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SanomaWSOY's financial statements for 2000 have been drawn up in Finnish markka and all figures have been converted into Euros. Beginning in 2001, the Group's interim reports will be denominated in Euros.

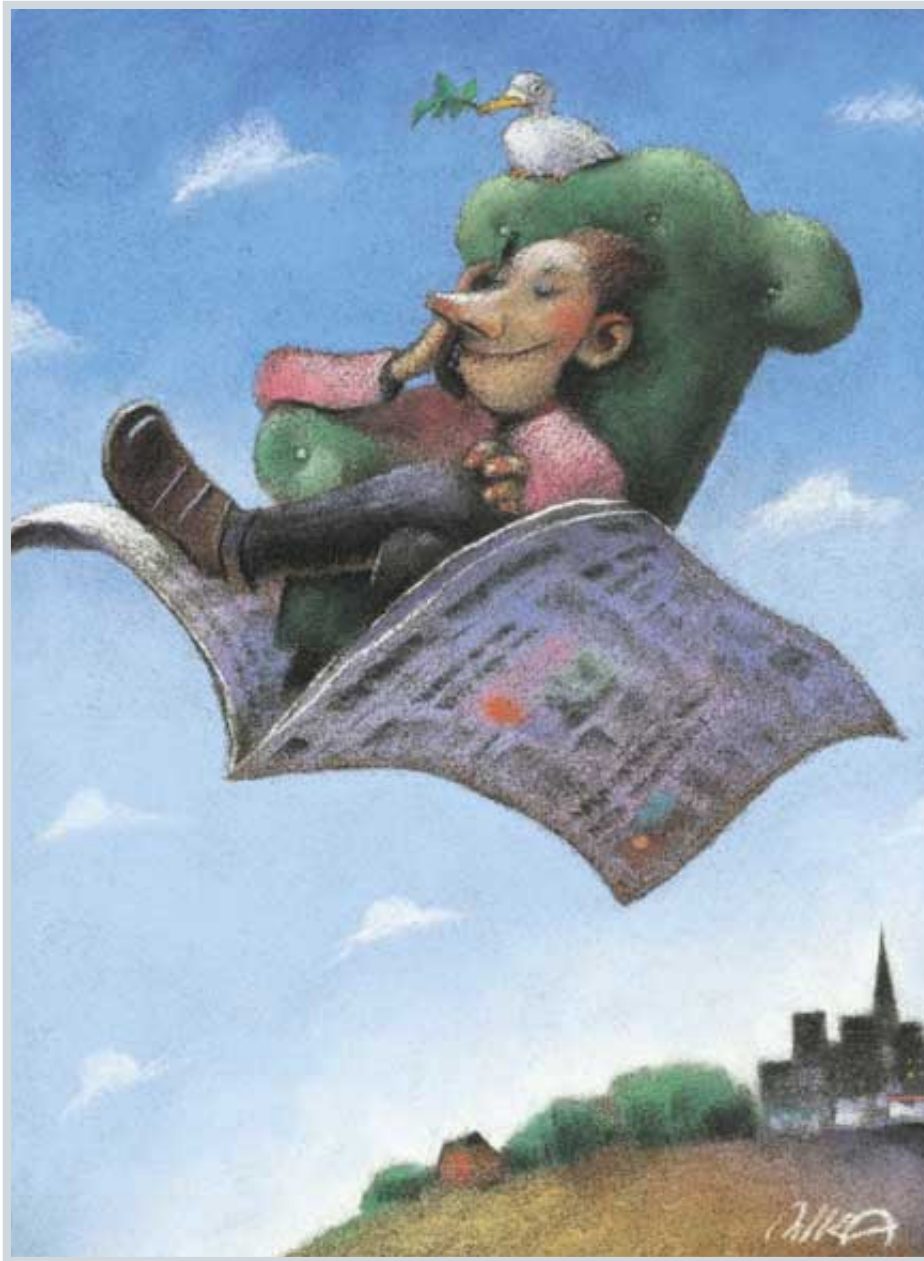
The Report of the Board of Directors, detailed financial statements, and associated material have been published separately. The Financial Statements can be ordered from Investor Relations & Group Communications via e-mail (konserniviestinta@sanonawsoy.fi) or phone, on +358 105 19 5062; and can be consulted at www.sanomawsoy.fi.

Illustrations: **Mika Launis**

Mika Launis, born 1949, is a Helsinki-based illustrator and graphic artist, best known for his book and magazine work. His illustrations have appeared in WSOY books, Helsinki Media magazines, and Helsingin Sanomat for more than 20 years. Launis has won a number of awards, including the Finnish Illustrated Book Award in 1992 and the Rudolf Koivu Award in 1997.

People photography: **Sari Poijärvi**

Sari Poijärvi is a Helsinki-based art photographer. Her most well known publications include *Boxing*, *Varastettu katse* (Stolen Gaze), *Ammattinaisia* (Professional Women), and *Aluminium*. Sari also works as a freelance press photographer and regularly contributes to *Taloussanomat*.



A sense of connection

Things are changing rapidly for readers and viewers everywhere. More products, more choice, more mobility.

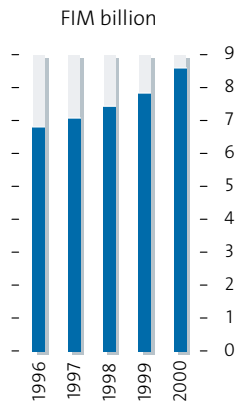
Feeling connected with what you read and see is what makes things come alive, whether in print or electronic media – and the real test of quality.

Being able to connect with the people in the news and those in the newsroom, for example, is what it's all about. Just like having access to the content you need, when and where you want it.

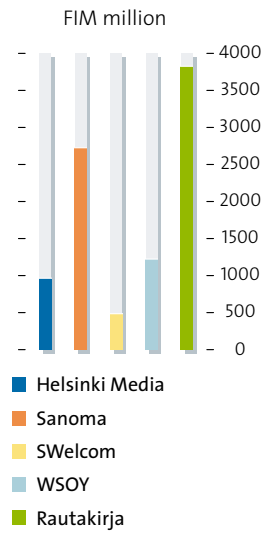
And that's what SanomaWSOY is all about.

Key Figures

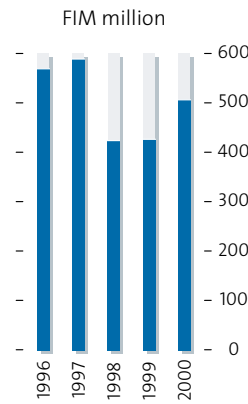
Net sales



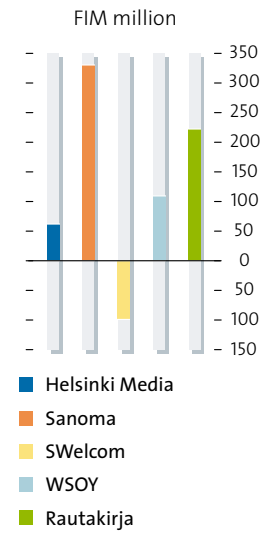
Net sales by sector



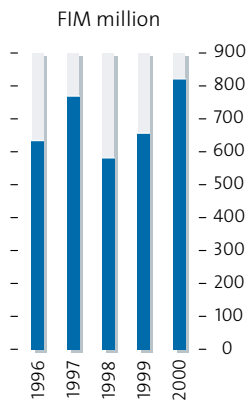
Operating profit



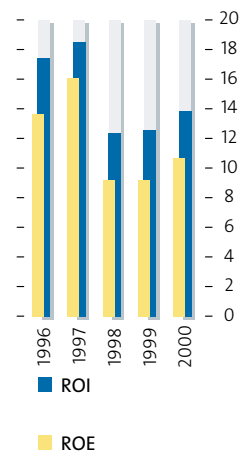
Operating profit by sector



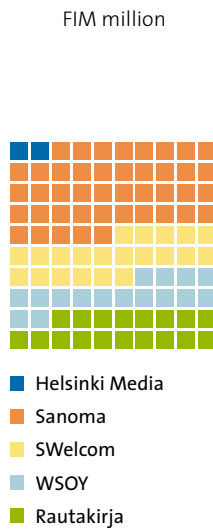
Profit before extraordinary items



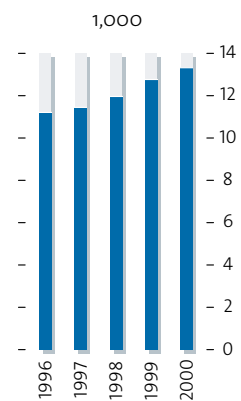
ROI and ROE, %



Investments by sector



Personel



KEY INDICATORS (FAS*)

FIM million	31.12.2000	31.12.1999	31.12.1998	31.12.1997	31.12.1996
Net sales	8,608.5	7,851.7	7,442.6	7,077.0	6,812.0
Operating profit	507.0	426.2	423.5	590.0	570.0
% of net sales	5.9%	5.4%	5.7%	8.3%	8.4%
Profit before extraordinary items	822.0	656.4	580.9	770.0	634.0
% of net sales	9.5%	8.4%	7.8%	10.9%	9.3%
Balance sheet total	8,557.7	7,866.9	7,370.4	6,473.0	6,005.0
Gross investments	1,001.0	1,663.1	883.9	935.0	312.0
% of net sales	11.6%	21.2%	11.9%	13.2%	4.6%
Return on equity, % (ROE)	10.6%	9.2%	9.2%	16.1%	13.6%
Return on investment, % (ROI)	13.8%	12.5%	12.3%	18.5%	17.4%
Equity ratio, %	67.9%	71.0%	69.6%	63.9%	60.0%
Gearing, %	-16.6%	-24.0%	-40.3%	-19.0%	-13.0%
Earnings/share, FIM	4.00	3.17	2.80	3.93	2.62
Cash flow/share, FIM	7.38	5.32	–	–	–
Equity/share, FIM	35.36	33.79	31.63	25.27	20.23
Dividend/share, FIM **)	2.79	2.69	–	–	–
Market capitalisation	11,680.7	10,508.2	–	–	–
Personnel under employment contract	13,364	12,629	11,900	11,494	11,249
Personnel, average	10,350	9,816	9,329	9,786	9,503
Financial cost of liabilities	43.9	49.7	38.6	40.2	59.3
Interest-bearing liabilities	952.4	619.7	596.5	665.5	753.6
Interest-free liabilities	2,000.0	1,863.1	1,863.0	1,872.5	1,856.4
Financial securities, cash and bank	1,884.5	1,909.8	2,574.9	1,413.0	1,179.0

KEY INDICATORS (FAS*)

€ million	31.12.2000	31.12.1999	31.12.1998	31.12.1997	31.12.1996
Net sales	1,447.8	1,320.6	1,251.7	1,190.3	1,145.7
Operating profit	85.3	71.7	71.2	99.2	95.9
% of net sales	5.9%	5.4%	5.7%	8.3%	8.4%
Profit before extraordinary items	138.3	110.4	97.7	129.5	106.6
% of net sales	9.5%	8.4%	7.8%	10.9%	9.3%
Balance sheet total	1,439.3	1,323.1	1,239.6	1,088.7	1,010.0
Gross investments	168.4	279.7	148.7	157.3	52.5
% of net sales	11.6%	21.2%	11.9%	13.2%	4.6%
Return on equity, % (ROE)	10.6%	9.2%	9.2%	16.1%	13.6%
Return on investment, % (ROI)	13.8%	12.5%	12.3%	18.5%	17.4%
Equity ratio, %	67.9%	71.0%	69.6%	63.9%	60.0%
Gearing, %	-16.6%	-24.0%	-40.3%	-19.0%	-13.0%
Earnings/share, €	0.67	0.53	0.47	0.66	0.44
Cash flow/share, €	1.24	0.89	–	–	–
Equity/share, €	5.95	5.68	5.32	4.25	3.40
Dividend/share, € **)	0.47	0.45	–	–	–
Market capitalisation	1,964.6	1,767.4	–	–	–
Personnel under employment contract	13,364	12,629	11,900	11,494	11,249
Personnel, average	10,350	9,816	9,329	9,786	9,503
Financial cost of liabilities	7.4	8.4	6.5	6.8	10.0
Interest-bearing liabilities	160.2	104.2	100.3	111.9	126.7
Interest-free liabilities	336.4	313.3	313.3	314.9	312.2
Financial securities, cash, and bank	316.9	321.2	433.1	237.6	198.3

*) FAS= Finnish Accounting Standard **) Proposal of the Board of Directors

Figures for 1996-1999 are pro forma.

SanomaWSOY – Content for a richer life

Listed on the Helsinki Exchanges since May 1999, when it was established through a combination merger, SanomaWSOY is Finland's leading media group and the largest listed company in the media field in the Nordic region. Its five sectors cover a broad field, from news and business information to entertainment, literature, and learning solutions.

SanomaWSOY's vision is to be the most dynamic media group in Northern Europe, with an emphasis on creativity and reliability. Longer term, the Group's aim is to be one of Europe's leading mid-sized communications companies, in terms of both net sales and market value, and to offer shareholders a solid and good level of dividend income. SanomaWSOY is committed to achieving this by focusing on its core competencies, growing its existing activities, and expanding into new areas and markets.

Helsinki Media

Helsinki Media is Finland's largest magazine publisher in terms of net sales and combined circulation, with 48 titles, many with an active online presence. The company is the market leader in women's and family magazines and comics, home computer and professional IT publications, contract publishing, and corporate directories. Helsinki Media's book publication programme focuses on children's and young people's publications, and the sector's book clubs are also targeted to the youth audience.

Sanoma

Sanoma's two main national newspapers, Helsingin Sanomat and Ilta-Sanomat, are the largest in Finland. With over 1.2 million readers daily, Helsingin Sanomat is also the largest daily in the Nordic region. The Sanoma Group also publishes Taloussanomat, a business daily; as well as the leading regional and local papers in South-East Finland, through its subsidiary, Kymen Lehtimedia. Online editions are an integral part of all of Sanoma's main newspapers. Sanoma also provides news agency, electronic business, and customised news summary services to corporate customers, and operates a commercial picture agency.

SWelcom

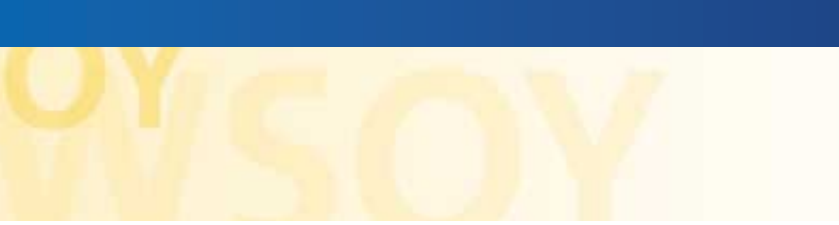
SWelcom was created in 2000 to bring many of the Group's strategically key electronic media activities and development projects under a single umbrella. SWelcom's television operations cover Channel Four Finland; digital-TV, to be launched in August 2001; and Finland's largest cable-TV company, Helsinki Television, a provider of pay-TV and broadband Internet services. SWelcom's mobile portal, 2ndhead, offers a variety of content from both SanomaWSOY units and external providers. SWelcom is also responsible for SanomaWSOY's Virtual Portal project, designed to link together all the Group's over 70 sites through a common interface; and offers a range of professional TV, video, audio, and CD and DVD production services.

WSOY

WSOY is Finland's largest publishing house and the market leader in general literature, educational materials, and a number of specialist publications, such as multi-volume reference works. Location information and e-learning are particular areas of international growth. An important producer of printed and digital maps, WSOY is increasingly involved in location information-based Internet and mobile applications. WSOY also operates a number of book clubs, and is the Nordic region's largest publisher of calendars and largest book printer, and a major digital printer.

Rautakirja

Rautakirja's R-kiosks form Finland's leading chain of convenience outlets, while Lehtipiste is the country's leading press distributor. Rautakirja's Suomalainen Kirjakauppa operates Finland's largest chain of bookshops, and Finnkino is the Finnish market leader in cinema operations. Rautakirja has successfully expanded its kiosk, press distribution, cinema, and bookshop operations to the Baltic countries. SanomaWSOY owns 55.06% of Rautakirja, which is listed on the Helsinki Exchanges.



Helsinki Media

President, Eija Ailasmaa

Net sales: FIM 950 million; € 160 million
Operating profit: FIM 61 million; € 10 million

**Magazines
Comics and books**

Sanoma

President, Seppo Kievari

Net sales: FIM 2,724 million; € 458 million
Operating profit: FIM 331 million; € 56 million

**Newspapers
Business information services
Printing**

SanomaWSOY

President & CEO, Jaakko Rauramo

Net sales: FIM 8,609 million; € 1,448 million
Operating profit: FIM 507 million; € 85 million



SWelcom

President, Tapio Kallioja

Net sales: FIM 467 million; € 79 million
Operating profit: FIM -99 million; € -17 million

**Television
Cable-TV
Mobile and Internet services
Audiovisual production services**

WSOY

President, Jorma Kaimio

Net sales: FIM 1,209 million; € 203 million
Operating profit: FIM 109 million; € 18 million

**Books, maps, and learning solutions
Calendars
Printing**

Rautakirja

President & CEO, Hannu Syrjänen

Net sales: FIM 3,833 million; € 645 million
Operating profit: FIM 223 million; € 37 million

**Kiosks
Press distribution
Bookshops
Cinemas
Restaurants
e-Business**



The Year in Focus

- Sanoma announced that it would invest FIM 456 million in new printing technology. This investment forms part of a larger programme that will see the entire production process at Sanoma's main printing facility in Greater Helsinki modernised by 2003. (17.2)

2

- WSOY acquired a 25% holding in Everscreen Mediateam, a Finnish multimedia production company. (7.4)

4

- Swwap launched its 2ndhead mobile portal, offering a variety of information, services, and entertainment, provided by both SanomaWSOY units and outside providers. (16.6)

6

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

1

- WSOY launched Finland's first, solely Internet-based book club, Bookmark. (14.1)

3

- SanomaWSOY announced that it intended developing an operator-independent, open mobile portal. (3.3)
- SanomaWSOY's profit before extraordinary items for 1999 rose by 13%. The Group's operating profit increased to nearly FIM 7.9 billion. (15.3)
- WSOY acquired Docendo Läromedel, a Swedish IT publisher and e-learning specialist. (16.3)

5

- Sanoma subsidiary Kymen Lehtimedia acquired a majority holding in Uutisuoksi, a local newspaper publisher based in South-East Finland. (9.5)
- SanomaWSOY's four-for-one share split, decided on by the AGM in April, came into force. (10.5)
- Rautakirja subsidiary Eurostrada and Neste signed an agreement under which Eurostrada will take over operations of the Motorest chain of highway service stations on a phased basis. (11.5)
- SanomaWSOY's first-quarter profit before extraordinary items more than doubled compared to 1999. (17.5)

- SanomaWSOY announced that it would create two new sectors, for electronic media (SWelcom) and magazines (Helsinki Media). (17.5)
- Rautakirja subsidiary Lehti-Maja Eesti acquired 22 kiosks in southern Estonia. (25.5)



- WSOY agreed to acquire 80.1% of Karttakeskus, which was subsequently merged with WSOY's Geodata subsidiary to form Finland's largest location information company, Genimap. (15.8)
- SanomaWSOY's earnings per share for the first half rose nearly 82%. (16.8)
- Veikkausrasti became a wholly owned Rautakirja subsidiary. (16.8)
- SWelcom acquired Egmont Holding's shares in Ruutunelonen, increasing its holding in the company to 86.02%. (23.8)
- Rautakirja announced that it would transfer all its online activities to a new division, Ferete. (31.8)

8

- Rautakirja associate company Narvesen Baltija signed a letter of intent to acquire 85% of the Latvian kiosk chain, Preses Apvieniba. (17.10)
- Rautakirja subsidiary Suomalainen Kirjakauppa acquired 60% of Astro Raamatud, an Estonian book wholesaler and retailer. (23.10)

10

- Helsinki Television opened Finland's first broadband portal, known as Welho, for its cable modem customers in Greater Helsinki. (18.12)
- SWelcom increased its holding in Ruutunelonen to 90.55% by acquiring TS-Yhtymä's 5.02% holding. (21.12)
- Helsinki Media increased its holding in licensing company Pro Licensing Nordic from 20% to 50%. (28.12)

12

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

7

- WSOY President and the Deputy President & CEO of SanomaWSOY, Antero Siljola, resigned from WSOY and the Boards of Directors of SanomaWSOY and Rautakirja and the Boards of their subsidiaries. (18.7)

9

- Jorma Kaimio, WSOY's Deputy President and Senior Vice President, Literature since 1991, was appointed the company's President. (12.9)

- Rautakirja acquired 6.2% of the shares of Jokerit HC, increasing its holding in the company to 34.4%. (14.9)
- Sanoma acquired 20% of online car sales company, Netwheels. (20.9)
- Sanoma signed a deal to purchase a new-generation printing machine valued at some FIM 225 million for Helsingin Sanomat's main printing facility in Greater Helsinki. (27.9)

11

- Suomalainen Kirjakauppa acquired the Yliopistokirjakauppa chain of bookshops in Finland. (1.11)
- SanomaWSOY's profit before extraordinary items for the first nine months of 2000 rose by over 40% compared to 1999. (15.11)
- Sanoma signed a letter of intent to acquire the Finnish and Estonian operations of Infosto, the publisher of Finland's leading free-ad paper. The deal was closed in January 2001. (29.11)



WELHO

President's Review



Committed to delivering on our promises

Our customers - our readers, viewers, and advertisers - were very much the focus of our businesses and new initiatives during 2000. Their response has been very encouraging and is reflected in our performance.

Helsinki Media's magazines, for example, proved very successful in winning new advertising, and the group is now the market leader in IT publications in terms of circulation. Helsingin Sanomat had an excellent year with advertisers during 2000, and emerged as Finland's number-one advertising media. Taloussanomat has also continued to build its circulation very positively. Channel Four Finland attracted more viewers and advertisers, becoming Finland's third most-important advertising media.

SWelcom's 2ndhead mobile portal and Virtual Portal Internet project succeeded in building a growing customer base. WSOY strengthened its position in digital maps and location information services through its acquisition of Karttakeskus. The latter was merged with Geodata to create Genimap, which will focus on location information-based mobile and Internet solutions. WSOY's fiction programme also had a particularly good year.

Rautakirja turned in a good year in all of its core businesses, and continued to expand its international operations in areas such as kiosks and press distribution in the Baltic countries.

These examples not only highlight the good profit performance that we delivered in 2000, they also underline the added value and synergies that we have created through the merger and by bringing over 13,000 people together around a set of common goals. Our success is being driven in large part by our ability to turn our values of creativity, dynamism, and reliability into reality.

Our personnel, our customers, and our partners contributed to this success, and I would like to thank all of you for a good year.

A consistent approach

A lot happened in the media world during 2000. At the beginning of the year, the most optimistic observers predicted that the future lay with new media, and that new media would take over from classic media in most, if not all areas. As we all know, things did not quite turn out like that. Looking at the year as a whole, and looking both at Finland and the wider stage, the media that succeeded were the traditional ones: newspapers, magazines, books, and, to an extent, television.

SanomaWSOY's new media strategy has been both realistic and active. Our investment in new media during 2000 totalled some FIM 150 million. On the other hand, we have been very realistic in forecasting how the market for new media is going to develop - relatively slowly. As a result, we have not had to change our strategy in mid-stream. We have focused on combining new initiatives with extending existing brands into the new media world. We have also made some important commitments to the future by developing a number of major management and new media training programmes.

There is no doubt that, over the long term, new media and new technology are going to have a major impact on the media world. The question that the industry is now addressing is how to make them truly profitable. I believe that it can be done by drawing on the traditional skills of providing the right kind of quality content and professional journalism and publishing. Technology, after all, is only the medium, it cannot replace content.

A strategy grounded in strength

The prospects for 2001 are relatively good on our main market in Finland. The continued uncertainty about how the world of new media is ultimately going to develop, and about what digital-TV will ultimately bring, however, needs to be recognised.

Digital-TV, due to be officially launched in August 2001, is likely to play only a small role in Finland over the next two to three years. At the same time, the investments from players such as ourselves are required up-front, and represent a major financial commitment.

As SanomaWSOY's digital-TV strategy is based wholly on the pay-TV principle, however, we believe that the financial burden on us will be substantially less than the industry average.

It is in the interest of all those in the industry that the role of public services should be re-evaluated as we move forward, and that the license fee structure, which currently acts to distort competition between various providers, should be dismantled.

In terms of our shareholders, we have committed ourselves to growth, profitability, and international expansion. Our goal is to increase our net sales and our market capitalisation, without compromising our ability to offer a solid level of dividend; and generate 20% of our net sales outside Finland by 2003 and increase our net sales to some FIM 15 billion by 2005.

These are tough challenges, but we are committed to achieving them. Operating across a broad band of media segments, we are well-placed to grow and deliver on this commitment. Our strong financial position makes us a very competitive player, especially now that the worst excesses of the recent market hype have died down. As a result, I believe that we will be even better-placed, as we move forward, to make the right, major strategic moves at the right time.

Helsinki, February 28, 2001



Jaakko Rauramo
President & CEO

Financial Review

CONSOLIDATED INCOME STATEMENT	2000	1999	2000	1999
	FIM thousand	FIM thousand	€ thousand	€ thousand
Net sales	8,608,476	7,851,666	1,447,842	1,320,555
Operating profit	507,000	426,189	85,271	71,680
Share of the result of associated companies	-7,549	-3,394	-1,270	-571
Financial income and expenses	322,560	233,646	54,251	39,296
Profit before extraordinary items	822,012	656,441	138,252	110,406
Extraordinary items	12,133	1,763	2,041	297
Profit after extraordinary items	834,144	658,204	140,293	110,702
Direct taxes	-233,790	-187,731	-39,321	-31,574
Minority interest of the result for the year	-40,338	-30,303	-6,784	-5,097
Profit for the year	560,017	440,171	94,188	74,031

CONSOLIDATED BALANCE SHEET	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM thousand	FIM thousand	€ thousand	€ thousand
Non-current assets, total	4,919,499	4,426,525	827,400	744,488
Current assets, total	3,638,173	3,440,330	611,897	578,622
Assets, total	8,557,673	7,866,854	1,439,297	1,323,110
Shareholders' equity, total	4,891,111	4,674,125	822,626	786,131
Minority interest	714,136	710,002	120,109	119,414
Statutory provisions	13,914	9,836	2,340	1,654
Liabilities				
Deferred tax liability	223,623	246,704	37,611	41,493
Long-term liabilities	510,523	555,785	85,864	93,476
Current liabilities	2,204,366	1,670,403	370,748	280,942
Liabilities, total	8,557,673	7,866,854	1,439,297	1,323,110

SanomaWSOY's net sales increased by some 10% on 1999, to FIM 8,608.5 million (1999: 7,851.7 million). All of the Group's sectors contributed to this growth, with the largest growth coming from SWelcom's Channel Four Finland. The Group's comparable year-on-year growth, taking account of acquisitions and divestments, rose by over 7%.

The Group's profit before extraordinary items totalled FIM 822.0 million (656.4 million). This over 25% increase on 1999 was driven by the improved profit performance of the Group's business units and a good asset management result. Net financial income rose to FIM 322.6 million (233.6 million).

The Group's operating profit totalled FIM 507.0 million (426.2 million), up 19%. Depreciation totalled FIM 510.4 million (427.3 million), of which goodwill-related depreciation accounted for FIM 61.3 million (36.4 million). Research and development costs, booked as expenses, virtually doubled to FIM 140 million.

The Group's return on investment was 13.8% (12.5%), and its return on equity was 10.6% (9.2%). Earnings per share rose to FIM 4.00 (3.17).

The Group's balance sheet total at the end of the year increased by FIM 690.8 million to FIM 8,557.7 million (7,866.9 million). The Group's shareholders' equity totalled FIM 4,891.1 million (4,674.1 million), or FIM 35.36 (33.79) a share. The Group's equity ratio was 67.9% (71.0%), while gearing was -16.6% (24.0%).

SanomaWSOY's financing position remains good. The book value of financial assets in the form of securities, cash, and bank totalled FIM 1,884.5 million (1,909.8 million), and their market value totalled FIM 2,335.5 million (2,750.1 million). Interest-bearing liabilities increased to FIM 952.4 million (619.7 million).

SanomaWSOY's gross investments during 2000 totalled FIM 1,001.0 million (1,663.1 million). Just under half of this total was

accounted for by Sanoma projects, including printing machinery investments, the purchase of Kymen Lehtimedia production premises, and purchases of media company shares.

Other major investments included WSOY's acquisition of Docendo Läromedel, Rautakirja's multiplex cinema project in Tallinn and purchase of additional shares in Jokerit HC Oyj, and SWelcom's purchase of additional shares in Oy Ruutunelonen Ab.

Outlook for 2001

SanomaWSOY's growth and profitability targets are challenging. A number of important development projects and investments have been initiated to achieve these targets that will have a downward impact on the Group's profit performance. The expected financial benefit of these projects will be achieved in future years.

SanomaWSOY's net sales for 2001 are projected to grow at a faster rate than growth in the media industry generally, to well over FIM 9 billion. Planned business development-related investments will be higher than in 2000, and will be booked directly as expenses, in line with Group practice. Despite major development-related investments and goodwill depreciation already booked against acquisitions, the Group's operating profit is projected to be at least equivalent to that for 2000.

The Group is committed to developing and expanding its current business through selected acquisitions and alliances. SanomaWSOY's aim is to increase net sales and market share by drawing on the Group's strengths. Acquisitions will be focused on those areas of SanomaWSOY where it is strong and on markets in which it is possible to achieve a significant market share over a reasonable time frame. The Group will grow its businesses systematically and in line with its commitment to shareholders to pursue an active dividend policy.

Dividend policy

SanomaWSOY pursues an active dividend policy, based on the principle of distributing at least one-third of the Group's annual profit in the form of a dividend.

The dividend payable between 1999 and 2001 is linked to the shareholder agreement made at the time of the merger, under which

dividends will be at least FIM 5.25 per share (FIM 1.31 after the split), which corresponds to the dividend level offered by WSOY in 1997, increased by 10% annually. In addition, an average of FIM 5 per share (FIM 1.25 after the split) will be added to this during the years concerned.

Shares and shareholdings

Market capitalisation as of December 31, 2000	€	FIM
Series A	9,984,812	59,366,994
Series B	52,589,475	312,682,818
Total	62,574,286	372,049,811
Minimum share capital	50,000,000	297,286,500
Maximum share capital	200,000,000,	1,189,146,000
Dividend/share (Board proposal)	0.47	2.79

The Company's shares are divided into two series, Series A (20 votes) and Series B (1 vote). All shares entitle holders to the same dividend. As of the end of the year, SanomaWSOY had 6,267 shareholders.

Shareholder agreement

With the exception of the shareholder agreement signed by the main shareholders of the companies involved in the merger giving them the right of first refusal on SanomaWSOY Series A shares offered for sale to third parties by other signatories to the agreement, the Board is unaware of any other agreements in force associated with ownership of Company shares or use of voting rights.

Share conversion

Under the terms of the Company's Articles of Association, Series A shares can be converted into Series B shares. The signatories to the shareholder agreement agreed at the time of the merger to reduce the voting rights of the traditional owners of Sanoma Corporation. In accordance with this, Oy Asipex Ab (owned by Aatos Erkko), Rafaela Seppälä, and Robin Langenskiöld converted a number of Series A shares into Series B shares in spring 2000.

Following the conversion, the total number of Series A shares stood at 5,805,123 and the total number of Series B shares at

30,575,276 shares. The transaction was registered on April 4, 2000. In March 2000, Patricia Seppälä donated 63,437 Series A shares and 4 Series B shares to a foundation that she established.

Share split

SanomaWSOY's Annual General Meeting held on April 18, 2000 decided on a four-for-one share split, which came into force on May 10, quadrupling the number of Company shares.

Following the split and the share conversion detailed above, the number of SanomaWSOY Series A shares totals 23,220,492 and the number of Series B shares 122,301,104.

In connection with the split, the AGM decided to denominate the Company's share capital in Euros, end the use of nominal values for shares, and increase the Company's share capital through a EUR 1,386,847,56 bonus issue to EUR 62,574,286.28. A sum equivalent to the latter increase was transferred to the Company's share capital from the premium fund. No new shares were issued. Following the above changes, the book counter-value of the Company's share is EUR 0.43.

The share split, the end of the use of a nominal value for shares, and the bonus issue were registered with the Trade Register on May 9, 2000.

Number of shares	Series A	Series B	Total
Number as of January 1, 2000	6,001,895	30,378,504	36,380,399
Number as of December 31, 2000	23,220,492	122,301,104	145,521,596
Average issue-adjusted number of shares	23,220,492	122,301,104	145,521,596
Average issue-adjusted number of shares on the market	23,220,492	115,113,828	138,334,320

Share price and trading

The figures for 2000 take account of the four-for-one split effected on May 10, 2000. Share totals prior to the split have been multiplied by four and share prices divided by four. To simplify comparison, the figures for 1999 have been converted similarly.

A total of 263,549 (413,056) Series A shares and 6,209,129 (6,439,504) Series B shares were traded in 2000. Trading in Series A shares accounted for 1.13% (1.7%) of the total number of shares in the series, and that in Series B shares for 5.08% (5.3%) of Series B shares.

Share trading

Series A	2000		1999	
	€	FIM	€	FIM
Annual low	13.00	77.29	11.25	66.89
Annual high	24.37	144.91	18.50	110.00
Average for the year	17.95	106.74	16.32	97.02
As of the end of the year	15.20	90.38	12.90	76.70

Series B	2000		1999	
	€	FIM	€	FIM
Annual low	12.28	73.03	10.50	62.43
Annual high	23.75	141.21	17.25	102.57
Average for the year	16.46	97.86	13.15	78.19
As of the end of the year	14.00	83.24	12.75	75.81

Share value as of Dec. 31 (FIM)	Series A	Series B	Total
Market value of all shares	2,098,554,194	10,180,370,803	12,278,924,997
Market value of shares on the market	2,098,554,194	9,582,100,368	11,680,654,562
Book counter-value		2.56	
Taxable value	62.43	56.19	

Share value as of Dec. 31 (€)	Series A	Series B	Total
Market value of all shares	352,951,478	1,712,215,456	2,065,166,934
Market value of shares on the market	352,951,478	1,611,593,592	1,964,545,070
Book counter-value	0.43	0.43	
Taxable value	10.50	9.45	

The Group owned 7,187,276 Series B shares through Tiikerijakelu Oy, equivalent to 4.94% of shares and 1.23% of voting rights, as of December 31, 2000. The total number of Series A and B shares on the market stood at 138,334,320.

SanomaWSOY's market capitalisation as of the end of the year, excluding Company shares held by the Group, totalled Euro 1,964.5 million (1,767.4 million) or FIM 11,680.7 million (10,508.2 million).

The combined holding of Company shares held by the Board of Directors, the President & CEO, and by bodies that they controlled as understood under the terms of Sub-Section 5 of Section 1 of the Finnish Securities Act as of December 31, totalled 50.02% (50.08%) of the share total and 44.80% (46.36%) of votes.

Board authorisations

As of the end of the year, SanomaWSOY's Board of Directors was not authorised to acquire or convey Company shares, arrange share issues, or issue convertible bonds or bonds with warrants.

Statement from the auditors

The financial review of SanomaWSOY Corporation for its second accounting year that ended on December 31, 2000 is a summary of the information contained in SanomaWSOY's official Financial Statements, and is in our opinion consistent with the official statements.

Helsinki, March 5, 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Tauno Haataja Pekka Nikula
APA APA

The Report of the Board of Directors, detailed financial statements, and associated material have been published separately. The Financial Statements can be ordered from Investor Relations & Group Communications via konsernviestinta@sanomawsoy.fi or phone on +358 105 19 5062; and can be consulted at www.sanomawsoy.fi.

