

SanomaWSOY Corp. Stock Exchange Release October 30, 2003 at 11:15

## SANOMAWSOY'S INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2003

SanomaWSOY's development in results continued to be good. Operating profit improved by 67%, to EUR 126.2 (75.8) million in January - September. Result before extraordinary items increased to EUR 101.2 (48.7) million and earnings per share rose to EUR 0.41 (0.00). In the third quarter net sales were EUR 583.3 (553.4) million and operating profit EUR 50.9 (19.1) million. Earnings per share were EUR 0,17 (-0,14).

<b>KEY INDICATORS, EUR million</b>	<b>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>1,746.5</b>	1,696.9	2.9	2,357.8
Operating profit before depreciation and decrease in value	<b>274.1</b>	233.4	17.4	346.4
% of net sales	<b>15.7</b>	13.8		14.7
Operating profit before amortisation	<b>219.3</b>	175.1	25.2	269.2
% of net sales	<b>12.6</b>	10.3		11.4
Operating profit	<b>126.2</b>	75.8	66.5	134.4
% of net sales	<b>7.2</b>	4.5		5.7
Result before extraordinary items	<b>101.2</b>	48.7	107.6	106.7
% of net sales	<b>5.8</b>	2.9		4.5
Balance sheet total	<b>2,467.2</b>	2,722.3	-9.4	2,592.5
Gross investments	<b>67.4</b>	73.9	-8.9	113.5
% of net sales	<b>3.9</b>	4.4		4.8
Equity ratio, % *)	<b>47.3</b>	41.2		45.2
Equity ratio, %	<b>38.5</b>	33.3		36.9
Gearing, % *)	<b>54.8</b>	79.8		60.0
Gearing, %	<b>90.2</b>	122.6		96.1
Financial cost of liabilities	<b>34.0</b>	50.7	-33.0	64.3
Interest-bearing liabilities	<b>915.6</b>	1,217.7	-24.8	1,006.2
Interest-free liabilities	<b>644.6</b>	632.4	1.9	666.8
Securities, cash and bank	<b>97.2</b>	148.5	-34.6	122.4
Personnel under employment contract, average	<b>17,833</b>	18,834	-5.3	18,657
Personnel, average (full-time equivalents)	<b>14,427</b>	15,300	-5.7	15,210

Earnings/share, EUR	<b>0.41</b>	0.00		0.22
Cash flow/share, EUR	<b>0.86</b>	0.64	33.2	1.33
Equity/share, EUR	<b>5.82</b>	5.42	7.4	5.70
Market capitalisation	<b>1,837.3</b>	1,337.4	37.4	1,319.1

\*) Capital notes included in equity

### Outlook for 2003

SanomaWSOY's net sales will increase moderately in 2003, as the trend in media advertising is still sluggish in most of the countries in which the Group operates. However, the rate of growth will exceed the increase in Finland's GDP. According to an estimate published by the Research Institute of the Finnish Economy in September, Finland's GDP will increase by 1.4% this year.

SanomaWSOY's operating profit will grow considerably due to highly successful operational streamlining, cost-cutting and business management. Also, earnings per share will rise considerably.

### Net sales

SanomaWSOY's net sales increased by 3% in January - September 2003, amounting to EUR 1,746.5 (1,696.9) million, with SWelcom and Rautakirja generating most of this growth. Advertising sales represented 21% (21%) of the Group's total net sales.

### Result

The Group's development in results continued to be good: SanomaWSOY's operating profit increased by 67% and reached EUR 126.2 (75.8) million. The cost saving measures proceeded as planned, and the comparable operating profit improved in all divisions. The most substantial non-recurring gains on the sales of assets totalled some EUR 19 (26) million. EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 25% and amounted to EUR 219.3 (175.1) million.

Result before extraordinary items increased to EUR 101.2 (48.7) million and earnings per share rose to EUR 0.41 (0.00). Cash flow from operations totalled EUR 128.2 (88.9) million and cash flow per share was EUR 0.86 (0.64).

## **Balance sheet and financial position**

SanomaWSOY's consolidated balance sheet total continued to decrease during the third quarter and amounted to EUR 2,467.2 (2,722.3) million at the end of September (30.6.2003: EUR 2,526.3 million). The Group's financial position improved considerably compared to the previous year. The equity ratio, including capital notes, was 47.3% (41.2%; 30.6.2003: 45.0%). Capital notes have a positive impact of 8.8 percentage points on the equity ratio. Shareholders' equity, excluding capital notes, amounted to EUR 891.1 (749.7; 30.6.2003: 862.5) million. Interest-bearing liabilities, including capital notes, decreased to EUR 915.6 (1,217.7; 30.6.2003: 1,007.7) million and net debt declined to EUR 818.4 (1,069.2; 30.6.2003: 855.7) million. SanomaWSOY's cash flow is typically strongest during the fourth quarter and the Group's financial position is expected to continue to improve markedly during the rest of the year.

The book value of securities and cash was EUR 97.2 (148.5) million and their market value was EUR 100.4 (158.5) million at the end of September. The book value of investments in shares was EUR 24.8 (58.8) million and their market value was EUR 28.0 (68.0) million.

