volumes, Series B	<b>29,558,799</b>	17,252,697	
% of share capital	<b>22.8</b>	13.5	

\*) Capital notes included in equity

\*\*) In 2003, diluted earnings per share was higher than earnings per share, not disclosed

\*\*\*) Proposal of the Board of Directors

## Outlook for 2005

The economy in Europe will continue to grow in 2005. Research institutions estimate that GDP will grow in the Netherlands by roughly 1%, in Belgium by 2.5%, and in Finland by some 3%. The growth in Hungary is estimated to be slightly less than 4% and in the Czech Republic over 4%. Media advertising traditionally grows more than GDP.

SanomaWSOY's net sales are expected to grow by some 4% in 2005. SanomaWSOY will start reporting according to IFRS standards in 2005, and the change will improve the Group's operating profit and

earnings per share considerably. The comparable operating profit excluding non-recurring gains on the sales of assets is expected to be at the previous year's level. In 2004, operating profit included some EUR 25 million of the non-recurring gains on the sales of assets. The estimate does not include the impact of the acquisition of Independent Media.

## **Targets and key events**

In 2004, SanomaWSOY Group consistently and successfully implemented its strategic objectives in its operations: profitability, internationalisation, growth and development. Divisions invested considerably in business development, launching new products and services as well as strengthening their market positions.

Internationalisation of educational publishing progressed significantly in July as WSOY acquired Malmberg Investments, an educational publisher operating in the Netherlands and Belgium. International expansion of press distribution also continued. In July, Rautakirja acquired the majority holding in Hiparion Distribution, a Romanian press distributor, and in December, in Impress Teva, operating in Lithuania.

Magazine business was extended markedly. In December, Sanoma Magazines announced the introduction of operations in Serbia and Montenegro. After the review period, in January 2005, the Division announced its entry into an agreement to acquire Independent Media Holding operating in Russia and Ukraine. The necessary approvals from the competitive authorities have been received and the deal is estimated to be closed at the beginning of March 2005. Through Independent Media, Sanoma Magazines will become the leading magazine publisher in Russia, and gain a foothold in Ukraine. Russia and its environs offer excellent opportunities for growth.

Sanoma grew intensely and established a new business unit, Sanoma Kaupunkilehdet, for free sheets. SWelcom increased its net sales and improved profitability significantly.

The Group continued to focus on the core businesses. Måndag and Milvus Förlags were sold in April, a minority share in Savon Mediat was sold in July, and a minority share in Ilkka-Yhtymä was sold in November. Rautakirja divested its restaurant operations in December.

The Group's strong cash flow will facilitate growth and international expansion in the future.

## **Operating environment**

In 2004, the economies of SanomaWSOY's main operating countries developed unevenly: Research institutions estimate that GDP grew in Finland by slightly over 3%. In the Netherlands the economy recovered somewhat and GDP increased by slightly over 1%. In Belgium GDP grew by nearly 3%, and in Hungary and the Czech Republic by almost 4%. Private consumption in Finland increased by over 3% and in Belgium by more than 2%. In the Netherlands, private consumption remained at the previous year's level. According to the estimates of research institutions, private consumption grew by almost 4% both in Hungary and in the Czech Republic.

Media advertising in Finland increased in 2004 by more than 6% according to TNS Gallup Adex. Newspaper advertising grew by nearly 6% and job advertising by 12%. Advertising in magazines increased by 4% and on television by nearly 10%. According to advance information from ZenithOptimedia, magazine advertising decreased in the Netherlands, but grew in Belgium, Hungary and the Czech Republic.

According to advance information from the Finnish Book Publishers' Association, book sales increased in 2004 to a record high. Publishers' sales to bookstores and to other retail outlets grew by slightly over 9%. Book clubs' sales increased by over 5% and the sales of multi-volume books by 5%. Sales of educational materials increased in Finland by 3%. It is estimated that the educational material market grew slightly also in the Netherlands and Belgium.

The Finnish Food Marketing Association reported an increase of 0.3% in retail trade in Finland.

## **Net sales**

SanomaWSOY's net sales grew by 4.1% in 2004, and amounted to EUR 2,493.0 (2,395.9) million. Net sales grew in all Divisions. Growth was most significant in WSOY, due to the consolidation of the educational publisher Malmberg Investments as of 15 July 2004. After adjustment for changes in Group structure, net sales grew by 2.3%. Advertising sales represented 20% (20%) of the Group's total net sales. 44.7% (43.1%) of net sales came from outside Finland.

## Result

SanomaWSOY's result development was excellent during the financial year. Operating profit increased by 16.7% and reached EUR 239.5 (205.2) million. Operating profit was 9.6% (8.6%) of net sales and increased in all Divisions. The growth was boosted by successful acquisitions, cost -saving measures and one-time items especially affecting 2004, and positive development in advertising sales, particularly in Finland, among others. The most substantial non-recurring gains on the sales of assets totalled EUR 25.8 (43.4) million. Operating profit excluding these gains grew by 32.0 %.

EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 9.5% to EUR 370.5 (338.4) million. Result before extraordinary items improved by 30.1% to EUR 212.2 (163.1) million and earnings per share rose to EUR 0.87 (0.69).

The Group's net financial costs amounted to EUR 27.2 (42.1) million. Financial income totalled EUR 23.8 (21.5) million, and was mainly composed of dividends, EUR 8.0 million, and of gains on divesting the share portfolio, EUR 7.1 million. Financial expenses, EUR 51.0 (63.6) million, mainly consisted of interest expenses on interest -bearing liabilities, EUR 32.7 (42.9) million, and of write-downs of loan receivables and real estate shares, EUR 9.5 (2.9) million. The Group's cash flow from operations was EUR 255.3 (248.1) million and cash flow per share EUR 1.67 (1.65).

## Balance sheet and financial position

The consolidated balance sheet totalled EUR 2,528.8 (2,453.0) million. The Group's financial position remained strong. The equity ratio was 39.0% (40.3%) and, including capital notes, 45.6% (47.6%). The Group's gearing was 85.4% (72.9%) and, including capital notes, 58.6% (46.4%). Shareholders' equity, excluding capital notes, amounted to EUR 916.9 (931.2) million. Interest -bearing liabilities, including capital notes, totalled EUR 885.9 (819.4) million. Net debt amounted to EUR 800.1 (690.6) million.

The Group's share portfolio was divested in the first quarter of 2004. Securities and cash amounted to EUR 85.8 (128.8) million at the end of December.

SanomaWSOY refinanced its loan portfolio in September. The refinancing will lower the Group's interest expenses substantially.

## **Investments**

SanomaWSOY's investments in 2004 totalled EUR 274.7 (94.8) million and were mainly related to acquisitions. The enterprise value of Malmberg Investments was EUR 221.9 million, of which EUR 188.6 million was recorded as investment. R&D expenditure recorded as expenses amounted to EUR 16.9 (8.8) million.

## **Administration**

SanomaWSOY's Annual General Meeting of 30 March 2004 elected Sirkka Hämäläinen, D.Sc. (Econ.), as a new member of the Board, and Seppo Kievari and Hannu Syrjänen were re-elected. In addition, the Board of Directors comprises Jaakko Rauramo, Chairman of the Board, Paavo Hohti, Vice Chairman, and Sari Baldauf, Robert Castrén, Jane Erkkö, Robin Langenskiöld, and Sakari Tamminen as members. Kyösti Järvinen resigned from the Board by his own request.

During the full year 2004, the Management Group comprised Hannu Syrjänen as chairman and Eija Ailasmaa, Nils Ittonen, Erkki Järvinen, Jorma Kaimio, Tapio Kallioja, and Kerstin Rinne as members. Mikael Pentikäinen, President of Sanoma Corporation, and Matti Salmi, Senior Vice President, Finance and Administration, of SanomaWSOY, started in their new positions and became members of the SanomaWSOY Management Group on 1 April 2004. Seppo Kievari, President of Sanoma Corporation, and Aarno Heinonen, Senior Vice President, Administration and Finance, of SanomaWSOY, retired during spring 2004 and were Management Group members until 31 March 2004.

