

SanomaWSOY Corp. Stock Exchange Release Aug. 7, 2003 at 11:45

## SANOMAWSOY'S INTERIM REPORT 1 JANUARY - 30 JUNE, 2003

SanomaWSOY's operating profit improved by 33%, to EUR 75.3 (56.8) million in January - June. Result before extraordinary items increased to EUR 59.2 (53.9) million and earnings per share rose to EUR 0.24 (0.15). In the second quarter net sales were EUR 599.3 (584.5) million and operating profit EUR 60.5 (42.7) million. Earnings per share were EUR 0.29 (0.07).

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>1,163.3</b>	1,143.5	1.7	2,357.8
Operating profit before depreciation and decrease in value	<b>173.7</b>	164.5	5.6	346.4
% of net sales	<b>14.9</b>	14.4		14.7
Operating profit before amortisation	<b>137.5</b>	125.0	10.0	269.2
% of net sales	<b>11.8</b>	10.9		11.4
Operating profit	<b>75.3</b>	56.8	32.7	134.4
% of net sales	<b>6.5</b>	5.0		5.7
Result before extraordinary items	<b>59.2</b>	53.9	9.9	106.7
% of net sales	<b>5.1</b>	4.7		4.5
Balance sheet total	<b>2,526.3</b>	2,774.2	-8.9	2,592.5
Gross investments	<b>45.7</b>	52.8	-13.4	113.5
% of net sales	<b>3.9</b>	4.6		4.8
Equity ratio, % *)	<b>45.0</b>	40.8		45.2
Equity ratio, %	<b>36.4</b>	33.1		36.9
Gearing, % *)	<b>59.7</b>	78.8		60.0
Gearing, %	<b>97.5</b>	120.6		96.1
Financial cost of liabilities	<b>21.6</b>	33.4	-35.1	64.3
Interest-bearing liabilities	<b>1,007.7</b>	1,269.4	-20.6	1,006.2
Interest-free liabilities	<b>640.8</b>	617.7	3.7	666.8
Securities, cash and bank	<b>152.0</b>	199.4	-23.8	122.4
Personnel under employment contract, average	<b>17,945</b>	18,681	-3.9	18,657
Personnel, average (full-time equivalents)	<b>14,451</b>	15,263	-5.3	15,210

Earnings/share, EUR	<b>0.24</b>	0.15	63.7	0.22
Cash flow/share, EUR	<b>0.50</b>	0.46	9.3	1.33
Equity/share, EUR	<b>5.63</b>	5.55	1.5	5.70
Market capitalisation	<b>1,575.7</b>	1,494.0	5.5	1,319.1

\*) Capital notes included in equity

## Outlook for 2003

The economy of the euro area will grow slowly in 2003. The Research Institute of the Finnish Economy (ETLA) forecast in June that GDP would grow in 2003 in the euro area by only 0.5% and in Finland by 1.6%. Media advertising continues to be sluggish in most of the countries in which SanomaWSOY operates.

SanomaWSOY's net sales are forecast to grow faster than GDP in Finland in 2003. The trend in newspaper, magazine and television advertising is crucial to this growth as this accounts for approximately one-fifth of the Group's net sales. Operating profit will grow considerably due to operational streamlining, cost cutting and improved business management.

## Net sales

SanomaWSOY's net sales increased by 2% in the first half of 2003, amounting to EUR 1,163.3 (1,143.5) million, with SWelcom and Rautakirja generating most of this growth. The Group's advertising sales represented 22% (22%) of total net sales.

## Result

The Group's operating profit improved significantly and rose by 33% to EUR 75.3 (56.8) million. The comparable operating profit increased by even more, improving in all divisions. Operating profit for the first half of 2003 included some EUR 12 million in gains on the sale of shares in the Norwegian company A-pressen ASA, whereas in January - June 2002 the most substantial gains on sales of assets amounted to approximately EUR 25 million. EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) amounted to EUR 137.5 (125.0) million.

Result before extraordinary items increased to EUR 59.2 (53.9) million and earnings per share rose to EUR 0.24 (0.15). Cash flow from operations totalled EUR 73.8 (63.0) million and cash flow per share was EUR 0.50 (0.46).

## Balance sheet and financial position

The Group's consolidated balance sheet total amounted to EUR 2,526.3 (2,774.2) million at the end of June (31.3.2003: EUR 2,529.8 million). The Group's financial position improved considerably compared to the previous year, but was affected by the payment of an annual cash dividend in the second quarter. The equity ratio, including capital notes, was 45.0% (40.8%; 31.3.2003: 46.3%). Capital notes have a positive impact of 8.6 percentage points on the equity ratio. Shareholders' equity, excluding capital notes, amounted to EUR 862.5 (768.1; 31.3.2003: 889.3) million. Interest-bearing liabilities, including capital notes, totalled EUR 1,007.7 (1,269.4; 31.3.2003: 941.5) million. Net debt was EUR 855.7 (1,069.9; 31.3.2003: 840.3) million.

The book value of securities and cash was EUR 152.0 (199.4) and their market value was EUR 153.4 (219.7) million. The figures include a selling price of EUR 49.1 million of the holding in A-pressen ASA. The divestment was completed in June. The book value of investments in shares was EUR 33.7 (85.7) and their market value was EUR 35.1 (105.3) million.

SanomaWSOY's financial income decreased substantially and totalled EUR 11.5 (47.8) million during the first half of the year, as there were no substantial gains on sales from realising the share portfolio this year. Financial income comprised mainly dividends on non-current assets, EUR 4.7 (6.2) million, and interest income and gains on sales of shares, EUR 3.9 (39.4) million. In line with the Group's strategy, almost all of the securities have been realised. Financial expenses amounted to EUR 27.6 (50.6) million and were mainly related to interest expenses on interest-bearing liabilities. Unrealised decreases in the value of securities were EUR 0.6 (14.7) million.