SanomaWSOY's financial income decreased substantially and totalled EUR 18.2 (58.0) million during the first nine months of the year, as there were no substantial gains on sales from realising the share portfolio. Financial income comprised mainly dividends on non-current assets, EUR 5.6 (10.3) million, and interest income and gains on sales of shares, EUR 7.1 (40.2) million. In line with the Group's strategy, almost all of the securities have been realised. Financial expenses amounted to EUR 43.3 (85.1) million and were mainly related to interest expenses on interest-bearing liabilities. Unrealised decreases in the value of securities were EUR 0.5 (31.5) million.

## **Investments**

SanomaWSOY's investments in the January - September period were modest and totalled EUR 67.4 (73.9) million. The major investments were related to the renewal of Sanomala's printing plant and the expansion of Rautakirja's international business. R&D expenditure recorded as expenses totalled EUR 5.6 (12.7) million.

## Market situation

Media advertising grew slowly in the early months of the year. According to TNS Gallup Adex, growth in Finland was slightly less than 3%. Newspaper advertising grew by 4%, but job advertising declined by 15%. Television advertising was up by 3%, and magazine advertising declined by one per cent. Magazine advertising declined in Belgium and the Netherlands as well as in Finland, but growth continued in Eastern Central Europe. Retail sales grew by 4% in Finland.

## Key events

SanomaWSOY has systematically continued its strategy of divesting its non-core assets and holdings during 2003:

-In June, SanomaWSOY sold its 29.47% holding (2,624,276 shares) in the Norwegian media company A-pressen ASA for NOK 155 per share. Using the exchange rate of the selling date, the selling price was EUR 49.1 million.

-Sanoma divested the operations of its distribution company Leijonajakelu Oy to Finland Post. The transaction came into effect in the beginning of September. As a result of the divestment, about 1,900 employees of Leijonajakelu were transferred to Finland Post. Leijonajakelu's net sales in 2002 totalled EUR 69.7 million, most of which were internal Sanoma sales.

-In August, Sanoma made a conditional sale and purchase agreement by which, if the agreement comes into effect, Sanoma will sell its 21.37% holding in Janton Oyj (totalling 2,137,200 shares) for EUR 13 per share. If the terms of the agreement are fulfilled, the deal is expected to be completed in December 2003.

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 Series A or B share. At the time of the merger, Rautakirja Oyj was de-listed by the Helsinki Exchanges and Rautakirja's business operations were incorporated into the new Rautakirja Corporation, which continues in business as before. The merger will improve SanomaWSOY's earnings per share already this year.

## 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 SanomaWSOY's restricted equity. The decrease in the share capital was entered in the Finnish Trade Register on 30 April 2003.

As a result of the decrease in share capital, 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. 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 nine months of 2003, SanomaWSOY's Series A shares traded at an average price of EUR 11.28, with a low of EUR 9.00 and a high of EUR 13.20. Series B shares traded at an average price of EUR 10.35, with a low of EUR 7.62 and a high of EUR 13.00. The turnover of shares totalled EUR 132.1 (57.5) million. Most of the shares traded were Series B, of which roughly 12.7 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.

## **Authorisations of the board of directors**

The AGM held on 1 April 2003 authorised SanomaWSOY's Board of Directors to decide, within one year of the AGM, on an increase of the 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, will be of Series B, and that their aggregate number may not exceed 29,104,319 shares and the total increase in the share capital may not exceed EUR 12,514,857.17.

## **IAS reporting**

SanomaWSOY will start reporting according to IAS/IFRS in 2005. The new accounting principles have an impact on the Group's net sales and the most important changes relating to net sales will take place already in 2004 as the changes are possible also under Finnish Accounting Standards. The most significant modifications relate to press distribution, which will under IAS be treated as commission sales, and to harmonising the accounting practice regarding granted discounts and purchased services.

As a result of the changes, SanomaWSOY's net sales will decrease by some EUR 40 million compared to the 2003 level. The net sales of Sanoma Magazines will increase by approximately EUR 15 million and the changes within the division will be significant: the net sales of magazine operations will increase by some EUR 80 million whereas the net sales of press distribution will decrease by approximately EUR 110 million. Sanoma's net sales will decrease by some EUR 20 million and Rautakirja's by some EUR 100 million. The changes will not affect the net sales of WSOY and SWelcom.

The IFRS standards are still changing and the interpretations of the standards will be further clarified, for instance, in respect of the Finnish pension system (TEL) and the treatment of goodwill. These changes may have an impact on the income statement or the balance sheet.

## SANOMA MAGAZINES

Magazine publishing and press distribution. Sanoma Magazines is among the five biggest magazine publishers in Europe. 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>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>727.4</b>	723.5	0.5	1,008.1
Operating profit before amortisation	<b>109.5</b>	104.6	4.7	147.7
% of net sales	<b>15.1</b>	14.5		14.6
Operating profit	<b>50.3</b>	37.5	34.0	58.2
% of net sales	<b>6.9</b>	5.2		5.8
Operating profit excl. associated companies	<b>40.9</b>	25.8	58.7	42.4
% of net sales	<b>5.6</b>	3.6		4.2
Balance sheet total	<b>1,580.5</b>	1,703.3	-7.2	1,654.5
Gross investments	<b>12.1</b>	13.8	-12.6	18.7
Personnel under employment contract, average	<b>4,437</b>	4,877	-9.0	4,835
Personnel, average (full-time equivalents)	<b>3,892</b>	4,276	-9.0	4,228

