

Samoa Airways

ANNUAL REPORT 2004

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SanomaWSOY Group

- Chairman & CEO Jaakko Rauramo
- President & COO Hannu Syrjänen
- Net sales € 2 493.0 million
- Operating profit € 239.5 million

SanomaWSOY is the leading media group in the Nordic region operating in 20 European countries. The Group comprises five divisions. Sanoma Magazines is one of the five largest magazine publishers in Europe, Sanoma is Finland's leading newspaper publisher, WSOY is Finland's largest book publisher and a significant European educational publisher, SWelcom focuses on electronic media, and Rautakirja is the market leader in press distribution and specialized retailing.

Sanoma Magazines

- President & CEO Eija Ailasmaa
- Net sales € 1 083.7 million
- Operating profit € 86.9 million

- Magazine publishing and distribution

Sanoma

- President Mikael Pentikäinen
- Net sales € 435.2 million
- Operating profit € 71.2 million

- Newspaper publishing and printing

WSOY

- President Jorma Kaimio
- Net sales € 253.9 million
- Operating profit € 29.2 million

- Educational publishing, publishing, printing, and calendar operations

SWelcom

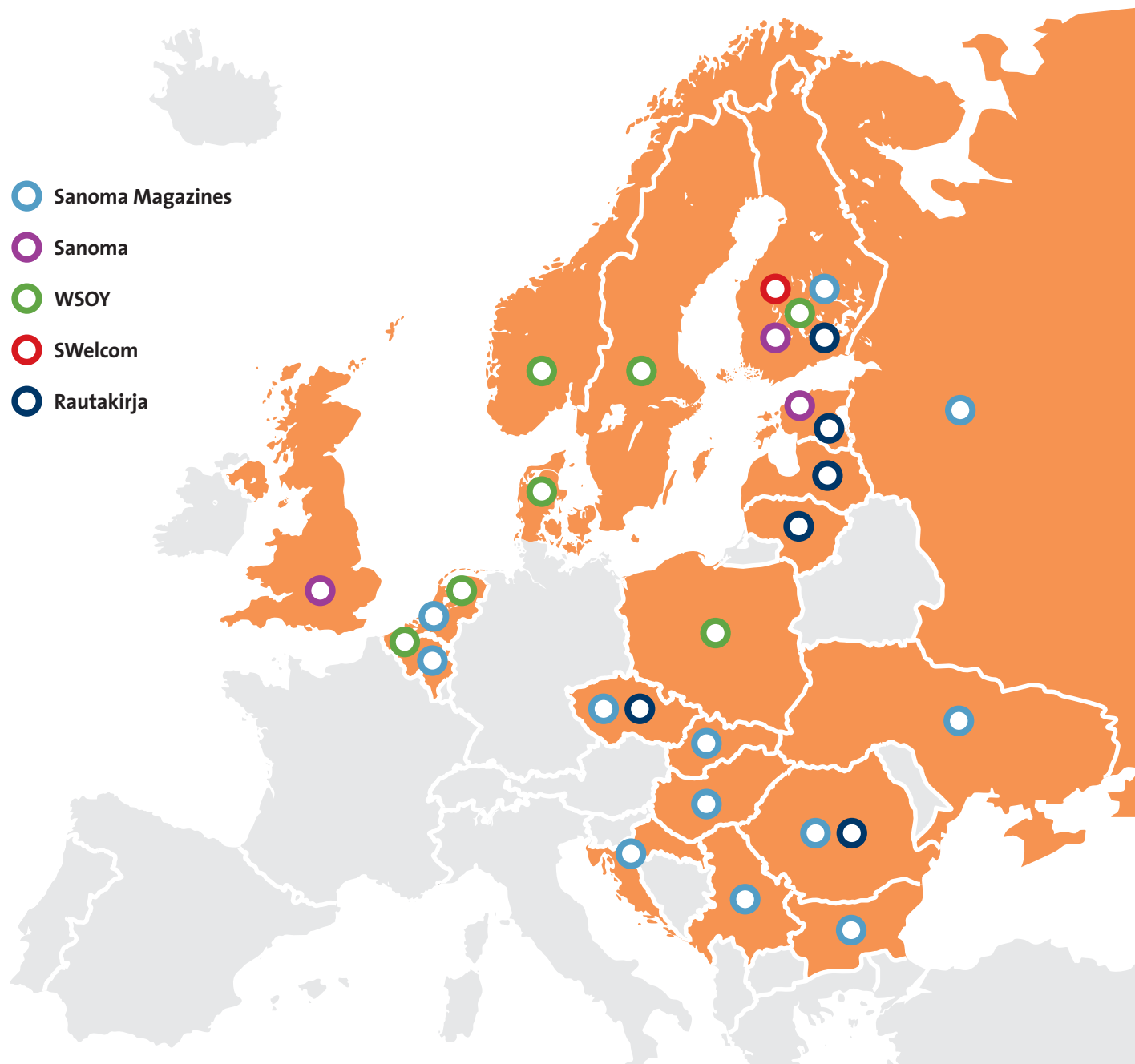
- President Tapio Kallioja
- Net sales € 119.4 million
- Operating profit € 9.0 million

- Electronic media

Rautakirja

- President & CEO Erkki Järvinen
- Net sales € 659.7 million
- Operating profit € 41.5 million

- Kiosk operations, press distribution, bookstores, and movie theatres



■ **Sanoma Magazines** - Belgium, Bulgaria, Croatia, the Czech Republic, Finland, Hungary, the Netherlands, Romania, Russia, Serbia and Montenegro, Slovakia, Ukraine ■ **Sanoma** - Estonia, Finland, the United Kingdom ■ **WSOY** - Belgium, Denmark, Finland, the Netherlands, Norway, Poland, Sweden ■ **SWelcom** - Finland ■ **Rautakirja** - the Czech Republic, Estonia, Finland, Latvia, Lithuania, Romania

Mission, vision, values, objectives

A media company of opportunities and operational excellence

Mission

SanomaWSOY's mission is to be the market leader in satisfying people's need for information and education and for an easier and happier life.

Vision

SanomaWSOY's vision is to be the media company of opportunities and operational excellence.

- Our long history and wide product range give us a sound base and put us in a strong position to be the market leader in satisfying our customers' needs for information and education, and for an easier and happier life.
- As a media company, our success depends on skilful people. As an international company operating in several fields, we can offer our personnel a wide range of opportunities for continuous learning, self-development, and job rotation.

Values

- Creativity
- Reliability
- Dynamism

Creative work is the essence of communications; creativity and reliability form the basis of all our activities. Dynamic people are essential to our success.

Strategic objectives

Growth

- To develop profitable new products and services that can be successfully expanded cross-media or internationally
- To enter new growth markets
- To internationalize press distribution step by step

Market leadership

- To be a market leader and successfully utilize that leadership in our chosen businesses and markets
- To be a leading European magazine and educational publisher

Cash flow

- To ensure that we continue to have the most wanted and valued products and services
- To increase the profitability of our present businesses
- To divest non-core assets and businesses

Business practices

- To ensure sustainable growth and profitability
- To continuously promote best management practices
- To ensure fast, flexible, and cost-efficient business processes

Financial targets

Financial targets are defined as operating profit (EBIT) of net sales, %.

• Sanoma Magazines	9.0%
• Sanoma	12.5%
• WSOY	12.0%
• SWelcom	7.5%
• Rautakirja	6.0%
• SanomaWSOY	9.0%

According to a preliminary estimate, the IFRS reporting started in 2005 will improve the Group's operating profit margin by some 2.5 percentage points. The modifications will be most significant at Sanoma Magazines.

SanomaWSOY revises its financial targets next time in May 2005 when announcing its result for the first quarter 2005.

Capex yearly basic level under EUR 100 million.

Equity ratio approximately 50%.

Dividend policy

SanomaWSOY pursues an active dividend policy, based on the principle of normally distributing half of the Group's result after taxes in the form of a dividend.

SanomaWSOY's approach

SanomaWSOY's vision is to be a media company of opportunities and operational excellence. We want all our interest groups – customers, employees, owners, and partners – to have the chance to be part of our success. It is also important for us that the countries and societies where we operate succeed and develop. We want to participate in contributing to this development.

We operate in accordance with generally accepted practices, rules, and regulations. We are of the opinion that a societal approach and long-term objectives should be obtained by a balanced approach to stakeholders and bearing our responsibility.

Independent and reliable news reporting

Our objective can be seen in the operational principles of Helsingin Sanomat: Helsingin Sanomat is an independent and non-aligned newspaper promoting and reinforcing democracy, social justice, and freedom of opinion. Helsingin Sanomat pursues its mission primarily through balanced, rapid and reliable news reporting. Helsingin Sanomat's aim is to offer readers an overall picture based on the information necessary for citizens to make their own decisions.

Helsingin Sanomat defines its positions and views independently, free from political or economic decision-makers or other pressure groups. This independent policy is also implemented in daily news reporting.