## Investments

SanomaWSOY's investments totalled EUR 45.7 (52.8) million during the first half of the year. The biggest investor (EUR 16.3 million) was Rautakirja, which expanded its activities in Finland as well as in the Baltic Countries and the Czech Republic. R&D expenditure recorded as expenses totalled EUR 3.3 (11.2) million.

## Market situation

The accelerated growth in media advertising produced by the general election in Finland slowed during the second quarter of the year. According to TNS Gallup Adex, media advertising increased by 3% in the first six months of the year. Newspaper advertising grew by 4%, but job advertising declined by 17%. Television advertising rose by 3% while magazine advertising remained at the previous year's level. Magazine advertising declined during the first half of the year in most of the countries in which Sanoma Magazines operates except for Eastern Central Europe. The Finnish retail market grew by 4% over the same period.

## Key events

SanomaWSOY continued its strategy of selling non-core assets and in June sold its 29.47% holding (2,624,276 shares) in the Norwegian media company A-pressen ASA for NOK 155 per share.

In April, Sanoma divested the operations of its distribution company Leijonajakelu Oy to Finland Post. The transaction is subject to approval by the competition authorities. As a result of the divestment, about 1,900 employees of Leijonajakelu will transfer to the service of Finland Post. Leijonajakelu's net sales in 2002 totalled EUR 69.7 million, most of which were internal Sanoma sales.

Rautakirja, in which SanomaWSOY previously had a 57% holding, was merged into SanomaWSOY on 1 March 2003. Rautakirja shareholders received a merger consideration of 5.3 new SanomaWSOY Series B shares for each Rautakirja A- or B-share. At the time of the merger Rautakirja Oyj was delisted by the Helsinki Exchanges and Rautakirja's business operations were incorporated into the new Rautakirja Corporation, which continues operating on the existing basis.

## Corporate governance

The Annual General Meeting held in April elected ten members to the company's new Board of Directors. The new members elected were Ms Sari Baldauf, President of Nokia Networks, Mr Seppo Kievari, President of Sanoma Corporation, and Mr Sakari Tamminen, President & CEO of Rautaruukki Corporation as of 1 January 2004. The members re-elected to the new Board were Mr Jaakko Rauramo (Chairman of the Board), Mr Paavo Hohti (Vice Chairman), with Mr Robert Castrén, Ms Jane Erkko, Mr Kyösti Järvinen, Mr Robin Langenskiöld, and Mr Hannu Syrjänen as ordinary members. Mr Aatos Erkko, Mr Esko Koivusalo, Ms Marjukka af Heurlin, and Ms Rafaela Seppälä resigned from the Board.

## Dividend

SanomaWSOY paid a dividend of EUR 0.40 per share for 2002. The date of record for the dividend payment was 4 April 2003 and the dividend was paid on 10 April 2003.

## Shares

In connection with the merger of Rautakirja, SanomaWSOY issued a total of 33,550,850 new Series B shares, of which SanomaWSOY's subsidiaries Sanoma Corporation and Werner Söderström Corporation received a total of 18,773,018 Series B shares as merger consideration. SanomaWSOY's AGM decided to decrease the company's share capital by EUR 8,072,397.74 and to invalidate without consideration the shares which came into the possession of the above-mentioned subsidiaries in order to dismantle intra-Group cross-ownership. The amount of EUR 8,072,397.74 equalling the aggregate book counter-value of the invalidated shares was transferred to the premium fund, and the decrease therefore has no impact on the restricted equity of the company. The decrease in share capital was entered in the Finnish Trade Register on 30 April 2003.

As a result of the invalidation, the share capital of SanomaWSOY Corporation decreased from EUR 77,001,151.78 to EUR 68,928,754.04, and the number of Series B shares was reduced from 155,851,954 to 137,078,936. The number of Series A shares remains at 23,220,492. After the invalidation, SanomaWSOY holds 7,187,276 of its own Series B shares through its subsidiary Tiikerijakelu Oy, equivalent to 4.48% of total shares and 1.19% of voting rights.

In the first six months of 2003, SanomaWSOY's Series A shares were traded at an average price of EUR 10.04, with a low of EUR 9.00 and a high of EUR 10.98. Series B shares were traded at an average price of EUR 8.66, with a low of EUR 7.62 and a high of EUR 10.40. The turnover of shares totalled EUR 42.0 (50.0) million. Most of the shares traded were Series B, of which roughly 4.8 million shares were traded. 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 end of the review period. The imputed conversion price of a share is EUR 15.91.

The shareholders' agreement, signed by the major shareholders of SanomaWSOY on 14 May 1998, expired on 14 May 2003 pursuant to the agreed five years' duration. No new such agreement will be signed, nor is the company aware of other existing shareholders' agreements.

## Authorisations of the Board of Directors

The AGM held on 1 April 2003 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 bond loans and/or option rights so that 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 that their aggregate number may not exceed 29,104,319 shares and the total increase of share capital may not exceed EUR 12,514,857.17.

## IAS

SanomaWSOY's IAS project has progressed as planned. The Group will start reporting according to IAS/IFRS in 2005. Some modifications to the accounting practice will take place in 2004. The changes relating to future IAS reporting will be illustrated in more detail in the January - September 2003 Interim report.

## SANOMA MAGAZINES

Magazine publishing and press distribution. Sanoma Magazines is Europe's fifth-largest magazine publisher. The division publishes some 220 titles and operates in nine different countries: the Netherlands, Belgium, Finland, Sweden, Hungary, the Czech Republic, Croatia, Romania and Slovakia. Aldipress is the biggest magazine distributor in the Netherlands.