## OPERATIONAL INDICATORS, 1.1 - 30.9.

	<b>2003</b>	2002*)
Number of copies sold (press distribution/ Aldipress), thousands	<b>85,409</b>	94,685
Number of magazines published	<b>223</b>	219
Magazine copies sold, thousands	<b>308,378</b>	283,793
Number of advertising pages sold	<b>32,672</b>	30,377

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

Sanoma Magazines' net sales amounted to EUR 727.4 (723.5) million in the first nine months of 2003. Net sales at Sanoma Uitgevers totalled EUR 338.9 (347.2) million. Sanoma Magazines Finland's net sales increased to EUR 122.3 (118.5) million and Sanoma Magazines Belgium's to EUR 112.6 (111.2) million. Net sales at Sanoma Magazines International grew to EUR 73.7 (69.0) million despite the divestment of the British crossword publishing unit BEAP in April 2002. Net sales at Aldipress

increased to EUR 160.6 (159.3) million.

Advertising sales decreased by 3% in the January - September period compared to the same period last year. Sanoma Magazines' advertising sales decreased in Finland and the Netherlands but grew in Eastern Central Europe. Advertising sales accounted for some 22% (23%) of Sanoma Magazines' total net sales. Sanoma Uitgevers and Sanoma Magazines Finland suffered from the recession in the advertising market, but Sanoma Magazines Belgium's advertising sales were almost on the previous year's level due to a successful third quarter. Advertising sales grew strongly in the Czech Republic and especially in Hungary.

Circulation sales developed better than advertising sales, and comparable circulation sales excluding the sales of BEAP went up by 4%. Sanoma Magazines' circulation sales increased in all countries where the division operates, most rapidly at Sanoma Magazines International. Sanoma Uitgevers' circulation sales were up, partly due to the launches of two new women's magazines. Sanoma Magazines Finland did well in the circulation market as a result of good performance by its main titles. In Belgium, circulation sales of magazines published in the Flemish-speaking area grew, but sales of the main titles declined in the French-speaking region.

Sanoma Magazines' comparable operating profit improved considerably. The favourable trend in earnings was contributed to by cost-cutting programmes and by lower paper and printing costs. Operating profit for the first three quarters increased to EUR 50.3 (37.5) million and EBITA grew to EUR 109.5 (104.6) million. The figures for 2002 included gains on the sales of BEAP and Sanoma Magazines Finland's business unit Blue Book.

During the third quarter, Sanoma Magazines carried out two launches. Glamo powered by Flair, a handbag-size, general-interest glossy, was launched in Belgium. In addition, a new magazine built around the television star Linda de Mol's brand was launched in the Netherlands in partnership with the company Mood for Magazines.

Sanoma Magazines is forecast to achieve net sales of EUR one billion in 2003. Operating profit is expected to be about 7% 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, the regional papers Kouvolan Sanomat, Kymen Sanomat and 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>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>329.9</b>	326.2	1.1	438.1
Operating profit before amortisation	<b>44.9</b>	35.9	25.1	49.0
% of net sales	<b>13.6</b>	11.0		11.2
Operating profit	<b>39.7</b>	30.6	29.4	41.9
% of net sales	<b>12.0</b>	9.4		9.6
Operating profit excl. associated companies	<b>37.8</b>	26.9	40.5	36.2
% of net sales	<b>11.5</b>	8.3		8.3
Balance sheet total	<b>451.4</b>	504.4	-10.5	508.5
Gross investments	<b>20.2</b>	31.8	-36.4	48.6
Personnel under employment contract, average	<b>4,476</b>	5,047	-11.3	4,944
Personnel, average (full-time equivalents)	<b>3,280</b>	3,639	-9.9	3,578

## OPERATIONAL INDICATORS, 1.1 - 30.9.

	<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>31,691</b>	32,000	
<b>ILTA-SANOMAT</b>			
Circulation, copies *)		204,820	218,829
Advertising volume (column metres)	<b>5,178</b>	5,255	
<b>TALOUSSANOMAT</b>			
Circulation, copies *)		32,513	31,192
Advertising volume (column metres)	<b>1,712</b>	2,153	

\*) Audited circulation figures 1.1 - 31.12.

Sanoma's net sales increased to EUR 329.9 (326.2) million in January - September. Most growth was generated by the IS Business Unit, which boosted its net sales to EUR 71.6 (68.3) million as a result of the acquisition of the publication IS Veikkaaja in 2002. Helsingin Sanomat's net sales totalled EUR 190.9 (189.9) million and those of Kymen Lehtimedia EUR 39.2 (38.2) million. No net sales of Leijonajakelu were included in Sanoma's net sales as of the beginning of September.

Advertising sales, which declined during the second quarter of 2003, grew again in the third quarter. Supplement advertising of Helsingin Sanomat increased most. Advertising sales increased by one per cent in January - September and accounted for 49% (49%) 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 increased substantially and those of Kymen Lehtimedia also rose.

Circulation sales grew by 3%, partly due to IS Veikkaaja. Most papers' circulation declined slightly from the previous year, but the circulation of Helsingin Sanomat started to increase slightly in August. Sanomala's new printing press came fully on stream at the end of September, and the revamped Helsingin Sanomat, printed on the new press, came out on 30 September.

