

SanoMaWsoy

ANNUAL REPORT FOR 2002



*“Year 2002 was for SanomaWSOY a year of changes.
We succeeded together with our customers.
We will continue to be stronger, in Europe.”*

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

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The inside covers show some of SanomaWSOY's hundreds of products.

| Key indicators, € million | 31.12.2002 | 31.12.2001 |
|--------------------------------------|------------|------------|
| Net sales | 2 357.8 | 1 734.3 |
| Operating profit before amortisation | 269.2 | 161.4 |
| Operating profit | 134.4 | 96.5 |
| Profit before extraordinary items | 106.7 | 92.5 |
| Balance sheet total | 2 592.5 | 3 053.1 |
| Gross investments | 113.5 | 1 473.9 |
| Equity ratio, % | 36.9 | 31.6 |
| Equity ratio, % *) | 45.2 | 38.6 |
| Interest-bearing liabilities | 1 006.2 | 1 439.7 |

*) Capital notes included in equity

Year

SanomaWSOY is the leading media group in the Nordic region, with operations in 14 European countries. The Group is comprised of five divisions: Sanoma (publishing and printing newspapers), Sanoma Magazines (publishing magazines and press distribution), SWelcom (electronic media), WSOY (publishing, printing and calendar operations), and Rautakirja (kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations).

In Finland, SanomaWSOY is in the leading position in several fields of the media. The Group took a major step forwards in internationalisation with an acquisition effected in 2001: SanomaWSOY is now Europe's fifth-biggest magazine publisher and it is in the leading position in the Netherlands, Belgium, the Czech Republic and Hungary in addition to Finland.

2002 was SanomaWSOY's first full year as a genuinely European media company. The consumer magazine business acquired from a Dutch company in summer 2001 and integrated into the Group since October 2001 made SanomaWSOY more international than ever. In 2002, about 40% of the Group's net sales was generated outside Finland.

The year was also marked by the decision to redeem shares in Rautakirja, which was 57% Group-owned, and to merge it with SanomaWSOY on 1 March, 2003. The merger will take Rautakirja Oyj off the stock exchange and change its name to

Magazine advertising also tailed off in SanomaWSOY's second-biggest country for business, the Netherlands, although it was up in Belgium, Hungary and the Czech Republic.

In spite of hesitation on the part of advertisers, readers and viewers were interested in newspapers and magazines, books and television. The Finns still read an exceptionally large amount of books, newspapers and magazines, and television viewing is steadily on the increase.

SanomaWSOY's net sales were up by 36% to EUR 2.4 billion. This figure is already close to the goal set when the SanomaWSOY Group was

2002

Rautakirja Oy. Wholly owning all five divisions will clarify SanomaWSOY's structure and enable full usage of the Group's resources in international expansion projects. Simplifying the ownership structure will also enhance Rautakirja's possibilities of internationalisation and development of its operations.

Media advertising declined in 2002, both in Finland and in most other European countries. Advertising in Finland was down by one percentage. Newspapers and their job advertising suffered the most. Advertising in professional magazines also declined, but consumer magazines carried more advertising than in the previous year. Television advertising, which had previously been on a weak trend, began to experience growth.

formed: to double its EUR 1.3 billion net sales by 2005. Operating profit was also up by a clear margin of 39%.

Most of the Group's growth in 2002 was the result of integrating the acquired magazine businesses into the Group in October 2001. Operating profit was also boosted by improved cost-efficiency and gains on sales of assets: after the acquisition of magazine operations, SanomaWSOY has systematically divested non-core assets and operations.

The debt taken for the acquisition declined considerably in 2002: the Group's net debt declined to EUR 883.8 million and the balance sheet was reduced to EUR 2,592.5 million.

Sanoma's year in 2002 was troubled by a decline in newspaper advertising, particularly in job advertisements. Sanoma's net sales were down by 5%. Streamlining cut costs by EUR 22 million and operating profit declined by only 3%. The year's biggest investment was an upgrade for the Sanomala printing plant, which progressed according to plan and will be completed in 2003. Sanoma acquired the publishing rights of Veikkaaja magazine and divested some of its non-core assets and businesses.

For **Sanoma Magazines**, the year 2002 was the first full year in business, during which the main thrust was on strengthening integration. This was done successfully. The division's net sales and operating profit grew significantly, as in 2001 the acquired businesses belonged to the division only for the final quarter of the year. During 2002 the division launched a large number of new magazines on the market, went into business in Croatia, and divested its crossword puzzle magazine publisher in the UK and the directory-publishing unit Blue Book in Finland. Eija Ailasmaa was appointed to perform the duties of President in August 2002 and to President & CEO in March 2003.

SWelcom's net sales increased by 1%, largely due to the success of HTV's broadband internet services. On the other hand, Nelonen's advertising sales fell slightly short of the previous year's figure. SWelcom's operating loss was reduced

markedly, 26%. The loss was reduced by growth in broadband internet services, the refocusing of 2ndhead's operations, and the halving of Nelonen's licence fee as of 1 July, 2002. Digital television spread slowly in Finland, and SWelcom gave up a project for a terrestrial digital movie channel.

WSOY's net sales were up by 2% in 2002. Most growth was generated by publishing, with a clearly strengthened market share and a 7% increase in sales. Book sales enjoyed an excellent Christmas season. However, sales of business books suffered from the economic downturn. WSOY's operating profit was up by 13%. Traditional business – publishing and printing books – made a good profit. Profitability was also improved by cost-cutting combined with streamlining of operations, particularly in the sphere of new electronic business.

Rautakirja's net sales grew by 4%. Net sales were up in all of Rautakirja's businesses, but they fell slightly short of the forecast figures. Operating profit declined by 11%. Operational result was an improvement, however, as the operating profit for 2001 included a non-recurring profit of EUR 7.8 million. Rautakirja's internationalisation continued in 2002: kiosk operations expanded into the Czech Republic, press distribution established its leading position in Estonia and Latvia, and the first year in business of a multiplex theatre in Tallinn was a success.

| Divisions, € million | Net sales | | Operating profit before amortisation | | Operating profit | |
|-------------------------|-----------|-------|---|------|------------------|-------|
| | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Sanoma | 438.1 | 459.3 | 49.0 | 49.9 | 41.9 | 43.3 |
| Sanoma Magazines | 1 008.1 | 398.6 | 147.7 | 63.8 | 58.2 | 41.7 |
| SWelcom | 86.1 | 84.9 | 9.0 | 3.7 | -18.0 | -24.5 |
| WSOY | 215.9 | 211.0 | 26.4 | 22.1 | 20.5 | 18.1 |
| Rautakirja | 726.5 | 696.5 | 42.4 | 46.5 | 38.0 | 42.6 |

Sanoma is Finland's leading publisher of newspapers. Helsingin Sanomat is the biggest subscription-based newspaper in the Nordic region and Ilta-Sanomat is both Finland's second-biggest newspaper and its biggest quality tabloid. Sanoma's newspaper titles also include the business daily Taloussanomat, numerous regional and local papers in Southeast Finland, the free ad publication Keltainen Pörssi, and the sports and sport betting weekly Veikkaaja.

Sanoma Magazines is Europe's fifth-biggest magazine publisher. The division publishes some 220 titles in nine different countries: Belgium, Croatia, the Czech Republic, Finland, Hungary, the Netherlands, Romania, Slovakia, and Sweden. Sanoma Magazines is also the biggest press distributor in the Netherlands. The division's head office is located in Amsterdam.

SWelcom is SanomaWSOY's electronic media division. The division's largest business unit Nelonen is Finland's second-biggest commercial TV channel and the third most important advertising media. SWelcom-owned HTV (Helsinki Television) is Finland's biggest cable TV company.

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

Rautakirja's R-kiosks form Finland's leading chain of convenience outlets, while Lehtipiste is the country's leading press distributor. Suomalainen Kirjakauppa is Finland's most extensive bookstore chain, and the movie theatre operations enterprise Finnkino is the market leader in its field. Rautakirja has expanded its activities into the Baltic countries and the Czech Republic.

was



Photo: Jaakko Avikainen, Lehtikuva

SanomaWSOY's Board of Directors. In front from left Vice Chairman Paavo Hohti, Chairman & CEO Jaakko Rauramo, and President & COO Hannu Syrjänen. Behind from left Rafaela Seppälä, Kyösti Järvinen, Jane Erkko, Esko Koivusalo, and Marjukka af Heurlin. Absent from the picture are members Robert Castrén, Aatos Erkko, and Robin Langenskiöld.

for Sano

SanomaWSOY aims to be a good corporate citizen. We are responsible for the quality of operations and for operating principles to the employees, customers, investors, and all partners. SanomaWSOY's social responsibility includes financial responsibility, environmental responsibility and responsibility to society, which embrace such things as responsibility for published products, ethical business, and responsibility for people.

Financial responsibility

With roots going back more than a century, the central principle of SanomaWSOY's operations is the long view. The financial goal is healthy profitability, a strong free cash flow, and a steady and good dividend yield. Each year, SanomaWSOY pays at least a third of its cash flow from operations in

the form of a dividend. SanomaWSOY's Board of Directors also pays close attention to securing the Group's competitiveness and adaptability.

The main principles of financial reporting are reliability, consistency, and a true and fair view. The financial development of the Group is monitored monthly by means of a Group-wide operational planning and reporting system. The system includes data on actual performance and forecasts of profits, the balance sheet, and the main key figures for the current year with rolling figures for the next 12 months. The Group's corporate governance sets out clear principles for the approval of both investments and personnel matters.

In 2002 the SanomaWSOY Group paid a total of EUR 64.2 million in direct taxes.

SanomaWSOY

Environmental responsibility

Environmental issues are not a major problem in the media business. As the biggest media company in the Nordic region, however, SanomaWSOY carries a major responsibility for how methods and materials used in the media business are developed. Our aim is to understand and manage the entire life cycle of our print products, from basic materials to recycling. Among the main environmental issues are the environmental acceptability of printing plants, paper and other materials used in printing, as well as the efficiency of transport and recycling. A further challenge is the expansion of the Group outside Finland. The Group's printing plants, which total 13 in all, play a central role in environmental initiatives.

Ethical responsibility

It is SanomaWSOY's principle to act in accordance not only with laws and regulations but also with good business practice.

"Our guideline for years has been: don't do something you wouldn't like to read about in tomorrow's papers."

- Chairman & CEO Jaakko Rauramo

SanomaWSOY has an extensive list of insiders. It is updated monthly on the Group's website.



Photo: Samuli Pulkkinen, Sanoma

Headlines with stopping power. Ilta-Sanomat celebrated its 70 years in business with an exhibition of headline posters in Sanoma House's media square.

a year

Responsibility for publishing

The principles underlying SanomaWSOY's publishing operations are freedom of expression, independence, and respect for national languages and cultures.

SanomaWSOY operates in small and medium-sized language regions of Europe, where preserving the language and culture is important. The central tenet of publishing is high-quality and consistent work, which helps to nurture national languages and culture. Part of the work is to promote literacy among children and young people. Many of SanomaWSOY's units work together with schools, with the aim of improving media literacy and getting young people interested in reading. One of the biggest cooperative projects is Helsin-

gin Sanomat's editorial simulator Piste, where some 10,000 schoolchildren and students experiment with making a newspaper every year.

Three independent foundations operate in Finland supporting researchers and writers on the basis of funds originally provided by Sanoma, Lehtikuva, and WSOY. The Päivälehti Archives Foundation promotes and supports research into press history, together with other cultural activities. Helsingin Sanomat Centennial Foundation fosters and supports broad-based, independent research in Finland. WSOY Literature Foundation distributes grants to writers annually. In 2002 Helsingin Sanomat Centennial Foundation and WSOY Literature Foundation paid out a total of roughly EUR 1.2 million in grants.

Freedom of expression is not just making a speech

“From the viewpoint of freedom of expression, 2002 was an exceptionally interesting year. In the autumn there was a vigorous debate on the subject when Helsinki District Court prohibited magazines from printing information about a beauty queen under penalty of a fine. The rumpus led to the court withdrawing its unconstitutional ruling. According to the constitution of Finland: ‘Everyone has the freedom of expression. Freedom of expression entails the right to express, disseminate and receive information, opinions and other communications without prior prevention by anyone.’

sion on the internet is a complex matter because the internet is easy to use and hard to watch over. Attempts to regulate the contents of the internet by official action have either failed entirely or been successful only briefly. Laws concerning freedom of expression are currently being amended in various parts of the world because of the internet. This is the case in Finland, where changes are expected by both media companies and individual website makers.

“Freedom of expression is also related to a case, exposed by Helsingin Sanomat last autumn, in which the Finnish telecom operator Sonera was

of changes

“The most astonishing thing about the whole affair was the levity with which the District Court bypassed the constitution in its first ruling. After all, Finland is considered an established democratic state and freedom of expression is considered a safeguard of democracy.

“Freedom of expression also raised its head in connection with a tragic bombing outrage at a shopping mall just outside Helsinki. Instructions for making the bomb had been found on the internet.

“Freedom of expression on the internet is a global problem. Bomb-making instructions, child pornography and racist chat try the limits of freedom of expression. Everyone can say whatever they want – without caring about the consequences. Responsibility becomes blurred. Freedom of expres-

found to have snooped on phone call data. Sonera attempted to find out which of its employees had been in contact with the press. The constitution and telephone secrecy were glibly bypassed at Sonera, as elsewhere.

“It is impossible to discuss freedom of expression without also mentioning responsibility. Words can be precision instruments as well as weapons of mass destruction. Practising freedom of expression is more than making speeches; it is an ongoing debate on cases coming to light, meaning the everyday management of work. The borderline between quality papers and the rest is drawn on the conscience.”

- Editor-in-Chief Reetta Meriläinen, Helsingin Sanomat



Photo: Marko Tammela

*Training – tools for strategic thinking.
The first SanomaWSOY Executive Program
course was completed in spring 2002 and
the second started in the autumn.*

We succeed

ceeded

Responsibility for people

SanomaWSOY employs more than 18,000 people. The keywords of responsibility for personnel are respect, fairness, common values, and a positive attitude to changes, training, career development and incentives. The Group offers equal opportunities for men, women, different age groups, and people from different backgrounds and in different positions. The objective is to act in such a way that every Group employee can be proud of the company that employs him or her.

The challenge to human resources management is that of change: the Group is growing and internationalising through mergers and acquisitions, and the organisational structures around the employees are changing. The main way to prepare the personnel for change is training. In addition to the divisions' own training, SanomaWSOY

has two broad-based, Group-wide training programmes for managers and specialists, the SanomaWSOY Executive Program (SWEP) and the Management Training Program.

The aim of the programmes is not just to train but also to step up cooperation between Group employees. Synergy can only arise if people know each other across corporate boundaries.

“Training is the best that SanomaWSOY offers. Taking the Management Training Program gave me twenty new contacts from different parts of the Group and an opportunity to understand other people’s work and corporate culture.”

- Sales Manager Jyrki Kajava, Weilin+Göös

Media talent for the Group is cultivated by SanomaWSOY's Media Trainee Programme.

Most wanted and valued products

Every day millions of people in different parts of Europe use SanomaWSOY's products and services. SanomaWSOY publishes a total of roughly 220 magazines with over 420 million copies sold a year. The combined circulation of the Group's 12 newspapers is about 800,000. Each year it publishes about 2,000 books. Its most popular television programmes attract over 900,000 viewers. Its more than 1,400 kiosks are visited by more than 190 million customers a year. Its press distribution sells about 250 million newspapers and magazines in the same time.

together

SanomaWSOY's products are independent, well-known and strong product brands – in all, the Group has more than 300 of them. The Group also has tens of prestigious corporate brands. The brands and other intellectual property rights are an essential part of the Group's intellectual capital.

SanomaWSOY aims to be the number-one media company in its chosen markets. This goal demands a lot of the products and services: we



Photo: Ulla-Majja Lähteenmäki, Lehtikuva

A moment together. Excellent content is SanomaWSOY's core expertise.

together

want our products to be among the most wanted and valued products on the market. The aim is for every title to be number one in its own arena; every reading experience, visit to a kiosk or TV programme should meet and exceed the customer's expectations. This is why every possible effort is made for the success of products and services.

"Each book is so valuable that you want to make it as good as you can. Reading a good manuscript, you can tell: this has that something – even if you don't quite know what."

- Editor for Children's Books Marina Johansson, WSOY

SanomaWSOY's core competence is excellent content. Although distribution channels are evolving and changing, content is the foundation on which the success of SanomaWSOY's products has been built for more than a century.

"Ilta-Sanomat's main strength is its content. We have succeeded so far because of excellent content and we will continue to do so in the future. Everything starts with content, the rest is technique."

- Pekka Harju, Vice President, Marketing, Ilta-Sanomat

with our

What makes a product or service a success is the customer's perception. SanomaWSOY's operating principles in customer relations are reliability, knowledge of the customer, genuine interest in the customer, and humility.

Reliability, keeping the promise of service, is the sine qua non of successful customer relations. We want our products and services to keep their promises.

"The most important strength of Libelle is the very strong relationship with our readers. Libelle is a magazine you can rely on, a magazine that understands you, talks your language and is very close to

you. Libelle transforms your mood just by falling into your postbox every week."

- Franska Stuy, General Chief Editor of Libelle

Knowing the customer can be both everyday contacts and diligent research and analysis. The key thing is to understand what kind of customer wants a product and why.

"What I like about customer service is first and foremost being in touch with the customer. R-kiosk customers are ordinary people from every walk of life. People stop for a chat in their local kiosk, and you often know what a customer will buy the moment



Photo: Samuli Pulkkinen, Sanoma

The customer is the most important. The main thing in product development is to understand what kind of customer wants the product and why. Picture from public event in Sanoma House.

they step inside. Customers come to R-kiosk for quality and good service, and this demands a lot from each salesperson."

- Pasila station kiosk manager Hanna Hyvärinen, R-kiosk

Many of the users of SanomaWSOY's products and services are other companies. Genuine interest in the customer is also important in these cases. It is crucial to understand the corporate customer's needs and to act transparently.

"Lehtipiste's customers include both publishers and retail outlets. Understanding the needs of both of these is a central requirement for the success of our services. The most important thing is to be able to act even-handedly, transparently and in such a way that the wishes of both the publishers and the retail outlets are listened to."

- Logistics Director Timo Värri, Lehtipiste

The development of products and services is teamwork – the customer knows things that the company doesn't. Feedback from a customer is often crucial in helping to develop a product or service. Humility at SanomaWSOY also means that feedback from the customer is always taken seriously.

"HTV's service was Finland's first broadband internet service aimed at consumers, and particularly at the beginning the service was built up together with the customers. The present success of welho and the quality of the service are largely based on the learning and experience gained from this collaboration."

- Marketing Manager Jyri Ratia, HTV

Cross-media and international products

SanomaWSOY's strategic objective is to develop profitable new products and services – particularly those that can successfully be expanded cross-media or internationally.

The Group has a number of products and services with concepts that do well in several countries at the same time. An increasing number of SanomaWSOY's products will be cross-media in the future.

"There is no such thing as a single, exclusive concept. Every country, culture and market needs its own version. Success in expanding the concepts of Sanoma Magazines lies in listening to the local readers, in being flexible with the concept."

- Diane De Clopper, Editorial Director for Sanoma Magazines International

SanomaWSOY is a media company with numerous small and large corporate cultures. Three common values – creativity, reliability and dynamism – stand for the entire Group’s operating principles.

Creativity lies at the heart of all successful communication

“In a journalist’s work, creativity means accessing the inner world of the interviewee and the ability to tell his or her story. Creativity is also continuing linguistic development and love for the language. Reliability is integrity towards the interviewee and the reader plus the ability to stick to the timetables of a fast-moving weekly. Dynamism means the sensitivity to sense the spirit of the times and adaptability, from both the journalist and the magazine.”

- Journalist Liisa Talvitie, Me Naiset magazine

Reliability is essential to winning people’s trust and confidence

“Without creativity we could not improve Sanoma-Print’s operations year after year. Every day

demands new insights and ideas. Reliability for us is sticking to the service as promised. The publication needs to be ready on time and free of faults. The reader sees the results of our work in the finished publication, in addition to that of the journalists. Dynamism means realising the need for change: the upgrade of Sanomala’s printing plant has been a big project for us, one which will further improve the quality of our printing and our efficiency.”

- Sales Manager Maritta Evers, SanomaPrint

Dynamism drives our success

“Creativity and dynamism are essential to our aims of being in the forefront of development. The two cannot be separated in making innovations widely known. Our Opit e-learning service for schools opens up a totally new world of learning for teachers and pupils alike. To encourage our customers to take the first step towards new ways and techniques of doing things, it is important for them to feel they are dealing with a reliable company.”

- Product Manager Mari-Anne Rantanen, eWSOY

custo



Photo: Juha Jormanainen

Common values form the foundation. Sanoma Magazines Finland derived its own values from the Group values. The completion of the project was celebrated in June 2002.

omers

The mission: one of Europe's leading media companies

It is SanomaWSOY's mission to be one of Europe's leading media companies in terms of stakeholder value growth. Our vision is to offer the most wanted and valued products and services and to have the best level of sustainable profitability and growth in our chosen markets.

We will

The way to the goal is marked by the Group's strategic objectives. It is our aim:

- to build a balanced portfolio, both in terms of businesses and markets
- to be a market leader in our chosen markets and business areas
- to build at least two strong international business areas
- to be a leading European magazine publisher
- to develop profitable new products and services; including those that can be successfully expanded cross-media or internationally
- to increase the profitability of our present businesses and improve efficiency, for example through the use of information technology
- to divest non-core assets and businesses
- to promote excellent management practices and ensure that we have the ongoing support of our customers, employees, and shareholders.



Photo: Giorgio Rigatto, Lehtikuva

Part of European living. SanomaWSOY aims to be one of Europe's leading media companies. The picture is from Budapest.

continue

In 2002 SanomaWSOY set the average financial target for the period 2002–2005 to be a 9% operating profit. The target was based on a forecast of an upswing in the advertising market beginning in 2002. However, the lower-than-forecast trend in the advertising market will postpone the attainment of the target.

In 2003, SanomaWSOY's net sales are expected to grow faster than GDP. The growth will be significantly affected by the development in newspaper, magazine and television advertising, which make up a quarter of the Group's net sales. Operating profit will grow more than net sales due to cost-saving measures.

to be Str

Management's review

“Last year was our first full year of operation as a significantly more international media group, following our major magazines acquisition in 2001. The smooth integration of Sanoma Magazines has been very positive and very welcome. Despite a difficult market situation, we were able to operate profitably and launch a number of new products, drawing on our new broad-based expertise and professionalism.

“The impact of our new corporate structure has not been limited to our magazine division, and was felt across the entire Group. Our new international dimension has given us a new perspective on all our activities, and this has had a positive impact on the

onger,

Group's performance. We are very proud of our personnel, who have responded to these new challenges exceptionally well, and we would like to thank everyone for their contribution to our success.

"Good corporate governance was very much to the fore in 2002 – largely due to the bursting of the IT bubble and the numerous corporate scandals in the US. Commentators have highlighted the problems associated with focusing too much on quarterly results and the greed resulting from large bonuses and stock options. Numerous calls have been heard for stricter legislation and more stringent auditing and supervision mechanisms. What is more important than supervision and auditing,

however, is to be clear about what the Board of Directors expects of personnel and management.

"Good corporate governance creates a sound foundation for a company's operations and a set of ground rules for areas such as personnel, customers, and the overall way it does business, over and above financial targets. The framework set by the Board of Directors must also specify the time frame within which the Board expects results to be generated. Zero tolerance is important in financial matters: "If you doubt, leave it out". Not even the best system or procedures can compensate for poor ethics.

“Sustainable shareholder value is very much a product of a positive commitment to personnel and listening to customers. We at SanomaWSOY are particularly happy with our interaction with our customers, and we have been encouraged by our ability to maintain good relations with customers and do good business with them even during downturns.”

“The economic situation was relatively poor in almost all of the countries that we operate in during 2002, and early 2003 does not appear likely to bring any major changes in this respect. Difficult times mean plenty of opportunities for good companies, however: opportunities for good and cost-effective acquisitions and restructuring. We also see

downturns as a good time to train and develop our personnel.

“The operations and success of a media company are based, first and foremost, on good content and efficient and broad-based distribution. During the downswing one has to remember that simple cost-cutting cannot generate good content. On the other hand, throwing money at a project will not necessarily buy you good content either. If that were true, the media field in Finland and elsewhere would look very different. Good content is generated by dedicated people doing the right things at the right time, and providing customers with an offering that inspires, entertains, and interests.”



*Jaakko Rauramo
Chairman & CEO*



*Hannu Syrjänen
President & COO*

in Europe



Jaakko Rauramo



Hannu Syrjänen

Photos: Jaakko Avikainen, Lehtikuva

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Photos: Jaakko Avikainen, Lehtikuva



Sanoma

President Seppo Kievari
Net sales € 438.1 million
Operating profit € 41.9 million
Newspaper publishing and printing

Sanoma Magazines

President & CEO Eija Ailasmaa
Net sales € 1,008.1 million
Operating profit € 58.2 million
Magazine publishing and press distribution

SWelcom

President Tapio Kallioja
Net sales € 86.1 million
Operating loss € 18.0 million
Electronic media

WSOY

President Jorma Kaimio
Net sales € 215.9 million
Operating profit € 20.5 million
Publishing, printing and calendar operations

Rautakirja

President & CEO Erkki Järvinen
Net sales € 726.5 million
Operating profit € 38.0 million
Kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations

SanomaWSOY

Chairman & CEO
Jaakko Rauramo

President & COO
Hannu Syrjänen

Net sales
€ 2,357.8 million
Operating profit
€ 134.4 million



Financias



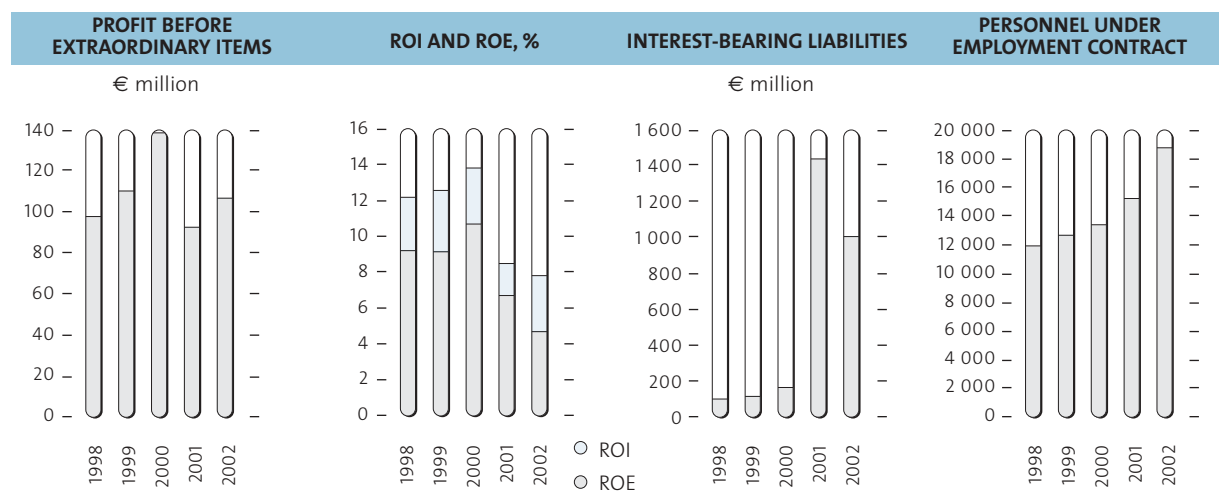
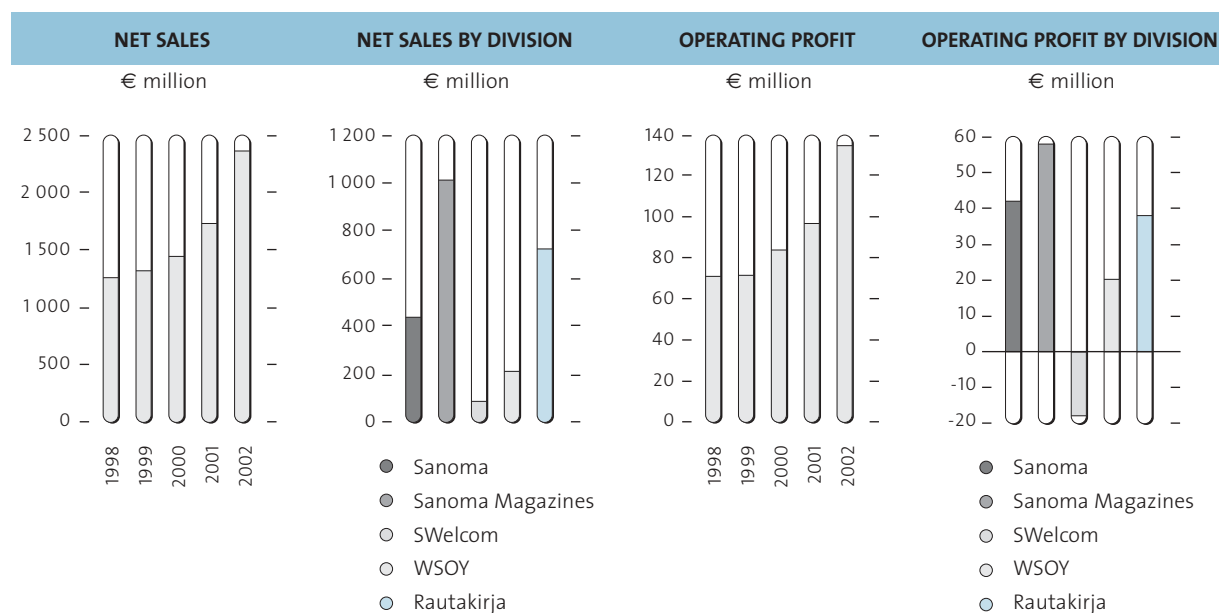
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SanomaWSOY’s official **Financial Statements** can be found on the Pages 22–68.

SanomaWSOY 2002 in brief



STOCK EXCHANGE RELEASES AND ANNOUNCEMENTS 2002

January: SanomaWSOY to issue warrants to management (31.1)
February: SanomaWSOY to sell BEAP (19.2); Year-End Statement 2001 (27.2) **March:** Announcement of Annual Report's schedule (13.3); Economic targets for the next few years (14.3); Notice of Annual General Meeting (18.3); SanomaWSOY sells Blue Book (21.3) **April:** Annual General Meeting (9.4); SanomaWSOY divests BEAP (26.4) **May:** Interim Report Q1 (14.5) **June:** Sanoma acquires the publishing rights for the sports and sport betting weekly Veikkaaja (6.6); Rautakirja to merge into SanomaWSOY in March 2003 (19.6); Sanoma sells some shares of Ilkka (20.6); SanomaWSOY's and Rautakirja's merger plan entered into the Trade Register (24.6); Theo Bouman leaves Sanoma Magazines (26.6); Sanoma sells an additional part of its shareholding in

Ilkka (28.6) **July:** Sanoma sells Ecovision to Finninfo and Star Desk and Star Web operations to Ecovision (2.7); Eija Ailasmaa to perform the duties of CEO of Sanoma Magazines (23.7) **August:** Notice of Extraordinary General Meeting (7.8); Interim Report Q2 (8.8) **September:** SanomaWSOY and Rautakirja to publish Prospectus and Merger Memorandum (10.9); Extraordinary General Meeting approves the merger plan (18.9); Antti-Pekka Pietilä appointed Senior Editor-in-Chief of Ilta-Sanomat (27.9) **November:** Interim Report Q3 (7.11) **December:** Announcement of SanomaWSOY's financial reporting during 2003 (10.12); SanomaWSOY to distribute the second block of warrants (10.12)



Sanoma is Finland's leading publisher of newspapers. Helsingin Sanomat is the biggest subscription-based newspaper in the Nordic region and Ilta-Sanomat is both Finland's second-biggest newspaper and its biggest quality tabloid. Sanoma's newspaper titles also include the business daily Taloussanomat, numerous regional and local papers in Southeast Finland, the free ad publication Keltainen Pörssi, and the sports and sport betting weekly Veikkaaja.

Seppo Kievari, President of Sanoma:

“Slower than forecast economic growth in 2002 made itself felt in the form of a decline in newspaper advertising revenue. There was a particularly sharp decline in job advertisements, which have great importance for Sanoma. There was no clear sign of growth by the end of the year.