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>483.1</b>	492.2	-1.9	1,008.1
Operating profit before amortisation	<b>72.0</b>	80.7	-10.8	147.7
% of net sales	<b>14.9</b>	16.4		14.6
Operating profit	<b>32.0</b>	34.6	-7.5	58.2
% of net sales	<b>6.6</b>	7.0		5.8
Operating profit excl. associated companies	<b>24.7</b>	26.8	-7.7	42.4
% of net sales	<b>5.1</b>	5.4		4.2
Balance sheet total	<b>1,555.1</b>	1,710.0	-9.1	1,654.5
Gross investments	<b>7.1</b>	11.9	-40.4	18.7
Personnel under employment contract, average	<b>4,452</b>	4,862	-8.4	4,835
Personnel, average (full-time equivalents)	<b>3,900</b>	4,296	-9.2	4,228

**OPERATIONAL INDICATORS, 1.1 - 30.6.**

	<b>2003</b>	2002*)
Number of copies sold (press distribution/ Aldipress), thousands	<b>54,784</b>	63,590
Number of magazines published	<b>218</b>	214
Magazine copies sold, thousands	<b>204,538</b>	209,713
Number of advertising pages sold	<b>22,674</b>	24,715

\*) The comparative data for 2002 has been adjusted according to the present accounting principles

Sanoma Magazines' net sales amounted to EUR 483.1 (492.2) million in the first half of 2003. Net sales at Sanoma Uitgevers totalled EUR 225.1 (234.9) million. Net sales at Sanoma Magazines Finland increased to EUR 83.3 (81.8) million and net sales at Sanoma Magazines Belgium to EUR 76.8 (75.8) million. Sanoma Magazines International's net sales increased to EUR 50.2 (48.9) million despite the divestment of the British crossword publishing unit BEAP in April 2002. Net sales at Aldipress totalled EUR 99.6 (104.0) million.

Sanoma Magazines' advertising sales decreased by 5% and accounted for some 23% (24%) of Sanoma Magazines' total net sales in the January - June period. Advertising sales decreased in several countries but grew in most of the Eastern Central European countries.

Circulation sales developed better than advertising sales, and comparable circulation sales excluding the sales of BEAP rose by 3%. Circulation sales increased in the Netherlands and Finland. In the Czech Republic, Romania and Croatia circulation sales increased mainly due to launches.

Sanoma Magazines' operating profit for the first half year declined to EUR 32.0 (34.6) million. Sanoma Magazines' EBITA amounted to EUR 72.0 (80.7) million, representing some 15% of net sales. Comparable operating profit improved, however, partly due to cost cutting programmes and lower paper prices. In 2002, the operating profit for the first half year included the result of BEAP in January - March as well as gains on the sales of BEAP in April and Sanoma Magazines Finland's Blue Book Business Unit in March. The good result was largely due to the successful integration of Sanoma Magazines and improved efficiency in business operations.

During the second quarter, Sanoma Magazines launched the first local issue of National Geographic in Romania. In addition, Elle Dekor, the local version of an international decoration magazine Elle Decoration, was launched in Croatia at the end of the first quarter.

Sanoma Magazines is estimated to achieve net sales of EUR one billion in 2003. Operating profit is expected to be about 6% of net sales. Goodwill amortisation in 2003 will be some 6% of net sales.

## SANOMA

Newspaper publishing and printing. Sanoma publishes and prints Finland's leading newspapers, Helsingin Sanomat and Ilta-Sanomat. Sanoma's newspaper titles also include the business daily Taloussanomat, Kouvolan Sanomat, Kymen Sanomat, Etelä-Saimaa, the free ad publications Keltainen Pörssi and Palsta, and the sports and sport betting weekly IS Veikkaaja.

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>223.9</b>	223.4	0.2	438.1
Operating profit before amortisation	<b>25.2</b>	24.4	3.3	49.0
% of net sales	<b>11.3</b>	10.9		11.2
Operating profit	<b>21.7</b>	20.9	4.1	41.9
% of net sales	<b>9.7</b>	9.3		9.6
Operating profit excl. associated companies	<b>20.1</b>	18.7	7.4	36.2
% of net sales	<b>9.0</b>	8.4		8.3
Balance sheet total	<b>443.6</b>	502.6	-11.7	508.5
Gross investments	<b>13.8</b>	23.3	-40.6	48.6
Personnel under employment contract, average	<b>4,617</b>	4,975	-7.2	4,944
Personnel, average (full-time equivalents)	<b>3,333</b>	3,587	-7.1	3,578

## OPERATIONAL INDICATORS, 1.1 - 30.6.

	<b>2003</b>	2002	2001
<b>HELSINGIN SANOMAT</b>			
Weekday circulation, copies *)		431,262	436,009
Sunday circulation, copies *)		500,150	507,011
Advertising volume (column metres)	<b>21,701</b>	21,974	



<b>ILTA-SANOMAT</b>			
Circulation, copies *)		204,820	218,829
Advertising volume (column metres)	<b>3,651</b>	3,609	
<b>TALOUSSANOMAT</b>			
Circulation, copies *)		32,513	31,192
Advertising volume (column metres)	<b>1,120</b>	1,498	

\*) Audited circulation figures 1.1 - 31.12.

Sanoma's net sales amounted to EUR 223.9 (223.4) million in January - June. Most growth was generated by the IS Business Unit, which boosted its net sales to EUR 47.8 (44.9) million as a result of the acquisition of the IS Veikkaaja publication in 2002. Helsingin Sanomat's net sales totalled EUR 129.9 (132.0) million and those of Kymen Lehtimedia EUR 26.4 (25.7) million.

Advertising sales decreased by one per cent and accounted for 50% (50%) of Sanoma's net sales. Election advertisements boosted newspapers' advertising sales, but especially Helsingin Sanomat suffered from the decline in job advertising. The advertising sales of the IS Business Unit and Kymen Lehtimedia increased substantially. This growth was due to the acquisition of IS Veikkaaja as well as the acquisition of Kaupunkilehti Seiska by Kymen Lehtimedia in February 2002.