SanomaWSOY's principal shareholders as of December 31, 2000

SHAREHOLDER	% of shares	% of votes
1 Erkko, Aatos	29.44	28.29
Erkko, Aatos	21.42	21.91
Oy Asipex Ab	8.02	6.38
2 Seppälä, Patricia *)	8.72	9.67
3 Langenskiöld, Robin	5.29	4.94
4 Seppälä, Rafaela	5.29	4.94
5 Tiikerijakelu Oy (SanomaWSOY subsidiary)	4.94	1.23
6 Alfred Kordelinin yleinen edistys- ja sivistysrahasto (Fund)	3.45	6.69
7 Helsingin Sanomat Centennial Fund	3.44	3.82
8 Ilmarinen Mutual Pension Insurance Company	3.20	3.13
9 Pohjola Group	2.82	1.76
Pohjola Non-Life Insurance Company Ltd.	1.25	1.37
Pohjola Group Insurance Corporation	0.88	0.22
Pohjola Life Assurance Company Ltd.	0.69	0.17
10 Sampo-Leonia Group	2.27	1.98
Sampo Life Assurance Company Limited	1.31	1.33
Sampo Enterprise Insurance Company Limited	0.48	0.52
Industrial Insurance Company Ltd.	0.27	0.07
Sampo-Leonia Corporation	0.15	0.04
Leonia Pension Fund	0.06	0.02
11 Finnish Cultural Foundation	1.70	6.41
12 Foundation for Actors' Old-Age Home	1.52	1.63
13 WSOY Literature Foundation	1.36	4.67
14 Finnish Literature Foundation	0.96	1.09
15 Sanoma Pension Fund	0.77	0.32
16 Päivälehti Archives Foundation	0.70	1.29
17 Noyer, Lorna	0.66	0.45
18 Noyer, Alex	0.66	0.45
19 Pension Fund Polaris	0.56	0.14
20 Graphic Industry Research Foundation	0.54	0.71
Total	78.27	83.58
Nominee registrations, total	1.53	0.60

*) as of January 3, 2001, the estate of Patricia Seppälä

A list of principal shareholders, updated monthly, can be found at www.sanomawsoy.fi.



"We've been 'networking' with our readers for years now, first through our bulletin board and then our Web site and free Internet access package. We all feel part of the same community. Our readers have always been very active, and they've been part of developing and contributing to a lot of what we offer today – such as our download area and price comparison service. We're obviously hitting the spot, as we get around 250,000 unique visitors a month today, up there with the big sites like Helsingin Sanomat and Ilta-Sanomat. And we've got lots more good stuff coming!"



Jouni Heikniemi

New Media Manager

Janne Leino

Technical Coordinator

MBnet/Mikrobitti

Helsinki Media

A sense of community

There's a whole world out there on the Net. Get on line and tap into one of the great sites and the world's your oyster – things to know, people to meet, discussions to join.

Helsinki Media's magazines and sites take their readers seriously when it comes to keeping them up to speed on what's happening – and they're equally committed to being entertaining as well.

Mika

Helsinki Media

Operational subsidiaries

- Milvus Förlags AB (Sweden)

Associated companies and joint ventures

- Egmont Kustannus Oy Ab (50%)
- Hansaprint Oy (40%)
- Kirjalito Oy (50%)
- Pro Licensing Nordic Oy (50%)



Helsinki Media

Following the creation of SWelcom (operational as of July 1, 2001 and a separate legal entity as of October 1), today's Helsinki Media is a magazine publisher, and Finland's largest in terms of both net sales and combined circulation. Helsinki Media publishes a total of 48 titles, and is the market leader in women's magazines, children's and juvenile publications, IT magazines, and business publications and contract magazine publishing.

The Magazines Unit publishes a variety of women's and family magazines and magazine products. Titles include *Me Naiset*, *Kodin Kuvalehti*, *ET-lehti*, the Gloria family of magazines, *MG*, *Hyvä Terveys*, *Suuri Käsiyölehti*, *Vauva & Leikki-ikä*, the Finnish edition of *Cosmopolitan*, and *Sköna Dagar* in Sweden.

The Special Interest Magazines Unit publishes trade and general magazines, hobby magazines, and business publications and information services. The portfolio includes eight IT publications, seven hobby magazines in Finland and two in Sweden, and various crossword magazines. The consumer computer magazine, *Mikrobitti*, is the largest title in terms of circulation. Other well-known titles include *Tietokone*, *ITviikko*, *Hifi*, *Tiede*, and *Matkaopas*. A total of 22 magazines are published for corporate customers on a contract basis. The unit also publishes directories and buyer's guides under the Blue Book brand, *Business Finland*, and corporate address finders and systems.

The Juvenile and Children's Entertainment Unit publishes print and electronic media products for children and young people. Its titles include Finland's most popular weekly, *Aku Ankka* (Donald Duck), *Aku Ankka* paperbacks, the *Roope-Setä* (Uncle Scrooge) and *Nalle Puh* (Winnie the Pooh) magazines, and various comic and non-fiction books. The unit also operates five book clubs for children and young people; and has three joint ventures, Egmont Kustannus, Kirjalito, and a licensing specialist, Pro Licensing Nordic.

Net sales up by 8%, operating profit up by nearly 100%

Helsinki Media's pro forma net sales in 2000 totalled FIM 950.4 million (880.2 million), an increase of 8% on 1999. New launches accounted for around 3% of this increase.

Subscription revenue, news stand sales, and advertising revenue all developed favourably. Advertising revenue generated by Helsinki Media's magazine titles increased by 18%, the largest increase recorded in the industry and over twice the increase in magazine-related advertising as a whole. Helsinki Media's magazines' share of the advertising market rose to 18% on the back of this growth. The company's magazines increased their share of news stand sales of Finnish magazines by 1.5% to 19.3%.

Helsinki Media's operating profit virtually doubled to FIM 60.9 million (30.9 million), driven by improved profitability. The largest increase was delivered by Helsinki Media's associated companies.

Investments totalled FIM 25.1 million (95.2 million) and were mainly focused on IT. The 1999 figure contains reorganisation-related items related to the creation of SanomaWSOY. In December, Helsinki Media increased its holding in Pro Licensing Nordic from 20% to 50%.

Combined circulation hits 1.9 million

The combined circulation of Helsinki Media's Finnish magazines totalled 1.9 million, up over 100,000 on 1999. In terms of number of copies sold, the largest growth was recorded by *Tietokone*, *Aku Ankka*, *Cosmopolitan*, and *Matkaopas*. Total book club membership rose by 11,000 to 112,000.

KEY INDICATORS	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM million	FIM million	€ million	€ million
Net sales	950.4	880.2	159.8	148.0
Operating profit	60.9	30.9	10.2	5.2
% of net sales	6.4%	3.5%	6.4%	3.5%
Operating profit, excl. associated companies	21.0	13.0	3.5	2.2
% of net sales	2.2%	1.5%	2.2%	1.5%
Balance sheet total	338.6	346.4	56.9	58.3
Gross investments	25.1	95.2	4.2	16.0
Return on investment, % (ROI)	71.5%	37.2%	71.5%	37.2%
Personnel under employment contract	814	750	814	750
Personnel, average	779	719	779	719

Key indicators have been calculated on the basis of pro forma income statements and balance sheets for 1999 and 2000.

OPERATIONAL INDICATORS	2000	1999
Number of magazines published	49	48
Audited circulation of magazines, thousands	1,909	1,803
Number of advertising pages sold	8,574	7,790
Number of books published	176	180
Number of book club members, thousands	112	101

Five largest magazines

Title	Circulation	Change %
Aku Ankka	273,000	5.1
ET-lehti	254,000	0.8
Kodin Kuvalehti	171,000	0.0
Me Naiset	115,000	0.9
Hyvä Terveys	90,000	9.7

Five fastest-growing magazines

Title	Circulation	Change %
Matkaopas	31,000	52.3
Tietokone	51,000	38.6
Cosmopolitan	54,000	27.2
Glorian Koti	36,000	18.5
Proessori	10,000	12.8

Established titles were further developed and they succeeded in retaining or improving their market share, as the examples of Aku Ankka, Mikrobitti, and Gloria show.

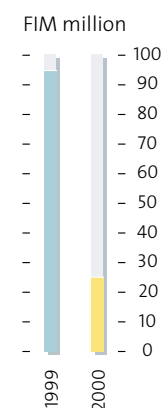
Helsinki Media also focused on developing the various titles launched in 1999. Lego-kirjakerho, a new club for young children, was launched in spring 2000, and GTi-Magazine, a car magazine designed to complement V8 Magazine, in the summer. Eläinmaailma and Koirat were combined into a single animals magazine, Lemmikit & Eläinmaailma, in August.

A successful year for women's and family magazines

The trend towards titles targeted to specific reader segments has continued, both in Finland and internationally. In line with this, Helsinki Media has further strengthened its commitment to developing titles of this type. Examples of this are the Gloria family, which has been steadily expanded through brand extensions, and the health title, Hyvä Terveys. During 2000, two special sport-related editions of the women's magazine Me Naiset were published (Me Naiset Sport), and one edition for the larger woman (Me Naiset XL). Maintaining and extending the market position of established large titles such as the family magazine Kodin Kuvalehti, and ET-lehti, for the 50+ audience, was also prioritised.

Helsinki Media's women's and family magazines had a successful year. Cosmopolitan's popularity

Investments



Launched in November 1999, ITviikko has successfully secured a strong position for itself against its longer-established competitors. ITviikko's circulation increased to 39,000 during 2000.



among young women continued to grow and its annual circulation increased by over 11,500 to 54,000. Glorian Koti and Hyvä Terveys also increased their circulation; the latter, which now has a circulation of 90,000, has become Finland's largest health title. MG, a men's lifestyle magazine launched in 1999, increased its advertising revenue, but its circulation performance was below expectations. The circulation of the food and wine magazine, Glorian ruoka&viini, also launched in 1999, performed well.

Advertisers' need to focus their messages to tightly defined target groups was reflected positively in advertising revenue performance. The success of established titles, such as the Gloria family, Hyvä Terveys, and ET-lehti, with advertisers had a positive impact on sales growth, in addition to that of new titles. Helsinki Media's titles accounted for 45% of the Finnish market for women's titles during 2000.

Many of Helsinki Media's women's magazines also increased their share of news stand sales, which increased by 9% on 1999, giving them a 40% share of news stand sales overall.

Net sales and profit performance of the Magazines Unit are projected to continue to develop favourably in 2001. Ongoing development of titles and their online services will be prioritised to ensure their continuing success.

ITviikko drives growth at Special Interest Magazines

Net sales growth at the Special Interest Magazines Unit was driven by increased sales at the weekly, ITviikko, and increased subscription revenue at other computer titles. Profitability also improved. ITviikko had a significant positive impact on advertising revenue, which increased by 40%.

Launched in 1999, ITviikko has successfully secured a strong position for itself against its longer-established competitors. ITviikko's circulation increased to 39,000, a large part of which is made up of subscriptions by the members of the Finnish Information Processing Association. The results of readership satisfaction studies have been very positive, and the paper's content will be further developed internally and through a cooperation agreement signed with Ziff Davis Publishing in December.

With a circulation of over 80,000, Mikrobitti continues to be Finland's largest computer magazine. Tietokone has also emerged as the market leader in its segment, increasing its circulation by 14,000 to over 50,000. Tiede, Hifi, KotiPC, and Proessori also increased their circulation.

Matkaopas, a consumer travel magazine launched in 1999, has proved particularly popular with package holidaymakers. Its circulation rose by 11,000 during 2000 to 31,000.

An additional four titles were added to the contract publishing portfolio during 2000, bringing the total to 22. Net sales at the Business Publications Unit rose significantly. Corporate directories were further developed and the focus of activity shifted to online versions. The positive development of these B-to-B products, together with the success of ITviikko, increased Helsinki Media's share of this market segment. Net sales of B-to-B publishing increased by 25% compared to 1999, and resources will continue to be focused on this area.

Net sales and profitability at Special Interest Magazines are projected to continue to grow in 2001.

New products and better online products for the youth market

The market for print products targeted at children has been declining around the world over the last few years. Compared to the other Nordic countries, however, the decline in Finland has been smaller. Helsinki Media has responded to this challenge by launching new products and through a programme of ongoing product development, which has maintained the market leadership of Aku Ankka and the Lasten Oma Kirjakerho book club. The popular series of dialect versions of Aku Ankka was extended in August with a collection of Carl Barks' Donald Duck stories translated into Helsinki slang.

Net sales of both comics and books developed positively, and profitability remained good. Development work focused on both comics and books, and their online sites, in response to the changing trends of the rapidly developing children's and youth market. A new user interface, known as Tasku, a floating menu offering easy access to SanomaWSOY's sites and a variety of largely in-house Internet-based services and part of SanomaWSOY's Virtual Portal project, was launched on the Sisters Club and Mercurius Club Web sites.

The success of the multi-product Sisters Club concept for young teenagers launched in 1999 continued in 2000 and its membership increased to 16,000. In addition to its Web site, the Sisters Club offering also includes the Sisters Magazine and books.

Pro Licensing Nordic signed a number of major international licensing agreements during the year. The most prominent of these was that agreed with Marvel Enterprises covering the distribution of mobile rights to a variety of comic characters, and the Bob the Builder kids series shown on Channel Four Finland. The success of the latter increased sales of toys at Helsinki Media's joint venture, Kirjalito.

The unit will continue to develop its brands and characters through a variety of channels during 2001. Donald Duck will also celebrate his 50th anniversary in Finland, which will be marked by an official Donald Duck stamp.

Targeting further strength

President **Eija Ailasmaa**: "The most important event of 2000 for Helsinki Media was SanomaWSOY's decision to split magazine publishing and electronic media into two separate sectors. By concentrating on one core business, we will be able to significantly improve the efficiency of our businesses and link them more closely to our key targets. Our overall identity and visibility as a magazine publisher has also benefited from the reorganisation.

Operationally speaking, 2000 was a success, and we were able to achieve most of our goals. In terms of net sales, our growth was one of the largest in the magazine sector. Helsinki Media also did very well in terms of advertising revenue.

During 2001, we will aim to further strengthen our market position as Finland's leading and largest magazine publisher. We also intend growing our international business in

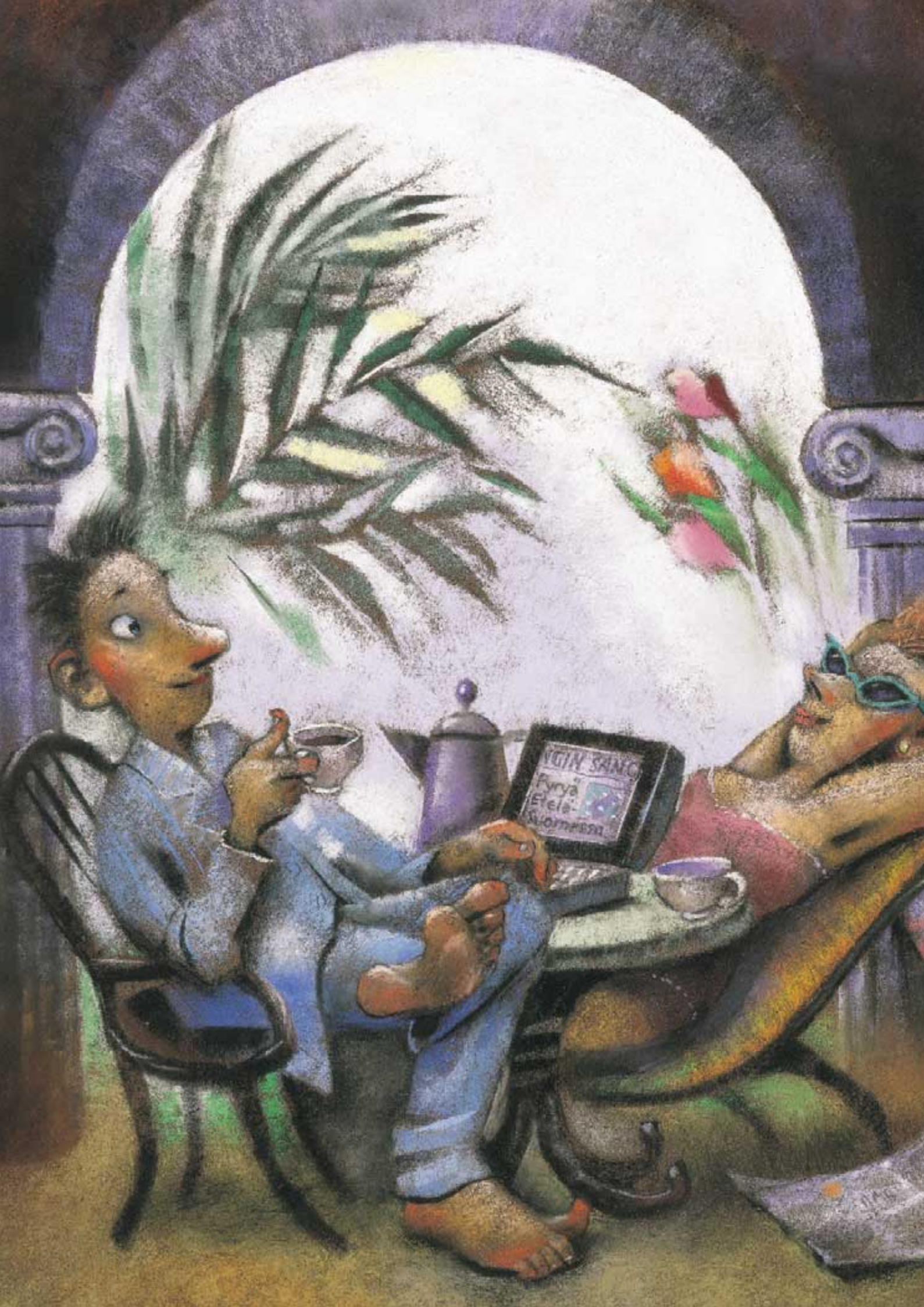
selected areas. Our profitability and positive cash flow will enable us to systematically develop our business based on our content expertise and strong brands and expand into new product areas and channels. To coordinate operations in the latter, we set up a new media publishing unit, eHelsinki Media, and increased our holding in Pro Licensing Nordic.

In addition to strengthening our market position and expanding our international presence, developing our B-to-B business into our third key strength, alongside women's magazines and the youth sector, will be an important challenge.

We project Helsinki Media's net sales will grow by some 5% during 2001. A major part of this will come from increased advertising revenue, as in 2000. We project our profitability will continue to improve as our new titles establish themselves."

Helsinki Media's Management Group

- President
Eija Ailasmaa
- Senior Vice President and General Manager, Finance and Administration
Pertti Huhtala
- Senior Vice President and General Manager, Juvenile Entertainment
Pirkko Jokinen
- Executive Vice President, Magazines
Raili Mäkinen
- Senior Vice President, Services
Hannu Ryyttä
- Senior Vice President and General Manager, Special Interest Magazines
Eero Sauri
- Senior Vice President, Marketing
Eija Soratie
- Secretary to the Management Group and Corporate Counsel
Pirjo Aalto



"Our three main strengths at Helsingin Sanomat Online, in addition to the material from the print edition, are breaking news, in-depth background coverage, and services such as our Oikotie online classified ads. We put news onto the site within a matter of minutes of getting a story – while our 'Webortages' fill readers in on the background to material in the print edition, or take them on new journeys of discovery. We pride ourselves in being committed to the same values and standards that the print edition of Helsingin Sanomat is renowned for. And on combining the strengths of traditional quality journalism with all the best that electronic media has to offer."



Lea Karhu
journalist
Helsingin Sanomat Online

Sanoma

A sense of belonging

Let's see what's going on back home. Once we've checked that everything's fine and the snow's good and thick on the ground, we can get back to relaxing here in the sun.

Sanoma's online editions add a valuable extra dimension to the news. When time's at a premium, or you want an informed take on the latest developments, they really come into their own.

La Resistencia
MILANO

MIKA

Operational subsidiaries

- Kymen Lehtimedia Oy
 - Baltic Media Oy (81.7%)
 - Digital Future Finland Oy
 - Etelä-Karjalan Jakelu Oy
 - Etelä-Saimaan Sanomalehti Oy
 - Kymen Sanomalehti Oy
 - Kymen Viestintä Oy
 - Lehtikanta Oy
 - Saimaan Lehtipaino Oy
 - Uutisvuoksi Oy (75% of shares and 72.1% of votes)
- Infosto Oy
- Lehtikuva Oy
- Leijonajakelu Oy
- Startel Oy (90%)
 - Esmerk Group
 - Onbusiness Oy

Associated companies

- Janton Oy (21.37%)
- Netwheels Oy (20.6%)
- Rautakirja Oyj (22.94%)
- Savon Mediat Oy (21.73%)
- Suomen Tietotoimisto Oy (22.14%)
- Anjalankosken Painotalo Oy (48.22%)
- Maakuntien Viestintä Oy (45.97%)
- Lappeenrannan Kirjapaino Oy (40%)
- Ecovision AB (33.4%)
- Suomen Nettirahastot Oy (21.05% until February 26, 2001)



The Sanoma Group publishes Helsingin Sanomat, the largest daily in the Nordic region, which reaches over 1.2 million readers every day. The Helsingin Sanomat Business Unit also includes printing facilities in Greater Helsinki, Forssa, and Varkaus. Sanoma's other main paper, Ilta-Sanomat, is Finland's largest quality tabloid and the country's second-largest newspaper, with one of Finland's most-visited Web sites.

Leijonajakelu is responsible for the early morning delivery of newspapers in and around Helsinki and the national morning distribution of Helsingin Sanomat and Taloussanomat. Sanoma's picture agency, Lehtikuva, provides a variety of picture material, mainly to customers in the media.

Kymen Lehtimedia publishes three daily papers, six local papers, and one free paper in South-East Finland; and operates printing plants in Kouvola and Lappeenranta.

Startel produces a range of business information services, including the financial paper, Taloussanomat, and news agency and online services. Startel's subsidiary, Esmerk, provides customised news analysis and summary services through its offices in Europe, Russia, the Baltic countries, Asia, and the Americas.

Infosto, acquired in January 2001, operates electronic marketplaces and develops associated services and software, and publishes Finland's leading free-ad publication.

Advertising revenue boosts net sales and operating profit

Net sales at the Sanoma Group rose by 6% on 1999 to FIM 2,724.2 million (2,563.6 million). This growth was driven in particular by the positive development of advertising revenue at Helsingin Sanomat. Taloussanomat, the Startel News Agency, and Esmerk also contributed. Sanoma's operating profit increased 16% to FIM 331.3 million (285.8 million).

Investments totalled FIM 416.5 million (844.4 million) and included printing plant projects, the purchase of Kymen Lehtimedia's production premises in Kouvola, and share purchases. In May, Sanoma acquired 10.4% of the votes in Top Press, the owner of Esan Kirjapaino Oy; and Kymen Lehtimedia acquired a majority in Uutisvuoksi, a paper published in South-East Finland.

Following a decision in February to modernise the entire production process at the Sanomala printing plant by 2003, Sanoma announced the purchase of a new-generation printing press in the autumn, to be commissioned in 2003. The FIM 225 million project is a strategically important one, as it will bring better versatility, flexibility, and speed; improved print quality; and enable full four-colour production.

In November, Sanoma signed a letter of intent to acquire the Finnish and Estonian operations of the Infosto Group, the publisher of Finland's leading free-ad publication, in which it previously had a 35% holding. The deal was closed in January 2001. The acquisition offers SanomaWSOY growth potential in the strategically interesting area of electronic marketplaces and will bring synergy benefits in areas such as systems and content.

Helsingin Sanomat emerges as Finland's largest advertising media

Net sales at Newspaper Publishing and Printing increased by 5% and totalled FIM 2,634.1 million (2,511.5 million). Operating profit totalled FIM 401.5 million (342.2 million), up 17%.

The increase in net sales and operating profit was driven primarily by the positive development of advertising revenue at Helsingin Sanomat. Advertising-related net sales increased by 12%, well above the market average, and Helsingin Sanomat emerged as Finland's largest advertising medium. Net sales at the Helsingin Sanomat Business Unit rose to FIM 1,885.2 million (1,751.3 million), and the unit's good profitability further improved.

KEY INDICATORS	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM million	FIM million	€ million	€ million
Net sales	2,724.2	2,563.6	458.2	431.2
Operating profit	331.3	285.8	55.7	48.1
% of net sales	12.2%	11.1%	12.2%	11.1%
Operating profit, excl. associated companies	296,6	249,5	49,9	42,0
% of net sales	10,9%	9,7%	10,9%	9,7%
Balance sheet total	2,765.6	2,491.5	465.1	419.0
Gross investments	416.5	844.4	70.0	142.0
Return on investment, % (ROI)	17.5%	15.3%	17.5%	15.3%
Personnel under employment contract	4,704	4,758	4,704	4,758
Personnel, average	3,396	3,437	3,396	3,437

Key indicators have been calculated on the basis of the 1999 pro forma figures and the official income statements and balance sheets for 2000.

OPERATIONAL INDICATORS	2000	1999	2000	1999
Helsingin Sanomat			Other daily papers	
Weekday circulation, copies *)	446,972	454,833	Total circulation of all newspapers, copies *)	92,418
Sunday circulation, copies *)	517,860	529,007	Advertising volume (column metres)	23,373
Advertising volume (column metres)	49,868	46,103		
Ilta-Sanomat			Local newspapers	
Circulation, copies *)	214,610	218,931	Total circulation of all newspapers, copies	33,446
Advertising volume (column metres)	6,916	6,624	Advertising volume (column metres))	3,620
Taloussanomat			Paper consumption, tonnes	
Circulation, copies *)	25,162	18,119	119,007	115,709
Advertising volume (column metres)	4,412	4,054		

*) Audited circulation figures.

Helsingin Sanomat's weekday and Saturday circulation dropped by just under 2%, to some 447,000 copies. Sunday circulation totalled some 518,000 copies, a drop of 2%. In line with the paper's strategy, the focus on short-term subscriptions was further reduced, and a major operational and organisational reorganisation of circulation activities was initiated, focusing on customer relationship management and enhanced efficiency.

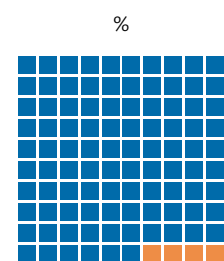
The structure and appearance of the paper was updated at the beginning of the year. A breaking news section was launched as part of the paper's online edition to coincide with the Sydney Olympics. The number of online readers doubled, and stood at 110,000 - 127,000 a week at the end of the year. The Oikotie online classified service increased its reader base strongly during the autumn, breaking the 45,000 users-a-week barrier. The service will be further developed to build on this.

The modernisation of Sanomala's mailing system continued, and the first stage of the project was commissioned in the autumn. The extension of the Forssa printing facility was also completed in the autumn, and the four-colour capacity of all Sanoma's printing plants increased.

Helsingin Sanomat's target during 2001 is to further strengthen its market position nationally and secure its core circulation area. Modernisation of the editorial system will be continued and further editorial- and marketing-related investments will be made in the online edition. After the strong growth seen in 2000, the paper's net sales are expected to grow somewhat more slowly during 2001. The increase in newsprint prices, together with development projects, will have a downward impact on performance.

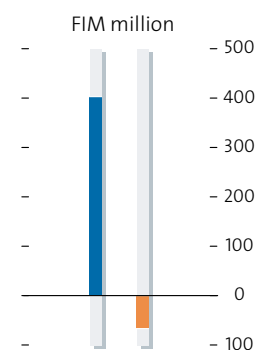
Leijonajakelu's net sales totalled FIM 398.7 million (368.6 million). Labour supply and personnel turnover in Greater Helsinki were particular challenges during the year.

Net sales by business area



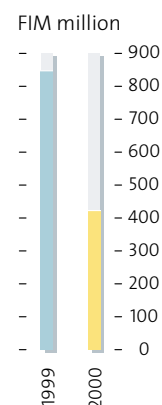
- Newspaper Publishing and Printing
- Financial and New Media Products

Operating profit by business area



- Newspaper Publishing and Printing
- Financial and New Media Products

Investments



Helsingin Sanomat's Oikotie online classified service increased its reader base strongly during the autumn, breaking the 45,000 users-a-week barrier. The service will be further developed to build on this growth.



Lehtikuva recorded net sales of FIM 41 million, up 3%. Overall sales developed well, but profitability fell slightly compared to 1999. Lehtikuva signed an important cooperation with the Norwegian, Danish, and Swedish offices of Scanpix covering sales rights of Scanpix material in Finland.

Ilta-Sanomat switches to full four-colour production

Ilta-Sanomat's net sales totalled FIM 402.7 million (402.7 million). The paper's profitability remained at a good level, although it was below the record level recorded in 1999. Advertising sales rose by 3%, particularly during the second half. The increase in the coverage of freesheets in Greater Helsinki in particular had a downward impact on sales, and the tabloid market contracted by around 1%. Ilta-Sanomat's average circulation fell by 2%.

Differences within the tabloid market in terms of publication times, printing capacity, distribution, and number of sales outlets have narrowed, resulting in increased fluctuations in market share. Ilta-Sanomat increased its market share during the first three quarters of the year, but lost market share in the last quarter. As of the end of the year, its market share stood at 68% (64%). Ilta-Sanomat's appearance and structure were updated in October and the paper switched to full four-colour production. The online edition was also developed and user numbers grew very positively. At its highest, the online paper was read by over 46,100 unique readers a day and over 107,000 a week.

Ilta-Sanomat intends to maintain its leadership position on the tabloid market during 2001. The increase in the cover price of the weekday edition introduced in December is expected to increase sales revenues and the result for 2001. The paper's profitability is projected to improve significantly, despite major investments in the paper's content.

Kymen Lehtimedia expands

Net sales at Kymen Lehtimedia fell 4% to FIM 373.8 million (389.1 million), as a result of a drop-off in print exports, changes in the pricing of national advertising, and the sale of two local papers. The declining population and relatively high unemployment in Kymen Lehtimedia's catchment area was reflected in a slight fall-off in circulation. The purchase of a majority in Uutisvuoksi Oy brought additional net sales. The decline in exports and changes in advertising pricing contributed to reduced profitability. Investments focused on modernising the group's editorial system, growth projects, and online services.

The competitiveness of Finnish newspaper printing services on the Russian market improved at the end of the year, as a result of the weaker Euro and large increases in Russian newsprint prices. The situation became more difficult again, however, in early 2001, following major increases in world newsprint prices and the strengthening of the Euro.

Kymen Lehtimedia's net sales and operating profit are projected to fall slightly in 2001, assuming that print exports contract by only 15% compared to 2000. Export levels are decisively dependent on the group's largest Russian customer. Efforts will be made to compensate for increases in newsprint costs by improving operational efficiency to maintain good current profitability levels.

Net sales at Financial and New Media Products increased strongly

Net sales at Financial and New Media Products totalled FIM 112.3 million (71.2 million), up 58% on 1999. Operating profit was FIM -70.2 million (-56.4 million). The latter figure was adversely affected by one-time write-downs of FIM 12.3 million on fixed assets and goodwill.

The growth in net sales was driven by strong performance at Taloussanomat, the Startel News Agency, and new businesses. Taloussanomat successfully increased its share of the growing business paper market. Competition has continued to get tougher, particularly in the online area.

Taloussanomat's average circulation rose by 39%, to some 25,200 weekday copies, and by 30% on Saturdays, to some 32,000. Circulation received a major boost in November following a decision by the Finnish Shareholders' Association to select Taloussanomat as its house paper. As of January 2001, Taloussanomat's circulation was 50% higher than a year earlier, and its market share stood at 30%. The growth in circulation in segments of particular interest to advertisers contributed to the paper's 61% increase in advertising sales.

Net sales at the Startel News Agency increased, but the business' relative profitability fell, as a result of increased competition and higher costs associated with broadening the content offering. Esmerk set up its fourteenth subsidiary in Miami in April to enhance its coverage of Central and South America. A representative office was opened in Moscow in October.

Onbusiness Oy, an online joint venture between Startel and Radiolinja, did not develop as expected, and the business was reorganised at the end of the year. Startel acquired Radiolinja's holding and will market its services under the Startel brand from now on. Startel's holding in the Swedish news agency and software house, Ecovision AB, fell from 39.9% to 33.4% following a share issue by Ecovision. In December, Ecovision was listed on the Stockholm Stock Exchange's New Markets.

The ownership base of Suomen Nettirahastot Oy, an online mutual funds marketplace company, founded by Startel and three mutual funds companies, was extended via a directed share issue made to the HEX Group. The company was merged with Sonera Plaza Rahastopalvelut Oy in 2001. Startel has an approximately 5% holding in the new company.

Startel's net sales in 2001 are projected to increase, driven by higher advertising revenue at Taloussanomat and growth in Esmerk's international business. Profitability is expected to improve clearly, as a result of increased circulation figures and advertising revenue, although an overall operating loss is expected, given the continued high level of investments.



2001 will be a challenging year

President **Seppo Kievari**: "2000 was a year of rapid growth for Sanoma. Helsingin Sanomat achieved its strategic goal of becoming Finland's largest single advertising media. Taloussanomat's positive development also boosted our net sales. Sanoma's operating profit rose significantly more than our net sales, and the group's relative profitability also improved.

Our decision in February to invest in new-generation printing machinery is strategically important and will help us meet future challenges. During 2001, Sanoma will continue to develop its various online services and enhance its customer relationship management systems.

2001 will be a year of slower growth on the media market, and the competition for advertisers and circulation will get tougher.

We project that Sanoma's net sales will increase by around 7% in 2001, to some FIM 3 billion. Part of this will be accounted for by Infosto, which we acquired in January 2001. We forecast that our operating profit will be somewhat below that in 2000, as a result of development projects and increased depreciation covering goodwill and investments in the Sanomala printing plant. The significant increase seen in newsprint prices, together with falling print exports, will also have a downward impact on profit performance."

Sanoma Corporation's Management Group

- President
Seppo Kievari
- Executive Vice President
Martti Ojares
(Acting Managing Director of Startel as of March 1, 2001)
- Senior Counsel
Veli-Pekka Elonen
- Vice President, Marketing
Ilta-Sanomat
Pekka Harju
- Managing Director
Startel Oy
Antti Kivimaa
(until February 28, 2001. Vice President, Development as of March 1, 2001.)
- CFO
Eija Rinta
- Vice President, Marketing
Helsingin Sanomat
Pekka Soini



"There's no such thing really as an average mobile user or an average 2ndhead user. Different people want different things when it comes to staying connected. That's why we offer a range of services from our various partners, and are adding more. And once the technology catches up, with the next generation of phones, we'll be able to offer even more. Helping people get more out of life on the move is what we're trying to do, I suppose. One of my favourites, and one that's popular with a lot of other people, is our weather update. Every morning at 7.00 o'clock, I get the latest report on the weather in the Helsinki area on my mobile. I wouldn't be without it!"



Talvikki Savolainen
Graphic Designer
2ndhead

SWelcom

A sense of freedom

It's ridiculous, we want to be on the move all the time, but we don't want to lose contact with anybody or anything, even for a minute!

For people who want to stay connected wherever they are, SWelcom's 2ndhead portal offers a truly mobile solution. And when there's time to watch some television, Channel Four and HTV offer the programmes that matter.

MIKA

Operational subsidiaries

- Helsinki Televisio Ltd
- Oy Ruutunelonen Ab (90.55%)
 - Oy Suomen Medanelonen Ab
- Tuotantotalo Werne Oy
- Måndag Oy
- Swwap Oy

Associated companies

- Maxisat Oy (46.21%)
- Suomen Urheiluradio Oy (30%)
- Suomen Urheilutelevisio Oy (35%)

Channel Four's most popular programmes in 2000

- **Haluatko miljonääriksi! -special (Do you want to be a millionaire? Special Edition)**
640,000, 613,000, 593,000, 567,000, 538,000
- **Haluatko miljonääriksi? (Do you want to be a millionaire?)**
624,000
- **Air Force One**
622,000
- **Austin Powers**
585,000
- **Kylmäverisesti sinun (Your's in cold blood)**
556,000
- **Silence of the Lambs**
548,000
- **Mission Impossible**
545,000
- **Ransom**
531,000
- **Forrest Gump**
524,000
- **Robinson Crusoe**
518,000



A number of SanomaWSOY's strategically key electronic media operations and development projects were brought under a single umbrella with the formation of SWelcom as a new Group sector in summer 2000.

Channel Four Finland (Oy Ruutunelonen Ab and Oy Suomen Medanelonen Ab), Helsinki Television, the Digital Movie Channel project, Verkkovoima, Tuotantotalo Werne Oy, and Måndag Oy were transferred from Helsinki Media; and Swwap Oy and the management of the Virtual Portal project from the Parent Company. SWelcom is also responsible for SanomaWSOY's digital-TV involvement through its management of Multiplex C, which includes the Movie Channel, Channel Four, the WSOY Learning Channel, and Canal+.

Channel Four is Finland's second commercial television channel, and primarily focused on the active urban population. Helsinki Television (HTV) is Finland's largest cable-TV company, and offers a range of pay-TV and broadband Internet services.