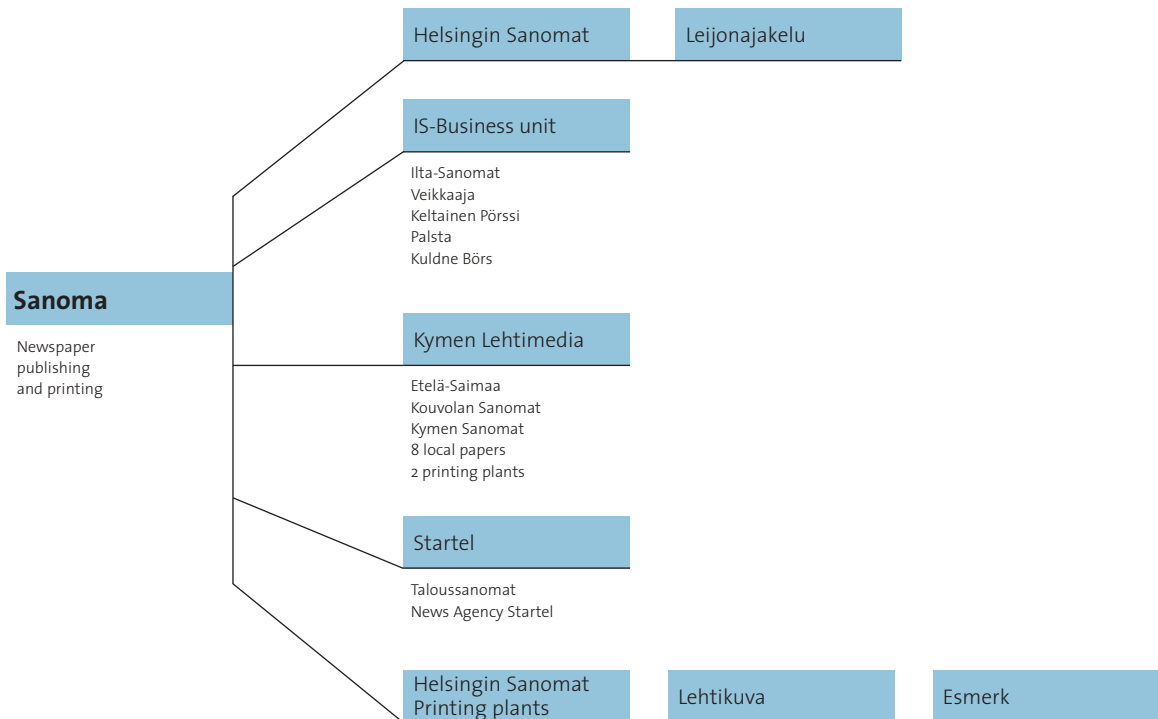
“For Sanoma, this has meant aiming for results through savings. At the same time, there has been a focus on two points: on structural renewal aimed at a permanent improvement in profitability, and on savings with the purpose of improving the current year's financial results. Improving structural profitability is not a one-off project with us but an ongoing job. The goal is for Sanoma's profitability to be strong even in an economic recession.

“Improving profitability also plays an important part in

Sanoma's strategy. It's important to focus on the fundamentals: Sanoma is a content producer. Printed media can be completed with new channels of distribution more than before, but even then for Sanoma the content is the foundation upon which we build. Our goal is for each of our titles to be the number one in its arena.

“Part of our strategy is to secure printing and distribution services. The modernisation of the Sanomala printing plant is for us a strategic investment, which will improve both the quality and effectiveness of printing. High-quality distribution is also important to us.

“The Finnish market predominates in Sanoma's strategy today. Taking large steps in expansion will demand the extra strength which Sanoma gains from the groundwork now to be done – focusing on profitability and content.”



Information about Sanoma's year 2002 on the Pages 24–25.

KEY INDICATORS, € million

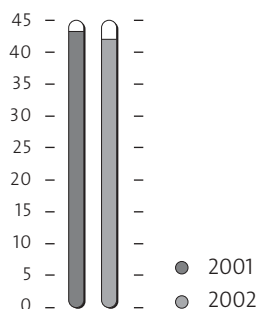
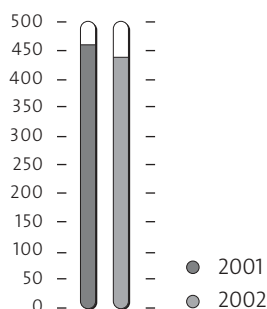
| | 31.12.2002 | 31.12.2001 |
|--|------------|------------|
| Net sales | 438.1 | 459.3 |
| Operating profit before amortisation | 49.0 | 49.9 |
| % of net sales | 11.2 | 10.9 |
| Operating profit | 41.9 | 43.3 |
| % of net sales | 9.6 | 9.4 |
| Operating profit excl. associated companies | 36.2 | 35.1 |
| % of net sales | 8.3 | 7.6 |
| Balance sheet total | 508.5 | 490.7 |
| Gross investments | 48.6 | 76.5 |
| Return on investment, % (ROI) | 13.3 | 12.8 |
| Personnel under employment contract, average | 4 944 | 4 929 |
| Personnel, average (full-time equivalents) | 3 578 | 3 563 |

OPERATIONAL INDICATORS

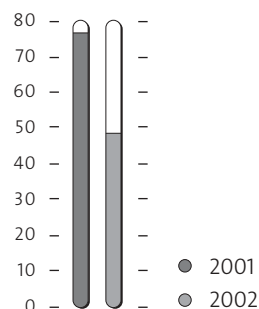
| | 2002 | 2001 |
|------------------------------------|---------|---------|
| Helsingin Sanomat | | |
| Weekday circulation, copies *) | 431 262 | 436 009 |
| Sunday circulation, copies *) | 500 150 | 507 011 |
| Advertising volume (column metres) | 42 834 | 46 165 |
| Ilta-Sanomat | | |
| Circulation, copies *) | 204 820 | 218 829 |
| Advertising volume (column metres) | 7 036 | 6 853 |
| Taloussanomat | | |
| Circulation, copies *) | 32 513 | 31 192 |
| Advertising volume (column metres) | 2 747 | 4 378 |
| Other daily papers | | |
| Total circulation, copies *) | 89 718 | 90 806 |
| Advertising volume (column metres) | 21 092 | 21 937 |
| Local newspapers | | |
| Total circulation, copies | 33 407 | 33 563 |
| Advertising volume (column metres) | 8 501 | 8 760 |
| Paper consumption, tonnes | 94 993 | 108 992 |

*) Audited circulation figures

NET SALES AND OPERATING PROFIT, € million



GROSS INVESTMENTS, € million



SUBSIDIARIES

- Infosteo Oy
 - Free Ad Production Oy
- Kymen Lehtimedia Oy
 - Baltic Media Oy (89%)
 - Etelä-Karjalan Jakelu Oy
 - Etelä-Saimaan Sanomalehti Oy
 - Kymen Sanomalehti Oy
 - Kymen Viestintä Oy
 - Lehtikanta Oy
 - Saimaan Lehtipaino Oy
 - Uutisvuoksi Oy
- Lehtikuva Oy
- Leijonajakelu Oy
- Startel Oy (90%)
- Esmerk Group

ASSOCIATED COMPANIES

- Anjalankosken Painotalo Oy (48.2%)
- Janton Oyj (21.37%)
- NetWheels Oy (20.06%)
- Finnish News Agency (22.14%)
- ZAO Smena (30%)

MANAGEMENT GROUP OF SANOMA

- **Seppo Kievari**, President (chairman)
- **Veli-Pekka Elonen**, Vice President, Administration
- **Pekka Harju**, Vice President, Marketing, Ilta-Sanomat
- **Kari Kivelä**, Managing Director, Startel Oy
- **Antti Kivimaa**, Vice President, Development
- **Antti Mäkelä**, President, Kymen Lehtimedia Oy
- **Eija Rinta**, Vice President, Finance (CFO)
- **Pekka Soini**, Vice President, Marketing, Helsingin Sanomat
- **Jarkko Kyttänen**, Secretary to the Management Group, Business Development Manager, Helsingin Sanomat

Sanoma Magazines is Europe's fifth-biggest magazine publisher. The division publishes some 220 titles in nine different countries: Belgium, Croatia, the Czech Republic, Finland, Hungary, the Netherlands, Romania, Slovakia, and Sweden. Sanoma Magazines is also the biggest press distributor in the Netherlands. The division's head office is located in Amsterdam.

Eija Ailasmaa, President & CEO of Sanoma Magazines:

“For Sanoma Magazines, 2002 was our first full year in business. The central plank was to strengthen integration – stabilising the structure and operating models as well as seeking synergies. During the year we got off to a strong start in this work.

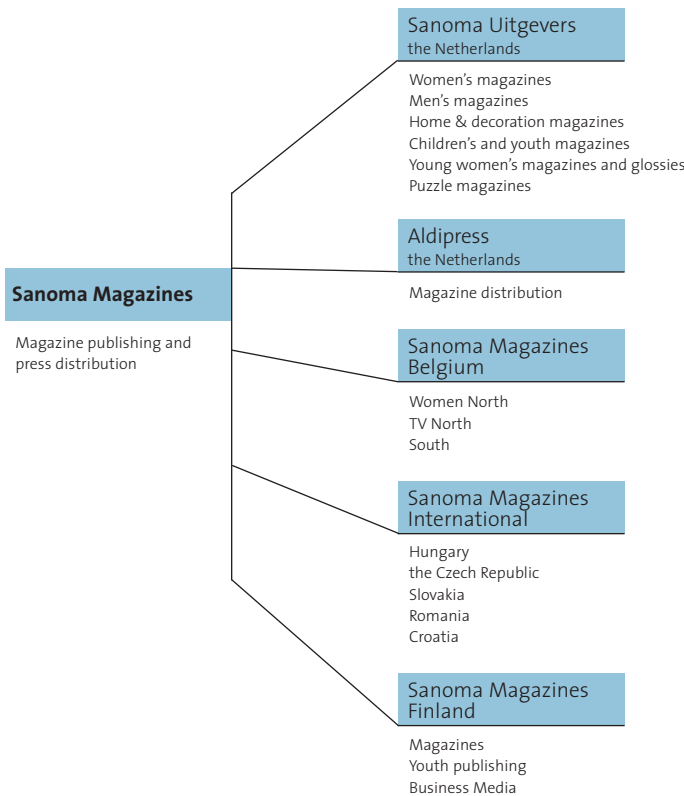
“Sanoma Magazines’ potential for synergies has been a pleasant surprise for me. There are many things between the nine countries that can be improved by working on operational efficiency: procurement of paper and printing services, exchanging best practices and concepts, and sharing ideas.

“In addition to internal efficiency and the optimal operating model, the strategy of Sanoma Magazines emphasises growth. The European magazine market will be on the move in the next few years, and Sanoma Magazines will be in on this movement. We see opportunities for growth in mergers

and acquisitions, new markets as well as in our present operations.

“We want to be the number one in the markets where we operate, and one of our targets is to defend and strengthen our leading market position. Sanoma Magazines is in the leading position in Belgium, the Czech Republic, Finland, Hungary, and the Netherlands. It is easier for the market leader to achieve profitability than for other companies, and the market leader is often also an attractive choice for international licensors, advertisers, and the most capable employees.

“In 2003 our challenge is to utilise the many opportunities that we have found in our synergy teams. Cost-effectiveness will also receive greater emphasis. Nevertheless, our basic work with magazines continues from year to year: we make quality magazines and further strengthen our leading brands.”



Sanoma Magazines was formed by combining the consumer magazines operations acquired from VNU and Helsinki Media (now Sanoma Magazines Finland). The division went into business on 1 October 2001.

Information about Sanoma Magazines’ year 2002 on the Pages 25–26.

KEY INDICATORS, € million

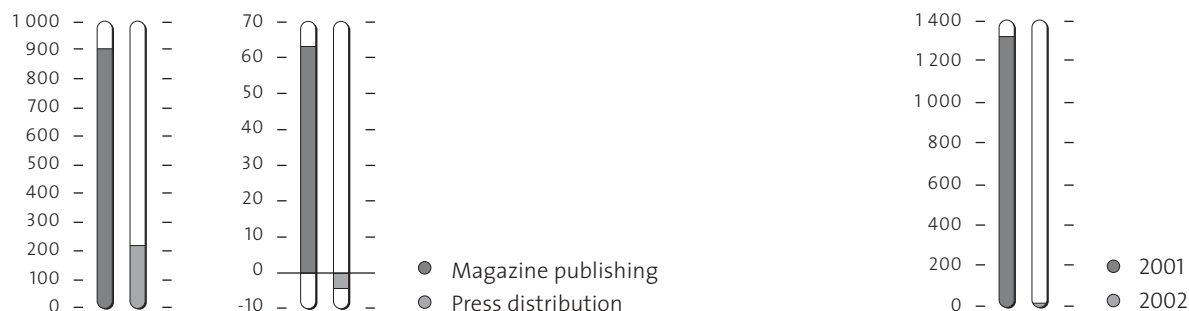
OPERATIONAL INDICATORS, 1.1–31.12

| | 31.12.2002 | 31.12.2001 | | 2002 | 2001 |
|--|----------------|------------|---|----------------|---------|
| Net sales | 1 008.1 | 398.6 | Number of copies sold (press distribution / Aldipress), thousands | 123 901 | 127 904 |
| Operating profit before amortisation | 147.7 | 63.8 | Number of magazines published | 221 | 269 |
| % of net sales | 14.6 | 16.0 | Magazine copies sold, thousands | 420 762 | 444 155 |
| Operating profit | 58.2 | 41.7 | Number of advertising pages sold | 49 144 | 44 735 |
| % of net sales | 5.8 | 10.5 | | | |
| Operating profit excl. associated companies | 42.4 | 31.4 | | | |
| % of net sales | 4.2 | 7.9 | | | |
| Balance sheet total | 1 654.5 | 1 766.0 | | | |
| Gross investments | 18.7 | 1 314.8 | | | |
| Return on investment, % (ROI) | 5.1 | 14.8 | | | |
| Personnel under employment contract, average | 4 835 | 1 828 | | | |
| Personnel, average (full-time equivalents) | 4 228 | 1 707 | | | |

The comparative financial information for 2001 includes Sanoma Magazines Finland for full year and other businesses for the last quarter.

NET SALES AND OPERATING PROFIT BY BUSINESS AREA, € million

GROSS INVESTMENTS, € million



SUBSIDIARIES

- Sanoma Magazines International B.V.
 - Sanoma Budapest Kiadó Rt.
 - Sanoma Hearst Romania s.r.l. (65%)
 - Sanoma Magazines Zagreb d.o.o. (65%)
 - Sanoma Magazines Slovakia s.r.o. (Strategie na Slovensku s.r.o.)
 - Sanoma Magazines Praha s.r.o.
- Sanoma Uitgevers B.V.
 - Geomatic International B.V.
 - H.P.R. Holding B.V. (75%)
 - Ilse Media Groep (58.7%, from 17.1.2003 60.6%)
 - Uitgeverij Veldhuis B.V.
 - Uitgeverij Woudestein B.V.
- B.V. Aldipress (95%)
- R.C.V. Entertainment B.V.
- Sanoma Magazines Belgium N.V.
- Sanoma Magazines Finland Oy (directly owned by SanomaWSOY Corporation)

ASSOCIATED COMPANIES

- Sanoma Magazines International B.V.
- Hearst Sanoma Budapest Lapkiadó Kft. (50%)
- Sanoma Uitgevers B.V.
 - Sportweek Media B.V. (50%)
 - B.V. Programmabladen AKN (25%)

MANAGEMENT BOARD OF SANOMA MAGAZINES

- **Hannu Syrjänen**, President & COO, SanomaWSOY Corporation (chairman)
- **Eija Ailasmaa**, President & CEO, Sanoma Magazines B.V.
- **Koos Guis**, President & CEO, Sanoma Magazines International B.V.
- **Edo Meerloo**, Managing Director, B.V. Aldipress
- **Raili Mäkinen**, President, Sanoma Magazines Finland Oy
- **Walter van der Schaaff**, CFO, Sanoma Magazines B.V.
- **Jan Vandewyngaerden**, President, Sanoma Magazines Belgium N.V. (until 30.1.2003)
- **Dirk Van den Bossche**, President & CEO, Sanoma Magazines Belgium N.V. (from 1.2.2003)
- **Pim de Wit**, President & CEO, Sanoma Uitgevers B.V.
- **Elina Männikkö**, Secretary to the Management Board, Vice President, Business Development, Sanoma Magazines Finland Oy
- **Paul van Driessen**, Secretary to the Management Board, Vice President, Chief Legal Officer and Company Secretary, Sanoma Magazines B.V.

Tapio Kallioja, President of SWelcom:

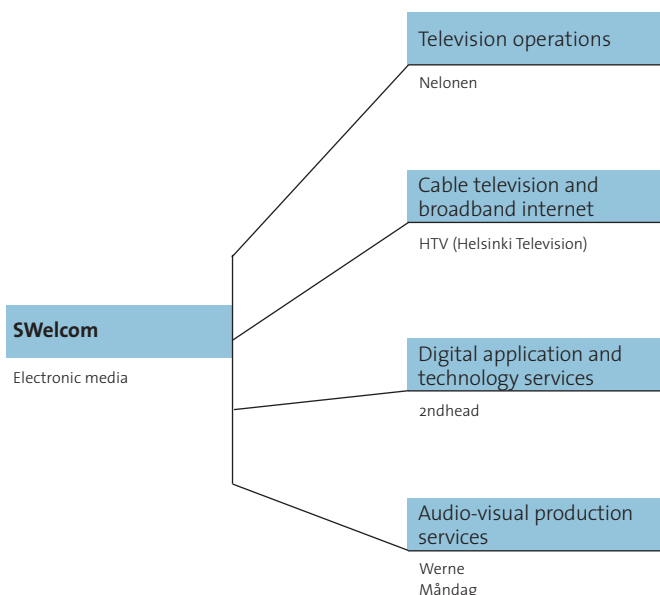
"In Finland, television advertising began to grow again in 2002. Also, there has been a constant increase in television viewing. Television is now in good shape as a medium, and this is beneficial to the entire sector and therefore to Nelonen.

"Digital television has spread more slowly than was expected – largely because of too high expectations. The number of digital television receivers in Finland has grown at the same rate as other innovations in television in their time. For digital television, 2002 was a period of apprenticeship; the real growth rate will be seen in 2003. Now that inflated expectations have been discarded, the year will be a good one for digital television, too.

"Cable TV is undergoing a dynamic new period of growth. In 2002, a record number of households was connected to the HTV network. There are three reasons behind this popularity:

connecting to the network is an easy route to digitalisation for housing companies, and interest in broadband services is growing all the time. An amendment to the Housing Company Act giving housing companies more power to make decisions has contributed to added growth. We have ideas in our back pocket about the kind of broadband internet services a cable TV company could offer in the future.

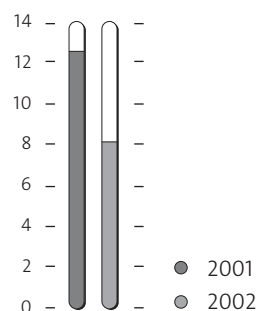
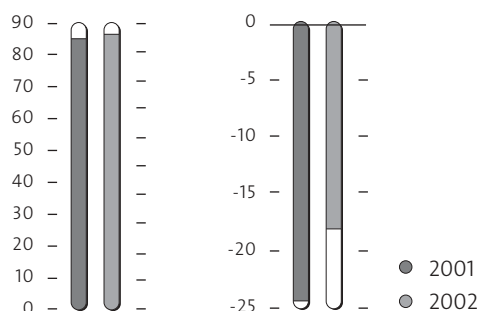
"When expectations for the development of electronic communications changed, we at SWelcom quickly stripped away everything that did not respond to these. Since spring 2002, the company has been in a period of balanced growth. In the short term, SWelcom's strategy is to utilise the considerable growth potential of present businesses and to redirect this growth into improved profitability. Profitability will also be improved by savings and cost-cuttings we have effected and by a reduction in operating licence fee."



Information about SWelcom's year 2002 on the Pages 26–27.

KEY INDICATORS, € million
OPERATIONAL INDICATORS

| | 31.12.2002 | 31.12.2001 | | 2002 | 2001 |
|---|--------------|------------|----------------------------------|--------------|-------|
| Net sales | 86.1 | 84.9 | Nelonen's share of | | |
| Operating profit | | | Finnish TV advertising | 24.7% | 26.5% |
| before amortisation | 9.0 | 3.7 | Nelonen's daily coverage | 43% | 42% |
| % of net sales | 10.5 | 4.4 | Nelonen's national commercial | | |
| Operating profit | -18.0 | -24.5 | viewing share | 23.4% | 22.6% |
| % of net sales | -20.9 | -28.8 | Nelonen's national viewing share | 11.6% | 11.6% |
| Operating profit excl. associated companies | -15.6 | -23.2 | Number of connected households, | | |
| % of net sales | -18.1 | -27.4 | thousands | 237 | 219 |
| Balance sheet total | 138.2 | 152.4 | Number of pay-TV subscriptions, | | |
| Gross investments | 8.1 | 12.5 | thousands | 36 | 40 |
| Return on investment, % (ROI) | -16.8 | -20.3 | Number of broadband | | |
| Personnel under employment | | | internet connections, thousands | 31 | 20 |
| contract, average | 413 | 441 | | | |
| Personnel, average | | | | | |
| (full-time equivalents) | 384 | 403 | | | |

NET SALES AND OPERATING PROFIT, € million
GROSS INVESTMENTS, € million

SUBSIDIARIES
ASSOCIATED COMPANIES
MANAGEMENT GROUP OF SWELCOM

- Helsinki Television Ltd.
- Oy Ruutunelonen Ab (90.55%)
 - Oy Suomen Medianeelonen Ab
- 2ndhead Oy
- Tuotantotalo Werne Oy
 - Måndag Oy

- Maxisat Oy (46.21%)
- Platco Oy (33.33%)
- Suomen Urheiluradio Oy (23.25%)
- Suomen Urheilutelevisio Oy (35%, from 13.2.2003 19.9%)

- **Tapio Kallioja**, President, SWelcom Oy (chairman)
- **Pekka Jaakola**, Senior Vice President, Technology, SWelcom Oy
- **Pirkko Jokinen**, President, 2ndhead Oy
- **Juha-Pekka Louhelainen**, President, Oy Ruutunelonen Ab
- **Marja-Leena Tuomola**, Vice President, Administration, SWelcom Oy
- **Markku Tuomola**, President, Helsinki Television Ltd.
- **Pia Huhdanmäki**, Secretary to the Management Group, Corporate Counsel, SWelcom Oy



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

Jorma Kaimio, President of WSOY:

"It was not a 'vintage book year' in 2002 but WSOY did distinctly better than other publishers. Book sales levelled out in Finland during autumn 2001 and the sluggish trend continued in 2002 until a clear upswing in the Christmas season.

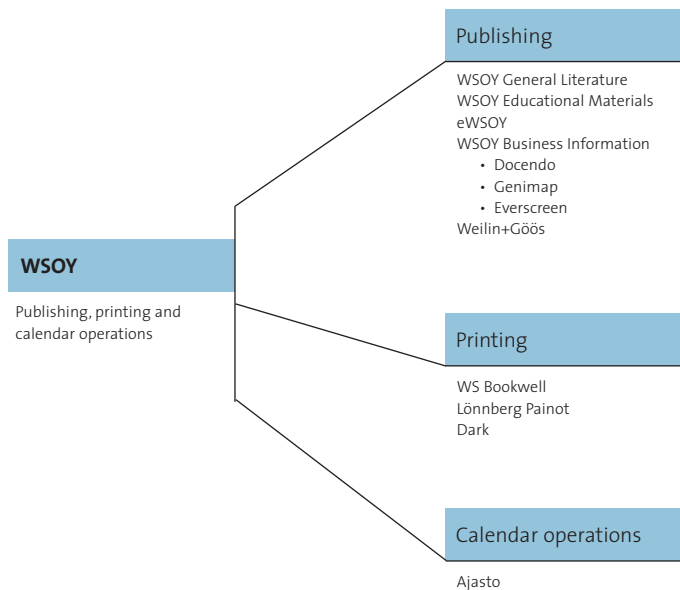
"Among the genres of literature, memoirs are currently undergoing a transformation. There have been no great memoirists or revelations as there once were. It has also been harder to find big hits – books that everyone wants to read – among translated works of fiction. On the other hand, a comeback by history books can already be seen.

"The term 'a modern publisher' may be applied to WSOY's strategy. This means expanding conventional publishing in three directions: along with general literature, textbooks and multi-volume reference works, we look for new fields of

printed literature, such as material intended for professionals and companies. We are now keeping a close watch on how new technology is used in publishing or how it opens up an alternative to printing books. We are also actively seeking international markets where WSOY's expertise can be used. However, new horizons will not change WSOY's mainstay: good literature.

"In 2003, WSOY's goal is to improve its results further. This will be the aim also in cases in which the business sector has no significant growth, by developing the mainly new units which are falling short of their profit targets.

"WSOY is having its 125th anniversary year in 2003. We aim through our actions to respect all those who have built up our publishing house and to show that we are alert and forward-looking for our age."



Information about WSOY's year 2002 on the Pages 27–28.

KEY INDICATORS, € million
OPERATIONAL INDICATORS, 1.1–31.12

| | 31.12.2002 | 31.12.2001 | | 2002 | 2001 |
|--|------------|------------|---------------------------------------|--------|--------|
| Net sales | 215.9 | 211.0 | Number of new titles published | | |
| Operating profit before amortisation | 26.4 | 22.1 | Books | 681 | 622 |
| % of net sales | 12.2 | 10.5 | Electronic products | 116 | 123 |
| Operating profit | 20.5 | 18.1 | Number of reprints published | | |
| % of net sales | 9.5 | 8.6 | Books | 1 251 | 1 213 |
| Operating profit excl. associated companies | 12.4 | 9.5 | Electronic products | 279 | 257 |
| % of net sales | 5.7 | 4.5 | Books printed, millions | 22 | 22 |
| Balance sheet total | 280.8 | 281.3 | Paper consumption, tonnes | 12 952 | 13 139 |
| Gross investments | 8.6 | 14.7 | | | |
| Return on investment, % (ROI) | 9.7 | 8.9 | | | |
| Personnel under employment contract, average | 1 937 | 1 971 | | | |
| Personnel, average (full-time equivalents) | 1 836 | 1 863 | | | |

NET SALES AND OPERATING PROFIT BY BUSINESS AREA, € million
GROSS INVESTMENTS, € million

SUBSIDIARIES

- Ajasto Osakeyhtiö
 - Almanacksförlaget AB
 - :Emil Moestue as
- Dark Oy (90%)
- Docendo Finland Oy
- Docendo Sverige AB
- Everscreen Oy (64%)
- Genimap Oy
- Lönnberg Painot Oy
- Weilin+Göös Oy
 - Bertmark Media AB
 - Kustannusperintä Oy
- WS Bookwell Oy

ASSOCIATED COMPANIES

- Taskukirja Loisto Oy (25%)
- Young Digital Poland S.A. (49%)

MANAGEMENT GROUP OF WSOY

- **Jorma Kaimio**, President (chairman)
- **Jyri Ahti**, Senior Vice President, Business Development
- **Yrjö Franssila**, President, Ajasto Osakeyhtiö
- **Jaana Korpi**, Managing Director, Weilin+Göös Oy
- **Mikko Laine**, Senior Vice President, eWSOY
- **Hannu Laukkanen**, Senior Vice President, Educational Division
- **Jorma Mikkonen**, Senior Vice President, Finance and Corporate Services
- **Pekka Pätynen**, Senior Vice President, Printing operations
- **Tuomo Räsänen**, Senior Vice President, Business Information
- **Touko Siltala**, Literary Director
- **Katja Vuorialho**, Secretary to the Management Group, Corporate Counsel, WSOY



Rautakirja's R-kiosks form Finland's leading chain of convenience outlets, while Lehtipiste is the country's leading press distributor. Suomalainen Kirjakauppa is Finland's most extensive bookstore chain, and the movie theatre operations enterprise Finnkino is the market leader in its field. Rautakirja has expanded its activities into the Baltic countries and the Czech Republic.

Erkki Järvinen, President & CEO of Rautakirja:

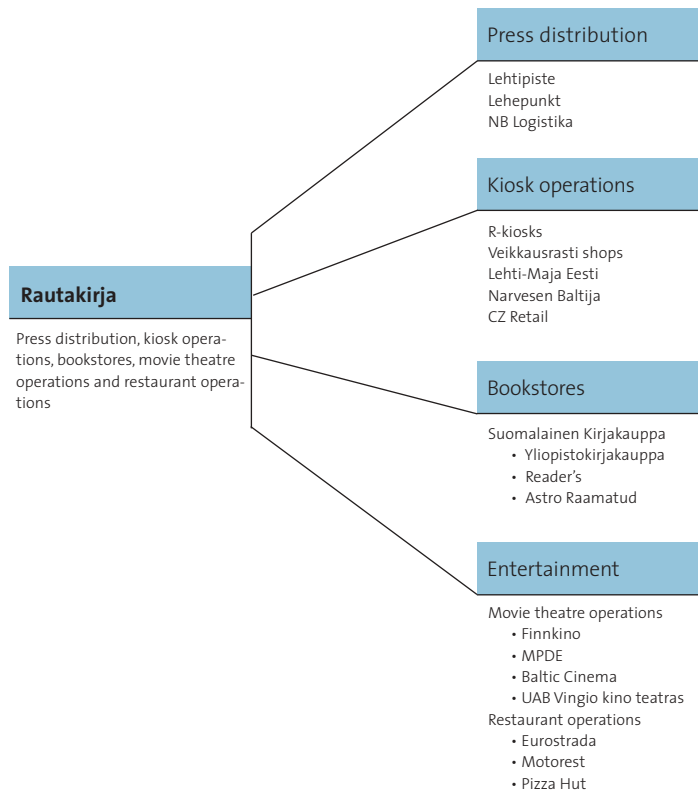
"Rautakirja achieved its primary goals in 2002. Growth fell slightly short of the target, but in spite of the challenging business conditions we succeeded in boosting our operative results.

"The changing climate was reflected in all of Rautakirja's businesses. Kiosk business adapted well to the liberalisation of the Opening Hours Act by developing the concept, by refining chain management, and by launching new product groups. The number of newsstand copies sold by press distribution developed more sluggishly than in the previous year, and no major new hit products entered the marketplace. In bookstores, the year proved that books have grown in importance as gifts. The positive trend in the market for paperbacks was also gratifying. Hit films attracted record audiences. The volume of our highway service area operations also grew significantly.

"Growth and internationalisation are central in

Rautakirja's strategy. Kiosk operations took an important step last year by establishing a joint venture in the Czech Republic together with the French company HDS. The project tests out the R-kiosk concept in Eastern Central Europe and expands our kiosk operations beyond Finland and the Baltic countries. Press distribution strengthened its leading position in Estonia and Latvia. The internationalisation of press distribution and the kiosk operations is tied up with the growth of the whole SanomaWSOY, as they are part of the same value chain as the rest of the Group: getting a publication from the producer to the reader. The proof of movie theatre operations' internationalisation is expansion into the Baltic countries; handling this well will open up opportunities in other regions neighbouring Finland.

"In 2003 we will be aiming to strengthen our position further on the market in Finland. At the same time, we will extend our concepts to new market areas."



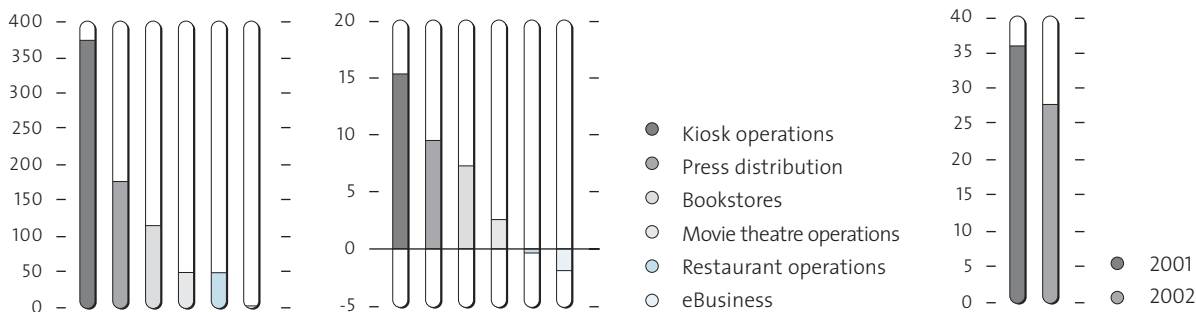
Rautakirja was merged into SanomaWSOY on 1 March 2003. The merger took Rautakirja Oyj off the stock exchange and changed its name to Rautakirja Oy. SanomaWSOY's holding in Rautakirja before the merger was approximately 57%.