Sanoma's operating profit increased substantially more than net sales and amounted to EUR 39.7 (30.6) million. The figure includes a EUR 1.0 (3.6) million share of the result of Rautakirja, which in 2003 was included in the operating profit only in January - February. Operating profit was improved by increased net sales and, in addition, by gains in sales and a moderate trend in costs. Operating profit improved in Helsingin Sanomat, the IS Business Unit and Kymen Lehtimedia. EBITA rose to EUR 44.9 (35.9) 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 turnaround in the business cycle. The well-received new look of the newspaper and the increased four-colour capacity of the new printing press are expected to boost Helsingin Sanomat's advertising and circulation.

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 gains on the sales and long-range development measures. No share of Rautakirja's result has been 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>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>147.9</b>	150.2	-1.6	215.9
Operating profit before amortisation	<b>13.6</b>	16.3	-16.5	26.4
% of net sales	<b>9.2</b>	10.9		12.2
Operating profit	<b>9.9</b>	11.8	-15.7	20.5
% of net sales	<b>6.7</b>	7.8		9.5
Operating profit excl. associated companies	<b>8.5</b>	7.2	16.8	12.4
% of net sales	<b>5.7</b>	4.8		5.7
Balance sheet total	<b>203.5</b>	282.9	-28.1	280.8
Gross investments	<b>6.4</b>	6.8	-5.9	8.6
Personnel under employment contract, average	<b>1,951</b>	1,938	0.6	1,937
Personnel, average (full-time equivalents)	<b>1,874</b>	1,834	2.2	1,836

## OPERATIONAL INDICATORS, 1.1 - 30.9.

	<b>2003</b>	2002
<b>NUMBER OF NEW TITLES PUBLISHED</b>		
Books	<b>522</b>	501
Electronic products	<b>70</b>	78
<b>NUMBER OF REPRINTS PUBLISHED</b>		
Books	<b>883</b>	924
Electronic products	<b>166</b>	219
Books printed, millions	<b>15.6</b>	16.9
Paper consumption, tonnes	<b>11,223</b>	9,679

WSOY's net sales for January - September totalled EUR 147.9 (150.2) million. Publishing operations' net sales grew to EUR 104.6 (103.5) million, but printing operations' net sales declined to EUR 43.2 (46.8) million due to low demand for printed advertising material. Calendar operations' net sales totalled EUR 16.0 (17.1) million.

In publishing operations, non-fiction sold well but sales of translated fiction and children's books decreased in comparison with the previous year. Sales in the third quarter were also reduced due to the frequency of new books published. Sales to bookstores and through book clubs decreased slightly in January - September. Cost-cutting programmes at the local government level reduced sales of textbooks for comprehensive schools, but WSOY continues to retain its clear market leadership in the school textbook market.

Operating profit from WSOY's own operations grew to EUR 8.5 (7.2) million. Cost-cutting measures and the reduction of losses from electronic publishing contributed to improving the operating profit, but growth was weakened by non-recurring amortisation of goodwill of EUR 1.5 million at Everscreen AB, a company specialised in e-learning for companies. Both publishing and calendar operations posted an improved operating result, whereas that of printing operations decreased. WSOY's operating profit totalled EUR 9.9 (11.8) million. The figure includes a EUR 1.4 (4.7) million share of the result of Rautakirja, which in 2003 was included in the operating profit only in January - February. EBITA totalled EUR 13.6 (16.3) million.

WSOY's net sales for the full year are forecast to be on the previous year level. The operating profit of WSOY's own operations will improve, but the overall operating profit will decrease because the share of Rautakirja's result has not been included in WSOY's figures since 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>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>75.1</b>	61.8	21.5	86.1
Operating profit before amortisation	<b>20.8</b>	4.5	357.2	9.0
% of net sales	<b>27.6</b>	7.3		10.5
Operating profit	<b>1.0</b>	-14.1		-18.0
% of net sales	<b>1.3</b>	-22.8		-20.9
Operating profit excl. associated companies	<b>1.0</b>	-12.2		-15.6
% of net sales	<b>1.3</b>	-19.7		-18.1
Balance sheet total	<b>136.5</b>	123.8	10.2	138.2

Gross investments	<b>5.8</b>	5.5	6.0	8.1
Personnel under employment contract, Average	<b>414</b>	415	-0.3	413
Personnel, average (full-time equivalents)	<b>390</b>	385	1.4	384

**OPERATIONAL INDICATORS, 1.1 - 30.9.**

	<b>2003</b>	<b>2002</b>
Nelonen's share of Finnish TV advertising	<b>27.5 %</b>	24.8 %
Nelonen's daily Coverage	<b>41%</b>	42%
Nelonen's national commercial viewing Share	<b>22.1 %</b>	23.7 %
Nelonen's national viewing share	<b>11.2 %</b>	11.6 %
Number of connected households, thousands (30.9.)	<b>249</b>	228
Number of pay-TV subscriptions, thousands (30.9.)	<b>32</b>	35
Number of broadband internet connections, thousands (30.9.)	<b>39</b>	27

SWelcom's net sales increased strongly in January - September, amounting to EUR 75.1 (61.8) million, due to both Nelonen's and HTV's growth. Nelonen's advertising sales grew considerably faster than TV advertising in general and the channel's market share was more than 30% in August.