The Company's auditors were PricewaterhouseCoopers Oy, with Johanna Perälä, Authorised Public Accountant, as the auditor in charge, and Pekka Nikula, Authorised Public Accountant.

## **Personnel**

The average number of persons under employment contract totalled 16,207 (17,330) in 2004. Regarding full-time employees, the average number of personnel in the Group totalled 13,652 (14,207). Sanoma Magazines employed an average of 4,522 (4,421) people, Sanoma 2,746 (4,027), WSOY 2,188 (1,933), SWelcom 415 (416), and Rautakirja 6,261 (6,458). The Group's parent company employed an average of 74 (75) people. Sanoma's average number of employees decreased when Leijonajakelu's personnel was transferred to Finland Post as of September 2003.

## **Authorisations of the Board**

The AGM of 30 March 2004 authorised the Board to decide, within one year of the AGM, on an increase of share capital by one or more rights issues, issuance of one or more convertible bonds loans and/or issuance of option rights. The new shares subscribed under the rights issue and/or converted against the convertible bonds, and/or the new shares subscribed under the option rights, shall be of Series B, and their aggregate number may not exceed 30,622,430 shares. The total increase of share capital may not exceed EUR 13,167,644.90.

The AGM also authorised the Board to decide, within one year of the AGM, to acquire the company's own Series A and B shares. The acquisition will be made by using distributable funds. The aggregate book counter-value of the shares or the total votes conferred by such shares after the acquisition may not exceed 5% of the share capital or of the total votes of the company. The shares will be acquired in the existing proportion of the different share classes.

On 8 November 2004, the Board of Directors decided to issue the Stock Option Scheme 2004. The Board did not exercise any other authorisations in 2004.

## **Share pricing and trading**

Tiikerijakelu Oy, a fully owned subsidiary of SanomaWSOY, was merged with the parent company on 31 July 2004 in line with the decision of the Annual General Meeting of 30 March 2004. Following the merger, SanomaWSOY Series B shares owned by Tiikerijakelu, in total 7,187,276 shares, representing 4.48% of the shares and 1.19% of the votes, were invalidated. At the end of the financial year, SanomaWSOY did not have any of its own shares. The total number of shares on the market at the year-end was 153,112,152, of which 23,199,492 were of Series A shares and 129,912,660 Series B shares.

SanomaWSOY was not informed of any statutory notices of changes in its ownership in 2004. No significant changes in the share ownership took place in 2004, apart from the invalidation of Tiikerijakelu's shares. At the end of 2004, foreign shareholders had 4.23% of all shares and 1.87% of all votes.

In 2004, trading in SanomaWSOY shares grew considerably. A total of 309,491 (195,335) Series A and 29,558,799 (17,252,697) Series B shares were traded during the year. Trading in Series A shares amounted to 1.33% (0.84%) of the average number of shares during the year and trading in Series B shares to 22.76% (13.53%). The average price of Series A shares was EUR 16.09 with a low of EUR 14.01 and a high of

EUR 17.90. Series B shares were traded at an average price of EUR 15.72 and the price varied between EUR 13.70 and EUR 17.77.

SanomaWSOY's market capitalisation at 31 December 2004 was EUR 2,632.2 (2,554.9) million. At the end of the year, Series A shares were quoted at EUR 17.20 (16.89) and Series B shares at EUR 17.19 (16.65).

None of the convertible capital notes issued in 2001, the conversion period of which began on 2 January 2002, had been converted into shares by the year-end. The conversion price is EUR 15.91. By the end of 2004, SanomaWSOY had redeemed 4,944 notes. These notes would have conferred entitlement to 3,107,479 Series B shares. Of the redeemed notes, a total of 3,815 notes have already been invalidated and the remainder will be invalidated in February 2005. The dilution effect of the loan at the end of the year, excluding the redeemed notes, was a maximum of 9,463,230 Series B shares, equivalent to 5.82% of the shares after the conversion and 1.57% of the votes. The amount of the loan totalled EUR 150.6 million at the end of the financial year.

## **Stock options**

SanomaWSOY has two option schemes: Warrant Scheme 2001 issued on the basis of an authorisation received at the EGM of 21 August 2001 and Stock Option Scheme 2004 issued on the basis of an authorisation received at the AGM on 30 March 2004.

Warrant Scheme 2001's stock options have been distributed in three stages, at the turn of 2001/2002 (identified as 2001A stock options), 2002/2003 (2001B stock options), and 2003/2004 (2001C stock options). The non-distributed and returned 2001A and 2001B stock options, a total of 1,262,300 stock options, were invalidated in February 2004. The undistributed 2001C stock options have been given to SanomaWSOY's fully owned subsidiary, Lastannet Oy, to be used according to a future decision of the Board of Directors of SanomaWSOY.

SanomaWSOY's management held 615,000 2001A stock options, 1,082,500 2001B stock options and 1,151,500 2001C stock options at the end of 2004. All SanomaWSOY's Divisions, in total 192 persons, were included in the scheme.

The subscription period of Warrant Scheme 2001 will begin three years from the issue date and will continue for three years from that point. The subscription period of 2001A stock options is from 1 November 2004 to 30 November 2007, that of 2001B stock options is from 1 November 2005 to 30 November 2008, and that of 2001C is from 1 November 2006 to 30 November 2009. The subscription



price in all three stages will be the average price of SanomaWSOY Series B shares as quoted in November - December 2001, 2002 or 2003 with an addition of 20%. Each year the dividend is reduced from the subscription price.

Trading in the 2001A stock options began on the Main List of the Helsinki Exchanges on 1 November 2004. The price of 2001A stock options at the end of the year was EUR 10.83. The imputed share price of 2001B stock options was EUR 10.10 and that of 2001C EUR 18.61.

Stock Option Scheme 2004 comprises a maximum of 4,500,000 warrants, each entitling the holder to one SanomaWSOY Corporation Series B share. The stock options will be distributed in three stages, at the turn of 2004/2005 (identified as 2004A stock options), 2005/2006 (2004B stock options), and 2006/2007 (2004C stock options), and in each stock option category a maximum of 1,500,000 warrants can be issued. In total, 1,158,100 2004A stock options were distributed to 205 senior managers. The undistributed 2004A stock options were given to Lastannet Oy. The Board of Directors of SanomaWSOY will decide on their distribution later.

The subscription period of Stock Option Scheme 2004 will begin three years from the distribution of stock options and will continue for three years from that point. The subscription period for 2004A stock options is from 1 November 2007 to 30 November 2010, for 2004B stock options from 1 November 2008 to 30 November 2011 and for 2004C stock options from 1 November 2009 to 30 November 2012. The subscription price in all three stages will be the average price of SanomaWSOY Series B shares as quoted in November - December 2004, 2005 or 2006 with an addition of 20%. Each year the dividend is reduced from the subscription price. At the end of 2004, the imputed share price of 2004A stock options was EUR 19.92.

## **Dividend**

In line with the decision of the AGM, SanomaWSOY distributed a dividend of EUR 1.00 (0.40) per share for 2003. The record date for dividend payment was 2 April 2004 and the dividend was paid on 13 April 2004. The Board of Directors' proposes a dividend of EUR 0.80 (1.00) per share for 2004. SanomaWSOY's Board of Directors' has renewed the Group's dividend policy. SanomaWSOY pursues an active dividend policy, based on the principle of normally distributing half of the Group's result after taxes in the form of a dividend.

## **IFRS reporting**

SanomaWSOY will start reporting according to IFRS standards in 2005. The new accounting principles will have an impact on the Group's net sales. The most important changes relating to net sales took place at the beginning of 2004 in accordance with Finnish Accounting Standards. The most significant modifications in net sales were related to press distribution, which is treated as commission sales according to the new accounting principles, and to harmonising the accounting practice regarding granted discounts and purchased services.