Information about Rautakirja's year 2002 on the Page 28.

| KEY INDICATORS, € million | | | OPERATIONAL INDICATORS, 1.1–31.12*) | | |
|--|--------------|------------|---|----------------|---------|
| | 31.12.2002 | 31.12.2001 | | 2002 | 2001 |
| Net sales | 726.5 | 696.5 | Customer volume in kiosk operations, thousands | 83 746 | 82 499 |
| Operating profit before amortisation | 42.4 | 46.5 | Customer volume in bookstore operations, thousands | 6 460 | 6 629 |
| % of net sales | 5.8 | 6.7 | Customer volume in movie theatres, thousands | 3 591 | 3 351 |
| Operating profit | 38.0 | 42.6 | Number of copies sold (press distribution), thousands | 126 017 | 136 700 |
| % of net sales | 5.2 | 6.1 | | | |
| Operating profit excl. associated companies | 39.5 | 44.0 | | | |
| % of net sales | 5.4 | 6.3 | | | |
| Balance sheet total | 410.4 | 412.7 | | | |
| Gross investments | 27.8 | 35.9 | | | |
| Return on investment, % (ROI) | 15.0 | 18.4 | | | |
| Personnel under employment contract, average | 6 453 | 5 877 | | | |
| Personnel, average (full-time equivalents) | 5 110 | 4 461 | | | |

*) Own units in Finland

| NET SALES AND OPERATING PROFIT BY BUSINESS AREA, € million | GROSS INVESTMENTS, € million |
|--|------------------------------|
|--|------------------------------|



| SUBSIDIARIES | ASSOCIATED COMPANIES | EXECUTIVE BOARD OF RAUTAKIRJA |
|---|--|---|
| <ul style="list-style-type: none"> AS Lehepunkt Eurostrada Oy <ul style="list-style-type: none"> Foodstop Oy (99%) Finnkino Oy <ul style="list-style-type: none"> AS MPDE Baltic Cinema SIA (90%) Interprint Oy UAB Vingio kino teatras (90%) Lehti-Maja Eesti AS Suomalainen Kirjakauppa Oy <ul style="list-style-type: none"> Astro Raamatud AS (60%) | <ul style="list-style-type: none"> Baltlab OÜ (33.33%) CZ Retail a.s. (50%) <ul style="list-style-type: none"> M-Trafik s.r.o. JHC Arena Holding (30%) Jokerit HC Oyj (36.43%) Kirjavälitys Oy (20.34%) Narvesen Baltija SIA (50%) <ul style="list-style-type: none"> a/s Preses Apvieniba (96.04%) SIA NB Logistika SIA Ekspreskafe SIA Stockmann Centrs (35%) | <ul style="list-style-type: none"> Erkki Järvinen, President & CEO (chairman) Raimo Kurri, Senior Vice President, Bookstores Markus Miettinen, Senior Vice President, Press Distribution Timo Mänty, Senior Vice President, Entertainment Markku Pelkonen, Senior Vice President, Kiosk Operations Matti Salmi, Senior Vice President, Finance and Administration |

Corporate governance

The SanomaWSOY Group comprises five divisions: Sanoma, Sanoma Magazines, SWelcom, WSOY, and Rautakirja. The Group fully owns all the above divisions. Rautakirja, in which the Group previously had a 57% shareholding, was merged into SanomaWSOY on 1 March 2003.

SanomaWSOY operates as a group of independent divisions and business units. The parent company, SanomaWSOY Corporation, is responsible for strategic control and administration of the Group. The management of the Group and the Group's businesses is based on a clear organisational structure, defined areas of authority and responsibility, common planning and reporting systems, as well as confirmed strategic objectives and Group policies.

SanomaWSOY follows the principles concerning the governance of public companies recommended by the Helsinki Exchanges and issued by the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. The Board of Directors has confirmed the principles for the Group's corporate governance.

The Group's administrative bodies are the Board of Directors and the President & Chief Operating Officer (COO), whose duties essentially reflect those laid down by the Finnish Companies Act. SanomaWSOY's Management Group prepares matters to be discussed at the meetings of the Board of Directors and coordinates the management of the Group. The Management Group is not a formal decision-making body. Matters of principle reviewed and recommended by the Management Group are approved legally by SanomaWSOY's Board of Directors or those of its subsidiaries.

Board of Directors

The members of the Board of Directors, the Chairman, and his Deputy are elected by the Annual General Meeting. The number of Board members can vary between five and eleven. In addition, a maximum of two personnel representatives can be elected to the Board.

The term of office of the Board members begins at the close of the Annual General Meeting and expires after the third Annual General Meeting following their election. The General Meeting can decide that one third of the members of the Board of Directors shall resign annually according to their terms of office. If needed, the General Meeting decides on the terms of resignation in relation to the election. If a Board member's seat becomes vacant before the end of this three-year period, a new member is elected for the remaining term. The Articles of Association stipulate that no person aged 75 or who will reach the age of 75 during his term in office, can be elected to the Board.

The Board of Directors is responsible for the overall management of the Group and organising its administration. The Board is responsible for appointing SanomaWSOY's President & COO and his deputy, the presidents and deputies of divisions, the parent company executives who sit on SanomaWSOY's Management Group, and the Senior Editors-in-Chief of Helsingin Sanomat and Ilta-Sanomat.

The current Board has 11 members and its term of office will end at the Annual General Meeting in 2005. All the members of

the Board have announced that they will vacate their seats for a new election at the Annual General Meeting in 2003. The Board has a full-time Chairman & CEO, and the Board includes the following members who are in the service of the Group: Hannu Syrjänen, President & COO, and Rafaela Seppälä, President of Lehtikuva Oy.

Matters to be presented to the Board are prepared, in accordance with the Articles of Association, by the Executive Committee, which consists of Jaakko Rauramo, Chairman & CEO, Paavo Hohti, Vice Chairman and Hannu Syrjänen, President & COO. The Board is empowered to establish other committees as appropriate. A Compensation Committee and an Audit Committee were active during 2002. The Compensation Committee's members as of the end of the year were Paavo Hohti (Chairman), Robin Langenskiöld (Vice Chairman), Jane Erkko, and Marjukka af Heurlin; while the Audit Committee consisted of Kyösti Järvinen (Chairman), Robert Castrén (Vice Chairman), Jane Erkko, and Esko Koivusalo.

Full-time Chairman & CEO

The Chairman & CEO is responsible, in cooperation with the President & COO, for preparing the matters brought to the Board of Directors and for chairing Board meetings and those of the Executive Committee. The Chairman & CEO's specific area of responsibility lies with the Group's strategic decisions and positions and strategic HR matters. In addition, he is responsible for handling a broad range of the Group's external contacts together with the President & COO.

The Chairman & CEO does not take part in the operational management of the Group on a regular basis. In separately agreed cases, the Chairman & CEO can participate in operational management, particularly in respect of growth and international expansion projects.

In 2002, Jaakko Rauramo served as full-time Chairman & CEO.

President & COO

The President & COO is independently responsible for the operations of the Group in line with strategic plans, budgets, and action plans approved by the Board of Directors and in accordance with general principles approved by the Board of Directors. The President & COO is responsible for day-to-day management of the Group and for preparation of matters brought to the Board and for presenting these matters to the Board.

The President & COO acts as Chairman of both SanomaWSOY's Management Group and the Boards of Directors of SanomaWSOY's divisions, unless otherwise agreed.

In 2002, Hannu Syrjänen served as President & COO of SanomaWSOY.

Remuneration and incentives

The Board of Directors approves the employment terms of the President & COO and the other members of senior management. The Board has set up a four-member Compensation Committee to consider remuneration issues within the Group. The Annual General Meeting shall approve the compensation paid to the Board of Directors.

The members of the Board of Directors are paid the following monthly compensations: EUR 5,000 to the Chairman, EUR 4,000 to the Vice Chairman, and EUR 3,000 to members. A sum of EUR 170 is paid for attending the meetings. The Board members, with the exception of the Chairman & CEO and the President & COO, are not included in the scope of the warrant system of SanomaWSOY.

Remuneration and other benefits paid to SanomaWSOY management in 2002 totalled EUR 8.5 (7.2) million. In this respect, management includes the members of the Board of Directors of SanomaWSOY, the President & COO, the Presidents of the parent companies of the Group's divisions, as well as their possible deputies. This sum only covers the remuneration and benefits paid to the persons in these positions during the financial year.

Jaakko Rauramo, the full-time Chairman & CEO, was paid remuneration, bonuses, and other benefits totalling some EUR 903,100 in 2002. The figure includes bonuses relating to the magazine acquisition in 2001. In 2001, Rauramo was paid remuneration, bonuses, and other benefits totalling EUR 601,700. In 2001, Rauramo served as SanomaWSOY's President & CEO from January to March and as Chairman & CEO from April to December. Jaakko Rauramo is entitled to retire after the age of 60 on a pension of 60% of his salary when he or the Company wishes under his contract of employment as Chairman & CEO and under the terms of Sanoma Corporation's pension fund. Rauramo holds 100,000 2001B warrants.

Hannu Syrjänen, President & COO, was paid in total approximately EUR 568,100 in remuneration and benefits in 2002. In 2001, Syrjänen was paid remuneration and benefits totalling EUR 321,380 for his term as President & COO (as of 29 March 2001). According to his employment contract, Syrjänen will retire at the age of 60, unless otherwise agreed, and his pension will be approximately 60% of his salary. His period of notice is six months and payment in the severance pay case of termination corresponds to 18 months' salary. Syrjänen holds 50,000 2001A warrants and 50,000 2001B warrants.

To promote the achievement of challenging financial targets, SanomaWSOY operates incentive systems designed to foster the personnel's commitment to business goals and change processes, and to remunerate people for good performance and results. In addition to skill-based salary, the personnel receive one-off bonuses. Divisions operate short-term incentive systems tied to their particular businesses. Warrants have been issued for senior management. Details on this can be found on page 64. All divisions operate profit-related bonus systems. In addition, Sanoma and Sanoma Magazines Finland operate profit-sharing funds; the profit sharing sums payable by these funds are coordinated with profit-related bonuses.

System of control and risk management

SanomaWSOY's risk management is covered by a risk management policy approved by the Board of Directors. In addition to the Group's risk management policy, other risk management tools include Group and divisional policies and guidelines.

The Board of Directors is responsible for monitoring the

Group's asset management. The President & COO is responsible for arranging the appropriate accounting and control mechanisms. The Group's financial performance is monitored on a monthly basis using a Group-wide operational planning and reporting system. The system includes data on actual performance and forecasts of profits, the balance sheet, and the main key figures for the current year with rolling estimates for the next 12 months.

The Board of Directors selects an Audit Committee from among its members annually, responsible for controlling and improving Group's financial reporting and the reliability of internal control procedures. The Audit Committee consists of four members, but all Board members are entitled to attend meetings. Meetings are also attended, where appropriate, by Group's auditors, the President & COO, and the CFO.

The Audit Committee is responsible for reviewing the Group's year-end statement and at least one of its interim reports prior to their final consideration by the Board of Directors, and for ensuring the functioning of the Group's operating policies and authorities, reporting 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 auditors, proposing possible actions to be decided on by the Board, and handling any other duties assigned by the Board.

SanomaWSOY's internal auditing is handled by the Group's Internal Auditing Department. Internal auditing is carried out in collaboration with SanomaWSOY's Management Group, the Audit Committee, and the Group's auditors in accordance with the Group's corporate governance and the operating policies for internal auditing given by the Audit Committee.

Authority issues regarding approval of investments and HR-related matters have been clearly defined in SanomaWSOY's corporate governance. Investments are considered as part of the review of strategies, operational plans and budgets carried out by various administrative bodies across the Group. All investment decisions are taken on the basis of a separate investment proposal, in accordance with the authority to approve investments. For decision-making and monitoring purposes, an investment proposal, which covers the bases for the investment including financial calculations, is made for all major investments (valued in excess of EUR 0.1 million).

Financial risk management is described in more detail in the note 22 on page 61.

Intellectual property rights

Sanoma WSOY's intellectual property rights refer to copyrights, trademarks, business names, designs, domains, patents, utility models, and know-how possessed or licensed by the Group. Intellectual property rights are an essential part of the Group's identifiable intellectual capital. SanomaWSOY's Management Group has approved the principles regarding management of the Group's intellectual property rights.

SanomaWSOY strives to build the ownership and exploitation of its intellectual property rights into a competitive advantage by acquiring and protecting its rights cost-effectively with a view to optimising the exploitation of its intellectual property.

Board of Directors

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

President & CEO of SanomaWSOY between 1999 and 2001. 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: Metso Corporation (Finland), Stiftelsen Svenska Dagbladet (Sweden), the Scandinavian International Management Institute Foundation (Denmark), the European Publishers Council, Reuters Founders Share Company Limited (United Kingdom) (trustee), and Jane and Aatos Erkko Foundation (Finland). Rauramo is also a member of the Advisory Board of the Helsinki School of Economics (Finland), the Delegation of the Finnish Central Chamber of Commerce (Finland), the Helsinki Chamber of Commerce (Finland), and the Honorary Delegation of the Student's Union of the Helsinki University of Technology (Finland).

Owns 2,452 SanomaWSOY Series A shares and 34,489 Series B shares, 10 note units of SanomaWSOY's Convertible Capital Notes 2001, and 100,000 2001B warrants.

Paavo Hohti, born 1944, Ph.D., Vice Chairman of the Board Secretary-General of the Finnish Cultural Foundation. Served as Vice Chairman of WSOY's Supervisory Board between 1994 and 1999 and a member between 1991 and 1994.

Sits on the boards of: Huhtamäki Corporation (Finland) (vice chairman), Werner Söderström Corporation's Literature Foundation (Finland) (chairman), the Foundation for the Finnish Institute in Athens (Finland), the Foundation of the Finnish Institute in Rome (Finland) (chairman), the Valamo Foundation (Finland), and the Finnish Society for Scientific Information (Finland) (chairman).

Owns 824 SanomaWSOY Series B shares.

Robert Castrén, born 1957, B.Sc. (Econ)

Sales & Marketing Director at UPM-Kymmene Corporation's subsidiary, Seven Seas Oy, since 2000. Held various marketing positions with UPM-Kymmene Corporation and its predecessor, Kymmene Oy, since 1991. Prior to that, he worked for Finnppap and Lamco Paper Sales. Served at Sanoma Corporation's Board as a member between 1994 and 1999 and as Vice Chairman between 1999 and 2002.

Owns 7,040 SanomaWSOY Series A shares and 13,172 Series B shares.

Aatos Erkko, born 1932, KBE, Doctor of Social Sciences h.c.

Chairman of SanomaWSOY Corporation between 1999 and 2001. Chairman of Sanoma Corporation between 1972 and 1999, Vice Chairman of the Board between 1965 and 1972, CEO of Sanoma Corporation between 1965 and 1976, and a member of the Board since 1957; Editor-in-Chief of Helsingin Sanomat between 1961 and 1970 and Editor-in-Chief of Viikkosanomat between 1953 and 1961.

Sits on the boards of: Asipex Group (Finland) (chairman), the News Corporation Limited (Australia), Sanoma Inc. (USA) (chairman), Sanoma Finance AG (Switzerland) (chairman), and Jane and Aatos Erkko Foundation (Finland) (chairman).

Owns 5,125,832 SanomaWSOY Series A shares and 26,041,660 Series B shares.

Jane Erkko, born 1936

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

Sits on the boards of: American Scandinavian Foundation (USA) (Overseas Trustee), and Jane and Aatos Erkko Foundation (Finland) (vice chairman).

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 (Finland) (chairman), and Marjukka af Heurlin Oy (Finland) (chairman).

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

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 (Finland), and the Kalevala Society (Finland).

Esko Koivusalo, born 1936, Professor, Doctor of Medicine and Surgery h.c.

Served as Secretary-General of the Alfred Kordelin Foundation until 2001. 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 (Finland), the Alfred Kordelin Society (Finland), and the Arvo and Lea Ylppö Foundation (Finland).

Owns 20 SanomaWSOY Series A shares and 144 Series B shares.

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 Company Oy between 1995 and 1999.

Sits on the board of: Pencentra Oy (Finland).

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

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

Serves as the President of Lehtikuva Oy. Served as Project Manager at Helsinki Media Company Oy 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 (Finland), the European Pressphoto Agency (EPA), the Finnish Foundation for Cardiovascular Research (Finland), the Ornamo Foundation (Finland), Museum of Finnish Architecture (Finland), Sernita Oy (Finland) (chairman), and Le Medaillier Franklin (France) (chairman).

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

Hannu Syrjänen, born 1951, B.Sc. (Econ), Master of Laws, President & COO of SanomaWSOY Corporation

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

Sits on the boards of: Sanoma Magazines B.V. (the Netherlands) (chairman of the Management Board), Sanoma Magazines Finland (Finland) (chairman), Sanoma Corporation (Finland) (chairman), SWelcom Oy (Finland) (chairman), Werner Söderström Corporation (Finland) (chairman), Rautakirja Oyj (Finland) (chairman), Federation of the Finnish Media Industry (Finland) (chairman), Districo International AB (Sweden) (chairman), Indoor Group Oy (Finland), JHC Arena Holding Oy (Finland), Ilmarinen Mutual Pension Insurance Company (Finland) (vice chairman of the Supervisory Board), the National Board of Economic Defence, the Graphic Industry Pool (Finland) (chairman), Foundation for Economic Education (Finland), Finnish Scouts Foundation (Finland) (member of the Supervisory Board), National Voluntary Defence Support Association (Finland) (member of the council), Research Foundation of the University of Helsinki (Finland) (member of the council), the Helsinki Chamber of Commerce (member of the council), and Foundation Institutum Romanum Finlandiae (Finland) (member of the council).

Owns 10,000 SanomaWSOY Series B shares, 5 note units of SanomaWSOY's Convertible Capital Notes 2001, 50,000 2001A, and 50,000 2001B warrants.

The Board met 10 times during 2002. The Board's term of office will end at the Annual General Meeting in 2005. All the members of the Board have announced that they will vacate their seats for a new election at the AGM in spring 2003.

The share ownership information shown on Pages 14–15 refers to 31 January 2003. A complete list of SanomaWSOY's insider holdings, updated monthly, can be found at www.sanomawsoy.fi.

Management Group

Hannu Syrjänen, born 1951, B.Sc. (Econ), Master of Laws, President & COO, SanomaWSOY Corporation

Joined Rautakirja in 1989 and served company as President & CEO, Executive Vice President & Deputy CEO, and Vice President. Previously served as Vice President at the TS Group, Vice President at Wihuri Oy and Managing Director of Finnish Lawyers' Publishing Oy.

Sits on the boards of: See entry on page 15.

Owns 10,000 SanomaWSOY Series B shares, 5 note units of SanomaWSOY's Convertible Capital Notes 2001, 50,000 2001A, and 50,000 2001B warrants.

Eija Ailasmaa, born 1950, M.Pol.Sc., President & CEO, Sanoma Magazines B.V.

Served as President of Sanoma Magazines Finland Oy and Helsinki Media Oy between 2000 and 2002, 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, as Editor-in-Chief of the family magazine Kodin Kuvalehti, and in various editorial positions at Ilta-Sanomat.

Sits on the boards of: Sanoma Magazines B.V. (the Netherlands) (vice chairman of the Management Board), Sanoma Magazines Finland Corporation (Finland), Egmont Kustannus Oy Ab (Finland) (vice chairman), the Finnish Periodical Publishers Association (Finland) (chairman), Hansaprint Oy (Finland), FinnMedia (Association of Finnish Media Enterprises) (Finland), and Oy Kirjalito Ab (Finland) (chairman).

Owns 80 SanomaWSOY Series A shares, 30,000 2001A, and 30,000 2001B warrants.

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

Served as CFO and Executive 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 (Finland), Sanoma Corporation (Finland), the Media Employers Association (Finland), the Finnish Employers Management Development Institute (Finland), Vapo Oy (Finland), and the Economic Research Foundation of the Communication Industry (Finland).

Owns 200 SanomaWSOY Series A shares, 3,040 Series B shares, 30,000 2001A, and 30,000 2001B warrants.

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

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

Sits on the boards of: Rautakirja Oyj (Finland) (vice chairman), SWelcom Oy (Finland), Sanoma Magazines Finland Corporation (Finland), A-pressen ASA (Norway) (vice chairman of the Supervisory Board), Oy Asipex Ab (Finland), and Jane and Aatos Erkko Foundation (Finland).

Owns 22,320 SanomaWSOY Series B shares, 30,000 2001A, and 30,000 2001B warrants.

Erkki Järvinen, born 1960, M.Sc. (Econ), President & CEO, Rautakirja Oy

Served Rautakirja as Senior Vice President, Kiosk Operations since 1997. Previously served as Marketing Manager and Head of Marketing at Vaasamills and as Managing Director of Siljans Knäcke AB in Sweden when they were part of the Cultor Group, and as Product and Marketing Manager for Oy Karl Fazer Ab's Fazer Bakeries.

Sits on the boards of: Finnkino Oy (Finland) (chairman), JHC Arena Holding Oy (Finland), Narvesen Baltija SIA (Latvia), Baltic Cinema SIA (Latvia) (chairman of the Supervisory Board), AS MPDE (Estonia) (chairman of the Supervisory Board), UAB Vingio kino teatras (Lithuania) (chairman of the Supervisory Board), Lehti-Maja Eesti AS (Estonia) (chairman of the Supervisory Board), AS Lehepunkt (Estonia) (chairman of the Supervisory Board), Jokerit HC Oyj (Finland), Confederation of Service Industries, and the Helsinki Chamber of Commerce (Vantaa section) (Finland).

Owns 30,000 2001B warrants.

Jorma Kaimio, born 1946, Ph.D., Docent in Classical Philology at the Universities of Helsinki and Turku, President, 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: Werner Söderström Corporation (Finland), Ajasto Osakeyhtiö (Finland) (chairman), Weilin+Göös Oy (Finland) (chairman), Bertmark Media AB (Sweden) (chairman), Helsingin yliopiston Holding Oy (Finland), Licentia Oy (Finland) (chairman), the WSOY Literary Foundation (Finland) (secretary), the Lauri Jäntti Foundation (Finland), the Finnish Book Publishers Association (Finland), and the delegation of the Valamo Foundation (Finland).

Owns 4,480 SanomaWSOY Series B shares, 30,000 2001A, and 30,000 2001B warrants.

Tapio Kallioja, born 1948, M.Sc. (Eng), President, SWelcom Oy
Joined Sanoma in 1984. Served as Vice President of Sanoma's Eurocable Group and New Media Group and President of Helsinki Telset Oy and Helsinki Television Ltd., and as President of Helsinki Media Company Oy.

Sits on the boards of: SWelcom Oy (Finland), Helsinki Television Ltd. (Finland) (chairman), Oy Ruutunelonen Ab (Finland) (chairman), A-pressen ASA (Norway) (vice chairman), 2ndhead Oy (Finland) (chairman), Suomen Urheilutelevisio Oy (Finland), the Association of Commercial Television of Finland (Finland) (chairman), and SSH Communications Security Oyj (Finland).

Owns 1,600 SanomaWSOY Series B shares, 30,000 2001A, and 30,000 2001B warrants.

Seppo Kievari, born 1943, President, Sanoma Corporation; Publisher, Helsingin Sanomat

Served Sanoma since 1966 as Editor-in-Chief of Helsingin Sanomat, Executive Vice President of Sanoma Corporation, and the Publisher of Sanoma's newspapers.

Sits on the boards of: Sanoma Corporation (Finland), Lehtikuva Oy (Finland) (chairman), Startel Oy (Finland) (chairman), the Finnish News Agency (Finland) (chairman), the Finnish Newspapers Association (Finland) (chairman), Kymen Lehtimedia Oy (Finland) (chairman), WAN (World Association of Newspapers), Association of Finnish Media Enterprises (Finland), Hämeen Sanomat Oy (Finland), ENPA (European Newspaper Publishers' Association) and A-pressen ASA (Norway) (deputy member).

Owns 30,000 2001A, and 30,000 2001B warrants.

Kerstin Rinne, born 1950, LL.B., Master of Laws (trained on the bench), Senior Vice President, Group Legal Affairs and Planning, SanomaWSOY Corporation

Joined Sanoma in 1980. Served as Vice President, Legal Affairs between 1984 and 1999. In addition to Legal Affairs, Rinne has been responsible for e.g. corporate planning, information services, and administration at various points. Prior to joining Sanoma, Rinne worked e.g. as Attorney for the law offices Silkko & Ståhlberg, H. Hedman, and Rinne & Talikka.

Sits on the boards of: Sanoma Corporation (Finland) (vice chairman), Werner Söderström Corporation (Finland), SWelcom Oy (Finland) (vice chairman), A-pressen ASA (Norway), and the HYY Group (HYY Group Ltd, Kaivopiha Ltd, HYY Real Estate Division) (Finland). Rinne is also a member of the Delegation of the Nordic Lawyers Meetings, and the Corporate Affairs Group of the European Publishers Council.

Owns 1,200 SanomaWSOY Series B shares, 30,000 2001A, and 30,000 2001B warrants.

Pim de Wit, born 1952, the Hogere Ecomische School (Marketing and Economics), Chairman & CEO, Sanoma Uitgevers B.V. (Member of SanomaWSOY's Management Group from 1 August 2002 until 1 March 2003.)

Became President & CEO of Sanoma Uitgevers, when it became operational on 1 October 2001. Chairman and CEO of VNU Magazines the Netherlands between 2000 and 2001, and Managing Director of Spaarnestad in 1996–1999. Prior to this, he worked for VNU in the business-to-business segment in various roles: Managing Director of VNU Business Publications London, Managing Director of Business Publications Amsterdam and Publisher of Computer Publications for Business Publications Amsterdam. Joined VNU in 1978 after starting his career in publishing at Wolters Kluwer.

Sits on the boards of: Sanoma Magazines B.V. (the Netherlands) (Management Board), and Sanoma Uitgevers B.V. (the Netherlands) (chairman of the Management Board).

Owns 20,000 2001A, and 20,000 2001B warrants.

The share ownership information shown on Pages 16–17 refers to 31 January 2003. A complete list of SanomaWSOY's insider holdings, updated monthly, can be found at www.sanomawsoy.fi.

Environment

ENVIRONMENTAL STRATEGIES

Because of the different nature of the businesses inside the Group, each of SanomaWSOY's divisions is independently responsible for their environmental strategies. Divisions have the following environmental strategies in force:

| | |
|------------------|--|
| Sanoma | • Environmental strategy |
| Sanoma Magazines | • Environmental policy included in business principles |
| WSOY | • Ajasto Osakeyhtiö: environmental policy • Lönnberg Painot Oy: environmental policy included in quality policy • WS Bookwell Oy: environmental policy |

SANOMAWSOY'S PRINTING PLANTS

| | | |
|---------------------|------------------------------|-------------------------|
| Sanoma | • Cold set web offsets | Vantaa, Forssa, Varkaus |
| Kymen Lehtimedia Oy | • Cold set web offsets | Kouvola, Lappeenranta |
| WS Bookwell Oy | • Book printing units | Porvoo, Juva |
| F.G. Lönnberg | • Sheet offset printing unit | Helsinki |
| Mainos ja Etiketti | • Silk screen printing unit | Helsinki |
| Sävypaino | • Offset printing unit | Espoo |
| Dark Oy | • Digital printing unit | Vantaa |
| Ajasto Osakeyhtiö | • Calendar printing unit | Vantaa |
| :Emil Moestue as | • Calendar printing unit | Oslo |

STANDARD CERTIFICATIONS OF SANOMAWSOY'S PRINTING PLANTS

| | |
|--------------------|---|
| WS Bookwell Oy | • ISO 9001 quality system |
| F.G. Lönnberg | • ISO 9001:2000 quality system, Nordic Swan-certified |
| Mainos ja Etiketti | • ISO 9001:2000 quality system |
| Sävypaino | • ISO 9001:2000 quality system, Nordic Swan-certified |
| Ajasto Osakeyhtiö | • ISO 9001:2000 quality system |
| :Emil Moestue as | • ISO 14001 standard |

LOGISTICS

- SanomaWSOY's largest producers and users of logistics services are Sanoma's Leijonajakelu, Rautakirja and Sanoma Magazines.
- Sanoma's printing plants are in Greater Helsinki, Forssa and Varkaus, and copies of Ilta-Sanomat for the northern Finnish market are printed out-of-house in Oulu, which has reduced transport distances.
- Deliveries of WSOY books to dealers and bookshops are handled on a joint basis with other publishers.
- Rautakirja's Lehtipiste uses a joint system for delivering newsstand copies of magazines and tabloids.

RECYCLING

- Print waste, such as printing plates (approximately 550,000 m² of aluminium in 2002) and waste paper are sorted out and recycled to be used in industry as raw material. Printing inks are sent to waste-disposal plants.
- Continual attention is paid to reducing the paper wastage that inevitably results from a printing process. There is an in-house recycling system for waste paper in every printing unit of the Group.

Wastage percentage rates of SanomaWSOY's printing operations

| 2002 | 2001 | 2000 |
|-------|-------|-------|
| 10.8% | 11.2% | 11.7% |

- Rautakirja's Lehtipiste collects and recycles unsold copies of newspapers and magazines in Finland.
- In the Netherlands, a joint agreement between printers, publishers, and the state has been introduced to reduce the usage of packaging materials and to encourage recycling of magazines and other material.

PAPER USAGE IN SANOMAWSOY'S PRINTING PLANTS

| Tonnes | 2002 | 2001 |
|-------------------------------|---------|---------|
| Newsprint | 97 000 | 109 000 |
| Magazine paper | 94 000 | 100 000 |
| Fine and book paper and board | 17 500 | 17 000 |
| Bookbinding board | 1 000 | 1 000 |
| Total | 208 500 | 227 000 |

- Newsprint is typically manufactured from pulp produced from spruce thinnings.
- Some pulp produced from recycled paper is also used in newsprint used by Sanoma.

SANOMAWSOY'S CONSUMPTION OF ELECTRICAL ENERGY IN FINLAND*)

| | 2002 | 2001 |
|---------------------------------------|---------|---------|
| Consumption of electrical energy, MWh | 132 335 | 121 132 |

*) The subjects of consumption changed to some extent in 2001 and 2002.

Human resources

| | 2002 | 2001 | 2000 | 1999 |
|--|---------------|--------|--------|--------|
| Personnel under employment contract, average | 18 657 | 15 129 | 13 364 | 12 629 |
| Personnel, average (full-time equivalents) | 15 210 | 12 077 | 10 350 | 9 816 |
| Net sales per employee *), € 1 000 | 155.0 | 143.6 | 140.0 | 134.5 |

*) Calculated from the figure for personnel converted to full-time equivalents.

PERSONNEL BY COUNTRY 31 Dec. 2002

| | | | | | |
|----------------|--------|----------------|-----|-----------|----|
| Finland | 11 995 | Norway | 137 | Germany | 14 |
| Netherlands | 2 609 | Slovakia | 59 | Russia | 11 |
| Estonia | 826 | United Kingdom | 56 | France | 11 |
| Latvia | 640 | Romania | 51 | USA | 6 |
| Belgium | 536 | Croatia | 49 | Singapore | 4 |
| Hungary | 360 | Lithuania | 34 | Canada | 1 |
| Czech Republic | 259 | Malaysia | 20 | China | 1 |
| Sweden | 187 | Denmark | 18 | | |

SanomaWSOY Executive Program

SanomaWSOY Executive Program spreads the latest ideas about strategic approach, leadership and technological developments. The participants gain strategic thinking tools that help them develop the Group's strategic processes and respond rapidly to changes in the operating environment. The first SWEP course started in April 2001 and the second in autumn 2002.

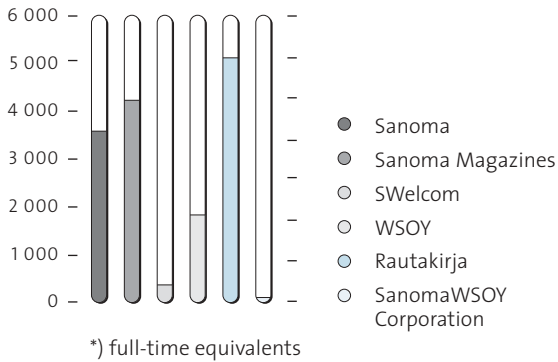
SanomaWSOY's special professional Management Training Program (JET)

SanomaWSOY's special professional Management Training Program (JET) offers business development tools on a more operational level. Key aspects of training are assessment of one's own leadership and analysis and planning of business operations. The first JET course started in February 2001. The fifth JET is the first international course, with participants from six different countries.

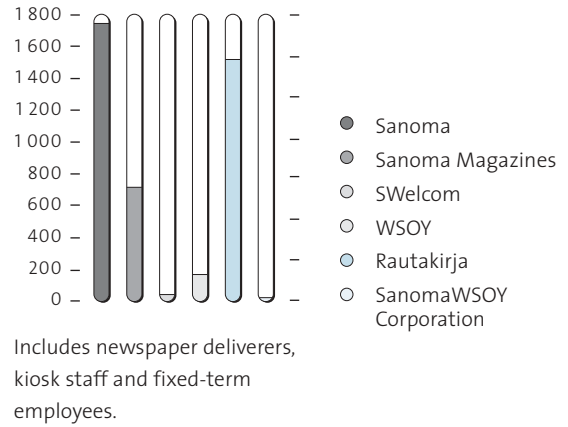
SanomaWSOY's Media Trainee Programme

SanomaWSOY's Media Trainee Programme trains new media professionals for the Group. Trainees rotate through approximately three units over a period of eighteen months. Learning is based on working on different development projects, cooperation between Media Trainees, training events and mentoring. In all, 15 Media Trainees have started in the programme since 1999.