Circulation sales grew by 3%, mainly as a result of a price increase and IS Veikkaaja. Taloussanomat increased its circulation by a clear margin from the previous year, but the circulations of other papers declined slightly.

Sanoma's operating profit increased more than net sales and amounted to EUR 21.7 (20.9) million. The figure includes a EUR 1.0 (2.1) million share of the result of Rautakirja, which in 2003 was included in the operating profit only in January - February. The increase in operating profit was depressed by a decrease in the gains on sales and non-recurring pension arrangements. Operating profit improved both in Helsingin Sanomat, the IS Business Unit and Kymen Lehtimedia. EBITA rose to EUR 25.2 (24.4) million.

The remainder of the year will continue to be marked by uncertainty over newspaper advertising, and there are no clear signs yet of a change in the business cycle that would affect job advertising. Nevertheless, a new look for the newspaper and increased four-colour capacity from a new printing press to be commissioned in the autumn are expected to boost Helsingin Sanomat's advertising

sales. Sanoma's net sales are forecast to grow slightly in 2003. Growth will be increased by IS Veikkaaja and others, but decreased by the divestment of Leijonajakelu. Operating profit is forecast to improve more than net sales, due to long-range development measures. No share of Rautakirja's result will be included in Sanoma's operating profit as of the beginning of March.

## WSOY

Publishing, printing and calendar operations. WSOY is Finland's biggest book publisher and the market leader for general literature, educational materials and several special publications. WSOY is also one of the biggest book printers in the Nordic region and the Finnish market leader for digital printing. It is also the leading calendar publisher in the Nordic countries.

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>97.0</b>	98.0	-1.1	215.9
Operating profit before amortisation	<b>6.7</b>	7.0	-4.5	26.4
% of net sales	<b>6.9</b>	7.2		12.2
Operating profit	<b>5.3</b>	4.8	10.3	20.5
% of net sales	<b>5.4</b>	4.9		9.5
Operating profit excl. associated companies	<b>3.8</b>	2.3	66.5	12.4
% of net sales	<b>3.9</b>	2.3		5.7
Balance sheet total	<b>190.9</b>	268.7	-29.0	280.8
Gross investments	<b>5.0</b>	3.8	31.5	8.6
Personnel under employment contract, average	<b>1,946</b>	1,936	0.5	1,937
Personnel, average (full-time equivalents)	<b>1,864</b>	1,830	1.9	1,836

## OPERATIONAL INDICATORS, 1.1 - 30.6.

	<b>2003</b>	2002
<b>NUMBER OF TITLES PUBLISHED</b>		
Books	<b>302</b>	282
Electronic products	<b>50</b>	57
<b>NUMBER OF REPRINTS PUBLISHED</b>		
Books	<b>670</b>	671
Electronic products	<b>107</b>	148
Books printed, millions	<b>9.5</b>	11.0
Paper consumption, tonnes	<b>5,972</b>	5,919

WSOY's net sales for January - June amounted to EUR 97.0 (98.0) million. Publishing operations' net sales grew to EUR 75.5 (72.8) million. Printing operations' net sales declined to EUR 28.5 (31.5) million due to sluggish demand, particularly in the second quarter. Calendar operations' net sales totalled EUR 4.2 (4.9) million.

Sales to bookstores grew in January - June by 5% but book club sales decreased from the previous year's level. Non-fiction sold well both in bookstores and in direct sales to consumers. Cost-cutting programmes at local government level reduced the demand for textbooks for comprehensive schools, but WSOY continues to retain its clear market leadership in the textbook market.

Operating profit from WSOY's own operations grew to EUR 3.8 (2.3) million despite the decline in demand. Cost-cutting measures and the reduction of losses from electronic publishing contributed to improving WSOY's result for the period. Publishing operations and calendar operations both posted improved results for January - June but printing operations' result worsened. WSOY's operating profit amounted to EUR 5.3 (4.8) million. This figure includes a EUR 1.4 (2.7) million share of Rautakirja's result, which was included only in January - February in 2003. EBITA totalled EUR 6.7 (7.0) million.

WSOY's sales are expected to improve during the remainder of the year and net sales for the full year are forecast to increase slightly. The operating profit of WSOY's own operations will improve, but the overall operating profit will decrease because the share of Rautakirja's result is not included in WSOY's figures as from the beginning of March.

## SWELCOM

Electronic media. The SWelcom-owned TV channel Nelonen is the third-largest advertising media in Finland. HTV (Helsinki Television) is Finland's biggest cable TV company.

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>51.8</b>	42.6	21.5	86.1
Operating profit before amortisation	<b>14.8</b>	2.5	502.1	9.0
% of net sales	<b>28.6</b>	5.8		10.5
Operating profit % of net sales	<b>0.7</b>	-11.5		-18.0
Operating profit excl. associated companies % of net sales	<b>1.3</b>	-26.9		-20.9
	<b>0.7</b>	-10.1		-15.6
	<b>1.3</b>	-23.8		-18.1
Balance sheet total	<b>132.5</b>	124.0	6.8	138.2
Gross investments	<b>3.4</b>	4.1	-16.8	8.1

Personnel under employment contract, average	<b>408</b>	416	-1.8	413
Personnel, average (full-time equivalents)	<b>383</b>	387	-1.1	384

**OPERATIONAL INDICATORS, 1.1 - 30.6.**

	<b>2003</b>	<b>2002</b>
Nelonen's share of Finnish TV advertising	<b>26.9%</b>	24.6%
Nelonen's daily coverage	<b>43%</b>	46%
Nelonen's national commercial viewing share	<b>21.2%</b>	23.4%
Nelonen's national viewing share	<b>10.9%</b>	11.5%
Number of connected Households, thousands (30.6.)	<b>245</b>	225
Number of pay-TV subscriptions, thousands (30.6.)	<b>33</b>	36
Number of broadband internet connections, thousands (30.6.)	<b>36</b>	24

SWelcom's net sales increased strongly in January - June, amounting to EUR 51.8 (42.6) million, due to both Nelonen's and HTV's growth. Nelonen's advertising sales grew considerably faster than TV advertising in general and Nelonen's net sales increased especially during the second quarter. In the first half of 2003 Nelonen's net sales amounted to EUR 28.7 (25.3) million. HTV's growth was mainly driven by the success of HTV's broadband internet services, and HTV's net sales rose to EUR 18.7 (13.2) million. Advertising sales represented some 55% (58%) of SWelcom's net sales.