Tuotantotalo Werne is a specialist provider of TV, video, and audio services; and Måndag offers video copying and CD and DVD production services.

Swwap operates the 2ndhead mobile portal, offering a broad package of content from SanomaWSOY and outside providers, including news from Helsingin Sanomat, Ilta-Sanomat, and Channel Four, together with betting tips, route itinerary services, and horoscopes.

Verkkovoima and the Virtual Portal project are responsible for developing SanomaWSOY's Internet-based services. The Virtual Portal project is aimed at developing a common customer relationship management database and user interface for the Group's online services.

Channel Four's success an important driver

SWelcom's pro forma net sales totalled FIM 466.7 million (334.0 million). Channel Four contributed the largest increase, FIM 107.2 million, thanks to significantly increased sales of advertising time and the channel's higher market share. The sector's pro forma operating profit was FIM -99.3 million (-110.7 million), an improvement also driven by Channel Four, despite its higher level of investment in programming. The pro forma figures cover all the electronic media businesses transferred from Helsinki Media for the whole year, while Swwap figures are included only for the last quarter.

SWelcom's investments totalled FIM 200.3 million (124.3 million), of which FIM 143.4 million went on acquiring shares in subsidiaries. In August, SWelcom acquired 25.01% of Oy Ruutunelonen Ab's shares from Egmont Holding Oy, and 5.02% from TS-Yhtymä Oy in December. As of the end of the year, SWelcom owned 90.55% of Ruutunelonen, and TS-Yhtymä 9.45%. Following a share swap and purchase carried out with TS-Yhtymä in December, Oy Suomen Medanelonen Ab became a wholly owned subsidiary. Swwap Oy's entire share capital was transferred from the Parent Company to SWelcom at the beginning of October. In addition to share transactions, SWelcom's other major investments were linked to upgrading HTV's cable system and developing HTV's cable modem system.

Higher advertising sales and viewing share at Channel Four

Channel Four's net sales increased 54% to FIM 307.5 million (200.3 million). The channel's operating profit also increased significantly, although the channel still recorded an operating loss, of FIM -91.8 million (-126.4 million). Profit performance was adversely affected by additional investments in programming required by the competitive situation, the high value of the dollar, and increased

KEY INDICATORS	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM million	FIM million	€ million	€ million
Net sales	466.7	334.0	78.5	56.2
Operating profit	-99.3	-110.7	-16.7	-18.6
% of net sales	-21.3%	-33.1%	-21.3%	-33.1%
Operating profit, excl associated companies	-99.3	-109.5	-16.7	-18.4
% of net sales	-21.3%	-32.8%	-21.3%	-32.8%
Balance sheet total	779.1	459.7	131.0	77.3
Gross investments	200.3	124.3	33.7	20.9
Return on investment, % (ROI)	-22.1%	-28.0%	-22.1%	-28.0%
Personnel under employment contract	325	244	325	244
Personnel, average	310	234	310	234

Key indicators have been calculated on the basis of pro forma income statements and balance sheets for 1999 and 2000.

OPERATIONAL INDICATORS

Channel Four's share of Finnish TV advertising, %	2000	1999
Daily coverage of Channel Four, %	24.50 %	16.5%
Average audience for Channel Four's top 10 programmes	40.00 %	35.0%
Channel Four's national viewing share, %	589,000	554,300
Number of cable-TV-connected households, thousands	11.50%	10.0%
Number of pay-TV subscriptions, thousands	210	203
	45	49

payments to the Finnish Composers' Copyright Society. The channel's operating licence fee rose from FIM 40.4 million to FIM 63 million, equivalent to 20.5% of net sales.

Channel Four's advertising revenue increased by 53%, and its market share of overall advertising rose to 24.5% (16.5%), the largest such increase in the media sector in 2000. In terms of net advertising sales, Channel Four is now Finland's third-largest advertising medium after Helsingin Sanomat and MTV3.

Viewing figures rose by nearly 20%, and the channel's share of national TV viewing rose from 10% to 11.5%, with an emphasis on urban viewers, in line with the channel's strategy. The channel focused on Finnish programming in the spring, and on films and foreign series during the autumn. Channel Four launched its own daily business news programme in collaboration with Taloussanommat in November.

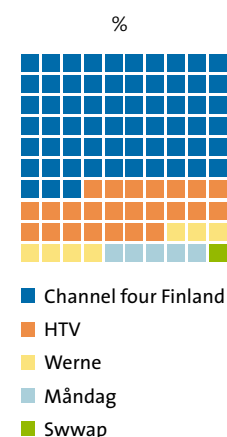
Channel Four's Finnish programmes received a number of awards at the Venla Gala in January. Ruben Stiller was named best TV performer of 1999 for his talkshow, and Pulkkinen was voted best comedy series. The January 2001 Venla Gala awarded the title of best comedy series of 2000 to Isänmaan toivot, while Pulkkinen was voted best by viewers.

The bulk of advertising time booking was switched to an extranet-based system and season launches were brought forward, resulting in enhanced efficiency. In February, regional advertising sales were extended to cover Channel Four's entire network. Channel Four also sold advertising linked to sports programmes broadcast by the Finnish Broadcasting Company in connection with the World Ice Hockey Championships and the European Football Championship.

At the end of the year, Channel Four signed network fee and tariff agreements with Digita covering the analogue network extending until 2006.

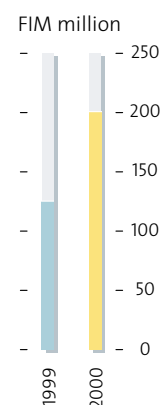
During 2001, Channel Four aims to increase primetime viewing among its key audience segments and enhance its profitability by increasing its sales and market share. Programmes and advertising packages will be developed for use across a number of different media. As part of this, Channel Four's digital broadcasts will start in August 2001.

Net sales by business unit



Figures exclude eliminations.

Investments



Channel Four's programmes have received a number of awards at Finland's annual Venla Gala, including best comedy series of 2000 for *Isänmaan toivot* (The country's depending on them). *Kylmäverisesti sinun* (Your's in cold blood), featuring Ville Virtanen, has proved particularly popular.



HTV launches Finland's first broadband portal

Net sales at HelsinkiTelevision (HTV) rose 12.7% to FIM 113.0 million (100.3 million), and the company's operating profit rose clearly.

HTV invested heavily in upgrading its cable system for interactive services and developing its cable modem system during 2000. These investments will support HTV's future profit development. As of the end of the year, 210,000 households were connected to the HTV cable system and over 4,000 households had signed contracts to be connected. The upgrading of the system progressed further, and 87% of households were upgraded as of the end of the year. The network will be fully modernised during the first quarter of 2001.

The demand for cable modems outstripped expectations. Availability problems were encountered in sourcing the necessary components, and it proved impossible to fully meet demand. Over 8,300 cable modems had been supplied by year-end.

In December, HTV opened Finland's first broadband portal, known as Welho, for its cable modem customers. The portal is an open platform for a variety of services and features designed to take optimum advantage of the system's high speed, such as news clips, animated weather forecasts, streaming TV and radio content, and interactive games. HTV has initiated discussions on extending Welho to cable networks elsewhere in Finland and to digital-TV and ADSL services.

Pay-TV subscriptions totalled 44,950, via seven cable-TV systems in addition to HTV's own.

The large-scale launch of digital-TV via cable planned for 2000 was postponed as a result of the delay in deciding national standards. The set-top boxes required for receiving digital services were also unavailable. HTV will begin its first digital pay-TV services in spring 2001, offering a variety of international and channel content, extending this later with various interactive value-added services.

HTV's future growth prospects are closely linked to the switch to digital broadcasting, as cable systems will represent a major distribution channel for extending viewer coverage over the next few years. Digitalisation will also broaden the range of programming offered by cable providers.

Werne focuses on outside broadcasting facilities

Tuotantotalo Werne's net sales totalled FIM 31.5 million (32.1 million). Profits were held back by the company's five-year investment programme in TV studios and multicamera technology launched three years ago. During 2000, Werne focused on strengthening its outside broadcasting facilities and enhancing its logistics support for Channel Four.

Werne's key target in 2001 will be to build and commission a broadcast centre for Channel Four's analogue broadcasts and the digital-TV channels that will form part of Multiplex C.

Måndag's net sales fell to FIM 24.4 million (27.9 million), but its operating profit improved. Video copying volumes fell after the company's largest contract customers lost some of their distribution rights to large international film companies when the latter decided to centralise their duplication operations into a smaller number of larger, regional contracts.

During 2001, Måndag will concentrate on growing its CD-ROM production and extending its DVD production, which it launched in 1998.

2ndhead offers close to 100 products

Established in March, Swwap launched its 2ndhead mobile portal in June, offering a combination of content from SanomaWSOY units and outside providers. As of the end of the year, 2ndhead had 34 content and service partners, with nearly 100 different WAP and SMS services. The most popular of these have been SMS services, logos, and ring tones.

2ndhead had over 90,000 paying customers as of the end of the year, including both registered and unregistered customers. Growing this user base further will be dependent on the pace at which new mobile terminals and network solutions are introduced. The slower-than-projected sale of WAP phones will see a continuation of the focus on SMS services.

Swwap's future prospects over the longer term are closely linked to the future development of mobile technology. New technologies, such as GPRS, will enable a more comprehensive range of content and services to be offered to customers more rapidly and efficiently.

A new kind of user interface

The Virtual Portal project took an important step forward in October when a new user interface combining Internet services for children and young people, known as Tasku, was launched on Helsinki Media's Sisters Club and Mercurius club sites. The project's target is to link all of SanomaWSOY's key Internet services to a common customer database and interface by May 2001.

As of the end of the year, Verkkovoima had completed a total of 25 Internet services for internal Group customers, all maintained on the unit's servers.

The main investments to be made in 2001 will be the IT facilities at the Group's new head office premises in Helsinki and additional server capacity for the Group's Internet services and the Virtual Portal project.

Focusing on new businesses

President **Tapio Kallioja**: "2000 was a year of building new business and developing existing ones for SWelcom. Development work in virtually all of our businesses focused on transferring products to digital platforms. Our most important achievements included developing the 2ndhead mobile portal and launching the service in June, and launching Welho, HTV's broadband portal. In terms of our profit performance, Channel Four's better-than-expected figures were particularly positive.

The creation of a separate sector for electronic media will strengthen our position in a number of ways, and make it easier for us to agree strategic alliances, for example, an area that we will be focusing on in the future. We will also focus on developing new businesses, acquisitions, and international expansion. Growth as a whole will be very much to the fore in 2001, in particular in developing Welho, 2ndhead, digital-TV, and our Internet applications.

SWelcom's future prospects and profitability over the immediate future are closely linked to the general development of television advertising, the growth in the market for broadband Internet services, the take-up of WAP and GPRS technology, and the start-up of digital-TV.

We project that SWelcom's net sales will grow by some 30% during 2001, while our operating loss will probably be in excess of FIM 100 million. We forecast that Channel Four's profit performance will continue to improve significantly, driven by the channel's growing net sales. HTV's profits and increased net sales will cover the investments necessary for further developing broadband Internet operations and digital-TV services. Given our commitment to developing our digital-TV operations, 2ndhead, and new Internet services, SWelcom does not expect to record a positive result in the next few years."

SWelcom's Management Group

- President
Tapio Kallioja
- Senior Vice President, Technology
Pekka Jaakola
- President
Sami Artman
Swwap Oy
- President
Juha-Pekka Louhelainen
Oy Ruutunelonen Ab
- Vice President, Digital Movie Channel
Merja Rinne
- Vice President, Administration
Marja-Leena Tuomola
- Secretary to the Management Group and Corporate Counsel
Pia Huhdanmäki



"In the map and location information business, accuracy is our number-one priority. People depend on us to tell them where they are, or help them plan the shortest or most cost-effective route from A to B – whether you're hiking in the backwoods, looking for the nearest place for a pizza, or a driver picking up a load of logs to deliver to a paper mill. The digital technology that we've pioneered in map-making over the last seven years enables us to keep maps up-to-date very easily. What's really exciting, however, is the opportunities it gives us to develop Internet and mobile applications – what we call 'personal navigation' tools."



Ari Purhonen
Key Account Manager
Genimap Oy

WSOY

A sense of trust

It's a flamingo, I'm sure of it. I looked it up. I've checked where I am, it's definitely Finland. Judging by the map on this mobile, I'm somewhere called Zoo. Doesn't sound quite Finnish somehow, though.

Information, however accurate, can be confusing or downright misleading – depending on how it's interpreted. Which is why it's good to know that you can rely on WSOY's maps and books to help you out.

Operational subsidiaries

- WSOY Koulukanava Oy
- Docendo Finland Oy
- Docendo Sverige AB
- Geodata Oy *)
- Karttakeskus Oy (80.1% *)
- Weilin+Göös Oy
 - Kustannusperintä Oy
 - Bertmark Media AB
 - Bertmarks Förlag AB
 - Bertmark A/S Danmark
 - Bertmark Norge AS
 - AB Förlagsinkasso
- WS Bookwell Oy
- Lönnberg Painot Oy
 - F.G. Lönnberg Oy
 - Sävyypaino Oy
 - Mainos ja Etiketti Oy
- Tummauoren Kirjapaino Oy (80%)
- Ajasto Osakeyhtiö
 - Nummi-Plast Oy
 - Almanacksförlaget AB
 - Emil Moestue as

Associated companies

- Everscreen Mediateam Oy (25%)
- Rautakirja Oyj (31.7%)
- Young Digital Poland (49%)



WSOY is Finland's leading book publisher and the market leader in general literature, educational materials, and a number of specialist publications. WSOY is also the Nordic area's leading calendar publisher and the market leader in book printing, and one of the region's leading digital printers.

WSOY's General Literature Unit publishes Finnish fiction and foreign fiction in translation, and non-fiction. The Educational Material Unit publishes a variety of educationally oriented material in both print and electronic format. The Special Publishing Unit's products cover business publications, dictionaries, location information and maps (Genimap), and computer books and e-learning solutions (Docendo). Weilin+Göös publishes non-fiction and multi-volume reference works for direct sale to the public.

The eWSOY Unit is responsible for WSOY's learning portal, and publishing and selling consumer multimedia products. The unit also manages WSOY's holding in the group's new media companies, Everscreen Mediateam and Young Digital Poland.

WSOY's printing operations are divided between three subsidiaries. WS Bookwell offers book printing services to customers across northern Europe, while the companies in the Lönnberg Painot group (F.G. Lönnberg, Sävyypaino, and Mainos ja Etiketti) specialise in printing high-quality advertising material, annual reports, and gift packaging. Tummauoren Kirjapaino is Finland's leading digital printer.

The Calendar Operations Unit includes Finland's leading calendar publisher, Ajasto, and the number-one calendar publishers in Sweden and Norway: Almanacksförlaget and Emil Moestue.

Investments driven by acquisitions

The net sales of the WSOY Group totalled FIM 1,209.4 million (1,151.7 million), up 5% on 1999. Comparable net sales, taking account of acquisitions and divestments, increased by a little under 3% to FIM 1,152.0 million (1,120.3 million). The group's operating profit totalled FIM 108.9 million (128.3 million). Performance within traditional book publishing and printing improved, while investments in electronic media had a downward impact on the group's result. Calendar operations again turned in an operating loss, despite restructuring measures.

WSOY's investments totalled FIM 151.8 million (125.0 million), of which acquisitions accounted for FIM 80.5 million (45.7 million). The single largest acquisitions were the purchase of Docendo Läromedel AB, a Swedish publisher of computer books and e-learning solutions, and the purchase of an 80.1% holding in Finland's leading map company, Karttakeskus Oy.

A good year for books

Net sales in the Publishing Division totalled FIM 757.8 million (672.4 million), and its operating profit totalled FIM 49.1 million (72.7 million).

WSOY's General Literature Unit had a very good year. Sales rose to FIM 207.4 million (193.9 million). As a result of book club-related investments, however, the unit's profit remained at 1999 levels. The unit's publishing programme was strong, both in terms of literary merit and commercial potential. Finnish fiction and children's books proved particularly successful.

Sales to bookshops rose by 19%, and WSOY's share of this market to some 35%. Membership of WSOY's book clubs reached a total of 185,000, and sales increased by 11%. Bookmark, Finland's first solely online book club, launched in January 2000, failed to achieve its target growth, however, although WSOY's overall online retail business developed well.

WSOY will continue to invest in its book clubs during 2001. A new club for children, Uppo-Nallen kirjakerho, was launched at the beginning of the year. To develop the market for paperbacks, WSOY

*) Geodata Oy and Karttakeskus Oy will merge to form Genimap Oy as of April 1, 2001 (90%).

KEY INDICATORS	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM million	FIM million	€ million	€ million
Net sales	1,209.4	1,151.7	203.4	193.7
Operating profit	108.9	128.3	18.3	21.6
% of net sales	9.0%	11.1%	9.0%	11.1%
Operating profit, excl. associated companies	62.6	81.5	10.5	13.7
% of net sales	5.2%	7.1%	5.2%	7.1%
Balance sheet total	1,647.4	1,603.7	277.1	269.7
Gross investments	151.8	125.0	25.5	21.0
Return on investment, % (ROI)	8.9%	10.4%	8.9%	10.4%
Personnel under employment contract	1,899	1,827	1,899	1,827
Personnel, average	1,803	1,754	1,803	1,754

Key indicators have been calculated on the basis of 1999 pro forma figures and the official figures for 2000.

OPERATIONAL INDICATORS	2000	1999
Number of new titles published		
Books	612	542
Electronic products	175	124
Number of reprints published		
Books	1,261	1,197
Electronic products	260	278
Printed books, million copies	23	21
Paper consumption, tonnes	12,174	11,247

and three other leading Finnish publishers founded a jointly owned paperback publisher and distributor, Taskukirja Loisto Oy, which began operations in early 2001.

In the summer, WSOY and the Union of Finnish Writers agreed a new type of writer's publishing contract taking account of issues related to print-on-demand and e-books. Beginning in autumn 2001, WSOY will publish a proportion of its print books in e-book format.

Net sales at the Educational Material Unit increased 2% and totalled FIM 199.7 million (195.7 million). The Finnish textbook market remained unchanged, and WSOY retained its 54% market share. Sales of vocational education books increased, as did WSOY's market share. WSOY's share of the market for books for comprehensive schools and highschoools fell slightly, as a result of publication timing issues.

WSOY continued its major restructuring of its educational material offering, in line with schools' phased switch-over to new syllabuses beginning in 2001. Development work on digital learning environments and producing electronic content was started with eWSOY, with the aim of launching the first new products in this area during 2001.

Acquisitions in the learning and location information area

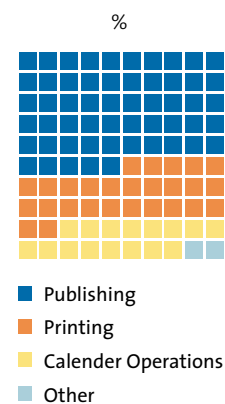
Net sales at the Special Publishing Unit totalled FIM 147.3 million (90.6 million), driven by significant internal growth and acquisitions. The unit's major investments in e-learning and location information had a downward impact on the unit's operating profit, however.

Sales and profit performance at WSOY Business Publishing continued to be strong. The unit's management titles were among the segment's bestsellers. The pilot online service launched in the autumn was well-received, and the WSOY Yrityskoulutus corporate training programme launched in 1999 continued to develop encouragingly.

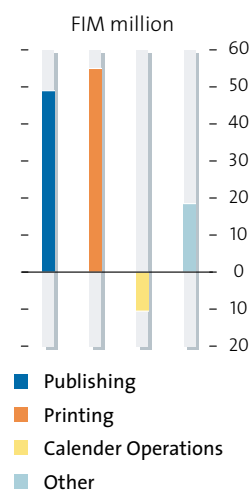
An updated range of school dictionaries and new, online dictionaries were launched in the autumn.

Docendo Läromedel, acquired in the spring, was merged with Teknolit to form the Docendo Group. Docendo reorganised its book publishing business, developed new Swedish-, Finnish-, and English-

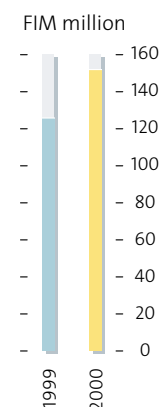
Net sales by business area



Operating profit by business area



Investments



WSOY strengthened its e-learning business with the acquisition of Sweden's Docendo in the spring. A major deal covering the company's Simultan Open e-learning product was signed with Nordea, the Nordic region's largest bank, in January 2001.



language versions of its Simultan Open e-learning product, and signed a strategic cooperation agreement with TietoEnator. A major Simultan Open deal was signed with Nordea, the Nordic region's largest bank, in January 2001. Despite its success, Docendo suffered somewhat from the general slow-down affecting the IT sector.

The most important development in the location information business was the acquisition of Karttakeskus in September, and its operational merger with Geodata at the end of the year. The resulting new company, Genimap Oy, will begin operations officially on April 1, 2001. US-based MapInfo Corporation will remain a minority shareholder and partner. Genimap launched Finland's first SMS-based itinerary planner service towards the end of the year and signed a global partnership deal with Nokia covering the sale and marketing of mobile location-based information software to telecom operators.

During 2001, Special Publishing will continue to focus on growing its e-learning and location information businesses and expanding them internationally.

WSOY's Learning Portal reaches the pilot stage

Sales at eWSOY totalled FIM 12.9 million (6.7 million). The unit recorded an operating loss, as a result of its development-related investments. Although sales of CD-ROMs doubled compared to 1999, the drop in demand for consumer multimedia products meant that operations failed to reach their performance target.

Work on WSOY's new Internet-based Learning Portal progressed well. A pilot version was launched during the autumn, and the first production version for comprehensive school students will be launched during 2001. WSOY increased its holding in Young Digital Poland, a producer of digital learning environments with a strong presence in Central Europe, to 49% in February 2001, and the parties agreed an option for WSOY to acquire a majority holding at the beginning of 2004. Young Digital Poland's net sales rose to FIM 26 million, and the company recorded a small profit, despite heavy investments.

Net sales at Weilin+Göös fell back slightly to FIM 190.4 million (194.4 million). The transfer of children's book club operations to Helsinki Media at the beginning of 2000 contributed to this. The group's operating profit remained good. Enhancing sales operations was prioritised across the group, resulting in increased order volumes, particularly in Sweden and Norway.

During 2001, Weilin+Göös aims to achieve a clear increase in sales. Profitability is projected to weaken slightly, as a result of marketing-related costs and IT investments.

Printing turns in a strong improvement in operating profit

Net sales at the Printing Unit increased to FIM 365.3 million (357.4 million). Its operating profit also increased substantially, to FIM 55.2 million (40.1 million), driven by positive developments in traditional book printing in particular.

Profitability at WS Bookwell (the WSOY Printing Unit until March 31, 2000) was good, and sales and performance targets were clearly exceeded. A total of 23 million books were printed, generating net sales of FIM 220.8 million (202.5 million). Exports totalled FIM 88.6 million against a background of growth in the company's key Swedish and British markets. Favourable exchange rates also contributed to higher export earnings. Bookwell's prospects for 2001 are positive, although market growth is projected to slightly slow.

Net sales at Lönnberg Painot, Finland's leading printer, totalled FIM 119.0 million (123.2 million). Profitability remained good, although the group's operating profit was slightly down. The market for advertising-related printed matter was weaker during the early part of the year, which contributed to

a lower operating profit at both Sävyypaino and Mainos ja Etiketti. Lönnberg was again voted Finland's number-one printer in a customer satisfaction study, while Mainos ja Etiketti was voted graphic supplier of the year by a panel of advertising agency executives.

Lönnberg Painot's acquisition of Karttakeskus' map printing business towards the end of the year increased WSOY's overall printing capacity and competitiveness. The acquisition was accompanied by an order for a new AO-format offset unit for Mainos ja Etiketti, designed to enhance WSOY's map printing capability and potential to print large-format material cost-effectively. Lönnberg's prospects for 2001 are good.

Net sales at Tummavuoren Kirjapaino rose to FIM 25.6 million (23.1 million); the company's result also improved. Tummavuoren's market leadership and the attractive quality and price edge offered by the company's digital technology, strengthened at the end of the year by the addition of additional printing capacity, is expected to ensure positive profit performance in 2001.

Ajasto's Finnish operations record an improved profit

Net sales at the Calendar Operations Unit totalled FIM 218.4 million (229.4 million), while operating profit totalled FIM -10.7 million (-16.6 million). Ajasto's Finnish operations delivered an improved profit on 1999. The group recorded an operating loss as a whole, however, as a result of weak performance in its Swedish and Norwegian units, although the restructuring measures taken during the year yielded benefits. The losses in Sweden and Norway resulted from redundancy costs and the tough competitive situation on both markets.

Ajasto's sales and market share in Finland remained at 1999 levels. The group's Swedish and Norwegian companies retained their market shares in customised calendars, but recorded reduced volumes and market share in consumer products.

The overall calendar market declined somewhat in 2000. Ajasto's strong brands and leading market position offer its units good potential, and the most important target for 2001 will be to further improve profit performance.

Electronic media to be further strengthened

President **Jorma Kaimio**: "WSOY's focus during 2000 was on new technology and acquisitions. At the same time, we were very encouraged that traditional publishing activities, and books in general, strengthened their position; and the year was an exceptionally good one for our fiction and non-fiction in particular. Our book-shop customers also had a good year.

We intend continuing to invest in our electronic media businesses during 2001, particularly in location information services, our Learning Portal, and corporate e-learning. We plan to give increasing emphasis to exploiting our strong know-how in traditional educational materials in the digital world, and we believe

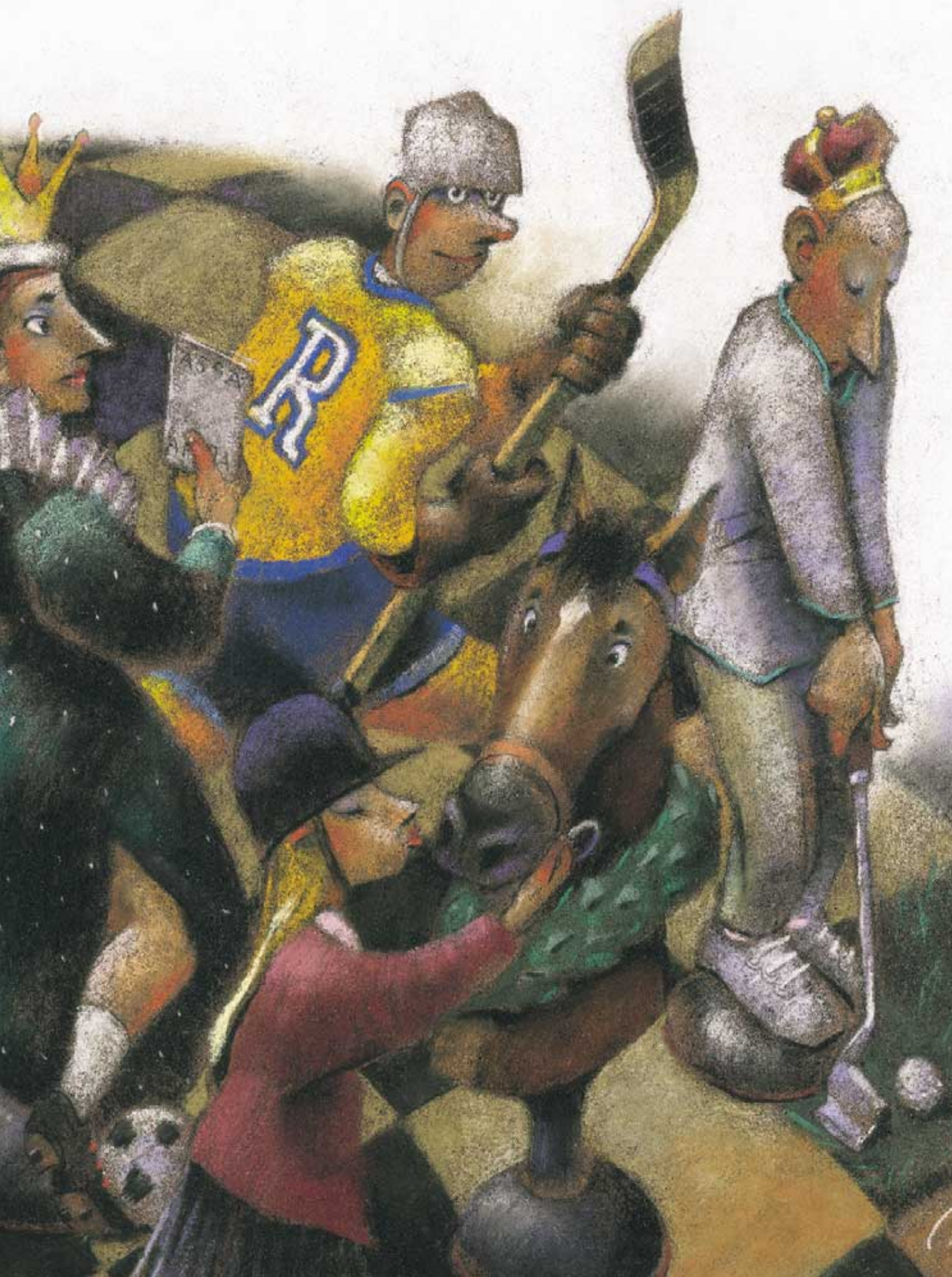
that this will become an important new business area for us.

Other areas that we intend focusing on during 2001 include our book clubs and calendar business. We will also aim to further increase the international dimension of our operations.

WSOY's aim is to achieve balanced growth, through strengthening the profitability of our traditional businesses and making selective, long-term investments in new business areas. As a result, we project that our net sales in 2001 will increase by some 8%. Despite the high level of investments projected, we expect our profitability to exceed that recorded in 2000."

WSOY's Management Group

- President
Jorma Kaimio
- Senior Vice President, Development
Jyri Ahti
- Senior Vice President, eWSOY
Mikko Laine
- Senior Vice President, WSOY Educational Material
Hannu Laukkanen
- Senior Vice President, Finance and Corporate Services
Jorma Mikkonen
- Senior Vice President, Printing Operations
Pekka Pätynen
- Senior Vice President, WSOY Special Publishing
Tuomo Räsänen
- Senior Vice President, WSOY General Literature
Touko Siltala
- President, Ajasto Osakeyhtiö
Olle Koskinen
- President, Weilin+Göös Oy
Magnus Hästö
- Secretary to the Management Group and Group Counsel
Katja Vuorialho



"Most people who bet on anything can always do with a tip or two – whether you're new to the game and want some pointers, or you're a pro and want to know if the experts have the same hunch as you. That's where our Hyvä Veto betting tip service, which we offer through SWelcom's 2ndhead mobile portal, can be a real plus. We wanted to bring the expertise of our Veikkausrasti chain of betting shops to the mobile user, and closer to the game or the race. Users can access tips for the same day directly, or order a week's or a month's worth, for example, via the Web and receive them automatically. It all depends how much you want to try your luck!"



Henri Alho
Network Services Manager
Ferete Oy

Rautakirja

A sense of excitement

I wonder what my chances are this time? Should I try my luck with this scratch card, or take a bet on that hockey team or that horse over there? So many choices!

Rautakirja's R-kiosks offer virtually everything under the sun – and excitement too.

Rautakirja

Operational subsidiaries

- AS Lehepunkt (50%)
- Lehti-Maja Eesti AS
AS Megapanus (90%)
- Suomalainen Kirjakauppa Oy
Astro Raamatud Oü (60%)
- Finnkino Oy
Interprint Oy
AS MPDE (90%)
Baltic Cinema SIA (90%)
- Eurostrada Oy
Foodstop Oy (99%)
- Veikkausrasti Oy
- Ferete Oy

Associated companies

- Jokerit HC Oyj (34.5%)
- Kirjavälitys Oy (20.09%)
- Narvesen Baltija SIA (35.06%)
- Oü Baltlab (33.33%)



RAUTAKIRJA

Rautakirja's chain of R-kiosks and Lehtipiste press distribution business are the market leaders in their field in Finland. The Suomalainen

Kirjakauppa chain of bookshops, the Finnkino network of cinemas, and the Veikkausrasti chain of betting shops are also the largest in Finland. SanomaWSOY owns 55.06% of Rautakirja, which is listed on the Helsinki Exchanges.

Rautakirja also operates R-kiosks in Estonia, and Latvia's leading chain of convenience outlets, Preses Apvieniba, was transferred to Rautakirja's Latvian associated company, Narvesen Baltija SIA, at the beginning of 2001. Lehtipiste's marketing and distribution organisation supplies papers and magazines to over 8,300 outlets in Finland, while AS Lehepunkt, a joint venture with Estonia's leading newspaper and magazine publisher, AS Ekspress Grupp, supplies publications to some 1,200 outlets across Estonia.

The Suomalainen Kirjakauppa chain includes 59 bookshops, three Yliopistokirjakauppa bookshops, and one Dose multimedia shop. The company also owns 60% of the Estonian book retailer, Astro Raamatud.

Finnkino and its subsidiaries operate cinemas in Finland, Estonia, and Latvia, and import special interest films into Finland, primarily for Finnkino's own outlets and for video sales and rental operations. Rautakirja's restaurant activities include the Eurostrada and Motorest chains of highway service areas, and Pizza Hut restaurants.

Rautakirja's e-business and electronic media products and services activities are handled by a separate business unit, Ferete.

Increased net sales at all of Rautakirja's core businesses

Rautakirja's pre-tax sales rose by 14% and totalled over FIM 6.7 billion. Net sales, including commissions, totalled FIM 3,832.9 million (3,478.3 million), an increase of some 10% on 1999. When acquisitions are taken into account, the group's comparable sales increased by 6.5%. Net sales and overall sales performance developed positively in all of Rautakirja's core businesses.

The group's operating profit totalled FIM 222.6 million (198.5 million), up 12%. Financial income was down some 50% on 1999, as a result of the major decline in the stock market. Rautakirja's profit before extraordinary items totalled FIM 227.8 million (221.1 million).

Investments totalled FIM 170.0 million (428.6 million). The largest projects were a multiplex cinema in Tallinn and increasing Rautakirja's holding in Jokerit HC Oyj, from 21% to 34.5%, in September.

An excellent year for Rautakirja's kiosks

The year was a successful one for virtually all areas of Rautakirja's convenience store business. Net sales rose by some 10% to FIM 2,002.6 million (1,755.5 million). Operating profit totalled FIM 97.3 million (73.3 million), up nearly 33%. Customer volumes increased by 3%, and R-kiosks attracted the most customers of any retail chain in Finland.

The R-kiosk concept was further developed and the outlet offering expanded in preparation for the liberalisation of legislation on retail opening hours that came into force at the beginning of 2001. Past experience indicates that Sunday opening will not have a major impact on R-kiosks. It will also make it possible to experiment with larger kiosks offering a wider selection of products.

Marketing continued at a high level, and sales of nearly all product segments in the R-kiosk offering increased. In the summer, a gaming business unit was created within the kiosk organisation to serve all of Rautakirja's business units.

KEY INDICATORS	31.12.2000	31.12.1999	31.12.2000	31.12.1999
	FIM million	FIM million	€ million	€ million
Net sales	3,832.9	3,478.3	644.6	585.0
Operating profit	222.6	198.5	37.4	33.4
% of net sales	5.8%	5.7%	5.8%	5.7%
Operating profit, excl. associated companies	222.6	198.5	37.4	33.4
% of net sales	5.8%	5.7%	5.8%	5.7%
Balance sheet total	2,173.4	2,029.5	365.5	341.3
Gross investments	170.1	428.6	28.6	72.1
Return on investment, % (ROI)	17.1%	18.0%	17.1%	18.0%
Personnel under employment contract	5,534	5,006	5,534	5,006
Personnel, average	3,977	3,631	3,977	3,631

OPERATIONAL INDICATORS	2000	1999
Customer volume in kiosk operations, thousands	86,947	84,472
Customer volume in bookstore operations, thousands	6,508	6,288
Customer volume in movie theatres, thousands	3,876	3,758
Number of magazine copies sold, thousands	135,740	133,956

Estonian-based Lehti-Maja Eesti was able to concentrate solely on kiosk operations during 2000, as press distribution was transferred to a separate company at the end of 1999. Sales at R-kiosks in Estonia developed well in 2000, and net sales rose by over 66%. The chain extended its coverage to all of Estonia, a move that was further strengthened through the acquisition of 22 kiosks in the Tartto area in May.