The comparable figures for 2003 have been adjusted according to the changes in accounting principles. According to the adjustments, SanomaWSOY's net sales decreased as a result of the changes by some EUR 38 million in 2003. Sanoma Magazines' net sales increased by approximately EUR 36 million. The changes relating to the new accounting principles within the Division were significant: net sales from magazine operations increased by some EUR 106 million whereas net sales from magazine distribution decreased by approximately EUR 115 million. Sanoma's net sales decreased by about EUR 18 million due to the changes, and Rautakirja's net sales by some EUR 116 million. The changes did not affect the net sales of WSOY and SWelcom.

According to the new and amended standards issued in March 2004, goodwill and intangible assets with indefinite useful lives are no longer amortised according to plan but tested for impairment. This change has the most significant impact on SanomaWSOY's result. Amortisation of goodwill and consolidated goodwill amounted to EUR 79.8 (81.4) million in 2004.

Reporting according to the IFRS standards will have an impact on the treatment of pension costs and management stock options schemes, among others. According to the current estimate, no major expense increase is expected at the Group level.

At the end of 2004, SanomaWSOY evaluated whether there is any indication of impairment related to the most important goodwill items. The evaluations did not indicate any need for write-downs. The goodwill related to the acquisition of the magazine operations in 2001 has already earlier been evaluated in accordance with the accounting standards used in the Netherlands. The Dutch standards of impairment testing are mainly in line with the general IFRS principles.

According to a preliminary, unaudited estimate, IFRS reporting will improve the Group's operating profit margin by some 2.5 percentage points. SanomaWSOY will publish its comparative IFRS data for 2004 during the week beginning 25 April 2005.

## Sanoma Magazines

Magazine publishing and distribution

<b>KEY INDICATORS, EUR million</b>	<b>31.12.2004</b>	31.12.2003	Change,%
Net sales	<b>1,083.7</b>	1,064.8	1.8
Operating profit before amortisation	<b>162.0</b>	159.1	1.8
% of net sales	<b>14.9</b>	14.9	
Operating profit	<b>86.9</b>	78.8	10.2
% of net sales	<b>8.0</b>	7.4	
Operating profit excl. associated companies	<b>80.4</b>	67.2	19.7
% of net sales	<b>7.4</b>	6.3	
Balance sheet total	<b>1,515.2</b>	1,504.7	0.7
Gross investments	<b>19.8</b>	18.4	7.7
Return on investment, % (ROI)	<b>8.4</b>	6.9	
Personnel under employment contract, average	<b>4,522</b>	4,421	2.3
Personnel, average (full-time equivalents)	<b>3,992</b>	3,879	2.9

<b>OPERATIONAL INDICATORS</b>	<b>2004</b>	2003
<b>1.1 - 31.12.</b>		
Number of copies sold (press distribution / Aldipress), thousands	<b>121,822</b>	115,124
Number of magazines published	<b>243</b>	232
Magazine copies sold, thousands	<b>410,007</b>	411,421
Number of advertising pages sold	<b>46,042</b>	47,122

Sanoma Magazines' net sales in 2004 totalled EUR 1,083.7 (1,064.8) million. Circulation sales, representing 57% (57%) of the Division's net sales, developed well in most of the countries and increased in total by slightly over 2%. Advertising sales were some 21% (22%) of Sanoma Magazines' net sales. Advertising sales decreased by slightly more than 2% compared to 2003.

Sanoma Magazines' operating profit increased to EUR 86.9 (78.8) million despite considerable investments in magazine and online launches. The result improved due to lower operational costs, resulting from cost-cutting programmes started in 2003, as well as lower amortisation. The most substantial gains on the sales of assets totalled EUR 2.4 (0.0) million. In total, Sanoma Magazines made 17 major launches. The Division's EBITA was EUR 162.0 (159.1) million.

Investments totalled EUR 19.8 (18.4) million and were mostly related to acquisitions and ICT.

The Dutch-based Sanoma Uitgevers' net sales amounted to EUR 528.8 (540.6) million. The business continued to be affected by a difficult market situation with high pressure on advertising income. Advertising sales declined by 14% and totalled 18% (20%) of the net sales. In the Netherlands, the magazine advertising's share of total advertising decreased. Sanoma Uitgevers' advertising sales also

suffered from heavy discounts in media overall. Circulation sales increased by almost 1% in a highly competitive market. Sanoma Uitgevers' EBITA amounted to EUR 106.4 (105.1) million despite significant investments in magazine launches. The improved result is due to lower print and personnel costs as well as other cost savings.

The net sales of Sanoma Magazines Belgium increased to EUR 186.0 (182.1) million. Advertising sales increased by almost 7% due to the market recovery and represented 28% (27%) of Sanoma Magazines Belgium's net sales. Circulation sales were stable: The most important titles in the Flemish-speaking north performed better than the market average whereas the performance in the French-speaking south was below market average. EBITA in Sanoma Magazines Belgium amounted to EUR 18.4 (17.7) million. Favourable advertising development and lower costs contributed to the result.

Sanoma Magazines Finland's net sales grew to EUR 174.8 (167.9) million. A decrease due to divestments was offset by new launches and well performing established titles. In advertising sales, representing 16% (17%) of net sales, market position was held. Circulation sales increased by 6%. Both subscription and single copy sales increased due to several well performing titles. EBITA totalled EUR 27.0 (25.4) million and included the EUR 2.4 million gain on the sale of Milvus Förlags in April.

Net sales at Sanoma Magazines International increased to EUR 138.3 (127.2) million. Most countries contributed to the improvement. Net sales increased in Hungary, where advertising sales grew and circulation sales were up due to successful main titles. Net sales in the Czech Republic were stable despite the fierce competition in both the advertising and single copy market. The business-to-business magazines were divested in December. In Romania, advertising sales increased, partly due to a new launch. Circulation sales, especially single copy sales, grew in Croatia. EBITA in Sanoma Magazines International decreased to EUR 9.1 (13.4) million. Investments in new launches and operations as well as increased price competition in the Czech market impacted the result. Sanoma Magazines International entered into Serbia and Montenegro, where operations will begin in Spring 2005.

Aldipress' net sales grew to EUR 115.7 (109.3) million. Sales grew mainly due to new customers while, in general, newsstand sales of magazines decreased due to the declining market situation in the Netherlands. Aldipress' EBITA increased to EUR 2.3 (-1.2) million, due to cost efficiency and restructuring of the processes.

After the end of financial year, Sanoma Magazines announced an agreement to acquire the Russian magazine publisher Independent Media. Through Independent Media, Sanoma Magazines will become the leading Russian magazine publisher and obtain a position in Ukraine also. The necessary approvals

from competition authorities have been received. The acquisition is subject to the finalising of license agreements with some licensors. The deal is estimated to be closed at the beginning of March 2005.

In 2005, Sanoma Magazines' net sales are estimated to grow. EBIT is estimated to grow significantly due to IFRS reporting. Comparable operating profit is expected to be slightly below that of 2004 due to continuing investments in future growth and expansion to new markets. In addition, it is uncertain whether the Dutch advertising market will pick up. This estimate does not include the effect of Independent Media.