Business performance improved extremely well. SWelcom posted an operating profit of EUR 0.7 (-11.5) million for January - June thanks to growth in sales. Both HTV and Nelonen posted considerably improved operating results. The halving of Nelonen's operating licence fee, the inclusion of HTV's connection fees in the income statement from the beginning of the year and a reduction in the ownership of Suomen Urheilutelevisio (Finnish sport channel) all contributed to the improved financial performance. EBITA totalled EUR 14.8 (2.5) million.

SWelcom's net sales are expected to grow substantially in 2003, largely due to the increase of Nelonen's advertising sales, the trend in HTV connections, and the popularity of broadband internet. The most critical factor for growth is the trend in TV advertising, which is still expected to increase more than other large media. SWelcom's operating result will improve very considerably.

## RAUTAKIRJA

Kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations. Rautakirja's R-kiosks form Finland's leading chain of convenience outlets, while Lehtipiste is the country's leading press distributor. Suomalainen Kirjakauppa is Finland's most extensive bookstore chain, and the movie theatre operations enterprise Finnkino is the market leader in its field. Rautakirja has expanded its activities into the Baltic countries and the Czech Republic. Rautakirja was merged into SanomaWSOY on 1 March 2003, after which Rautakirja shares were no longer listed on the Helsinki Exchanges.

<b>KEY INDICATORS, EUR million</b>	<b>30.6.2003</b>	30.6.2002	Change,%	31.12.2002
Net sales	<b>363.5</b>	340.9	6.6	726.5
Operating profit before amortisation	<b>15.1</b>	13.3	13.8	42.4
% of net sales	<b>4.2</b>	3.9		5.8
Operating profit	<b>12.5</b>	11.2	11.7	38.0
% of net sales	<b>3.4</b>	3.3		5.2
Operating profit excl. associated companies	<b>14.4</b>	12.1	19.3	39.5
% of net sales	<b>4.0</b>	3.5		5.4
Balance sheet total	<b>296.0</b>	380.4	-22.2	410.4
Gross investments	<b>16.3</b>	9.4	74.7	27.8
Personnel under employment contract, average	<b>6,447</b>	6,415	0.5	6,453
Personnel, average (full-time equivalents)	<b>4,897</b>	5,089	-3.8	5,110

## OPERATIONAL INDICATORS, 1.1 - 30.6. \*)

	<b>2003</b>	<b>2002</b>
Customer volume in kiosk operations, thousands	<b>59,774</b>	60,841
Customer volume in bookstore operations, thousands	<b>2,687</b>	2,677

Customer volume in movie theatres, thousands	<b>1,781</b>	1,795
Number of copies sold (press distribution), thousands	<b>61,946</b>	61,568

\*) Units in Finland

Rautakirja's net sales for January - June grew to EUR 363.5 (340.9) million. Net sales grew in all operations and one-third of the growth was generated outside Finland.

Kiosk operations' net sales amounted to EUR 189.1 (180.6) million. One-third of this growth was generated by the joint venture starting operations in the Czech Republic. Press distribution's net sales rose to EUR 92.9 (81.7) million. Net sales were boosted in particular by the expansion of operations in Estonia and Latvia in summer 2002. Sales of Finnish newspapers and magazines also developed favourably. Bookstores' net sales totalled EUR 49.5 (48.0) million and movie theatre operations' net sales amounted to EUR 25.1 (23.7) million. Restaurant operations' net sales grew to EUR 30.0 (23.1) million, largely due to an increase in the number of outlets.

Rautakirja's operating profit increased to EUR 12.5 (11.2) million. Kiosk operations, press distribution and bookstores all posted improved results, while the results posted by movie theatre operations and restaurant operations declined slightly compared to the previous year. Growth in operating profit was weakened by reduced revenues from real estate, since real estate held as an investment was transferred to SanomaWSOY Corporation in conjunction with the merger. EBITA totalled EUR 15.1 (13.3) million.

Rautakirja's net sales are expected to grow faster in 2003 than the wholesale and retail business in general. About half of this growth will be generated in Finland and half abroad. Operating profit is forecast to be broadly the same as the previous year, although the revenues from real estate will decline as a result of the merger.

Helsinki, 7 August 2003

Board of Directors

SanomaWSOY Corporation

**INTERIM REPORT TABLES**

Figures are unaudited.

<b>GROUP INCOME STATEMENT</b>	<b>1-6</b>	<b>1-6</b>		<b>1-12</b>
<b>EUR million</b>	<b>2003</b>	<b>2002</b>	<b>Change,%</b>	<b>2002</b>
<b>NET SALES</b>	<b>1,163.3</b>	1,143.5	1.7	2,357.8
Increase (+) / decrease (-) in inventories of finished goods and work in progress	<b>4.1</b>	4.1	1.6	1.0
Production for own use	<b>0.6</b>	0.3	124.8	0.8
Other operating income	<b>27.3</b>	41.7	-34.5	69.8
Share of result of associated companies	<b>5.0</b>	6.1	-18.7	13.1
Materials and services	<b>498.6</b>	502.3	-0.7	1,026.0
Personnel expenses	<b>287.7</b>	286.6	0.4	585.8
Depreciation and decrease in value	<b>98.4</b>	107.7	-8.7	212.0
Other operating expenses	<b>240.2</b>	242.2	-0.8	484.3
<b>OPERATING PROFIT</b>	<b>75.3</b>	56.8	32.7	134.4
Financial income	<b>11.5</b>	47.8	-75.9	70.8
Financial expenses	<b>27.6</b>	50.6	-45.5	98.5
<b>RESULT BEFORE EXTRAORDINARY ITEMS</b>	<b>59.2</b>	53.9	9.9	106.7
Extraordinary items				6.1
<b>RESULT AFTER EXTRAORDINARY ITEMS</b>	<b>59.2</b>	53.9	9.9	112.7
Direct taxes	<b>-22.2</b>	-30.6	-27.3	-64.2
Minority interests	<b>-1.5</b>	-3.1	-49.8	-11.4
<b>RESULT FOR THE PERIOD</b>	<b>35.4</b>	20.2	75.5	37.2