In the summer, Lehti-Maja Eesti acquired 90% of AS Megapanus, an Estonian company licensed to operate variable odds betting activities in Estonia. In November, Rautakirja signed an agreement with Neste under which Rautakirja took over operations of the shops at Neste's service stations in Estonia and Latvia as of January 1, 2001.

Rautakirja increased its holding in the Veikkausrasti chain of betting shops to 100% when it acquired the remaining 20% of the company's shares in August. The chain will continue to operate under its own name and will be merged with Rautakirja during 2001. Sales at Veikkausrasti outlets developed well during 2000, and the chain increased its market share of gaming product sales. The chain will be developed significantly during 2001.

Lehepunkt takes over 90% of the Estonian market

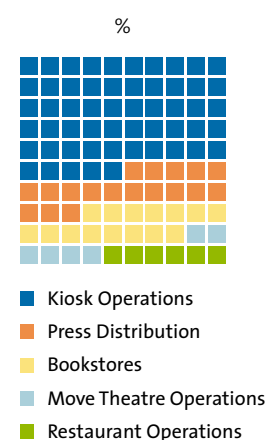
Net sales of press distribution-related operations increased to FIM 916.6 million (847.0 million). The business recorded an operating profit of FIM 56.7 million (53.1 million).

Lehtipiste focused strongly on developing display systems at large retail outlets and on training personnel. The national tabloid distribution system was fine-tuned to better meet the needs of retail customers and publishers. The prospects for news stand sales in 2001 are positive, and Lehtipiste will further develop its business to take advantage of this.

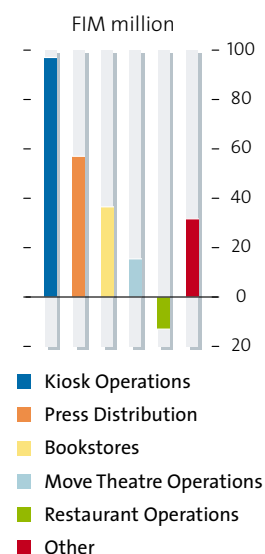
News stand sales in Finland increased by 5.1% as measured in terms of cover price, while magazine sales rose by 10.2%. The largest single product that contributed to increased sales was the Pokémon series of collector cards. Newspaper sales, in contrast, dropped by 0.2%.

Rautakirja and Estonia's leading newspaper and magazine publisher, AS Ekspress Grupp, founded a 50/50 joint venture press distribution company, AS Lehepunkt, at the beginning of 2000. During its first year of operations, Lehepunkt captured over 90% of the Estonian market. Lehepunkt aims to further extend its cooperation with publishers and the retail sector, and to continue developing its logistics and IT systems during 2001.

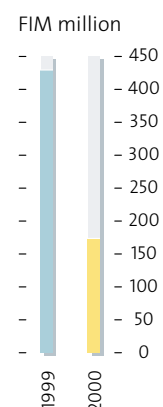
Net sales by business area



Operating profit by business area



Investments



Customer volumes at Rautakirja's R-kiosks in Finland increased by 3% during 2000, and R-kiosks attracted the most customers of any retail chain in the country.



A brisk year for books

Rautakirja's bookstores recorded net sales of FIM 637.4 million (602.5 million), and an operating profit of FIM 36.0 million (27.8 million).

The year was a positive one for the bookstore business as a whole. Suomalainen Kirjakauppa had a good year in all its core activities, and most product segments recorded increased sales. Book sales did particularly well. Other products also showed good increases, although sales of CD-ROMs continued to decline. Annual magazine subscription sales also fell slightly.

In October, Suomalainen Kirjakauppa acquired the Yliopistokirjakauppa chain of bookshops in Finland and 60% of the Astro Raamatud book retailing company based in Estonia. Suomalainen Kirjakauppa's Web shop, www.suomalainen.com, extended its offering with the addition of 1.5 million English-language titles and annual magazine subscriptions.

The role of direct sales in the book business is increasing, through book clubs and Web shops, but this trend is not expected to result in any sudden or major changes in the near future. Suomalainen Kirjakauppa is nevertheless committed to developing its business, both through traditional and online channels. Synergies will be sought with the Yliopistokirjakauppa business and through the two companies' loyal customer programmes.

Developing Rautakirja's e-business opportunities

During the summer, Rautakirja's online activities were grouped into a single unit, which was formed into a separate company, Ferete, and Rautakirja's fifth division in the autumn.

In November, Ferete signed a deal with SanomaWSOY's 2ndhead mobile portal to market a selection of Hyvä Veto betting tips. This service will be expanded and ported to the Internet during 2001.

During 2001, Ferete will focus on designing and building services, most of which will be launched towards the end of the year. The main emphasis will be on gaming-related services and added-value packages in Finland and Estonia, and broadening the offering of Rautakirja's online bookshop. Investments over the next few years will run into tens of millions of Finnmarks. Despite this commitment, Ferete is expected to record a positive result in 2002.

Cinemas increasingly popular

Net sales of Movie Theatre Operations totalled FIM 259.5 million (248.5 million). The division's operating profit increased to FIM 15.0 million (11.4 million).

A total of nearly 7.2 million cinema tickets were sold in Finland, an increase of over 100,000 on 1999, of which Finnkino's cinemas accounted for 54%. The 14-screen multiplex in Helsinki attracted 1.6 million visitors, making it Northern Europe's largest cinema. Outside Helsinki, growth was focused in Pori and Tampere, where Finnkino also operates multiplexes. As of the end of the year, Finnkino operated 17 cinemas in Finland, with 74 screens. Finnkino aims to build two or three more multiplexes in Finland, and potential sites are being scouted actively.

Sales in the wholesale video business, as well as those of films for video sale and rental, increased by some 10%. The largest growth was seen in DVD films.

The number of cinema tickets sold in Estonia rose even faster than in Finland, and Finnkino subsidiary AS MPDE's share of the market totalled 78%. In Latvia, the overall market declined slightly. Baltic Cinema's net sales rose by 24%, however. AS MPDE started construction of a new 11-screen multiplex in Tallinn at the beginning of 2000, which is scheduled to be opened in March 2001. A new multiplex is planned for completion in autumn 2002 in Riga under a letter of intent signed in January 2001.

Motorest outlets to transfer to Eurostrada

Net sales at Eurostrada totalled FIM 228.4 million (212.6 million), while the division's operating profit totalled FIM -13.3 million (4.5 million), including an FIM 8 million writedown on goodwill in the Pizza Hut business.

Pizza Hut's problems overshadowed the division's overall result, and the company continued to suffer from the tough competition on the fast food market in Finland. Major development measures were taken during the year and the company's strategy was realigned to give greater emphasis to urban centres, and Greater Helsinki in particular.

In May, Eurostrada and Neste signed an agreement under which Eurostrada will take over the Motorest chain on a phased basis by the end of July 2003. A total of four Motorest outlets had been transferred to Eurostrada as of the end of the year.

The steep rise in fuel prices typical of 2000 was reflected in depressed gasoline sales. Sales of diesel fuel increased, however. Food and non-food sales at service areas developed positively, and the business turned in a good result.

The integration of the Motorest outlets with the rest of Eurostrada's operations will be a major challenge for the unit over the next few years, together with the creation of an integrated chain model and improving the profitability of restaurant operations.

Rautakirja's Group Executive Board

- President & CEO
Hannu Syrjänen
- Senior Vice President,
Kiosk Operations
Erkki Järvinen
- Senior Vice President,
Bookstores
Raimo Kurri
- Senior Vice President,
Press Distribution
Markus Miettinen
- Senior Vice President,
Movie Theatre and
Restaurant Operations
Timo Mänty
- Senior Vice President,
Corporate Finance and
Administration
Matti Salmi

Growth to continue in 2001

President & CEO **Hannu Syrjänen**: "2000 was the best year to date in Rautakirja's history. We broadened our base of operations and expanded internationally, in line with our plans – and recorded a clearly better result than we projected we would at the beginning of the year. Our success, I believe, was rooted in our strategy of systematic, managed growth. We are committed to growing our business by around 10% annually. This will call for acquisitions and international expansion.

We made a number of strategically important acquisitions in 2000. The integration of Veikkausrasti, for example, has given us a broader know-how base in the gaming area that we can use through a number of different channels. We further strengthened our position on the convenience store market in the Baltic countries, and made some successful initiatives in press

distribution and bookshop operations. Our new multiplex in Tallinn will be completed in March 2001, and we are now planning a 15-screen multiplex in Riga.

We expect another good year of growth in 2001, and do not forecast any developments that would undermine the positive trend in retailing that has continued for the past six years. The sector projects growth of some 4% for 2001, excluding car sales, and consumer confidence continues to remain relatively strong.

We project that Rautakirja's net sales in 2001 will rise some 7% to in excess of FIM 4 billion. As a result of investments and acquisitions, we expect the result of our operational units to remain at 2000 levels. Taking into account capital gains already made in 2001, the group's overall performance will probably be above the 2000 figure."

Group Treasury and Asset Management

SanomaWSOY's treasury and asset management activities are managed by the Parent Company through its Group Treasury and Asset Management function. Rautakirja, however, handles its treasury, asset management, and banking affairs independently.

Group Treasury is primarily a service function, and operates as an internal bank and handles banking affairs and Group-level financial risk management, and is responsible for securing SanomaWSOY's financing needs.

Generating a good return with reasonable risk

The objective of the Asset Management Unit is to achieve a good rate of return on the Group's asset portfolio at a reasonable level of risk. Operations are based on taking a long-term view and pursuing a prudent and disciplined investment policy focused on North American and European equities and fixed-income instruments. Investments are concentrated in liquid stocks of global blue chip companies and investment-grade bonds, thereby enabling funds to be readily available for the Group's growth and development projects. Derivatives are used actively to adjust the portfolio's risk profile.

Operating policy

Investments in financial securities always involve a certain level of risk. Virtually all of the Group's material currency risks are linked to asset management operations.

SanomaWSOY's Board of Directors has approved a set of operational guidelines covering the activities of the Group Treasury and Asset Management function. Under this, activities are managed and monitored using modern online reporting systems. The portfolio is generally not hedged against market risks. Risks are primarily managed through an efficient and broad diversification of assets, and by avoiding illiquid, high-risk investments. The Group only does business with counterparties and partners that are considered of a leading and reputable nature.

A difficult year, and a good result

The operating environment in 2000 was exceptionally difficult. Share indices on virtually all the major markets fell, making the year the worst one for 10 years. Short-term interest rates increased, while long-term rates declined towards the end of the year. Equity returns varied widely between different industries, but the trend was generally downward. Against this background, SanomaWSOY's allocations and trading activities were very successful. Contributory factors to this included the longer-than-normal duration of the fixed-income portfolio, a good diversification of equity investments, and the significant reduction in holdings of technology stocks effected in the early part of the year.

Financial income has an important impact on the Group's result in the current corporate structure. Net book revenue from treasury and asset management activities during 2000 increased to FIM 322.6 million (233.6 million), mainly driven by capital gains on sales of shares. Financing costs were mainly comprised of write-downs of equity holdings and currency exchange-related losses.

The market value of the unit's portfolio as of the end of the year totalled FIM 1,950 million (2,320 million), and its book value FIM 1,450 million (1,500 million). As 2000 was the unit's first full year of operations, the figures for 1999 are not fully comparable. Equities accounted for 66% of the portfolio and fixed-income instruments 34%.

Environmental and Human Resource Accountability

SanomaWSOY is a financially independent, non-aligned media company committed to the principle of freedom of speech. The Group has a long tradition of interest in the development of society and people's intellectual and economic well-being. A responsible approach to environmental questions and a strong sense of social responsibility are an integral part of the operating principles and practices of the Group's businesses. Financial accountability and sustainable development underpin our business strategies. In line with our policy of open communications, we have published our key financial and strategic goals.

SanomaWSOY's operations are based on three success factor values:

- *Creativity – an ability to consistently provide high-quality content and generate new and exciting business concepts and operating models that meet the ongoing needs of our customers;*
- *Reliability – a commitment to ensuring that our customers, partners, investors, and personnel can rely on what we promise; and*
- *Dynamism – a commitment to promoting growth and development, and a proactive approach to adapting to change and the demands of international expansion at all levels, and to making this a powerful resource to drive the Group's future.*

The following six pages focus on issues related to the environment, human resources, and corporate governance.

Guided by the principle of sustainable development

SanomaWSOY continually strives to enhance the environmental compatibility of its products and operations, in line with the principle of sustainable development. We aim to ensure that we make as efficient use as possible of raw materials and energy in our products and their manufacture, and give appropriate attention to assessing and minimising their impact on the environment. Environmental concerns are also taken into account when making investment decisions.

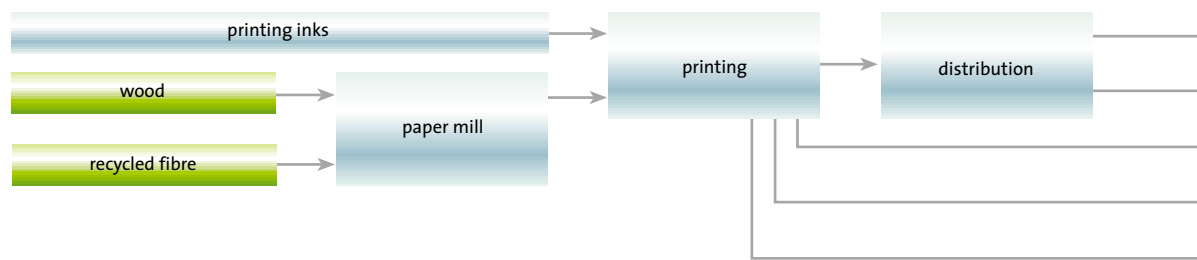
The Group's printing plants, which total 13 in all, play a central role in SanomaWSOY's environmental initiatives. The Group operates newspaper printing facilities in Greater Helsinki, Forssa, and Varkaus, rotary printing presses in Kouvola and Lappeenranta, book printing units in Porvoo and Juva, offset and silk screen printing units in Greater Helsinki, calendar printing units in Greater Helsinki and Norway, and a digital printing facility in Greater Helsinki. Helsinki Media's associate company, Hansaprint, operates units in Turku, Salo, and Greater Helsinki.

Sanoma's environmental strategy sets out goals for both long-term measures and for handling incident-type events. WSOY is in the process of creating an integrated environmental strategy covering all of its printing activities.

Sanoma's and WSOY's printing businesses took part in the Graphic Environmental Management System (GEMS) project during 2000, which resulted in a database-driven environmental management and self-assessment model designed for the needs of the graphic industry.

The production methods and materials used by WSOY's Printing Unit comply with the requirements of the Nordic Swan ecolabel. Ajasto's subsidiaries in Sweden and Norway, Almanacksförlaget and Emil Moestue, both have environmental management systems certified to the ISO 14 001 standard. The three companies in the Lönnberg Painot Group (F.G. Lönnberg, Sävyaino, and Mainos ja Etiketti) all have ISO 9002 quality systems, while WS Bookwell and Ajasto Osakeyhtiö have ISO 9001 quality systems. Hansaprint, which prints Helsinki Media's magazines, is Nordic Swan-certified.

Close to 80% of the newspaper waste generated annually in Finland is collected. Of the around 210,000 tonnes collected in 2000, some 65% was recycled into newsprint and catalogue paper, around 12% went to tissue production, and 8% was used to produce thermal insulation products. The remainder was used in manufacturing products such as egg boxes and packaging board.



WS Bookwell launched a survey of its environmental risks during 2000; and Lönnberg Painot carried out a study on environmental loadings associated with waste generated by the use of water-based lacquer, in conjunction with Helsinki Water, following on from a survey of environmental risks carried out in 1998.

SanomaWSOY's printing facilities require their partners to use manufacturing methods that impose the minimum level of impact on the environment in their own operations.

Materials and production methods

Emissions are closely controlled at Sanoma's printing plants and operations do not employ hazardous products such as toluene; and overall energy use is efficient. The bulk of the plants' main raw material, newsprint, is sourced from Finnish suppliers that follow high standards in sourcing timber and pulp. Unlike many newspapers around the world, Helsingin Sanomat is printed mainly on lightweight 42.5 g/m² paper, thereby saving on fibre, energy, and transport needs. Ilta-Sanomat is printed on 48.8 g/m² paper. Recycled pulp represents around 6% of the newsprint used by Sanoma.

Both Sanoma's and WSOY's printing plants have now switched over largely to computer-to-plate (CTP) technology, resulting in a major reduction in the volume of silver halide and chemical waste. At F.G. Lönnberg, for example, the volume of this type of waste was cut by some 70% in 2000 compared to 1999. Sanoma's plants in Greater Helsinki, Forssa, and Varkaus are all equipped with a CTP line, and an additional CTP line is to be added at Varkaus.

Sanoma is in the process of re-equipping its main plant in Greater Helsinki with new printing machinery that will further reduce its environmental impact. The new machine's technology, and the partial switch-over to heatset that will be involved, will cut emissions, material usage, and spoilage levels from 2003 onwards. The new technology will also reduce the amount of solvents and washing agents used.

The printing inks used by Sanoma are manufactured from low-sulphur mineral oils and soya oil, and contain low levels of heavy metals. WSOY favours the use of water-based dispersion lacquer and water-based lamination, and vegetable oil-based printing inks. Virtually all of Ajasto's calendars are printed either on recycled paper or special AjastoSwan paper, a Nordic Swan-labelled 52 g/m² paper specially developed for Ajasto's needs in collaboration with a Finnish producer. Lönnberg Painot's investment in new isopropanol dosing and measurement equipment during 1999 and 2000 has resulted in a 40 - 50% annualised reduction in isopropanol usage.

Recycling and waste management

Rautakirja is a major paper recycler. Over 15,000 tonnes of waste paper in the form of unsold copies of newspapers and magazines were collected from Lehtipiste customers around Finland during 2000 and delivered to centralised collection points, from where it was sent on for recycling.

The efficient sorting of waste streams across SanomaWSOY has resulted in a significant reduction in the volume of landfill waste generated, and channelled part of it to energy generation. Sanoma systematically separates out waste suitable for energy use from its mixed waste, and succeeded in cutting its volume of landfill waste by 50% compared to 1999. WS Bookwell started separate collection of energy waste at its Porvoo book printing unit at the beginning of 2000, which resulted in an approximately 80% reduction in landfill waste volumes compared to 1999. WSOY is currently studying ways of further increasing waste sorting.

Hazardous waste, such as waste ink, cleaning solvents, oil, and fixing and developing materials are sorted and sent to a hazardous waste treatment plant for disposal.



All of the waste generated by SanomaWSOY's offices is systematically sorted, and personnel are actively encouraged to sort waste into separate streams. Hazardous waste, such as computers, diskettes, magnetic tapes, toner, fluorescent tubes, batteries, and overheads are collected and sent for separate waste treatment.

Logistics

In the logistics area, SanomaWSOY aims for solutions that save costs and contribute the lowest reasonable possible level of impact on the environment. Sanoma's largest printing plant is located close to Helsingin Sanomat's main readership in Greater Helsinki and southern Finland, as is its Forssa plant, while its Varkaus unit is well-placed to serve readers elsewhere and is adjacent to a paper mill to benefit from upstream integration opportunities. Part of Ilta-Sanomat's print-run was transferred out of house to Oulu at the beginning of 2000, which has improved logistics in northern Finland and reduced transshipments between Varkaus and Oulu.

Deliveries of WSOY books to dealers and bookshops are handled on a joint basis with other publishers, and the group is studying how logistics can be further streamlined. Rautakirja's Lehtipiste unit started the introduction of a similar system for news stand copies of magazines and tabloids in 1999, and the system was extended to full-scale operations during 2000.

Health and safety at work

SanomaWSOY aims to provide its personnel with a safe and healthy working environment. Occupational health care focuses on preventative measures and work designed to promote people's capabilities. The Group's occupational health services also cover a large part of employees' general health care needs.

Specific members or groups of personnel have been appointed with special responsibility for safety at work and occupational health issues in the Group's companies. Safety issues are also taken into account in planning premises, which are protected from external threats by security company personnel.

Exercises are held to maintain the Group's preparedness to deal with crisis situations. WS Bookwell, for example, organised a major rescue exercise involving 100 people for its Porvoo plant during 2000 in cooperation with an insurance company, a medical rescue helicopter service, and the local rescue authorities.

Rautakirja prioritises safety and security in training and hand-out material issued to sales staff. Crime prevention work and other measures designed to further improve the safety of personnel contributed to a reduction in the number of crime-related problems during 2000. Rautakirja also maintains an active counselling preparedness programme to assist personnel subject to criminal attack or similar.

Skilled and motivated people

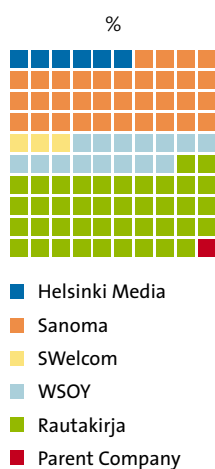
As a media group, SanomaWSOY's success is ultimately based on the capabilities and expertise of its personnel, and on its people being highly motivated to achieve their targets.

In line with its three success factor values of creativity, dynamism, and reliability, the Group is committed to offering its personnel a modern and exciting place to work, where people are encouraged to stretch and develop themselves. Vision, a willingness to change and adapt, grow, and develop are seen as essential in SanomaWSOY's operations. Through its commitment to being a financially

Two major management programmes tailored to the needs of senior and middle managers across the Group were launched in spring 2001.



Group personnel by sector as of December 31, 2000



solid, profitable, and fair employer, SanomaWSOY can offer its employees continuity of employment, good opportunities for job rotation, and a competitive level of remuneration.

HR policy and management

The Group's human resources policy is designed to create the optimum framework for employees to succeed in their work, and defines the key principles to be followed within SanomaWSOY in respect of recruitment, remuneration, motivating and managing personnel, and developing people's skills and abilities. Training and development work takes place in line with the changing needs of individual work assignments and general developments in the media field. Personnel are encouraged to take the overall success of the Group into account in their work and personal development.

Responsibility for maintaining and developing people's skills base lies both with the SanomaWSOY organisation and individual employees. Personnel development work is designed to ensure that people across the Group are equipped with the right number, type, and quality of skills to turn business strategies into reality.

The Group's human resources policy, and creating the framework for developing the skill base of the Group's personnel, is the responsibility of SanomaWSOY's Parent Company and its human resources function. SanomaWSOY's sectors are responsible for their own human resources policy, occupational health care, and personnel development.

Negotiations were started in the autumn to outsource the Group's payroll management, with the exception of Rautakirja, and bring it under a single umbrella to yield enhanced efficiency and cost control. An agreement to this effect was signed with TietoEnator Corporation in January 2001 to take effect as of February 1, 2001. Under this, TietoEnator will modernise SanomaWSOY's payroll and personnel administration systems, covering some 11,000 salary transactions a month.

Intranet-based information for employees was supplemented in April with the addition of a comprehensive guide for personnel employed by the Parent Company. A SanomaWSOY expatriate policy was completed towards the end of the year to provide a structured framework for personnel taking up positions abroad and to encourage international professional and career development.

Performance-related remuneration

All of SanomaWSOY's sectors operate remuneration systems incorporating performance-related incentives. Sanoma and Helsinki Media personnel belong to personnel funds, under which employees receive an annual profit sharing sum. SWelcom's performance-related remuneration system is linked to the performance of the sector's business and development projects. WSOY operates a bonus system linked to the performance of individual units or departments, while Rautakirja sets unit- or team-specific performance targets linked to profits. Details on the performance-related systems used for senior executives can be found under Corporate Governance (Pages 50 - 51).

Major new training initiatives in 2000

Work continued on promoting cooperation across organisational boundaries and developing common values, strategies, and goals. Two seminars in this area were held in 2000, bringing together experts, managers, and senior executives from across the Group. The first Group-level orientation event for people who have joined SanomaWSOY recently was held towards the end of the year. Similar events will be held in the future as needed, twice or three times a year.

A decision was taken early in the year to systematically develop and reinforce the skills and training efforts that the Group will need as it works towards achieving its strategic growth, profitability, and international expansion targets. A review of SanomaWSOY's strategic competencies and existing skill-

base was carried out to this effect in the spring and summer. This resulted in a decision to launch two major management programmes tailored to the needs of senior and middle managers across the Group in spring 2001.

The SanomaWSOY SWA Executive Programme will be implemented in cooperation with the Helsinki University of Technology, and the Management Training Programme with Mercuria Business School. Both programmes will draw on lecturers from leading Finnish universities and institutions such as IMD, Stanford University, Harvard Business School, and MIT to give participants access to the latest developments in thinking in a number of areas.

The SWA Executive Programme will focus on managing strategies, technology, and projects and business processes, promoting enhanced leadership and managerial practice, and developing participants' individual specialist skills. The Management Training Programme will highlight business development, management skills, operational processes, and knowledge management.

Around 100 people annually will attend each programme for some 18 months. Within five years, a total of some 800 people will have attended. On an annual level, the two programmes will involve between 5,000 and 6,000 training days.

Parallel to these new programmes, SanomaWSOY will also arrange a series of open lectures for key personnel in 2001. The spring lectures will focus on doing business around the Baltic Rim.

Further recruits were made to the Media Trainee Programme launched in autumn 1999 to bring young new talent into the Group's growth and development projects and train them to become true multi-skilled media professionals through an 18-month on-the-job training programme.

A one-year new media training course was launched in August by the Sanoma School of Journalism, covering content design and creation for Web-based services and publications.

The year in figures

SanomaWSOY employed 13,364 people on average in 2000. This compares to 12,629 in 1999 and was largely the result of acquisitions, particularly by Rautakirja. Converted into full-time positions, this is equivalent to 10,350 (1999: 9,816). Following the reorganisation of Helsinki Media and the creation of SWelcom, Helsinki Media employed an average of 814 people, Sanoma 4,704 people (4,758), SWelcom 325, WSOY 1,899 (1,827), and Rautakirja 5,534 (5,006). The Parent Company employed an average of 88 people (44).

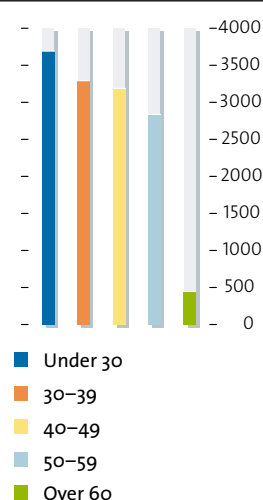
A total of 1,205 people (1,050), or 9% of employees, worked for the Group outside Finland. Rautakirja employed the largest number of these, 752 (608). WSOY employed 318 (336), Sanoma 117 (91), and Helsinki Media 18 (15). SWelcom employed no people outside Finland.

79% (85%) of personnel were employed on a full-time basis, and 21% (15%) on a part-time basis. The average age of personnel was 39. Women made up 64% of employees, and men 36%. Women accounted for 41% of senior and middle management positions, and men 59%.

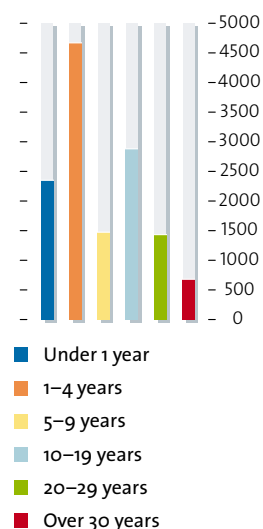
A total of 13 people (86) retired from the Group in 2000. During 2001, 55 people will reach statutory retirement age, and 1,265 people between 2001 and 2009.

Salaries and wages paid in 2000 totalled FIM 1,761.6 million (1,604 million). Voluntary social expenses totalled FIM 57.2 million (45.9 million), and external training costs totalled FIM 27 million (22.9 million).

Personnel by age
2000



Years of service
2000



Corporate Governance

SanomaWSOY follows the recommendations issued in 1997 by the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers covering the governance of public companies. The Group's insider register is updated monthly and can be consulted at www.sanomawsoy.fi.

SanomaWSOY's corporate structure

The SanomaWSOY Group comprises five subsidiary groups or sectors: Helsinki Media Oy, Sanoma Corporation, SWelcom Oy, Werner Söderström Corporation, and Rautakirja Oyj, together with the Parent Company, SanomaWSOY Corporation. The Parent Company is responsible for administering the Group and for its finance, legal, planning, treasury and asset management, investor relations and group communications, and real estate functions. The Group fully owns the above subsidiaries, with the exception of Rautakirja, in which SanomaWSOY has a 55.06% holding.

Responsibilities of the Board of Directors and the President & CEO

The Group's senior administrative responsibilities are covered by the Board of Directors and the President & CEO, whose duties reflect those laid down by the Finnish Companies Act and other relevant legislation. Matters to be presented to the Board are prepared, in accordance with the Articles of Association, by the Executive Committee, which consists of the Chairman of the Board, Aatos Erkko, the Vice Chairman, Esko Koivusalo, and the President & CEO, Jaakko Rauramo. The Board is empowered to establish other committees annually, following the Annual General Meeting of Shareholders (AGM). The activities and memberships of the Audit Committee and Compensation Committee, established by the Board in 1999, continued unchanged in 2000. The Audit Committee consists of Kyösti Järvinen (Chairman), L.J. Jouhki (Vice Chairman), Jane Erkko, and Paavo Hohti; while the Compensation Committee consists of Aatos Erkko (Chairman), Esko Koivusalo (Vice Chairman), Marjukka af Heurlin, L.J. Jouhki, and Robin Langenskiöld.

Jaakko Rauramo serves as President & CEO of the Group, and Rafaela Seppälä as the Managing Director of Lehtikuva Oy (as of April 1, 2001).

Selection procedure for Board members and the President & CEO

The members of the Board, the Chairman, and his deputy are elected by the AGM. The number of Board members can be between five and 11. The Board numbered 11 members between January and July, 2000, and 10 between August and December.

At least one and no more than two personnel representatives, together with their individual deputies, can be elected to the Board if an agreement covering the implementation of such representation and the appointment of the relevant representatives has been made, in accordance with the Finnish Co-Determination Act, between the Company and personnel at a joint meeting or consultative committee session, or if legislation on personnel representation in corporate management so requires. Personnel were represented on the Boards of Helsinki Media and Sanoma, and in the management groups of WSOY and Rautakirja units during 2000. Personnel representation within SWelcom will be arranged when the sector's staff level makes this appropriate.

Board members' terms of office begin at the conclusion of the AGM and end after the following third AGM. If a member's seat falls vacant before the end of this three-year period, a new member is elected for the remainder of the period in question. The AGM can decide that one-third of Board members should resign annually in accordance with the length of their term of office. If appropriate, the AGM can decide the names of those to resign when new members are elected.

The Board is responsible for electing SanomaWSOY's President & CEO and his deputy, and for electing the presidents and deputies of Helsinki Media, Sanoma, SWelcom, and WSOY; the Parent Company executives who sit on SanomaWSOY's Management Group; and the Senior Editors-in-Chief of Helsingin Sanomat and Ilta-Sanomat.

Age limit of Board members and the President & CEO

The Articles of Association stipulate that no person aged 75, or anyone reaching the age of 75 during his period in office, can be elected to the Board.

Remuneration and other privileges of the Board and Management

The Board is responsible for confirming the terms and conditions of employment of the President & CEO and other members of senior management. The AGM is responsible for confirming the compensation paid to the Board.

The members of the Board of Directors were paid the following monthly compensation in 2000: FIM 20,000 per month to the Chairman, FIM 15,000 to the Vice Chairman, and FIM 10,000 to Board members. A sum of FIM 1,000 per meeting was paid to those attending meetings. Auditors' fees were paid as invoiced. The remuneration and other benefits paid to SanomaWSOY's President & CEO in 2000 totalled FIM 2,366,829.

SanomaWSOY has a senior management incentive system linked to the Group's financial performance on an annual and extended basis, and partially to the development of the Group's market capitalisation.

No senior executives hold warrants entitling them to purchase Company shares, and the Company has not granted the members of the Board of Directors or Management Group any loans or given any pledges on their behalf.

The retirement age of senior executives is 60 years, and their pension is 60% of their salary. The period of notice for senior executives is six months, and payment in the case of termination of employment is equivalent to 12 month's salary.

System of control

The Board selects an Audit Committee from among its members annually, responsible for improving the Company's financial reporting and the reliability of internal control procedures. The Audit Committee consists of four members, but all members are entitled to attend meetings. Meetings are also attended, where appropriate, by the Company's external auditors, the President & CEO, the CFO, and other persons relevant to the matters under discussion.

The Audit Committee is responsible for reviewing the Company's year-end statement and one of its interim reports in respect of their underlying assumptions and other key issues presented in them for the Board's final consideration, and for ensuring the functioning of the Group's operating guidelines and authorities, monitoring systems, and internal auditing. The Audit Committee is also responsible for monitoring the principles of the Group's treasury and asset management activities, reviewing the reports of external auditors, proposing possible actions to be decided on by the Board, and handling any other duties assigned by the Board.

SanomaWSOY's internal auditing, with the exception of Rautakirja, is handled by the Parent Company's Internal Auditing Department.

Board of Directors



The newspaper and media world has been a feature of life on Ludviginkatu in central Helsinki for close on a century; Helsingin Sanomat had its editorial offices here until 1999. The south side of the street has now been completely remodelled internally and is home to the Group's Parent Company, the Päivälehti Archives, the Sanoma School of Journalism, and SWelcom.

Aatos Erkko, born 1932. Minister, Doctor of Social Sciences h.c., Chairman of the Board.

Editor-in-Chief of Viikkosanomat between 1953 and 1961; Editor-in-Chief of Helsingin Sanomat between 1961 and 1970; CEO of Sanoma Corporation between 1961 and 1970, and a member of the Board since 1957, Vice Chairman of the Board between 1965 and 1972, and Chairman between 1972 and 1999.

Sits on the boards of: News Corporation Limited, the Päivälehti Archives Foundation (chairman), the Helsingin Sanomat Centennial Foundation (chairman), Sanoma Inc. (chairman), Sanoma Finance AG (chairman), Lastannet Holding B.V. (chairman), and Oy Asipex Ab.

- Owns 5,125,832 SanomaWSOY Series A shares and 26,041,600 Series B shares.

Esko Koivusalo, born 1936. M.A., Doctor of Medicine and Surgery h.c., Vice Chairman of the Board.

Served as Secretary-General of the Alfred Kordelin Foundation until June 30, 2000. Served as a member of WSOY's Supervisory Board between 1983 and 1991, and as its chairman between 1991 and 1999.

Sits on the boards of: Taluttaja Oy, the Alfred Kordelin Society, and the Arvo and Lea Ylppö Foundation.

- Owns 20 SanomaWSOY Series A shares and four Series B shares.

Jane Erkko, born 1936.

Served on the Board of Sanoma Corporation between 1990 and 1999 and on that of Helsinki Media as Vice Chairman between 1995 and 1999.

- Owns 43,808 SanomaWSOY Series A shares and 200,024 Series B shares.

Marjukka af Heurlin, born 1943. M.A. (Agriculture and Forestry).

Serves as a nutritionist at the Social Insurance Institution's Rehabilitation Services Unit. Served as a member of WSOY's Supervisory Board between 1980 and 1999.

Sits on the boards of: Heurlin Invest Oy (chairman) and Marjukka af Heurlin Oy (chairman).

- Owns 53,760 SanomaWSOY Series A shares and 29,220 Series B shares.

Paavo Hohti, born 1944. Ph.D.

Serves as Secretary-General of the Finnish Cultural Foundation. Served as a member of WSOY's Supervisory Board between 1991 and 1994 and as its Vice Chairman between 1994 and 1999.

Sits on the boards of: Huhtamäki Van Leer Corporation (vice chairman), Werner Söderström Corporation's Literature Foundation (chairman), the Finnish Institute in Athens, and the Finnish Institute in Rome.

- Owns 824 SanomaWSOY Series B shares.



L.J. Jouhki, born 1944. M.Sc. (Econ).

Serves as the Managing Partner of the Thomesto Group (Thominvest Oy, Thomproperties Oy, Thomesto Oy). Served as a member of Sanoma Corporation's Board of Directors between 1990 and 1999.

Sits on the boards of: Finnlines Plc (chairman), Fortum Corporation (vice chairman) UPM-Kymmene Corporation, and Oyj Hartwall Abp. L.J. Jouhki is also a member of the Supervisory Board of Merita Bank Plc, the Chairman of the Commission of the Finnish-Russian Chamber of Commerce, and the Chairman of the Board of the National Voluntary Defence Association.

Kyösti Järvinen, born 1933. B.Sc. (Econ).