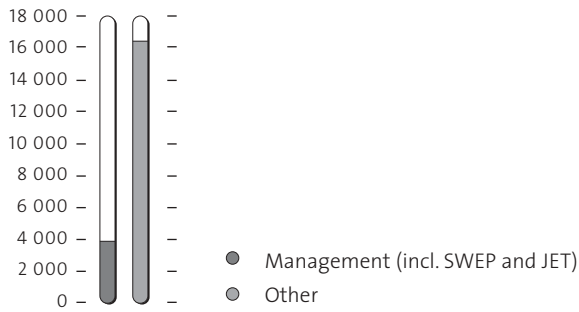
PERSONNEL BY DIVISION*)



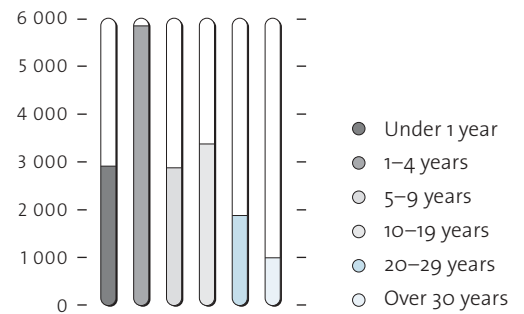
TURNOVER OF PERSONNEL BY DIVISION



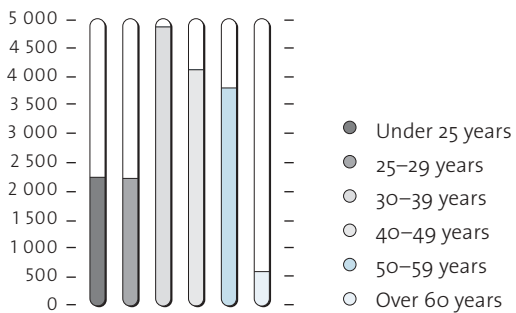
TRAINING DAYS



WORK EXPERIENCE AT SANOMAWSOY (YEARS)



AGE DISTRIBUTION



Board of Directors' Report

SanomaWSOY

Operating environment

Economic growth continued to be slow in 2002, both in Finland and in the rest of the euro area. According to an estimate by The Research Institute of the Finnish Economy, GDP grew in the euro area by 0.8% and in Finland by 1.7% in 2002. Private consumption was up in Finland by 2.5% during the year, and consumers continued to have strong confidence especially in their own economy. According to Statistics Finland, the unemployment rate was on a par with the previous year and was 8.1% in December 2002. The average inflation rate for the year was 1.6%.

According to Gallup Adex, media advertising declined in Finland by 1.4%. EUR 1,052.8 million was spent on media advertising, of which newspapers and free distributed papers accounted for 55%, television for 19% and magazines for 17%. The amount of money spent on newspaper advertising declined by 4% and job advertisements shrank by 26%. Television advertising grew by 3%. Magazine advertising declined in Finland by 3%, but advertising in consumer magazines grew by 4% and that of customer magazines by 5%. Advertising in professional publications declined, on the other hand. According to advance information from Zenith Media, magazine advertising declined by 3% in the Netherlands. However, according to advance information, magazine advertising was up in Belgium (3%), Hungary (7%) and the Czech Republic (9%).

According to advance information from the Finnish Book Publishers Association, growth in sales of books slowed in 2002 and publishers' retail sales to bookshops and other retail outlets grew by 2%. Book clubs' sales grew by roughly 1%. Sales of educational materials grew by 5%, and sales of multi-volume works also picked up by 2%.

According to advance information from the Federation of Finnish Commerce and Trade, sales by the retail trade were up by 4% in January–November 2002.

Net sales

SanomaWSOY's net sales grew by 36% and amounted to EUR 2,357.8 (1,734.3) million in 2002. This growth was largely due to the integration of magazine operations with the Group at the beginning of October 2001; these include the present Sanoma Uitgevers, Sanoma Magazines Belgium, Sanoma Magazines International and Aldipress. SWelcom, WSOY and Rautakirja also increased their net sales. Comparable net sales rose by slightly more than 1%.

Result

The Group's operating profit improved more than net sales; by 39%, reaching EUR 134.4 (96.5) million. This increase was due to the integration of new magazine operations, improved cost-efficiency, and the sale of non-core assets. Major gains on the sales of assets were EUR 34.9 (11.5) million. Non-recurring expenses related to the restructuring of Sanoma Uitgevers amounted to EUR 13.1 million.

EBITA (operating profit before amortisation of goodwill,

consolidated goodwill and immaterial rights) was EUR 269.2 (161.4) million. The accounting practice of recording film rights and television broadcasting rights has been harmonised within the Group during the financial year. The changes improved EBITA by EUR 38.1 (28.2) million. The changes do not affect the operating profit.

SanomaWSOY's profit before extraordinary items was EUR 106.7 (92.5) million. The direct taxes for the financial year were EUR 64.2 (31.0) million. In most of the countries where the Group operates, amortisation of goodwill is not tax-deductible. Profit after taxes amounted to EUR 48.5 (61.5) million and earnings per share were EUR 0.22 (0.35).

The Group's cash flow from operations was EUR 184.2 (171.9) million. Cash flow per share was EUR 1.33 (1.24).

Investments and R&D

SanomaWSOY's investments totalled EUR 113.5 (1,473.9) million. The biggest investments were related to the Sanomala printing plant. The figure for 2001 includes the acquisition of VNU's consumer magazine business. R&D expenditure recorded as expenses totalled EUR 17.8 (17.7) million.

Balance sheet and financial position

The Group's financial position improved considerably during 2002 and was good at the end of the year. The equity ratio including capital notes increased to 45.2 (38.6)%. Capital notes have a positive impact of 8.3 percentage points on the equity ratio. The consolidated balance sheet decreased to EUR 2,592.5 (3,053.1) million. Shareholders' equity excluding capital notes was EUR 788.9 (812.4) million.

The Group's interest-bearing liabilities decreased as a result of positive cash flow, sales of non-core assets and improved cash management. At the year-end interest-bearing liabilities, including capital notes, amounted to EUR 1,006.2 (1,439.7) million. The book value of securities and cash totalled EUR 122.4 (365.0) million and their market value was EUR 123.2 (418.9) million. The book value of the remaining shares at the end of the year was EUR 42.7 (125.8) million and their market value was EUR 43.3 (178.6) million. Net debt, including capital notes, was EUR 883.8 (1,074.7) million.

The Group's net financial expenses amounted to EUR 27.7 (4.0) million in 2002. Financial income totalled EUR 70.8 (42.9) million and financial expenses EUR 98.5 (46.9). Most of the financial income, EUR 41.3 (16.5) million, was generated from gains on the sales of shares. The Group's share portfolio was realised as planned during the year, and approximately two thirds of the shares were sold. Financial expenses mainly comprised interest expenses on interest-bearing liabilities, EUR 62.2 (29.7) million, and decreases in the value of securities, EUR 20.6 (12.8) million.

Rautakirja merger

In September 2002 SanomaWSOY's and Rautakirja's Extraordinary General Meetings approved the merger plan

approved by the Boards of Directors of SanomaWSOY and Rautakirja, according to which Rautakirja will merge into SanomaWSOY. The intended time for the registration of the implementation of the merger is 1 March 2003.

According to the merger plan, Rautakirja's shareholders will receive a merger consideration of 5.3 new SanomaWSOY B-shares for each Rautakirja A- or B-share held by them. The merger will enable full usage of the Group's resources in international expansion projects and simplify the ownership structure. It will give more flexibility in prospective internal reorganisation of the business and restructuring of the Group while enhancing efficiency in financing and capital planning.

In connection with the merger, Rautakirja's operations will be incorporated into a new Rautakirja Oy that will continue operations on the present basis. In the merger, SanomaWSOY will issue not more than 33,551,120 SanomaWSOY B-shares, of which not more than 18,773,018 shares will be issued to SanomaWSOY subsidiaries Sanoma Corporation and Werner Söderström Corporation as merger consideration. Those of Rautakirja's existing shareholders that are external to SanomaWSOY Group will receive a merger consideration of not more than 14,778,101 shares that after the merger will represent about 8.25% of the total number of SanomaWSOY A- and B-shares. The new shares of SanomaWSOY to be received by the shareholders as merger consideration entitle their holders to a full dividend from the financial year of 2002. SanomaWSOY Corporation will receive no merger consideration in the merger for those Rautakirja shares that it owns directly. SanomaWSOY Group's consolidated goodwill will not increase as a result of the merger. SanomaWSOY's Board of Directors will propose to the Annual General Meeting to pass a resolution on the invalidation of the SanomaWSOY shares coming into the ownership of Sanoma Corporation and Werner Söderström Corporation.

Other key events

SanomaWSOY continued its strategy of selling its non-core assets in 2002. In March Sanoma Magazines Finland sold its directory-publishing unit Blue Book to the Danish company TDC Forlag A/S. The value of the deal was EUR 11.8 million. In April Sanoma Magazines sold its shares in the British business unit BEAP, a crossword puzzle magazine publisher, to an investor group that also included the management of BEAP. The value of the deal was somewhat over EUR 50 million. In June Sanoma's subsidiary Startel sold its 33.4% holding in Ecovision AB to the French company Fininfo S.A: it also sold its StarDesk and StarWeb operations to Ecovision. Sanoma's subsidiary Arnedo Oy sold in several lots a total of 12.0% of the share capital of Ilkka-Yhtymä Oyj, after which its holding in the company decreased to 22.2% and that of Sanoma to 13.3%. SanomaWSOY Corporation also sold financial securities and some of its real estate holdings during the year.

SanomaWSOY acquired VNU's magazine operations in 2001, and the purchase price adjustments related to the sale and purchase agreement were finally settled in October 2002.

Under the terms of the agreement the acquisition cost, including consulting fees, decreased to EUR 1,206 million. The corresponding acquisition cost in SanomaWSOY's financial statements for 2001 was EUR 1,251 million. The goodwill on the transaction decreased to EUR 1,142 (1,181) million and will be amortised over 20 years. As a result of the final settlement the annual goodwill amortisation will decrease by some EUR 2 million.

On 31 January 2002, SanomaWSOY's Board of Directors exercised its authorisation received from the Extraordinary General Meeting held on 21 August 2001 to take into use the Warrant Scheme 2001. The terms of the system are described in detail in the section Shares of the Financial Statements.

Administration

The term of the Board of Directors elected at the time of the SanomaWSOY merger ended, in accordance with the articles of association, at the closing of the Annual General Meeting held in April 2002. The AGM confirmed the number of the Board's members again as 11, and the members re-elected to SanomaWSOY Corporation's Board of Directors were Robert Castrén, Aatos Erkko, Jane Erkko, Marjukka af Heurlin, Paavo Hohti, Kyösti Järvinen, Esko Koivusalo, Robin Langenskiöld, Jaakko Rauramo, Rafaela Seppälä and SanomaWSOY's President & COO Hannu Syrjänen. Jaakko Rauramo was elected Chairman and Paavo Hohti Vice Chairman of the Board. All the above have declared their intention to vacate their seats on the Board at the AGM in spring 2003.

Theo Bouwman, President of Sanoma Magazines B.V. and a member of SanomaWSOY's Management Group, announced his resignation in June. Eija Ailasmaa, Sanoma Magazines Finland's President and Sanoma Magazines BV's Executive Vice President, was appointed to perform the duties of President of Sanoma Magazines B.V. for the time being and as of 1 August.

The Group's Management Group in 2002 was comprised of Hannu Syrjänen as chairman and Eija Ailasmaa, Theo Bouwman (until 1 August), Aarno Heinonen, Nils Ittonen, Erkki Järvinen, Jorma Kaimio, Tapio Kallioja, Seppo Kievari, Kerstin Rinne and Pim de Wit (as of 1 August) as members.

The company's auditors were Pekka Nikula, Authorised Public Accountant, and PricewaterhouseCoopers Oy, with Johanna Perälä, Authorised Public Accountant, as the auditor in charge.

Personnel

The average number of persons under employment contract totalled 18,657 (15,129) in 2002. Translated into full-time positions, the average number of personnel totalled 15,210 (12,077). Sanoma employed an average of 4,944 (4,929) people, Sanoma Magazines 4,835 (1,828), SWelcom 413 (441), WSOY 1,937 (1,971) and Rautakirja 6,453 (5,877). The Group's parent company employed an average of 75 (83) people.

Dividend and dividend policy

SanomaWSOY's Annual General Meeting decided to distribute a dividend of EUR 0.51 per share. The record date for the

dividend payment was 12 April 2002, and the dividend was paid on 19 April 2002.

SanomaWSOY pursues an active dividend policy, based on a principle of distributing at least one-third of the Group's cash flow from operations in the form of a dividend. The Board of Directors proposes a dividend of EUR 0.40 (0.51) per share for 2002.

The signatories of SanomaWSOY's shareholders' agreement, who together hold more than 50% of all shares and votes in SanomaWSOY, agreed in June 2002 to vote for and also otherwise operate in a way that SanomaWSOY will distribute a dividend of at least EUR 0.26 per share for 2002.

Outlook for 2003

The economy within the euro area is expected to grow slowly also in 2003. In December, The Research Institute of the Finnish Economy estimated that the GDP in the euro area will grow by 1.5% and in Finland by 2.7%. This means that growth in the advertising market will also be slow in SanomaWSOY's most important markets, Finland and the Netherlands. No obvious upswing in media advertising can be detected.

In 2003, SanomaWSOY's net sales are expected to grow faster than the GDP. The growth will be significantly affected by the development in newspaper, magazine and television advertising, which make up a quarter of the Group's net sales. Operating profit will grow more than net sales due to cost-saving measures.

In 2002 SanomaWSOY defined its average economic targets for 2002–2005, which were based on estimated growth in the advertising market in 2002. SanomaWSOY aims to achieve an operating profit of 9% on average. The advertising market did not, however, develop as was expected, so more time is needed for achieving the targets. Furthermore, targets for the Group's divisions will change due to the changes in the Group structure. The Group's equity ratio will be raised to 50% in the next few years.

SANOMA

Newspaper publishing and printing

Sanoma's net sales were EUR 438.1 (459.3) million in 2002. The decrease in net sales was mainly due to the prolonged decline in media advertising and decreasing export of printing products. Comparable net sales declined by 4%. Advertising revenue decreased by 5%, and its share of Sanoma's total net sales was 49%. Circulation revenue increased by somewhat over 1% despite the decrease in circulation.

Operating profit decreased to EUR 41.9 (43.3) million. Operating profit includes EUR 6.2 (7.3) million of the share in the associated company Rautakirja's result. The operating profit of Sanoma's own operations improved to EUR 36.2 (35.1) million. Profitability was improved by operational streamlining: Sanoma's expenses were cut by EUR 22 million through savings and lower paper costs. Profits were reduced, however, by a downturn in gains on sales of assets and a decrease in shares of associated companies' profits. EBITA was EUR 49.0

(49.9) million. EUR 2.5 million was recorded as pension fund support payments. In addition, pension liabilities have been covered by internal fund transfers totalling EUR 0.7 (3.7) million. Transfers to personnel's profit-sharing fund amounted to EUR 3.2 (1.4) million. The 2001 operating profit includes EUR 3 million in damages, which was recorded as an expense for Helsingin Sanomat.

Sanoma's total investments amounted to EUR 48.6 (76.5) million. Most of this related to the Sanomala printing plant project.

Helsingin Sanomat's net sales fell to EUR 254.4 (266.4) million. Advertising net sales were down by 7%. Circulation net sales were on a par with the previous year. The newspaper's total circulation declined by 1% to 441,325 copies. Operating profit improved markedly due to savings and streamlining programmes.

The planning of a revamp of the newspaper to be carried out in autumn 2003 was continued at Helsingin Sanomat. An updated Oikotie internet-based service came online in the beginning of 2002. The service involves seven leading newspapers from southern Finland and the Kymenlaakso region.

Collaboration between Sanoma's newspapers was also intensified: it was decided to amalgamate much of Taloussanomat's marketing and technical operations with those of Helsingin Sanomat, and the incoming advertising and advertisement production functions of Helsingin Sanomat, Ilta-Sanomat, Taloussanomat and Veikkaaja magazine were consolidated.

The net sales of Helsingin Sanomat's Printing Unit declined to EUR 105.4 (115.5) million. The Sanomala printing plant investment project made progress according to plan: the investment, totalling EUR 120 million, will be completed in May 2003, and the new production methods will be introduced in autumn 2003.

The net sales of Leijonajakelu were EUR 69.7 (66.7) million. The year's challenges included reorganising the distribution operations in Greater Helsinki, the introduction of a new pricing system, and the difficulty of recruiting labour.

Lehtikuva's net sales were EUR 6.7 (7.2) million. Traditional photographic laboratory operations were wound up and Compad Oy was integrated with Lehtikuva's business interests.

The net sales of Ilta-Sanomat in its 70th anniversary year were EUR 74.1 (75.6) million. In spite of the recession in the advertising market, the paper's advertising net sales were up by 6%. Newsstand sales of quality tabloids declined by 6% from the exceptional year for news in 2001, and Ilta-Sanomat's circulation fell correspondingly to 204,820 copies. Circulation net sales fell by 4%. Ilta-Sanomat's share of quality tabloids' newsstand sales was 61.5 (61.7)%. The paper's operating profit improved further on from the record level of 2001.

Sanoma acquired the publishing rights of Veikkaaja magazine, and Veikkaaja's functions were integrated with those of Ilta-Sanomat starting in September 2002. The transaction was valued at EUR 5 million. Veikkaaja's net sales for four months were EUR 1.9 million.

Infosto's net sales decreased to EUR 16.1 (16.9) million but the unit's operating profit grew almost threefold. The decline in net sales and the improvement in operating profit were the result of concentrating on developing consumer-to-consumer products and services. Advertising and circulation net sales were boosted by the acquisition of free ad publication Palsta at the end of 2001, and Keltainen Pörssi also improved its net sales. The circulation of Keltainen Pörssi declined slightly.

From the beginning of 2003, Ilta-Sanomat, Veikkaaja, Keltainen Pörssi, and Palsta formed the IS business unit.

Kymen Lehtimedia's net sales were down to EUR 51.7 (57.6) million due to a reduction in exports of printed products to Russia. New print jobs cannot be expected from Russia owing to the lower prices of local presses, and exports to Russia will decline further in the years ahead. Circulation net sales grew and the newspapers' readership held steady, although the circulations of dailies again declined slightly. Advertising net sales held steady at the 2001 level, partly due to the acquisition of a free distributed paper, Kaupunkilehti Seiska, in February. Due to savings, operating profit improved slightly from the previous year.

Startel's net sales were EUR 10.8 (13.2) million. Its operating loss was reduced by cost saving measures and by profits on the sale of the holding in Ecovision AB. As part of the transaction, also the StarDesk and StarWeb businesses were sold to Ecovision. Taloussanomat's advertising net sales declined by a quarter in a difficult market, but the circulation net sales were up. The circulation of Taloussanomat took a favourable trend: Total circulation was up by 4% to 32,513 copies. Saturday circulation increased by 25%, mainly due to a membership subscription from the Association of Finnish Engineers.

Startel launched a development and profitability programme which is forecast to boost Sanoma's profits by some EUR 1.5 million, starting in 2004. As a result of consultative procedures and the termination of fixed-term jobs, Startel's personnel will decline by almost 20 in 2003.

Esmerk's net sales grew to EUR 6.8 (6.4) million. The costs of improvements in content and reinforcements for the sales organisation increased the operating loss.

In 2003, Sanoma's net sales are expected to grow at least as much as the general trend in the media market. Growth is reckoned to come from the acquired Veikkaaja magazine, among other factors, but the most critical factor for growth is development of newspaper advertising. Operating profit is forecast to improve by more than net sales due to long-term development plan. Sanoma's associated company Rautakirja will merge into SanomaWSOY Corporation, and the share of Rautakirja's result will no longer be included in Sanoma's operating profit after 1 March 2003.

SANOMA MAGAZINES

Magazine publishing and press distribution

The year 2002 was the first full year in business for Sanoma Magazines, which was formed by combining the consumer magazines operations acquired from VNU and Helsinki Media

(now Sanoma Magazines Finland). The division went into business on 1 October 2001. The integration of the new operations and the start of Sanoma Magazines succeeded well. In 2001, the acquired businesses were consolidated only from the fourth quarter onwards, and the official figures for the first three quarters of 2001 include data for Sanoma Magazines Finland only. The pro forma figures for 2001 include both Sanoma Magazines Finland and the acquired businesses.

In 2002, Sanoma Magazines' net sales amounted to EUR 1,008.1 (398.6, pro forma: 1,003.5) million despite decreasing advertising revenue and divestments of operations. Advertising revenue decreased by 4% and totalled some 24% of Sanoma Magazines' net sales. Circulation revenue decreased by 1% due to the sale of BEAP, the British crossword puzzle publishing unit.

Operating profit amounted to EUR 58.2 (41.7) million and was in line with the estimate. The amortisation of goodwill, consolidated goodwill and immaterial rights totalled EUR 89.5 (22.1) million. EBITA more than doubled and amounted to EUR 147.7 (63.8) million. The result was boosted by the divestment of Sanoma Magazines Finland's Blue Book business unit in March and the sale of BEAP in April. Cost saving programmes and lower paper prices, as well as rationalisation of the magazine portfolio, also contributed to the result. The result was weakened by non-recurring costs of Sanoma Uitgevers' reorganisation project, totalling EUR 13.1 million. The accounting practice of recording film rights has been harmonised within the Group during the financial year. The change increased EBITA by EUR 14.0 (2.9) million. The change does not affect the operating profit.

Investments totalled EUR 18.7 (1,314.8) million and were mostly related to Sanoma Uitgevers' projects (SAP) and Aldipress. Investments for the comparison period included the acquisition of new operations.

The Dutch-based Sanoma Uitgevers' business was affected by the stagnant economic situation. Net sales amounted to EUR 491.1 (143.9, pro forma: 502.5) million. Circulation revenue grew by 1% but advertising revenue declined by 9% compared to 2001.

The main women's weeklies performed better than expected, but men's and home interest titles fell short of the forecasts. The highly successful launch of Sanoma Magazines Belgium's title Flair expanded the Dutch market for women's weeklies. Weekly tabloid Prenza and monthly magazine Avenue were discontinued. The internet operations of Ilse Media became profitable.

Sanoma Uitgevers started the implementation of a reorganisation project in December. The aim is to make the organisation more effective and reduce the company's fixed costs by EUR 15 million per year, but the result for 2002 is weakened by the non-recurring costs of the restructuring. It is estimated that the reorganisation will decrease personnel by approximately 150. The new organisational structure will create a better platform to concentrate on the core of publishing: content, brands, and relationships with advertisers.

The net sales at Aldipress, the Netherlands' leading magazine wholesale and distribution company for single copy sales, totalled EUR 215.0 (52.8, pro forma: 206.5) million. The distribution market in the Netherlands became more competitive. Municipal rulings on mandatory delivery hours increased Aldipress' distribution costs. A new distribution centre was opened in Duiven.

Net sales of Sanoma Magazines Finland remained at the 2001 level and totalled EUR 164.8 (165.4) million despite the divestment of Blue Book directory operations. Circulation revenue rose by 7% with a positive trend in both subscription and single copy sales. Although advertising revenue decreased by 4%, Sanoma Magazines Finland maintained its leading position in the magazine market.

Sanoma Magazines Finland's strong consumer magazine brands took a positive track. Comics, especially *Aku Ankka* (Donald Duck Weekly), continued their excellent performance. The women's weekly *Me Naiset* was revamped successfully and the bi-weekly *Kodin Kuvalehti* strengthened its position in the magazine advertising market as the leading women's title. *ET-lehti* (50+ magazine) recorded an all time high in circulation. *Sport*, a new title for active women, was launched in April. The Swedish women's magazine *Sköna Dagar* was discontinued.

Net sales at Sanoma Magazines Belgium amounted to EUR 152.2 (39.4, pro forma: 148.2). Circulation revenue grew by 1% and advertising revenue remained at the 2001 level.

Sanoma Magazines Belgium's market share in the Flemish-speaking part of Belgium held steady, mainly as a result of high sales for the general interest weekly *HUMO*, *TeVe-Blad*, the star magazine *Story*, the monthly magazine *Feeling*, and a major recovery of the women's weekly magazines *Libelle* and *Flair*. In the more depressed French-speaking market, the company's market share stabilised, supported by the continued renewal of *Femmes d'Aujourd'hui* and *Télé Moustique*.

Sanoma Magazines International, which operates in Croatia, the Czech Republic, Hungary, Romania and Slovakia, generated net sales of EUR 95.9 (28.9, pro forma: 102.3) million. Sales were affected by the divestment of the British crossword magazine publishing unit BEAP. Excluding the sale of BEAP, both circulation revenue and advertising revenue increased by 14%. Net sales increased in Hungary, Romania and Slovakia but decreased in the Czech Republic, which suffered from floods in August 2002. In Croatia, operations started at the beginning of 2002.

In Hungary, Sanoma Budapest closed its best-ever financial year. The company successfully launched two new titles, *Wellness* and *Best*, and the women's weekly *Nök Lapja* maintained its leading position. In the Czech Republic, Sanoma Magazines Praha acquired a 9% share in the leading press distribution company. TV special *Sériál* was closed, whereas the Czech edition of *National Geographic* was launched successfully. *Strategie na Slovensku*, which is in the process of being renamed *Sanoma Magazines Slovakia*, concentrated on

its core competence, business-to-business magazines. The consumer magazine *Prekvapenie* was discontinued, while the new magazine *Sestra* for nurses was launched. Sanoma Hearst Romania launched two mass-market titles, *Story* and *TV Story*. During its first year, Sanoma Magazines Zagreb launched the weekly star magazine *Story* and the women's magazine *Elle* in Croatia.

In 2003, the net sales of Sanoma Magazines are expected to grow slightly. EBITA is expected to be on the 2002 level despite gains on the sales of assets in 2002. EBIT is expected to be roughly 6% of net sales.

SWELCOM

Electronic media

SWelcom's net sales increased to EUR 86.1 (84.9) million in 2002. The success of HTV's (Helsinki Television) broadband internet service enhanced net sales. Nelonen's advertising sales decreased slightly compared to the previous year. Advertising revenue represented some 55% of SWelcom's net sales.

Operating loss decreased markedly and amounted to EUR 18.0 (24.5) million. The main reason for the decrease was the growth in HTV's broadband internet services, cost savings from refocusing 2ndhead's operations, and the halving of Nelonen's licence fee as of 1 July 2002. The result was weakened by the share of the operating loss of the associated company Suomen Urheilutelevisio Oy (a digital sports channel). SWelcom's EBITA was EUR 9.0 (3.7) million. The accounting practice of recording television broadcasting rights was harmonised during the financial year in accordance with Group policy. Due to the change EBITA increased by EUR 24.1 (25.3) million. The change has no impact on the operating loss.

SWelcom's total investments amounted to EUR 8.1 (12.5) million. Investments were mainly focused on the development of HTV's cable network and broadband internet operations.

After five years in business in summer 2002, Nelonen's net sales amounted to EUR 49.3 (51.1) million. Operating loss decreased to EUR 12.6 (15.3) million. Advertising sales totalled EUR 47.3 (48.3) million. Nelonen's share of television advertising decreased slightly to 24.7 (26.5)%. Nelonen reached 43 (42)% of Finns daily and 74 (73)% weekly. The channel's share of national TV viewing remained unchanged: its share of the total population was 11.6% and of the age group 10–44 years 16.7%. Its share of commercial viewing rose to 23.4 (22.6)%. Nelonen's licence fee was EUR 7.7 (10.7) million.

Nelonen's all-time viewer record was reached in March 2002 with the number of viewers of the Finnish movie *Levottomat* (the *Restless*) amounting to 905,000. Nelonen's programmes were awarded six out of ten Finnish television awards (*Venla*) in 2002. In November Nelonen signed a contract on advertising sales and programme cooperation with Music Television.

HTV's net sales rose to EUR 28.1 (22.4) million. Also the operating profit improved markedly thanks to growth in sales of broadband internet services. By the end of the year nearly

237,000 households were connected to HTV's cable network. Over 20,000 of these were new subscribers that were connected in 2002. The growth in the number of connections was an all-time record in HTV's history. Welho broadband internet connections increased by 55% during the year, and by the end of the year more than 30,000 customers had broadband internet connection. An increasing proportion of pay-TV services was digital. At year's end HTV had five digital channels on offer, providing a total of 41 digital offerings.

The focus of 2ndhead's operations was switched from consumer products to digital services in media in 2002. The mobile portal 2ndhead.com for consumers was closed down in the summer. As a result of reorganising operations, both costs and the operational loss decreased significantly.

Due to the delay in the market for digital consumer equipment, SWelcom decided not to start a terrestrial digital movie channel and the licence became void in January. SWelcom did not obtain the television operating licence for terrestrial digital TV broadcasting for which it had applied.

SWelcom decreased its holding in Suomen Urheilutelevisio Oy from 35% to 19.9% in February 2003, after the closing of the financial period.

SWelcom's net sales are projected to grow markedly in 2003 thanks to the increase of Nelonen's advertising sales, the trend in HTV connections, and the popularity of broadband internet. The most critical factor for growth is the development of television advertising, which is expected to increase more than that of other large media. Operating loss is expected to continue to decline significantly. In 2003 SWelcom will focus on digital programmes on Nelonen as well as on HTV's digital programmes and services.

WSOY

Publishing, printing and calendar operations

WSOY's net sales grew to EUR 215.9 (211.0) million in 2002. Most growth was generated by publishing, with a clearly strengthened market share. Records were broken again this Christmas season in book sales, much as they were the year before. However, business books were affected by the economic slowdown.

Operating profit was EUR 20.5 (18.1) million. This includes the share of Rautakirja's result, which declined to EUR 8.4 (9.7) million. Operating profit from WSOY's own operations increased to EUR 12.4 (9.5) million. Traditional business, i.e. book publishing and printing, was successful. Profitability was also enhanced by cost reductions and streamlining, especially in new electronic business operations. An additional goodwill amortisation of EUR 1.5 million on Docendo Sverige AB was recorded in view of the weaker market prospects for IT publishing. WSOY's EBITA was EUR 26.4 (22.1) million.

WSOY's investments totalled EUR 8.6 (14.7) million. The biggest investments in printing were the replacement investment of offset printing machines for Ajasto and WS Bookwell. The group increased its holding in subsidiaries by acquiring a 10% minority interest in Genimap Oy and increasing its

holding in the digital printer Dark Oy by 10%, to 90%.

Publishing increased its net sales to EUR 143.5 (134.1) million and operating profit to EUR 11.7 (6.3) million. General literature increased its sales to EUR 41.9 (35.7) million and expanded its market share. Part of the increase in sales was due to the fact that Weilin+Göös multi-volume books were consolidated in the hands of the nonfiction book department under general literature. Children's books and juvenile books continued to be successful, and the range of fiction books was especially strong. The Finlandia literature award winner Juoksuhaudantie by Kari Hotakainen broke an all-time record for Finlandia winners by selling 75,000 copies. The new publishing unit Johnny Kniga, which started operations in April, was well received. Book club sales and book club membership, 200,000, remained at the same level as the previous year. The associated company Loisto sold over 600,000 paperbacks.

The sales of WSOY's educational books increased to EUR 36.7 (35.6) million, and the market share remained strong. The biggest sales increase was seen in books aimed at adult and vocational education. Sales grew for lower secondary school books and declined for upper secondary school books.

Weilin+Göös' net sales were EUR 12.8 (13.2) million and outstanding orders increased significantly. The sales of Bertmark Media operating in Scandinavia grew to EUR 22.7 (19.6) million.

The Business Information unit suffered from the economic slowdown, and sales remained at last year's level, at EUR 28.4 (28.4) million. The weak market situation in Sweden affected Docendo Group, which specialises in IT books, and Everscreen, which provides e-learning solutions. The operations and organisation of the companies were adapted to suit market conditions. The map and location-based service provider Genimap increased its net sales, and the development and cooperation projects in mobile and internet location services made progress as planned.

eWSOY, which provides e-learning solutions, developed according to plans. The sales of the unit declined to EUR 0.6 (1.2) million because consumer multimedia operations were discontinued. The number of users of the Opit service, operating on the internet and aimed at all-round education, grew to more than 30,000. The net sales of Young Digital Poland, an associated company that markets similar products in Central Europe, grew to EUR 5.7 (3.5) million.