While aspiring to defend and reinforce democracy in a pluralistic society, Helsingin Sanomat pays special attention to securing freedom of opinion. According to Helsingin Sanomat's view, balanced social development is possible only if all citizens are guaranteed an uninterrupted flow of varied and essential information.

The same way of thinking steers communications in the whole of SanomaWSOY Group.

A media company of operational excellence

Our goal is that the different sectors – content production, human resources management, operational processes, as well as efficiency and profitability – will meet the criteria of operational excellence. These same criteria are applied when it comes to the interpretation of the spirit and letter of the law.

This is shown in the ethical principles of Sanoma Magazines: Sanoma Magazines is an international company with roots in Europe which, above all, recognises freedom of speech and respects the different cultures in the countries where it does business. The Group has a long tradition and interest in the development of society and people's intellectual and economic wellbeing. A responsible approach to environmental questions and a strong sense of corporate responsibility are an integral part of our operating principles.

Towards multimedia

Communications and advertising develop from monomedia towards multimedia. The development in technology speeds up this trend. The most important forces of change are the digitalization of TV, the internet, the increased use of personal video recorders,

and wireless communication. SanomaWSOY is firmly involved in this process, and has also managed to make commercial use of it. In Finland, we are undoubtedly the leading player in the multimedia field. Internationally, we aim at being the best option for multimedia solutions connected with both magazines and educational materials.

Net sales of our business-to-business operations amount to about EUR 550 million. When communicating with our customers, we want to build on confidence and long-term co-operation. We believe that, in the future, our business customers will benefit from an enhanced, more creative and more versatile service.

Skilful people are the foundation

SanomaWSOY's mission is to be the market leader in satisfying people's need for information and education and for an easier and happier life.

High-level communications and quality education are crucial for the functioning and development of democratic societies. Media also have an important role in people's everyday lives and personal matters. They offer information, solutions to problems, and ideas for personal development.

Reading and literacy form the basis for civilisation and development. Hence SanomaWSOY has a responsible and important role in the countries where it operates.

We have a demanding mission which calls for creative, reliable and dynamic personnel who respect our values. Our employees are highly educated and very skilful. Also, they expect that we operate fairly, encourage in terms of remuneration, and give continuous training. At SanomaWSOY, a good personnel policy is a prerequisite for our success.

Our personnel have shown high expertise and commitment when meeting the challenges set by our operational environment and strategy. However, the operational environment changes and develops constantly. This means that our personnel always have to be ready for change and also that there are always new people joining us. In this connection, we would like to welcome our new

colleagues from Russia, Ukraine, Serbia and Montenegro, the Netherlands, and Belgium, among others.

Due to the nature and breadth of our business we have to understand and serve our customers as well as possible in 20 countries. We are indeed very proud that every year our magazines, newspapers, and books have about 50 million readers, and that we have about 200 million customers in our kiosks, bookstores, and movie theatres. If they, as consumers of our products and services, are better informed and educated, or if we have made their lives easier and happier, we have been successful. ■

Hannu Syrjänen
President & COO

Jaakko Rauramo
Chairman & CEO



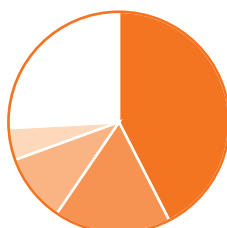
SanomaWSOY

Key figures

Key indicators, € million	31.12.2004	31.12.2003
Net sales	2 493.0	2 395.9
Operating profit before amortisation	370.5	338.4
Operating profit	239.5	205.2
Profit before extraordinary items	212.2	163.1
Balance sheet total	2 528.8	2 453.0
Gross investments	274.7	94.8
Return on equity (ROE), %	15.5	11.9
Return on investment (ROI), %	14.8	11.4
Equity ratio, %	39.0	40.3
Equity ratio, % *)	45.6	47.6
Gearing, %	85.4	72.9
Gearing, % *)	58.6	46.4
Earnings / share, €	0.87	0.69
Cash flow / share, €	1.67	1.65
Equity / share, €	5.99	6.08
Personnel under employment contract, average	16 207	17 330
Market capitalisation	2 632.2	2 554.9

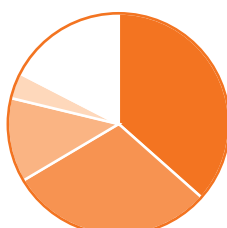
*) Capital notes included in equity.

Net sales by division



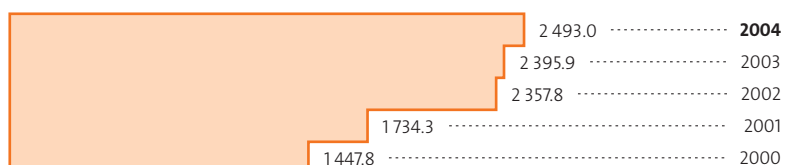
Sanoma Magazines	43%
Sanoma	17%
WSOY	10%
SWelcom	5%
Rautakirja	26%

Operating profit by division



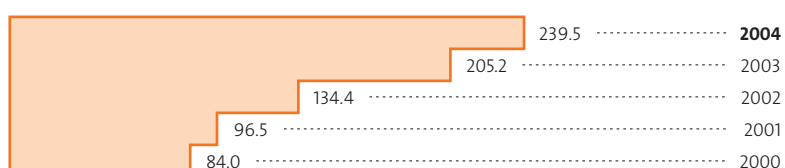
Sanoma Magazines	36%
Sanoma	30%
WSOY	12%
SWelcom	4%
Rautakirja	17%

Net sales, € million *)

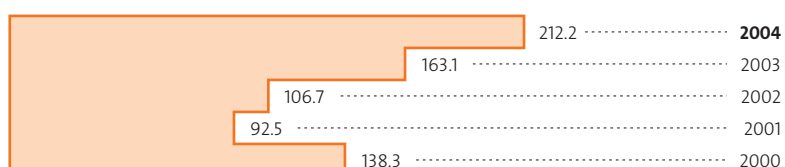


*) The accounting practice of net sales has been modified in 2003. The data from 2000 to 2002 has not been adjusted accordingly.

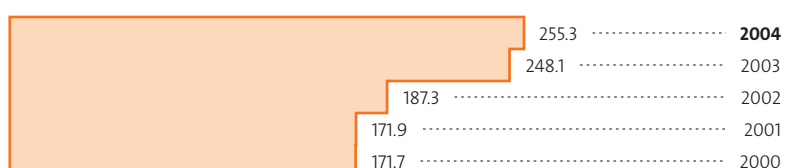
Operating profit, € million



Profit before extraordinary items, € million



Cash flow from operations, € million



	Net sales		Operating profit before amortisation (EBITA)				Operating profit (EBIT)			
	2004	2003	2004	%	2003	%	2004	%	2003	%
Sanoma Magazines										
• Sanoma Uitgevers	528.8	540.6	106.4	20.1	105.1	19.4				
• Sanoma Magazines Belgium	186.0	182.1	18.4	9.9	17.7	9.7				
• Sanoma Magazines Finland	174.8	167.9	27.0	15.5	25.4	15.1				
• Sanoma Magazines International	138.3	127.2	9.1	6.6	13.4	10.5				
• Aldipress	115.7	109.3	2.3	2.0	-1.2	-1.1				
• Intracompany transactions / eliminations	-59.8	-62.3	-1.2	-	-1.1	-				
Total	1 083.7	1 064.8	162.0	14.9	159.1	14.9	86.9	8.0	78.8	7.4
Sanoma *)										
• Helsingin Sanomat	250.8	243.7	41.0	16.3	30.4	12.5				
• IS Business Unit	95.2	93.6	17.1	17.9	17.5	18.7				
• Sanoma Lehtimedia	54.0	52.7	9.5	17.6	8.1	15.4				
• Others	133.7	176.3	10.4	7.8	21.4	12.1				
• Intracompany transactions / eliminations	-98.5	-140.8	-	-	-	-				
Total	435.2	425.5	78.0	17.9	77.5	18.2	71.2	16.4	69.4	16.3
WSOY *)										
• Publishing	178.7	142.6	26.9	15.1	12.7	8.9				
• Printing	59.0	60.2	8.1	13.7	7.4	12.3				
• Calendar operations	30.3	32.1	0.7	2.4	1.4	4.5				
• Others	5.1	4.6	-0.4	-7.4	5.0	109.4				
• Intracompany transactions / eliminations	-19.1	-27.2	2.9	-	1.4	-				
Total	253.9	212.2	38.3	15.1	28.0	13.2	29.2	11.5	22.6	10.6
SWelcom										
• Nelonen	67.6	56.5	27.4	40.5	20.2	35.8				
• Others	53.1	50.0	11.9	22.3	9.4	18.8				
• Intracompany transactions / eliminations	-1.3	-1.7	-	-	-	-				
Total	119.4	104.9	39.3	32.9	29.6	28.3	9.0	7.5	1.2	1.1
Rautakirja										
• Kiosk operations	347.3	352.8	22.3	6.4	20.1	5.7				
• Press distribution	79.5	87.6	12.6	15.9	11.9	13.6				
• Bookstores	129.7	121.8	9.9	7.6	8.9	7.3				
• Movie theater operations	56.8	52.8	8.5	15.0	7.8	14.8				
• Restaurant operations	57.8	62.6	0.6	1.1	-0.2	-0.4				
• Intracompany transactions / eliminations	-11.3	-23.8	-	-	-	-				
Total	659.7	653.8	50.6	7.7	45.7	7.0	41.5	6.3	35.5	5.4
Other companies **) and eliminations	-59.0	-65.3	2.4		-1.4		1.7		-2.2	
SanomaWSOY	2 493.0	2 395.9	370.5	14.9	338.4	14.1	239.5	9.6	205.2	8.6

*) EBITA and EBIT include a share of Rautakirja's result until 1 March 2003.

