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## SANOMAWSOY'S GOOD DEVELOPMENT IN RESULTS CONTINUES – OPERATING PROFIT ALMOST DOUBLED

SanomaWSOY has started 2004 with success. – Considering the market circumstances, our result is very good. Our first quarter tends to be sluggish so this result gives the whole year a good start, says Hannu Syrjänen, President & COO of SanomaWSOY, commenting on the Group's Interim Result for January–March 2004.

SanomaWSOY's operating profit grew by 82.5% in the first quarter. EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 21%. Result before extraordinary items increased to EUR 27.0 (-0,1) million. The result improved in all divisions excluding Rautakirja, in which the new periodization of subscription sales at bookstores makes comparison more difficult in the first quarter.

### Towards growth

Media market was rather sluggish in January–March. In April, there has been a turn to positive direction.

– In electronic media, our success continued to be excellent, and magazines did well too. Newspapers suffered from decrease in job advertising – April was already better. It seems that the positive development will continue, Syrjänen says.

A strong cash flow and a reduced balance sheet enable further growth and international expansion:  
– Besides results we focused on the future. The Polish eLearning company Young Digital Poland became a WSOY subsidiary. Sanoma acquired the publishing rights for Uutislehti 100. Also, a decision to renew Sanoma's organisation was made to improve clarity and cost-efficiency of the operations. Eight new magazines were launched during the first quarter, and three after it. SWelcom increased its market share.

Focusing on core businesses will continue. – There are several fascinating development projects going on even though results from some can only be expected later.

## Strong development in results continues

According to estimates, the economy within the Euro area will grow faster in 2004 than in the previous year, but moderately. After adjustment for changes in Group structure, SanomaWSOY's net sales are expected to increase in 2004 by at least as much as in the first quarter.

– The trend in the market looks good, and I believe in the good development in results even more strongly, says Syrjänen. – I expect all divisions to post comparably better results than in 2003.

– I expect a lot from Sanoma's restructuring and the new projects in the publishing of educational materials. The growth plans are of great importance at magazines, as is the increased market share of SWelcom. The growth plans in Rautakirja are also progressing well.

The Group's EBIT target is 9% of net sales. When SanomaWSOY starts reporting according to IFRS standards at the beginning of 2005, the Group's EBIT will improve considerably. According to Syrjänen, a new target must therefore be soon set.

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