**GROUP BALANCE SHEET**

<b>EUR million</b>	<b>30.6.2003</b>	<b>30.6.2002</b>	<b>Change,%</b>	<b>31.12.2002</b>
<b>Assets</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets	166.0	166.3	-0.2	174.6
Goodwill	1,120.2	1,227.7	-8.8	1,148.5
Tangible assets	458.8	470.8	-2.6	459.4
Investments	197.4	261.6	-24.6	254.6
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>1,942.2</b>	<b>2,126.5</b>	<b>-8.7</b>	<b>2,037.0</b>
<b>Current assets</b>				
Inventories	97.9	95.6	2.4	94.8
Long-term receivables	67.6	67.3	0.4	72.0
Short-term receivables	266.6	285.4	-6.6	266.2
Securities	98.1	146.1	-32.8	63.1
Cash and bank	53.8	53.3	1.0	59.3
<b>CURRENT ASSETS, TOTAL</b>	<b>584.1</b>	<b>647.8</b>	<b>-9.8</b>	<b>555.5</b>
<b>ASSETS, TOTAL</b>	<b>2,526.3</b>	<b>2,774.2</b>	<b>-8.9</b>	<b>2,592.5</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDER'S EQUITY</b>				
Share capital	68.9	62.6	10.2	62.6
Premium fund	31.8	16.1	97.4	16.1
Other funds	369.4	364.4	1.4	364.4
Retained earnings	357.0	304.9	17.1	308.7
Result for the period	35.4	20.2	75.5	37.2
Capital notes	207.4	207.3	0.1	207.4
<b>SHAREHOLDERS' EQUITY, TOTAL</b>	<b>1,069.9</b>	<b>975.4</b>	<b>9.7</b>	<b>996.3</b>
<b>MINORITY INTEREST</b>	<b>15.4</b>	<b>119.1</b>	<b>-87.1</b>	<b>130.6</b>
<b>STATUTORY PROVISIONS</b>	<b>14.7</b>	<b>14.7</b>	<b>-0.5</b>	<b>15.9</b>
<b>LIABILITIES</b>				
Deferred tax liability	34.1	36.1	-5.4	37.1
Long-term liabilities	589.3	843.0	-30.1	695.1
Current liabilities	803.0	785.9	2.2	717.5
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>2,526.3</b>	<b>2,774.2</b>	<b>-8.9</b>	<b>2,592.5</b>



<b>GROUP CASH FLOW STATEMENT</b>	<b>1-6</b>	<b>1-6</b>		<b>1-12</b>
<b>EUR million</b>	<b>2003</b>	<b>2002</b>	<b>Change,%</b>	<b>2002</b>
Operating profit	<b>75.3</b>	56.8	32.7	134.4
Adjustments to operating profit	<b>57.7</b>	60.1	-4.0	133.8
Change in working capital	<b>-4.8</b>	-46.0	-89.6	-27.1
Cash flow from operations before financial items and taxes	<b>128.3</b>	70.9	81.0	241.0
Financial items and taxes	<b>-54.5</b>	-7.9	-590.5	-56.8
Cash flow from operations	<b>73.8</b>	63.0	17.2	184.2
Cash flow from investments	<b>26.5</b>	38.0	-30.1	48.1
Cash flow before financing	<b>100.4</b>	101.0	-0.6	232.4
Cash flow from financing	<b>-64.3</b>	-249.1	-74.2	-455.6
<b>CHANGE IN LIQUIDITIES ACCORDING TO THE CASH FLOW STATEMENT</b>	<b>36.1</b>	-148.2		-223.3
Exchange rate differences under liquidities	<b>-6.5</b>	-17.4	-62.7	-19.4
Net increase (+)/decrease (-) in liquidities	<b>29.6</b>	-165.6		-242.6
Liquidities according to the balance sheet at 1 Jan.	<b>122.4</b>	365.0	-66.5	365.0
Liquidities according to the balance sheet at 30 June / 31 Dec.	<b>152.0</b>	199.4	-23.8	122.4