**) Parent company SanomaWSOY Corporation and real estate and investment companies.

Key events in 2004

Consistent execution of strategy

Growth and market leadership

SanomaWSOY's strategy is to develop new, profitable products and services which can be successfully expanded cross-media and internationally. Our aim is to be the leading media company in the Nordic region and one of the leading magazine and educational publishers in Europe. We aim at market leadership in our chosen businesses and markets.

In 2004, especially the Group's magazine operations expanded strongly in Central Eastern Europe where several new products were launched – Esta and Zin being the largest – and operations were extended into Serbia and Montenegro. Besides conventional magazine operations, a variety of events and internet projects were promoted.

During 2004, SanomaWSOY markedly strengthened its position on the European educational material market: In spring it increased its share in the Polish eLearning company Young Digital Poland. In the summer, SanomaWSOY acquired the educational publisher Malmberg, operating in the Netherlands and Belgium. Today, SanomaWSOY is the fifth largest magazine publisher and the sixth largest educational publisher in Europe.

16.3 WSOY acquired the majority share in Young Digital Poland

4.5 Free sheet Uutislehti 100 to Sanoma

12.2 SanomaWSOY's result for 2003: Development in results continued to be good

6.4 Sanoma Magazines sold Milvus Förlags AB

30.6 Sanoma sold its shares in Savon Mediat Oy to Ilkka-Yhtymä

7.5 SanomaWSOY's interim report 1.1–31.3.2004: Development in results continued to be good – operating profit almost doubled

Cash flow and business practices

SanomaWSOY's goal is to retain the most valued and desired products and services. The Group aims to increase profitability in the current businesses and to realize non-core assets and businesses.

In 2004, the Group's development in results continued to be strong and all divisions posted improved results. The Group refinanced its loan portfolio, which decreased financing costs significantly. In line with its strategy, the

Group realized non-core assets and businesses in 2004 by selling the Swedish magazine publisher Milvus Förlags, its restaurant operations, and the minority share in the newspaper companies Savon Mediat and Ilkka-Yhtymä, among others.

In 2004, SanomaWSOY continued to internationalize its press distribution by extending it into Romania and Lithuania. The Group now has a very strong and sound position in the Baltic press distribution and movie theatre operations markets. The Central Eastern European economies are growing intensively, and SanomaWSOY will continue to invest in these markets in 2005. An example of this is

the announcement of the acquisition of the leading Russian consumer magazine publisher Independent Media in January 2005.

Newspaper operations will continue to focus on conventional newspapers. Nevertheless, according to a decision made in 2004, free sheets will be one of the areas of growth in the newspaper sector. SanomaWSOY acquired several free sheets during the year – Uutis-

lehti 100, the Kellokas free sheet family, and Palvelulehti Itäväylä, among others – and established a new business unit for free sheets. Further, the establishment of a new free sheet chain, Kaupunkilehti Kymppi, in the Helsinki area was announced for 2005. ■

19.1 SanomaWSOY acquires the leading Russian magazine publisher Independent Media

8.12 Rautakirja acquired a press distribution company in Lithuania

14.12 Sanoma acquired Palvelulehti Itäväylä *)

22.12 Sanoma Magazines International entered Serbia and Montenegro

22.12 Rautakirja sold its restaurant operations

*) Sanoma Corporation's release

2.7 Rautakirja expanded into Romania

16.7 SanomaWSOY acquired Malmberg Investments B.V.

10.8 SanomaWSOY's interim report 1.1–30.6.2004: The year continued to be successful

23.9 SanomaWSOY refinanced its loan portfolio

21.10 Sanoma to establish free sheets and diversify Kellokas paper operations *)

28.9 Free sheets Kellokas and Hyvinkään Kellokas to Sanoma

8.11 SanomaWSOY's interim report 1.1–30.9.2004: Development in results continued to be strong

15.11 Sanoma gained EUR 5.6 million on the sale of assets of Ilkka-Yhtymä shares

SanomaWSOY's aim is to ensure continuous growth and profitability and to constantly promote good management practice. The company also wishes to secure fast, flexible and cost-efficient processes. In 2004, SanomaWSOY rationalized its processes by cen-

tralizing its IT operations and making preparations for forming a financial service centre. Co-operation between printing houses was intensified, and the centralization of paper purchases was continued. Major investments were also made in personnel training. ■

A complete list of SanomaWSOY's releases for 2004 can be found on page 52, Financials, and at www.sanomawsoy.fi.

Widening media field

People's time is filled with a continuous flow of information from different media. From the media companies' point of view, the competition needs to be seen as a whole, where the media compete with other free-time opportunities.

Television is still the most popular media in Europe, even though the target audiences are fragmenting due to the increasing number of TV channels. Also the use of the internet is growing rapidly, partly due to the popularity of broadband connections.

However, content requirements are changing, with customers expecting not only information but also personalization and an enjoyable experience. Digitalization, the rapid development of information technology, wireless technology and mobility, and increasingly versatile end-user equipments are enabling completely new products and services. While this change is ushering in opportunities, it is also intensifying competition for people's time.

Strong brands grow stronger and expand

The magazine market is in the process of change. The conventional magazines – such as National Geographic, Donald Duck,

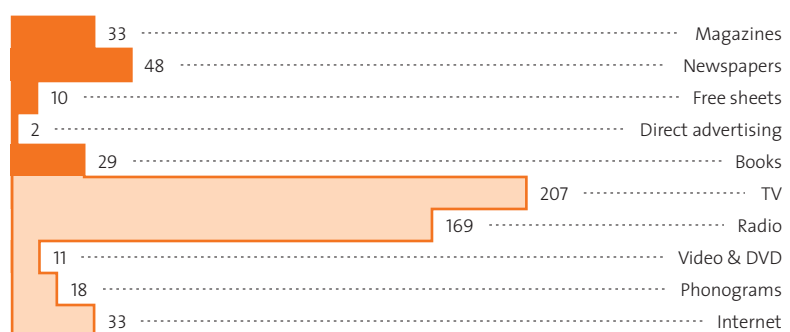
and the women's magazines Me Naiset and Libelle – reach hundreds of thousands of readers and live from one decade to another. Thus strong brands grow even stronger and are utilised in other businesses. Brand extensions – such as fairs, household appliances and textiles – are today a considerable part of the magazine business.

Another trend related to the magazine market is the increasingly accurate analysis and segmentation of readers. Due to technological development, even short-term magazines can be profitably produced for smaller and smaller target groups. This kind of niche publishing, magazine publishing for very specific target groups, is growing in Europe.

Increased advertising sales for newspapers

The long-term development of the advertising market clearly follows the growth of GDP but reacts slightly stronger than the changes in GDP. The recession at the change of the millennium depressed the advertising market, and the recovery is slow. It was only in the second half of 2004 that there were clear signs of recovery in the Finnish advertising

Finland: Time spent with mass media in 2004 *)



Source: TNS Gallup Group

*) min / day

market. Job advertising, which is considered an indicator of economic development, increased in 2004 by 12%.

Radical change in educational publishing

A major change is in progress in educational publishing in Europe. Educational materials are conventionally published separately in each country, and there are few multinational publishers. This is changing, now that curricula are being harmonised and in the future the same, localized modules can be used to create various educational materials. The internet, eLearning environments, and other eLearning materials are contributing to the change. It is particularly the Central Eastern European countries that are currently investing in developing their school systems.

Broadband internet connections increase sharply

In 2004, the number of broadband internet connections increased a lot. According to TNS Gallup, every second household had an internet

Advertising expenditure in 2004, USD million

	Total	Newspapers	Magazines	TV	Radio	Cinema	Outdoor	Internet
The Netherlands	3 862	1 620	877	854	279	8	150	74
Russia	3 360	515	360	1 650	135	15	650	35
Poland	3 124	455	481	1 700	264	30	194	N/A
Belgium	2 679	623	324	1 163	284	29	225	32
Norway	2 358	1 072	260	720	127	20	95	64
Sweden	2 000	967	256	449	60	9	103	158
Hungary	1 923	214	211	1 260	109	7	122	N/A
Denmark	1 769	721	55	322	36	9	55	87
The Czech Republic	1 356	267	268	652	82	6	58	22
Finland	1 279	699	209	253	54	2	36	26
Bulgaria	254	41	14	165	N/A	N/A	27	N/A
Romania	200	30	18	130	9	1	12	1
Lithuania	95	28	12	41	7	0	6	2
Latvia	83	25	13	28	10	1	5	2
Estonia	70	31	8	18	6	N/A	5	2

Source: ZenithOptimedia, 2004

connection in Finland by the end of 2004. Half of them were broadband connections. Their number was roughly 25% a year before. Broadband connections facilitate a major change in media and leisure time consumption. Weather forecasts, TV programmes and timetables are often checked online, and the internet is considered quick and easy for ticket reservations and bookings.