Nelonen's net sales amounted to EUR 40.4 (35.3) million. HTV's growth was mainly driven by the success of broadband internet services, and HTV's net sales rose to EUR 28.2 (20.2) million.

Advertising sales represented some 54% (56%) of SWelcom's net sales.

SWelcom's development in profits continued to be excellent: it posted an operating profit of EUR 1.0 (loss of EUR 14.1) million for January - September, and both HTV and Nelonen posted considerably improved operating results. 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 sports channel) contributed to the improved the financial performance. The halving of Nelonen's operating

licence fee improved the operating result for the first half of the year. EBITA totalled EUR 20.8 (4.5) million.

SWelcom's net sales are expected to grow substantially in 2003, largely due to the increase in Nelonen's advertising sales, the trend in HTV connections, and the popularity of broadband internet. SWelcom's operating result will improve very considerably.

## RAUTAKIRJA

Kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations. Rautakirja's R-kiosk forms Finland's leading kiosk chain, 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, since which Rautakirja shares have no longer been listed on the Helsinki Exchanges.

<b>KEY INDICATORS, EUR million</b>	<b>30.9.2003</b>	30.9.2002	Change,%	31.12.2002
Net sales	<b>557.7</b>	519.9	7.3	726.5
Operating profit before amortisation	<b>26.8</b>	23.7	13.0	42.4
% of net sales	<b>4.8</b>	4.6		5.8
Operating profit	<b>22.5</b>	20.6	9.2	38.0
% of net sales	<b>4.0</b>	4.0		5.2
Operating profit excl. associated companies	<b>25.2</b>	21.8	15.5	39.5
% of net sales	<b>4.5</b>	4.2		5.4
Balance sheet total	<b>330.7</b>	385.7	-14.3	410.4
Gross investments	<b>22.8</b>	15.5	47.0	27.8
Personnel under employment contract, average	<b>6,480</b>	6,479	0.0	6,453
Personnel, average (full-time equivalents)	<b>4,915</b>	5,092	-3.5	5,110

## OPERATIONAL INDICATORS, 1.1 - 30.9. \*)

	<b>2003</b>	<u>2002</u>
Customer volume in kiosk operations, thousands	<b>89,612</b>	91,488
Customer volume in bookstore operations,		

Thousands	<b>4,166</b>	4,190
Customer volume in movie theatres, thousands	<b>2,577</b>	2,593
Number of copies sold (press distribution), thousands	<b>96,265</b>	94,714

\*) Units in Finland

Rautakirja's net sales for January - September grew to EUR 557.7 (519.9) million. Net sales increased in all operations and two-thirds of the growth was generated in Finland.

Kiosk operations' net sales grew to EUR 286.0 (273.8) million. More than a third of this growth was generated by the joint venture starting operations in the Czech Republic. Press distribution was boosted by sales of newspapers, magazines and collector's items in Finland and by the expansion of operations in Estonia and Latvia in summer 2002. Press distribution's net sales totalled EUR 142.8 (127.9) million. Bookstores' net sales amounted to EUR 79.3 (74.0) million, and most of the increase was due to corporate and business acquisitions in Finland. Movie theatre operations grew most vigorously in Lithuania, and net sales totalled EUR 36.9 (34.9) million. Restaurant operations' net sales increased to EUR 47.4 (36.5) million as a result of an increase in the number of outlets.

Rautakirja's operating profit improved and totalled EUR 22.5 (20.6) million. Kiosk operations, press clearly distribution and bookstores all posted clearly improved results, while the results posted by movie theatre operations and restaurant operations declined due to the expansion investment of the chains. 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 26.8 (23.7) million.

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

Helsinki, 30 October 2003

Board of Directors

SanomaWSOY Corporation

## INTERIM REPORT TABLES

Figures are unaudited.

<b>GROUP INCOME STATEMENT</b>	<b>1-9</b>	<b>1-9</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>1,746.5</b>	1,696.9	2.9	2,357.8
Increase (+) / decrease (-) in inventories of finished goods and work in progress	<b>4.1</b>	4.1	-0.2	1.0
Production for own use	<b>0.8</b>	0.3	174.5	0.8
Other operating income	<b>43.2</b>	50.1	-13.8	69.8
Share of result of associated companies	<b>6.4</b>	9.2	-30.3	13.1
Materials and services	<b>756.1</b>	748.5	1.0	1,026.0
Personnel expenses	<b>421.6</b>	421.6	0.0	585.8
Depreciation and decrease in value	<b>147.9</b>	157.6	-6.1	212.0
Other operating expenses	<b>349.3</b>	357.0	-2.2	484.3
<b>OPERATING PROFIT</b>	<b>126.2</b>	75.8	66.5	134.4
Financial income	<b>18.2</b>	58.0	-68.6	70.8
Financial expenses	<b>43.3</b>	85.1	-49.1	98.5
<b>RESULT BEFORE EXTRAORDINARY ITEMS</b>	<b>101.2</b>	48.7	107.6	106.7
Extraordinary items				6.1
<b>RESULT AFTER EXTRAORDINARY ITEMS</b>	<b>101.2</b>	48.7	107.6	112.7
Direct taxes	<b>-38.0</b>	-42.1	-9.7	-64.2
Minority interests	<b>-1.7</b>	-6.1	-72.2	-11.4
<b>RESULT FOR THE PERIOD</b>	<b>61.5</b>	0.6		37.2