**CONTINGENCIES AND PLEDGED ASSETS**

EUR million	30.6.2003	30.6.2002	Change,%	31.12.2002
<b>DEBTS WITH COLLATERAL CONSISTING OF REAL ESTATE AND SHARES</b>				
Pension loans	17.8	17.2	3.9	17.8
Loans from financial institutions	2.4	6.1	-61.1	5.5
Other loans	4.8	14.8	-67.5	1.6
Mortgages, real estate, total	10.8	21.9	-50.9	15.4
Mortgages, movable property, total	2.6	2.8	-8.3	2.7
Pledged securities, total	22.7	54.3	-58.2	27.6
<b>OTHER CONTINGENCIES FOR OWN COMMITMENTS</b>				
Mortgaged bearer bonds	0.9	0.9		0.9
Corporate mortgages	5.0	4.8	4.9	4.9
Book value of pledged securities	3.0	5.4	-44.1	3.5
Deposits	2.5	1.1	125.5	1.1
<b>TOTAL</b>	<b>11.5</b>	<b>12.2</b>	<b>-6.1</b>	<b>10.5</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES</b>				
Guarantees	8.9	8.9		8.9
<b>CONTINGENCIES GIVEN ON BEHALF OF OTHER COMPANIES</b>				
Guarantees	19.7	24.5	-19.7	20.7
<b>OTHER CONTINGENCIES</b>				
Leasing liabilities	21.2	21.4	-0.7	23.7
Interest on capital notes	3.7	2.8	29.1	3.2
Pension liabilities				
Repurchase liabilities	1.3	1.3	0.3	1.3
Other liabilities	144.5	132.7	8.9	139.7
<b>OTHER CONTINGENCIES, TOTAL</b>	<b>170.6</b>	<b>158.2</b>	<b>7.9</b>	<b>167.9</b>
<b>ALL LIABILITIES, TOTAL</b>	<b>246.8</b>	<b>282.8</b>	<b>-12.7</b>	<b>253.7</b>

**NOMINAL VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS**

EUR million	30.6.2003	30.6.2002	Change,%	31.12.2002
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Purchased	<b>580.0</b>	480.0	20.8	480.0
Written	<b>254.8</b>	200.0	27.4	200.0
Interest rate swaps	<b>380.0</b>	360.0	5.6	380.0
<b>TOTAL</b>	<b>1,214.8</b>	1,040.0	16.8	1,060.0
<b>CURRENCY DERIVATIVES</b>				
Forward contracts	<b>57.6</b>	29.0	99.0	45.1
<b>TOTAL</b>	<b>57.6</b>	29.0	99.0	45.1
<b>SHARE DERIVATIVES</b>				
Forward contracts		12.2		
<b>TOTAL</b>		12.2		
<b>TOTAL</b>	<b>1,272.4</b>	1,081.1	17.7	1,105.1

**MARKET VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS**

EUR million	30.6.2003	30.6.2002	Change,%	31.12.2002
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Purchased	<b>0.2</b>	0.7	-74.6	0.0
Written	<b>-4.6</b>	-0.6	-682.1	-2.9
Interest rate swaps	<b>-5.6</b>	1.4		-4.8
<b>TOTAL</b>	<b>-10.0</b>	1.5		-7.7
<b>CURRENCY DERIVATIVES</b>				
Forward contracts	<b>-0.8</b>	1.4		-0.8
<b>TOTAL</b>	<b>-0.8</b>	1.4		-0.8
<b>SHARE DERIVATIVES</b>				
Forward contracts		0.3		
<b>TOTAL</b>		0.3		

**GROUP INCOME STATEMENT BY QUARTER**

EUR million	1-3 2003	4-6 2003	1-3 2002	4-6 2002	7-9 2002	10-12 2002	1-12 2002
<b>NET SALES</b>	564.0	<b>599.3</b>	559.0	<b>584.5</b>	553.4	661.0	2,357.8
Increase (+) / decrease (-) in inventories of finished goods and work in progress	4.4	<b>-0.3</b>	4.7	<b>-0.7</b>	0.0	-3.1	1.0
Production for own use	0.4	<b>0.2</b>	0.1	<b>0.1</b>	0.0	0.5	0.8
Other operating income	7.1	<b>20.3</b>	25.2	<b>16.5</b>	8.4	19.6	69.8
Share of result of associated companies	1.6	<b>3.4</b>	1.0	<b>5.1</b>	3.1	3.9	13.1
Materials and services	247.1	<b>251.5</b>	250.6	<b>251.8</b>	246.2	277.5	1,026.0
Personnel expenses	143.6	<b>144.1</b>	143.5	<b>143.1</b>	135.0	164.2	585.8
Depreciation and decrease in value	50.4	<b>48.0</b>	56.6	<b>51.2</b>	49.8	54.4	212.0
Other operating expenses	121.5	<b>118.8</b>	125.4	<b>116.7</b>	114.9	127.2	484.3
<b>OPERATING PROFIT</b>	14.8	<b>60.5</b>	14.0	<b>42.7</b>	19.1	58.6	134.4
Financial income	4.7	<b>6.8</b>	31.4	<b>16.4</b>	10.2	12.8	70.8
Financial expenses	19.6	<b>8.0</b>	21.5	<b>29.1</b>	34.4	13.5	98.5
<b>RESULT BEFORE EXTRAORDINARY ITEMS</b>	-0.1	<b>59.3</b>	23.9	<b>30.0</b>	-5.1	57.9	106.7
Extraordinary items	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.0	6.1	6.1
<b>RESULT AFTER EXTRAORDINARY ITEMS</b>	-0.1	<b>59.3</b>	23.9	<b>30.0</b>	-5.1	64.0	112.7
Direct taxes	-6.1	<b>-16.2</b>	-12.8	<b>-17.8</b>	-11.5	-22.1	-64.2
Minority interests	-1.0	<b>-0.6</b>	-1.1	<b>-2.0</b>	-3.0	-5.3	-11.4
<b>RESULT FOR THE PERIOD</b>	-7.1	<b>42.6</b>	9.9	<b>10.3</b>	-19.6	36.6	37.2