Press distribution has an important role – particularly in Central Eastern Europe

In Central Eastern Europe, press distribution was conventionally seen as a support function for publishing. The situation is changing, and it is admitted that correctly implemented distribution can be a good and profitable business. ■

GDP change and advertising growth rates, %

	2000		2001		2002		2003		2004		2005		2006		2007	
Belgium	3.7	8.6	0.7	-3.1	0.7	10.3	1.1	11.0	2.5	10.0	2.5	9.9	2.1	10.0	2.1	9.1
Bulgaria	5.4	68.6	4.1	44.2	4.9	32.0	4.3	20.5	4.7	13.1	4.2	13.5	4.2	11.9	4.3	9.1
The Czech Republic	3.9	16.4	2.6	16.5	1.5	-1.2	3.1	7.7	3.9	9.5	4.1	7.5	4.4	7.9	4.4	7.2
Denmark	2.8	4.8	1.6	0.0	1.0	-2.9	0.5	3.3	2.6	5.2	2.6	5.3	2.3	4.8	2.0	4.6
Estonia	7.8	5.5	6.4	11.2	7.2	8.4	5.1	11.5	5.9	7.4	6.0	7.3	5.8	6.0	5.5	5.8
Finland	5.1	8.0	1.1	-5.1	2.3	-1.5	2.0	2.5	2.8	5.0	3.1	4.2	3.0	3.6	2.8	3.1
Hungary	5.2	29.7	3.8	18.9	3.5	19.7	2.9	16.0	3.7	16.5	3.9	17.0	4.0	16.6	4.0	15.2
Latvia	6.9	6.8	8.0	14.0	6.4	18.4	7.5	6.2	7.5	10.5	5.5	11.8	5.5	8.3	5.2	8.2
Lithuania	3.9	-6.5	6.4	4.0	6.8	18.0	9.7	12.1	7.0	11.4	6.2	8.9	5.5	8.8	5.2	7.4
The Netherlands	3.5	9.3	1.4	-3.7	0.6	-2.7	-0.9	-6.0	1.4	-1.2	2.0	1.7	2.1	3.1	2.3	2.4
Norway	2.8	10.4	2.7	-0.8	1.4	3.6	0.4	15.1	3.1	8.4	2.9	5.6	2.3	4.4	2.1	3.7
Poland	4.0	14.4	1.0	23.7	1.4	4.9	3.8	10.9	5.5	6.5	4.5	5.9	4.0	4.9	4.1	3.8
Romania	2.1	2.0	5.7	-7.4	5.0	6.1	4.9	22.1	6.0	30.5	5.2	8.7	5.2	9.8	4.8	6.8
Russia	10.5	44.3	5.1	61.7	4.7	50.4	7.3	30.8	7.0	27.8	6.0	21.6	5.5	14.8	5.0	11.6
Sweden	4.4	13.8	1.2	-10.9	2.0	-3.9	1.7	0.2	3.3	2.2	3.0	5.4	2.7	6.8	2.3	5.1

Sources: ZenithOptimedia, 2004, EIU

○ GDP ○ Ad growth

Sanoma Magazines is one of the five largest consumer magazine publishers in Europe. The division publishes some 270 titles in 12 countries. Based on the core business and labelled with the magazine brands, other media platforms, especially the internet, are also being expanded. Sanoma Magazines' mission is to serve the needs of readers and advertisers by creating and continuously developing top quality magazine brands and multimedia extensions that offer sustainable profitability and growth.

Sanoma



Sanoma Uitgevers, the Netherlands

- Women's magazines
- Men's magazines
- Home & decoration magazines
- Children's and youth publishing
- Custom publishing
- Other operations
 - ilse Media Groep
 - RCV Entertainment

Sanoma Magazines Belgium

- Women's magazines
- TV magazines
- Home & decoration magazines
- Custom publishing

Sanoma Magazines Finland

- Women's and family magazines
- Technical magazines and Custom publishing
- Youth publishing

Sanoma Magazines International

- Consumer magazines and Custom publishing
 - Hungary
 - the Czech Republic
 - Croatia
 - Romania
 - Slovakia
 - Bulgaria
 - Serbia and Montenegro (2005)
 - Russia (2005)
 - Ukraine (2005)

Aldipress, the Netherlands

- Magazine distribution

ma Magazines

One more successful year for magazines

“**Sanoma Magazines** geared up for future growth and strengthened its leading market position with a record number of new initiatives in 2004. Altogether 29 projects, such as new magazines and internet initiatives, were launched in our nine markets during the year.

“In 2004, we continued our geographical expansion by starting operations in Bulgaria and preparing to start in Serbia and Montenegro. We also invested in new growth opportunities with multimedia initiatives and brought our internet operations into focus. It is our ambition to expand our existing market leadership in consumer internet markets in the Netherlands and Hungary throughout the whole division. We also stimulated custom publishing initiatives in all major markets.

“Promotion of our key titles in all our markets was and will be central in our operations. In 2004 we were able to achieve above-average growth in our leading titles in most of our key markets.

“Although we invested in the future more than ever, we were still able to continue improving the good performance thanks to the strong market positions of our businesses and initiatives to improve cost efficiency.

“2005 is expected to continue as a rewarding, inspiring, and innovative journey in our efforts to be genuinely customer driven and operationally excellent by doing things better, smarter, and quicker. We will continue to develop the portfolio of our businesses by further geographic expansion and by utilizing our strong brands and customer communities.

“The acquisition of the leading Russian publishing company, Independent Media, and our expansion into this large growth market will be the highlight of our year.” ■

Eija Ailasmaa
President & CEO
Sanoma Magazines

2004 was a success for Sanoma Magazines. The company's revenue increased by 1.8% to EUR 1,083.7 million and its operating profit improved by 10.2%. The company strengthened its position as Europe's fifth-largest magazine publisher.

The demanding market situation, especially in the Netherlands, was addressed by actively launching new titles and improving operational efficiency.

Many new launches and multimedia innovations at Sanoma Uitgevers

Despite the challenging market situation in the Netherlands, 2004 was a successful year for Sanoma Uitgevers. By launching 18 new products, off and online, Sanoma Uitgevers strengthened its product portfolio and extended its leading role as the largest Dutch multimedia company.

Examples of the 2004 launches are the bi-weekly women's magazine *Esta*, the bi-weekly celebrity magazine *Pulse*, *Zin*, a magazine for 50+ readers, and *Ook!*, a magazine for grandparents. New launches for juvenile readers were *Winnie de Poeh* and *Disney Princes*.

In 2004 Sanoma Uitgevers acquired equity in *Preview*, the leading movie magazine in the Netherlands, and established a



Sanoma Magazines is a preferred license partner to many well-known international magazine brands like National Geographic, Men's Health, and Donald Duck.

new publishing company, Sanoma Men's Magazines, which brings all men's titles together. Linda, published by the 30% owned subsidiary Mood for Magazines, won the award of Magazine of the Year 2004.

Also, cross-media activities were expanded in 2004. In addition to the readers' events of Libelle and Margriet, a new event for young families became an instant success. In 2004, 20% of Sanoma Uitgevers' revenues came from brand extensions like events, books, and internet sites.

ilse Media Group had a very successful year and acquired several internet initiatives like Kaboem.nl, web-log.nl, and CU2.nl. This strengthened ilse's position among Dutch youngsters substantially. Also the internet initiatives of Autoweek.nl and Vrouwonline.nl were very successful.

Sanoma Magazines Belgium improved its result

In the very competitive market in 2004, Sanoma Magazines Belgium improved its financial performance and its biggest titles maintained their market positions. The company acquired some small-scale publishing titles and launched new custom publishing titles.

In 2004, Sanoma Magazines Belgium also launched an initiative to increase the market share of magazines in the advertising market. This important initiative was later supported by all major Belgian magazine publishers in the context of Febelma (Federation of Belgian Magazine publishers).

Furthermore, Sanoma Magazines Belgium created new ways of expanding the traditional advertising relationships to include other marketing activities like special events and competitions, new editorial initiatives, workshops, internet services, etc.

In 2005, Sanoma Magazines Belgium aims to increase its mar-

ket share in both the readers' and advertising markets. This includes new launches and acquisitions. The focus will also be on improving operational excellence, for example by improving the total supply chain process.

The success of Sanoma Magazines Finland continued

2004 was very successful for Sanoma Magazines Finland. The net sales increased by 4.1% to EUR 174.8 million. The positive development of own operations' profitability continued, reaching an all-time high.

Sanoma Magazines Finland also succeeded in the readers' market. The total circulation of its 40 titles went up from 2.0 million to 2.2 million.