Served in various positions in Kansallis Banking Group's and Merita Bank Plc's domestic and international operations between 1956 and 1996.

Sits on the boards of: the Finno-Ugrian Society and the Kalevala Society.

Robin Langenskiöld, born 1946. B.Sc. (Econ).

Served as a member of Sanoma Corporation's Board of Directors between 1990 and 1999 and that of Helsinki Media between 1995 and 1999. Served as a member of the Board of Directors of Oy Lorac Ab until December 31, 2000.

Sits on the boards of: Pencentra Oy (as of January 1, 2001).

- Owns 1,119,604 SanomaWSOY Series A shares and 6,577,712 Series B shares.

Jaakko Rauramo, born 1941. M.Sc. (Eng.).

Serves as the President & CEO of SanomaWSOY and the Chairman of the Boards of Helsinki Media, Sanoma Corporation, SWelcom, WSOY, and Rautakirja. Served as a member of Sanoma Corporation's Board of Directors since 1979; Rautakirja's Board of Directors since 1977 and as its Chairman since 1988; and on WSOY's Supervisory Board between 1996 and 1999.

Sits on the boards of: Metso Corporation, Svenska Dagbladets AB, the Scandinavian International Management Institute, the European Publishers Council, and Reuters Founders Share Company Limited (trustee). Jaakko Rauramo is also a member of the Advisory Committee of the Finnish Medical Foundation, the Advisory Board of the Helsinki School of Economics, the Delegation of the Finnish Central Chamber of Commerce, the Helsinki Chamber of Commerce, and the Honorary Delegation of the Student's Union of the Helsinki University of Technology.

- Owns 2,452 SanomaWSOY Series A shares and 34,544 Series B shares.

Rafaela Seppälä, born 1954. M.Sc. (Journalism).

Serves as Managing Director of Lehtikuva Oy (as of April 1, 2000). Served as Project Manager at Helsinki Media Company between 1994 and 2000, and as a member of Sanoma Corporation's Board of Directors between 1994 and 1999.

Sits on the boards of: Lehtikuva Oy and the Finnish Heart Research Foundation (as of January 1, 2001).

- Owns 1,119,600 SanomaWSOY Series A shares and 6,577,716 Series B shares.

A complete list of SanomaWSOY's insider holdings, updated monthly, can be found at www.sanomawsoy.fi. The share ownership information shown on Pages 52 - 53 refers to December 31, 2000.

Management Group



SanomaWSOY's Management Group from left to right: Jaakko Rauramo, Eija Ailasmaa, Hannu Syrjänen, Jorma Kaimio, Seppo Kievari, Nils Ittonen, Tapio Kallioja, Kerstin Rinne, and Aarno Heinonen.

Jaakko Rauramo, born 1941. M.Sc.(Eng). President & CEO of SanomaWSOY.

Served as President of Sanoma Corporation between 1984 and the creation of SanomaWSOY in 1999. Joined Sanoma in 1966, elected to the Board in 1979, and served as General Manager at Sanomaprint, General Manager of the Newspaper Division, and as Sanoma's Executive Vice President.

Sits on the boards of: See entry on Page 53.

- Owns 2,452 SanomaWSOY Series A shares and 34,544 Series B shares.

Eija Ailasmaa, born 1950. M.Sc. President of Helsinki Media Oy.

Served as Executive Vice President and General Manager, Magazines at Helsinki Media Company Oy between 1998 and 2000. Prior to this, she served as Vice President, Publishing at Sanoma Corporation's Sanomaprint and Helsinki Media Company Oy.

Sits on the boards of: Helsinki Media Oy, Oy Ruutunelonen Ab, Egmont Kustannus Oy Ab, and the Finnish Periodical Publishers' Association.

- Owns 80 SanomaWSOY Series A shares.

Aarno Heinonen, born 1944. M.Sc.(Econ). Senior Vice President, Administration and Finance at SanomaWSOY.

Served as a member of the Board, CFO, and Vice President of Werner Söderström Corporation between 1987 and 1999. Previously served as CFO of Veitsiluoto Oy and as Auditing Manager and CFO at the Huhtamäki Group.

Sits on the boards of: Werner Söderström Corporation, Sanoma Corporation, Helsinki Media Oy, Kirjatuki Oy (chairman), the Federation of the Printing Industry, the Finnish Employers' Management Development Institute, Vapo Oy (vice chairman), and the Economic Research Foundation of the Communication Industry.

- Owns 200 SanomaWSOY Series A shares and 2,040 Series B shares.

Nils Ittonen, born 1954. B.Sc.(Econ). Senior Vice President, Group Treasury and Asset Management at SanomaWSOY.

Joined Sanoma Corporation in 1977 and served in various positions, including as the CFO of Crafton Graphic Co. and Sanoma, Inc. (USA), and Vice President, Asset Management at Sanoma Corporation.

Sits on the boards of: SWelcom Oy and Onninen-Sijoitus Oy.

- Owns 41,000 SanomaWSOY Series B shares.

Jorma Kaimio, born 1946. Ph.D., Docent in Classical Philology at the University of Helsinki. President of Werner Söderström Corporation.

Served as WSOY's Literary Director and Deputy President between 1991 and September 2000. Prior to joining WSOY, he served as Managing Director of the Academic Bookstore and as a Research Fellow and Lecturer at the University of Helsinki.

Sits on the boards of: WSOY, WSOY Koulukanava Oy (chairman), Ajasto Oy (chairman), Weilin+Göös Oy (chairman), Taskukirja Loisto Oy, Helsingin yliopiston Holding Oy, Helsinki University Licencing Ltd. Oy (chairman), Licentia Oy (chairman), the WSOY Literature Foundation (secretary), the Lauri Jäntti Foundation, the Finnish Book Publishers Association, and the Finnish Book Foundation.

- Owns 4,480 SanomaWSOY Series B shares.



Tapio Kallioja, born 1948. M.Sc.(Eng). President of SWelcom Oy.

Served at various times as Vice President of Sanoma's Eurocable Group and New Media Group and President of Helsinki Telset Oy and Helsinki Television Ltd., and most recently as the President of Helsinki Media Company Oy and a member of the latter's Board.

Sits on the boards of: SWelcom Oy, Helsinki Television Ltd. (chairman), Oy Ruutunelonen Ab (chairman), A-pressen ASA (vice chairman), Swwap Oy (chairman), Hansaprint Oy (vice chairman), Maxisat Oy, Suomen Urheilutelevisio Oy (vice chairman), and the Association of Commercial Television in Finland (vice chairman).

- Owns 1,600 SanomaWSOY Series B shares.

Seppo Kievari, born 1943. President of Sanoma Corporation, Publisher of Helsingin Sanomat.

Joined Sanoma Corporation in 1966 and served as Editor-in-Chief of Helsingin Sanomat, Executive Vice President of Sanoma Corporation, and the Publisher of Sanoma's newspapers. A member of Sanoma's Board of Directors since 1995.

Sits on the boards of: Sanoma Corporation, Lehtikuva Oy (chairman), Startel Oy (chairman), the Finnish News Agency (chairman), the Finnish Newspapers Association (chairman), the Graphic Industry Research Foundation, the World Association of Newspapers, and the Fondation Journalistes en Europe (Supervisory Board).

Kerstin Rinne, born 1950. LL.B., Master of Laws. Senior Vice President, Legal Affairs and Corporate Planning at SanomaWSOY.

Joined Sanoma Corporation as a legal counsel in 1980. Responsible for corporate planning, information services, and administration at various points, and served as Vice President, Legal Affairs and Information Services between 1994 and 1999. Prior to joining Sanoma, worked for the law offices Silkkö & Ståhlberg, H. Hedman, and Rinne & Talikka.

Sits on the boards of: Sanoma Corporation, WSOY, SWelcom Oy, and the HYY Group. Kerstin Rinne is also a member of the Advisory Board of the International Economic Justice Institute, the Management Board of the English School, the Delegation of the Nordic Lawyers' Meetings, and the Corporate Affairs Group of the European Publishers Council.

- Owns 1,200 SanomaWSOY Series B shares.

Hannu Syrjänen, born 1951. B.Sc.(Econ). LL.B. President & CEO of Rautakirja Oyj.

Joined Rautakirja in 1989 and served as Vice President and Executive Vice President & Deputy CEO before being appointed President & CEO in 1998. Previously served as Vice President at TS-Yhtymä, Managing Director of Wihuri Oy, and Managing Director of Finnish Lawyers' Publishing Oy.

Sits on the boards of: Rautakirja Oyj, Ferete Oy (chairman), Suomalainen Kirjakauppa (chairman), Finnkino Oy (chairman), Veikkausrasti Oy, Lehti-Maja Eesti AS (chairman), AS Lehepunkt (chairman), Baltic Cinema SIA Latvia (chairman), Districo Int AB (chairman), Jokerit HC Oyj, Helsinki Media Oy, Indoor Group Oy, TeleEurope Finland Oy, the Employers' Confederation of Service Industries, the Helsinki Chamber of Commerce (Vantaa Section), and the International Book and Press Retailers Association (IBA).

- Owns 4,000 SanomaWSOY Series B shares.

Investing in SanomaWSOY

Annual General Meeting

SanomaWSOY's Annual General Meeting of Shareholders (AGM) will be held on March 29, 2001 at 2.00 p.m. Finnish time at the Congress Wing of Finlandia Hall (Mannerheimintie 13, Helsinki). Shareholders wishing to attend are requested to register by 2.00 p.m. Finnish time on Monday, March 26, 2001 at the latest with Kirsi Vainio (tel. +358 105 19 5055, fax +358 105 19 5058, or e-mail, kirsi.vainio@sanomawsoy.fi).

Dividend for 2000

The Board of Directors will propose to the AGM that a dividend of FIM 2.79 (Euro 0.47) per share should be paid for 2000. All shareholders registered on the Company's list of shareholders maintained by the Finnish Central Securities Depository on the record date of April 3, 2001 are entitled to a dividend payment. The dividend payment date in Finland will be April 10, 2001.

List of shares and shareholders

The Finnish Central Securities Depository maintains a list of Company shares and holders of Company shares. Shareholders who need to make changes to their personal and contact information are requested to contact the Depository directly on +358 800 180 500.

SanomaWSOY's financial reporting during 2001

The Group's Interim Reports will be published on May 14, August 13, and November 12 at around 11.00 a.m. Finnish time.

The Annual Report is available in Finnish, Swedish, and English, and Interim Reports in Finnish and English. Publications can be consulted at www.sanomawsoy.fi and can be ordered via the Internet (konserniviestinta@sanomawsoy.fi) or by phone on +358 105 19 5062 or fax on +358 105 19 5068.

Insider trading restrictions

Insiders are not allowed to trade in SanomaWSOY securities*) for 14 days before the publication of an interim report or the Group's year-end statement. SanomaWSOY recommends that insiders commission sales, purchases, or other transactions involving SanomaWSOY securities only within a two-week period after publication of the Company's statutory financial information (year-end statement and interim reports). SanomaWSOY also recommends that insiders do not buy or sell the same SanomaWSOY securities within a period of six months. A list of SanomaWSOY insiders, updated monthly, can be found at www.sanomawsoy.fi.

The following companies have published analyses of SanomaWSOY:

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Opstock Pankkiiriliike Oy

Tel. +358 9 404 739
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*) SanomaWSOY securities refer to Company shares and securities entitling holders to Company shares under the Companies Act (debentures, warrants, bonds with warrants, and subscriptions rights), or standardised options and forward contracts as defined under legislation on such instruments, or comparable derivative contracts, other derivatives employing the aforementioned security as their underlying instrument, and depository receipts associated with the aforementioned security.

Contact Information

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Senior Vice President, Kerstin Rinne

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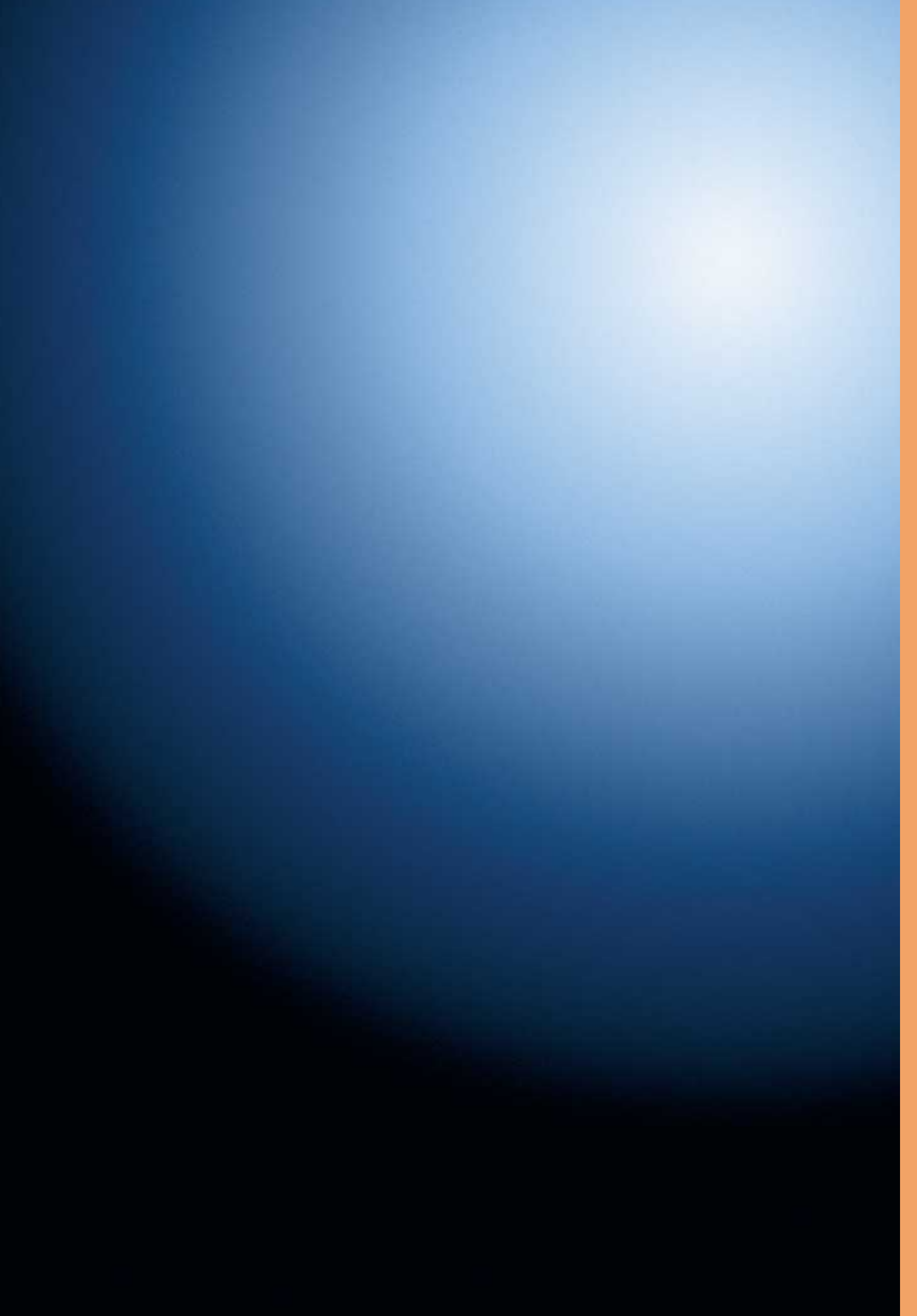
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Detailed, up-to-date contact information for SanomaWSOY's units can be found in the online version of the Annual Report at www.sanomawsoy.fi.

Annual Report Team: Peter Herring, Raija Kariola, Seija Kemppainen, and Mari Reponen **Content:** Investor Relations and Group Communications, Administration and Finance, and Group Treasury and Asset Management **Design:** Incognito Design **Printed by:** F.G.Lönnerberg.





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Group

Key indicators (FAS*)

FIM million	31.12.2000	31.12.1999	31.12.1998	31.12.1997	31.12.1996
Net sales	8 608.5	7 851.7	7 442.6	7 077.0	6 812.0
Operating profit	507.0	426.2	423.5	590.0	570.0
% of net sales	5.9 %	5.4 %	5.7 %	8.3 %	8.4 %
Profit before extraordinary items	822.0	656.4	580.9	770.0	634.0
% of net sales	9.5 %	8.4 %	7.8 %	10.9 %	9.3 %
Balance sheet total	8 557.7	7 866.9	7 370.4	6 473.0	6 005.0
Gross investments	1 001.0	1 663.1	883.9	935.0	312.0
% of net sales	11.6 %	21.2 %	11.9 %	13.2 %	4.6 %
Return on equity, % (ROE)	10.6 %	9.2 %	9.2 %	16.1 %	13.6 %
Return on investment, % (ROI)	13.8 %	12.5 %	12.3 %	18.5 %	17.4 %
Equity ratio, %	67.9 %	71.0 %	69.6 %	63.9 %	60.0 %
Gearing, %	-16.6 %	-24.0 %	-40.3 %	-19.0 %	-13.0 %
Earnings/share, FIM	4.00	3.17	2.80	3.93	2.62
Cash flow/share, FIM	7.38	5.32	–	–	–
Equity/share, FIM	35.36	33.79	31.63	25.27	20.23
Dividend/share, FIM **)	2.79	2.69	–	–	–
Market capitalisation	11 680.7	10 508.2	–	–	–
Personnel under employment contract	13 364	12 629	11 900	11 494	11 249
Personnel, average	10 350	9 816	9 329	9 786	9 503
Financial cost of liabilities	43.9	49.7	38.6	40.2	59.3
Interest-bearing liabilities	952.4	619.7	596.5	665.5	753.6
Interest-free liabilities	2 000.0	1 863.1	1 863.0	1 872.5	1 856.4
Financial securities, cash and bank	1 884.5	1 909.8	2 574.9	1 413.0	1 179.0

€ million	31.12.2000	31.12.1999	31.12.1998	31.12.1997	31.12.1996
Net sales	1 447.8	1 320.6	1 251.7	1 190.3	1 145.7
Operating profit	85.3	71.7	71.2	99.2	95.9
% of net sales	5.9 %	5.4 %	5.7 %	8.3 %	8.4 %
Profit before extraordinary items	138.3	110.4	97.7	129.5	106.6
% of net sales	9.5 %	8.4 %	7.8 %	10.9 %	9.3 %
Balance sheet total	1 439.3	1 323.1	1 239.6	1 088.7	1 010.0
Gross investments	168.4	279.7	148.7	157.3	52.5
% of net sales	11.6 %	21.2 %	11.9 %	13.2 %	4.6 %
Return on equity, % (ROE)	10.6 %	9.2 %	9.2 %	16.1 %	13.6 %
Return on investment, % (ROI)	13.8 %	12.5 %	12.3 %	18.5 %	17.4 %
Equity ratio, %	67.9 %	71.0 %	69.6 %	63.9 %	60.0 %
Gearing, %	-16.6 %	-24.0 %	-40.3 %	-19.0 %	-13.0 %
Earnings/share, €	0.67	0.53	0.47	0.66	0.44
Cash flow/share, €	1.24	0.89	–	–	–
Equity/share, €	5.95	5.68	5.32	4.25	3.40
Dividend/share, € **)	0.47	0.45	–	–	–
Market capitalisation	1 964.6	1 767.4	–	–	–
Personnel under employment contract	13 364	12 629	11 900	11 494	11 249
Personnel, average	10 350	9 816	9 329	9 786	9 503
Financial cost of liabilities	7.4	8.4	6.5	6.8	10.0
Interest-bearing liabilities	160.2	104.2	100.3	111.9	126.7
Interest-free liabilities	336.4	313.3	313.3	314.9	312.2
Financial securities, cash and bank	316.9	321.2	433.1	237.6	198.3

*) FAS= Finnish Accounting Standard **) Proposal of the Board of Directors
 Figures for 1996-1999 are pro forma.

Sectors

Net sales by business area

FIM million	1-3/ 2000	4-6/ 2000	7-9/ 2000	10-12/ 2000	1-12/ 2000	1-3/ 1999	4-6/ 1999	7-9/ 1999	10-12/ 1999	1-12/ 1999
Helsinki Media										
Magazine publishing	234.6	233.8	212.7	269.4	950.4	202.7	212.6	206.5	258.3	880.2
Total	234.6	233.8	212.7	269.4	950.4	202.7	212.6	206.5	258.3	880.2
Sanoma										
Newspaper publishing and printing	647.9	666.2	631.2	688.8	2 634.1	636.0	630.7	596.7	648.1	2 511.5
Financial & new media products	24.9	28.7	28.1	30.6	112.3	10.6	17.9	18.3	24.4	71.2
Intracompany transactions	-5.2	-5.4	-5.3	-6.3	-22.1	-4.8	-4.8	-4.7	-4.8	-19.1
Total	667.6	689.5	654.0	713.1	2 724.2	641.8	643.8	610.3	667.7	2 563.6
SWelcom										
Electronic media	111.1	122.8	90.4	142.4	466.7	72.4	81.7	73.8	106.1	334.0
Total	111.1	122.8	90.4	142.4	466.7	72.4	81.7	73.8	106.1	334.0
WSOY										
Publishing	165.6	208.8	172.0	211.4	757.8	153.5	194.0	158.0	166.9	672.4
Printing	92.6	86.3	91.2	95.3	365.3	92.8	80.5	92.8	91.3	357.4
Calendar operations	11.6	19.4	74.0	113.2	218.1	11.2	16.8	72.7	128.7	229.4
Others	4.6	5.9	4.3	7.6	22.4	4.4	2.9	3.0	4.0	14.3
Intracompany transactions	-40.2	-38.1	-36.7	-39.2	-154.2	-25.7	-31.9	-36.0	-28.2	-121.7
Total	234.0	282.2	304.8	388.4	1 209.4	236.3	262.2	290.5	362.7	1 151.7
Rautakirja										
Kiosk operations	475.8	493.9	505.3	527.6	2 002.6	394.2	425.3	431.6	504.5	1 755.5
Press distribution	208.8	241.7	238.4	227.7	916.6	193.8	200.7	225.7	226.9	847.0
Bookstores	179.0	95.2	137.0	226.3	637.4	163.9	95.2	128.6	214.8	602.5
Movie theatre operations	76.4	46.5	59.8	76.8	259.5	65.3	39.5	67.4	76.3	248.5
Restaurant operations	48.0	58.5	66.8	55.0	228.4	46.6	55.8	60.1	50.1	212.6
Others	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Intracompany transactions	-49.7	-59.5	-52.9	-49.6	-211.7	-43.6	-43.1	-49.6	-51.6	-187.9
Total	938.3	876.3	954.4	1 063.9	3 832.9	820.2	773.3	863.8	1 021.0	3 478.3
Intragroup transactions	-128.7	-129.8	-162.1	-154.7	-575.2	-128.8	-126.1	-151.0	-150.2	-556.1
Total	2 056.9	2 075.0	2 054.1	2 422.5	8 608.5	1 844.7	1 847.5	1 893.9	2 265.5	7 851.7
€ million										
Helsinki Media										
Magazine publishing	39.5	39.3	35.8	45.3	159.8	34.1	35.8	34.7	43.5	148.0
Total	39.5	39.3	35.8	45.3	159.8	34.1	35.8	34.7	43.5	148.0
Sanoma										
Newspaper publishing and printing	109.0	112.1	106.2	115.9	443.0	107.0	106.1	100.4	109.0	422.4
Financial & new media products	4.2	4.8	4.7	5.1	18.9	1.8	3.0	3.1	4.1	12.0
Intracompany transactions	-0.9	-0.9	-0.9	-1.1	-3.7	-0.8	-0.8	-0.8	-0.8	-3.2
Total	112.3	116.0	110.0	119.9	458.2	107.9	108.3	102.6	112.3	431.2
SWelcom										
Electronic media	18.7	20.7	15.2	24.0	78.5	12.2	13.7	12.4	17.8	56.2
Total	18.7	20.7	15.2	24.0	78.5	12.2	13.7	12.4	17.8	56.2
WSOY										
Publishing	27.8	35.1	28.9	35.5	127.4	25.8	32.6	26.6	28.1	113.1
Printing	15.6	14.5	15.3	16.0	61.4	15.6	13.5	15.6	15.4	60.1
Calendar operations	1.9	3.3	12.4	19.0	36.7	1.9	2.8	12.2	21.6	38.6
Others	0.8	1.0	0.7	1.3	3.8	0.7	0.5	0.5	0.7	2.4
Intracompany transactions	-6.8	-6.4	-6.2	-6.6	-25.9	-4.3	-5.4	-6.1	-4.7	-20.5
Total	39.4	47.5	51.3	65.3	203.4	39.7	44.1	48.9	61.0	193.7
Rautakirja										
Kiosk operations	80.0	83.1	85.0	88.7	336.8	66.3	71.5	72.6	84.8	295.3
Press distribution	35.1	40.7	40.1	38.3	154.2	32.6	33.7	38.0	38.2	142.5
Bookstores	30.1	16.0	23.0	38.1	107.2	27.6	16.0	21.6	36.1	101.3
Movie theatre operations	12.8	7.8	10.1	12.9	43.6	11.0	6.6	11.3	12.8	41.8
Restaurant operations	8.1	9.8	11.2	9.3	38.4	7.8	9.4	10.1	8.4	35.8
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intracompany transactions	-8.4	-10.0	-8.9	-8.3	-35.6	-7.3	-7.2	-8.3	-8.7	-31.6
Total	157.8	147.4	160.5	178.9	644.6	137.9	130.1	145.3	171.7	585.0
Intragroup transactions	-21.7	-21.8	-27.3	-26.0	-96.7	-21.7	-21.2	-25.4	-25.3	-93.5
Total	345.9	349.0	345.5	407.4	1 447.8	310.3	310.7	318.5	381.0	1 320.6

Sectors

Operating profit by business area

FIM million	1-3/ 2000	4-6/ 2000	7-9/ 2000	10-12/ 2000	1-12/ 2000	1-3/ 1999	4-6/ 1999	7-9/ 1999	10-12/ 1999	1-12/ 1999
Helsinki Media										
Magazine publishing	3.5	21.1	5.9	30.4	60.9	4.2	2.2	9.1	15.4	30.9
Total	3.5	21.1	5.9	30.4	60.9	4.2	2.2	9.1	15.4	30.9
Sanoma										
Newspaper publishing and printing *)	89.2	106.6	99.3	106.4	401.5	91.7	90.4	86.5	73.5	342.2
Financial & new media products	-15.7	-13.3	-12.4	-28.8	-70.2	-16.1	-14.7	-15.4	-10.1	-56.4
Intracompany eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	73.5	93.3	86.9	77.7	331.3	75.6	75.7	71.1	63.4	285.8
SWelcom										
Electronic media	-21.4	-13.6	-26.3	-38.1	-99.3	-29.5	-30.5	-26.3	-24.4	-110.7
Total	-21.4	-13.6	-26.3	-38.1	-99.3	-29.5	-30.5	-26.3	-24.4	-110.7
WSOY										
Publishing	4.3	38.2	23.4	-16.8	49.1	15.9	37.9	26.8	-7.9	72.7
Printing	18.4	10.2	15.3	11.2	55.2	5.6	12.9	12.1	9.6	40.1
Calendar operations	-24.5	-23.5	18.4	18.9	-10.7	-22.5	-23.7	10.5	19.1	-16.6
Others *)	8.8	-2.6	0.1	11.9	18.3	7.7	16.6	15.3	21.3	61.0
Intracompany eliminations	-6.5	5.2	-2.1	0.4	-2.9	-1.7	-19.3	-10.5	2.6	-28.8
Total	0.5	27.6	55.1	25.8	108.9	5.1	24.4	54.1	44.7	128.3
Rautakirja										
Kiosk operations	20.0	19.3	32.7	25.3	97.3	12.7	16.3	23.6	20.7	73.3
Press distribution	12.0	17.7	16.3	10.7	56.7	10.2	12.3	17.9	12.7	53.1
Bookstores	4.3	-11.6	2.6	40.6	36.0	3.4	-9.3	1.2	32.5	27.8
Movie theatre operations	9.0	-4.6	2.1	8.5	15.0	3.5	-5.9	5.8	8.1	11.4
Restaurant operations	-4.8	-0.9	3.9	-11.5	-13.3	-2.2	3.1	4.7	-1.0	4.5
Others	7.4	8.5	7.7	7.4	30.9	7.2	6.2	7.4	7.6	28.4
Intracompany eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	47.9	28.5	65.2	81.0	222.6	34.8	22.6	60.6	80.6	198.5
Other companies **)	-12.7	-29.5	-5.9	-46.9	-95.0	0.0	-4.3	-12.3	-21.6	-38.2
Intragroup eliminations	-12.6	-2.3	-21.9	14.5	-22.4	-12.4	-13.7	-28.2	-14.1	-68.4
Total	78.7	125.0	159.0	144.3	507.0	77.8	76.4	128.1	143.9	426.2
€ million										
Helsinki Media										
Magazine publishing	0.6	3.5	1.0	5.1	10.2	0.7	0.4	1.5	2.6	5.2
Total	0.6	3.5	1.0	5.1	10.2	0.7	0.4	1.5	2.6	5.2
Sanoma										
Newspaper publishing and printing *)	15.0	17.9	16.7	17.9	67.5	15.4	15.2	14.6	12.4	57.6
Financial & new media products	-2.6	-2.2	-2.1	-4.8	-11.8	-2.7	-2.5	-2.6	-1.7	-9.5
Intracompany eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12.4	15.7	14.6	13.1	55.7	12.7	12.7	12.0	10.7	48.1
SWelcom										
Electronic media	-3.6	-2.3	-4.4	-6.4	-16.7	-5.0	-5.1	-4.4	-4.1	-18.6
Total	-3.6	-2.3	-4.4	-6.4	-16.7	-5.0	-5.1	-4.4	-4.1	-18.6
WSOY										
Publishing	0.7	6.4	3.9	-2.8	8.3	2.7	6.4	4.5	-1.3	12.2
Printing	3.1	1.7	2.6	1.9	9.3	0.9	2.2	2.0	1.6	6.7
Calendar operations	-4.1	-3.9	3.1	3.2	-1.8	-3.8	-4.0	1.8	3.2	-2.8
Others *)	1.5	-0.4	0.0	2.0	3.1	1.3	2.8	2.6	3.6	10.3
Intracompany eliminations	-1.1	0.9	-0.3	0.1	-0.5	-0.3	-3.2	-1.8	0.4	-4.9
Total	0.1	4.6	9.3	4.3	18.3	0.9	4.1	9.1	7.5	21.6
Rautakirja										
Kiosk operations	3.4	3.2	5.5	4.3	16.4	2.1	2.7	4.0	3.5	12.3
Press distribution	2.0	3.0	2.7	1.8	9.5	1.7	2.1	3.0	2.1	8.9
Bookstores	0.7	-2.0	0.4	6.8	6.0	0.6	-1.6	0.2	5.5	4.7
Movie theatre operations	1.5	-0.8	0.3	1.4	2.5	0.6	-1.0	1.0	1.4	1.9
Restaurant operations	-0.8	-0.1	0.7	-1.9	-2.2	-0.4	0.5	0.8	-0.2	0.8
Others	1.2	1.4	1.3	1.2	5.2	1.2	1.0	1.2	1.3	4.8
Intracompany eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	8.1	4.8	11.0	13.6	37.4	5.8	3.8	10.2	13.6	33.4
Other companies **)	-2.1	-5.0	-1.0	-7.9	-16.0	0.0	-0.7	-2.1	-3.6	-6.4
Intragroup eliminations	-2.1	-0.4	-3.7	2.4	-3.8	-2.1	-2.3	-4.7	-2.4	-11.5
Total	13.2	21.0	26.7	24.3	85.3	13.1	12.8	21.5	24.2	71.7

*) Includes a share of Rautakirja's results

**) Parent Company (SanomaWSOY Corporation) Swwap Oy (until 30.9.2000), and real estate and investment companies.

SanomaWSOY

The SanomaWSOY Group consists of four wholly owned sub-groups or sectors - Helsinki Media, Sanoma, SWelcom, and WSOY - and Rautakirja, a company listed on the Helsinki Exchanges, in which Sanoma WSOY has a 55.06% holding.

Business environment

Economic growth continued to be brisk in Finland during 2000. Gross output rose in line with expectations by 5.7% and the employment situation also improved, although more slowly than projected. Average unemployment during the year stood at 9.8% (10.2%). Consumer prices rose faster than in 1999, increasing by an average of 3.4%. True household purchasing power rose by 4.5%.

The level of media advertising, a major contributor to SanomaWSOY's income, increased somewhat faster than during 1999, by 7.7% (5.6%) according to Gallup Ad Facts, to FIM 6.6 billion. Newspapers accounted for by far the largest share of this, 52%. Television advertising accounted for 19% and magazines 17%. The largest growth, 89%, was seen in Internet advertising, although its overall share of the market continued to be very small, at around 1%.

The role of newspapers as Finland's key advertising media was reinforced during 2000, and newspaper advertising revenue increased by 9%. Magazine advertising grew similarly, by 8%.

Television advertising continued to grow at a modest rate, some 4%. The same increase was seen in TV viewing, which totalled an average of 2 hours 48 minutes a day. The bulk of this growth was generated by increased viewing figures at Channel Four Finland.

Home Internet use grew significantly. Figures from Suomen Gallup Web show that around 1 million Finns logged on daily from home in October and November, an increase of 24% on 1999. The number of users logging on weekly rose by over 40%. The volume of Internet retailing also increased significantly. Over 600,000 Finns bought products or services over the Web during 2000, up 38%. Books were the single largest product.

The year was a good one for books overall. Preliminary data from the Finnish Book Publishers Association indicates that sales to bookshops and other retailers increased by a little under 9%, book clubs sales by 8%, and sales of educational materials by 5%.

Printing industry exports rose by over 20%, or over FIM 300 million between January and October. Exports for the year as a whole are expected to total over FIM 1.9 billion. Sales to Russia rose to some FIM 530 million (397 million).

Increased pressure on newsprint and paper prices was evident towards the end of the year, and price increases were duly announced at the beginning of 2001.

Net sales

SanomaWSOY's net sales for 2000 rose in line with projections by some 10% to FIM 8,608.5 million (1999: 7,851.7 million). All of the Group's sectors contributed to this growth, with the largest growth coming from SWelcom's Channel Four. The Group's comparable year-on-year growth, taking account of acquisitions and divestments, rose by over 7%.

Consolidated result

SanomaWSOY's profit before extraordinary items totalled FIM 822.0 million (656.4 million). This over 25% increase on 1999 was driven by the improved profit performance of the Group's business units and a good asset management result. Net financial income rose to FIM 322.6 million (233.6 million), primarily as a result of capital gains on sales of shares.

The Group's operating profit totalled FIM 507.0 million (426.2 million), up 19%. Depreciation

totalled FIM 510.4 million (427.3 million), of which goodwill-related depreciation accounted for FIM 61.3 million (36.4 million). Research and development costs, booked as expenses, virtually doubled to FIM 140 million.

The Group's return on investment was 13.8% (12.5%), and its return on equity 10.6% (9.2%). Earnings per share rose to FIM 4.00 (3.17).

Balance sheet

The Group's balance sheet increased by FIM 690.8 million and totalled FIM 8,557.7 million (7,866.9 million) at the end of the year. The Group's shareholders' equity totalled FIM 4,891.1 million (4,674.1 million), or FIM 35.36 (33.79) a share. The Group's equity ratio was 67.9% (71.1%), and gearing was -16.6% (24.0%).

Financing

SanomaWSOY's financing position remains good. The book value of financial assets in the form of securities, cash, and bank totalled FIM 1,884.5 million (1,909.8 million), and their market value totalled FIM 2,335.5 million (2,750.1 million). Interest-bearing liabilities increased to FIM 952.4 million (619.7 million).

Investments

SanomaWSOY's gross investments during 2000 totalled FIM 1,001.0 million (1,663.1 million). Just under half of this total was accounted for by Sanoma projects, including printing press investments, the purchase of Kymen Lehtimedia production premises, and purchases of media company shares.

Other major investments included WSOY's acquisition of Docendo Läromedel, Rautakirja's multi-plex cinema project in Tallinn and purchase of additional shares in Jokerit HC Oyj, and SWelcom's purchase of additional shares in Oy Ruutunelonen Ab.

Administration

SanomaWSOY's Board of Directors comprises Aatos Erkko (Chairman), Esko Koivusalo (Vice Chairman), Jane Erkko, Marjukka af Heurlin, Paavo Hohti, L.J. Jouhki, Kyösti Järvinen, Robin Langenskiöld, Jaakko Rauramo, Rafaela Seppälä, and Antero Siljola (until July 18, 2000).