## Sanoma

Newspaper publishing and printing

<b>KEY INDICATORS, EUR million</b>	<b>31.12.2004</b>	<b>31.12.2003</b>	<b>Change, %</b>
Net sales	<b>435.2</b>	425.5	2.3
Operating profit before amortisation	<b>78.0</b>	77.5	0.7
% of net sales	<b>17.9</b>	18.2	
Operating profit	<b>71.2</b>	69.4	2.7
% of net sales	<b>16.4</b>	16.3	
Operating profit excl. associated companies	<b>71.0</b>	67.3	5.5
% of net sales	<b>16.3</b>	15.8	
Balance sheet total	<b>462.4</b>	447.7	3.3
Gross investments	<b>24.9</b>	29.7	-16.1
Return on investment, % (ROI)	<b>24.5</b>	23.5	
Personnel under employment contract, average	<b>2,746</b>	4,027	-31.8
Personnel, average (full-time equivalents)	<b>2,389</b>	3,041	-21.4

<b>OPERATIONAL INDICATORS</b> <b>1.1 - 31.12.</b>	<b>2004</b>	<b>2003</b>
<b>HELSINGIN SANOMAT</b>		
Weekday circulation, copies *)	<b>424,598</b>	429,244
Sunday circulation, copies*)	<b>492,385</b>	500,269
Advertising volume (column metres)	<b>41,251</b>	42,359
<b>ILTA-SANOMAT</b>		
Circulation, copies	<b>201,212</b>	198,693
Advertising volume (column metres)	<b>6,797</b>	7,036
<b>TALOUSSANOMAT</b>		
Circulation, copies *)	<b>39,229</b>	34,784
Advertising volume (column metres)	<b>2,735</b>	2,393
<b>OTHER DAILY PAPERS</b>		
Total circulation, copies *)	<b>88,952</b>	88,715
Advertising volume (column metres)	<b>23,319</b>	21,967
<b>LOCAL NEWSPAPERS</b>		
Total circulation, copies	<b>32,781</b>	33,100
Advertising volume (column metres)	<b>9,055</b>	8,179
Paper consumption, tonnes	<b>98,896</b>	99,724

\*) Audited circulation figures

Sanoma's net sales increased to EUR 435.2 (425.5) million in 2004. Most growth was generated by the Helsingin Sanomat and Taloussanomat Business Units and the new Sanoma Kaupunkilehdet business unit for free sheets. The figures for 2003 include Leijonajakelu, which was sold in September 2003. After adjustment for changes in Group structure, net sales increased by 3.4%.

Advertising sales grew by almost 6% in 2004 and accounted for 49% (47%) of Sanoma's net sales. Newspaper advertising growth that started at the beginning of 2004 is still continuing, and Sanoma's advertising sales grew by over 10% in the last quarter compared to the same period in 2003. Advertising sales increased in all business units.

Circulation sales also grew by 2% and accounted for 43% (44%) of Sanoma's net sales. Helsingin Sanomat increased its circulation sales despite slightly decreased circulation. Ilta-Sanomat with its newly launched supplements increased its circulation slightly. Taloussanomat's circulation and circulation sales also grew. As for regional papers, circulation mainly remained at the previous year's level.

Sanoma's operating profit increased to EUR 71.2 (69.4) million, representing the best result ever, even though the most significant non-recurring gains on the sales of assets, EUR 11.3 (25.7) million, were less than in the previous year. In addition to increased advertising sales, operating profit was improved by good cost control. The release of provision for Nostokonepalvelu Oy, EUR 3.0 million, is included in the

result of the Helsingin Sanomat Business Unit. Sanoma's operating profit in 2003 included a EUR 1.0 million share of the result of Rautakirja from January - February. Sanoma's EBITA was EUR 78.0 (77.5) million.

Sanoma's total investments amounted to EUR 24.9 (29.7) million, most of which related to replacement and new investments in printing plants, ICT development, acquisition of real estate, and acquisition of the publishing rights for free sheets.

The Helsingin Sanomat Business Unit's net sales grew to EUR 250.8 (243.7) million, mainly due to increased advertising and circulation sales. Increased advertising sales, cost savings and the release of provision improved profitability considerably, and EBITA grew to EUR 41.0 (30.4) million. The result was negatively affected by non-recurring restructuring costs. Job advertising started to grow in the spring and increased in total by 12% during the year. Helsingin Sanomat's circulation decreased slightly but circulation sales grew by almost 3%, mainly due to new subscription alternatives and increased prices.

The IS Business Unit's net sales rose to EUR 95.2 (93.6) million and EBITA reached EUR 17.1 (17.5) million. The investments in new products increased net sales but slightly weakened the result. Ilta-Sanomat's advertising sales grew by 9%. Circulation and share in newsstand sales increased markedly. Ilta-Sanomat's market share in the tabloid market was 60.8% (61.6%). Free-ad papers posted significantly better results despite decreased net sales.

Net sales at Sanoma Lehtimedia (previously: Kymen Lehtimedia) increased to EUR 54.0 (52.7) million and EBITA to EUR 9.5 (8.1) million. Advertising sales developed well and increased by more than 7%. The circulation sales of daily newspapers grew slightly. Kouvola Sanomat increased circulation. The circulation of the other dailies remained at the previous year's level. Sanoma Lehtimedia's export to Russia was discontinued but the decrease in printing sales was partly compensated by the beginning of exports to the West.

In 2004, Sanoma focused on its core businesses and sold its minority share in Savon Mediat Oy and Ilkka-Yhtymä Oyj. A new business unit, Sanoma Kaupunkilehdet, was created for free sheet publishing, and four new free sheets were acquired by the end of the year. Through the reorganisation of Sanoma on 1 January 2005, the printing plants previously under Sanoma Lehtimedia were organised under the Sanomapaino Business Unit, and the Division's ICT operations were centralised in one business unit, Sanoma Data.

Growth in media advertising is expected to continue in 2005. Sanoma's advertising sales are expected to grow at least in line with this general trend. The Division's net sales are expected to grow. Comparable operating profit is estimated to be at least at the previous year's level.

## WSOY

Publishing, printing and calendar operations

<b>KEY INDICATORS, EUR million</b>	<b>31.12.2004</b>	31.12.2003	Change,%
Net sales	<b>253.9</b>	212.2	19.7
Operating profit before amortisation	<b>38.3</b>	28.0	36.8
% of net sales	<b>15.1</b>	13.2	
Operating profit	<b>29.2</b>	22.6	29.4
% of net sales	<b>11.5</b>	10.6	
Operating profit excl. associated companies	<b>29.2</b>	21.0	39.0
% of net sales	<b>11.5</b>	9.9	
Balance sheet total	<b>435.4</b>	203.8	113.7
Gross investments	<b>197.9</b>	8.7	
Return on investment, % (ROI)	<b>17.3</b>	17.8	
Personnel under employment contract, average	<b>2,188</b>	1,933	13.2
Personnel, average (full-time equivalents)	<b>2,025</b>	1,859	8.9

<b>OPERATIONAL INDICATORS</b>	<b>2004</b>	2003
<b>1.1 - 31.12.</b>		
<b>NUMBER OF NEW TITLES PUBLISHED</b>		
Books	<b>740</b>	714
Electronic products	<b>132</b>	105
<b>NUMBER OF REPRINTS PUBLISHED</b>		
Books	<b>957</b>	1,168
Electronic products	<b>209</b>	202
Books printed, millions	<b>20</b>	21
Paper consumption, tonnes	<b>16,482</b>	16,930

WSOY's net sales grew to EUR 253.9 (212.2) million in 2004. Net sales increased particularly due to the acquisition of Malmberg Investments, an educational publisher operating in the Netherlands and Belgium, in July 2004. In traditional publishing, general literature was very successful. Net sales of printing and calendar operations fell short of the previous year due to slow development in business-to-business sales. The figures for 2003 include Genimap, sold in December 2003, and Everscreen AB, sold in April 2004. Net sales after adjustment for changes in the Group structure were at the previous year's level.

WSOY's operating profit grew to EUR 29.2 (22.6) million. Operating profit was boosted by the success of general literature and Malmberg Investments, which posted better results than expected towards the



end of the year. A non-recurring lower pension fund support payment improved WSOY's result by some EUR 3 million. In 2003, the figure included EUR 1.4 million share of the result of Rautakirja from January - February and EUR 5.4 million of most significant non-recurring gains on the sales of assets. In 2004, WSOY had no non-recurring gains on the sales of assets. WSOY's EBITA was EUR 38.3 (28.0) million.

WSOY's investments totalled EUR 197.9 (8.7) million. The biggest investment was the acquisition of Malmberg.