ET-lehti, a 50+ magazine, increased the number of issues from 14 to 15 in 2004 and there will be 18 issues in 2005. Me Naiset magazine continued the positive development by increasing both circulation and number of readers. The Donald Duck character celebrated its 70th birthday and Donald Duck, Finland's biggest magazine in circulation, continued its success, selling some 300,000 copies.



Sanoma Magazines publishes the popular Cosmopolitan magazine now in seven countries – Bulgaria, Finland, Hungary, the Netherlands, Romania, Russia, and Ukraine.

Sanoma Magazines Finland broadened its magazine portfolio by launching two new magazines in March: Auto Bild Suomi, a bi-weekly car magazine and Meidän Perhe, a monthly parenting magazine.

During 2004, Sanoma Magazines Finland divested two non-core assets. In March, a weekly tabloid, ITviikko, was transferred to Sanoma and in May, Swedish magazine publisher Milvus Förlags was sold.

Because of its strong position in the readers' market, Sanoma Magazines Finland's starting point for 2005 is good. The magazine portfolio will continue to reflect market trends and environmental values.

Several new launches from Sanoma Magazines International

In 2004, Hungarian-based Sanoma Budapest continued to show strong performance, although the media advertising market was subject to increasing price competition. Top performers were Best, Szines RTV and Story. The women's weekly Maxima was launched in January 2004. In September 2004, Sanoma Budapest, through a joint venture company, launched Exit,

a free cultural program magazine. FHM, the men's lifestyle magazine, from joint venture company Hearst Sanoma Press Publications, was awarded the bronze EFFI prize, one of the most valued international awards for advertising effectiveness.

The economic fundamentals of the Czech Republic look very good. However, in 2004 consumers showed low confidence as a result of recent VAT increases and EU entrance.

Two new titles launched by Sanoma Magazines Praha were closed before the year-end. To meet the changing market conditions and to secure its market share, Sanoma Magazines Praha launched several new titles in the low-priced magazines' segment. In December 2004, Sanoma Magazines Praha divested its business-to-business magazines to fully focus its attention on the consumer magazines and to remain the leading publisher in the Czech Republic in this segment.

Sanoma Hearst Romania added Bine! pentru mine, a bi-weekly women's magazine, to the portfolio, and the publication frequency of Story and TV Story changed from bi-weekly to weekly.

Sanoma Magazines Zagreb's most recent launch was the bi-weekly lifestyle magazine Viva, introduced on the Croatian market in October 2004. The company has also strengthened its magazine portfolio as well as its multimedia products.

Sanoma Magazines Slovakia, leading in the business-to-business segment in Slovakia, performed according to expectations. Sanoma Bliasak Bulgaria strengthened its existing portfolio and reported a continuing success story for Cosmopolitan, launched in March 2004.



Well-known magazine brands have also created wide and active internet communities – like the parenting community around Vauva (Baby) magazine in Finland.

Aldipress – a year of growth and development

Though 2004 has been a year of pressure on margins from the retail side, Aldipress managed to improve its share in shelf positions.

In food channels its market share grew from 68% to almost 75%. Shell selected Aldipress as the exclusive supplier of magazines and home entertainment products to its service station network in the Netherlands.

Aldipress started a number of pilot schemes to develop several new retail channels and persuaded new initiatives to increase sales through its retail partners.

At the beginning of 2004 Aldipress acquired the whole sale

and distribution activities for the magazine group of De Telegraaf (TTG), adding nine major titles to its portfolio.

As part of an operational excellence program the processing of unsold copies and all logistical activities will be concentrated on one site. At the same time strong impulses are given to improvement of processes and structures as well as to upgrade of systems.

Acquisition of Independent Media Holding – the leading Russian magazine publisher

In January 2005, SanomaWSOY announced that Sanoma Magazines has entered into an agreement to acquire Independent Media Holding. The company consists of six main operating companies in Russia and Ukraine. This acquisition makes Sanoma Magazines the leading consumer magazine publisher in Russia. ■

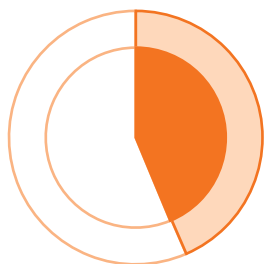
ilse Media – the leading Dutch online publishing company

The strategy of ilse Media is focused on three areas: search engines and portals, news sites, and youth communities.

At the moment, ilse Media generates about 450 million page impressions per month and its sales are growing fast, providing higher profit margins than in the consumer print industry. In December 2004, ilse Media won three prizes in the Dutch Website of the Year contest with its ilse.nl, Startpagina.nl, and Nu.nl websites.

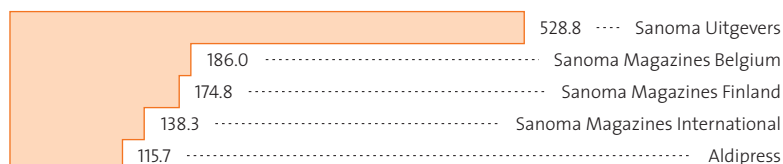
Due to Sanoma Magazines' strong online market positions, its online assets contribute substantial value to Sanoma Magazines' total business. In 2005, Sanoma Magazines will strengthen and develop its existing internet activities and knowledge to increase its online presence in its core countries. This will be done through launches, partnerships, and acquisitions. ■

Sanoma Magazines Net sales and EBITA, %

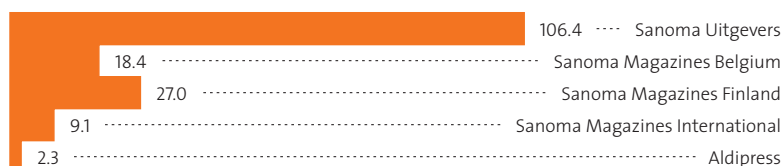


Net sales 43% of Group
EBITA 44% of Group

Net sales by business, € million



EBITA by business, € million



Management Board

Eija Ailasmaa, (Chairman), born 1950
President & CEO,
Sanoma Magazines B.V.

Koos Guis, born 1947
CEO,
Sanoma Magazines
International B.V.

Edo Meerloo, born 1948
CEO,
B.V. Aldipress

Raili Mäkinen, born 1944
CEO,
Sanoma Magazines Finland Oy

Walter van der Schaaff, born 1958
CFO,
Sanoma Magazines B.V.

Dirk Van den Bossche, born 1962
CEO,
Sanoma Magazines Belgium N.V.

Pim de Wit, born 1952
CEO,
Sanoma Uitgevers B.V.

Paul van Driessen, born 1954
Secretary to the Management
Board, Chief Legal Officer
and Company Secretary,
Sanoma Magazines B.V.

Key indicators, € million

	31.12.2004	31.12.2003
Net sales	1 083.7	1 064.8
Operating profit before amortisation	162.0	159.1
% of net sales	14.9	14.9
Operating profit	86.9	78.8
% of net sales	8.0	7.4
Operating profit excl. associated companies	80.4	67.2
% of net sales	7.4	6.3
Balance sheet total	1 515.2	1 504.7
Gross investments	19.8	18.4
Return on investment, % (ROI)	8.4	6.9
Personnel under employment contract, average	4 522	4 421
Personnel, average (full-time equivalents)	3 992	3 879

Operational indicators, 1.1–31.12.

	2004	2003
Number of copies sold (press distribution / Aldipress), thousands	121 822	115 124
Number of magazines published	243	232
Magazine copies sold, thousands	410 007	411 421
Number of advertising pages sold	46 042	47 122

Sanoma publishes and prints Helsingin Sanomat, the largest subscription-based newspaper in the Nordic region, and Ilta-Sanomat, Finland's second-largest newspaper. Sanoma's other national papers include the business daily Taloussanomat, the sports and sport betting weekly IS Veikkaaja, and the free-ad publications Keltainen Pörssi and Palsta. Sanoma's titles also include the dailies Etelä-Saimaa, Kouvolan Sanomat and Kymen Sanomat, as well as local papers and free sheets in south-eastern Finland and free sheets in the Uusimaa region. In addition, Sanoma provides picture agency and news analysis and summary services.

Sano



Helsingin Sanomat (Daily newspaper)

- Oikotie

Ilta-Sanomat

- Ilta-Sanomat (Tabloid)
- IS Veikkaaja (Sports and betting weekly)
- Free-ad publications
 - Keltainen Pörssi
 - Palsta
 - Kuldne Börs

Sanoma Lehtimedia

- Regional papers
 - Etelä-Saimaa
 - Kouvolan Sanomat
 - Kymen Sanomat
- Local papers, 6 titles
- Free sheets, 2 titles

Taloussanomat

- Taloussanomat (Business daily)
- News Agency Startel
- ITviikko
- Digitoday.fi

Sanoma Kaupunkilehdet (Free sheets)

- Uutislehti 100
- Kellokas
- Palvelulehti Itäväylä
- Free sheet chain, Kaupunkilehti
Kymppi, in 2005

Sanomapaino

- 5 printing plants

Lehtikuva (Picture agency)

Esmerk (Information services)

Sanoma Data (IT operations)



Focus on newspapers, free sheets a new growth area

“**Sanoma Corporation** is the leading producer of daily content in Finland. Sanoma’s aim is to be the most profitable media company in the Nordic region offering its reading and advertising customers the most valued media products in Finland.