**NET SALES BY BUSINESS AREA**

EUR million	1-3 2003	4-6 2003	1-3 2002	4-6 2002	7-9 2002	10-12 2002	1-12 2002
<b>SANOMA MAGAZINES</b>							
Sanoma Uitgevers	110.3	<b>114.8</b>	110.7	<b>124.2</b>	112.3	143.8	491.1
Sanoma Magazines							
Finland	41.1	<b>42.2</b>	40.3	<b>41.5</b>	36.7	46.4	164.8
Sanoma Magazines							
Belgium	36.5	<b>40.3</b>	36.0	<b>39.7</b>	35.4	41.0	152.2
Sanoma Magazines							
International	22.4	<b>27.8</b>	25.0	<b>23.9</b>	20.2	26.9	95.9
Aldipress	48.6	<b>51.0</b>	50.1	<b>53.9</b>	55.3	55.7	215.0
Intracompany transactions	-26.6	<b>-25.3</b>	-25.9	<b>-27.2</b>	-28.6	-29.2	-110.9
<b>TOTAL</b>	<b>232.3</b>	<b>250.8</b>	<b>236.2</b>	<b>256.0</b>	<b>231.3</b>	<b>284.6</b>	<b>1,008.1</b>
<b>SANOMA</b>							
Helsingin Sanomat	66.1	<b>63.8</b>	65.7	<b>66.3</b>	58.0	64.4	254.4
IS Business Unit	23.1	<b>24.7</b>	22.1	<b>22.8</b>	23.4	23.8	92.1
Kymen Lehtimedia	12.7	<b>13.7</b>	12.3	<b>13.4</b>	12.4	13.5	51.7
Others	50.2	<b>50.7</b>	51.1	<b>51.7</b>	48.0	50.0	200.7
Intracompany transactions	-40.7	<b>-40.4</b>	-40.9	<b>-41.1</b>	-39.0	-39.8	-160.8
<b>TOTAL</b>	<b>111.5</b>	<b>112.4</b>	<b>110.3</b>	<b>113.2</b>	<b>102.8</b>	<b>111.9</b>	<b>438.1</b>
<b>WSOY</b>							
Publishing	31.3	<b>44.2</b>	30.3	<b>42.5</b>	30.7	40.0	143.5
Printing	15.1	<b>13.4</b>	15.9	<b>15.6</b>	15.3	15.9	62.7
Calendar operations	1.6	<b>2.6</b>	1.7	<b>3.3</b>	12.2	17.4	34.5
Others	1.0	<b>1.1</b>	0.9	<b>0.9</b>	1.0	1.0	3.7
Intracompany transactions	-6.6	<b>-6.7</b>	-6.6	<b>-6.4</b>	-6.9	-8.7	-28.6
<b>TOTAL</b>	<b>42.4</b>	<b>54.6</b>	<b>42.2</b>	<b>55.8</b>	<b>52.2</b>	<b>65.6</b>	<b>215.9</b>
<b>SWELCOM</b>							
Nelonen	13.6	<b>15.2</b>	12.7	<b>12.5</b>	10.1	14.0	49.3
HTV	9.2	<b>9.5</b>	6.5	<b>6.7</b>	7.0	7.9	28.1
Others	2.7	<b>-0.3</b>	3.3	<b>2.3</b>	2.6	3.1	11.3
Intracompany transactions	-0.6	<b>2.5</b>	-1.0	<b>-0.4</b>	-0.5	-0.6	-2.5
<b>TOTAL</b>	<b>24.9</b>	<b>26.9</b>	<b>21.5</b>	<b>21.1</b>	<b>19.2</b>	<b>24.4</b>	<b>86.1</b>

**RAUTAKIRJA**

Kiosk operations	88.3	<b>100.8</b>	88.1	<b>92.5</b>	93.2	99.8	373.6
Press distribution	44.1	<b>48.8</b>	38.7	<b>42.9</b>	46.2	49.4	177.3
Bookstores	31.7	<b>17.8</b>	30.8	<b>17.3</b>	26.0	41.1	115.2
Movie theatre operations	14.6	<b>10.6</b>	14.6	<b>9.1</b>	11.1	14.7	49.6
Restaurant operations	13.4	<b>16.6</b>	10.7	<b>12.5</b>	13.3	13.7	50.2
Others	0.0	<b>0.0</b>	0.3	<b>0.3</b>	0.2	0.0	0.8
Intracompany transactions	-11.3	<b>-11.9</b>	-7.2	<b>-9.7</b>	-11.1	-12.2	-40.2
<b>TOTAL</b>	<b>180.8</b>	<b>182.7</b>	<b>176.0</b>	<b>164.9</b>	<b>179.0</b>	<b>206.6</b>	<b>726.5</b>
Intragroup transactions	-27.9	<b>-28.1</b>	-27.1	<b>-26.6</b>	-31.1	-32.1	-117.0
<b>TOTAL</b>	<b>564.0</b>	<b>599.3</b>	<b>559.0</b>	<b>584.5</b>	<b>553.4</b>	<b>661.0</b>	<b>2,357.8</b>

**OPERATING PROFIT BY BUSINESS AREA**

<b>EUR million</b>	1-3 2003	<b>4-6 2003</b>	1-3 2002	<b>4-6 2002</b>	7-9 2002	10-12 2002	1-12 2002
Sanoma Magazines	5.9	<b>26.1</b>	7.7	<b>26.9</b>	2.9	20.6	58.2
Sanoma *)	10.7	<b>11.0</b>	7.9	<b>13.0</b>	9.8	11.3	41.9
WSOY *)	-1.6	<b>6.9</b>	-2.1	<b>6.8</b>	7.0	8.8	20.5
SWelcom	-1.1	<b>1.8</b>	-6.7	<b>-4.8</b>	-2.6	-4.0	-18.0
Rautakirja	7.3	<b>5.2</b>	7.5	<b>3.7</b>	9.4	17.4	38.0
Other companies **)	-4.5	<b>5.4</b>	-3.8	<b>-1.9</b>	-4.4	3.9	-6.3
Intragroup eliminations	-1.9	<b>4.2</b>	3.5	<b>-1.0</b>	-3.0	0.6	0.1
<b>TOTAL</b>	<b>14.8</b>	<b>60.5</b>	<b>14.0</b>	<b>42.7</b>	<b>19.1</b>	<b>58.6</b>	<b>134.4</b>

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

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

**SANOMAWSOY CORPORATION**

Raija Kariola  
 Vice President  
 Investor Relations and Group Communications

**DISTRIBUTION**

Helsinki Exchanges  
 Principal media