President & CEO Jaakko Rauramo serves as Chairman of SanomaWSOY's Management Group, the other members of which are Eija Ailasmaa (as of July 1, 2000), Aarno Heinonen, Nils Ittonen, Tapio Kallioja, Jorma Kaimio (as of September 12, 2000), Seppo Kievari, Kerstin Rinne, and Hannu Syrjänen. Antero Siljola served as Deputy President & CEO of SanomaWSOY and Vice Chairman of the Management Group until July 18, 2000, when he resigned as President of WSOY and from the Boards of SanomaWSOY, Rautakirja, and their subsidiaries.

The Company's auditors are Pekka Nikula, APA and SVH Pricewaterhouse Coopers Oy, where Tauno Haataja serves as the Group's lead auditor.

Personnel

The number of personnel in salaried employment in Group companies totalled an average of 13,364 (12,629). Translated into full-time equivalent positions, the average number of personnel totalled 10,350 (9,816). Salaries and wages paid totalled FIM 1,761.6 million (1,604.4 million), including bonuses. Profit sharing sums totalling FIM 35.3 million (31.7 million) were paid to Sanoma's and Helsinki Media's Personnel Funds.

Shares and shareholdings

SanomaWSOY's Annual General Meeting held on April 18, 2000 decided on a four-for-one share split, which came into force on May 10, quadrupling the number of Company shares.

Following the split, the number of SanomaWSOY Series A shares totals 23,220,492 and the number of Series B shares, 122,301,104. The Group owns 7,187,276 Series B shares through Tiikerijakelu Oy, equivalent to 4.94% of shares and 1.23% of voting rights.

A total of 263,549 (413,056) Series A shares were traded in 2000, and 6,209,129 (6,439,504) Series B shares. Adjusted for the split, the highest price paid for Series A shares was Euro 24.37 or FIM 144.91 and the lowest price, Euro 13.00 or FIM 77.29. The highest price paid for Series B shares was Euro 23.75 or FIM 141.21 and the lowest price, Euro 12.28 or FIM 73.03. SanomaWSOY's market capitalisation as of the end of the year, excluding Company shares held by the Group, totalled Euro 1,964.5 million (1,767.4 million) or FIM 11,680.7 million (10,508.3 million).

Dividend policy

SanomaWSOY pursues an active dividend policy, based on the principle of distributing one third of the consolidated profit for the financial year in the form of a dividend.

The dividend payable between 1999 and 2001 is linked to the shareholder agreement made at the time of the merger, under which dividends will be at least FIM 5.25 per share (FIM 1.31 after the split), which corresponds to the dividend level offered by WSOY in 1997, increased by 10% annually. In addition, an average of FIM 5 per share (FIM 1.25 after the split) will be added to this during the years concerned.

The Board proposes that a dividend of Euro 0.47 or FIM 2.79 should be paid for 2000.

Key developments

In May, SanomaWSOY decided to form two new sub-groups or sectors, dedicated to electronic media and magazine publishing. Helsinki Media's television operations and other electronic media activities were transferred to SWelcom, together with the Parent Company's electronic media projects. SWelcom and the new Helsinki Media began operations at the beginning of July and as separate legal entities as of October 1.

SanomaWSOY increased its holding in A-pressen ASA, one of Norway's leading media companies, to 29.6% during the year. Listed on the Oslo Stock Exchange, A-pressen had a market value of some FIM 1.14 billion as of the end of the year.

In February, Sanoma decided to invest in two new printing presses for its Sanomala facility. The investment, valued at a total of FIM 456 million, forms part of a larger project to modernise all of the plant's production process. As part of this, Sanoma announced in the autumn that it had decided to acquire a new-generation printing press from Man Roland Druckmaschine AG. The investment is valued at FIM 225 million and will significantly enhance quality and the plant's four-colour printing capability and overall production flexibility. The new production process is due to be commissioned in 2003.

SWelcom increased its holding in Oy Ruutunelonen Ab to 90.55%. Under a share swap and related transaction at the end of the year, Oy Suomen Medianelonen Ab, previously owned by SWelcom and TS-Yhtymä, became a wholly owned subsidiary of Ruutunelonen.

Sswap Oy launched its 2ndhead mobile portal in June, offering a range of news and factual and entertainment content from SanomaWSOY units and outside providers.

In December, Helsinki Television launched Finland's first broadband portal, Welho, for its cable modem customers. Welho is an open platform and currently offers services designed to take advantage of the high speed made possible by broadband technology, including on-demand news clips and

weather animations.

In the spring, WSOY acquired Sweden's leading publisher of IT books and e-learning solutions, Docendo Läromedel AB. Docendo and WSOY's subsidiary Teknolit Oy were merged into a single unit known as the Docendo Group at the end of the year. In September, WSOY acquired 80.1% of Finland's leading map company, Karttakeskus Oy, which was subsequently merged with WSOY's own map company, Geodata Oy, at the end of the year. The combined company was named Genimap Oy and will become a separate legal entity as of April 1, 2001.

In May, Rautakirja subsidiary Eurostrada and Neste signed an agreement under which the Motorest chain of highway service stations will be transferred to Eurostrada on a phased basis by the end of July 2003. As of the end of 2000, four Motorest units had been transferred to Foodstop Oy, a 99%-owned Rautakirja subsidiary.

In August, Rautakirja acquired the remaining 20% of the shares of Veikkausrasti Oy, and the company became a wholly owned subsidiary. Also in August, Rautakirja's Estonian subsidiary, Lehti-Maja Eesti, acquired 90% of AS Megapanus, licensed to operate variable odds betting activities in Estonia.

In October, Suomalainen Kirjakauppa acquired 60% of Estonian-based book retailer, Astro Raamatud. Rautakirja's associate company, Narvesen Baltija SIA, signed a letter of intent the same month to acquire 85% of Preses Apvieniba, the leading chain of kiosks in Latvia with 450 outlets. The outlets were transferred to Narvesen Baltija on January 1, 2001.

Three senior executive appointments were made during the year. Eija Ailasmaa was appointed President of Helsinki Media and Tapio Kallioja, President of SWelcom, as of July 1. Jorma Kaimio was appointed President of WSOY as of September 12.

Helsinki Media

Helsinki Media's pro forma net sales totalled FIM 950.4 million (880.2 million), up 8% on 1999. The increased level of net sales was primarily driven by higher advertising revenue at the company's magazines, which increased by 18% or more than double the increase recorded by magazine publishing in Finland as a whole. Helsinki Media's magazines also increased their subscription revenue, and news stand sales similarly developed positively. New titles accounted for around 3% of the increase in net sales, which was mainly driven by established products.

Helsinki Media's pro forma operating profit nearly doubled to FIM 60.9 million (30.9 million), reflecting improved profitability and, above all, stronger performance by the sector's associated companies.

Helsinki Media's investments totalled FIM 25.1 million (95.2 million) and were largely focused on information technology (IT) projects. In December, Helsinki Media increased its holding in the licensing specialist, Pro Licensing Nordic Ab, from 20% to 50%.

Sanoma

Sanoma's net sales rose to FIM 2,724.2 million (2,563.6 million) during 2000, driven in particular by an increase in Helsingin Sanomat's advertising sales. The paper's advertising sales rose faster than the market average, and the paper emerged as Finland's leading advertising media. Taloussanomat, the Startel News Agency, and Esmerk also contributed to higher net sales.

The growth in advertising revenue was also reflected in Sanoma's overall operating profit, which rose 16% to FIM 331.3 million (285.8 million). The sector's own operations generated FIM 296.6 million (249.5 million). One-time writedowns totalling FIM 12.3 million made on the assets and goodwill of Startel subsidiary, Onbusiness Oy, negatively impacted Sanoma's operating profit. Sanoma's holding in Rautakirja generated a profit of FIM 36.6 million (35.5 million).

Sanoma's investments totalled FIM 416.5 million (844.4 million) and included investments in

enhancing four-colour printing capabilities, online services, the purchase of Kymen Lehtimedia production premises, and acquisitions of media company shares. Sanoma acquired 10.4% of the votes in Top Press, the owner of Esan Kirjapaino Oy; and Kymen Lehtimedia acquired a majority holding in Uutisvuoksi, a local paper in South-East Finland. Startel acquired Oy Radiolinja Ab's 40% holding in the companies' new media joint venture, Onbusiness Oy, in December, making the company a wholly owned Startel subsidiary. A proportion of investments also went on modernising the production process at Sanoma's main printing plant in Greater Helsinki.

SWelcom

SWelcom's pro forma net sales for 2000 include the electronic media operations transferred from Helsinki Media for the whole year and those of Swwap Oy for the last quarter.

SWelcom's net sales totalled FIM 466.7 million (334.0 million). The largest contribution to this, FIM 107.2 million, was made by Channel Four. The latter's advertising revenue increased by 53%, and Channel Four's share of the TV advertising market rose from 16.5% to 24.5%, the largest such increase seen in the Finnish media industry in 2000. Channel Four's profit performance improved significantly, although it still recorded a loss, as a result of investments in programming.

Channel Four's improved performance was also reflected in SWelcom's overall pro forma operating profit, which totalled FIM -99.3 million (-110.7 million).

SWelcom's investments totalled FIM 200.3 million (124.3 million) and were largely focused on purchases of shares in the sector's subsidiaries. In August, SWelcom acquired Egmont Holding Oy's 25.01% holding in Ruutunelonen, and TS-Yhtymä's 5.02% holding in December, bringing SWelcom's holding as of the end of the year to 90.55%. In a share swap in December, Oy Suomen Medianelonen Ab became a wholly owned Ruutunelonen subsidiary. The sector's largest other investments covered the upgrading of Helsinki Television's cable system and the company's cable modem service.

WSOY

WSOY's net sales totalled FIM 1,209.4 million (1,151.7 million), up 5% on 1999. Adjusted for acquisitions and divestments, comparable net sales rose by a little under 3%.

WSOY's operating profit totalled FIM 108.9 million (128.3 million). WSOY's own operations accounted for FIM 62.6 million (81.5 million), and WSOY's holding in Rautakirja for FIM 48.3 million (46.8 million). The performance of WSOY's traditional book publishing and printing business improved, but investments in electronic publishing had a negative impact. The calendar business turned in a loss, despite rationalisation measures.

In the publishing area, bookshop sales recorded the largest increase, 19%. Book club sales increased by 11%, and sales of educational materials by 4%.

WSOY's investments totalled FIM 151.8 million (125.0 million). The largest single investments were the acquisition of the Swedish IT publisher and e-learning solutions provider, Docendo Läromedel, and the acquisition of 80.1% of map company, Karttakeskus.

Rautakirja

Pre-tax sales at the Rautakirja Group increased by over 14% to more than FIM 6.7 billion. The sector's net sales, including only the commission component of commission-based sales, rose by 10% to FIM 3,832.9 million (3,478.3 million). Allowing for the impact of acquisitions, the sector's comparable growth on 1999 was 6.5%. Net sales developed positively in all of Rautakirja's core businesses.

Operating profit rose by 12% to FIM 222.6 million (198.5 million). Profit performance improved in all divisions, with the exception of the restaurant business, which recorded a loss as a result of the poor profitability of Pizza Hut's restaurants. Rautakirja's profit before extraordinary items rose by 3%

to FIM 227.8 million (221.1 million).

Rautakirja's investments totalled FIM 170.1 million (428.6 million). The largest single projects were the purchase of additional shares in Jokerit HC Oyj and the multiplex cinema in Tallinn, due to be completed in March 2001. Rautakirja also increased its kiosk and bookshop operations in Estonia through acquisitions.

Rautakirja published its own financial statements for 2000 on February 26, 2001.

Board authorisations

As of the end of the year, SanomaWSOY's Board of Directors was not authorised to acquire or convey Company shares, arrange share issues, or issue convertible bonds or bonds with warrants.

Developments in 2001

In January 2001, Sanoma increased its holding in the Infosto Group from 65% to 100% by acquiring the company's Finnish and Estonian operations under a letter of intent signed in November.

Rautakirja and Stockmann signed a letter of intent with a Latvian construction company in January covering the transfer of a site in the centre of Riga to a company jointly owned by Rautakirja and Stockmann. The two companies plan to build a Stockmann department store and a 15-screen multiplex to be operated by Rautakirja's Latvian subsidiary, Baltic Cinema SIA. If the project proceeds as planned, the building should be completed in late autumn 2002.

Rautakirja sold its shares in Norwegian-based Reitan Narvesen ASA in January in a transaction valued at NOK 285 million, or some FIM 203 million. The sales generated capital gains of FIM 45 million. Rautakirja had a 10% holding in Narvesen prior to its merger with Reitan, which was reduced to 4.8% after the merger.

WSOY increased its holding in the Polish e-learning solutions provider, Young Digital Poland S.A. in February from 29.07% to 49%, equivalent to 44.6% of voting rights. The parties also agreed an option for WSOY to acquire a majority holding at the beginning of 2004.

Suomen Nettirahastot Oy, owned by Startel, the HEX Group, and three mutual funds companies, was merged with Sonera Plaza Rahastopalvelut Oy in February. Startel's holding in the new company is approximately 5%.

Outlook for 2001

The growth in Finland's gross domestic product is projected to slow by around 1% compared to 2000. General economic trends such as this tend to have a delayed impact on the media industry.

Advertising volumes are expected to continue to grow in 2001, although at a slightly slower pace than during 2000. A poll of advertising sentiment published in January 2001 indicated that advertisers will focus most on direct mail, event marketing, retail marketing, and Web advertising. Newspapers and magazines are also expected to win a share of the projected growth. Television advertising, in contrast, is expected to see only modest growth, with the service industry being the only one likely to increase TV advertising.

Net sales at Helsinki Media are projected to grow by some 5% in 2001. A large part of this will come from advertising sales. Helsinki Media also expects to record an improved profit. Helsinki Media is committed to further strengthening its position as Finland's leading magazine publisher, and aims to increase its share of the business-to-business market. Helsinki Media will also target expanding its international operations in selected areas.

Net sales at Sanoma are expected to rise by 7% to some FIM 3 billion. Additional net sales will be generated by Infosto, for example, which was acquired in January 2001. The sector's operating profit is expected to be somewhat below that recorded in 2000, as a result of planned development projects

and increased level of depreciation covering goodwill and investments in the Sanomala printing plant. The significant increase in newsprint prices and falling print exports will also have a downward impact on profit performance. Sanoma will continue to develop its online activities during 2001 and enhance its customer relationship management.

Net sales at SWelcom are projected to rise by some 30%, particularly as a result of Channel Four. SWelcom's operating loss is projected to be in excess of FIM 100 million. SWelcom does not expect to record an operating profit during the next few years, as a result of its investments in digital-TV, the 2ndhead mobile portal, and new Internet services.

Net sales at WSOY are forecast to increase by around 8%. The group's profit from its own operations is expected to exceed that recorded in 2000, despite a projected growth in development-related investments. WSOY plans to invest in its electronic media operations, particular in location information and its learning portal project, as well as corporate e-learning. Book clubs and calendar operations will also be the focus of development activities during 2001.

Net sales at Rautakirja are projected to increase by over 7% to more than FIM 4 billion. The operating profit generated by its various businesses is expected to remain at the 2000 level, as a result of investments and acquisitions. Taking into account capital gains already booked against operating profit in 2001, Rautakirja's overall profit is projected to be an improvement on that for 2000.

SanomaWSOY's growth and profitability targets are challenging. A number of important development projects and investments have been initiated to achieve these targets that will have a downward impact on the Group's profit performance. The expected financial benefit of these projects will be achieved in future years.

SanomaWSOY's net sales for 2001 are projected to grow at a faster rate than growth in the media industry generally, to well over FIM 9 billion. Planned business development-related investments will be higher than in 2000, and will be booked directly as expenses, in line with Group practice. Despite major development-related investments and goodwill depreciation already booked against acquisitions, the Group's operating profit is projected to be at least equivalent to that for 2000.

The Group is committed to developing and expanding its current business through selected acquisitions and alliances. SanomaWSOY's aim is to increase net sales and market share by drawing on the Group's strengths. Acquisitions will be focused on those areas of SanomaWSOY where it is strong and on markets in which it is possible to achieve a significant market share over a reasonable time-frame. The Group will grow its businesses systematically and in line with its commitment to shareholders to pursue an active dividend policy.

Board of Directors
SanomaWSOY Corporation

Patricia Seppälä in memoriam

Patricia Seppälä, née Erkko, passed away on January 3, 2001 after a short illness, at the age of 76.

Patricia Seppälä was a member of Sanoma Corporation's Board of Directors between 1951 and 1994, and served for many years with Lehtikuva Oy, between 1953 and 1989, as a member of the company's Board of Directors, Chairman of the Board, and Managing Director.

Patricia Seppälä also had a long international career, and took part in arranging the photography of a total of 14 Olympic Games, either as a representative of Lehtikuva or of joint European picture agency organisations.

Proposal for application of profits

SanomaWSOY

The Group's distributable funds for 2000 total EUR 650,300,081.21 (FIM 3,866,508,701.87).

The Parent Company's distributable funds as of December 31, 2000 total EUR 627,766,306.40 (FIM 3,732,528,960.94), of which the profit for the year accounts for EUR 37,986,601.72 (FIM 225,858,077.45).

The Board of Directors will propose to the Annual General Meeting that:

- a dividend of EUR 0.47 (FIM 2.79) a share shall be paid EUR 68,395,150.12
(FIM 406,659,095.92)
- the following sum shall be transferred to the donation reserve and used at the Board's discretion EUR 300,000.00
(FIM 1,783,719.00)
- shareholders' equity shall be set at EUR 559,071,156.28
(FIM 3,324,086,146.02)

The dividend will be paid to shareholders registered with the register of shareholders maintained by the Finnish Central Securities Depository on the record state set by the Board for payment of the dividend: April 3. The Board will propose to the Annual General Meeting that the dividend shall be paid on April 10, 2001.

Helsinki, February 28, 2001

Aatos Erkko
Chairman

Esko Koivusalo
Vice Chairman

Marjukka af Heurlin

Paavo Hohti

Kyösti Järvinen

Robin Langenskiöld

Rafaela Seppälä

Jane Erkko

L.J. Jouhki

Jaakko Rauramo
President & CEO

Group

Income statement

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
NET SALES 1)	8 608.5	7 851.7	1 447.8	1 320.6
Increase (+) / decrease (-) in inventories of finished goods and work in progress	3.9	12.2	0.7	2.0
Production for internal use	0.1	0.5	0.0	0.1
Other operational income 2)	216.7	148.2	36.4	24.9
Share of result of associated companies	45.3	6.8	7.6	1.2
Materials and services 3)	3 853.3	3 559.6	648.1	598.7
Personnel expenses 4)	2 201.1	2 026.3	370.2	340.8
Depreciation 5)	510.4	427.3	85.8	71.9
Other operational expenses 6)	1 802.8	1 579.9	303.2	265.7
OPERATING PROFIT (LOSS)	507.0	426.2	85.3	71.7
Share of result of associated companies	-7.5	-3.4	-1.3	-0.6
Financial income and expenses 7)	322.6	233.6	54.3	39.3
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	822.0	656.4	138.3	110.4
Extraordinary items 8)	12.1	1.8	2.0	0.3
PROFIT (LOSS) AFTER EXTRAORDINARY ITEMS	834.1	658.2	140.3	110.7
Direct taxes 9)	-233.8	-187.7	-39.3	-31.6
Minority interest of the result for the year	-40.3	-30.3	-6.8	-5.1
PROFIT (LOSS) FOR THE YEAR	560.0	440.2	94.2	74.0

Group

Balance sheet

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
ASSETS				
NON-CURRENT ASSETS 10)				
Intangible assets	335.9	374.8	56.5	63.0
Consolidated goodwill	488.4	303.0	82.1	51.0
Tangible assets	2 467.8	2 227.6	415.1	374.7
Investments	1 627.4	1 521.1	273.7	255.8
NON-CURRENT ASSETS, TOTAL	4 919.5	4 426.5	827.4	744.5
CURRENT ASSETS				
Inventories 11)	607.5	562.7	102.2	94.6
Receivables, long-term 12)	257.1	198.8	43.2	33.4
Receivables, short-term 13)	889.1	769.0	149.5	129.3
Financial securities 14)	1 595.5	1 673.7	268.3	281.5
Cash and bank	289.0	236.0	48.6	39.7
CURRENT ASSETS, TOTAL	3 638.2	3 440.3	611.9	578.6
ASSETS, TOTAL	8 557.7	7 866.9	1 439.3	1 323.1
LIABILITIES				
SHAREHOLDERS' EQUITY 15)				
Share capital	372.0	363.8	62.6	61.2
Premium fund	95.7	95.7	16.1	16.1
Other funds	2 164.6	2 174.1	364.1	365.7
Retained earnings	1 698.7	1 600.3	285.7	269.1
Profit (loss) for the year	560.0	440.2	94.2	74.0
SHAREHOLDERS' EQUITY, TOTAL	4 891.1	4 674.1	822.6	786.1
MINORITY INTEREST	714.1	710.0	120.1	119.4
STATUTORY PROVISIONS 16)	13.9	9.8	2.3	1.7
LIABILITIES				
Deferred tax liability 17)	223.6	246.7	37.6	41.5
Long-term liabilities 18)	510.5	555.8	85.9	93.5
Current liabilities 19)	2 204.4	1 670.4	370.7	280.9
LIABILITIES, TOTAL	8 557.7	7 866.9	1 439.3	1 323.1

Group

Cash flow statement

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
Operations				
Operating profit	507.0	426.2	85.3	71.7
Adjustments to operating profit 1)	405.7	392.4	68.2	66.0
Change in working capital 2)	-58.6	-43.9	-9.9	-7.4
Cash flow from operations before financial items and taxes	854.1	774.7	143.7	130.3
Interest received from operations	49.3	77.2	8.3	13.0
Interest paid on operations	-41.7	-35.6	-7.0	-6.0
Dividend received from operations	62.0	9.0	10.4	1.5
Other financial items	326.0	204.4	54.8	34.4
Tax paid on operations	-229.0	-293.8	-38.5	-49.4
Cash flow from operations	1 020.8	735.9	171.7	123.8
Investments				
Acquisition of tangible and intangible assets	-705.2	-676.1	-118.6	-113.7
Acquired group companies 3)	-137.4	-288.9	-23.1	-48.6
Acquired associated companies	-68.2	-395.1	-11.5	-66.4
Acquisition of other holdings	-54.5	-215.5	-9.2	-36.3
Sales of tangible and intangible assets	116.9	64.6	19.7	10.9
Group companies sold 4)	5.3	0.0	0.9	0.0
Associated companies sold	21.4	4.9	3.6	0.8
Sales of other companies	22.8	43.3	3.8	7.3
Long-term loans granted	0.0	7.0	0.0	1.2
Repayments of long-term loan receivables	0.0	-6.7	0.0	-1.1
Increase (-)/decrease (+) in current loan receivables	-13.3	195.2	-2.2	32.8
Investments in other assets	-0.6	-5.3	-0.1	-0.9
Sales of other investments	1.5	18.4	0.2	3.1
Interest received from investments	1.5	12.8	0.3	2.1
Dividend received from investments	9.8	20.0	1.6	3.4
Tax paid on investments	0.0	-45.1	0.0	-7.6
Cash flow from operations	-800.1	-1 266.6	-134.6	-213.0
Cash flow before financing	220.6	-530.7	37.1	-89.3
Financing				
Minority capital investment / repayments of equity loans	-89.7	51.9	-15.1	8.7
Sale of own shares	0.0	109.5	0.0	18.4
Drawings on short-term loans	383.1	197.6	64.4	33.2
Repayments of short-term loans	-66.7	-239.3	-11.2	-40.2
Drawings on long-term loans	50.6	108.3	8.5	18.2
Repayments of long-term loans	-63.4	-56.6	-10.7	-9.5
Dividends paid	-403.7	-277.2	-67.9	-46.6
Donations	-1.7	-1.0	-0.3	-0.2
Other distribution of profits	0.0	-0.3	0.0	-0.1
HTV subscription fees	5.7	4.6	1.0	0.8
Cash flow from financing	-185.7	-102.5	-31.2	-17.2
Change in liquidities according to the cash flow statement	34.9	-633.2	5.9	-106.5
Exchange rate differences under liquidities	-60.2	-32.0	-10.1	-5.4
Net increase (+)/decrease (-) in liquidities	-25.3	-665.2	-4.3	-111.9
Liquidities according to the balance sheet at Jan. 1	1 909.8	2 574.9	321.2	433.1
Liquidities according to the balance sheet at Dec. 31	1 884.5	1 909.8	316.9	321.2

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
1) Adjustments to operating profit				
Depreciation	510.4	427.3	85.8	71.9
Profit (-) and loss (+) on sales of non-current assets	-64.2	-26.0	-10.8	-4.4
Interest in the results of associated companies, in profit (-) and loss (+)	-45.3	-6.8	-7.6	-1.2
Change in statutory reserves	4.1	-2.1	0.7	-0.3
Other adjustment items	0.8	0.0	0.1	0.0
	405.7	392.4	68.2	66.0
2) Change in working capital				
Increase (-) / decrease (+) in current assets	-32.5	-55.2	-5.5	-9.3
Increase (-) / decrease (+) in interest-free short-term receivables	-89.7	-10.2	-15.1	-1.7
Increase (+) / decrease (-) in interest-free short-term debts	63.6	21.5	10.7	3.6
	-58.6	-43.9	-9.9	-7.4
3) Supplementary information on acquired Group companies				
Impact of acquired companies on the Group's assets and liabilities				
Non-current assets	-162.5	-385.0	-27.3	-64.8
Current assets	-52.4	-121.5	-8.8	-20.4
Long-term liabilities	31.4	75.5	5.3	12.7
Current liabilities	30.0	93.0	5.0	15.6
Other items	-3.9	8.2	-0.7	1.4
Cash flow	-157.4	-329.9	-26.5	-55.5
Liquidities of acquired companies	20.0	40.9	3.4	6.9
Investments in Group companies	-137.4	-288.9	-23.1	-48.6
4) Supplementary information on divested Group companies				
Impact of divested companies on the Group's assets and liabilities				
Non-current assets	4.1	0.0	0.7	0.0
Other items	1.2	0.0	0.2	0.0
Cash flow	5.3	0.0	0.9	0.0
Liquidities of divested companies	0.0	0.0	0.0	0.0
Income on the sale of Group companies	5.3	0.0	0.9	0.0

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
1) NET SALES				
Net sales by business area				
Helsinki Media				
Magazine publishing	950.4	880.2	159.8	148.0
Total	950.4	880.2	159.8	148.0
Sanoma				
Newspaper publishing and printing	2 634.1	2 511.5	443.0	422.4
Financial & new media products	112.3	71.2	18.9	12.0
Intracompany transactions	-22.1	-19.1	-3.7	-3.2
Total	2 724.2	2 563.6	458.2	431.2
SWelcom				
Electronic media	466.7	334.0	78.5	56.2
Total	466.7	334.0	78.5	56.2
WSOY				
Publishing	757.8	672.4	127.4	113.1
Printing	365.3	357.4	61.4	60.1
Calendar operations	218.1	229.4	36.7	38.6
Others	22.4	14.3	3.8	2.4
Intracompany transactions	-154.2	-121.7	-25.9	-20.5
Total	1 209.4	1 151.7	203.4	193.7
Rautakirja				
Kiosk operations	2 002.6	1 755.5	336.8	295.3
Press distribution	916.6	847.0	154.2	142.5
Bookstores	637.4	602.5	107.2	101.3
Movie theatre operations	259.5	248.5	43.6	41.8
Restaurant operations	228.4	212.6	38.4	35.8
Others	0.1	0.0	0.0	0.0
Intracompany transactions	-211.7	-187.9	-35.6	-31.6
Total	3 832.9	3 478.3	644.6	585.0
Intragroup transactions	-575.2	-556.1	-96.7	-93.5
Total	8 608.5	7 851.7	1 447.8	1 320.6
Net sales by market area				
Finland	7 901.0	7 204.2	1 328.8	1 211.7
Other EU countries	354.8	325.2	59.7	54.7
Other countries	352.7	322.3	59.3	54.2
Total	8 608.5	7 851.7	1 447.8	1 320.6

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
2) OTHER OPERATIONAL INCOME				
Rental income	115.4	97.6	19.4	16.4
Profit on sales of assets	49.4	12.7	8.3	2.1
Profit on sales of machinery & equipment	16.4	15.9	2.8	2.7
Other operational income	35.5	22.0	6.0	3.7
Total	216.7	148.2	36.4	24.9
3) MATERIAL AND SERVICES				
Materials and supplies				
Purchases during the year	3 242.2	3 015.7	545.3	507.2
Change in inventories	-27.1	-47.4	-4.6	-8.0
Total	3 215.0	2 968.3	540.7	499.2
Purchased services				
Purchased transport and distribution services	336.5	328.5	56.6	55.2
Other purchased services	301.7	262.8	50.7	44.2
Total	638.2	591.3	107.3	99.5
Total	3 853.3	3 559.6	648.1	598.7
4) PERSONNEL EXPENSES				
Wages, salaries & fees	1 761.6	1 604.4	296.3	269.8
Bonuses	35.3	31.7	5.9	5.3
Pension expenses	237.4	235.7	39.9	39.6
Other social expenses	166.8	154.4	28.0	26.0
Total	2 201.1	2 026.3	370.2	340.8
REMUNERATION TO MANAGEMENT				
Presidents, Deputies and Board members				
Total	31.0	31.5	5.2	5.3
PERSONNEL, AVERAGE *)				
Helsinki Media	779	719		
Sanoma	3 396	3 437		
SWelcom	310	234		
WSOY	1 803	1 754		
Rautakirja	3 977	3 631		
Other companies **)	85	42		
Total	10 350	9 816		

*) stated as average number of full-time salaried personnel.

***) Parent Company (SanomaWSOY Corporation), Swwap Oy (until 30.9.2000), and real estate and investment companies.

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
5) DEPRECIATION				
Depreciation according to plan	445.1	388.7	74.9	65.4
Depreciation in the value of non-current assets	4.0	2.2	0.7	0.4
Depreciation on consolidated goodwill	61.3	36.4	10.3	6.1
Total	510.4	427.3	85.8	71.9
6) OTHER OPERATIONAL EXPENSES				
Rents	273.8	251.0	46.0	42.2
Voluntary social expenses	57.2	53.9	9.6	9.1
Advertising and marketing	427.2	424.4	71.8	71.4
Commissions	230.7	186.5	38.8	31.4
Office and IT expenses	266.6	228.4	44.8	38.4
Travel expenses	101.6	79.2	17.1	13.3
Other expenses	445.7	356.4	75.0	59.9
Total	1 802.8	1 579.9	303.2	265.7
7) FINANCIAL INCOME AND EXPENSES				
Dividend income (incl. avoio fiscal)				
From associated companies	9.1	1.5	1.5	0.3
From other companies	54.3	22.4	9.1	3.8
Total	63.4	23.9	10.7	4.0
Interest income, long-term:				
From other companies	23.9	21.9	4.0	3.7
Total	23.9	21.9	4.0	3.7
Other interest and financial income				
From associated companies	0.6	0.4	0.1	0.1
From other companies	406.0	240.7	68.3	40.5
Exchange rate gains	17.8	17.4	3.0	2.9
Total	424.4	258.5	71.4	43.5
Value decreases				
Investments under non-current assets	0.1	-4.2	0.0	-0.7
Papers under current assets	0.2	6.2	0.0	1.1
Total	0.3	2.0	0.0	0.3
Interest and other financial expenses				
To associated companies	0.0	0.1	0.0	0.0
To other companies	177.5	68.6	29.9	11.5
Exchange rate losses	11.3	0.0	1.9	0.0
Total	188.9	68.6	31.8	11.5
Total	322.6	233.6	54.3	39.3

	1.1–31.12.2000 FIM million	1.1–31.12.1999 FIM million	1.1–31.12.2000 € million	1.1–31.12.1999 € million
8) EXTRAORDINARY ITEMS				
Extraordinary income				
Other extraordinary income	12.1	12.9	2.0	2.2
Extraordinary expenses				
Sales losses	0.0	11.1	0.0	1.9
Total	12.1	1.8	2.0	0.3

Other extraordinary income includes deferred taxes relating to previous financial years.

9) DIRECT TAXES

Tax on operational income	-287.0	-250.6	-48.3	-42.1
Change in deferred tax liability/accrued tax receivable *)	53.2	62.9	9.0	10.6
Total	-233.8	-187.7	-39.3	-31.6

*) Change in deferred tax liability/accrued tax receivable

From activation differences	26.9	42.4	4.5	7.1
From provisions	21.7	15.1	3.6	2.5
From consolidation measures	4.7	12.5	0.8	2.1
Due to change in tax rate	0.0	-7.1	0.0	-1.2
Total	53.2	62.9	9.0	10.6

	Acquisition cost at Jan. 1, 2000 a)	Differences in rates and transfers between balance sheet items	Increases b)	Decreases c)
10) NON-CURRENT ASSETS, FIM million				
Intangible assets				
Immaterial rights	388.6	-205.7	33.7	-57.4
Goodwill	249.0	18.0	3.8	-11.8
Other long-term investments	305.8	187.2	74.3	-38.9
Advance payments and work in progress	0.3	0.5	3.0	-0.6
	943.8	0.0	114.7	-108.6
Consolidated goodwill				
Consolidated goodwill	400.4	-14.3	260.7	-6.1
Consolidation difference	-3.1	0.0	0.3	1.0
	397.3	-14.3	261.0	-5.1
Tangible assets				
Land and water	294.2	0.3	3.9	-8.8
Revaluations	46.8	0.0	0.0	0.0
Total land and water	341.0	0.3	3.9	-8.8
Buildings and structures	1 193.8	4.7	72.9	-13.6
Revaluations	54.6	0.0	0.0	0.0
Total buildings and structures	1 248.4	4.7	72.9	-13.6
Machinery and equipment	2 824.4	11.1	339.6	-135.9
Other tangible assets	60.6	-1.0	4.2	-0.6
Advance payments and work in progress	40.0	-2.9	167.8	0.0
	4 514.3	12.1	588.4	-159.0
Investments				
Interest in associated companies e)	842.5	-4.3	75.6	-16.5
Receivables from associated companies	13.7	0.0	0.6	-0.1
Other shares and holdings	683.2	-1.8	56.2	-18.0
Other receivables	9.8	0.0	1.1	-1.0
Advance payments and work in progress	1.1	0.0	0.0	0.0
	1 550.3	-6.1	133.6	-35.6
TOTAL NON-CURRENT ASSETS	7 405.8	-8.3	1 097.7	-308.3

Book value of production machinery at December 31, 2000: FIM 417.2 million

- a) Acquisition costs include fixed assets entailing costs that have not been fully booked as planned depreciation and/or with a financial lifetime with time still left to run.
- b) Includes fixed asset acquisition costs current at the time of the acquisition of companies and businesses.
- c) Includes the acquisition costs of fixed assets that were eliminated, sold, or scrapped by the end of the year, and the purchase price current at the time of the sale of fixed assets of divested companies and businesses.
- d) Includes the accumulated depreciation of acquired companies and businesses at the time of acquisition.
- e) Acquisition costs include original purchase prices, but exclude Group-level associated company transfers.
- f) Value decreases of shares.