Net sales in publishing grew as a result of the Malmberg acquisition, to EUR 178.7 (142.6) million. In traditional publishing, sales to bookstores grew by over 12%. The year was especially successful for general literature and translated fiction. Sales through book clubs fell slightly from the previous year but the result improved markedly. The operations of Weilin+Göös, publisher of multi-volume books, developed positively.

After the acquisition of Malmberg Investments, WSOY became the leading educational publisher not only in Finland but also in the Netherlands and Belgium. In Finland, educational material sales were slightly down but up in the Netherlands and Belgium. The number of users of the Opit eLearning environment grew to over 110,000. In 2004, WSOY increased its ownership in Young Digital Poland, producer of eLearning materials, which posted good results. From the beginning of 2005, educational publishing forms a new business unit.

Publishing's EBITA grew to EUR 26.9 (12.7) million. In addition to increased sales, the result was improved by the newly acquired businesses.

Net sales in printing totalled EUR 59.0 (60.2) million. The demand for Lönnberg's services was sluggish. The book printer WS Bookwell and the digital printer Dark were successful. Printing's EBITA grew to EUR 8.1 (7.4) million.

Net sales of calendar operations decreased to EUR 30.3 (32.1) million due to reduced business-to-business sales. In October, Ajasto acquired a minority share in the Estonian OÜ Büroodisain. The calendar unit's EBITA declined to EUR 0.7 (1.4) million. The result was weakened by the non-recurring expenses on closure of the production plant in Norway.

WSOY's net sales and operating profit for 2005 are expected to grow significantly, due to the international expansion of educational publishing, among others. The development is also expected to be positive in the other businesses.

## SWelcom

Electronic media

<b>KEY INDICATORS, EUR million</b>	<b>31.12.2004</b>	31.12.2003	Change,%
Net sales	<b>119.4</b>	104.9	13.9
Operating profit before amortisation	<b>39.3</b>	29.6	32.5
% of net sales	<b>32.9</b>	28.3	
Operating profit	<b>9.0</b>	1.2	650.8
% of net sales	<b>7.5</b>	1.1	
Operating profit excl. associated companies	<b>9.1</b>	1.0	785.0
% of net sales	<b>7.6</b>	1.0	
Balance sheet total	<b>130.6</b>	142.3	-8.2
Gross investments	<b>10.7</b>	8.9	19.9
Return on investment, % (ROI)	<b>8.7</b>	1.5	
Personnel under employment contract, average	<b>415</b>	416	-0.2
Personnel, average (full-time equivalents)	<b>378</b>	392	-3.4

<b>OPERATIONAL INDICATORS</b>	<b>2004</b>	2003
<b>1.1 - 31.12.</b>		
Nelonen's share of Finnish TV advertising	<b>29.8 %</b>	27.3 %
Nelonen's daily coverage	<b>41%</b>	41%
Nelonen's national commercial viewing share	<b>25.0 %</b>	22.0 %
Nelonen's national viewing share	<b>12.5 %</b>	11.4 %
Number of connected households, thousands (31.12.)	<b>280</b>	257
Number of pay-TV subscriptions, thousands (31.12.)	<b>32</b>	33
Number of broadband internet connections, thousands (31.12.)	<b>52</b>	43

SWelcom's net sales continued to grow strongly in 2004, reaching EUR 119.4 (104.9) million. Net sales of both Nelonen and HTV increased by almost 20%. Nelonen is Finland's third largest advertising medium, and advertising sales amounted to 57% (54%) of SWelcom's net sales.

SWelcom's operating profit increased markedly, reaching EUR 9.0 (1.2) million. Due to strong growth in sales, Nelonen posted a positive result for the first time in its history. HTV also improved its result considerably. SWelcom's EBITA was EUR 39.3 (29.6) million. SWelcom had no significant non-recurring gains on the sales of assets in 2004, and none in the previous year either.

SWelcom's investments were mainly related to the extension of HTV's cable network and to broadband operations, and amounted to EUR 10.7 (8.9) million.

Nelonen reached its main targets in 2004. The increase in Nelonen's net sales was substantial considering the field in general, and its share in TV advertising grew to 29.8% (27.3%). The strong

development in net sales increased Nelonen's EBITA to EUR 27.4 (20.2) million. Thanks to strong and successful investments in programmes, Nelonen attracted an increased number of viewers even though TV watching decreased in general in 2004. Growth was particularly good among viewers aged 25 - 44, which is the key target group.

HTV continued to be successful. In 2004, a record number of new households, over 23,000, were connected to the cable network. Currently more than 280,000 households are connected. Subscriptions for pay-TV in the HTV network grew slightly due to the rapidly growing number of digiboxes and successful channel and service packages. HTV was also successful in a broadband connections market despite the strong competition: almost 9,000 new Welho customers were connected in 2004.

In April, SWelcom sold Måndag Oy, a company offering video copying and DVD mastering services. In line with its strategy, SWelcom focused on providing services for the Helsinki area and sold its minority share in Päijät-Visio Oy and Kotkan Tietoruutu Oy, and denounced some of the remaining pay-TV cooperation agreements.

In 2005, SWelcom's net sales are expected to grow further, due to growing TV advertising, Nelonen's increased market share and sales of HTV's connection and broadband services. Growth is also expected from new technologies and businesses. Operating profit is estimated to remain at the previous year's level despite strong investments in increasing the market share and in new businesses.

## Rautakirja

Kiosk operations, press distribution, bookstores and movie theatres

<b>KEY INDICATORS, EUR million</b>	<b>31.12.2004</b>	31.12.2003	Change,%
Net sales	<b>659.7</b>	653.8	0.9
Operating profit before amortisation	<b>50.6</b>	45.7	10.9
% of net sales	<b>7.7</b>	7.0	
Operating profit	<b>41.5</b>	35.5	16.7
% of net sales	<b>6.3</b>	5.4	
Operating profit excl. associated companies	<b>42.8</b>	41.3	3.8
% of net sales	<b>6.5</b>	6.3	
Balance sheet total	<b>353.9</b>	348.6	1.5
Gross investments	<b>18.0</b>	28.7	-37.5
Return on investment, % (ROI)	<b>17.4</b>	18.1	
Personnel under employment contract, average	<b>6,261</b>	6,458	-3.0
Personnel, average (full-time equivalents)	<b>4,795</b>	4,962	-3.4

<b>OPERATIONAL INDICATORS</b>	<b>2004</b>	2003
<b>1.1 - 31.12. *)</b>		
Customer volume in kiosk operations, thousands	<b>115,919</b>	119,380
Customer volume in bookstore operations, thousands	<b>6,239</b>	6,316
Customer volume in movie theatres, thousands	<b>3,499</b>	3,599
Number of copies sold (press distribution), thousands	<b>131,148</b>	127,562

\*) Units in Finland

Rautakirja's net sales grew to EUR 659.7 (653.8) million. Growth was generated by bookstores and movie theatre operations. Finland accounted for 89% (91%) of the net sales. After adjustment for changes in Group structure, the Division's net sales were at the previous year's level.

Rautakirja's operating profit amounted to EUR 41.5 (35.5) million. The result improved in press distribution, kiosk operations, and movie theatres. The Division's EBITA was EUR 50.6 (45.7) million. Operating profit was improved especially by the positive development of the associated companies. The accounting practice for rights relating to the distribution of visual recordings was revised at the beginning of 2004, and the comparable figures for 2003 have been adjusted accordingly. The change increased Rautakirja's EBITA for 2003 by EUR 4.3 million. The change has no impact on the operating profit. Rautakirja's most significant non-recurring gains on the sales of assets amounted to EUR 1.0 (0.0) million. The divestment of restaurant operations in December 2004 will improve Rautakirja's operating profit by roughly EUR 4 million, and the main impact will be on the figures for 2005. The units were transferred to the new owner by the end of January 2005.

Rautakirja's investments totalled EUR 18.0 (28.7) million. The biggest individual investments were the acquisition of a video wholesaler in the Baltic region, and the expansion of press distribution to Romania. Strong investments were also made in ICT development.