Printing operations generated net sales of EUR 62.7 (62.2) million and operating profit of EUR 6.6 (7.4) million. Traditional book printing survived well the slowdown of the graphic industry. The net sales of WS Bookwell were EUR 37.7 (37.2) million, and 21.9 (21.0) million copies of books were printed. The net sales of Lönnberg Painot amounted to EUR 20.3 (20.6) million and those of the digital printer Dark to EUR 4.6 (4.4) million.

Calendar operations generated net sales of EUR 34.5 (35.8) million and an operating profit of EUR 0.5 (0.3) million. The sales of consumer calendars progressed well, but company

and organisation calendars suffered from price competition and falling demand. Ajasto kept its leading market position in Finland. Its market share declined somewhat in Sweden but grew in Norway.

WSOY's net sales are projected to increase faster in 2003 than in the previous year. Operating profit from WSOY's own operations will continue to improve, but the total operating profit will be diminished as the share of the result of Rautakirja, which will merge into SanomaWSOY's parent company, will not be included in the operating profit from March onwards. The result will be enhanced especially by the increased profitability of electronic publishing, printing and calendar operations.

RAUTAKIRJA

Kiosk operations, press distribution, bookstores, movie theatre operations and restaurant operations

Rautakirja's net sales increased to EUR 726.5 (696.5) million in 2002. Net sales grew in all operations. Comparable net sales grew by 2%. Of the group net sales, 91.8% was generated in Finland, 5.2% in Estonia, 2.9% in Latvia, and 0.2% in Lithuania.

Operating profit declined to EUR 38.0 (42.6) million. Comparable operating profit grew by 9%, however, as the figure for 2001 includes a profit of EUR 7.8 million on the sale of shares in the Norwegian company Narvesen. Operating profit improved in all lines of business except for press distribution. Rautakirja's EBITA was EUR 42.4 (46.5) million. Profit before extraordinary items was EUR 39.0 (45.7) million and earnings per share were EUR 4.18 (4.90).

Investments totalled EUR 27.8 (35.9) million. The largest investments included the construction of a multiplex movie theatre in Vilnius, starting kiosk operations in the Czech Republic, establishing an associated company for press distribution in Latvia, acquiring the remaining 50% shareholding in an Estonian magazine distribution company, and expanding the Motorest and Eurostrada chains in Finland.

Net sales from kiosk operations totalled EUR 373.6 (359.8) million in 2002. Net sales grew in Finland, Estonia, and Latvia. The introduction of the euro provided a challenge for Finnish kiosk operations, as the number of customers' impulse purchases and especially sales of betting products decreased at the beginning of the year. Operating profit from kiosk operations was EUR 15.4 (14.8) million.

In September, Rautakirja acquired the Jemma kiosk chain operating in Greater Helsinki, and the ten units in the chain were turned into R-kiosks during 2002. The purchased kiosks generate some EUR 4 million per year. In November, Rautakirja made an agreement with the French Hachette Distribution Services to start cooperation in the Czech Republic. CZ Retail a.s., owned on a 50-50 basis, had 109 kiosks when the partnership began.

Press distribution increased its net sales to EUR 177.3 (165.1) million. In Finland the net sales of Lehtipiste declined, as there

were no highly popular collector's items on the market as there had been in previous years. Sales of domestic newspapers and magazines also dropped in terms of both circulation and consumer price. In Estonia, the net sales of Lehepunkt continued to grow, and the company stabilised its leading position in the Estonian press distribution market. Operating profit for press distribution was EUR 9.5 (10.3) million.

Rautakirja expanded its press distribution operations during the review period both in Estonia and Latvia. In Latvia, SIA NB Logistika, the new subsidiary of Narvesen Baltija, which in turn is jointly owned by Rautakirja and the Norwegian company Reitan Handel, started operating in the beginning of May. In June, Rautakirja acquired the remaining 50% of the share capital of the Estonian AS Lehepunkt, which was previously equally owned by Rautakirja and Ekspress Grupp.

Bookstores generated net sales of EUR 115.2 (113.9) million and operating profit of EUR 7.1 (6.7) million. Net sales grew both for Suomalainen kirjakauppa in Finland and Astro Raamatud in Estonia. The share of book sales of the total sales grew, and especially paperbacks sold more than in previous years.

Net sales from movie theatre operations grew to EUR 49.6 (47.6) million. Operating profit was EUR 2.6 (2.0) million. The movie year offered the Finnish audiences many domestic and foreign hit movies, and the number of tickets sold grew to 7.6 million. The multiplex movie theatre opened in Estonia sold close to a million tickets in its first financial year. The construction of new cinemas in the Baltic countries progressed as planned, and the foundation stones of future multiplex theatres in Vilnius and Riga were laid during the period under review.

Net sales from restaurant operations amounted to EUR 50.2 (42.4) million. The growth was mainly derived from newly integrated Motorest units. The operations of Pizza Hut were focused to Greater Helsinki, and the number of units was reduced. Operating loss from restaurant operations was EUR 0.3 (1.1) million.

Net sales from eBusiness totalled EUR 0.8 million and operating loss EUR 1.6 million. eBusiness operations were broken up in September 2002 and some of its activities were transferred to other businesses because its projects did not generate business as planned. In September Rautakirja sold Dose, a business unit that specialises in entertainment games, with all its auxiliary activities. The transaction included two game stores operating in Helsinki and an online outlet.

In 2003, Rautakirja's net sales are estimated to grow faster than wholesale and retail business in general. It is estimated that about half of the growth will be generated in Finland and half abroad. As Rautakirja is to be merged into SanomaWSOY, the structure of Rautakirja will see changes mainly in real estate and financing operations, which will affect Rautakirja's result in 2003. The operating result from basic business operations will remain largely unchanged from 2002.

Proposal for application of profits

SanomaWSOY

The Group's distributable funds for 2002 total EUR 624,543,671.38.

The Parent Company's distributable funds as of 31 December 2002 total EUR 573,014,951.27, of which the profit for the year was 92,311,628.61.

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

- a dividend of EUR 0.40 per share shall be paid EUR 71,629,054.40*)
- the following sum shall be transferred to the donation reserve and used at the Board's discretion EUR 300,000.00
- shareholder's equity shall be set at EUR 501,085,896.87

*) The exact amount will be specified after the number of shares to be issued in the Rautakirja merger as per 1 March 2003 has been defined.

The dividend will be paid to shareholders registered with the register of shareholders maintained by the Finnish Central Securities Depository on the record date set by the Board for payment of the dividend, Friday 4 April 2003. The Board will propose to the Annual General Meeting that the dividend shall be paid on Thursday 10 April 2003.

Helsinki, 20 February 2003

Jaakko Rauramo
Chairman

Paavo Hohti
Vice Chairman

Robert Castrén

Aatos Erkko

Jane Erkko

Marjukka af Heurlin

Kyösti Järvinen

Esko Koivusalo

Robin Langenskiöld

Rafaela Seppälä

Hannu Syrjänen

Key indicators

SanomaWSOY

| KEY INDICATORS, € million | 31.12.2002 | 31.12.2001 | 31.12.2000 | 31.12.1999 | 31.12.1998 |
|--|--------------------|-------------|-------------|------------|------------|
| Net sales | 2 357.8 | 1 734.3 | 1 447.8 | 1 320.6 | 1 251.7 |
| Operating profit before depreciation and decrease in value | 346.4 | 235.0 | 194.8 | | |
| % of net sales | 14.7 | 13.6 | 13.5 | | |
| Operating profit before amortisation | 269.2 | 161.4 | 131.1 | | |
| % of net sales | 11.4 | 9.3 | 9.1 | | |
| Operating profit | 134.4 | 96.5 | 84.0 | 71.7 | 71.2 |
| % of net sales | 5.7 | 5.6 | 5.8 | 5.4 | 5.7 |
| Profit before extraordinary items | 106.7 | 92.5 | 138.3 | 110.4 | 97.7 |
| % of net sales | 4.5 | 5.3 | 9.5 | 8.4 | 7.8 |
| Profit after extraordinary items | 112.7 | 92.5 | 140.3 | 110.7 | 211.2 |
| % of net sales | 4.8 | 5.3 | 9.7 | 8.4 | 16.9 |
| Profit for the year | 37.2 | 47.8 | 94.2 | 74.0 | 169.0 |
| % of net sales | 1.6 | 2.8 | 6.5 | 5.6 | 13.5 |
| Balance sheet total | 2 592.5 | 3 053.1 | 1 439.3 | 1 323.1 | 1 239.6 |
| Gross investments | 113.5 | 1 473.9 | 168.4 | 279.7 | 148.7 |
| % of net sales | 4.8 | 85.0 | 11.6 | 21.2 | 11.9 |
| Return on equity, % (ROE) | 4.7 | 6.7 | 10.7 | 9.3 | 9.2 |
| Return on investment, % (ROI) | 7.9 | 8.5 | 13.8 | 12.5 | 12.3 |
| Equity ratio, % | 36.9 | 31.6 | 67.4 | 70.2 | 69.5 |
| Equity ratio, % *) | 45.2 | 38.6 | 67.9 | 71.0 | 69.6 |
| Gearing, % | 96.1 | 115.0 | -16.0 | -23.1 | -40.2 |
| Gearing, % *) | 60.0 | 76.0 | -16.6 | -24.0 | -40.3 |
| Financial cost of liabilities | 64.3 | 31.3 | 7.4 | 8.4 | 6.5 |
| Interest-bearing liabilities | 1 006.2 | 1 439.7 | 167.4 | 114.4 | 102.1 |
| Interest-free liabilities | 666.8 | 678.7 | 336.4 | 313.3 | 313.3 |
| Securities, cash and bank | 122.4 | 365.0 | 316.9 | 321.2 | 433.1 |
| Personnel under employment contract, average | 18 657 | 15 129 | 13 364 | 12 629 | 11 900 |
| Personnel, average (full-time equivalents) | 15 210 | 12 077 | 10 350 | 9 816 | 9 329 |
| SHARE-RELATED INDICATORS AND SHARE CAPITAL | | | | | |
| Earnings/share, € **) | 0.22 | 0.35 | 0.67 | 0.53 | 0.47 |
| Cash flow/share, € **) | 1.33 | 1.24 | 1.24 | 0.89 | |
| Equity/share, € **) | 5.70 | 5.87 | 5.95 | 5.68 | 5.32 |
| Dividend/share, € **) ***) | 0.40 | 0.51 | 0.47 | 0.45 | |
| Dividend/result, % ***) | 178.0 | 147.5 | 69.9 | 84.9 | |
| Market capitalisation, Series A | 232.4 | 278.6 | 353.0 | 309.7 | |
| Market capitalisation, Series B | 1 086.7 | 1 231.7 | 1 611.6 | 1 457.7 | |
| Market capitalisation, total | 1 319.1 | 1 510.4 | 1 964.6 | 1 767.4 | |
| Effective dividend yield, %, Series A | 4.0 | 4.3 | 3.1 | 3.5 | |
| Effective dividend yield, %, Series B | 4.2 | 4.8 | 3.4 | 3.5 | |
| P/E ratio, Series A | 44.5 | 34.7 | 22.6 | 24.2 | |
| P/E ratio, Series B | 42.0 | 31.0 | 20.8 | 23.9 | |
| Number of shares at 31 Dec., Series A | 23 220 492 | 23 220 492 | 23 220 492 | 6 001 895 | |
| Number of shares at 31 Dec., Series B | 122 301 104 | 122 301 104 | 122 301 104 | 30 378 504 | |
| Number of shares at 31 Dec., with diluting effect, Series B | 136 606 414 | 134 871 814 | | | |
| Average number of shares, Series A | 23 220 492 | 23 220 492 | 23 220 492 | 6 001 895 | |
| Average number of shares, Series B | 122 301 104 | 122 301 104 | 122 301 104 | 30 378 504 | |
| Average number of shares with diluting effect, Series B | 135 544 281 | 126 502 821 | | | |
| Lowest share price, Series A **) | 9.70 | 10.00 | 13.00 | 11.25 | |
| Lowest share price, Series B **) | 8.66 | 9.60 | 12.28 | 10.50 | |
| Highest share price, Series A **) | 13.40 | 16.50 | 24.37 | 18.50 | |
| Highest share price, Series B **) | 13.63 | 15.00 | 23.75 | 17.25 | |
| Average share price, Series A **) | 10.99 | 12.48 | 17.95 | 16.32 | |
| Average share price, Series B **) | 11.29 | 12.02 | 16.46 | 13.15 | |
| Share price, 31 Dec., Series A **) | 10.01 | 12.00 | 15.20 | 12.90 | |
| Share price, 31 Dec., Series B **) | 9.44 | 10.70 | 14.00 | 12.75 | |
| Trading volumes, Series A **) | 204 728 | 108 832 | 263 549 | 413 056 | |
| % of share capital | 0.9 | 0.5 | 1.1 | 1.7 | |
| Trading volumes, Series B **) | 6 207 842 | 3 625 765 | 6 209 129 | 6 439 504 | |
| % of share capital | 5.1 | 3.0 | 5.1 | 5.3 | |

*) Capital notes included in equity

**) 1998–2000 figures have been converted to take account of the four-for-one split on 10 May 2000

***) Proposal of the Board of Directors

Figures for 1998–1999 are pro forma

Income statement by quarter

SanomaWSOY

| € million | 1-3/ 2002 | 4-6/ 2002 | 7-9/ 2002 | 10-12/ 2002 | 1-12/ 2002 | 1-3/ 2001 | 4-6/ 2001 | 7-9/ 2001 | 10-12/ 2001 | 1-12/ 2001 |
|---|--------------|--------------|--------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Net sales | 559.0 | 584.5 | 553.4 | 661.0 | 2 357.8 | 361.4 | 362.2 | 353.8 | 656.9 | 1 734.3 |
| Increase (+) / decrease (-) in inventories of finished goods and work in progress | 4.7 | -0.7 | 0.0 | -3.1 | 1.0 | 5.4 | 0.8 | 0.3 | -5.8 | 0.7 |
| Production for own use | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other operating income | 25.2 | 16.5 | 8.4 | 19.6 | 69.8 | 15.8 | 9.4 | 7.2 | 12.0 | 44.5 |
| Share of result of associated companies | 1.0 | 5.1 | 3.1 | 3.9 | 13.1 | -0.6 | 4.8 | -0.2 | 1.5 | 5.5 |
| Materials and services | 250.6 | 251.8 | 246.2 | 277.5 | 1 026.0 | 161.5 | 156.2 | 158.1 | 282.3 | 758.1 |
| Personnel expenses | 143.4 | 143.0 | 135.0 | 163.6 | 585.0 | 99.8 | 96.6 | 93.0 | 144.0 | 433.5 |
| Depreciation and decrease in value | 56.6 | 51.2 | 49.8 | 54.4 | 212.0 | 29.0 | 27.4 | 27.6 | 54.5 | 138.5 |
| Other operating expenses | 125.4 | 116.7 | 114.9 | 127.2 | 484.3 | 79.0 | 79.5 | 67.0 | 133.0 | 358.4 |
| Operating profit | 14.0 | 42.7 | 19.1 | 58.6 | 134.4 | 12.7 | 17.5 | 15.4 | 50.9 | 96.5 |
| Financial income and expenses | 9.8 | -12.7 | -24.2 | -0.6 | -27.7 | 5.4 | 10.1 | -16.1 | -3.3 | -4.0 |
| Profit before extraordinary items | 23.9 | 30.0 | -5.1 | 57.9 | 106.7 | 18.1 | 27.6 | -0.8 | 47.6 | 92.5 |
| Extraordinary items | 0.0 | 0.0 | 0.0 | 6.1 | 6.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Profit after extraordinary items | 23.9 | 30.0 | -5.1 | 64.0 | 112.7 | 18.1 | 27.6 | -0.8 | 47.6 | 92.5 |
| Direct taxes | -12.8 | -17.8 | -11.5 | -22.1 | -64.2 | -6.6 | -6.3 | -2.2 | -16.0 | -31.0 |
| Minority interests | -1.1 | -2.0 | -3.0 | -5.3 | -11.4 | -4.4 | -1.5 | -2.2 | -5.6 | -13.7 |
| Profit (loss) for the year | 9.9 | 10.3 | -19.6 | 36.6 | 37.2 | 7.1 | 19.8 | -5.1 | 26.0 | 47.8 |

Net sales by business area

SanomaWSOY

| € million | 1-3/ 2002 | 4-6/ 2002 | 7-9/ 2002 | 10-12/ 2002 | 1-12/ 2002 | 1-3/ 2001 | 4-6/ 2001 | 7-9/ 2001 | 10-12/ 2001 | 1-12/ 2001 |
|-----------------------------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Sanoma | | | | | | | | | | |
| Newspaper publishing and printing | 110.3 | 113.2 | 102.8 | 111.9 | 438.1 | 119.9 | 118.3 | 108.5 | 112.6 | 459.3 |
| Total | 110.3 | 113.2 | 102.8 | 111.9 | 438.1 | 119.9 | 118.3 | 108.5 | 112.6 | 459.3 |
| Sanoma Magazines | | | | | | | | | | |
| Magazine publishing | 212.0 | 229.3 | 204.6 | 258.1 | 904.0 | 39.2 | 41.7 | 37.7 | 258.9 | 377.6 |
| Press distribution | 50.1 | 53.9 | 55.3 | 55.7 | 215.0 | 0.0 | 0.0 | 0.0 | 52.8 | 52.8 |
| Intracompany transactions | -25.9 | -27.2 | -28.6 | -29.2 | -110.9 | 0.0 | 0.0 | 0.0 | -31.7 | -31.7 |
| Total | 236.2 | 256.0 | 231.3 | 284.6 | 1 008.1 | 39.2 | 41.7 | 37.7 | 279.9 | 398.6 |
| SWelcom | | | | | | | | | | |
| Electronic media | 21.5 | 21.1 | 19.2 | 24.4 | 86.1 | 20.8 | 21.6 | 18.0 | 24.5 | 84.9 |
| Total | 21.5 | 21.1 | 19.2 | 24.4 | 86.1 | 20.8 | 21.6 | 18.0 | 24.5 | 84.9 |
| WSOY | | | | | | | | | | |
| Publishing | 30.3 | 42.5 | 30.7 | 40.0 | 143.5 | 30.4 | 38.9 | 29.7 | 35.0 | 134.1 |
| Printing | 15.9 | 15.6 | 15.3 | 15.9 | 62.7 | 15.6 | 14.9 | 15.6 | 16.1 | 62.2 |
| Calendar operations | 1.7 | 3.3 | 12.2 | 17.4 | 34.5 | 1.9 | 2.9 | 12.5 | 18.4 | 35.8 |
| Others | 0.9 | 0.9 | 1.0 | 1.0 | 3.7 | 1.0 | 1.0 | 0.9 | 1.1 | 3.9 |
| Intracompany transactions | -6.6 | -6.4 | -6.9 | -8.7 | -28.6 | -6.8 | -5.7 | -6.8 | -5.6 | -25.0 |
| Total | 42.2 | 55.8 | 52.2 | 65.6 | 215.9 | 42.1 | 52.0 | 51.9 | 65.0 | 211.0 |
| Rautakirja | | | | | | | | | | |
| Kiosk operations | 88.1 | 92.5 | 93.2 | 99.8 | 373.6 | 80.7 | 87.8 | 88.2 | 103.1 | 359.8 |
| Press distribution | 38.7 | 42.9 | 46.2 | 49.4 | 177.3 | 39.3 | 41.6 | 41.5 | 42.7 | 165.1 |
| Bookstores | 30.8 | 17.3 | 26.0 | 41.1 | 115.2 | 32.1 | 16.6 | 25.1 | 40.2 | 113.9 |
| Movie theatre operations | 14.6 | 9.1 | 11.1 | 14.7 | 49.6 | 11.8 | 8.4 | 11.3 | 16.0 | 47.6 |
| Restaurant operations | 10.7 | 12.5 | 13.3 | 13.7 | 50.2 | 8.3 | 11.0 | 12.3 | 10.8 | 42.4 |
| eBusiness | 0.3 | 0.3 | 0.2 | 0.0 | 0.8 | 0.0 | 0.0 | 0.0 | 0.3 | 0.4 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Intracompany transactions | -7.2 | -9.7 | -11.1 | -12.2 | -40.2 | -7.7 | -8.6 | -7.9 | -8.6 | -32.7 |
| Total | 176.0 | 164.9 | 179.0 | 206.6 | 726.5 | 164.6 | 156.9 | 170.4 | 204.6 | 696.5 |
| Intragroup transactions | -27.1 | -26.6 | -31.1 | -32.1 | -117.0 | -25.2 | -28.3 | -32.7 | -29.8 | -115.9 |
| Total | 559.0 | 584.5 | 553.4 | 661.0 | 2 357.8 | 361.4 | 362.2 | 353.8 | 656.9 | 1 734.3 |

Operating profit by business area

SanomaWSOY

| € million | 1-3/ 2002 | 4-6/ 2002 | 7-9/ 2002 | 10-12/ 2002 | 1-12/ 2002 | 1-3/ 2001 | 4-6/ 2001 | 7-9/ 2001 | 10-12/ 2001 | 1-12/ 2001 |
|-------------------------------------|--------------|--------------|--------------|----------------|---------------|--------------|--------------|--------------|----------------|---------------|
| Sanoma | | | | | | | | | | |
| Newspaper publishing and printing*) | 7.9 | 13.0 | 9.8 | 11.3 | 41.9 | 14.2 | 7.3 | 8.9 | 12.9 | 43.3 |
| Total | 7.9 | 13.0 | 9.8 | 11.3 | 41.9 | 14.2 | 7.3 | 8.9 | 12.9 | 43.3 |
| Sanoma Magazines | | | | | | | | | | |
| Magazine publishing | 9.0 | 28.4 | 4.0 | 21.4 | 62.8 | 1.0 | 6.2 | 3.5 | 30.5 | 41.3 |
| Press distribution | -1.3 | -0.6 | -2.0 | -0.7 | -4.6 | 0.0 | 0.0 | 0.0 | 0.4 | 0.4 |
| Intracompany eliminations | 0.0 | -1.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 7.7 | 26.9 | 2.9 | 20.6 | 58.2 | 1.0 | 6.2 | 3.5 | 30.9 | 41.7 |
| SWelcom | | | | | | | | | | |
| Electronic media | -6.7 | -4.8 | -2.6 | -4.0 | -18.0 | -7.0 | -5.8 | -6.0 | -5.6 | -24.5 |
| Total | -6.7 | -4.8 | -2.6 | -4.0 | -18.0 | -7.0 | -5.8 | -6.0 | -5.6 | -24.5 |
| WSOY | | | | | | | | | | |
| Publishing | -0.6 | 7.8 | 1.3 | 3.2 | 11.7 | -1.0 | 7.1 | 0.8 | -0.5 | 6.3 |
| Printing | 2.1 | 1.5 | 1.8 | 1.1 | 6.6 | 2.2 | 1.6 | 1.7 | 2.0 | 7.4 |
| Calendar operations | -3.7 | -2.9 | 3.3 | 3.8 | 0.5 | -4.1 | -3.5 | 4.1 | 3.8 | 0.3 |
| Others*) | 1.4 | 0.8 | 2.4 | 2.4 | 6.9 | 2.6 | -0.1 | 1.8 | 2.0 | 6.4 |
| Intracompany eliminations | -1.2 | -0.4 | -1.8 | -1.8 | -5.2 | -0.7 | 0.9 | -1.0 | -1.5 | -2.3 |
| Total | -2.1 | 6.8 | 7.0 | 8.8 | 20.5 | -1.0 | 6.0 | 7.3 | 5.7 | 18.1 |
| Rautakirja | | | | | | | | | | |
| Kiosk operations | 3.0 | 3.2 | 4.9 | 4.3 | 15.4 | 3.1 | 3.2 | 5.0 | 3.5 | 14.8 |
| Press distribution | 2.1 | 1.9 | 2.4 | 3.1 | 9.5 | 2.5 | 2.8 | 2.8 | 2.2 | 10.3 |
| Bookstores | 0.5 | -2.1 | 0.4 | 8.3 | 7.1 | 0.8 | -1.9 | 0.2 | 7.6 | 6.7 |
| Movie theatre operations | 2.0 | -0.6 | 0.3 | 0.9 | 2.6 | 0.8 | -0.5 | 0.0 | 1.8 | 2.0 |
| Restaurant operations | -0.6 | -0.2 | 0.7 | -0.2 | -0.3 | -0.7 | -0.2 | 0.6 | -0.8 | -1.1 |
| eBusiness | -0.5 | -0.4 | -0.6 | -0.2 | -1.6 | -0.3 | -0.4 | -0.4 | -0.6 | -1.7 |
| Others | 1.0 | 1.9 | 1.3 | 1.2 | 5.3 | 8.5 | 0.9 | 0.9 | 1.3 | 11.5 |
| Intracompany eliminations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 7.5 | 3.7 | 9.4 | 17.4 | 38.0 | 14.6 | 3.9 | 9.1 | 15.1 | 42.6 |
| Other companies**) | -3.8 | -1.9 | -4.4 | 3.9 | -6.3 | -4.7 | -1.1 | -4.8 | -5.1 | -15.8 |
| Intragroup eliminations | 3.5 | -1.0 | -3.0 | 0.6 | 0.1 | -4.4 | 1.0 | -2.6 | -3.0 | -8.9 |
| Total | 14.0 | 42.7 | 19.1 | 58.6 | 134.4 | 12.7 | 17.5 | 15.4 | 50.9 | 96.5 |

*) Includes a share of Rautakirja's results

**) Parent Company SanomaWSOY Corporation and real estate and investment companies

Income statement

SanomaWSOY

| € million | Group | | Parent Company | |
|---|----------------|----------------|----------------|----------------|
| | 1.1–31.12.2002 | 1.1–31.12.2001 | 1.1–31.12.2002 | 1.1–31.12.2001 |
| NET SALES 1) | 2 357.8 | 1 734.3 | | |
| Increase (+) / decrease (-) in inventories of finished goods and work in progress | 1.0 | 0.7 | | |
| Production for own use | | 0.0 | | |
| Other operating income 2) | 69.8 | 44.5 | 16.1 | 6.1 |
| Share of result of associated companies | 13.1 | 5.5 | | |
| Materials and services 3) | 1 026.0 | 758.1 | | |
| Personnel expenses 4) | 585.0 | 433.5 | 9.5 | 7.2 |
| Depreciation and decrease in value 5) | 212.0 | 138.5 | 1.9 | 1.5 |
| Other operating expenses 6) | 484.3 | 358.4 | 13.1 | 12.2 |
| OPERATING PROFIT (LOSS) | 134.4 | 96.5 | -8.3 | -14.8 |
| Financial income and expenses 7) | -27.7 | -4.0 | 87.9 | 3.9 |
| PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS | 106.7 | 92.5 | 79.6 | -10.9 |
| Extraordinary items 8) | 6.1 | | 22.9 | 8.2 |
| PROFIT (LOSS) AFTER EXTRAORDINARY ITEMS | 112.7 | 92.5 | 102.5 | -2.8 |
| Provisions | | | 0.7 | -0.1 |
| Direct taxes 9) | -64.2 | -31.0 | -10.8 | -1.0 |
| Minority interests | -11.4 | -13.7 | | |
| PROFIT (LOSS) FOR THE YEAR | 37.2 | 47.8 | 92.3 | -3.9 |

Balance sheet

SanomaWSOY

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|--|---------------------|----------------|---------------------------------|----------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS 10) | | | | |
| Intangible assets | 187.7 | 182.7 | 3.5 | 4.4 |
| Consolidated goodwill | 1 135.4 | 1 299.5 | | |
| Tangible assets | 459.4 | 471.5 | 15.7 | 16.2 |
| Investments | 254.6 | 266.3 | 1 927.8 | 1 963.6 |
| NON-CURRENT ASSETS, TOTAL | 2 037.0 | 2 220.0 | 1 947.0 | 1 984.1 |
| CURRENT ASSETS | | | | |
| Inventories 11) | 94.8 | 90.8 | | |
| Long-term receivables 12) | 72.0 | 66.2 | 8.2 | 10.3 |
| Short-term receivables 13) | 266.2 | 311.0 | 72.2 | 88.2 |
| Securities 14) | 63.1 | 279.7 | 6.0 | 33.9 |
| Cash and bank | 59.3 | 85.4 | 11.7 | 5.6 |
| CURRENT ASSETS, TOTAL | 555.5 | 833.0 | 98.1 | 138.1 |
| ASSETS, TOTAL | 2 592.5 | 3 053.1 | 2 045.1 | 2 122.2 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| SHAREHOLDERS' EQUITY 15) | | | | |
| Share capital | 62.6 | 62.6 | 62.6 | 62.6 |
| Premium fund | 16.1 | 16.1 | | |
| Other funds | 364.4 | 364.4 | 355.7 | 355.7 |
| Retained earnings | 308.7 | 321.5 | 125.1 | 203.4 |
| Profit (loss) for the period | 37.2 | 47.8 | 92.3 | -3.9 |
| Capital notes | 207.4 | 207.3 | 200.0 | 200.0 |
| SHAREHOLDERS' EQUITY, TOTAL | 996.3 | 1 019.7 | 835.6 | 817.8 |
| MINORITY INTEREST | 130.6 | 122.3 | | |
| ACCUMULATED PROVISIONS 16) | | | 0.7 | 1.3 |
| STATUTORY PROVISIONS 17) | 15.9 | 8.1 | | |
| LIABILITIES | | | | |
| Deferred tax liability 18) | 37.1 | 36.6 | | |
| Long-term liabilities 19) | 695.1 | 922.7 | 600.0 | 810.0 |
| Current liabilities 20) | 717.5 | 943.7 | 608.8 | 493.1 |
| SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL | 2 592.5 | 3 053.1 | 2 045.1 | 2 122.2 |

Cash flow statement

SanomaWSOY

| € million | Group 1.1–31.12.2002 | 1.1–31.12.2001 | Parent Company 1.1–31.12.2002 | 1.1–31.12.2001 |
|---|-------------------------|-----------------|-------------------------------------|-----------------|
| OPERATIONS | | | | |
| Operating profit (loss) | 134.4 | 96.5 | -8.3 | -14.8 |
| Adjustments to operating profit 1) | 133.8 | 85.6 | -6.5 | 2.9 |
| Change in working capital 2) | -27.1 | 14.8 | 4.2 | -3.0 |
| Cash flow from operations before financial items and taxes | 241.0 | 196.9 | -10.6 | -15.0 |
| Interest received from operations | 12.1 | 20.0 | 8.3 | 8.4 |
| Interest paid on operations | -72.5 | -10.5 | -64.1 | -7.4 |
| Dividend received from operations | 12.9 | 6.6 | 55.9 | 2.0 |
| Other financial items | 39.0 | 3.0 | 33.6 | -4.6 |
| Group contributions | | | 11.5 | 23.7 |
| Cash flow from other extraordinary items | 9.0 | | | |
| Tax paid on operations | -57.3 | -44.1 | -1.3 | -14.3 |
| CASH FLOW FROM OPERATIONS | 184.2 | 171.9 | 33.2 | -7.2 |
| INVESTMENTS | | | | |
| Acquisition of tangible and intangible assets | -100.5 | -110.2 | -0.7 | -3.9 |
| Group companies acquired 3) | -3.8 | -1 168.8 | | -352.7 |
| Associated companies acquired | -5.2 | -6.4 | | |
| Acquisition of other holdings | -3.4 | -0.8 | | |
| Adjustment to purchase price of companies acquired from VNU | 45.1 | | | |
| Sales of tangible and intangible assets | 27.0 | 11.1 | 0.5 | 0.1 |
| Group companies sold 4) | 65.6 | 0.0 | 61.0 | 1.2 |
| Associated companies sold | 17.5 | 11.5 | 5.5 | 0.9 |
| Sales of other companies | 13.7 | 40.4 | 5.2 | 1.4 |
| Long-term loans granted | -11.2 | -1.4 | | |
| Repayments of long-term loan receivables | 2.4 | 4.1 | | |
| Increase (-)/decrease (+) in current loan receivables | -3.7 | 14.7 | 26.4 | -9.7 |
| Investments in other assets | -4.1 | -1.2 | -51.4 | -945.3 |
| Sales of other investments | 0.3 | 1.1 | 26.5 | 11.6 |
| Interest received from investments | 0.2 | 0.1 | 48.6 | 8.8 |
| Dividend received from investments | 8.0 | 6.9 | 0.7 | 2.0 |
| CASH FLOW FROM INVESTMENTS | 48.1 | -1 198.8 | 122.3 | -1 285.5 |
| CASH FLOW BEFORE FINANCING | 232.4 | -1 027.0 | 155.4 | -1 292.7 |
| FINANCING | | | | |
| Minority capital investment / increase in Group participation | 4.8 | 2.5 | | |
| Drawings on short-term loans | 0.3 | 294.6 | 152.5 | 427.3 |
| Repayments of short-term loans | -173.1 | -137.2 | -45.3 | -128.2 |
| Drawings on long-term loans | 8.4 | 1 001.2 | 55.0 | 1 010.0 |
| Repayments of long-term loans | -221.0 | -3.8 | -265.0 | |
| Dividends paid | -77.8 | -70.7 | -74.1 | -68.5 |
| Donations | -0.3 | -0.3 | -0.3 | -0.3 |
| HTV connection fees | 3.0 | 1.4 | | |
| CASH FLOW FROM FINANCING | -455.6 | 1 087.8 | -177.2 | 1 240.3 |
| Change in liquidities according to the cash flow statement | -223.3 | 60.8 | -21.8 | -52.4 |
| Exchange rate differences under liquidities | -19.4 | -9.8 | | 0.0 |
| Net increase (+)/decrease (-) in liquidities | -242.6 | 51.0 | -21.8 | -52.4 |
| Liquidities according to the balance sheet at 1 Jan. | 365.0 | 314.0 | 39.5 | 91.9 |
| Liquidities according to the balance sheet at 31 Dec. | 122.4 | 365.0 | 17.7 | 39.5 |

| € million | Group 1.1–31.12.2002 | 1.1–31.12.2001 | Parent Company 1.1–31.12.2002 | 1.1–31.12.2001 |
|--|-------------------------|-----------------|-------------------------------------|----------------|
| NOTES TO THE CASH FLOW STATEMENT | | | | |
| 1) Adjustments to operating profit | | | | |
| Depreciation and decrease in value | 212.0 | 138.5 | 1.9 | 1.5 |
| Profit(-) and loss(+) on sales of non-current assets | -43.0 | -16.1 | -8.4 | 0.6 |
| Interest in the results of associated companies, in profit(-) and loss(+) | -13.1 | -5.5 | | |
| Change in statutory provisions | 7.8 | 4.8 | | |
| Other adjustment items | -29.8 | -36.2 | | 0.7 |
| | 133.8 | 85.6 | -6.5 | 2.9 |
| 2) Change in working capital | | | | |
| Increase (-)/decrease (+) in inventories | -4.5 | -2.7 | | |
| Increase (-)/decrease (+) in interest-free short-term receivables | 44.5 | -21.2 | 1.2 | -1.0 |
| Increase (+)/decrease (-) in interest-free short-term debts | -67.2 | 38.8 | 3.0 | -2.0 |
| | -27.1 | 14.8 | 4.2 | -3.0 |
| 3) Supplementary information on acquired Group companies | | | | |
| Impact of acquired companies on the Group's assets and liabilities | | | | |
| Non-current assets | -4.9 | -1 397.0 | | |
| Current assets | -1.3 | -252.8 | | |
| Long-term liabilities | | 52.7 | | |
| Current liabilities | 2.0 | 351.7 | | |
| Other items | -0.2 | 1.7 | | |
| Acquisition cost | -4.5 | -1 243.7 | | |
| Liquidities of acquired companies | 0.6 | 74.9 | | |
| Investments in Group companies | -3.8 | -1 168.8 | | |
| 4) Supplementary information on sold Group companies | | | | |
| Impact of sold companies on the Group's assets and liabilities | | | | |
| Non-current assets | 51.8 | 0.8 | | |
| Current assets | 13.9 | 0.9 | | |
| Long-term liabilities | -0.7 | 0.0 | | |
| Current liabilities | -10.4 | -1.2 | | |
| Other items | 11.2 | -0.3 | | |
| Selling price | 65.8 | 0.2 | | |
| Liquidities of sold companies | -0.2 | -0.2 | | |
| Income on the sale of Group companies | 65.6 | 0.0 | | |

Accounting principles

SanomaWSOY

SanomaWSOY's consolidated financial statements have been prepared in accordance with Finnish rules and regulations. SanomaWSOY Corporation was created by a combination merger on 1 May 1999, and the comparative data for 1998 and 1999 takes the form of pro forma figures.