“Our strategic objectives include growth, improved profitability and strong market position, particularly in the Uusimaa region, in newsstand and free sheet sales, and online. We aim at these goals by developing our products, acquiring new companies, developing new products, making use of Group synergy, and strengthening our operative excellence. The welfare of personnel and continuous professional development are crucial for us.

“In 2004, we successfully reached our targets for growth and result. Sanoma’s operating profit was the best ever. The development in the media market was positive towards the end of the year.

“We expect growth and further improvement in results in 2005. We believe that the year will be good in the reader market. We expect that the media market will grow further, even though it is good to be prepared for surprises.” ■

Mikael Pentikäinen
President
Sanoma

Sanoma’s net sales amounted to EUR 435.2 million in 2004 and operating profit grew by 2.7%. Sanoma’s focus will continue to be on the subscription and newsstand sales of newspapers. In 2004, free sheets were defined as one attractive area of growth. During the year, Sanoma acquired free sheets Uutislehti 100, Kellokas and Palvelulehti Itäväylä, and announced the establishment of a new free sheet chain in the Uusimaa region around Helsinki in 2005. A new business unit was established for free sheets. Sanoma started to incorporate its operations in 2005. The purpose is clarity in operations and cost-efficiency.

Helsingin Sanomat breaks with tradition

Helsingin Sanomat is the leading advertising medium in Finland. The product family includes the core daily, the weekly supplement *Nyt*, the monthly magazine *Kuukausiliite*, and online products: *Verkkoliite*, the online news service, *Nyt.fi*, and *Oikotie*, which is a website with classified ads shared by seven newspapers.

In autumn 2004, job advertising in Helsingin Sanomat started to grow intensely. Sales from *Oikotie*’s job advertising grew by 47% compared to 2003.

In 2004, Helsingin Sanomat started to publish *HS* books, for example, and developed new activities by arranging a series of

discussions about the EU elections in Sanoma House, together with the TV channel Nelonen.

The aim for 2005 is to increase Helsingin Sanomat’s media market share and circulation sales, in the Uusimaa region in particular.

Helsingin Sanomat’s printing plants combined in Sanomapaino

At Helsingin Sanomat’s printing plants, the revised printing process introduced towards the end of 2003 gained a firm foothold, new products were developed, and preparations were made for incorporating the printing operations at the beginning of 2005. The printing operations are now centralised in Sanomapaino, which is one of the largest newspaper printing plants in the Nordic region.

The aim for 2005 is to enhance production reliability, acquire new customers for print jobs, and to boost exports, to Western Europe in particular.

Ilta-Sanomat strengthened its position in newsstand sales

Ilta-Sanomat is the leading publisher for newsstand sales with a market share of about 32% of newsstand sales, and more than 60% of tabloid sales. The main products – *Ilta-Sanomat* with its daily supplements, the *IS* product family for sports and sport betting, and the publication *Keltainen Pörssi* for classified ads – are all market leaders in their fields.



Free sheets – like Uutislehti 100 distributed in Greater Helsinki commuter traffic – are an interesting growth area.

In 2004, Ilta-Sanomat strengthened its position in newsstand sales and launched several new titles: the Ilta-Sanomat Plussa in magazine format, IS sports papers, the IS TV supplement and IS crossword puzzles. IS Sports News started on TV channel Nelonen in February 2004.

Ilta-Sanomat aims at being the leading cross-media publisher in Finland. Ilta-Sanomat will continue to expand its product family in 2005.

Sanoma Lehtimedia's advertising sales better than expected

In November 2004, Kymen Lehtimedia was renamed Sanoma Lehtimedia. The company publishes dailies, local newspapers and free sheets. Its titles include Etelä-Saimaa, Kouvola Sanomat and Kymen Sanomat, as well as six local papers and two free sheets.

Circulation of the dailies remained roughly at the previous year's level, and advertising sales were better than expected. Since exports to Russia were discontinued as of the beginning of 2004, personnel rearrangements had to be made. However, a new, large customer was won from Denmark. Lehtimedia's printing plants were reorganised to be part of the organisation of Sanomapaino from January 2005 onwards.

In 2005, the good development in advertising and circulation sales is expected to continue.

Taloussanomat to be the leading ICT decision-making media

In September 2004, Startel Oy became Taloussanomat Oy. Taloussanomat Oy includes the financial newspaper Taloussanomat, the news agency Startel, the weekly IT supplement ITviikko and the online paper Digitoday.fi.

In the spring of 2004, the acquisition of the publishing rights for ITviikko and the procurement of Digitoday.fi made Taloussanomat the leading media for ICT decision makers in Finland.

In 2005, Taloussanomat will report on general financial issues and chosen themes of interest. Taloussanomat's electronic services attracted a considerably increased number of visitors in 2004, and the services will be intensively developed in 2005.

Lehtikuva produces videos

Lehtikuva is the biggest picture agency in Finland. The main projects in 2004 included the Olympics in Athens and the Paralympics. Lehtikuva aims at next to daily production of news videos. In 2005, the World Championships in Athletics in Helsinki will be the largest editorial project for Lehtikuva.

Esmerk continues to grow

Esmerk produces customised media analysis and summary services. It expanded its operations in 2004. The electronic media analysis and summary service established its position in the Finnish market and was expanded to 21 new countries. In 2005, the aim is to grow further, particularly in Western Europe. ■

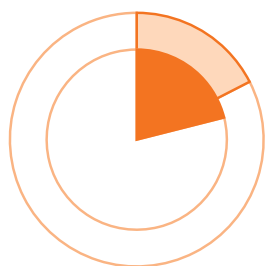
Oikotie – the biggest online service for classified ads in Finland

Oikotie is the biggest website for classified ads in Finland. The service has 560,000 monthly visitors, and it reaches about two million Finns every day. Besides Sanoma's papers – Helsingin Sanomat, Etelä-Saimaa, Kouvola Sanomat and Kymen Sanomat – Oikotie is shared by Turun Sanomat, Etelä-Suomen Sanomat and Hämeen Sanomat.

Oikotie provides its customers with a market place for classified ads combining the strength of the newspaper and the web. Oikotie covers housing, cars, education, jobs, and a search engine for travelling, which was launched in January 2005. The aim is to increase the travel sector, and to attract the greatest number of visitors there.

Oikotie is a profitable service with an increase in net sales of 81% in 2004. ■

Sanoma Net sales and EBITA, %



Net sales 17% of Group
EBITA 21% of Group

Net sales by business, € million



EBITA by business, € million



Management Group

Mikael Pentikäinen,
(Chairman), born 1964
President,
Sanoma Corporation

Veli-Pekka Elonen, born 1965
President Sanoma Data Oy,
Vice President, Development and
Legal Affairs, Sanoma Corporation

Pekka Harju, born 1962
President,
Ilta-Sanomat Oy

Antti Mäkelä, born 1952
President,
Sanoma Lehtimedia Oy
and Sanomapaino Oy

Juhani Pekkala, born 1955
President,
Taloussanomat Oy

Niko Ruokosuo, born 1961
President,
Sanoma Kaupunkilehdet Oy

Pekka Soini, born 1957
President,
Helsingin Sanomat Oy

Eija Rinta, born 1955
Secretary to the Management
Group, Vice President, Finance (CFO),
Sanoma Corporation

Key indicators, € million

	31.12.2004	31.12.2003
Net sales	435.2	425.5
Operating profit before amortisation	78.0	77.5
% of net sales	17.9	18.2
Operating profit	71.2	69.4
% of net sales	16.4	16.3
Operating profit excl. associated companies	71.0	67.3
% of net sales	16.3	15.8
Balance sheet total	462.4	447.7
Gross investments	24.9	29.7
Return on investment, % (ROI)	24.5	23.5
Personnel under employment contract, average	2 746	4 027
Personnel, average (full-time equivalents)	2 389	3 041

Operational indicators, 1.1–31.12.

	2004	2003
Helsingin Sanomat		
Weekday circulation, copies *)	424 598	429 244
Sunday circulation, copies *)	492 385	500 269
Advertising volume (column metres)	41 251	42 359
Ilta-Sanomat		
Circulation, copies *)	201 281	198 693
Advertising volume (column metres)	6 797	7 036
Taloussanomat		
Circulation, copies *)	39 229	34 784
Advertising volume (column metres)	2 735	2 393
Other daily papers		
Total circulation, copies *)	88 952	88 715
Advertising volume (column metres)	23 319	21 967
Local newspapers		
Total circulation, copies	32 781	33 100
Advertising volume (column metres)	9 055	8 179
Paper consumption, tonnes	98 896	99 724

*) Audited circulation figures

WSOY is Finland's largest book publisher and a significant European educational publisher. WSOY is also one of the largest book printers and the leading calendar publisher in the Nordic region.