Kiosk operations generated net sales of EUR 347.3 (352.8) million. Net sales declined in Finland due to increased competition. Decreased beer taxation and teleoperators' competition for market shares influenced negatively the sales in the product groups important for kiosk operations, sales of beer and telephone cards. Net sales grew in Estonia and Latvia, and growth was strongest in the Czech Republic. In Finland, an investment was made in ICT, which was the biggest investment in the history of kiosk operations. The system enables the sales of new product areas in kiosks, and efficient logistics. EBITA in kiosk operations was EUR 22.3 (20.1) million. Due to successful cost control, the result in Finland was at the previous year's level. The result improved in the other countries.

Net sales from press distribution reached EUR 79.5 (87.6) million. Net sales grew in Finland and Estonia. In Latvia, net sales decreased as the unit outsourced the logistics for own kiosk chains and its net sales thus decreased. Press distribution expanded markedly in 2004 with the acquisition of majority shares in the press distributors Hiparion Distribution S.A., Romania, and UAB Impress Teva, Lithuania. Press had a good year in Finland: newsstand sales grew by 2.7%. The development was positive in both newspapers and magazines. The volume of newsstand sales in Finland was more than 131.1 million, about a quarter of which were magazines, and the rest were newspapers. Press distribution's EBITA was EUR 12.6 (11.9) million. The result improved considerably in Estonia but declined in Latvia. The result of the Finnish operations remained at the previous year's level.

Net sales from bookstores operating in Finland and Estonia grew to EUR 129.7 (121.8) million. Net sales grew in both countries. In 2004, five new outlets were opened in Finland. Sales of fiction were particularly favourable. Bookstores' EBITA was EUR 9.9 (8.9) million. Result was increased by the improved result in the associated company Kirjavälitys and the favourable development in Estonia.

Movie theatres' net sales grew to EUR 56.8 (52.8) million. Net sales decreased in Finland but increased in all Baltic countries. New distribution agreements in the Baltic region and the opening of new movie theatres in Latvia at the end of 2003 increased net sales. At the beginning of 2004, Finnkino acquired 75% of AS V&K Holding, a Baltic video wholesaler. In Finland, the total number of movie theatre visits declined slightly compared to the previous year despite record numbers in the summer. Movie theatres' EBITA was EUR 8.5 (7.8) million. The result declined in Finland but improved in Estonia, Latvia and Lithuania.

Net sales from restaurant operations declined to EUR 57.8 (62.6) million because of the decrease in the number of highway service areas and declined outlet sales. In December, Rautakirja sold its highway service area operations to Neste Marketing and moved the eight units of the Pizza Hut chain to the

kiosk organisation as of the beginning of 2005. Restaurant operations' EBITA grew to EUR 0.6 (-0.2) million. The result was improved by the gains on sales of assets from the units transferred to Neste already in 2004.

Competition will continue to be challenging in retail but Rautakirja's investments in ICT development and personnel training will secure success also in 2005. Comparable net sales are expected to grow, particularly outside Finland, and operating profit is expected to improve.

Helsinki, 10 February 2005

Board of Directors  
SanomaWSOY Corporation

<b>GROUP INCOME STATEMENT</b> EUR million	<b>1.1-31.12.</b> <b>2004</b>	<b>1.1-31.12.</b> <b>2003</b>	<b>Change,%</b>
<b>NET SALES</b>	<b>2,493.0</b>	2,395.9	4.1
Increase (+) / decrease (-) in inventories of finished goods and work in progress	2.2	1.5	48.9
Production for own use	2.7	1.2	129.4
Other operating income	68.2	83.2	-18.0
Share of result of associated companies	5.2	6.1	-14.9
Materials and services	1,133.1	1,058.4	7.1
Personnel expenses	544.1	562.9	-3.3
Depreciation and decrease in value	201.2	209.5	-4.0
Other operating expenses	453.4	451.8	0.3
<b>OPERATING PROFIT</b>	<b>239.5</b>	205.2	16.7
Financial income and expenses	-27.2	-42.1	-35.4
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>	<b>212.2</b>	163.1	30.1
Extraordinary items	1.4		
<b>PROFIT AFTER EXTRAORDINARY ITEMS</b>	<b>213.7</b>	163.1	31.0
Direct taxes	-75.7	-55.6	36.1
Minority interests	-3.9	-3.0	29.7
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>134.1</b>	104.5	28.4

The accounting practice of net sales has been modified and comparative data has been adjusted as explained in the chapter IFRS reporting.

The classification of materials and services as well as operating expenses has been harmonised, in particular regarding press distribution. Comparative data has been adjusted accordingly. The reclassifications have no impact on operating profit.

<b>GROUP BALANCE SHEET</b>	<b>31.12.2004</b>	<b>31.12.2003</b>	<b>Change,%</b>
<b>EUR million</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	161.8	173.1	-6.5
Consolidated goodwill	1,187.0	1,066.6	11.3
Tangible assets	446.8	453.9	-1.6
Investments	144.1	177.5	-18.8
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>1,939.8</b>	<b>1,871.1</b>	<b>3.7</b>
<b>CURRENT ASSETS</b>			
Inventories	137.3	95.0	44.6
Long-term receivables	56.0	66.0	-15.1
Short-term receivables	310.0	292.2	6.1
Securities	25.3	60.6	-58.3
Cash and bank	60.5	68.2	-11.3
<b>CURRENT ASSETS, TOTAL</b>	<b>589.1</b>	<b>581.9</b>	<b>1.2</b>
<b>ASSETS, TOTAL</b>	<b>2,528.8</b>	<b>2,453.0</b>	<b>3.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	65.8	68.9	-4.5
Premium fund	34.9	31.8	9.7
Other funds	369.4	369.4	
Retained earnings	312.6	356.7	-12.3
Result for the period	134.1	104.5	28.4
Capital notes	158.3	171.6	-7.7
<b>SHAREHOLDERS' EQUITY, TOTAL</b>	<b>1,075.2</b>	<b>1,102.9</b>	<b>-2.5</b>
<b>MINORITY INTEREST</b>	<b>20.2</b>	<b>16.3</b>	<b>23.7</b>
<b>STATUTORY PROVISIONS</b>	<b>38.1</b>	<b>34.1</b>	<b>11.6</b>
<b>LIABILITIES</b>			
Deferred tax liability	40.5	36.4	11.2
Long-term liabilities	224.0	365.3	-38.7
Current liabilities	1,130.9	898.0	25.9
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>2,528.8</b>	<b>2,453.0</b>	<b>3.1</b>



<b>GROUP CASH FLOW STATEMENT</b> <b>EUR million</b>	<b>1.1-31.12.</b> <b>2004</b>	<b>1.1-31.12.</b> <b>2003</b>	<b>Change,%</b>
Operating profit	239.5	205.2	16.7
Adjustments to operating profit	129.2	129.5	-0.2
Change in working capital	-4.8	-1.4	239.0
Cash flow from operations before financial items and taxes	363.9	333.3	9.2
Financial items and taxes	-108.6	-85.2	27.5
Cash flow from operations	255.3	248.1	2.9
Cash flow from investments	-75.0	19.7	
Cash flow before financing	180.3	267.8	-32.7
Cash flow from financing	-231.0	-253.4	-8.8
<b>CHANGE TO LIQUIDITIES ACCORDING TO THE CASH FLOW STATEMENT</b>	<b>-50.7</b>	<b>14.4</b>	
Exchange rate differences under liquidities	7.7	-8.1	
Net increase (+)/decrease (-) in liquidities	-43.0	6.4	
Liquidities according to the balance sheet at 1 Jan.	128.8	122.4	5.2
Liquidities according to the balance sheet at 31 Dec.	85.8	128.8	-33.4

