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IMPROVED RESULT FOR SANOMAWSOY DESPITE DIFFICULT MARKET CONDITIONS

SanomaWSOY, the leading media group in the Nordic countries, improved its operating profit by a third during the first half of the year, despite sluggish demand for media advertising in many of the countries in which the company operates. President & COO Hannu Syrjänen sees no clear signs of an upturn in the business cycle although some weak signals are already discernible. "We have followed a long-term plan to systematically develop our various business units, which allows us to adapt more easily to variations in the business climate. Our long-term plan also ensures that we usually can avoid sudden adjustments, such as redundancies."

SanomaWSOY's net sales grew by 2% in the first half of 2003, amounting to EUR 1,163.3 (1,143.5) million. Operating profit increased considerably, by 33%, and totalled EUR 75.3 (56.8) million. The comparable operating profit increased by even more, since the figure 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 compared to January - June 2002 during which the most substantial gains on sales of assets amounted to approximately EUR 25 million. Result before extraordinary items increased to EUR 59.2 (53.9) million and earnings per share rose to EUR 0.24 (0.15).

Most of the growth in net sales was generated by Rautakirja and SWelcom. Comparable operating profit improved in all divisions - and especially in SWelcom, which posted an operating profit of EUR 0.7 million compared to last year's operating loss of EUR 11.5 million, due to both Nelonen's and HTV's success.

President & COO Hannu Syrjänen underscores a number of points in SanomaWSOY's strategy that account for such improved financial performance. "One of the guiding principles of our strategy is a balanced media business portfolio with strong distribution activities. This helps to combat fluctuations in the business cycle. Meanwhile, the circulation of much of our printed media is derived from annual subscriptions, which are less susceptible to economic fluctuations than newsstand sales. Thanks to the balance of our business operations, we are less dependent on advertising sales than our media peers. Market leadership in our operating areas, a mainstay of our strategy, also plays a

critical role. Market leaders generally weather downturns better than their competitors," points out Syrjänen.

Despite such business success, Syrjänen still thinks the Group should be developed further during the rest of the year. SanomaWSOY's performance in the third quarter has generally been more subdued than in the second and fourth quarters.

"We will continue to develop the operations of all our divisions. Given the weak market conditions, we shall continue our policy of streamlining both our corporate structure and our business models while also seeking new opportunities for growth. For healthy companies, a business downturn is an opportunity to acquire new business and to expand market share. Like everyone else we are awaiting an upswing in the business cycle, but we may have to wait a while longer for that," says Syrjänen.

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.

SanomaWSOY is the leading media group in the Nordic region, with operations in 14 European countries. The Group is comprised of five divisions: Sanoma (publishing and printing newspapers), Sanoma Magazines (publishing magazines and press distribution), SWelcom (electronic media), WSOY (publishing, printing and calendar operations), and Rautakirja (kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations). In Finland, SanomaWSOY is in the leading position in several fields of the media. The Group took a major step forwards in internationalisation with an acquisition effected in 2001. SanomaWSOY is now Europe's fifth-biggest magazine publisher and it is in the leading position in the Netherlands, Belgium, the Czech Republic and Hungary in addition to Finland. SanomaWSOY's net sales in 2002 were EUR 2.4 billion.

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