WSOY



Educational publishing

- WSOY Educational Publications
- Malmberg
- Van In
- Young Digital Poland (55%)

Publishing

- WSOY General Literature
- WSOY Business Information
 - Docendo Group
 - Everscreen (64%)
- Weilin+Göös
 - Bertmark Media

Printing

- WS Bookwell
- Lönnberg Painot
- Dark

Calendar operations

- Ajasto Osakeyhtiö
 - Almanacksförlaget
 - Emil Moestue



Educational materials started to go international

“**WSOY** took an important step towards international expansion in 2004 by acquiring the educational publisher Malmberg, operating in Belgium and the Netherlands. Our aim is to be one of the leading European educational publishers. This position is achievable by ensuring high quality and by the new process for making learning systems, which profits from the materials developed in different countries.

“In 2005, WSOY’s aim is to further expand educational publishing in Europe. In the Nordic region, WSOY continues to publish quality books, and in Finland it will strengthen its position as publisher, and bearer and renewer of the Finnish book culture. Our great success in the Finnish book market in 2004 is a sign of a thriving publishing house which is both international and delights Finnish readers.” ■

Jorma Kaimio
President
WSOY

The objectives set for 2004 included international expansion in educational publishing, and increase of market share in general literature and educational materials in Finland. Both objectives were reached. WSOY’s net sales increased to EUR 253.9 million and operating profit grew by 29.4%.

The year of internationalisation was started by acquiring the majority share in Young Digital Poland in March. The deal for making Malmberg Investments, an educational publisher operating in the Netherlands and Belgium, part of WSOY, was closed in November. Malmberg, Van In, WSOY Educational Publications, eWSOY and the Polish subsidiary Young Digital Poland were combined in a new business, SanomaWSOY Education.

A change in curriculum is currently in progress in Finnish schools. WSOY Educational Publications is in the process of renewing educational materials for all school levels and in every subject, and this project will continue until the end of 2007.

Success in general literature

The publishing year 2004 was particularly successful for general literature. Finnish fiction continued to be popular among Finnish readers. As for translated fiction, Dan Brown’s thriller *The Da Vinci Code* was an exceptional success, and it sold some 158,000 copies by the end of the year. The translation was published in June and sold well at once, showing that the top season for book sales is no longer restricted to the autumn only.

In children’s and juvenile publishing, the highlight of the year was the first prize for Finland in a Nordic competition for picture books. The winner is ‘*Mummon kone*’ (‘Grandma’s Machine’), written by Jukka Laajarinne and illustrated by Martti Ruokonen. WSOY will publish the books of all the five Finnish finalists in autumn 2005.

The biggest event in the multi-volume book business (Weilin+Göös, Bertmark) was the success of the Swedish *Aha!*, which follows the Finnish encyclopedia *Factum*. In the first year, Bertmark sold 9,000 copies of the series which is to include 10 books.



Electronic educational materials and eLearning environments like OPIT are nowadays an essential part of learning. Educational materials also are one of the international businesses of SanomaWSOY.

Lönnberg retains its leading position

Book publishing and digital printing were successful in 2004. In advertising materials, competition was intense due to overcapacity and decreased demand. Lönnberg Painot, which also comprises the in-store display and gift packaging company Mainos ja Etiketti, retained its position as the leading producer of high-quality printing materials.

The book printer WS Bookwell and the digital printer Dark completed their long-term investment programs, and can react to competition with high-quality production technology.

WSOY Business Publications became WSOYpro

WSOY Business Information renamed its business publications sector WSOYpro and opened a new website, WSOYpro.fi. The purpose of WSOYpro is not to provide individual products but to be a partner for the customer's knowledge and skill development.

The Swedish-based Everscreen AB, which was part of the WSOY Business Information business unit, was sold in April. The Finnish operations of Everscreen Oy were not affected.

In calendar operations, production was rearranged. The calendar production of Norwegian-based Emil Moestue was discontinued, and production was centralised in Finland. A 30% share was acquired in October in the leading Estonian calendar publisher Büroodisain. An agreement was made on increasing WSOY's share to 100% at a later stage. ■

Young Digital Poland

The 250 employees of Young Digital Poland (YDP) develop and produce eLearning materials in Gdansk for publishers around the world. The biggest customer is the school system in Malaysia, which has introduced the broad electronic learning content of YDP. Malmberg Investments, a company acquired by WSOY in summer, is also a major customer for YDP.

YDP, 55.1% of which is owned by WSOY, produces eLearning materials for different school subjects, and language learning programs for individual consumers as well. The focus is currently on creating new generation eLearning material for elementary education. The product range covers a virtual learning environment, Leo. According to YDP's estimations, the use of IT and communications technology can reduce the teachers' workload by 10 to 15%. YDP also has solutions for companies. ■

WSOY

Net sales and EBITA, %



Net sales 10% of Group
EBITA 10% of Group

Net sales by business, € million



EBITA by business, € million



Management Group

Jorma Kaimio, (Chairman), born 1946
President, WSOY

Jyri Ahti, born 1962
Senior Vice President,
Business Development, WSOY

Jacques Eijkens, born 1956
CEO, SanomaWSOY Education

Yrjö Franssila, born 1951
President, Ajasto Osakeyhtiö

Jaana Korpi, born 1958
Managing Director, Weilin+Göös Oy

Mikko Laine, born 1966
Senior Vice President, eWSOY

Hannu Laukkanen, born 1957
Senior Vice President,
WSOY Educational Publications

Jorma Mikkonen, born 1949
Senior Vice President, Finance and
Corporate Services, WSOY

Pekka Pätynen, born 1951
Senior Vice President, WSOY Printing

Tuomo Räsänen, born 1969
Senior Vice President,
WSOY Business Information

Touko Siltala, born 1957
Literary Director, General Literature,
WSOY

Katja Vuorialho, born 1968
Secretary to the Management Group,
Senior Counsel, WSOY

Key indicators, € million

	31.12.2004	31.12.2003
Net sales	253.9	212.2
Operating profit before amortisation	38.3	28.0
% of net sales	15.1	13.2
Operating profit	29.2	22.6
% of net sales	11.5	10.6
Operating profit excl. associated companies	29.2	21.0
% of net sales	11.5	9.9
Balance sheet total	435.4	203.8
Gross investments	197.9	8.7
Return on investment, % (ROI)	17.3	17.8
Personnel under employment contract, average	2 188	1 933
Personnel, average (full-time equivalents)	2 025	1 859

Operational indicators, 1.1–31.12. *)

	2004	2003
Number of new titles published		
Books	740	714
Electronic products	132	105
Number of reprints published		
Books	957	1 168
Electronic products	209	202
Books printed, millions	20	21
Paper consumption, tonnes	16 482	16 930

*) Units in Finland

SWelcom operates in the electronic media business and focuses on commercial TV and cable TV operations. The division's biggest business unit, TV channel Nelonen, is Finland's third most important advertising medium. HTV (Helsinki Television) is the country's biggest cable TV company. SWelcom also includes 2ndhead, providing digital communications services, and Tuotantotalo Werne, which is specialised in technical services for TV programme and audio production.

SWelcom



- Television operations**
 - Nelonen
- Cable television, pay-tv and broadband internet**
 - HTV (Helsinki Television)
- Digital services**
 - 2ndhead
- Production services**
 - Tuotantotalo Werne

A year of growth and development

"SWelcom is an active player in the electronic media sector looking for development and new opportunities. Our distribution channels include TV and cable networks, and our top products are TV channel Nelonen and Welho, broadband and digi TV. Other services include internet and TV production.

"Our market position is fascinating but challenging. Nelonen has developed into a personal, different and profitable commercial TV channel. Our viewing and market share grew significantly in all our target groups in 2004. HTV has already had three successive record years in connecting households to the cable network. Despite intense competition, the number of broadband subscribers is growing continuously. Customers were offered as much as 10-megabit speeds at the end of the year.

"The development in communications promises a good outlook for SWelcom: TV's share in advertising and the share that the electric channels have of the time used for media is developing intensively. We believe in our ability to grow in our current operational areas; the results achieved so far are promising. We have strong knowledge in technology, and we believe that, combined with new ideas and opportunities for cooperation, new significant businesses will be generated to complement the current ones." ■

Tapio Kallioja
President
SWelcom

2004 was an excellent year for SWelcom. Net sales grew by 13.9%, and the division reached the operating profit target. Nelonen increased its market share in TV advertising considerably, and the channel's viewing shares grew intensely. HTV continued to grow: the sales of both connections and broadband services developed well.

Besides financial growth, an investment was made in developing company culture. A wide internal discussion of values took place during the year, which resulted in an electronic set of values to be used by the personnel and interest groups. SWelcom's values include open cooperation, passion for one's own work, courage, and reliability.

Year of success for Nelonen

Nelonen is Finland's third most important advertising medium and the second most viewed TV channel among viewers aged between 10 and 44. The market share target for TV advertising that was set when Nelonen was founded was reached by the end of the year. The share of commercial TV channel viewers grew, and amounted to about 25% at the

year-end. Of the notable advertising media, Nelonen's growth in net sales was by far the greatest, almost 20%. Due to the expansion of the digital distribution network, Nelonen reached about 94% of the Finnish population at the end of 2004.