Information on the Consumer Information Group (CIG), acquired from VNU in October 2001, is provided in the Group's comparative official figures for the last quarter of 2001.

Consolidated financial statements

The consolidated financial statements have been prepared by consolidating the income statements, balance sheets and notes of the Parent Company and its subsidiaries. The separate financial statements of Group companies have been adjusted in accordance with the Group's accounting principles 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 financial year. Intra-group ownership has been eliminated using the acquisition cost method.

Companies acquired during the financial year have been included in the consolidated statements from the date of acquisition or another contractual date and 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 recorded, when possible, to the relevant asset and liability items in the Group's balance sheet. The residual has been presented as goodwill, which is amortised 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 in line with the Group's holding has been recorded as a separate item prior to the operating profit. Goodwill generated in the consolidation of associated companies will be amortised generally over a period of 5 to 10 years. Figures for insignificant 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 shareholding.

Minority shareholdings have been separated from the Group's shareholders' equity and result and are presented as a separate item in the income statement and balance sheet. Minority shareholders' portion of the losses of subsidiaries

has been deducted from the capital notes given by minority shareholders. The remaining capital notes have been presented as part of shareholders' equity.

All intra-group transactions, mutual receivables and liabilities, together with significant internal margins and internal distribution of profits, have been eliminated in the consolidated figures.

Transactions in foreign currencies

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

The income statements of foreign subsidiaries have been translated into euros using the average rate for the financial year, while their balance sheets have been translated using the exchange rate quoted on the balance sheet date. Translation differences between different rates have been recorded to the Group's shareholders' equity.

Exchange rate differences arising from translating the balance sheets of foreign subsidiaries and associated companies have generally been recorded to consolidated shareholders' equity. Exchange rate differences related to the Group's long-term internal loans have been treated in the same way as those associated with shareholders' equity, i.e., they have been recorded to consolidated shareholders' equity.

Non-current assets

Fixed assets have been recorded to the balance sheet at the original acquisition cost less depreciation according to the plan. Balance sheet values include revaluations totalling EUR 17,1 million covering land and buildings. Investments have been recorded at acquisition cost or permanently lower market value. 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 |
| Goodwill | 3–20 years |
| Consolidated goodwill | 5–20 years |
| Other long-term expenditure | 3–10 years |
| Buildings and structures | 7–40 years |
| Machinery and equipment | 3–16 years |

The practice used in recording film rights and television broadcasting rights has been harmonised in Group companies in different countries during the financial year. The rights are recorded as immaterial rights under non-current assets and the expenditure of those rights is recorded as amortisation. Figures for 2001 and key figures for the previous three years (EBITA, EBITDA) have been adjusted accordingly.

Inventories

Inventories are presented in accordance with the average acquisition cost method, at acquisition cost or replacement cost if lower, or at the probable lower selling price. The value of inventories includes only the variable costs associated with acquisition and manufacturing.

Liquid assets

The balance sheet item related to securities primarily covers short-term deposits, listed shares, and mutual fund holdings. Securities have been valued at acquisition cost or at market value if lower.

During the financial year, the Group implemented a cash pooling system covering several European countries. Cash pooling improves efficient cash management and reduces the Group's financial expenses. Judicially there is an outside bank as counterpart for every separate company. In the separate companies, pooling assets are presented under cash and bank, while pooling liabilities are presented under liabilities to financial institutions. Receivables and liabilities from the cash pooling bank are eliminated in the consolidated financial statements.

Deferred tax liabilities and receivables

In respect of recording deferred tax liabilities and receivables, SanomaWSOY follows the requirements of the Finnish Accounting Act, under which items are recorded only on those matching 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 liabilities are presented in the notes to the financial statements.

Derivatives and other contingent liabilities

Derivatives are used by SanomaWSOY to hedge the Group's risks. The Group hedges its interest rate risks as well as its currency and equity portfolio risks. The hedging instruments primarily used are interest rate swap agreements, interest rate options, and currency forward agreements.

The interest income and expenses related to the derivative contracts used in risk management are matched according to the duration of the relevant contract and are

used to adjust the interest recorded for the hedged positions. The premiums paid and received for interest rate options are recorded under accruals and matched under financial expenses and income according to the duration of the relevant contract.

Interest rate derivatives are used to hedge the Group's floating-rate loan portfolio, and derivative contracts are not valued at market values in the accounts. The market values of contracts are shown in the notes to the financial statements.

Currency forward agreements are valued at market values at year-end. Unrealised derivative losses are recorded against income immediately, whereas valuation profits are not recorded until they are realised.

The accounting treatment of contingent liabilities has been specified in Group companies during the financial year. The comparative data has been adjusted accordingly.

Convertible capital note

A convertible capital note valued at EUR 200 million was issued in 2001 as part of financing for the acquisition of the magazine operations from VNU. Trading in the subordinated notes began on the Helsinki Exchanges on 6 September 2001. Under the Companies Act, the issue is treated as an equity loan. The interest on the notes is recorded in accordance with the interest prescribed in the loan terms of the issue, and the loan is presented in its entirety under shareholders' equity.

The main terms of the issue are presented in the notes to the financial statements.

Net sales

When calculating net sales, sales income has been adjusted for discounts given, indirect taxes, and sales-related exchange rate differences. Commissions are included in the net sales shown on commission sales. The content of sales adjustments has been harmonised during the financial year and the comparable data has been adjusted accordingly.

The time of recognising the revenue for magazines has been harmonised within the Group during the financial year. Sales are recorded as income on an accrual basis for the period during which the magazine has been published regardless of the issue number of the magazine. The portion of the change's effect on the result that is equivalent to the effect of the comparable period is recorded under extraordinary items. The change for the period has been recorded to net sales.

Research and development expenses

Research and development expenses are generally recorded directly as annual expenses

These items 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. Research and development expenses are typically incurred before a company is able to begin benefiting financially from the product or service in question.

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 recorded as research and development expenses for the first two years of the title's existence.

Pension cover

The statutory pension cover of personnel employed by SanomaWSOY and its Finnish subsidiaries, with the exception of Werner Söderström Corporation and WS Bookwell Oy, is provided through insurance policies taken out with pension institution. Pension cover for personnel employed by units outside Finland is arranged in line with the requirements of local legislation and social security provisions. There is a pension fund for personnel of Sanoma Magazines in the Netherlands, which has no uncovered liability.

The statutory pension cover of personnel employed by Werner Söderström Corporation and WS Bookwell Oy 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 31 December 1980. The fund has no uncovered liability and its assets exceed its liabilities by EUR 5.5 million.

Additional pension cover for SanomaWSOY Corporation and its 22 subsidiaries has been arranged through Sanoma Corporation's pension fund. The latter has no uncovered liability and its assets exceed its liabilities by EUR 2.4 million. The fund was closed on 31 August 1981.

Voluntary pension cover for personnel employed by Rautakirja Oyj, Finnkino Oy, and Eurostrada Oy is provided by Rautakirja's pension fund. The total liability of the latter as of the end of the financial year was EUR 19.6 million, of which EUR 4.4 million was unfunded. The latter item has been recorded in previous years mainly as expenses and statutory provisions. The fund was closed on 30 June 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 key indicators for 1998 presented in comparative data were prepared on the materiality principle for the merger plan of SanomaWSOY. The accuracy of these figures does not match that of current practice in every respect. The figures for 1999 are based on pro forma financial statements prepared for the Group in 1999. Official financial statements were prepared for the Parent Company for the period 1 May - 31 December 1999.

Notes to the income statement

SanomaWSOY

| € million | Group 1.1–31.12.2002 | 1.1–31.12.2001 | Parent Company 1.1–31.12.2002 | 1.1–31.12.2001 |
|--|-------------------------|----------------|-------------------------------------|----------------|
| 1) NET SALES | | | | |
| Net sales by business area | | | | |
| Sanoma | | | | |
| Newspaper publishing and printing | 438.1 | 459.3 | | |
| Total | 438.1 | 459.3 | | |
| Sanoma Magazines | | | | |
| Magazine publishing | 904.0 | 377.6 | | |
| Press distribution | 215.0 | 52.8 | | |
| Intracompany transactions | -110.9 | -31.7 | | |
| Total | 1 008.1 | 398.6 | | |
| SWelcom | | | | |
| Electronic media | 86.1 | 84.9 | | |
| Total | 86.1 | 84.9 | | |
| WSOY | | | | |
| Publishing | 143.5 | 134.1 | | |
| Printing | 62.7 | 62.2 | | |
| Calendar operations | 34.5 | 35.8 | | |
| Others | 3.7 | 3.9 | | |
| Intracompany transactions | -28.6 | -25.0 | | |
| Total | 215.9 | 211.0 | | |
| Rautakirja | | | | |
| Kiosk operations | 373.6 | 359.8 | | |
| Press distribution | 177.3 | 165.1 | | |
| Bookstores | 115.2 | 113.9 | | |
| Movie theatre operations | 49.6 | 47.6 | | |
| Restaurant operations | 50.2 | 42.4 | | |
| eBusiness | 0.8 | 0.4 | | |
| Intracompany transactions | -40.2 | -32.7 | | |
| Total | 726.5 | 696.5 | | |
| Intragroup transactions | -117.0 | -115.9 | | |
| Total | 2 357.8 | 1 734.3 | | |
| Net sales by market area | | | | |
| Finland | 1 366.2 | 1 368.3 | | |
| Other EU countries | 818.4 | 266.9 | | |
| Other countries | 173.2 | 99.2 | | |
| Total | 2 357.8 | 1 734.3 | | |
| 2) OTHER OPERATING INCOME | | | | |
| Rental income | 19.5 | 20.0 | 3.2 | 2.2 |
| Rental income, internal | | | 3.1 | 2.6 |
| Profit on sales of operations | 14.4 | 4.8 | | |
| Profit on sales of machinery & equipment | 2.0 | 3.3 | 0.3 | 0.0 |
| Other operating income | 33.8 | 16.4 | 9.6 | 1.2 |
| Total | 69.8 | 44.5 | 16.1 | 6.1 |

| € million | Group 1.1–31.12.2002 | 1.1–31.12.2001 | Parent Company 1.1–31.12.2002 | 1.1–31.12.2001 |
|--|-------------------------|----------------|-------------------------------------|----------------|
| 3) MATERIALS AND SERVICES | | | | |
| Materials and supplies | | | | |
| Purchases during the year | 743.2 | 602.9 | | |
| Change in inventories | -1.3 | -3.3 | | |
| Total | 741.9 | 599.6 | | |
| Purchased services | | | | |
| Purchased transport and distribution services | 114.2 | 70.0 | | |
| Other purchased services | 170.0 | 88.6 | | |
| Total | 284.1 | 158.5 | | |
| Total | 1 026.0 | 758.1 | | |
| 4) PERSONNEL EXPENSES | | | | |
| Wages, salaries & fees | 467.2 | 344.4 | 5.4 | 5.6 |
| Transfers to the employees' profit-sharing fund | 3.7 | 4.3 | | |
| Pension expenses | 65.7 | 49.4 | 3.7 | 1.2 |
| Other social expenses | 48.4 | 35.4 | 0.4 | 0.4 |
| Total | 585.0 | 433.5 | 9.5 | 7.2 |
| REMUNERATION TO MANAGEMENT | | | | |
| Presidents, Deputies and Board members | | | | |
| Total | 8.5 | 7.2 | 1.9 | 1.2 |
| PERSONNEL, AVERAGE *) | | | | |
| Sanoma | 3 578 | 3 563 | | |
| Sanoma Magazines | 4 228 | 1 707 | | |
| SWelcom | 384 | 403 | | |
| WSOY | 1 836 | 1 863 | | |
| Rautakirja | 5 110 | 4 461 | | |
| Other companies **) | 74 | 80 | 74 | 80 |
| Total | 15 210 | 12 077 | 74 | 80 |
| *) Stated as average number of full-time salaried personnel | | | | |
| **) Parent Company SanomaWSOY Corporation and real estate and investment companies | | | | |
| 5) DEPRECIATION AND DECREASE IN VALUE | | | | |
| Depreciation according to plan | 211.4 | 137.3 | 1.9 | 1.5 |
| Decrease in value of non-current assets | 0.6 | 1.2 | | |
| Total | 212.0 | 138.5 | 1.9 | 1.5 |
| 6) OTHER OPERATING EXPENSES | | | | |
| Rents | 65.8 | 52.0 | 5.7 | 3.3 |
| Advertising and marketing | 145.8 | 95.1 | 0.5 | 0.5 |
| Commissions | 47.6 | 38.9 | | |
| Office and IT expenses | 72.0 | 54.6 | 2.0 | 2.3 |
| Other expenses | 153.2 | 117.8 | 4.9 | 6.2 |
| Total | 484.3 | 358.4 | 13.1 | 12.2 |

| € million | Group 1.1–31.12.2002 | 1.1–31.12.2001 | Parent Company 1.1–31.12.2002 | 1.1–31.12.2001 |
|--|-------------------------|----------------|-------------------------------------|----------------|
| 7) FINANCIAL INCOME AND EXPENSES | | | | |
| Dividend income (incl. avoir fiscal) | | | | |
| From Group companies | | | 56.6 | 2.4 |
| From associated companies | 5.0 | 2.0 | | |
| From other companies | 5.4 | 6.4 | 1.0 | 2.8 |
| Total | 10.5 | 8.5 | 57.7 | 5.2 |
| Interest from investment under non-current assets | | | | |
| From Group companies | | | 48.3 | 20.4 |
| From associated companies | 0.1 | | | |
| From other companies | 0.2 | 0.3 | 0.1 | 0.0 |
| Total | 0.3 | 0.3 | 48.4 | 20.4 |
| Other interest and financial income | | | | |
| From Group companies | | | 6.5 | 1.8 |
| From associated companies | 0.3 | 0.3 | | |
| From other companies | 58.9 | 33.6 | 37.5 | 16.3 |
| Exchange rate gains | 0.9 | 0.3 | 5.2 | 1.8 |
| Total | 60.1 | 34.2 | 49.1 | 19.9 |
| Decrease in value of investments | | | | |
| Investments under non-current assets | 3.5 | -0.3 | 1.8 | 13.0 |
| Securities under current assets | 20.6 | 12.8 | | -0.1 |
| Total | 24.1 | 12.4 | 1.8 | 12.9 |
| Interest and other financial expenses | | | | |
| To Group companies | | | 9.4 | 5.5 |
| To other companies | 73.2 | 33.3 | 55.8 | 22.5 |
| Exchange rate losses | 1.2 | 1.1 | 0.2 | 0.7 |
| Total | 74.4 | 34.4 | 65.4 | 28.7 |
| Total | -27.7 | -4.0 | 87.9 | 3.9 |
| 8) EXTRAORDINARY ITEMS | | | | |
| Extraordinary income | | | | |
| Group contributions received | | | 49.2 | 37.0 |
| Other extraordinary income | 9.0 | | | |
| Extraordinary expenses | | | | |
| Group contributions given | | | 16.9 | 25.5 |
| Income tax on extraordinary items | 3.0 | | 9.3 | 3.3 |
| Total | 6.1 | | 22.9 | 8.2 |
| 9) DIRECT TAXES | | | | |
| Tax on operational income | -66.8 | -39.8 | -10.8 | -1.0 |
| Change in deferred tax liability/accrued tax receivable *) | 2.6 | 8.8 | | |
| Total | -64.2 | -31.0 | -10.8 | -1.0 |
| *) Change in deferred tax liability/accrued tax receivable | | | | |
| From capitalisation differences | 0.4 | 5.5 | | |
| From provisions | 2.0 | 2.7 | | |
| From consolidation measures | 0.2 | 0.6 | | |
| Total | 2.6 | 8.8 | | |

Notes to the balance sheet

SanomaWSOY

| € million | Acquisition cost at 1 Jan. 2002 a) | Differences in rates and transfers between balance sheet items b) | Increases c) | Decreases d) |
|--|---|--|---------------------|---------------------|
| 10) NON-CURRENT ASSETS, GROUP | | | | |
| Intangible assets | | | | |
| Immaterial rights | 73.4 | 166.3 | 40.7 | 1.2 |
| Goodwill | 50.6 | 61.1 | 1.0 | -48.6 |
| Other long-term investments | 107.5 | 16.4 | 10.0 | -14.1 |
| Advance payments | 0.6 | -1.4 | 3.3 | 0.0 |
| | 232.2 | 242.4 | 55.0 | -61.6 |
| Consolidated goodwill | | | | |
| Consolidated goodwill | 1 434.6 | -112.5 | 3.9 | -43.5 |
| Consolidation difference | -0.3 | -0.1 | 0.0 | 0.0 |
| | 1 434.3 | -112.6 | 3.9 | -43.5 |
| Tangible assets | | | | |
| Land and water | 49.9 | 0.0 | 0.0 | -6.5 |
| Revaluations | 7.9 | 0.0 | 0.0 | 0.0 |
| Total land and water | 57.8 | 0.0 | 0.0 | -6.5 |
| Buildings and structures | 266.5 | -9.5 | 5.8 | -13.6 |
| Revaluations | 9.2 | 0.0 | 0.0 | 0.0 |
| Total buildings and structures | 275.7 | -9.5 | 5.8 | -13.6 |
| Machinery and equipment | 582.4 | 8.2 | 38.9 | -32.1 |
| Other tangible assets | 82.0 | -47.3 | 2.5 | -4.0 |
| Advance payments and work in progress | 17.3 | -6.1 | 28.5 | 0.0 |
| | 1 015.1 | -54.6 | 75.8 | -56.2 |
| Investments | | | | |
| Interest in associated companies f) | 176.0 | -4.6 | 5.2 | -14.2 |
| Receivables from associated companies | 3.0 | -0.1 | 2.6 | 0.0 |
| Other shares and holdings | 99.2 | 6.1 | 3.4 | -10.0 |
| Other receivables | 1.8 | 0.0 | 1.5 | -0.3 |
| Advance payments | 0.2 | 0.0 | 0.0 | 0.0 |
| | 280.3 | 1.4 | 12.6 | -24.5 |
| TOTAL NON-CURRENT ASSETS | 2 961.9 | 76.6 | 147.3 | -185.8 |

Book value of production machinery at 31 December 2002: 69,1 € million

- a)** Acquisition costs include fixed assets entailing costs that have not been fully recorded as planned depreciation and/or with a financial lifetime with time still left to run.
- b)** Includes the adjustments to purchase price of companies acquired from VNU.
- c)** Includes fixed asset acquisition costs current at the time of the acquisition of companies and businesses.
- d)** 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 business.
- e)** Includes the accumulated depreciation of acquired companies and businesses at the time of acquisition.
- f)** Acquisition costs include original purchase prices, but exclude Group-level associated company transfers.

| Acquisition cost at 31 Dec. 2002 | Differences in rates and bookings re- lating to the value of shares in associ- ated companies | Accumulated depreciation and decrease in value at 1 Jan. 2002 | Accumulated depreciation and decrease in value of decreases and transfers e) | Depreciation and decrease in value for the period | Book value at 31 Dec. 2002 |
|-------------------------------------|---|--|--|--|-------------------------------|
| 281.5 | -0.1 | -17.8 | -95.3 | -43.8 | 124.6 |
| 64.1 | -0.4 | -39.0 | -1.3 | -10.4 | 13.1 |
| 119.8 | 0.0 | -62.6 | 5.5 | -15.2 | 47.5 |
| 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 2.5 |
| 467.9 | -0.5 | -119.3 | -91.1 | -69.3 | 187.7 |
| 1 282.5 | -1.1 | -135.0 | 69.7 | -80.7 | 1 135.5 |
| -0.4 | 0.0 | 0.2 | 0.1 | 0.0 | -0.1 |
| 1 282.2 | -1.1 | -134.8 | 69.7 | -80.7 | 1 135.4 |
| 43.4 | 0.0 | 0.0 | 0.0 | 0.0 | 43.4 |
| 7.9 | 0.0 | 0.0 | 0.0 | 0.0 | 7.9 |
| 51.3 | 0.0 | 0.0 | 0.0 | 0.0 | 51.3 |
| 249.3 | 0.0 | -64.8 | 11.0 | -8.6 | 186.9 |
| 9.2 | 0.0 | 0.0 | 0.0 | 0.0 | 9.2 |
| 258.5 | 0.0 | -64.8 | 11.0 | -8.6 | 196.1 |
| 597.4 | 0.2 | -409.2 | 26.1 | -51.3 | 163.3 |
| 33.3 | -0.1 | -31.5 | 9.5 | -2.1 | 9.1 |
| 39.6 | 0.0 | 0.0 | 0.0 | 0.0 | 39.6 |
| 980.1 | 0.1 | -505.5 | 46.7 | -62.0 | 459.4 |
| 162.3 | -5.2 | 0.0 | 0.0 | -1.2 | 156.0 |
| 5.6 | -3.4 | 0.0 | 0.0 | 0.0 | 2.2 |
| 98.6 | 0.1 | -3.6 | 0.4 | -2.4 | 93.1 |
| 3.1 | 0.0 | 0.0 | 0.0 | 0.0 | 3.1 |
| 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| 269.8 | -8.5 | -3.6 | 0.4 | -3.5 | 254.6 |
| 3 000.0 | -9.9 | -763.3 | 25.7 | -215.5 | 2 037.0 |

| € million | Acquisition cost at 1 Jan. 2002 a) | Transfers between balance sheet items | Increases | Decreases b) |
|---|------------------------------------|---------------------------------------|-------------|--------------|
| 10) NON-CURRENT ASSETS, PARENT COMPANY | | | | |
| Intangible assets | | | | |
| Immaterial rights | 0.5 | 0.0 | 0.2 | 0.0 |
| Other long-term investments | 7.5 | 0.0 | 0.2 | -2.2 |
| Advance payments | 0.0 | 0.0 | 0.2 | 0.0 |
| | 8.0 | 0.0 | 0.6 | -2.2 |
| Tangible assets | | | | |
| Land and water | 6.9 | 0.0 | 0.0 | 0.0 |
| Revaluations | 4.8 | 0.0 | 0.0 | 0.0 |
| Total land and water | 11.7 | 0.0 | 0.0 | 0.0 |
| Buildings and structures | 2.4 | 0.0 | 0.0 | 0.0 |
| Machinery and equipment | 9.9 | 0.0 | 0.3 | -0.3 |
| Other tangible assets | 1.4 | 0.0 | 0.0 | 0.0 |
| | 25.5 | 0.0 | 0.4 | -0.3 |
| Investments | | | | |
| Interest in Group companies | 715.1 | -2.6 | 0.0 | -52.7 |
| Receivables from Group companies | 1 217.2 | 0.0 | 49.8 | -26.2 |
| Interest in associated companies | 12.2 | -6.1 | 0.0 | -6.0 |
| Receivables from associated companies | 0.1 | 0.0 | 0.0 | 0.0 |
| Other shares and holdings | 17.4 | 8.7 | 0.0 | -4.6 |
| Other receivables | 1.7 | 0.0 | 1.5 | -0.3 |
| Advance payments | 0.3 | 0.0 | 0.0 | 0.0 |
| | 1 964.0 | 0.0 | 51.3 | -89.9 |
| TOTAL NON-CURRENT ASSETS | 1 997.5 | 0.0 | 52.3 | -92.4 |

a) Acquisition costs include fixed assets entailing costs that have not been fully recorded 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.

| Acquisition cost at 31 Dec. 2002 | Differences in rates | Accumulated depreciation and decrease in value at 1 Jan. 2002 | Accumulated depreciation and decrease in value of decreases and transfers | Depreciation and decrease in value for the period | Book value at 31 Dec. 2002 |
|----------------------------------|----------------------|---|---|---|----------------------------|
| 0.7 | 0.0 | -0.1 | 0.0 | -0.1 | 0.5 |
| 5.6 | 0.0 | -3.6 | 1.9 | -1.0 | 2.9 |
| 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| 6.4 | 0.0 | -3.7 | 1.9 | -1.1 | 3.5 |
| 6.9 | 0.0 | 0.0 | 0.0 | 0.0 | 6.9 |
| 4.8 | 0.0 | 0.0 | 0.0 | 0.0 | 4.8 |
| 11.7 | 0.0 | 0.0 | 0.0 | 0.0 | 11.7 |
| 2.4 | 0.0 | -1.2 | 0.0 | -0.1 | 1.2 |
| 10.0 | 0.0 | -8.2 | 0.2 | -0.6 | 1.4 |
| 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 |
| 25.5 | 0.0 | -9.3 | 0.2 | -0.7 | 15.7 |
| 659.8 | 0.0 | 0.0 | 0.0 | -1.0 | 658.8 |
| 1 240.7 | 4.8 | 0.0 | 0.0 | 0.0 | 1 245.6 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| 21.5 | 0.0 | -0.7 | 0.0 | -0.8 | 20.0 |
| 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| 1 925.4 | 4.8 | -0.7 | 0.0 | -1.8 | 1 927.8 |
| 1 957.4 | 4.8 | -13.7 | 2.1 | -3.7 | 1 947.0 |

| SHARES UNDER NON-CURRENT ASSETS | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|---|--|---|---|---|
| GROUP COMPANIES | | | | |
| SANOMA | | | | |
| Sanoma Corporation, Helsinki*) | 100.0 | | 100.0 | 108 745 |
| Arnedo Oy, Helsinki | | 60.0 | 60.0 | |
| AS Infesto, Estonia | | | 90.0 | |
| Baltic Media Oy, Anjalankoski | | 7.3 | 89.0 | |
| Esmerk Americas Inc, USA | | | 90.0 | |
| Esmerk Argentina S.A., Argentina | | | 90.0 | |
| Esmerk Brasil LTDA, Brasilia | | | 90.0 | |
| Esmerk GmbH, Germany | | | 90.0 | |
| Esmerk Information (HK) Limited, Hong Kong | | | 90.0 | |
| Esmerk Information AB, Sweden | | | 90.0 | |
| Esmerk Information OOO, Russia | | | 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 Limited, United Kingdom | | | 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 | |
| Free Ad Production Oy, Turku | | | 100.0 | |
| Helsingin Päivälehti Oy, Helsinki | | 100.0 | 100.0 | |
| Infosto Oy, Tampere | | 100.0 | 100.0 | |
| Kiinteistö Oy Myllymäentie, Vantaa | 18.3 | 81.7 | 100.0 | 2 535 |
| Kiinteistö Oy Tommolankatu, Kouvola | | | 100.0 | |
| Kiinteistö Oy Virolahden Mäkitie 3, Virolahti | | | 100.0 | |
| Kymen Lehtimedia Oy, Anjalankoski | | 100.0 | 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 | |
| Päiväverkko Oy, Vantaa | | | 100.0 | |
| Saimaan Lehtipaino Oy, Lappeenranta | | | 100.0 | |
| Startel Oy, Helsinki | | 90.0 | 90.0 | |
| Tampereen Sanomain Oy, Helsinki | | 100.0 | 100.0 | |
| Uutisuoksi Oy, Imatra | | | 100.0 | |
| SANOMA MAGAZINES | | | | |
| Sanoma Magazines B.V., The Netherlands *) | 100.0 | | 100.0 | 345 554 |
| Lastannet Open B.V., The Netherlands | | | 100.0 | |
| Sanoma Magazines Nederland B.V., The Netherlands | | 100.0 | 100.0 | |
| Sanoma Magazines Participations B.V., The Netherlands | | 100.0 | 100.0 | |