**GROUP BALANCE SHEET**

<b>EUR million</b>	<b>30.9.2003</b>	30.9.2002	Change, %	31.12.2002
<b>Assets</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets	169.0	171.0	-1.2	174.6
Goodwill	1,102.6	1,205.7	-8.6	1,148.5
Tangible assets	455.7	471.2	-3.3	459.4
Investments	196.4	256.5	-23.4	254.6
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>1,923.8</b>	2,104.5	-8.6	2,037.0
<b>Current assets</b>				
Inventories	103.6	100.6	3.0	94.8
Long-term receivables	66.6	69.5	-4.2	72.0
Short-term receivables	276.0	299.2	-7.8	266.2
Securities	47.8	91.3	-47.6	63.1
Cash and bank	49.4	57.2	-13.8	59.3
<b>CURRENT ASSETS, TOTAL</b>	<b>543.4</b>	617.9	-12.1	555.5
<b>ASSETS, TOTAL</b>	<b>2,467.2</b>	2,722.3	-9.4	2,592.5
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' 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	359.5	306.0	17.5	308.7
Result for the period	61.5	0.6		37.2
Capital notes	207.4	207.3	0.1	207.4
<b>SHAREHOLDERS' EQUITY, TOTAL</b>	<b>1,098.6</b>	957.0	14.8	996.3
<b>MINORITY INTEREST</b>	<b>15.9</b>	122.6	-87.1	130.6
<b>STATUTORY PROVISIONS</b>	<b>13.5</b>	17.4	-22.1	15.9
<b>LIABILITIES</b>				
Deferred tax liability	34.2	34.9	-1.9	37.1
Long-term liabilities	582.6	720.7	-19.2	695.1
Current liabilities	722.4	869.8	-16.9	717.5
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>2,467.2</b>	2,722.3	-9.4	2,592.5

<b>GROUP CASH FLOW STATEMENT</b>	<b>1-9</b>	<b>1-9</b>		<b>1-12</b>
<b>EUR million</b>	<b>2003</b>	<b>2002</b>	<b>Change,%</b>	<b>2002</b>
Operating profit	<b>126.2</b>	75.8	66.5	134.4
Adjustments to operating profit	<b>82.8</b>	101.2	-18.2	133.8
Change in working capital	<b>0.6</b>	-47.1		-27.1
Cash flow from operations before financial items and taxes	<b>209.7</b>	130.0	61.3	241.0
Financial items and taxes	<b>-81.5</b>	-41.1	-98.3	-56.8
Cash flow from operations	<b>128.2</b>	88.9	44.3	184.2
Cash flow from investments	<b>14.3</b>	18.6	-23.2	48.1
Cash flow before financing	<b>142.5</b>	107.4	32.7	232.4
Cash flow from financing	<b>-161.1</b>	-298.2	-46.0	-455.6
<b>CHANGE IN LIQUIDITIES ACCORDING TO THE CASH FLOW STATEMENT</b>	<b>-18.6</b>	-190.8	-90.3	-223.3
Exchange rate differences under liquidities	<b>-6.6</b>	-25.7	-74.2	-19.4
Net increase (+)/decrease (-) in liquidities	<b>-25.2</b>	-216.5	-88.4	-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 Sept. / 31 Dec.	<b>97.2</b>	148.5	-34.6	122.4

**CONTINGENCIES AND PLEDGED ASSETS**

EUR million	30.9.2003	30.9.2002	Change,%	31.12.2002
<b>DEBTS WITH COLLATERAL CONSISTING OF REAL ESTATE AND SHARES</b>				
Pension loans	17.5	17.2	1.9	17.8
Loans from financial institutions	2.1	5.7	-63.8	5.5
Other loans	6.4	14.1	-54.4	1.6
Mortgages, real estate, total	10.8	14.2	-24.3	15.4
Mortgages, movable property, total	2.5	2.7	-8.5	2.7
Pledged securities, total	22.7	43.7	-48.1	27.6
<b>OTHER CONTINGENCIES FOR OWN COMMITMENTS</b>				
Mortgaged bearer bonds	0.9	0.9	0.0	0.9
Corporate mortgages	1.0	4.8	-78.6	4.9
Book value of pledged securities	1.2	5.4	-78.5	3.5
Deposits	2.5	1.1	123.9	1.1
<b>TOTAL</b>	<b>5.6</b>	<b>12.3</b>	<b>-54.2</b>	<b>10.5</b>
<b>CONTINGENCIES GIVEN ON BEHALF OF ASSOCIATED COMPANIES</b>				
Guarantees	16.6	8.9	85.3	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	20.7	25.1	-17.4	23.7
Interest on capital notes	3.9	3.0	27.1	3.2
Pension liabilities				
Repurchase liabilities	1.3	1.3	0.3	1.3
Other liabilities	169.1	139.5	21.3	147.0
<b>OTHER CONTINGENCIES, TOTAL</b>	<b>195.0</b>	<b>168.8</b>	<b>15.5</b>	<b>175.2</b>
<b>ALL LIABILITIES, TOTAL</b>	<b>272.8</b>	<b>275.2</b>	<b>-0.9</b>	<b>261.0</b>