Acquisition cost at Dec. 31, 2000	Differences in rates and bookings relating to the value of shares in associated companies	Accumulated depreciation and value decreases at Jan. 1, 2000	Accumulated depreciation and value decreases of decreases and transfers d)	Planned depreciation for the period	Book value at Dec. 31, 2000
159.2	1.3	-242.6	148.6	-20.6	46.0
259.0	0.0	-155.6	5.8	-52.3	56.9
528.5	0.0	-170.8	-58.9	-69.0	229.9
3.2	0.0	0.0	0.0	0.0	3.2
949.9	1.3	-569.0	95.6	-141.9	335.9
640.7	0.0	-96.5	6.1	-61.2	489.1
-1.8	0.0	2.2	-1.0	0.0	-0.7
638.9	0.0	-94.3	5.1	-61.3	488.4
289.6	0.0	0.0	0.0	0.0	289.6
46.8	0.0	0.0	0.0	0.0	46.8
336.4	0.0	0.0	0.0	0.0	336.4
1 257.7	-0.3	-254.4	5.7	-41.1	967.7
54.6	0.0	0.0	0.0	0.0	54.6
1 312.3	-0.3	-254.4	5.7	-41.1	1 022.3
3 039.1	1.0	-1 984.9	94.1	-259.5	889.8
63.2	0.0	-47.4	1.3	-2.6	14.5
204.9	0.0	0.0	0.0	0.0	204.9
4 955.9	0.7	-2 286.7	101.1	-303.2	2 467.8
897.3	6.7	0.0	0.0	0.0	903.9
14.3	0.0	0.0	0.0	0.0	14.3
719.6	0.0	-21.4	4.0	-4.1 f)	698.1
9.9	0.0	0.0	0.0	0.0	9.9
1.1	0.0	0.0	0.0	0.0	1.1
1 642.2	6.7	-21.4	4.0	-4.1	1 627.4
8 186.9	8.7	-2 971.5	205.9	-510.4	4 919.5

Shares booked under non-current assets

	Participation of the Parent Company, %	Participation of the sub-group's parent company, %	Participation of the Group, %	Shares owned by the Parent Company Number	Par value FIM 1 000	Book value FIM 1 000
GROUP COMPANIES						
Helsinki Media						
Helsinki Media Oy, Helsinki *)	100.0		100.0	427 090	30 472	217 833
Liiketieto-Business Information Oy, Helsinki		100.0	100.0			
Milvus Förlags AB, Sweden		100.0	100.0			
Suomalainen Yritystiedosto Oy, Helsinki		100.0	100.0			
Sanoma						
Sanoma Corporation, Helsinki *)	100.0		100.0	3 000 000	178 372	646 567
Arnedo Oy, Helsinki		60.0	60.0			
Baltic Media Oy, Anjalankoski		7.3	89.0			
Bilton Capital Oy, Kouvola		100.0	100.0			
Digital Future Finland Oy, Kouvola			100.0			
Esmerk Americas Inc, USA			90.0			
Esmerk Argentina S.A., Argentina			90.0			
Esmerk Brasil LTDA, Brazil			90.0			
Esmerk GmbH, Germany			90.0			
Esmerk Information (HK) Limited, Hong Kong			90.0			
Esmerk Information AB, Sweden			90.0			
Esmerk Information S.L., Spain			89.5			
Esmerk Information SARL, France			90.0			
Esmerk Information Services Pte Ltd, Singapore			90.0			
Esmerk Information Services Sdn. Bhd., Malaysia			90.0			
Esmerk Informatsioon OÜ, Estonia			90.0			
Esmerk Limited, UK			90.0			
Esmerk Oy, Helsinki			90.0			
Esmerk ZAO, Russia			90.0			
Etelä-Karjalan Jakelu Oy, Lappeenranta			100.0			
Etelä-Saimaan Sanomalehti Oy, Lappeenranta			100.0			
Helsingin Päivälehti Oy, Helsinki		100.0	100.0			
Keskiaukeama Oy, Helsinki		100.0	100.0			
Kiinteistö Oy Myllymäentie, Vantaa	22.8	77.2	100.0	7 815	15 075	15 075
Kiinteistö Oy Tommolankatu, Kouvola			100.0			
Kiinteistö Oy Virojoen Mäkitie 3, Virolahti			100.0			
Kymen Lehtimedia Oy, Anjalankoski		86.1	100.0			
Kymen Sanomalehti Oy, Kotka			100.0			
Kymen Viestintä Oy, Kouvola			100.0			
Lehtikanta Oy, Kouvola			100.0			
Lehtikuva Oy, Helsinki		100.0	100.0			
Leijonajakelu Oy, Vantaa		100.0	100.0			
Nytnet Oy, Helsinki		80.0	80.0			
Onbusiness Oy, Helsinki			54.0			
Päiväverkko Oy, Vantaa		100.0	100.0			
Saimaan Lehtipaino Oy, Lappeenranta			100.0			
Startel Oy, Helsinki		90.0	90.0			
Tampereen Sanomain Oy, Helsinki		100.0	100.0			
Uutisvuoksi Oy, Imatra			75.0			
SWelcom						
SWelcom Oy, Helsinki *)	100.0		100.0	436 185	31 121	25 269
Helsinki Televisio Oy, Helsinki		100.0	100.0			
Oy Måndag Ab, Helsinki			100.0			
Oy Ruutunelonen Ab, Helsinki		90.6	90.6			
Oy Suomen Medianelonen Ab, Helsinki			90.6			
SW Television Oy, Helsinki		100.0	100.0			
Swwap Oy		100.0	100.0			
Tuotantotalo Werne Oy, Helsinki		75.8	100.0			

	Participation of the Parent Company, %	Participation of the sub-group's parent company, %	Participation of the Group, %	Shares owned by the Parent Company		
				Number	Par value FIM 1 000	Book value FIM 1 000
WSOY						
Werner Söderström Corporation, Helsinki *)	100.0		100.0	2 000 000	118 915	467 444
AB Förlagsinkasso, Sweden			100.0			
Ajasto Osakeyhtiö, Vantaa		100.0	100.0			
Almanacksförlaget, Sweden			100.0			
Bertmark A/S Danmark, Denmark			100.0			
Bertmark Media AB, Sweden			100.0			
Bertmark Norge AS, Norway			100.0			
Bertmarks Förlag AB, Sweden			100.0			
Docendo Finland Oy, Jyväskylä		100.0	100.0			
Docendo Norge AS, Norway			100.0			
Docendo Produktion Aktiebolag, Sweden			100.0			
Docendo Sverige AB, Sweden		100.0	100.0			
Emil Moestue AS, Norway			100.0			
Geodata Oy, Helsinki		100.0	100.0			
Karinkorpi I Oy, Vihti			100.0			
Karttakeskus Oy, Vantaa		80.1	80.1			
Kiinteistö Oy Bulevardi 12, Helsinki		100.0	100.0			
Kiinteistö Oy Bulevardi 14, Helsinki		78.8	78.8			
Kustannusperintä Oy, Espoo			100.0			
Lönnerberg Painot Oy, Helsinki		100.0	100.0			
Nummi-Plast Oy, Helsinki			100.0			
Simultan Interaktiv Svenska AB, Sweden			100.0			
Tummaavuoren Kirjapaino Oy, Vantaa		80.0	80.0			
Weilin+Göös Oy, Helsinki		100.0	100.0			
Werner Söderström GmbH, Germany		100.0	100.0			
Werner Söderström Lakitieto Oy, Helsinki		100.0	100.0			
WS Bookwell Oy, Porvoo		100.0	100.0			
WSOY - Hyvä-Kirja Oy, Helsinki		100.0	100.0			
WSOY Koulukanava Oy, Helsinki		100.0	100.0			
Rautakirja						
Rautakirja Oyj, Vantaa *) **)	0.4		55.1	26 050	521	7 665
AS Megapanus, Estonia			90.0			
AS MPDE, Estonia			90.0			
Astro Raamatud OÜ, Estonia			60.0			
Asunto Oy Imatran Sassinkulma, Imatra		60.6	74.7			
Baltic Cinema SIA, Latvia			90.0			
Eurostrada Oy, Vantaa		100.0	100.0			
Ferete Oy, Vantaa		100.0	100.0			
Finnkino Oy, Vantaa		100.0	100.0			
Foodstop Oy, Vantaa			99.0			
Interprint Oy, Helsinki			100.0			
Kiinteistö Oy Hallahepe, Toijala		100.0	100.0			
Kiinteistö Oy Jokela City 1, Tuusula		57.0	100.0			
Kiinteistö Oy Keravan Toripaviljonki, Kerava		50.8	50.8			
Kiinteistö Oy Kuusankosken Kioski, Kuusankoski		58.9	58.9			
Kiinteistö Oy Porin Liisankatu 6, Pori		100.0	100.0			
Kiinteistö Oy Porin Promenadikeskus, Pori		73.2	73.2			
Kiinteistö Oy Salon Torikioski, Salo		55.6	55.6			
Kirjasoppi Oy, Vantaa			90.0			
Lehtijakelu Driva-Rack Oy, Vantaa			90.0			
Lehti-Maja Eesti AS, Estonia		100.0	100.0			
Lehti-Maja Oy, Vantaa		98.9	100.0			
Lehtipiste Oy Pressco, Vantaa		100.0	100.0			
O.Y. Lelutaide A.B., Helsinki		100.0	100.0			
P.M. Drockila Oy, Vantaa		100.0	100.0			
Pro Kirja Oy, Helsinki		50.0	50.0			
Suomalainen Kirjakauppa Oy, Helsinki		99.5	100.0			

	Participation of the Parent Company, %	Participation of the sub-group's parent company, %	Participation of the Group, %	Shares owned by the Parent Company		
				Number	Par value FIM 1 000	Book value FIM 1 000
Stailus OÜ, Estonia			100.0			
Veikkausrasti Oy, Helsinki		100.0	100.0			
VIP Enterprises Finland Oy, Helsinki		100.0	100.0			
Real estate and investment companies						
ECI Communications AG, Switzerland			100.0			
Helsingin Oikotie Oy, Helsinki	100.0		100.0	850	51	51
Kiinteistö Oy Myllymäenpolku, Helsinki	100.0		100.0	46 500	29 574	15 074
Kiinteistö Oy Porvoon Mannerheiminkatu 20, Porvoo			100.0			
Kiinteistö Oy Postikuja 2, Helsinki	100.0		100.0	4 200	24 972	24 972
Kiinteistö Oy Vantaan Valtatie 3, Helsinki	100.0		100.0	68 500	42 402	35 002
Kiinteistö Oy Vantaankosken Isotammi, Helsinki	100.0		100.0	47 000	4 700	4 700
Kiinteistö Oy Vantaankosken Kuningastie, Helsinki	100.0		100.0	30 000	3 000	3 000
Kiinteistöosakeyhtiö Erottajankatu 9–11, Helsinki	89.4		89.4	3 289	329	52 219
Kiinteistöosakeyhtiö Miekkakala, Helsinki	97.8		97.8	15 866	63 464	74 570
Kiinteistöosakeyhtiö Sanomalan Keskusalue, Helsinki	100.0		100.0	69 940	159 002	103 002
Kirjatuki Oy, Helsinki	100.0		100.0	414 000	12 420	14 734
Lastannet Holding B.V., Netherlands	100.0		100.0	140 000	NLG 140	80 401
Lastannet Oy, Hyvinkää	100.0		100.0	15	15	15
Monsaksenpolun Kiinteistö Oy, Helsinki	100.0		100.0	41 000	41 000	41 000
Sanoma Finance AG, Switzerland	100.0		100.0	1 090 000	CHF 109 000	417 156
Sanoma Inc., USA	100.0		100.0	100	USD 10	4 854
Sanoma WSOY AS, Norway	100.0		100.0	500	NOK 50	10 000
Sanomain Huoneisto ja Kiinteistöholding Oy, Helsinki	100.0		100.0	62 000	62 000	62 213
Tiikerijakelu Oy, Helsinki	100.0		100.0	100 000	5 946	5 950

2 328 767

*) Parent company of the sub-group

**) Group holding: Sanoma Corporation 22.94%, Werner Söderström Corporation 31.73%, and SanomaWSOY Corporation 0.4%.

ASSOCIATED COMPANIES

Helsinki Media Company Oy

Egmont Kustannus Oy Ab, Tampere	50.0	50.0
Hansaprint Oy, Turku	40.0	40.0
Oy Kirjalito Ab, Vantaa	50.0	50.0
Oy Pro Licensing Nordic Ab	50.0	50.0

Sanoma Corporation

Anjalankosken Painotalo Oy, Anjalankoski		48.2
Ecovision AB, Sweden		30.1
Hämeen Sanomat Oy		41.5
Ilkka-Yhtymä Oyj, Seinäjoki	35.0	20.5
Infosto Oy, Tampere	21.4	35.0
Janton Oyj, Helsinki		21.4
Lappeenrannan Kirjapaino Oy, Lappeenranta	3.0	40.0
Maakuntien Viestintä Oy, Jyväskylä	20.1	46.0
Netwheels Oy, Helsinki		20.1
Savon Mediat Oy, Jyväskylä	21.7	21.7
Suomen Nettirahastot Oy, Helsinki		19.0
Suomen Tietotoimisto Oy, Helsinki	20.8	22.1

SWelcom Oy

Maxisat Oy	40.6	46.2
Suomen Urheilutelevisio Oy	35.0	35.0
Vantaan Yhteisverkko Oy		24.0

	Participation of the Parent Company, %	Participation of the sub-group's parent company, %	Participation of the Group, %	Shares owned by the Parent Company		
				Number	Par value FIM 1 000	Book value FIM 1 000
Werner Söderström Corporation						
Asunto Oy Uudenmaankatu 13		26.7	26.7			
Everscreen Mediateam Oy		25.0	25.0			
Taskukirja Loiste Oy, Helsinki		25.0	25.0			
Young Digital Poland, Poland		29.0	29.0			
Rautakirja Oyj						
AB Districo International		25.0	25.0			
AS Lehepunkt, Estonia		50.0	50.0			
Asunto Oy Kuopion Suomuurain, Kuopio			26.0			
Asunto Oy Maaherrank. 26, Mikkeli		36.1	36.1			
Asunto Oy Oulunkylänt. 7, Helsinki		30.0	30.0			
Asunto Oy Tikkurilan Asematie 6, Vantaa		38.0	38.0			
Asunto Oy Veljeskulma, Virkkala		23.7	23.7			
Asunto Oy Vihdin Yhdystalo, Vihti		25.8	25.8			
Baltlab OÜ, Estonia			33.3			
JHC Arena Holding, Helsinki		30.0	30.0			
Jokerit HC Oyj, Helsinki		28.3	34.5			
Kiint. Oy Haminan Puistokatu 4, Hamina		22.0	22.0			
Kiint. Oy Haukiputaan Revontie 1, Haukipudas		48.2	48.2			
Kiint. Oy Hämeenkatu 12, Hyvinkää		46.0	46.0			
Kiint. Oy Joutsenon Torirakennus, Joutseno		28.4	28.4			
Kiint. Oy Kaukajärven Liiketalo, Tampere		22.9	28.2			
Kiint. Oy Kiuruveden Toritalo, Kiuruvesi		23.0	23.0			
Kiint. Oy Kuopion Tullinportink. 33, Kuopio		22.2	32.7			
Kiint. Oy Köpmansgatan 2 i Karis, Karjaa		14.8	39.0			
Kiint. Oy Loimaan Torikioski, Loimaa		38.6	38.6			
Kiint. Oy Mikkelin Torikioski, Mikkeli		36.6	36.6			
Kiint. Oy Nastolan Nappi, Nastola			29.5			
Kiint. Oy Nokian Liikekeskus, Nokia		34.4	34.4			
Kiint. Oy Palosaarentie 31, Vaasa		21.5	21.5			
Kiint. Oy Puistolän Pankkitalo, Helsinki		3.9	41.8			
Kiint. Oy Ristiniäri, Pieksämäki		33.4	33.4			
Kiint. Oy Ruukintori, Ruukki		23.7	23.7			
Kiint. Oy Sampotalo, Pori		48.0	48.0			
Kiint. Oy Taulumäen Toripaviljonki		47.6	47.6			
Kiint. Oy Vaasan Teollisuustalo, Vaasa			34.3			
Kiint. Oy Välikero, Rovaniemi			39.5			
Kirjavälitys Oy, Vantaa		17.4	20.1			
Koivulan Säästökuulma, Pori		20.5	20.5			
Kokkolan Linja-autoas.kiint. Oy, Kokkola		20.4	20.4			
Nakkilan Liikekeskus Oy, Nakkila		24.5	24.5			
Narvesen Baltija SIA, Latvia		35.1	35.1			
Valkeakosken Yhteistalo Oy, Valkeakoski		39.1	39.1			
SanomaWSOY Corporation and other companies						
A-pressen ASA, Norway			29.6			
Asunto Oy Laajavuorenuja 3, Vantaa	41.0		41.0	4 184	8 577	8 577
						8 577
*) Consolidated on a line-by-line basis in accordance with the size of the holding.						
OTHER SHARES OWNED BY THE PARENT COMPANY						
Shares in housing corporations						28 063
Other shares						8 920
						36 983

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
10) NON-CURRENT ASSETS				
Intangible assets				
Immaterial rights	46.0	146.1	7.7	24.6
Goodwill	56.9	93.4	9.6	15.7
Other long-term investments	229.9	135.1	38.7	22.7
Advance payments and work in progress	3.2	0.3	0.5	0.1
	335.9	374.8	56.5	63.0
Consolidated goodwill	488.4	303.0	82.1	51.0
Tangible assets				
Land and water	336.4	341.0	56.6	57.4
Buildings and structures	1 022.3	993.9	171.9	167.2
Machinery and equipment	889.8	839.4	149.7	141.2
Other tangible assets	14.5	13.2	2.4	2.2
Advance payments and work in progress	204.9	40.0	34.5	6.7
	2 467.8	2 227.6	415.1	374.7
Investments				
Interest in associated companies	903.9	834.7	152.0	140.4
Receivables from associated companies	14.3	13.7	2.4	2.3
Other shares and holdings	698.1	661.7	117.4	111.3
Other receivables	9.9	9.8	1.7	1.7
Advance payments and work in progress	1.1	1.1	0.2	0.2
	1 627.4	1 521.1	273.7	255.8
Total	4 919.5	4 426.5	827.4	744.5
11) INVENTORIES				
Materials and supplies	35.0	38.5	5.9	6.5
Work in progress	37.5	34.2	6.3	5.7
Finished products/goods	365.5	434.6	61.5	73.1
Other current assets	102.0	0.7	17.2	0.1
Advance payments	67.4	54.7	11.3	9.2
Total	607.5	562.7	102.2	94.6

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
12) RECEIVABLES, LONG-TERM				
Trade receivables	20.7	21.8	3.5	3.7
Prepaid expenses and accrued income *)	30.8	25.4	5.2	4.3
Other receivables	18.9	17.5	3.2	2.9
Deferred tax receivables	186.7	134.1	31.4	22.5
Total	257.1	198.8	43.2	33.4

13) RECEIVABLES, SHORT-TERM

Trade receivables	592.2	526.8	99.6	88.6
Prepaid expenses and accrued income *)	180.4	157.0	30.3	26.4
Loan receivables	19.7	5.9	3.3	1.0
Other receivables	90.4	62.1	15.2	10.4
Deferred tax receivables	6.4	17.3	1.1	2.9
Total	889.1	769.0	149.5	129.3

Receivables from associated companies

Trade receivables	7.7	7.2	1.3	1.2
Prepaid expenses and accrued income	0.1	0.2	0.0	0.0
Loan receivables	15.0	4.4	2.5	0.7
Total	22.9	11.9	3.8	2.0

*) Prepaid expenses and accrued income, short-term

Activated personnel expenses	22.9	31.6	3.8	5.3
Activated interest income	9.2	14.6	1.5	2.5
Activated income tax	16.3	6.5	2.7	1.1
Other prepaid expenses and accrued income	132.0	104.2	22.2	17.5
Total	180.4	157.0	30.3	26.4

Other prepaid expenses and accrued income include activated agency commissions, Rautakirja's estimate for returned magazines, and receivables related to sold bonds.

14) DIFFERENCE BETWEEN THE REACQUISITION COST AND THE BOOK VALUE OF PUBLICLY TRADED SECURITIES

Other shares under non-current assets

Reacquisition cost	611.9	446.1	102.9	75.0
Book value	479.1	378.9	80.6	63.7
Difference	132.8	67.2	22.3	11.3

Financial securities

Reacquisition cost	2 046.5	2 514.1	344.2	422.8
Book value	1 595.5	1 673.7	268.3	281.5
Difference	451.0	840.4	75.9	141.3

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
15) SHAREHOLDERS' EQUITY				
Share capital at Jan. 1	363.8	363.8	61.2	61.2
Share issue	8.2	0.0	1.4	0.0
Share capital	372.0	363.8	62.6	61.2
Premium fund at Jan. 1	95.7	0.0	16.1	0.0
Selling price of company shares	0.0	109.5	0.0	18.4
Purchase premium on shares sold	0.0	-13.8	0.0	-2.3
Share premium account	95.7	95.7	16.1	16.1
Contingency fund at Jan. 1	6.7	4.1	1.1	0.7
Transfer of profits	-6.7	2.6	-1.1	0.4
Contingency fund	0.0	6.7	0.0	1.1
Other funds at Jan. 1	2 167.4	2 241.7	364.5	377.0
Change	-2.8	-74.3	-0.5	-12.5
Other funds	2 164.6	2 167.4	364.1	364.5
Profit (loss) brought forward at Jan. 1	2 040.5	1 716.4	343.2	288.7
Dividend distribution	-371.8	-231.7	-62.5	-39.0
Change in translation difference	24.8	26.9	4.2	4.5
Purchase premium on shares sold	0.0	13.8	0.0	2.3
Donations	-1.7	-1.0	-0.3	-0.2
HTV subscription fees	5.7	4.6	1.0	0.8
Transfer from restricted equity	1.3	71.7	0.2	12.1
Other changes	-0.1	-0.3	0.0	-0.1
Profit (loss) brought forward at Dec. 31	1 698.7	1 600.3	285.7	269.1
Profit (loss) for the year	560.0	440.2	94.2	74.0
Total shareholders' equity	4 891.1	4 674.1	822.6	786.1
Distributable assets at Dec. 31				
Other distributable funds	2 115.3	2 128.1	355.8	357.9
Profit brought forward	1 698.7	1 600.3	285.7	269.1
Profit for the year	560.0	440.2	94.2	74.0
Depreciation difference booked in equity	-498.0	-547.7	-83.7	-92.1
Interest or other reimbursement payable on equity loan	-9.5	-14.0	-1.6	-2.4
Assets distributable from equity	3 866.5	3 606.9	650.3	606.6

Composition of the Parent Company's share capital by share class:

NUMBER OF SHARES

Series A shares (20 votes / share)	23 220 492
Series B shares (1 vote / share)	122 301 104

NOMINAL VALUES

	FIM	€
Series A shares (20 votes / share)	59 366 993.64	9 984 811.56
Series B shares (1 vote / share)	312 682 817.52	52 589 474.72

Tiikerijakelu Oy holds 7,178,276 Series B shares in the Parent Company, representing a nominal value of FIM 18,352,439.11. The Group's acquisition cost associated with these shares totalled FIM 63,215,619.83.

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
16) STATUTORY PROVISIONS				
Pension liability reserve	13.9	9.8	2.3	1.7
Total	13.9	9.8	2.3	1.7
17) DEFERRED TAX LIABILITIES/RECEIVABLES				
DEFERRED TAX RECEIVABLES				
From activation differences	178.2	133.9	30.0	22.5
From consolidation measures	14.9	17.5	2.5	2.9
Total	193.1	151.4	32.5	25.5
DEFERRED TAX LIABILITIES				
From activation differences	5.5	0.0	0.9	0.0
From provisions	214.9	242.2	36.2	40.7
From consolidation measures	3.1	4.5	0.5	0.8
Total	223.6	246.7	37.6	41.5
DEFERRED TAXES IN CONSOLIDATED BALANCE SHEET				
Receivables, long-term	186.7	134.1	31.4	22.5
Receivables, short-term	6.4	17.3	1.1	2.9
Liabilities, long-term	223.6	246.7	37.6	41.5
Total deferred tax liabilities (-) / receivables (+)	-30.6	-95.3	-5.1	-16.0

The estimated income tax on the value appreciation of land and buildings totals FIM 29.4 million.

18) LONG-TERM LIABILITIES

Loans from financial institutions	124.6	90.0	21.0	15.1
Pension loans	377.2	437.5	63.4	73.6
Other debts	8.7	28.3	1.5	4.8
Total	510.5	555.8	85.9	93.5

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
19) CURRENT LIABILITIES				
Loans from financial institutions	12.9	12.9	2.2	2.2
Pension loans	38.7	36.2	6.5	6.1
Trade bills	377.7	0.0	63.5	0.0
Trade payables	520.6	485.0	87.6	81.6
Accrued expenses and prepaid income *)	817.1	724.4	137.4	121.8
Advances received	302.2	283.3	50.8	47.6
Other debts	135.0	128.6	22.7	21.6
Total	2 204.4	1 670.4	370.7	280.9

Owing to associated companies

Trade payables	11.9	16.2	2.0	2.7
Accrued expenses and prepaid income	0.8	0.8	0.1	0.1
Advances received	1.0	0.0	0.2	0.0
Other debts	1.8	2.0	0.3	0.3
Total	15.5	19.0	2.6	3.2

*) Accrued expenses and deferred income

Activated personnel expenses	398.5	349.0	67.0	58.7
Activated interest expenses	5.3	6.5	0.9	1.1
Activated income tax	88.8	47.7	14.9	8.0
Other accrued expenses and deferred income	324.5	321.2	54.6	54.0
Total	817.1	724.4	137.4	121.8

Other accrued expenses and deferred income include activated royalties and Rautakirja Group's income on magazine sales from its consignment stock.

Debts maturing in five years or later

Loans from financial institutions	18.2	22.0	3.1	3.7
Pension loans	79.0	110.5	13.3	18.6
Other debts	3.9	55.1	0.7	9.3
Total	101.0	187.7	17.0	31.6

20) CONTINGENCIES AND PLEDGED ASSETS

Debts with collateral consisting of property and shares

Pension loans	150.2	191.2	25.3	32.2
Loans from financial institutions	46.9	54.7	7.9	9.2
Other loans	89.7	109.5	15.1	18.4
Mortgages, real property, total	130.2	123.5	21.9	20.8
Mortgages, movable property, total	19.0	29.1	3.2	4.9
Pledged securities, total	322.8	322.8	54.3	54.3

Other assets pledged for own debt

Mortgaged bearer bonds	5.5	28.7	0.9	4.8
Industrial mortgages	29.4	18.3	4.9	3.1
Book value of pledged securities	115.7	78.0	19.5	13.1
Deposits	1.1	0.2	0.2	0.0
Guarantees	15.1	14.6	2.5	2.5
Total	166.8	139.8	28.1	23.5

Assets pledged as security for derivative instruments included LEX share lendings with a total book value of FIM 16.5 million. Of this total, UPM-Kymmene Corporation shares (345,000 shares) accounted for a book value of FIM 12.9 million and Nokia Corporation shares (35,200 shares) for FIM 3.6 million.

	31.12.2000 FIM million	31.12.1999 FIM million	31.12.2000 € million	31.12.1999 € million
Assets pledged for associated companies				
Guarantees	6.1	6.2	1.0	1.0
Assets pledged for others				
Guarantees	4.7	5.0	0.8	0.8
Other contingencies				
Leasing liabilities				
Leasing liabilities for 2001	13.5	6.5	2.3	1.1
Leasing liabilities beyond 2001	14.3	9.8	2.4	1.6
Total	27.8	16.3	4.7	2.7
Interest on equity loans	9.5	14.0	1.6	2.4
Pension liabilities				
Current pensions	3.7	0.5	0.6	0.1
Total	3.7	0.5	0.6	0.1
Repurchase liabilities	19.6	19.6	3.3	3.3
Other liabilities	78.7	114.5	13.2	19.3
Other contingencies, total	139.3	165.0	23.4	27.7
All liabilities, total	788.9	791.4	132.7	133.1

PAR VALUE AND CURRENT VALUE OF THE GROUP'S OPEN DERIVATIVE CONTRACTS

FIM million	Nominal value 31.12.2000 FIM million	Nominal value 31.12.1999 FIM million	Market value 31.12.2000 FIM million	Market value 31.12.1999 FIM million
Currency derivatives				
Forward contracts	282.4	136.9	23.3	-0.9
Total	282.4	136.9	23.3	-0.9
Share derivatives				
Forward contracts	131.4	267.8	-4.7	-18.1
Option contracts				
Put	0.0	18.9	0.0	-4.0
Total	131.5	286.7	-4.7	-22.0
Total	413.9	423.6	18.6	-22.9
€ million				
Currency derivatives				
Forward contracts	47.5	23.0	3.9	-0.1
Total	47.5	23.0	3.9	-0.1
Share derivatives				
Forward contracts	22.1	45.0	-0.8	-3.0
Option contracts				
Put	0.0	3.2	0.0	-0.7
Total	22.1	48.2	-0.8	-3.7
Total	69.6	71.2	3.1	-3.9

Derivative contracts are mainly used for regulating the risk profile of the investment portfolio.

SanomaWSOY Corporation

Income statement

	1.1–31.12.2000 FIM million	1.5–31.12.1999 FIM million
NET SALES	0.0	0.0
Other operational income 1)	31.8	20.9
Personnel expenses 2)	33.1	18.5
Depreciation 3)	5.0	2.8
Other operational expenses 4)	63.1	41.0
OPERATING PROFIT (LOSS)	-69.4	-41.5
Financial income and expenses 5)	246.7	785.6
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	177.3	744.0
Extraordinary items 6)	100.1	0.0
PROFIT (LOSS) AFTER EXTRAORDINARY ITEMS	277.4	744.0
Provisions	-0.8	0.0
Direct taxes	-50.8	-10.4
PROFIT (LOSS) FOR THE YEAR	225.9	733.7

SanomaWSOY Corporation

Balance sheet

	1.1–31.12.2000 FIM million	1.5–31.12.1999 FIM million
ASSETS		
NON-CURRENT ASSETS 7)		
Intangible assets	15.1	8.2
Tangible assets	92.3	91.4
Investments	4 148.4	4 016.5
NON-CURRENT ASSETS, TOTAL	4 255.9	4 116.1
CURRENT ASSETS		
Receivables, short-term 8)	345.3	112.3
Financial securities 9)	509.4	654.1
Cash and bank	36.9	17.7
CURRENT ASSETS, TOTAL	891.6	784.1
ASSETS, TOTAL	5 147.5	4 900.3
LIABILITIES		
SHAREHOLDERS' EQUITY 10)		
Share capital	372.0	363.8
Other funds	2 114.6	2 122.9
Retained earnings	1 392.1	1 051.0
Profit (loss) for the year	225.9	733.7
SHAREHOLDERS' EQUITY, TOTAL	4 104.6	4 271.3
ACCUMULATED PROVISIONS 11)	7.5	6.7
STATUTORY PROVISIONS	0.0	0.0
LIABILITIES		
Current liabilities 13)	1 035.5	622.3
LIABILITIES, TOTAL	5 147.5	4 900.3

SanomaWSOY Corporation

Cash flow statement and notes

	1.1–31.12.2000 FIM million	1.5–31.12.1999 FIM million
OPERATIONS		
Operating profit (loss)	-69.4	-41.5
Adjustments to operating profit 1)	-2.2	1.3
Change in working capital 2)	16.9	-12.0
Cash flow from operations before financial items and taxes	-54.7	-52.2
Interest received from operations	77.9	26.4
Interest paid on operations	-28.0	-9.8
Dividend received from operations	37.5	711.1
Other financial items	166.7	57.9
Tax paid on operations	-26.4	6.9
CASH FLOW FROM OPERATIONS	173.0	740.2
INVESTMENTS		
Acquisition of tangible and intangible assets	-11.1	-2.5
Group companies acquired	-32.9	-25.0
Other holdings acquired	-0.1	0.0
Sales of tangible and intangible assets	1.3	2.8
Group companies sold	5.3	0.0
Associated companies sold	7.4	0.3
Sales of other companies	4.2	4.0
Increase (-)/decrease (+) in current loan receivables	-56.6	-62.5
Investments in other assets	-384.5	-281.2
Sales of other investments	261.0	289.1
Dividend received from investments	0.0	0.5
Value added tax on structural arrangements	0.0	-75.0
CASH FLOW FROM INVESTMENTS	-206.1	-149.5
CASH FLOW BEFORE FINANCING	-33.1	590.7
FINANCING		
Drawings on short-term loans	377.7	377.4
Repayments of short-term loans	-77.6	-706.6
Dividends paid	-390.6	0.0
Donations	-1.5	0.0
FINANCING TOTAL	-92.0	-329.2
Change in liquidities according to the cash flow statement	-125.1	261.5
Exchange rate differences under liquidities	-0.4	-19.1
Net increase (+)/decrease (-) in liquidities	-125.5	242.4
Liquidities according to the balance sheet at Jan. 1	671.8	429.4
Liquidities according to the balance sheet at Dec. 31	546.3	671.8

NOTES TO THE CASH FLOW STATEMENT	1.1. - 31.12.2000 FIM million	1.5. - 31.12.1999 FIM million
1) Adjustments to operating profit		
Depreciation	5.0	2.8
Profit(-) and loss(+) on sales of non-current assets	-7.2	-1.5
	-2.2	1.3
2) Change in working capital		
Increase (-)/decrease (+) in interest-free short-term receivables	-5.2	-5.9
Increase (+)/decrease (-) in interest-free short-term debts	22.1	-6.1
	16.9	-12.0

SanomaWSOY Corporation

Notes to the income statement

	1.1–31.12.2000 FIM million	1.5–31.12.1999 FIM million
1) OTHER OPERATIONAL INCOME		
Rental income	12.3	5.6
Rental income, internal	11.4	13.2
Profit on sales of assets	1.4	0.0
Profit on sales of machinery & equipment	0.3	0.0
Other operational income	6.5	2.0
Total	31.8	20.9
2) PERSONNEL EXPENSES		
Wages, salaries & fees	26.3	14.2
Bonuses	0.0	0.3
Pension expenses	5.2	2.8
Other social expenses	1.6	1.2
Total	33.1	18.5
REMUNERATION TO MANAGEMENT		
President, Deputy and Board members		
Palkat ja palkkiot yhteensä	4.6	2.8
PERSONNEL, AVERAGE *)	77	63
*) stated as average number of full-time salaried personnel.		
3) DEPRECIATION		
Depreciation according to plan	5.0	2.8
Total	5.0	2.8
4) OTHER OPERATIONAL EXPENSES		
Rents	27.6	16.2
Voluntary social expenses	1.5	1.6
Advertising and marketing	4.0	2.5
Office and IT expenses	6.4	3.8
Travel expenses	2.0	1.1
Other expenses	21.6	15.7
Total	63.1	41.0
5) FINANCIAL INCOME AND EXPENSES		
Dividend income (incl. avoiv fiscal)		
From subsidiaries	10.5	711.1
From other companies	39.9	0.7
Total	50.4	711.7
Interest income, long-term:		
From subsidiaries	47.4	28.3
Total	47.4	28.3
Other interest and financial income		
From subsidiaries	6.7	3.1
From other companies	178.2	47.4
Exchange rate gains	4.8	7.8
Total	189.7	58.3
Value decreases		
Papers under current assets	0.4	2.1
Total	0.4	2.1
Interest and other financial expenses		
To subsidiaries	22.9	10.1
To other companies	7.1	0.4
Exchange rate losses	10.3	0.2
Total	40.3	10.7
Total	246.7	785.6
6) EXTRAORDINARY ITEMS		
Extraordinary income		
Group contributions received	174.0	0.0
Extraordinary expenses		
Group contributions given	33.0	0.0
Income tax on extraordinary items	40.9	0.0
Total	100.1	0.0

SanomaWSOY Corporation

Notes to the balance sheet

	Acquisition cost at Jan. 1, 2000 a)	Transfers between balance sheet items	Increases	Decreases b)
7) NON-CURRENT ASSETS, FIM million				
Intangible assets				
Immaterial rights	0.4	0.0	1.1	0.0
Other long-term investments	22.5	-0.6	6.1	-0.4
Advance payments and work in progress	0.0	0.6	2.6	-0.6
	23.0	0.0	9.8	-1.0
Tangible assets				
Land and water	41.3	0.0	0.0	0.0
Revaluations	28.4	0.0	0.0	0.0
Total land and water	69.7	0.0	0.0	0.0
Buildings and structures	14.1	0.0	0.0	0.0
Machinery and equipment	57.8	0.0	3.6	-1.9
Advance payments and work in progress	0.0	0.0	0.5	0.0
	141.6	0.0	4.1	-1.9
Investments				
Interest in group companies	2 284.7	0.0	32.9	-3.9
Receivables from group companies	1 648.1	0.0	383.4	-260.9
Interest in associated companies *)	27.8	0.0	0.0	-4.2
Receivables from associated companies	0.7	0.0	0.0	0.0
Other shares and holdings	38.6	0.0	0.1	-1.7
Other receivables	9.9	0.0	1.1	-0.1
	4 009.8	0.0	417.5	-270.9
TOTAL NON-CURRENT ASSETS	4 174.4	0.0	431.4	-273.7

a) Acquisition costs include fixed assets entailing costs that have not been fully booked as planned depreciation and/or with a financial lifetime with time still left to run.

b) Includes the acquisition costs of fixed assets that were eliminated, sold, or scrapped by the end of the year.