*)Parent company of the sub-group

| SHARES UNDER NON-CURRENT ASSETS | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|--|--|---|---|---|
| Aldipress | | | | |
| B.V. Aldipress, The Netherlands | | | 95.0 | |
| De Grebbe Tijdschriften en Boekendistributie B.V., The Netherlands | | | 95.0 | |
| Hedinet Vastgoed B.V., The Netherlands | | | 95.0 | |
| Sanoma Magazines Verkoopgroep B.V., The Netherlands | | | 95.0 | |
| Sanoma Magazines Belgium | | | | |
| Sanoma Magazines Belgium N.V., Belgium | | 100.0 | 100.0 | |
| Uitgevers Maatschappij N.V., Belgium | | | 100.0 | |
| Sanoma Magazines International | | | | |
| Sanoma Magazines International B.V., The Netherlands | | 100.0 | 100.0 | |
| Editor-International B.V., The Netherlands | | | 100.0 | |
| Erasmus Press Kiadói Kft., Hungary | | | 100.0 | |
| Project Constable Unlimited, United Kingdom | | | 100.0 | |
| Roof s.r.o., Czech Republic | | | 100.0 | |
| S+N Bratislava s.r.o., Slovakia | | | 90.0 | |
| Sanoma Budapest Kiadói Részvénytársaság, Hungary | | | 100.0 | |
| Sanoma Hearst Prague B.V., The Netherlands | | | 60.0 | |
| Sanoma Hearst Romania s.r.l., Romania | | | 65.0 | |
| Sanoma Magazines Praha s.r.o., Czech Republic | | | 100.0 | |
| Sanoma Magazines Zagreb d.o.o., Croatia | | | 65.0 | |
| Sanoma Stratosfera B.V., The Netherlands | | | 100.0 | |
| Strategie na Slovensku, Slovakia | | | 100.0 | |
| Via Classiss s.r.o., Slovakia | | | 100.0 | |
| Sanoma Uitgevers | | | | |
| Sanoma Uitgevers B.V., The Netherlands | | | 100.0 | |
| Accres Uitgevers B.V., The Netherlands | | | 100.0 | |
| Admedia Belgium BVBA, Belgium | | 99.9 | 100.0 | |
| All Service B.V., The Netherlands | | | 100.0 | |
| Body Trend Nederland B.V., The Netherlands | | | 100.0 | |
| Consultancy Marketing Ltd, United Kingdom | | | 100.0 | |
| Cosmos Home Entertainment B.V., The Netherlands | | | 100.0 | |
| De Woonbeurs B.V., The Netherlands | | | 75.0 | |
| Domestic Film Corporation B.V., The Netherlands | | | 100.0 | |
| Felicitas B.V., The Netherlands | | | 100.0 | |
| Felicitas Direct Promotion & Publishing B.V., The Netherlands | | | 100.0 | |
| Geomatic International B.V., The Netherlands | | | 100.0 | |
| H.P.R. Holding B.V., The Netherlands | | | 75.0 | |
| Home & Garden B.V., The Netherlands | | | 100.0 | |
| IBS Boeken B.V., The Netherlands | | | 100.0 | |
| I.B.S N.V., Belgium | | | 100.0 | |
| Ilse Media B.V., The Netherlands | | | 58.7 | |
| Ilse Media Groep B.V., The Netherlands | | | 58.7 | |
| Ilse Publishing B.V., The Netherlands | | | 58.7 | |
| Ilse Technology B.V., The Netherlands | | | 58.7 | |
| Lastannet Entertainment II B.V., The Netherlands | | | 100.0 | |
| Marie Aubain Uitgeverij B.V., The Netherlands | | | 100.0 | |
| MediaNet B.V., The Netherlands | | | 58.7 | |
| Mediastud B.V., The Netherlands | | | 100.0 | |
| Nordulex Kinderboekenclub B.V., The Netherlands | | | 100.0 | |
| OPS B.V., The Netherlands | | | 100.0 | |
| Parti-Avanti Holding B.V., The Netherlands | | | 58.7 | |
| Prolix B.V., The Netherlands | | | 100.0 | |
| Prommix Groep B.V., The Netherlands | | | 100.0 | |
| Promotess & Presentatie B.V., The Netherlands | | | 100.0 | |

| | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|--|--|---|---------------------------------|---|
| SHARES UNDER NON-CURRENT ASSETS | | | | |
| R.C.V. 2001 Nederland B.V., The Netherlands | | | 100.0 | |
| R.C.V. Entertainment B.V., The Netherlands | | | 100.0 | |
| R.C.V. Entertainment Belgique SA, Belgium | | | 100.0 | |
| R.C.V. Film Distribution B.V., The Netherlands | | | 100.0 | |
| R.C.V. Support B.V., The Netherlands | | | 100.0 | |
| Reprojekt B.V., The Netherlands | | | 100.0 | |
| Sanoma Magazines Deutschland GmbH, Germany | | 100.0 | 100.0 | |
| Sanoma Magazines France SARL, France | | 90.0 | 100.0 | |
| Sanoma Uitgevers Digitaal B.V., The Netherlands | | | 100.0 | |
| Sanoma Uitgevers Digitaal Ontwikkeling B.V., The Netherlands | | | 100.0 | |
| Saga Hollandia B.V., The Netherlands | | | 100.0 | |
| Startpagina B.V., The Netherlands | | | 58.7 | |
| Still Visual Entertainment Investments BVBA, Belgia | | | 100.0 | |
| Still Visual Investments B.V., The Netherlands | | | 100.0 | |
| Tableau Fine Arts Magazine B.V., The Netherlands | | | 100.0 | |
| The Merry Christmas Fair B.V., The Netherlands | | | 70.0 | |
| Top Santé VOF, The Netherlands | | | 60.0 | |
| Uitgeverij De Kreatieve Pers B.V., The Netherlands | | | 100.0 | |
| Uitgeverij F.H. Cisunitas B.V., The Netherlands | | | 100.0 | |
| Uitgeverij Fiets B.V., The Netherlands | | | 100.0 | |
| Uitgerevij Nokerizon B.V., The Netherlands | | | 100.0 | |
| Uitgerevij Publipress B.V., The Netherlands | | | 100.0 | |
| Uitgeverij Veldhuis B.V., The Netherlands | | | 100.0 | |
| Uitgeverij Woudestein B.V., The Netherlands | | | 100.0 | |
| Sanoma Magazines Finland | | | | |
| Sanoma Magazines Finland Oy, Helsinki *) | 100.0 | | 100.0 | 36 637 |
| Liiketieto-Business Information Oy, Helsinki | | 100.0 | 100.0 | |
| Milvus Förlags AB, Ruotsi | | 100.0 | 100.0 | |
| Suomalainen Yritystiedosto Oy, Helsinki | | 100.0 | 100.0 | |
| Suomen Rakennuslehti Oy, Helsinki | | 60.0 | 60.0 | |
| SWELCOM | | | | |
| SWelcom Oy, Helsinki *) | 100.0 | | 100.0 | 4 250 |
| zndhead Oy, Helsinki | | 100.0 | 100.0 | |
| Helsinki Television Ltd., Helsinki | | 100.0 | 100.0 | |
| Måndag Oy, Helsinki | | | 100.0 | |
| Oy Ruutunelonen Ab, Helsinki | | 90.6 | 90.6 | |
| Oy Suomen Mediantelonen Ab, Helsinki | | | 90.6 | |
| SW Television Oy, Helsinki | | 100.0 | 100.0 | |
| Tuotantotalo Werne Oy, Helsinki | | 75.8 | 100.0 | |
| WSOY | | | | |
| Werner Söderström Osakeyhtiö, Helsinki *) | 100.0 | | 100.0 | 78 618 |
| AB Förlagsinkasso, Sweden | | | 100.0 | |
| Ajasto Osakeyhtiö, Vantaa | | 100.0 | 100.0 | |
| Almanacksförlaget AB, 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 | |
| Dark Oy, Vantaa | | 90.0 | 90.0 | |
| Docendo Finland Oy, Jyväskylä | | 100.0 | 100.0 | |
| Docendo Produktion Aktiebolag, Sweden | | | 100.0 | |
| Docendo Sverige AB, Sweden | | 100.0 | 100.0 | |
| :Emil Moestue as, Norway | | | 100.0 | |

| SHARES UNDER NON-CURRENT ASSETS | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|---|--|---|---|---|
| Everscreen AB, Sweden | | | 64.0 | |
| Everscreen Oy, Helsinki | | 64.0 | 64.0 | |
| Genimap Oy, Helsinki | | 100.0 | 100.0 | |
| Kiinteistö Oy Bulevardi 12, Helsinki | | 100.0 | 100.0 | |
| Kiinteistö Oy Bulevardi 14, Helsinki | | 78.8 | 78.8 | |
| Kustannusperintä Oy - Förlagsinkasso Ab, Helsinki | | | 100.0 | |
| Lönnberg Painot Oy, Helsinki | | 100.0 | 100.0 | |
| Weilin+Göös Oy, Helsinki | | 100.0 | 100.0 | |
| Werner Söderström GmbH, Germany | | 100.0 | 100.0 | |
| WS Bookwell Oy, Porvoo | | 100.0 | 100.0 | |
| WSOY - Hyvä-Kirja Oy, Helsinki | | 100.0 | 100.0 | |
| RAUTAKIRJA | | | | |
| Rautakirja Oyj, Vantaa *) **) | 2.3 | | 57.0 | 6 852 |
| AS Lehepunkt, Estonia | | 100.0 | 57.0 | |
| AS Megapanus, Estonia | | | 51.4 | |
| AS MPDE, Estonia | | | 57.0 | |
| Astro Raamatud OÜ, Estonia | | | 34.2 | |
| Asunto Oy Imatran Sassinkulma, Imatra | | 60.6 | 34.5 | |
| Baltic Cinema SIA, Latvia | | | 51.3 | |
| Eurostrada Oy, Vantaa | | 100.0 | 57.0 | |
| Ferete Oy, Vantaa | | 100.0 | 57.0 | |
| Finnkino Oy, Vantaa | | 100.0 | 57.0 | |
| Foodstop Oy, Vantaa | | | 56.4 | |
| Interprint Oy, Helsinki | | | 57.0 | |
| Kiinteistö Oy Hallahepe, Toijala | | 100.0 | 57.0 | |
| Kiinteistö Oy Jokela City 1, Tuusula | | 100.0 | 57.0 | |
| Kiinteistö Oy Keravan Toripaviljonki, Kerava | | 50.8 | 29.0 | |
| Kiinteistö Oy Kuusankosken Kioski, Kuusankoski | | 58.9 | 33.6 | |
| Kiinteistö Oy Porin Liisankatu 6, Pori | | 100.0 | 57.0 | |
| Kiinteistö Oy Porin Promenadikeskus, Pori | | 73.2 | 41.7 | |
| Kiinteistö Oy Salon Torikioski, Salo | | 55.6 | 31.7 | |
| Lehti-Maja Eesti AS, Estonia | | 100.0 | 57.0 | |
| Lehtipiste Oy Pressco, Vantaa | | 100.0 | 57.0 | |
| Stailus OÜ, Estonia | | | 34.2 | |
| Suomalainen Kirjakauppa Oy, Helsinki | | 100.0 | 57.0 | |
| UAB Vingio kino teatras, Lithuania | | | 51.3 | |
| REAL ESTATE AND INVESTMENT COMPANIES | | | | |
| ECI Communications AG, Switzerland | | | 100.0 | |
| Kiinteistö Oy Myllymäenpolku, Vantaa | 100.0 | | 100.0 | 2 535 |
| Kiinteistö Oy Porvoon Mannerheiminkatu 20, Porvoo | 100.0 | | 100.0 | 1 682 |
| Kiinteistö Oy Postikuja 2, Helsinki | 100.0 | | 100.0 | 4 200 |
| Kiinteistö Oy Vantaan Valtatie 3, Vantaa | 100.0 | | 100.0 | 5 887 |
| Kiinteistö Oy Vantaankosken Isotammi, Vantaa | 100.0 | | 100.0 | 790 |
| Kiinteistö Oy Vantaankosken Kuningastie, Vantaa | 100.0 | | 100.0 | 505 |
| Kiinteistöosakeyhtiö Miekkakala, Helsinki | 77.7 | | 77.7 | 10 231 |
| Kiinteistöosakeyhtiö Sanomalan Keskusalue, Vantaa | 100.0 | | 100.0 | 17 324 |
| Lastannet Oy, Hyvinkää | 100.0 | | 100.0 | 3 |
| Monsaksenpolun Kiinteistö Oy, Vantaa | 100.0 | | 100.0 | 6 896 |
| Sanoma Finance AG, Switzerland | 100.0 | | 100.0 | 25 556 |
| Sanoma Inc., USA | 100.0 | | 100.0 | 816 |
| Sanoma WSOY AS, Norway | 100.0 | | 100.0 | 1 682 |
| Tiikerijakelu Oy, Helsinki | 100.0 | | 100.0 | 1 |
| | | | | 661 299 |

*) Parent company of the sub-group

**) Group holding: Sanoma Corporation 22,94 %, Werner Söderström Corporation 31,73 % and SanomaWSOY Corporation 2,31 %.

| SHARES UNDER NON-CURRENT ASSETS | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|--|--|---|---|---|
| ASSOCIATED COMPANIES | | | | |
| SANOMA | | | | |
| Anjalankosken Painotalo Oy, Anjalankoski | | | 48.2 | |
| Ilkka-Yhtymä Oyj, Seinäjoki | | 22.2 | 22.2 | |
| Janton Oyj, Helsinki | | 21.4 | 21.4 | |
| Maakuntien Viestintä Oy, Jyväskylä | | 24.6 | 46.0 | |
| Netwheels Oy, Helsinki | | 20.1 | 20.1 | |
| Finnish News Agency, Helsinki | | 20.8 | 22.1 | |
| ZAO Smena, Russia | | 30.0 | 30.0 | |
| SANOMA MAGAZINES | | | | |
| Sanoma Magazines Belgium | | | | |
| Clickx Magazine N.V., Belgium | | | 50.0 | |
| Repropress CVBA, Belgium | | | 36.0 | |
| S.B.P.P. N.V., Belgium | | | 50.0 | |
| Sanoma Magazines International | | | | |
| Euromédia Lapkiadó Bt, Hungary | | | 49.0 | |
| Europress Lapkiadó Kft, Hungary | | | 49.0 | |
| Hearst Stratosféra s.r.o., Czech Republic | | | 15.0 | |
| Hearst-Sanoma Budapest Lapkiadó Kft, Hungary | | | 50.0 | |
| NewsCo Kft, Hungary | | | 40.0 | |
| Stratosféra s.r.o., Czech Republic | | | 30.0 | |
| Sanoma Uitgevers | | | | |
| AKN CV, The Netherlands | | | 25.0 | |
| B.V. Programmabladen AKN, The Netherlands | | | 25.0 | |
| Felicitas Promotions AG, Switzerland | | | 49.0 | |
| Geïllustreerde Pers / Marie Clair VOF, The Netherlands | | | 50.0 | |
| Linndata Systems LLC, USA | | | 21.0 | |
| Quattro Voci B.V., The Netherlands | | | 25.0 | |
| Rock Solid Investments B.V., The Netherlands | | | 50.0 | |
| Sportweek Media B.V., The Netherlands | | | 50.0 | |
| Stone Mountain Investments B.V., The Netherlands | | | 35.0 | |
| Sanoma Magazines Finland | | | | |
| 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, Helsinki | | 50.0 | 50.0 | |
| SWELCOM | | | | |
| Maxisat Oy, Helsinki | | | 46.2 | |
| Platco Oy, Helsinki | | 33.3 | 33.3 | |
| Suomen Urheiluradio Oy, Helsinki | | 23.3 | 23.3 | |
| Suomen Urheilutelevisio Oy, Helsinki | | 35.0 | 35.0 | |
| Vantaan Yhteisverkko Oy, Vantaa | | | 24.0 | |
| WSOY | | | | |
| Asunto Oy Uudenmaankatu 13, Helsinki | | 26.7 | 26.7 | |
| Taskukirja Loisto Oy, Helsinki | | 25.0 | 25.0 | |
| Young Digital Poland S.A., Poland | | 49.0 | 49.0 | |

| SHARES UNDER NON-CURRENT ASSETS | Participation of the Parent Company % | Participation of the sub- group's parent company % | Participation of the Group % | Book value in Parent Company 1 000 € |
|---|--|---|---|---|
| RAUTAKIRJA | | | | |
| AB Districo International, Sweden | | 25.0 | 14.3 | |
| Asunto Oy Kuopion Suomurain, Kuopio | | | 14.8 | |
| Asunto Oy Maaherrank. 26, Mikkeli | | 36.1 | 20.6 | |
| Asunto Oy Oulunkylänt. 7, Helsinki | | 30.0 | 17.1 | |
| Asunto Oy Tikkurilan Asematie 6, Vantaa | | 38.0 | 21.7 | |
| Asunto Oy Veljeskulma, Virkkala | | 23.7 | 13.5 | |
| Asunto Oy Vihdin Yhdystalo, Vihti | | 25.8 | 14.7 | |
| Baltlab OÜ, Viro | | | 19.0 | |
| CZ Retail a.s., Czech Republic | | 50.0 | 28.5 | |
| JHC Arena Holding, Helsinki | | 30.0 | 17.1 | |
| Jokerit HC Oyj, Helsinki | | 36.4 | 20.7 | |
| Kiint. Oy Haminan Puistokatu 4, Hamina | | 22.0 | 12.5 | |
| Kiint. Oy Haukiputaan Revontie 1, Haukipudas | | 48.2 | 27.5 | |
| Kiint. Oy Hämeenkatu 12, Hyvinkää | | 46.0 | 26.2 | |
| Kiint. Oy Joutsenon Torirakennus, Joutseno | | 28.4 | 16.2 | |
| Kiint. Oy Kiuruveden Toritalo, Kiuruvesi | | 23.0 | 13.1 | |
| Kiint. Oy Koivulan Säästökulma, Pori | | 20.5 | 11.7 | |
| Kiint. Oy Kuopion Tullinportink. 33, Kuopio | | 32.7 | 18.6 | |
| Kiint. Oy Köpmansgatan 2 i Karis, Karjaa | | 39.0 | 22.2 | |
| Kiint. Oy Loimaan Torikioski, Loimaa | | 38.6 | 22.0 | |
| Kiint. Oy Mikkelin Torikioski, Mikkeli | | 36.6 | 20.9 | |
| Kiint. Oy Nastolan Nappi, Nastola | | 44.4 | 25.3 | |
| Kiint. Oy Nokian Liikekeskus, Nokia | | 34.4 | 19.6 | |
| Kiint. Oy Palosaarentie 31, Vaasa | | 21.5 | 12.3 | |
| Kiint. Oy Puistolän Pankkitalo, Helsinki | | 41.8 | 23.8 | |
| Kiint. Oy Ristiniäri, Pieksämäki | | 33.4 | 19.0 | |
| Kiint. Oy Ruukintori, Ruukki | | 23.7 | 13.5 | |
| Kiint. Oy Sampotalo, Pori | | 48.0 | 27.4 | |
| Kiint. Oy Taulumäen Toripaviljonki, Varkaus | | 47.6 | 27.1 | |
| Kiint. Oy Välikero, Rovaniemi | | | 22.5 | |
| Kirjavälitys Oy, Vantaa | | 17.6 | 11.6 | |
| Kokkolan Linja-autoas.kiint. Oy, Kokkola | | 20.4 | 11.6 | |
| M-Trafik s.r.o., Czech Republic | | | 28.5 | |
| Nakkilan Liikekeskus Oy, Nakkila | | 24.5 | 14.0 | |
| Narvesen Baltija SIA, Latvia | | 50.0 | 28.5 | |
| a/s Preses Apvieniba, Latvia | | | 27.4 | |
| Pro Kirja Oy, Helsinki | | | 28.5 | |
| SIA Ekspreskafe, Latvia | | | 28.5 | |
| SIA NB Logistika, Latvia | | | 28.5 | |
| SIA Stockmann Centrs, Latvia | | 35.0 | 20.0 | |
| Valkeakosken Yhteistalo Oy, Valkeakoski | | 39.1 | 22.3 | |
| Vääränkoivun Liikekeskus, Valkeakoski | | 20.5 | 11.7 | |
| SanomaWSOY Corporation and other companies | | | | |
| A-pressen ASA, Norway | | | 29.5 | |

OTHER SHARES OWNED BY THE PARENT COMPANY

| | |
|--------------------------------|---------------|
| Shares in housing corporations | 7 465 |
| Other shares | 12 524 |
| | 19 989 |

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|--|---------------------|----------------|---------------------------------|----------------|
| 10) NON-CURRENT ASSETS | | | | |
| Intangible assets | | | | |
| Immaterial rights | 124.6 | 125.5 | 0.5 | 0.4 |
| Goodwill | 13.1 | 11.6 | | |
| Other long-term investments | 47.5 | 44.9 | 2.9 | 4.0 |
| Advance payments | 2.5 | 0.6 | 0.2 | |
| Total | 187.7 | 182.7 | 3.5 | 4.4 |
| Consolidated goodwill | 1 135.4 | 1 299.5 | | |
| Tangible assets | | | | |
| Land and water | 51.3 | 57.8 | 11.7 | 11.7 |
| Buildings and structures | 196.1 | 210.9 | 1.2 | 1.3 |
| Machinery and equipment | 163.3 | 173.2 | 1.4 | 1.8 |
| Other tangible assets | 9.1 | 12.4 | 1.4 | 1.4 |
| Advance payments and work in progress | 39.6 | 17.3 | | |
| Total | 459.4 | 471.5 | 15.7 | 16.2 |
| Investments | | | | |
| Interest in Group companies | | | 658.8 | 715.1 |
| Receivables from Group companies | | | 1 245.6 | 1 217.5 |
| Interest in associated companies | 156.0 | 165.7 | | 12.2 |
| Receivables from associated companies | 2.2 | 3.0 | 0.1 | 0.1 |
| Other shares and holdings | 93.1 | 95.6 | 20.0 | 16.7 |
| Other receivables | 3.1 | 1.8 | 3.0 | 1.7 |
| Advance payments | 0.2 | 0.2 | 0.3 | 0.3 |
| Total | 254.6 | 266.3 | 1 927.8 | 1 963.6 |
| Total | 2 037.0 | 2 220.0 | 1 947.0 | 1 984.1 |
| 11) INVENTORIES | | | | |
| Materials and supplies | 11.6 | 10.7 | | |
| Work in progress | 6.7 | 6.2 | | |
| Finished products/goods | 75.8 | 73.6 | | |
| Other inventories | 0.7 | 0.1 | | |
| Advance payments | 0.1 | 0.3 | | |
| Total | 94.8 | 90.8 | | |
| 12) LONG-TERM RECEIVABLES | | | | |
| Trade receivables | 2.5 | 2.9 | | |
| Prepaid expenses and accrued income | 13.6 | 15.0 | 8.2 | 10.3 |
| Loan receivables | 15.0 | 6.0 | | |
| Other receivables | 1.3 | 3.5 | | |
| Deferred tax receivables | 39.6 | 38.8 | | |
| Total | 72.0 | 66.2 | 8.2 | 10.3 |
| Receivables from associated companies | | | | |
| Loan receivables | 2.8 | 3.5 | | |
| Total | 2.8 | 3.5 | | |

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|---|---------------------|--------------|---------------------------------|-------------|
| 13) SHORT-TERM RECEIVABLES | | | | |
| Trade receivables | 193.7 | 228.3 | 0.4 | 0.6 |
| Prepaid expenses and accrued income*) | 37.6 | 49.9 | 64.6 | 71.4 |
| Loan receivables | 10.7 | 3.9 | 6.0 | 14.3 |
| Other receivables | 13.7 | 24.1 | 1.1 | 1.8 |
| Deferred tax receivables | 10.6 | 4.7 | | |
| Total | 266.2 | 311.0 | 72.2 | 88.2 |
| Receivables from Group companies | | | | |
| Trade receivables | | | 0.3 | 0.6 |
| Prepaid expenses and accrued income | | | 62.1 | 68.8 |
| Loan receivables | | | 6.0 | 14.3 |
| Total | | | 68.4 | 83.8 |
| Receivables from associated companies | | | | |
| Trade receivables | 2.0 | 0.1 | | |
| Prepaid expenses and accrued income | 0.1 | 0.0 | | |
| Loan receivables | 7.1 | 3.2 | | |
| Total | 9.2 | 3.4 | | |
| *) Prepaid expenses and accrued income, short-term | | | | |
| Prepaid personnel expenses | 3.7 | 3.7 | | |
| Accrued interest income | 0.5 | 1.2 | 13.0 | 13.9 |
| Prepaid/accrued income tax | 1.4 | 3.8 | | 0.4 |
| Other prepaid expenses and accrued income | 32.0 | 41.3 | 51.6 | 57.1 |
| Total | 37.6 | 49.9 | 64.6 | 71.4 |

Other prepaid expenses and accrued income include i.a. prepaid agency commissions and Rautakirja Group's estimate for returned magazines.

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

Publicly traded shares and holdings under non-current assets

| | | | | |
|--------------------|------------|-------------|--|--|
| Reacquisition cost | 78.6 | 89.8 | | |
| Book value | 73.2 | 76.7 | | |
| Difference | 5.4 | 13.1 | | |

Securities

| | | | | |
|--------------------|------------|-------------|------------|-------------|
| Reacquisition cost | 63.9 | 333.5 | 6.0 | 66.5 |
| Book value | 63.1 | 279.7 | 6.0 | 33.9 |
| Difference | 0.8 | 53.9 | 0.0 | 32.6 |

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|---|---------------------|------------|---------------------------------|------------|
| 15) SHAREHOLDERS' EQUITY | | | | |
| Share capital at 1 Jan. | 62.6 | 62.6 | 62.6 | 62.6 |
| Share capital | 62.6 | 62.6 | 62.6 | 62.6 |
| Premium fund at 1 Jan. | 16.1 | 16.1 | | |
| Premium fund | 16.1 | 16.1 | | |
| Other funds at 1 Jan. | 364.4 | 364.1 | 355.7 | 355.7 |
| Change | 0.0 | 0.3 | | |
| Other funds | 364.4 | 364.4 | 355.7 | 355.7 |
| Profit (loss) brought forward at 1 Jan. | 369.3 | 379.9 | 199.6 | 272.1 |
| Dividends | -70.6 | -65.0 | -74.2 | -68.4 |
| Change in translation difference | 6.7 | 5.9 | | |
| Change in HTV connection fees | 3.0 | 1.4 | | |
| Other changes | 0.2 | -0.7 | -0.3 | -0.3 |
| Profit (loss) brought forward | 308.7 | 321.5 | 125.1 | 203.4 |
| Profit (loss) for the year | 37.2 | 47.8 | 92.3 | -3.9 |
| Capital notes at 1 Jan. | 207.3 | 7.3 | 200.0 | |
| Changes | 0.1 | 200.1 | | 200.0 |
| Capital notes | 207.4 | 207.3 | 200.0 | 200.0 |
| Total shareholders' equity | 996.3 | 1 019.7 | 835.6 | 817.8 |

Convertible capital note

A convertible capital note of EUR 200,000,000 was issued by the Parent Company on 31 August 2001 and trading in the subordinated notes on the Helsinki Exchanges began on 6 September 2001. In line with the terms of Section 5 of the Companies Act, the capital note has been recorded under shareholders' equity.

The main terms of the notes are as follows:

1. A fixed annual interest of 5.25% is paid on the notes. Interest is payable annually in the event that the sum concerned can be used for distribution of the profits in line with the confirmed balance sheet of the Company and the Group for the latest financial year.
2. Subscribers are allowed to convert their subordinated notes into a maximum of 12,570,710 SanomaWSOY Corporation Series B shares. The Board has determined that the imputed conversion price of one share shall be EUR 15.91, representing a premium of 30% to the tradingweighted price of the Series B share on the Helsinki Exchanges between 20 July 2001 and 20 August 2001. The period for conversion began on 2 January 2002 and will end on 20 June 2007. Conversion can be effected between January 2 and November 30 annually. Capital notes had not been converted into shares by the end of the financial year.
3. The loan period extends to 4 July 2007, when the notes shall be repaid in total, on condition that the shareholders' equity and other non-distributable items contained in the Company's and Group's balance sheet for the last full financial period are fully covered. Under the terms of the notes, SanomaWSOY is entitled, as of 1 September 2004, to repay in advance the capital of the notes in full at a rate of 100% together with interest that has accrued by the payment date, on condition that all the relevant terms of the notes specified in the prospectus are complied with.
4. In the event of the Company being dissolved or being declared bankrupt, payment of the principal, interest, and other considerations related to the notes can only be made after other creditors have received due payment.

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|---|---------------------|--------------|---------------------------------|--------------|
| Distributable earnings at 31 Dec. | | | | |
| Other distributable funds | 355.7 | 355.7 | 355.7 | 355.7 |
| Profit brought forward | 308.7 | 321.5 | 125.1 | 203.4 |
| Profit (loss) for the year | 37.2 | 47.8 | 92.3 | -3.9 |
| Depreciation difference recorded in equity | -73.8 | -78.5 | | |
| Interest or other reimbursement payable on capital note | -3.2 | -2.4 | | |
| Earnings distributable from equity | 624.5 | 644.1 | 573.0 | 555.2 |

Share capital and share series (Parent Company)

NUMBER OF SHARES

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

NOMINAL VALUES

| | |
|------------------------------------|---------------|
| | € |
| Series A shares (20 votes / share) | 9 984 811.56 |
| Series B shares (1 votes / share) | 52 589 474.72 |

Tiikerijakelu Oy holds 7,187,276 SanomaWSOY Series B shares, with a nominal value of EUR 3,090,528.68. The Group's acquisition cost associated with these shares totalled EUR 10,632,104.01.

16) ACCUMULATED PROVISIONS

Accumulated provisions in Parent Company consist of cumulative depreciation differences.

17) STATUTORY PROVISIONS

| | | |
|-----------------------------|-------------|------------|
| Pension liability provision | 5.0 | 4.2 |
| Other statutory provisions | 10.9 | 3.9 |
| Total | 15.9 | 8.1 |

18) DEFERRED TAX LIABILITIES/RECEIVABLES

DEFERRED TAX RECEIVABLES

| | | |
|---------------------------------|-------------|-------------|
| From capitalisation differences | 48.1 | 40.9 |
| From provisions | | 0.0 |
| From consolidation measures | 2.2 | 2.6 |
| Total | 50.2 | 43.5 |

DEFERRED TAX LIABILITIES

| | | |
|---------------------------------|-------------|-------------|
| From capitalisation differences | 6.0 | 2.7 |
| From provisions | 30.8 | 33.5 |
| From consolidation measures | 0.3 | 0.4 |
| Total | 37.1 | 36.6 |

DEFERRED TAXES IN CONSOLIDATED BALANCE SHEET

| | | |
|---|-------------|------------|
| Long-term receivables | 39.6 | 38.8 |
| Short-term receivables | 10.6 | 4.7 |
| Long-term liabilities | 33.3 | 34.5 |
| Short-term liabilities | 3.8 | 2.1 |
| Total deferred tax liabilities(-)/receivables(+) | 13.1 | 6.9 |

The estimated income tax on the value appreciation of land and buildings totals EUR 4.9 million.

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|--|---------------------|--------------|---------------------------------|--------------|
| 19) LONG-TERM LIABILITIES | | | | |
| Loans from financial institutions | 609.5 | 825.5 | 600.0 | 800.0 |
| Pension loans | 41.3 | 53.6 | | |
| Accrued expenses and deferred income | 31.8 | 22.8 | | |
| Other debts | 12.5 | 20.8 | | 10.0 |
| Total | 695.1 | 922.7 | 600.0 | 810.0 |
| Liabilities to Group companies | | | | |
| Other debts | | | | 10.0 |
| Total | | | | 10.0 |
| Debts maturing in five years or later | | | | |
| Loans from financial institutions | | 2.6 | | |
| Pension loans | 2.7 | 8.0 | | |
| Other debts | 9.8 | 0.3 | | |
| Total | 12.5 | 10.8 | | |
| 20) CURRENT LIABILITIES | | | | |
| Loans from financial institutions | 4.0 | 172.4 | 131.2 | 100.0 |
| Pension loans | 9.6 | 6.4 | | |
| Commercial papers | 127.2 | 127.0 | 127.2 | 127.0 |
| Trade payables | 164.9 | 177.1 | 1.5 | 0.8 |
| Accrued expenses and deferred income *) | 263.1 | 230.8 | 46.2 | 23.7 |
| Advances received | 98.7 | 95.5 | 0.0 | 0.0 |
| Other debts | 50.0 | 134.6 | 302.7 | 241.6 |
| Total | 717.5 | 943.7 | 608.8 | 493.1 |
| Liabilities to Group companies | | | | |
| Trade payables | | | 0.2 | 0.4 |
| Accrued expenses and deferred income | | | 8.2 | 1.8 |
| Other debts | | | 302.1 | 241.1 |
| Total | | | 310.6 | 243.3 |
| Liabilities to associated companies | | | | |
| Trade payables | 2.3 | 1.2 | | |
| Accrued expenses and deferred income | 0.3 | | | |
| Other debts | 0.3 | 0.3 | | |
| Total | 2.9 | 1.5 | | |
| *) Accrued expenses and deferred income | | | | |
| Accrued personnel expenses | 100.9 | 83.4 | 1.1 | 1.6 |
| Accrued interest expenses | 13.3 | 26.3 | 13.6 | 17.5 |
| Accrued/deferred income tax | 27.4 | 12.4 | 16.9 | |
| Other accrued expenses and deferred income | 121.5 | 108.7 | 14.6 | 4.6 |
| Total | 263.1 | 230.8 | 46.2 | 23.7 |

Other accrued expenses and deferred income include i.a. accrued royalties and transfers to pension fund as well as Rautakirja Group's consignment purchases of magazines and accrued purchases of bus tickets.