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

EUR million	30.9.2003	30.9.2002	Change,%	31.12.2002
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Purchased	580.0	480.0	20.8	480.0
Written	254.8	200.0	27.4	200.0
Interest rate swaps	380.0	380.0	0.0	380.0
<b>TOTAL</b>	<b>1,214.8</b>	<b>1,060.0</b>	<b>14.6</b>	<b>1,060.0</b>
<b>CURRENCY DERIVATIVES</b>				
Forward contracts	25.1	30.5	-17.6	45.1
<b>TOTAL</b>	<b>25.1</b>	<b>30.5</b>	<b>-17.6</b>	<b>45.1</b>
<b>SHARE DERIVATIVES</b>				
Options				
Purchased	15.2			
Written	16.6			
<b>TOTAL</b>	<b>31.8</b>			
<b>TOTAL</b>	<b>1,271.6</b>	<b>1,090.5</b>	<b>16.6</b>	<b>1,105.1</b>

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

EUR million	30.9.2003	30.9.2002	Change,%	31.12.2002
<b>INTEREST RATE DERIVATIVES</b>				
Options				
Purchased	0.3	0.1	150.7	0.0
Written	-4.4	-2.1	-112.9	-2.9
Interest rate swaps	-2.2	-3.7	41.7	-4.8
<b>TOTAL</b>	<b>-6.2</b>	<b>-5.6</b>	<b>-10.5</b>	<b>-7.7</b>
<b>CURRENCY DERIVATIVES</b>				
Forward contracts	-0.5	-0.1	-910.6	-0.8
<b>TOTAL</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-910.6</b>	<b>-0.8</b>
<b>SHARE DERIVATIVES</b>				
Options				
Purchased	0.9			
Written	-0.3			
<b>TOTAL</b>	<b>0.5</b>			
<b>TOTAL</b>	<b>-6.2</b>	<b>-5.7</b>	<b>9.1</b>	<b>-8.5</b>

**GROUP INCOME STATEMENT BY QUARTER**

EUR million	1-3 2003	4-6 2003	7-9 2003	1-3 2002	4-6 2002	7-9 2002	10-12 2002	1-12 2002
<b>NET SALES</b>	564.0	599.3	<b>583.3</b>	559.0	584.5	<b>553.4</b>	661.0	2,357.8
Increase (+) / decrease (-) in inventories of finished goods and work in progress	4.4	-0.3	<b>-0.1</b>	4.7	-0.7	<b>0.0</b>	-3.1	1.0
Production for own use	0.4	0.2	<b>0.2</b>	0.1	0.1	<b>0.0</b>	0.5	0.8
Other operating income	7.1	20.3	<b>15.9</b>	25.2	16.5	<b>8.4</b>	19.6	69.8
Share of result of associated companies	1.6	3.4	<b>1.5</b>	1.0	5.1	<b>3.1</b>	3.9	13.1
Materials and services	247.1	251.5	<b>257.4</b>	250.6	251.8	<b>246.2</b>	277.5	1,026.0
Personnel expenses	143.6	144.1	<b>133.9</b>	143.5	143.1	<b>135.0</b>	164.2	585.8
Depreciation and decrease in value	50.4	48.0	<b>49.5</b>	56.6	51.2	<b>49.8</b>	54.4	212.0
Other operating expenses	121.5	118.8	<b>109.0</b>	125.4	116.7	<b>114.9</b>	127.2	484.3
<b>OPERATING PROFIT</b>	14.8	60.5	<b>50.9</b>	14.0	42.7	<b>19.1</b>	58.6	134.4
Financial income	4.7	6.8	<b>6.7</b>	31.4	16.4	<b>10.2</b>	12.8	70.8
Financial expenses	19.6	8.0	<b>15.6</b>	21.5	29.1	<b>34.4</b>	13.5	98.5
<b>RESULT BEFORE EXTRAORDINARY ITEMS</b>	-0.1	59.3	<b>42.0</b>	23.9	30.0	<b>-5.1</b>	57.9	106.7
Extraordinary items	0.0	0.0	<b>0.0</b>	0.0	0.0	<b>0.0</b>	6.1	6.1
<b>RESULT AFTER EXTRAORDINARY ITEMS</b>	-0.1	59.3	<b>42.0</b>	23.9	30.0	<b>-5.1</b>	64.0	112.7
Direct taxes	-6.1	-16.2	<b>-15.7</b>	-12.8	-17.8	<b>-11.5</b>	-22.1	-64.2
Minority interests	-1.0	-0.6	<b>-0.1</b>	-1.1	-2.0	<b>-3.0</b>	-5.3	-11.4
<b>RESULT FOR THE PERIOD</b>	-7.1	42.6	<b>26.1</b>	9.9	10.3	<b>-19.6</b>	36.6	37.2