	31.12.2000 FIM million	31.12.1999 FIM million
7) NON-CURRENT ASSETS		
Intangible assets		
Immaterial rights	1.3	0.3
Other long-term investments	11.3	7.9
Advance payments and work in progress	2.6	0.0
	15.1	8.2
Tangible assets		
Land and water	69.7	69.7
Buildings and structures	7.8	8.2
Machinery and equipment	14.5	13.5
Advance payments and work in progress	0.5	0.0
	92.3	91.4
Investments		
Interest in Group companies	2 313.7	2 284.7
Receivables from Group companies	1 762.5	1 654.7
Interest in associated companies	23.7	27.8
Receivables from associated companies	0.7	0.7
Other shares and holdings	37.0	38.6
Other receivables	10.9	9.9
	4 148.4	4 016.5
Total	4 255.9	4 116.1

Acquisition cost at Dec. 31, 2000	Differences in rates	Accumulated depreciation and value decreases at Jan. 1, 2000	Accumulated depreciation and value decreases of decreases and transfers	Planned depreciation for the period	Book value at Dec. 31, 2000
1.5	0.0	-0.1	0.0	-0.1	1.3
27.7	0.0	-14.6	0.4	-2.2	11.3
2.6	0.0	0.0	0.0	0.0	2.6
31.7	0.0	-14.7	0.4	-2.3	15.1
41.3	0.0	0.0	0.0	0.0	41.3
28.4	0.0	0.0	0.0	0.0	28.4
69.7	0.0	0.0	0.0	0.0	69.7
14.1	0.0	-5.9	0.0	-0.5	7.8
59.5	0.0	-44.3	1.4	-2.2	14.5
0.5	0.0	0.0	0.0	0.0	0.5
143.8	0.0	-50.2	1.4	-2.7	92.3
2 313.7	0.0	0.0	0.0	0.0	2 313.7
1 770.6	-8.1	0.0	0.0	0.0	1 762.5
23.7	0.0	0.0	0.0	0.0	23.7
0.7	0.0	0.0	0.0	0.0	0.7
37.0	0.0	0.0	0.0	0.0	37.0
10.9	0.0	0.0	0.0	0.0	10.9
4 156.5	-8.1	0.0	0.0	0.0	4 148.4
4 332.0	-8.1	-64.9	1.8	-5.0	4 255.9

31.12.2000
FIM million

31.12.1999
FIM million

8) RECEIVABLES, SHORT-TERM

Trade receivables	0.7	2.4
Prepaid expenses and accrued income *)	276.3	38.1
Loan receivables	53.7	63.8
Other receivables	14.6	8.0
Total	345.3	112.3

Receivables from group companies

Trade receivables	0.6	2.3
Prepaid expenses and accrued income	264.5	22.8
Loan receivables	53.7	63.7
Total	318.8	88.8

*) Prepaid expenses and accrued income, short-term

Activated interest income	8.1	13.0
Activated interest income, consolidated	9.4	8.6
Other prepaid expenses and accrued income	258.8	16.4
Total	276.3	38.1

9) DIFFERENCE BETWEEN THE REACQUISITION COST AND THE BOOK VALUE OF PUBLICLY TRADED SECURITIES

Financial securities

Reacquisition cost	763.4	1 074.3
Book value	509.4	654.1
Difference	254.0	420.1

31.12.2000
FIM million

31.12.1999
FIM million

10) SHAREHOLDERS' EQUITY

Share capital at Jan. 1 /May 1	363.8	363.8
Share issue	8.2	0.0
Share capital	372.0	363.8
Other funds at Jan. 1 /May 1	2 122.9	2 122.9
Change	-8.2	0.0
Other funds	2 114.6	2 122.9
Profit (loss) brought forward at Jan. 1 /May 1	1 784.7	1 051.3
Dividend distribution	-391.1	0.0
Donations	-1.5	0.0
Other changes	0.0	-0.3
Profit (loss) brought forward at Dec. 31	1 392.1	1 051.0
Profit (loss) for the year	225.9	733.7
Total shareholders' equity	4 104.6	4 271.3
Distributable assets at Dec. 31		
Other distributable funds	2 114.6	2 122.9
Profit brought forward	1 392.1	1 051.0
Profit for the year	225.9	733.7
Assets distributable from equity	3 732.5	3 907.5

11) ACCUMULATED PROVISIONS

Accumulated provisions consist of cumulative depreciation differences.

12) DEFERRED TAX LIABILITIES/RECEIVABLES

Deferred tax liabilities and accrued tax receivables of the Parent Company are not recorded in the balance sheet. Accrued tax receivables consisting of activation differences total FIM 844,000. Deferred tax liabilities corresponding to provisions total FIM 2,174,000. Anticipated income tax relating to the value appreciation of land is FIM 8,229,000.

13) CURRENT LIABILITIES

Trade bills	377.7	0.0
Trade payables	17.1	5.0
Accrued expenses and prepaid income *)	117.7	17.4
Advances received	0.0	0.2
Other debts	523.0	599.8
Total	1 035.5	622.3

Owing to group companies

Trade payables	2.9	2.7
Accrued expenses and prepaid income	34.8	1.5
Other debts	520.9	598.0
Total	558.6	602.1

*) Accrued expenses and deferred income

Activated personnel expenses	6.3	5.0
Activated interest expenses	1.1	0.0
Activated interest expenses, consolidated	1.8	1.4
Activated income tax	62.8	10.2
Other accrued expenses and deferred income	45.8	0.8
Total	117.7	17.4

SanomaWSOY Corporation

Other notes

	31.12.2000 FIM million	31.12.1999 FIM million
14) CONTINGENCIES AND PLEDGED ASSETS		
Other assets pledged for own debt		
Book value of pledged securities	26.1	20.1
Total	26.1	20.1
Assets pledged for others		
Guarantees	2.2	2.0
Other contingencies		
Other liabilities	0.3	7.4
Other contingencies, total	0.3	7.4
All liabilities, total	28.7	29.6

PAR VALUE AND CURRENT VALUE OF OPEN DERIVATIVE CONTRACTS	Nominal value 31.12.2000 FIM million	Nominal value 31.12.1999 FIM million	Market value 31.12.2000 FIM million	Market value 31.12.1999 FIM million
	Currency derivatives			
Forward contracts	39.6	13.0	2.9	-0.4
Total	39.6	13.0	2.9	-0.4
Share derivatives				
Forward contracts	104.7	187.4	-5.0	-5.4
Total	104.7	187.4	-5.0	-5.4
Total	144.3	200.4	-2.1	-5.8

Derivatives contracts are mainly used for regulating the risk profile of the investment portfolio.

Shares and shareholders

SanomaWSOY Corporation

	2000		1999	
	€	FIM	€	FIM
Earnings/share *	0.67	4.00	0.53	3.17
Cash flow/share *	1.24	7.38	0.89	5.32
Equity/share *	5.95	35.36	5.68	33.79
Dividend/share (Board proposal) *	0.47	2.79	0.45	2.69
Dividend/result, %	69.87 %		84.80 %	
Effective dividend yield, %, Series A	3.09 %		3.50 %	
Effective dividend yield, %, Series B	3.36 %		3.55 %	
P/E ratio, Series A	22.60		24.20	
P/E ratio, Series B	20.81		23.92	

* To aid comparison, the 1999 figures have been converted to take account of the four-for-one split that took place on May 10, 2000.

Share capital and share series

Share capital as of December 31, 2000	€	FIM
Series A	9 984 812	59 366 994
Series B	52 589 475	312 682 818
Total	62 574 286	372 049 811

Under SanomaWSOY's Articles of Association, the Company's minimum share capital is set at Euro 50.000.000 and its maximum at Euro 200.000.000. Within these limits, the share capital can be increased or reduced without amending the Article of Association.

The Company's shares are divided into two series, Series A (20 votes) and Series B (1 vote). All shares entitle holders to the same dividend.

Share listing and share codes

SanomaWSOY's shares are quoted on the Main List of the Helsinki Exchanges, and are identified in the latter's trading system as SWSAV and SWSBV. The following codes are also used:

	Series A	Series B
Bloomberg	SWSAV FH	SWSBV FH
Reuters	SWSAV.HE	SWSBV.HE
Startel	SWSAV	SWSBV
Bridge	FI;SWS.A	FI;SWS.B

The Company's shares are included in the book-entry system operated by the Finnish Central Securities Depository. As of the end of 2000, the Company had 6,267 shareholders.

Shareholder agreement

The main shareholders of the companies involved in the merger (Oy Devarda Ab, Helsinki Media Company Oy, Sanoma Corporation, and Werner Söderström Corporation - WSOY) signed a shareholder agreement giving them the right of first refusal on SanomaWSOY Series A shares offered for sale to third parties by other signatories to the agreement. The shareholder agreement is in force for five years from May 14, 1998.

The signatories to the agreement are the Alfred Kordelin Fund, the Alfred Kordelin Society, the Kalevala Society, the

Finnish Literature Society, the Finnish Cultural Foundation, the Werner Söderström Literature Foundation, Aatos Erkko, Jane Erkko, Patricia Seppälä, Rafaela Seppälä, Robin Langenskiöld, Oy Asipex Ab, and Lastannet Holding B.V. The following became parties to the agreement subsequently: Tiikerijakelu Oy (replacing Lastannet Holding B.V. on April 29, 1999), and Patricia Seppälä's grandchildren, Christoffer Langenskiöld, Sebastian Langenskiöld, Pamela Langenskiöld, Lorna Noyer, and Alex Noyer (as the result of a bequest made by Patricia Seppälä on April 16, 1999). The Board of Directors is unaware of any other agreements associated with ownership of Company shares or use of voting rights.

Share conversion

Under the terms of the Company's Articles of Association, Series A shares can be converted into Series B shares. The signatories to the shareholder agreement agreed at the time of the merger to reduce the voting rights of the traditional owners of Sanoma Corporation. In accordance with this, Oy Asipex Ab (owned by Aatos Erkko), Rafaela Seppälä, and Robin Langenskiöld converted a number of Series A shares into Series B shares in spring 2000 as follows: Oy Asipex Ab, 150,701 shares; Robin Langenskiöld, 23,035 shares; and Rafaela Seppälä, 23,036 shares.

Following the conversion, the total number of Series A shares stood at 5,805,123 and the total number of Series B shares at 30,575,276 shares. The transaction was registered on April 4, 2000.

In March 2000, Patricia Seppälä donated 63,437 Series A shares and 4 Series B shares to a foundation that she established but which she does not control.

Share split

SanomaWSOY's Annual General Meeting held on April 18, 2000 decided on a four-for-one share split, which came into force on May 10, quadrupling the number of Company shares. The number of shares increased, as a result, from 36,380,399 to 145,521,596, and the nominal value of each share dropped from FIM 10 to FIM 2.50. Following the split and the share conversion detailed above, the number of SanomaWSOY Series A shares totals 23,220,492, and the number of Series B shares 122,301,104.

In connection with the split, the AGM decided to denominate the Company's share capital in Euros, end the use of nominal values for shares, and increase the Company's share capital through a EUR 1,386,847.56 bonus issue to EUR 62,574,286.28. A sum equivalent to the latter increase was transferred to the Company's share capital from the premium fund. No new shares were issued. Following the above changes, the book counter-value of the Company's share is EUR 0.43.

The share split, the end of the use of a nominal value for shares, and the bonus issues were registered with the Trade Register on May 9, 2000.

Number of shares	Series A	Series B	Total
Number as of Jan. 1	6 001 895	30 378 504	36 380 399
Number as of Dec. 31	23 220 492	122 301 104	145 521 596
Average issue-adjusted number of shares	23 220 492	122 301 104	145 521 596
Average issue-adjusted number of shares on the market	23 220 492	115 113 828	138 334 320

Share price and trading

The figures for 2000 take account of the four-for-one split effected on May 10, 2000. Share totals prior to the split have been multiplied by four, and share prices divided by four. To simplify comparison, the figures for 1999 have been converted similarly.

A total of 263,549 (413,056) Series A shares and 6,209,129 (6,439,504) Series B shares were traded in 2000. Trading in Series A shares accounted for 1.13% (1.7%) of the total number of shares in the series, and that in Series B shares for 5.3% of Series B shares. The split-adjusted average price for Series A shares was Euro 17.95 and that for Series B shares, Euro 16.46.

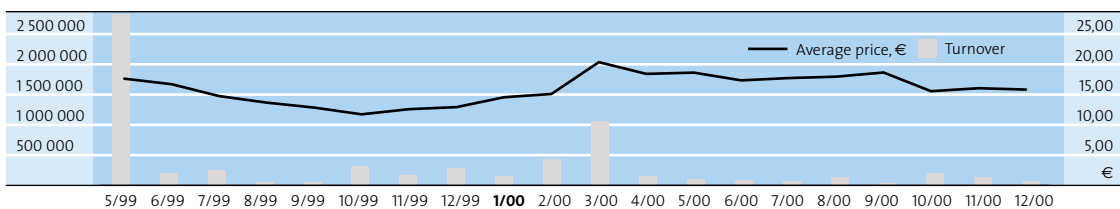
The split-adjusted annual high for Series A shares was Euro 24.37, and the annual low, Euro 13.00. The split-adjusted annual high for Series B shares was Euro 23.75, and the annual low, Euro 12.28. Series A shares were quoted at Euro 15.20, and Series B shares at Euro 14.00, as of December 31, 2000.

Share trading	Series A	Series B
Split-adjusted turnover in 2000	263 549	6 209 129
% of share capital	1.13 %	5.08 %
Split-adjusted turnover in 1999	413 056	6 439 504
% of share capital	1.7 %	5.3 %
Actual turnover in 1999	103 264	1 609 876
% of share capital	1.7 %	5.3 %

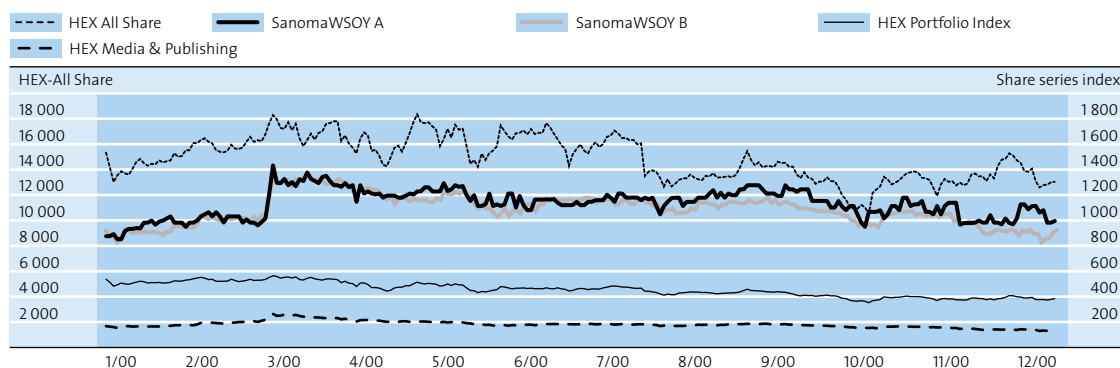
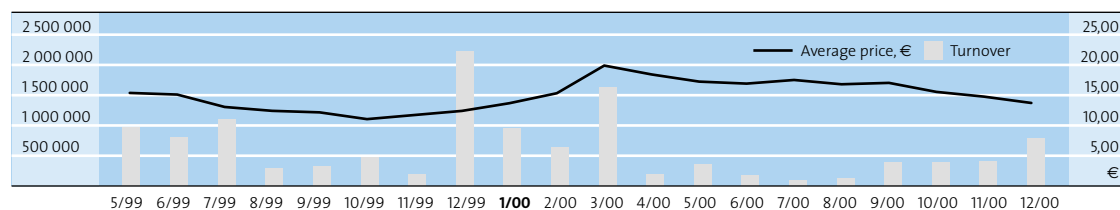
Share price	2000		1999		Series B	2000		1999	
	€	FIM	€	FIM		€	FIM	€	FIM
Series A									
Annual low	13.00	77.29	11.25	66.89	12.28	73.03	10.50	62.43	
Annual high	24.37	144.91	18.50	110.00	23.75	141.21	17.25	102.57	
Average for the year	17.95	106.74	16.32	97.02	16.46	97.86	13.15	78.19	
As of the end of the year	15.20	90.38	12.90	76.70	14.00	83.24	12.75	75.81	

Share price development and stock indices

Series A



Series B



Share value as of Dec. 31 (FIM)	Series A	Series B	Total
Market value of all shares	2 098 554 194	10 180 370 803	12 278 924 997
Market value of shares on the market	2 098 554 194	9 582 100 368	11 680 654 562
Book counter-value	2.56	2.56	
Taxable value	62.43	56.19	

Share value as of Dec. 31 (€)	Series A	Series B	Total
Market value of all shares	352 951 478	1 712 215 456	2 065 166 934
Market value of shares on the market	352 951 478	1 611 593 592	1 964 545 070
Book counter-value	0.43		0.43
Taxable value	10.50		9.45

Company holdings of SanomaWSOY shares and shares owned by management

The Group owned 7,187,276 Series B shares through Tiikerijakelu Oy, equivalent to 4.94% of shares and 1.23% of voting rights, as of December 31, 2000. The total number of Series A and B shares on the market stood at 138,334,320.

SanomaWSOY's market capitalisation as of the end of the year, excluding Company shares held by the Group, totalled Euro 1,964.5 million (1,767.4 million) or FIM 11,680.7 million (10,508.2 million).

The combined holding of Company shares held by the Board of Directors, the President & CEO, and by bodies that they controlled as understood under the terms of Sub-Section 5 of Section 1 of the Finnish Securities Act as of December 31, totalled 50.02% (50.08%) of the share total and 44.80% (46.36%) of votes.

Board authorisations

As of the end of the year, SanomaWSOY's Board of Directors was not authorised to acquire or convey Company shares, arrange share issues, or issue convertible bonds or bonds with warrants.

Insider trading restrictions

A SanomaWSOY insider is not allowed to commission sales, purchases, or other transactions involving SanomaWSOY securities*) if he or she has access to insider information. Insiders are not allowed to trade in SanomaWSOY securities for 14 days before the publication of an interim report or the Group's year-end statement.

SanomaWSOY recommends that insiders commission sales, purchases, or other transactions involving SanomaWSOY securities only within a two-week period after publication of the Company's statutory financial information (year-end statement and interim reports). SanomaWSOY also recommends that insiders do not buy or sell the same SanomaWSOY securities within a period of six months. A list of SanomaWSOY insiders, updated monthly, can be found at www.sanomawsoy.fi.

Dividend policy

SanomaWSOY pursues an active dividend policy, based on the principle of distributing at least one-third of the Group's annual profit in the form of a dividend.

The dividend payable between 1999 and 2001 is linked to the shareholder agreement made at the time of the merger, under which dividends will be at least FIM 5.25 per share (FIM 1.31 after the split), which corresponds to the dividend level offered by WSOY in 1997, increased by 10% annually. In addition, an average of FIM 5 per share (FIM 1.25 after the split) will be added to this during the years concerned.

*) SanomaWSOY securities refer to Company shares and securities entitling holders to Company shares under the Companies Act (debentures, warrants, bonds with warrants, and subscriptions rights), or standardised options and forward contracts as defined under legislation on such instruments, or comparable derivative contracts, other derivatives employing the aforementioned security as their underlying instrument, and depository receipts associated with the aforementioned security.

Principal shareholders

SanomaWSOY Corporation

SHAREHOLDER	Number of shares		Total	%	votes	%
	Series A	Series B				
1 Erkko, Aatos	6 480 816	36 354 720	42 835 536	29.44	165 971 040	28.29
Erkko, Aatos	5 125 832	26 041 660	31 167 492	21.42	128 558 300	21.91
Oy Asipex Ab	1 354 984	10 313 060	11 668 044	8.02	37 412 740	6.38
2 Seppälä, Patricia*)	2 317 876	10 378 524	12 696 400	8.72	56 736 044	9.67
3 Langenskiöld, Robin	1 119 604	6 577 712	7 697 316	5.29	28 969 792	4.94
4 Seppälä, Rafaela	1 119 600	6 577 716	7 697 316	5.29	28 969 716	4.94
5 Tiikerijakelu Oy (SanomaWSOY subsidiary)		7 187 276	7 187 276	4.94	7 187 276	1.23
6 Alfred Kordelinin yleinen edistys- ja sivistysrahasto	1 801 332	3 214 084	5 015 416	3.45	39 240 724	6.69
7 Helsingin Sanoma Centennial Fund	915 932	4 086 796	5 002 728	3.44	22 405 436	3.82
8 Ilmarinen Mutual Pension Insurance Company	720 544	3 941 042	4 661 586	3.20	18 351 922	3.13
9 Pohjola Group	326 100	3 761 976	4 088 076	2.82	10 283 976	1.76
Pohjola Non-Life Insurance Company Ltd.	326 100	1 486 896	1 812 996	1.25	8 008 896	1.37
Pohjola Group Insurance Corporation		1 275 080	1 275 080	0.88	1 275 080	0.22
Pohjola Life Assurance Company Ltd.		1 000 000	1 000 000	0.69	1 000 000	0.17
10 Sampo-Leonia Group	435 976	2 875 576	3 311 552	2.27	11 595 096	1.98
Sampo Life Assurance Company Limited	310 664	1 600 000	1 910 664	1.31	7 813 280	1.33
Sampo Enterprise Insurance Company Limited	125 312	566 416	691 728	0.48	3 072 656	0.52
Industrial Insurance Company Ltd.		393 760	393 760	0.27	393 760	0.07
Sampo-Leonia Corporation		224 000	224 000	0.15	224 000	0.04
Leonia Pension Fund		91 400	91 400	0.06	91 400	0.02
11 Finnish Cultural Foundation	1 848 956	622 480	2 471 436	1.70	37 601 600	6.41
12 Foundation for Actors' Old-Age Home	386 248	1 824 484	2 210 732	1.52	9 549 444	1.63
13 WSOY Literature Foundation	1 338 300	633 780	1 972 080	1.36	27 399 780	4.67
14 Finnish Literature Society	264 000	1 133 800	1 397 800	0.96	6 413 800	1.09
15 Sanoma Pension Fund	40 424	1 075 960	1 116 384	0.77	1 884 440	0.32
16 Päivälehti Archives Foundation	345 992	676 656	1 022 648	0.70	7 596 496	1.29
17 Noyer, Lorna	87 056	873 208	960 264	0.66	2 614 328	0.45
18 Noyer, Alex	87 044	873 216	960 260	0.66	2 614 096	0.45
19 Pension Fund Polaris		812 000	812 000	0.56	812 000	0.14
20 Graphic Industry Research Foundation	178 788	604 080	782 868	0.54	4 179 840	0.71
Total	19 814 588	94 085 086	113 899 674	78.27	490 376 846	83.58

Nominee registrations, total

*) as of January 3, 2001, the estate of Patricia Seppälä.

The principal shareholders are grouped according to the direct holdings of individual shareholders and the shares held by their investment companies, and stated as aggregate amounts and separately. The shareholdings of companies belonging to the same group are stated both as aggregate amounts and separately.

A list of principal shareholders, updated monthly, can be found at www.sanomawsoy.fi.

Shareholder categories as of December 31.12.2001	Number of shareholders		Number of shares		Number of votes	
		%		%		%
Publicly listed companies	4	0.06	49 690	0.03	49 690	0.01
Private companies *)	324	5.17	21 920 460	15.08	52 375 009	8.94
Financial and insurance institutions *)	59	0.94	11 344 665	7.80	27 051 015	4.62
Public corporations	47	0.75	10 558 799	7.26	30 359 991	5.17
Non-profit organisations	183	2.92	23 098 556	15.87	170 391 838	29.04
Households	5 601	89.47	75 856 900	52.13	301 332 484	51.36
Foreign shareholders (registered)	42	0.67	258 376	0.18	843 272	0.14
Nominee registrations	7	0.11	2 232 542	1.53	3 547 893	0.60
Total	6267	100.00	145 319 988	99.86	585 951 192	99.87
On joint account			201 608	0.14	759 752	0.13
Number of shares on the market			145 521 596	100.00	586 710 944	100.00

Number of shares per shareholder as December 31, 2001

Number of shares	Number of shareholders		Number of shares		Number of votes	
		%		%		%
1-100	1 010	16.12	59 519	0.04	359 776	0.06
101-1 000	3 180	50.74	1 305 720	0.90	4 220 149	0.72
1 001-10 000	1 699	27.11	5 070 303	3.48	13 807 282	2.35
10 001-100 000	301	4.80	8 259 534	5.68	27 433 384	4.68
100 001-1 000 000	58	0.93	20 489 560	14.08	61 669 286	10.51
1 000 001-999 999 999 999	19	0.30	110 135 352	75.68	478 461 315	81.55
Total	6 267	100.00	145 319 988	99.86	585 951 192	99.87
On joint account			201 608	0.14	759 752	0.13
Number of shares on the market			145 521 596	100.00	586 710 944	100.00

Accounting principles

SanomaWSOY's consolidated financial statements have been prepared in accordance with Finnish regulations. SanomaWSOY Corporation was created by a combination merger on May 1, 1999, and the comparative data used in the financial statements for 2000 is based on the official financial statements prepared for the Company's first accounting year, from May 1, 1999 to December 31, 1999, together with pro forma financial statements for the entire financial year, from January 1 to December 31, 1999. In practice, the Group's companies have operated on a common basis since the start of 1999.

Consolidated financial statements

The consolidated financial statements have been prepared by consolidating the Parent Company's income statements, balance sheets, and notes to the financial statements, and those of its subsidiaries. The separate financial statements of Group companies have been adjusted in accordance with the Group's standard accounting practices prior to consolidation.

In addition to SanomaWSOY Corporation, the consolidated financial statements cover those companies in which the Parent Company, either directly or indirectly, held over 50% of voting rights at the end of the accounting year. Intra-Group shareholdings have been eliminated using the acquisition cost method. Companies acquired during the period under review have been included in the consolidated statements from the date of acquisition or another date based on the agreement in question, while divested companies have been included up until the time of their sale. Elimination differences between the acquisition cost of shares in subsidiaries and the shareholders' equity of subsidiaries at the time of acquisition generated during the elimination of share ownership have been booked primarily to the relevant asset and liability items in the Group's balance sheet. The remainder of elimination differences have been presented as goodwill, which is depreciated according to the plan over the relevant economic lifetime.

Associated companies are consolidated in accordance with the equity method. A portion of companies' profits or losses have been booked to income prior to the operating profit in cases where companies' operations are linked to those of the Group. In other cases, such as investment-type holdings, a portion of the company's profits or losses have been booked to financial income and expenditure. Goodwill and reserves generated in the consolidation of associated companies are generally entered as revenue within five to 10 years. The depreciation period used for A-pressen ASA and Hansaprint Oy is 15 years. Figures for associated real estate and housing companies have been entered under other shareholdings, rather than under associated companies.

Joint companies, in which the Group is responsible for management together with the other owner, have been consolidated on a line-by-line basis in proportion to SanomaWSOY's holding.

Minority shareholdings have been separated from the Group's shareholders' equity, reserves, and result, and are presented as a separate entry in the income statement and balance sheet.

Group companies' internal income and expenses, mutual receivables and liabilities, together with significant internal margins and internal distribution of profits, have been eliminated in the consolidated figures.

Items denominated in foreign currencies

Items associated with the Group's Finnish companies denominated in foreign currencies are booked at the rates of exchange prevailing on the dates of the transactions in question. Receivables, debts, and liabilities on the balance sheet date have been translated into Finnish markka at the rate quoted on that date. Exchange rate differences of trade receivables and trade payables are booked either as sale or purchase adjustment items. Exchange rate differences generated when assessing other receivables and liabilities are booked under financial income and expenses.

The income statements of foreign subsidiaries have been translated into Finnish markka using the average exchange rate for the accounting year, and their balance sheets using the exchange rate quoted on the balance sheet date. Translation differences between different rates have been booked to the Group's shareholders' equity. The following exchange rates have been used when consolidating the financial statements of Group companies:

	Year-end rates	Average rates		Year-end rates	Average rates
USD	6.3898	6.4376	EEK	0.3800	0.3800
GBP	9.5269	9.7554	SGD	3.6870	3.6870
CHF	3.9034	3.8165	HKD	0.8192	0.8192
SEK	0.6733	0.7040	ARS	6.3435	6.3435
NOK	0.7221	0.7329	BRL	3.2478	3.2478
DKK	0.7967	0.7977	MYR	1.6666	1.6666
JPY	0.0556	0.0598	RUB	0.2218	0.2218
LVL	10.3153	10.6160	EUR	5.94573	5.94573
PLN	1.5444	1.4834			

Translation differences arising from translating the balance sheets of foreign subsidiaries and associated companies have generally been booked to consolidated shareholders' equity. The booking practice covering changes in translation differences used with foreign investment subsidiaries was changed during the year under review. Changes are now booked directly to shareholders' equity if the investments of the subsidiaries concerned are long-term in nature. Translation differences related to the Group's internal long-term loans have been treated in the same way as those associated with shareholders' equity.

Currency derivative instruments have been valued at their market value on the balance sheet date. Unrealised derivative losses have been booked to the income statement.

Non-current assets

Fixed assets have been booked to the balance sheet at the original acquisition cost minus depreciation according to the plan. Balance sheet values include revaluations totalling FIM 101.4 million covering land and buildings. Depreciation on fixed assets according to the plan is based on the original acquisition cost and the following estimated economic lifetimes: Intangible rights, 3–10 years; Buildings and structures, 10–40 years; Consolidated goodwill, 5–15 years; Machinery and equipment, 3–15 years; Other long-term expenditure, 5–10 years. Booking practice covering software was changed during the period under review. Software purchased from outside suppliers is now booked primarily to intangibles in respect of licences, and to other long-term expenditure otherwise.

Inventories

Inventories are presented in accordance with the average acquisition cost method, as acquisition costs or lower replacement costs, or as anticipated sale prices. The value of inventories includes only the variable costs associated with acquisition and manufacture.

Cash, bank, and financial securities

The balance sheet item covering cash and bank contains cash, bank accounts, and cash equivalents. The balance sheet item covering financial securities contains bonds, convertible bonds, commercial papers, mutual fund holdings, and listed shares.

Financial securities have been valued at acquisition cost or the lower market cost. Unrealised exchange rate losses of interest rate instruments resulting from changes in market interest rates, together with unrealised exchange rate losses associated with foreign securities on the balance sheet date, have been used to adjust financial income in the income statement. The valuation of financial securities switched largely to the average acquisition cost method during the period under review.

Deferred tax liabilities and receivables

In respect of booking deferred tax liabilities and receivables, SanomaWSOY follows the requirements of the Finnish Accounting Act, under which items are booked only on those periodisation differences affecting the income statement and on consolidation-related measures and year-end provisions with an impact on the Group's result. Revaluation-related deferred tax liability is presented in the notes to the financial statements.

Derivatives

Derivatives are generally used by SanomaWSOY for hedging purposes, in accordance with the Group's approved asset management policy, to anticipate future market developments in financing instruments. Unrealised derivative losses are booked as financial expenses, while unrealised profits are ignored. Changes in the value of contracts made for hedging purposes are taken into account as adjustment items in respect of the equivalent changes in the hedges booked for the hedged positions.

Net sales and other expenses

When calculating net sales, sales income has been adjusted for discounts given, indirect taxes, and sales-related exchange rate differences. Net sales on commission sales include commissions. Advertising agency fees related to magazines and newspapers are booked as other expenses.

Research and development expenses

Research and development expenses are booked as annual expenses. Items of this type refer to expenses incurred in developing new products and services intended for commercial sale or significantly enhancing the properties of existing products, or expanding business activities. From a chronological perspective, research and development expenses are typically incurred primarily before a company is able to begin benefiting financially. In respect of development projects, the Group generally uses project schedules of a maximum of two years. The costs associated with launching a new magazine title, for example, are only booked as research and development expenses for the first two years of its existence.

Pension cover

The statutory pension cover of personnel employed by SanomaWSOY Corporation and its Finnish subsidiaries, with the exception of Werner Söderström Corporation and WS Bookwell Oy, is handled through insurance policies taken out with pension institutions. The statutory pension cover of personnel employed by Werner Söderström Corporation and WS Bookwell is handled through Section B of WSOY's pension fund. Section A of the latter fund is for voluntary pension cover, and was closed on December 31, 1980. The fund has no uncovered liability and its assets exceed its liabilities by FIM 56.0 million.

Additional pension cover for SanomaWSOY Corporation and 22 subsidiaries has been arranged through Sanoma Corporation's pension fund. The fund has no uncovered liability and its assets at current values exceed its liabilities by FIM 71.7 million. The fund was closed on August 31, 1981.

Voluntary pensions for personnel employed by Rautakirja Oy, Finnkino Oy, Eurostrada Oy, and P.M. Drockila Oy are covered by Rautakirja's pension fund. The total liability of the latter as of the end of the year was FIM 111.2 million, of which FIM 10.3 million was unfunded. The latter item has been booked in previous years mainly as expenses and compulsory reserves. The fund was closed on June 30, 1974.

The retirement age of the members of the Management Group of SanomaWSOY's Parent Company, the presidents and deputy presidents of subsidiaries, and the editors-in-chief of the Group's largest newspapers has been agreed at 60 to 65 years.

Level of accuracy

The pro forma income statements, balance sheets, and key indicators for 1996 - 1998 presented for comparative purposes were prepared on the essential relevance principle for the merger plan. The accuracy of these figures does not match that of the figures for 1999 and 2000 in every respect.

All figures are presented in line with mathematical rules for rounding figures up or down.

Auditors' report

To the shareholders of SanomaWSOY Corporation

We have audited the accounting, the financial statements, and the corporate governance of SanomaWSOY Corporation for the period from January 1, 2000 to December 31, 2000. The financial statements, which include the Report of the Board of Directors, consolidated and parent company income statements, balance sheets, and notes to the financial statements have been prepared by the Board of Directors and the President. Based on our audit, we express an opinion on these financial statements and on corporate governance.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of the audit of corporate governance is to examine that the members of the Board of Directors and the President have legally complied with the rules of the Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and Parent Company's result of operations as well as of the financial position. The financial statements, together with the consolidated financial statements, can be adopted, and the members of the Board of Directors and the President of the Parent Company can be discharged from liability for the period audited by us. The proposal by the Board of Directors concerning the distributable assets is in compliance with the Companies Act.

Helsinki, March 5, 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Tauno Haataja
Authorised Public Accountant

Pekka Nikula
Authorised Public Accountant

Definitions of key indicators

Return on investments (ROI), %	=	$\frac{\text{Result before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total – non – interest-bearing liabilities (average of monthly balances)}} \times 100$
Return on equity (ROE), %	=	$\frac{\text{Result before extraordinary items -taxes}}{\text{Shareholders' equity +minority interest (average of monthly balances)}} \times 100$
Equity ratio, %	=	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}} \times 100$
Gearing, %	=	$\frac{\text{Interest-bearing liabilities – cash and bank, and financial securities}}{\text{Shareholders' equity + minority interest}} \times 100$
Earnings / share (EPS)	=	$\frac{\text{Result before extraordinary items -taxes +/-minority interest}}{\text{Average issue-adjusted number of shares}}$ The effect of extraordinary items on minority interest has been adjusted when calculating the result.
Cash flow / share	=	$\frac{\text{Cash flow from operations}}{\text{Average number of issue-adjusted shares on the market}}$ Cash flow from operations includes cash flow from the Group's main operations according to the cash flow statement.
Shareholders' equity	=	$\frac{\text{Shareholders' equity at the end of the year}}{\text{Issue-adjusted number of shares on the balance sheet date}}$
Dividend / share	=	$\frac{\text{Dividend distribution}}{\text{Issue-adjusted number of shares on the balance sheet date}}$
Dividend ratio	=	$\frac{\text{Dividend / share}}{\text{Result / share}} \times 100$
Dividend yield / share	=	$\frac{\text{Dividend / share}}{\text{Last issue-adjusted share price on the balance sheet date}} \times 100$
P/E ratio	=	$\frac{\text{Last issue-adjusted share price on the balance sheet date}}{\text{Result / share}}$
Market capitalisation	=	Number of shares at the end of the year x share price by series on the balance sheet date The 7,187,276 SanomaWSOY Series B shares held by Group subsidiary Tiikerijakelu Oy on the balance sheet date have been subtracted from the total number of shares.
Operating profit / loss, excl. associated companies	=	Operating profit / loss +/- share in associated companies' results (above operating profit)