<b>CONTINGENCIES AND PLEDGED ASSETS</b> <b>EUR million</b>	<b>31.12.2004</b>	<b>31.12.2003</b>	<b>Change,%</b>
<b>DEBTS WITH COLLATERAL CONSISTING OF REAL ESTATE AND SHARES</b>			
Pension loans		16.9	
Loans from financial institutions	0.4	1.9	-79.4
Other debts	7.3	8.0	-9.6
Mortgages, real estate, total	2.5	9.2	-73.1
Mortgages, movable property, total	2.7	18.3	-85.3
Pledged securities, total	5.6	5.6	
<b>OTHER CONTINGENCIES FOR OWN COMMITMENTS</b>			
Mortgaged bearer bonds			
Corporate mortgages	2.5	2.8	-9.2
Book value of pledged securities	0.9	2.2	-58.4
Deposits	8.7	4.0	120.3
<b>TOTAL</b>	<b>12.2</b>	<b>8.9</b>	<b>36.3</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES</b>			
Guarantees	15.4	15.7	-1.9
<b>TOTAL</b>	<b>15.4</b>	<b>15.7</b>	<b>-1.9</b>

**CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES**

Guarantees	18.1	18.2	-0.5
<b>TOTAL</b>	<b>18.1</b>	<b>18.2</b>	<b>-0.5</b>

**OTHER CONTINGENCIES**
**LEASING LIABILITIES FOR PREMISES**

Leasing liabilities for 2005	40.0	40.6	-1.3
Leasing liabilities beyond 2005	186.3	191.0	-2.5
<b>TOTAL</b>	<b>226.3</b>	<b>231.6</b>	<b>-2.3</b>

**OTHER LEASING LIABILITIES**

Other leasing liabilities for 2005	13.6	8.8	54.7
Other leasing liabilities beyond 2005	35.8	28.0	28.2
<b>TOTAL</b>	<b>49.5</b>	<b>36.8</b>	<b>34.5</b>

**INTEREST ON CAPITAL NOTES**

	5.0	4.1	20.3
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**OTHER LIABILITIES**

	74.0	73.2	1.1
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<b>OTHER CONTINGENCIES, TOTAL</b>	<b>354.7</b>	<b>345.7</b>	<b>2.6</b>
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<b>ALL LIABILITIES, TOTAL</b>	<b>411.2</b>	<b>421.6</b>	<b>-2.5</b>
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**NOMINAL VALUE OF OPEN DERIVATIVE CONTRACTS**

<b>EUR million</b>	<b>31.12.2004</b>	<b>31.12.2003</b>	<b>Change,%</b>
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**INTEREST RATE DERIVATIVES**

Options			
Purchased	100.0	340.0	-70.6
Written	54.8	254.8	-78.5
Interest rate swaps	20.0	210.0	-90.5
<b>TOTAL</b>	<b>174.8</b>	<b>804.8</b>	<b>-78.3</b>

**CURRENCY DERIVATIVES**

Forward contracts	13.5	18.1	-25.3
Options			
Purchased	33.0		
Written	33.0		
<b>TOTAL</b>	<b>79.6</b>	<b>18.1</b>	<b>340.3</b>

**SHARE DERIVATIVES**

Options			
Purchased		15.2	
Written		16.6	
<b>TOTAL</b>		<b>31.7</b>	

<b>TOTAL</b>	<b>254.3</b>	<b>854.6</b>	<b>-70.2</b>
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**MARKET VALUE OF OPEN DERIVATIVE CONTRACTS**

EUR million	31.12.2004	31.12.2003	Change,%
<b>INTEREST RATE DERIVATIVES</b>			
Options			
Purchased	0.1	0.6	-83.6
Written	-0.6	-4.3	-85.4
Interest rate swaps	-0.1	0.0	
<b>TOTAL</b>	<b>-0.6</b>	<b>-3.7</b>	<b>-83.2</b>
<b>CURRENCY DERIVATIVES</b>			
Forward contracts	0.1	0.2	-73.4
Options			
Purchased	0.0		
Written	-1.0		
<b>TOTAL</b>	<b>-0.9</b>	<b>0.2</b>	
<b>SHARE DERIVATIVES</b>			
Options			
Purchased			
Written		-0.8	
<b>TOTAL</b>		<b>-0.8</b>	
<b>TOTAL</b>	<b>-1.5</b>	<b>-4.3</b>	<b>-64.8</b>

**INCOME STATEMENT BY QUARTER**

EUR million	1-3 2004	4-6 2004	7-9 2004	10-12 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003
<b>NET SALES</b>	569.0	602.0	594.2	727.8	554.7	593.8	571.6	675.7
Increase (+) / decrease (-) in inventories of finished goods and work in progress	3.7	1.6	0.4	-3.6	4.4	-0.3	-0.1	-2.6
Production for own use	0.2	0.3	0.1	2.1	0.4	0.2	0.2	0.4
Other operating income	11.9	12.7	16.9	26.7	7.1	20.3	15.9	39.9
Share of result of associated companies	1.3	2.5	0.5	0.9	1.6	3.4	1.5	-0.3
Materials and services	261.9	269.1	280.7	321.4	244.5	256.1	254.4	303.3
Personnel expenses	134.7	136.2	124.6	148.6	143.6	144.1	133.9	141.3
Deprecia- tion and decrease in value	49.3	48.9	46.0	57.0	51.7	49.1	50.8	58.0

Other operating expenses	113.3	106.3	103.1	130.7	113.5	107.6	99.2	131.5
<b>OPERATING PROFIT</b>	27.0	58.4	57.7	96.4	14.8	60.5	50.9	79.0
Financial income and expenses	0.0	-3.3	-7.4	-16.5	-14.9	-1.2	-8.9	-17.1
<b>RESULT BEFORE EXTRA-ORDINARY ITEMS</b>	27.0	55.1	50.2	79.9	-0.1	59.3	42.0	61.9
Extraordinary items	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>RESULT AFTER EXTRA-ORDINARY ITEMS</b>	28.4	55.1	50.2	79.9	-0.1	59.3	42.0	61.9
Direct taxes	-18.4	-18.5	-20.8	-18.1	-6.1	-16.2	-15.7	-17.7
Minority interests	-0.2	-0.7	-0.2	-2.8	-1.0	-0.6	-0.1	-1.3
<b>RESULT FOR THE YEAR</b>	9.8	36.0	29.2	59.1	-7.1	42.6	26.1	42.9

**NET SALES BY BUSINESS**

EUR million

	1-12 2004	1-12 2003
<b>SANOMA MAGAZINES</b>		
Sanoma Uitgevers	528.8	540.6
Sanoma Magazines Belgium	186.0	182.1
Sanoma Magazines Finland	174.8	167.9
Sanoma Magazines International	138.3	127.2
Aldipress	115.7	109.3
Intracompany transactions	-59.8	-62.3
<b>TOTAL</b>	<b>1,083.7</b>	<b>1,064.8</b>
<b>SANOMA</b>		
Helsingin Sanomat	250.8	243.7
IS Business Unit	95.2	93.6
Sanoma Lehtimedia	54.0	52.7
Others	133.7	176.3
Intracompany transactions	-98.5	-140.8
<b>TOTAL</b>	<b>435.2</b>	<b>425.5</b>
<b>WSOY</b>		
Publishing	178.7	142.6
Printing	59.0	60.2
Calendar operations	30.3	32.1

Others	5.1	4.6
Intracompany transactions	-19.1	-27.2
<b>TOTAL</b>	<b>253.9</b>	<b>212.2</b>
<b>SWELCOM</b>		
Nelonen	67.6	56.5
Others	53.1	50.0
Intracompany transactions	-1.3	-1.7
<b>TOTAL</b>	<b>119.4</b>	<b>104.9</b>
<b>RAUTAKIRJA</b>		
Kiosk operations	347.3	352.8
Press distribution	79.5	87.6
Bookstores	129.7	121.8
Movie theatre operations	56.8	52.8
Restaurant operations	57.8	62.6
Intracompany transactions	-11.3	-23.8
<b>TOTAL</b>	<b>659.7</b>	<b>653.8</b>
Intragroup transactions	-59.0	-65.3
<b>TOTAL</b>	<b>2,493.0</b>	<b>2,395.9</b>