**NET SALES BY BUSINESS AREA**

<b>EUR million</b>	<b>1-3/03</b>	<b>4-6/03</b>	<b>7-9/03</b>	<b>1-3/02</b>	<b>4-6/02</b>	<b>7-9/02</b>	<b>10-12/02</b>	<b>1-12/02</b>
<b>SANOMA MAGAZINES</b>								
Sanoma Uitgevers	110.3	114.8	<b>113.7</b>	110.7	124.2	<b>112.3</b>	143.8	491.1
Sanoma Magazines Finland	41.1	42.2	<b>39.0</b>	40.3	41.5	<b>36.7</b>	46.4	164.8
Sanoma Magazines Belgium	36.5	40.3	<b>35.8</b>	36.0	39.7	<b>35.4</b>	41.0	152.2
Sanoma Magazines International	22.4	27.8	<b>23.5</b>	25.0	23.9	<b>20.2</b>	26.9	95.9
Aldipress	48.6	51.0	<b>61.0</b>	50.1	53.9	<b>55.3</b>	55.7	215.0
Intracompany transactions	-26.6	-25.3	<b>-28.7</b>	-25.9	-27.2	<b>-28.6</b>	-29.2	-110.9
<b>TOTAL</b>	<b>232.3</b>	<b>250.8</b>	<b>244.3</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	63.8	<b>61.0</b>	65.7	66.3	<b>58.0</b>	64.4	254.4
IS Business Unit	23.1	24.7	<b>23.8</b>	22.1	22.8	<b>23.4</b>	23.8	92.1
Kymen Lehtimedia	12.7	13.7	<b>12.8</b>	12.3	13.4	<b>12.4</b>	13.5	51.7
Others	50.2	50.7	<b>42.3</b>	51.1	51.7	<b>48.0</b>	50.0	200.7
Intracompany transactions	-40.7	-40.4	<b>-34.0</b>	-40.9	-41.1	<b>-39.0</b>	-39.8	-160.8
<b>TOTAL</b>	<b>111.5</b>	<b>112.4</b>	<b>106.0</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	44.2	<b>29.2</b>	30.3	42.5	<b>30.7</b>	40.0	143.5
Printing	15.1	13.4	<b>14.7</b>	15.9	15.6	<b>15.3</b>	15.9	62.7
Calendar operations	1.6	2.6	<b>11.8</b>	1.7	3.3	<b>12.2</b>	17.4	34.5
Others	1.0	1.1	<b>1.1</b>	0.9	0.9	<b>1.0</b>	1.0	3.7
Intracompany transactions	-6.6	-6.7	<b>-5.9</b>	-6.6	-6.4	<b>-6.9</b>	-8.7	-28.6
<b>TOTAL</b>	<b>42.4</b>	<b>54.6</b>	<b>50.9</b>	<b>42.2</b>	<b>55.8</b>	<b>52.2</b>	<b>65.6</b>	<b>215.9</b>

**SWELCOM**

Nelonen	13.6	15.2	<b>11.7</b>	12.7	12.5	<b>10.1</b>	14.0	49.3
HTV	9.2	9.5	<b>9.4</b>	6.5	6.7	<b>7.0</b>	7.9	28.1
Others	2.8	2.8	<b>2.7</b>	3.3	2.3	<b>2.6</b>	3.1	11.3
Intracompany transactions	-0.7	-0.6	<b>-0.5</b>	-1.0	-0.4	<b>-0.5</b>	-0.6	-2.5
<b>TOTAL</b>	<b>24.9</b>	<b>26.9</b>	<b>23.3</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	100.8	<b>96.9</b>	88.1	92.5	<b>93.2</b>	99.8	373.6
Press distribution	44.1	48.8	<b>49.9</b>	38.7	42.9	<b>46.2</b>	49.4	177.3
Bookstores	31.7	17.8	<b>29.8</b>	30.8	17.3	<b>26.0</b>	41.1	115.2
Movie theatre operations	14.6	10.6	<b>11.8</b>	14.6	9.1	<b>11.1</b>	14.7	49.6
Restaurant operations	13.4	16.6	<b>17.4</b>	10.7	12.5	<b>13.3</b>	13.7	50.2
Others	0.0	0.0	<b>0.0</b>	0.3	0.3	<b>0.2</b>	0.0	0.8
Intracompany transactions	-11.3	-11.9	<b>-11.7</b>	-7.2	-9.7	<b>-11.1</b>	-12.2	-40.2
<b>TOTAL</b>	<b>180.8</b>	<b>182.7</b>	<b>194.2</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	-28.1	<b>-35.4</b>	-27.1	-26.6	<b>-31.1</b>	-32.1	-117.0
<b>TOTAL</b>	<b>564.0</b>	<b>599.3</b>	<b>583.3</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**

€million	1-3/03	4-6/03	7-9/03	1-3/02	4-6/02	7-9/02	10-12/02
Sanoma Magazines	5.9	26.1	<b>18.3</b>	7.7	26.9	<b>2.9</b>	20.6
Sanoma *)	10.7	11.0	<b>17.9</b>	7.9	13.0	<b>9.8</b>	11.3
WSOY *)	-1.6	6.9	<b>4.7</b>	-2.1	6.8	<b>7.0</b>	8.8
SWelcom	-1.1	1.8	<b>0.3</b>	-6.7	-4.8	<b>-2.6</b>	-4.0
Rautakirja	7.3	5.2	<b>10.0</b>	7.5	3.7	<b>9.4</b>	17.4
Other companies **)	-4.5	5.4	<b>-1.2</b>	-3.8	-1.9	<b>-4.4</b>	3.9
Intragroup eliminations	-1.9	4.2	<b>0.9</b>	3.5	-1.0	<b>-3.0</b>	0.6
<b>Total</b>	<b>14.8</b>	<b>60.5</b>	<b>50.9</b>	<b>14.0</b>	<b>42.7</b>	<b>19.1</b>	<b>58.6</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