Other notes

SanomaWSOY

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|---|---------------------|--------------|---------------------------------|-------------|
| 21) CONTINGENCIES AND PLEDGED ASSETS | | | | |
| Debts with collateral consisting of real estate and shares | | | | |
| Pension loans | 17.8 | 21.7 | | |
| Loans from financial institutions | 5.5 | 6.7 | | |
| Other loans | 1.6 | 13.3 | | |
| Mortgages, real estate, total | 15.4 | 21.9 | | |
| Mortgages, movable property, total | 2.7 | 2.9 | | |
| Pledged securities, total | 27.6 | 54.3 | | |
| Other contingencies for own commitments | | | | |
| Mortgaged bearer bonds | 0.9 | 0.9 | | |
| Corporate mortgages | 4.9 | 4.7 | | |
| Book value of pledged securities | 3.5 | 10.7 | | 2.2 |
| Deposits | 1.1 | 1.1 | | |
| Total | 10.5 | 17.5 | | 2.2 |
| Contingencies given on behalf of Group companies | | | | |
| Guarantees | | | 88.0 | 95.4 |
| Total | | | 88.0 | 95.4 |
| Contingencies given on behalf of associated companies | | | | |
| Guarantees | 8.9 | 8.9 | | |
| Total | 8.9 | 8.9 | | |
| Contingencies given on behalf of other companies | | | | |
| Guarantees | 20.7 | 24.5 | | |
| Total | 20.7 | 24.5 | | |
| Other contingencies | | | | |
| Leasing liabilities | | | | |
| Leasing liabilities for 2003 | 4.4 | 4.4 | | |
| Leasing liabilities beyond 2003 | 5.8 | 8.5 | | |
| Total | 10.2 | 12.9 | | |
| Interest on capital notes | 3.2 | 2.4 | | |
| Repurchase liabilities | 1.3 | 1.3 | | |
| Other liabilities | 131.6 | 107.4 | | |
| Other contingencies, total | 146.3 | 124.0 | | |
| All liabilities, total | 232.1 | 254.0 | 88.0 | 97.6 |

| € million | Group 31.12.2002 | 31.12.2001 | Parent Company 31.12.2002 | 31.12.2001 |
|---|---------------------|----------------|---------------------------------|----------------|
| NOMINAL VALUE OF OPEN DERIVATIVE CONTRACTS | | | | |
| Interest rate derivatives | | | | |
| Forward contracts | | 200.0 | | 200.0 |
| Options | | | | |
| Purchased | 480.0 | 480.0 | 480.0 | 480.0 |
| Written | 200.0 | 480.0 | 200.0 | 480.0 |
| Interest rate swaps | 380.0 | 400.0 | 380.0 | 400.0 |
| Total | 1 060.0 | 1 560.0 | 1 060.0 | 1 560.0 |
| Currency derivatives | | | | |
| Forward contracts | 45.1 | 36.2 | 39.7 | |
| Total | 45.1 | 36.2 | 39.7 | |
| Share derivatives | | | | |
| Forward contracts | | 32.9 | | 18.1 |
| Total | | 32.9 | | 18.1 |
| Total | 1 105.1 | 1 629.1 | 1 099.7 | 1 578.1 |
| MARKET VALUE OF OPEN DERIVATIVE CONTRACTS | | | | |
| Interest rate derivatives | | | | |
| Forward contracts | | | | |
| Options | | -0.1 | | -0.1 |
| Purchased | | | | |
| Written | 0.0 | 1.5 | 0.0 | 1.5 |
| Interest rate swaps | -2.9 | -1.1 | -2.9 | -1.1 |
| Total | -4.8 | 1.1 | -4.8 | 1.1 |
| | -7.7 | 1.4 | -7.7 | 1.4 |
| Currency derivatives | | | | |
| Forward contracts | | | | |
| Total | -0.8 | -0.2 | 0.2 | |
| | -0.8 | -0.2 | 0.2 | |
| Share derivatives | | | | |
| Forward contracts | | | | |
| Total | | 0.2 | | 0.3 |
| | | 0.2 | | 0.3 |
| Total | -8.5 | 1.4 | -7.5 | 1.7 |

22) FINANCIAL RISK MANAGEMENT

SanomaWSOY's treasury activities are centralised and managed through the Group Treasury and Asset Management unit. The unit operates as counterparty to the operative divisions and is responsible for external financing, liquidity management and external hedging activities. The aim of the centralisation of treasury operations is to enhance risk management and cost-effectiveness, and to optimise cash management. The guidelines of the unit have been approved by the Board of Directors.

The Group's financial risks are interest rate risk, equity portfolio risk, currency risk, liquidity risk and credit risk. The objective of risk management is to hedge the Group against material risks.

Interest rate risk

The Group's interest rate risks are mainly linked to changes in market interest rates and loan margins. The exposure to interest rate risks is managed by using a mix of floating-rate and fixed-rate loans. In addition, derivatives are used for interest rate hedging.

Equity portfolio risk

SanomaWSOY's equity portfolio is comprised of liquid shares in listed blue chip companies. In accordance with the Group strategy, investments in financial securities have been reduced in order to finance the growth of the core business. The market value of the equity portfolio was EUR 43.3 million at the end of the year. The equity portfolio risk has therefore been materially reduced.

Currency risk

The bulk of the operational cash flow of the Group is euro-based. The Group's businesses outside the euro area currently represent less than 10% of total net sales. Equity portfolio and non-euro denominated equity capital are also exposed to currency risks. Material currency risks are hedged

Liquidity risk

Liquidity risks are linked to debt servicing, financing investments, and the need to maintain a sufficient level of working capital. SanomaWSOY aims to minimise its liquidity risks by ensuring a sufficient level of income financing, maintaining adequate credit lines and asset reserves, and by balancing repayment programmes over a number of calendar years.

As of the closing date, the Group had the following financing programmes and unused credit lines in place:

- Syndicated Revolving Credit Facility of EUR 800 million, of which EUR 200 million unused (to fall due on 20 July, 2006).
- Bilateral facilities of EUR 270 million (of which EUR 140 million committed) all unused (to fall due in June, 2003).
- Finnish commercial paper programme of EUR 335 million, of which EUR 206.5 million unused.
- Current account limits of EUR 21.6 million, of which EUR 21.5 million unused.

The Group's financing agreements include common covenants that are related to the ranking of creditors, certain key financial indicators and the use of pledges and mortgages, etc.

Credit risk

SanomaWSOY's credit risks are associated with its operational business and asset management activities. Operational units bear responsibility for credit risks associated with their businesses. To minimise counterparty risks in asset management operations, the Group only selects investments and does business with counterparties and partners that are considered of a leading and reputable nature.

Shares and shareholders

SanomaWSOY

Share capital and share series

| SanomaWSOY's share capital (€ 1 000) as of 31 Dec. | 2002 | 2001 | 2000 | 1999 |
|--|---------------|--------|--------|--------|
| Total, all shares | 62 574 | 62 574 | 62 574 | 61 187 |
| Series A | 9 985 | 9 985 | 9 985 | 10 094 |
| Series B | 52 589 | 52 589 | 52 589 | 51 093 |
| Total, shares on the market | 59 484 | 59 484 | 59 484 | 58 165 |
| Series A | 9 985 | 9 985 | 9 985 | 10 094 |
| Series B | 49 499 | 49 499 | 49 499 | 48 071 |

According to SanomaWSOY's Articles of Association, the Company's minimum share capital is EUR 50,000,000 and its maximum EUR 200,000,000. The share capital can be increased or reduced within these limits without amending the Articles of Association. The latest change in share capital occurred 10 May 2000 when a bonus issue without any new shares was effected in connection with the share split.

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. Four-for-one split was effected on 10 May 2000.

| Number of shares | Series A | Series B | Total |
|---|------------|-------------|-------------|
| Number as of 31 Dec. | 23 220 492 | 122 301 104 | 145 521 596 |
| Average issue-adjusted number of shares | 23 220 492 | 122 301 104 | 145 521 596 |
| Issue-adjusted number of shares on the market as of 31 Dec. | 23 220 492 | 115 113 828 | 138 334 320 |
| Average issue-adjusted number of shares on the market | 23 220 492 | 115 113 828 | 138 334 320 |

Share listing and share codes

SanomaWSOY's shares are listed on the Main List of the Helsinki Exchanges, and are identified in the 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 2002, the Company had 7,688 shareholders.

Company shares

SanomaWSOY owned 7,187,276 Series B shares through its subsidiary Tiikerijakelu Oy, equivalent to 4.94% of shares and 1.23% of voting rights, at 31 December 2002. The total number of Series A shares on the market stood at 23,220,492, and that of Series B shares at 115,113,828.

Authorisation of the Board of Directors

SanomaWSOY's Board of Directors does not have a valid authorisation to issue shares, to increase the share capital, to acquire or transfer the Company's own shares, or to issue convertible bonds or bonds with warrants.

Share price and trading

A total of 204,728 (108,832) Series A shares and 6,207,842 (3,625,765) Series B shares were traded in 2002. Trading in Series A shares accounted for 0.88 (0.47)% of shares and that in Series B for 5.08 (2.96)%. The average price of Series A shares was EUR 10.99 and that for Series B shares EUR 11.29. The annual high for Series A shares was EUR 13.40 and the annual low EUR 9.70. The annual high for Series B shares was EUR 13.63 and the annual low EUR 8.66.

SanomaWSOY was not informed of any statutory notices of changes in ownership during 2002, and no significant changes in share ownership took place during the year.

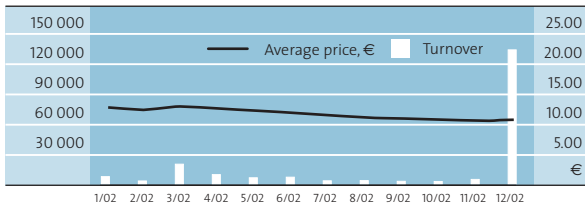
Share-related indicators are given in the table Key figures on Page 30.

SanomaWSOY's market capitalisation as of the end of the year 2002, minus shares held by the Group, was EUR 1,319.1 (1,510.4) million. At the end of the year, Series A shares were quoted at EUR 10.01 (12.00) and Series B shares at EUR 9.44 (10.70).

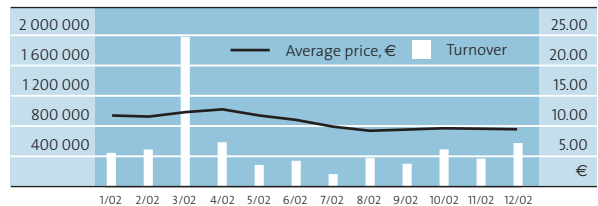
| SanomaWSOY's share value (€ million) as of 31 Dec. | 2002 | 2001 | 2000 | 1999*) |
|--|----------------|---------|---------|---------|
| Market value of all shares | 1 387.0 | 1 587.3 | 2 065.2 | 1 859.0 |
| Series A | 232.4 | 278.6 | 353.0 | 309.7 |
| Series B | 1 154.5 | 1 308.6 | 1 712.2 | 1 549.3 |
| Market value of shares on the market | 1 319.1 | 1 510.4 | 1 964.5 | 1 767.4 |
| Series A | 232.4 | 278.6 | 353.0 | 309.7 |
| Series B | 1 086.7 | 1 231.7 | 1 611.6 | 1 457.7 |
| Book counter-value (€) | | | | |
| Series A | 0.43 | 0.43 | 0.43 | 1.68 |
| Series B | 0.43 | 0.43 | 0.43 | 1.68 |
| Taxable value (€) | | | | |
| Series A | 7.35 | 8.40 | 10.50 | 36.40 |
| Series B | 6.61 | 7.49 | 9.45 | 35.70 |

*) Four-for-one split was effected on 10 May 2000.

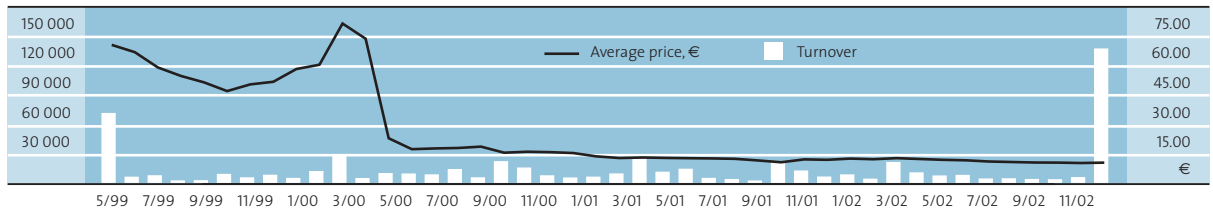
Series A, average price and turnover 2002



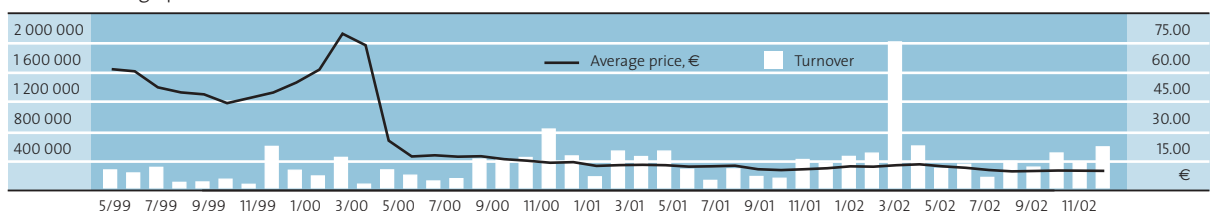
Series B, average price and turnover 2002



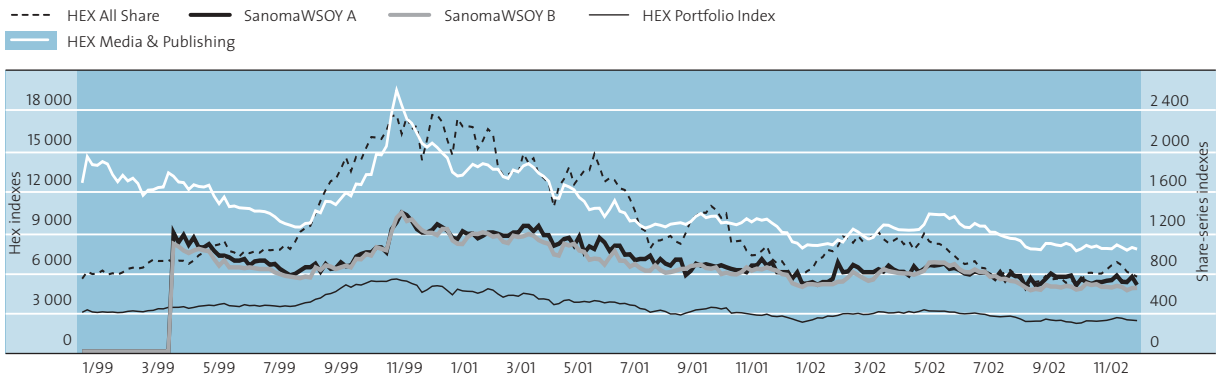
Series A, average price and turnover 1999–2002



Series B, average price and turnover 1999–2002



Series A and B compared to indexes



Warrants for management

SanomaWSOY's Board of Directors exercised on 31 January 2002 its authorisation received from the Extraordinary General Meeting held on 21 August 2001 to take into the Warrant Scheme 2001. The issue comprises a maximum of 4,500,000 warrants, each entitling the holder to one SanomaWSOY Corporation Series B share. The warrants will be distributed in three stages at the turn of 2001/2002, 2002/2003, and 2003/2004 (identified as warrants 2001A, 2001B, and 2001C), and in each warrant category a maximum of 1,500,000 warrants will be issued. The subscription period for shares linked to the warrants will begin three years following the distribution of warrants and will continue for three years from that point. The undistributed warrants (from Series 2001A and 2001B) were transferred to SanomaWSOY's wholly owned subsidiary, Tiikerijakelu Oy, which will be entitled to distribute them in the future by decision of the SanomaWSOY Board.

The number of 2001A warrants distributed at the beginning of 2002 to 91 SanomaWSOY senior managers totals around 633,000. The second set of warrants, a total of 1,102,000, identified as 2001B warrants, was distributed to 174 persons on 10 December 2002. The warrant scheme comprises all SanomaWSOY divisions including Rautakirja that will merge into SanomaWSOY in 2003. The imputed share price of 2001A warrants was EUR 12.23 and that of 2001B warrants EUR 11.50 at the end of 2002.

The number of shares covered by the above warrants is equivalent to a total of a maximum of 3.0% of the Company's shares and 0.8% of votes after the conversion. Warrants issued during 2002 represented approximately 1.2% of the Company's shares and around 0.3% of votes.

Convertible capital notes

In accordance with an authorisation granted by the Extraordinary General Meeting on 21 August 2001, SanomaWSOY's Board of Directors decided to make a convertible capital notes issue for subscription by investors in Finland. Trading in the subordinated notes began on the Helsinki Exchanges on 6 September 2001.

A fixed annual interest of 5.25% is payable on the notes.

Holder are entitled to convert notes into a maximum of 12,570,710 SanomaWSOY Series B shares; this is equivalent to 7.95% of all shares after such a conversion and 2.10% of votes. If all notes were converted, the Company's share capital would increase by EUR 5,405,405.

The conversion period began on 2 January 2002. The imputed share price is EUR 15.91 or a 30% premium above the trading-weighted average share price of Series B shares between 20 July 2001 and 20 August 2001 on the Helsinki Exchanges (EUR 12.24).

The loan period runs between 31 August 2001 and 4 July 2007. The loan will be repaid in a lump sum on 4 July 2007 on condition that the terms of repayment are met. SanomaWSOY is entitled to buy back the notes from 1 September 2004 onwards in the event that SanomaWSOY's share price exceeds the imputed exchange price (EUR 15.91) by 100%, i.e. is at least EUR 31.82 during the preceding period and on condition that the other terms of repayment are met.

Convertible capital notes had not been converted into shares by 31 December 2002.

Shares owned by management

The combined holding of Company shares held by the members of Board of Directors, the President & COO, and by bodies that they control as specified by the terms of Sub-section 5 of Section 1 of the Finnish Securities Act as of 31 December 2002, totalled 45.38 (45.37)% of shares and 39.94 (39.94)% of votes. In addition, Mr. Jaakko Rauramo has subscribed to ten and Mr. Hannu Syrjänen to five notes under the convertible capital notes issue. Under the warrant system introduced at the beginning of 2002, Mr. Hannu Syrjänen has 50 000 2001A warrants and 50 000 2001B warrants entitling him to 100 000 SanomaWSOY Series B shares. Mr. Jaakko Rauramo has 100 000 2001B warrants entitling him to 100 000 SanomaWSOY Series B shares.

If all the notes under the convertible capital notes issue and the 2001A and 2001B warrants are subscribed to, and Mr. Hannu Syrjänen and Mr. Jaakko Rauramo exercise all their subscription rights, the holdings of the Board of Directors and the President & COO (and the bodies they control) of all shares after conversion

would be 41.45% and of votes 39.02%, provided that there are no other changes in holdings.

Shareholder agreement

The main shareholders of the companies involved in the 1999 merger creating SanomaWSOY, Oy Devarda Ab, Helsinki Media Company Oy, Sanoma Corporation, and Werner Söderström Corporation – WSOY, signed a shareholder agreement running from 14 May 1998 to 14 May 2003. The agreement gives them the right of first refusal on SanomaWSOY Series A shares offered for sales to third parties by other signatories to the agreement.

The signatories to the agreement are the Alfred Kordelin Foundation, 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 29 April 1999) and as the result of a donation made by Patricia Seppälä on 16 April 1999, Christoffer Langenskiöld, Sebastian Langenskiöld, Pamela Langenskiöld, Lorna Aubouin, and Alex Noyer. The shares held by the parties to the agreement as of 31 December 2002 accounted for a total of 64.13% of all Company shares and 70.08% of votes. The Board of Directors is unaware of any other agreements associated with ownership of Company shares or use of voting rights.

Dividend policy

SanomaWSOY pursues an active dividend policy, based on a principle of distributing at least one-third of the Group's cash flow from operations in the form of a dividend. The Board of Directors proposes a dividend of EUR 0.40 (0.51) per share for 2002.

The signatories of SanomaWSOY's shareholder agreement, who together hold more than 50% of all shares and votes in SanomaWSOY, agreed in June 2002 to vote for and also otherwise operate in a way that SanomaWSOY will distribute a dividend of at least EUR 0.26 per share for 2002.

Impact of the Rautakirja merger on the shares

On 18 September 2002, SanomaWSOY's and Rautakirja's Extraordinary General Meetings approved a merger plan according to which Rautakirja will merge into SanomaWSOY. The merger will take effect on 1 March 2003.

In the merger, SanomaWSOY will issue not more than 33,551,120 SanomaWSOY Series B shares, of which not more than 18,773,018 shares will be issued to SanomaWSOY subsidiaries Sanoma Corporation and Werner Söderström Corporation as merger consideration. Those of Rautakirja's existing shareholders that are external to SanomaWSOY Group will receive a merger consideration of not more than 14,778,101 shares that after the merger will represent about 8.25% of

the total number of SanomaWSOY Series A and B shares. SanomaWSOY Corporation will receive no merger consideration for the Rautakirja shares it owns directly.

As a result of the merger, Werner Söderström Corporation*), Sanoma Corporation*), Oy Karl Fazer Ab and Ruokakesko Oy will belong to the twenty largest owners of SanomaWSOY, and also the ownership share of Pohjola Group will increase.

Insider trade restrictions

SanomaWSOY's insiders pursuant to the law include the President & COO, the Chairman & CEO, the members of the Board, the President & COO's Deputy, the Company Auditor, the Auditor with main responsibility, and the Deputy Auditor. Under a decision by SanomaWSOY's Board of Directors, the public insider register also includes the members of the Management Group, the Secretary to the Board, and the Secretary to the Management Group. In addition, persons subject to a disclosure requirement under the Financial Supervision Authority's regulation (No. S/264/99) guidelines are also included in the insider list. SanomaWSOY's public insider register included 99 persons on 31 December 2002.

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 may not buy or sell SanomaWSOY securities within a two-week period prior to the publishing of the Company's interim reports and year-end statements.

SanomaWSOY recommends that insiders do not commission sales, purchases or other transactions of SanomaWSOY securities except within a two-week period after publication of the Company's statutory financial information (year-end statement and interim reports). In addition, SanomaWSOY 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 Board of Directors will propose to the Annual General Meeting to pass a resolution on the invalidation of the SanomaWSOY shares coming into the ownership of Sanoma Corporation and Werner Söderström Corporation.

**) SanomaWSOY securities refer to shares in a company belonging to the SanomaWSOY Group, as well as securities giving entitlement to such shares, pursuant to the Securities Markets Act (convertible bonds, warrants, option rights [option warrants], option loans and subscription rights) or standardised options and futures as defined under legislation on such instruments, derivative contracts equivalent to them, and other derivative contracts for which the above-mentioned securities as well as depository receipt carrying entitlement to securities serve as underlying assets.

Shareownership

Principal shareholders as of 31 December 2002

| Shareholder | Number of shares | | Total | % | Votes | % |
|---|-------------------|-------------------|--------------------|--------------|--------------------|--------------|
| | Series A | Series B | | | | |
| 1 Aatos Erkko | 6 480 816 | 36 354 720 | 42 835 536 | 29.44 | 165 971 040 | 28.29 |
| Aatos Erkko | 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 Patricia Seppälä's estate | 2 317 876 | 10 378 524 | 12 696 400 | 8.72 | 56 736 044 | 9.67 |
| 3 Robin Langenskiöld | 1 119 604 | 6 577 712 | 7 697 316 | 5.29 | 28 969 792 | 4.94 |
| 4 Rafaela Seppälä | 1 119 600 | 6 577 716 | 7 697 316 | 5.29 | 28 969 716 | 4.94 |
| 5 Tiikerijakelu Oy (treasury shares) | | 7 187 276 | 7 187 276 | 4.94 | 7 187 276 | 1.23 |
| 6 Alfred Kordelin Foundation | 1 801 332 | 3 214 084 | 5 015 416 | 3.45 | 39 240 724 | 6.69 |
| 7 Helsingin Sanomat Centennial Foundation | 915 932 | 4 086 796 | 5 002 728 | 3.44 | 22 405 436 | 3.82 |
| 8 Ilmarinen Mutual Pension Insurance Company | 720 544 | 3 828 052 | 4 548 596 | 3.13 | 18 238 932 | 3.11 |
| 9 Pohjola Group | 326 100 | 2 761 976 | 3 088 076 | 2.12 | 9 283 976 | 1.58 |
| Pohjola Non-Life Insurance Company Ltd | 326 100 | 1 486 896 | 1 812 996 | 1.25 | 8 008 896 | 1.37 |
| Pohjola Group plc | | 1 275 080 | 1 275 080 | 0.88 | 1 275 080 | 0.22 |
| 10 The Finnish Cultural Foundation | 1 848 956 | 630 784 | 2 479 740 | 1.70 | 37 609 904 | 6.41 |
| 11 Foundation for Actors' Old-Age Home | 386 248 | 1 824 484 | 2 210 732 | 1.52 | 9 549 444 | 1.63 |
| 12 WSOY Literature Foundation | 1 338 300 | 633 852 | 1 972 152 | 1.36 | 27 399 852 | 4.67 |
| 13 Suomi Group | | 1 950 000 | 1 950 000 | 1.34 | 1 950 000 | 0.33 |
| Suomi Mutual Life Assurance Company | | 950 000 | 950 000 | 0.65 | 950 000 | 0.16 |
| Suomi Insurance Company Ltd | | 1 000 000 | 1 000 000 | 0.69 | 1 000 000 | 0.17 |
| 14 Sampo Group | 436 076 | 1 470 130 | 1 906 206 | 1.31 | 10 191 650 | 1.74 |
| Sampo Life Insurance Company Limited | 436 076 | 1 470 130 | 1 906 206 | 1.31 | 10 191 650 | 1.74 |
| 15 Finnish Literature Society | 264 000 | 1 133 800 | 1 397 800 | 0.96 | 6 413 800 | 1.09 |
| 16 Tapiola Group | 86 344 | 973 864 | 1 060 208 | 0.73 | 2 700 744 | 0.46 |
| Tapiola General Mutual Insurance Company | 44 924 | 594 672 | 639 596 | 0.44 | 1 493 152 | 0.25 |
| Tapiola Mutual Pension Insurance Company | 41 420 | 335 192 | 376 612 | 0.26 | 1 163 592 | 0.20 |
| Tapiola Mutual Life Assurance Company | | 44 000 | 44 000 | 0.03 | 44 000 | 0.01 |
| 17 Päivälehti Archives Foundation | 345 992 | 676 656 | 1 022 648 | 0.70 | 7 596 496 | 1.29 |
| 18 The State Pension Fund | | 970 000 | 970 000 | 0.67 | 970 000 | 0.17 |
| 19 Lorna Aubouin | 87 056 | 873 208 | 960 264 | 0.66 | 2 614 328 | 0.45 |
| 20 Alex Noyer | 87 044 | 873 216 | 960 260 | 0.66 | 2 614 096 | 0.45 |
| Total | 19 681 820 | 92 976 850 | 112 658 670 | 77.42 | 486 613 250 | 82.94 |
| Nominee registrations, total | 71 955 | 745 719 | 817 674 | 0.56 | 2 184 819 | 0.37 |

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

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

Shareholders by sectors as of 31 December 2002

| | Number of shareholders | % | Number of shares | % | Number of votes | % |
|-----------------------------------|------------------------|--------|------------------|--------|-----------------|--------|
| Publicly listed companies | 7 | 0.09 | 12 680 | 0.01 | 13 630 | 0.00 |
| Private companies | 392 | 5.10 | 22 537 480 | 15.49 | 53 794 950 | 9.17 |
| Financial and insurance companies | 67 | 0.87 | 10 975 968 | 7.54 | 26 953 980 | 4.59 |
| Public corporations | 52 | 0.68 | 11 117 389 | 7.64 | 30 713 381 | 5.23 |
| Non-profit organisations | 214 | 2.78 | 23 446 664 | 16.11 | 170 597 636 | 29.08 |
| Households | 6 900 | 89.75 | 76 257 015 | 52.40 | 301 103 072 | 51.32 |
| Foreign shareholders (registered) | 49 | 0.64 | 168 134 | 0.12 | 654 496 | 0.11 |
| Nominee registrations | 7 | 0.09 | 817 674 | 0.56 | 2 184 819 | 0.37 |
| Total | 7 688 | 100.00 | 145 333 004 | 99.87 | 586 015 964 | 99.88 |
| On joint account | | | 188 592 | 0.13 | 694 980 | 0.12 |
| Number of shares on the market | | | 145 521 596 | 100.00 | 586 710 944 | 100.00 |

Shareholders by number of shares owned as of 31 December 2002

| Number of shares | Number of shareholders | % | Number of shares | % | Number of votes | % |
|--------------------------------|------------------------|--------|------------------|--------|-----------------|--------|
| 1–100 | 1 441 | 18.74 | 86 495 | 0.06 | 467 806 | 0.08 |
| 101–1 000 | 4 066 | 52.89 | 1 685 465 | 1.16 | 4 954 111 | 0.84 |
| 1 001–10 000 | 1 798 | 23.39 | 5 313 447 | 3.65 | 13 816 574 | 2.35 |
| 10 001–100 000 | 301 | 3.92 | 7 921 237 | 5.44 | 26 414 754 | 4.50 |
| 100 001–1 000 000 | 65 | 0.85 | 23 568 422 | 16.20 | 64 598 637 | 11.01 |
| 1 000 001– | 17 | 0.22 | 106 757 938 | 73.36 | 475 764 082 | 81.09 |
| Total | 7 688 | 100.00 | 145 333 004 | 99.87 | 586 015 964 | 99.88 |
| On joint account | | | 188 592 | 0.13 | 694 980 | 0.12 |
| Number of shares on the market | | | 145 521 596 | 100.00 | 586 710 944 | 100.00 |

Definitions of key indicators

SanomaWSOY

| | | |
|--------------------------------|---|---|
| Return on equity (ROE), % | = | $\frac{\text{Result before extraordinary item – taxes}}{\text{Shareholders' equity + minority interest (average of monthly balances)}} \times 100$ |
| Return on investments (ROI), % | = | $\frac{\text{Result before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average of monthly balances)}} \times 100$ |
| Equity ratio, % | = | $\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}} \times 100$ |
| Gearing, % | = | $\frac{\text{Interest-bearing liabilities – cash and bank and securities}}{\text{Shareholders' equity and minority interest}} \times 100$ |
| Earnings / share (EPS) | = | $\frac{\text{Result before extraordinary items - taxes +/- minority interest}}{\text{Average number of shares on the market, adjusted for share issues}}$ |
| Cash flow / share | = | $\frac{\text{Cash flow from operations}}{\text{Average number of shares on the market, adjusted for share issues}}$ Cash flow from operations includes cash flow from the Group's main operations according to the cash flow statement |
| Equity / share | = | $\frac{\text{Shareholders' equity at the end of the year}}{\text{Average number of shares on the market, adjusted for share issues, on the balance sheet date}}$ |
| Dividend / share | = | $\frac{\text{Total dividend distribution}}{\text{Average number of shares on the market, adjusted for share issues on the balance sheet date}}$ |
| Dividend / result, % | = | $\frac{\text{Dividend / share}}{\text{Result / share}} \times 100$ |
| Market capitalisation | = | Number of shares on the market at the end of the year x share price on the last trading day of the year by share class |
| Effective dividend yield, % | = | $\frac{\text{Dividend / share}}{\text{Share price on the last trading day of the year by share class}} \times 100$ |
| P/E ratio | = | $\frac{\text{Share price on the balance sheet date, adjusted for share issues}}{\text{Result / share}}$ |

The 7,187,276 SanomaWSOY Series B shares held by subsidiary Tiikerijakelu Oy on the balance sheet date have been subtracted from the total number of shares on the market.

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 1 January 2002 to 31 December 2002. 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 about 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 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, 7 March 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johanna Perälä
Authorised Public Accountant

Pekka Nikula
Authorised Public Accountant

Investing in SanomaWSOY

Annual General Meeting

SanomaWSOY's Annual General Meeting of Shareholders (AGM) will be held on 1 April, 2003 at 2.00 p.m. Finnish time at the Congress Wing of Finlandia Hall (Mannerheimintie 13 e, Helsinki). Shareholders wishing to attend are requested to register by 4.15 p.m. Finnish time on Tuesday, 25 March 2003, tel. +358 105 19 5021, fax +358 105 19 5058, or email, yhtiokokous@sanomawsoy.fi.

Dividend for 2002

The Board of Directors proposes to the AGM that a dividend of EUR 0.40 per share should be paid for 2002. All shareholders registered on the Company's list of shareholders maintained by the Finnish Central Securities Depository on the record date of 4 April 2003 are entitled to a dividend payment. The dividend payment date in Finland will be 10 April 2003.

List of shares and shareholders

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

SanomaWSOY's financial reporting during 2003

The Group's Interim Reports will be published on 8 May, 7 August, and 30 October at around 11.00 a.m. Finnish time.

The Annual Report and Interim Reports are available in Finnish and English. Publications can be consulted at www.sanomawsoy.fi and can be ordered via email (ir@sanomawsoy.fi) or by phone on +358 105 19 5062 or fax on +358 105 19 5068.

Shareholders can also order SanomaWSOY's releases via email at www.sanomawsoy.fi/contacts/subscribe.asp.

The following companies have published analyses of SanomaWSOY:

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