**NET SALES BY BUSINESS BY QUARTER**

EUR million	1-3 2004	4-6 2004	7-9 2004	10-12 2004	1-3 2003	4-6 2003	7-9 2003	10-12 2003
<b>SANOMA MAGAZINES</b>								
Sanoma Uitgevers	119.3	130.3	125.3	153.9	123.3	127.6	128.0	161.7
Sanoma Magazines Belgium	47.5	49.6	44.5	44.4	44.3	48.2	43.5	46.1
Sanoma Magazines Finland	43.1	43.0	40.9	47.8	40.2	41.3	38.4	48.0
Sanoma Magazines International	31.6	36.0	31.9	38.8	28.4	33.4	29.0	36.4
Aldipress	26.2	28.7	29.6	31.2	24.8	25.5	28.8	30.2
Intracompany transactions	-14.1	-14.8	-16.4	-14.5	-15.3	-14.5	-16.9	-15.7
<b>TOTAL</b>	<b>253.7</b>	<b>272.6</b>	<b>255.8</b>	<b>301.7</b>	<b>245.8</b>	<b>261.5</b>	<b>250.8</b>	<b>306.8</b>
<b>SANOMA</b>								
Helsingin Sanomat	62.2	62.1	59.4	67.1	63.0	60.9	56.6	63.2
IS Business Unit	22.1	24.9	24.2	23.9	22.7	24.1	23.4	23.4
Sanoma Lehtimedia	12.0	13.7	13.1	15.2	12.7	13.7	12.8	13.5
Others	32.3	33.3	32.7	35.5	50.1	50.5	42.2	33.5
Intracompany	-24.5	-24.4	-23.9	-25.7	-40.7	-40.4	-34.0	-25.7

transactions									
<b>TOTAL</b>	104.1	109.6	105.5	116.0	107.8	108.8	101.0	107.9	
<b>WSOY</b>									
Publishing	31.6	37.8	31.2	78.1	31.3	44.2	29.2	37.9	
Printing	15.2	13.6	14.6	15.6	15.1	13.4	14.7	17.0	
Calendar operations	1.3	2.2	11.8	15.0	1.6	2.6	11.8	16.1	
Others	1.2	1.2	1.3	1.4	1.0	1.1	1.1	1.3	
Intracompany transactions	-6.5	-6.2	-5.5	-1.0	-6.6	-6.7	-5.9	-7.9	
<b>TOTAL</b>	42.8	48.6	53.4	109.1	42.4	54.6	50.9	64.3	
<b>SWELCOM</b>									
Nelonen	15.9	18.2	13.2	20.2	13.6	15.2	11.7	16.1	
Others	14.0	12.7	12.9	13.4	11.8	12.1	12.0	14.1	
Intracompany transactions	-0.3	-0.3	-0.3	-0.3	-0.5	-0.4	-0.4	-0.4	
<b>TOTAL</b>	29.6	30.6	25.8	33.3	24.9	26.9	23.3	29.8	
<b>RAUTAKIRJA</b>									
Kiosk operations	80.5	87.4	88.3	91.1	79.9	92.4	88.1	92.4	
Press distribution	19.0	20.6	19.9	20.0	20.0	22.3	22.3	23.0	
Bookstores	27.6	20.8	34.0	47.3	25.7	19.6	31.8	44.7	
Movie theatre operations	14.5	11.6	13.9	16.8	14.6	10.6	11.8	15.9	
Restaurant operations	13.6	15.3	15.8	13.2	13.4	16.6	17.4	15.2	
Intracompany transactions	-2.7	-3.0	-2.6	-3.0	-5.6	-6.0	-6.1	-6.2	
<b>TOTAL</b>	152.4	152.6	169.2	185.5	148.0	155.5	165.4	185.0	
Intragroup transactions	-13.6	-12.0	-15.6	-17.8	-14.1	-13.3	-19.8	-18.1	
<b>TOTAL</b>	569.0	602.0	594.2	727.8	554.7	593.8	571.6	675.7	

**OPERATING PROFIT BY DIVISION**

EUR million	1-3	4-6	7-9	10-12	1-12	1-3	4-6	7-9	10-12	1-12
	2004	2004	2004	2004	2004	2003	2003	2003	2003	2003
Sanoma Magazines	10.9	32.6	13.5	29.9	<b>86.9</b>	5.9	26.1	18.3	28.5	<b>78.8</b>
Sanoma *)	11.4	13.3	24.0	22.6	<b>71.2</b>	10.7	11.0	17.9	29.7	<b>69.4</b>
WSOY *)	-1.5	4.6	8.8	17.4	<b>29.2</b>	-1.6	6.9	4.7	12.7	<b>22.6</b>
SWelcom	0.8	3.3	1.2	3.7	<b>9.0</b>	-1.1	1.8	0.3	0.2	<b>1.2</b>
Rautakirja	6.3	5.3	11.3	18.6	<b>41.5</b>	7.3	5.2	10.0	13.0	<b>35.5</b>
Other companies **)	0.0	-1.1	-2.0	4.1	<b>0.9</b>	-4.5	5.4	-1.2	-5.8	<b>-6.1</b>
Intragroup eliminations	-0.8	0.5	0.9	0.2	<b>0.8</b>	-1.9	4.2	0.9	0.7	<b>3.9</b>
<b>TOTAL</b>	27.0	58.4	57.7	96.4	<b>239.5</b>	14.8	60.5	50.9	79.0	<b>205.2</b>

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

\*\*) Parent company SanomaWSOY Corporation and real estate and investment companies

<b>EBITA *) BY BUSINESS</b>	<b>1-12</b>	<b>1-12</b>
<b>EUR million</b>	<b>2004</b>	<b>2003</b>
<b>SANOMA MAGAZINES</b>		
Sanoma Uitgevers	106.4	105.1
Sanoma Magazines Belgium	18.4	17.7
Sanoma Magazines Finland	27.0	25.4
Sanoma Magazines International	9.1	13.4
Aldipress	2.3	-1.2
Intracompany transactions	-1.2	-1.1
<b>TOTAL</b>	<b>162.0</b>	<b>159.1</b>
<b>SANOMA **)</b>		
Helsingin Sanomat	41.0	30.4
IS Business Unit	17.1	17.5
Sanoma Lehtimedia	9.5	8.1
Others	10.4	21.4
Intracompany transactions	0.0	0.0
<b>TOTAL</b>	<b>78.0</b>	<b>77.5</b>
<b>WSOY **)</b>		
Publishing	26.9	12.7
Printing	8.1	7.4
Calendar operations	0.7	1.4
Others	-0.4	5.0
Intracompany transactions	2.9	1.4
<b>TOTAL</b>	<b>38.3</b>	<b>28.0</b>
<b>SWELCOM</b>		
Nelonen	27.4	20.2
Others	11.9	9.4
Intracompany transactions	0.0	0.0
<b>TOTAL</b>	<b>39.3</b>	<b>29.6</b>
<b>RAUTAKIRJA</b>		
Kiosk operations	22.3	20.1
Press distribution	12.6	11.9
Bookstores	9.9	8.9
Movie theatre operations	8.5	7.8
Restaurant	0.6	-0.2

operations		
Others	<b>-3.3</b>	-2.9
Intracompany transactions	<b>0.0</b>	0.0
<b>TOTAL</b>	<b>50.6</b>	45.7
Other companies ***)	<b>1.0</b>	1.3
Intragroup eliminations	<b>1.3</b>	-2.7
<b>TOTAL</b>	<b>370.5</b>	338.4

\*) Operating profit before amortisation

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

\*\*\*) Parent company SanomaWSOY Corporation and real estate and investment companies

#### SANOMAWSOY CORPORATION

Matti Salmi  
Vice President  
Finance and Administration

#### DISTRIBUTION

Helsinki Exchanges  
Principal media