Nelonen's success is based on a different, versatile, carefully targeted choice of programs, and efficient sales and marketing. Nelonen is known for high-quality foreign series, such as Sopranos and Alias, and popular format programs, such as Queer Eye for the Straight Guy and The Block. The Finnish classics, Kisse, Hyppönen Enbuske Experience and Kumman kaa have attracted keen supporters and were the topic of discussion week after week. The World Cup in Ice Hockey was one of the sports events of the year, and its transmission by Nelonen in autumn 2004 increased the viewing share markedly.



Agreements with Sony Pictures Television International and Buena Vista International (Disney) guarantee that, in addition to top domestic TV series, also the best of Hollywood movies and TV series will be seen in Nelonen in future.

HTV's consumer services under the Welho brand

HTV is Finland's largest cable TV company. HTV offers broadband and digital TV services to households connected to its cable network in the Helsinki region. In 2004, a record number of households were connected: more than 23,000. At the year-end, the number of households connected reached over 280,000.

During 2004, HTV combined its broadband and digi TV services under the shared Welho brand. The Welho family comprises all HTV broadband and digi TV services, and includes the ready-to-use Welho broadband and about 80 digital TV channels.

Broadband services increased greatly in Finland during 2004. Welho is the most popular broadband service in its operating area, and it had 52,000 subscribers at the end of the year.

2004 was good also for Welho Digi TV. All HTV's pay-TV programs have been digital since December 2004, and the number of subscriptions grew somewhat in the HTV's own network area.

Attractive services at 2ndhead and Werne

2ndhead is a company specializing in digital media content and communications solutions. It develops services and systems for internet, mobile and digi TV distribution channels. 2ndhead has been involved in SanomaWSOY's internal multimedia and internet projects for a long time. The popular websites for Nelonen, Finnkinno and Ilta-Sanomat are made by 2ndhead. During 2004, services were sold to external customers as well. 2ndhead will design the outline and a new graphic layout for the internet sites of the City of Helsinki, and a solution for the new city portal shared by the city and the university of Helsinki.

Tuotantotalo Werne offers technical production services and comprehensive solutions for companies producing and distributing TV, video and audio services in the Nordic region and the Baltic countries. In 2004, Werne focused on its core businesses and sold Måndag, which specialises in video copying and DVD mastering services. ■

Television is the driving engine for multimedia

It is no longer a novelty for popular TV programmes to have websites that complement the programme and provide a channel for advertisers. Now television is paving its way to the mobile phone. The Block, shown on Nelonen in autumn 2004, was the first programme allowing viewers to subscribe video material onto a mobile phone.

"Future multimedia is driven by TV. Television establishes the brands, and other media provide interesting, entertaining and useful additional services, both for viewers and advertisers. Multimedia is everyday life and it gives Nelonen new opportunities to earn money", says Juha-Pekka Louhelainen, President of Nelonen. ■

SWelcom Net sales and EBITA, %



Net sales 5% of Group
EBITA 11% of Group

Net sales by business, € million



EBITA by business, € million



Management Group

Tapio Kallioja, (Chairman), born 1948
President,
SWelcom Oy

Pekka Jaakola, born 1947
Senior Vice President, Technology,
SWelcom Oy

Pirkko Jokinen, born 1952
President,
2ndhead Oy

Juha-Pekka Louhelainen, born 1955
President,
Oy Ruutunelonen Ab

Anu Nissinen, born 1963
President,
Helsinki Television Ltd.

Marja-Leena Tuomola, born 1962
Vice President, Administration,
SWelcom Oy

Pia Huhdanmäki, born 1969
Secretary to the Management
Group, Senior Counsel,
SWelcom Oy

Key indicators, € million

	31.12.2004	31.12.2003
Net sales	119.4	104.9
Operating profit before amortisation	39.3	29.6
% of net sales	32.9	28.3
Operating profit	9.0	1.2
% of net sales	7.5	1.1
Operating profit excl. associated companies	9.1	1.0
% of net sales	7.6	1.0
Balance sheet total	130.6	142.3
Gross investments	10.7	8.9
Return on investment, % (ROI)	8.7	1.5
Personnel under employment contract, average	415	416
Personnel, average (full-time equivalents)	378	392

Operational indicators, 1.1–31.12.

	2004	2003
Nelonen's share of Finnish TV advertising	29.8%	27.3%
Nelonen's daily coverage	41%	41%
Nelonen's national commercial viewing share	25.0%	22.0%
Nelonen's national viewing share	12.5%	11.4%
Number of connected households, thousands (31.12.)	280	257
Number of pay-TV subscriptions, thousands (31.12.)	32	33
Number of broadband internet connections, thousands (31.12.)	52	43

Rautakirja is the market leader in all its operational areas in Finland: kiosk operations, press distribution, bookstores, and movie theatres. In the Baltic countries, it is the market leader in press distribution and movie theatres. Press distribution is one of SanomaWSOY Group's international businesses.

Raut



Kiosk operations

- R-kioski
- Veikkausrasti
- Pizza Hut
- R Kiosk Eesti (Estonia)
- Narvesen Baltija (Latvia)
- CZ Retail (the Czech Republic)

Press distribution

- Lehtipiste
- Lehepunkt (Estonia)
- Preses Serviss (Latvia)
- Impress Teva (Lithuania)
- Hiparion Distribution (Romania)

Bookstores

- Suomalainen Kirjakauppa
 - Yliopistokirjakauppa
 - Lukiolaisten Kirjakauppa
 - Reader's
 - Apollo Raamatud (Estonia)

Movie theatres

- Finnkino
 - MPDE (Estonia)
 - Baltic Cinema (Latvia)
 - Vingio kino teatras (Lithuania)
 - V & K Holding (Estonia, Latvia, Lithuania)
 - Interprint

International expansion continued

"Rautakirja's core business know how comprises the wholesale and retail of newsstand newspapers and magazines, and specialized retail, which represent extensive distribution knowledge in the Group. Rautakirja aims at profitable growth in Finland and abroad.

"The competition in kiosk trade grew even stronger in 2004, and changes took place in market shares. Rautakirja managed to increase its market share in all key areas of business and posted the best comparable result ever. It focused on core businesses and sold its restaurant operations.

"Net sales were slightly below the target but future growth was supported considerably by acquisitions, information system projects and personnel development.

"The challenging situation in retail trade will continue but we believe that our active growth strategy and skilful personnel will also push Rautakirja to success in 2005. Net sales will grow strongest outside Finland, and operating profit is expected to increase significantly." ■

Erkki Järvinen

President & CEO
Rautakirja

2004 went according to plan for Rautakirja. Net sales grew to EUR 659.7 million and operating profit increased by 16.7%. Internal operations were harmonized to match the group standard but businesses continued to operate as autonomous subsidiaries.

Rautakirja invested in growth by focusing on international expansion and developing its information systems. Press distribution was extended in particular. In December, Rautakirja decided to divest its restaurant operations.

In the autumn, a financial service centre started serving the whole of Rautakirja. The finance functions of all basic operations were concentrated at this service centre.

Kiosk operations meet new challenges

Kiosks provide customers with entertainment, excitement and pleasure, and with basic daily products and services, quickly and easily, from early in the morning to late at night in Finland, Estonia, Latvia and the Czech Republic.

2004 was a strong year of development for kiosk operations. The main project was the renewal of the outlet system in Finland. The system to be introduced in 2005 will facilitate future kiosk operations with new products and services.

Strong price competition marked the year in Finnish retail

trade, and market shares were re-divided. Rautakirja reacted successfully by focusing on developing kiosk operations and marketing communication.

Rautakirja's kiosk operations aim at further development and expansion, and the goal is to be the leading company in northern Europe in the kiosk and convenience store chain sector towards the end of the decade.

International expansion of press distribution

Rautakirja's press distribution is a marketing and distribution organisation for newsstand sales of newspapers and magazines open to all publishers and products. It offers publishers a cost-efficient distribution system and the trade an appealing product group with chances of development.

In 2004, press distribution became much more international. In July, a majority share was acquired in a press distribution company in Romania, and in December in Lithuania. Rautakirja's press distribution business is the market leader in Finland, Estonia, and Latvia.

Lehtipiste opened an online service for publishers early 2004. The Finnish Lidl was the first to introduce newspaper and magazine sales for the chain in Europe.

Newsstand sales in Finland grew by slightly less than 3%. The trend was particularly positive in



Rautakirja has a strong position in press distribution in Baltic countries. The Estonian Lehepunkt has a market share of 90% and it delivers newspapers and magazines to more than 1,400 points of sale.

tabloids and magazines related to living and special interests.

In press distribution, international expansion will continue together with the development of current activities.

A good year for bookstores

Rautakirja has bookstores in Finland and Estonia. Suomalainen Kirjakauppa is a nationwide bookstore chain and the strongest brand and the market leader in its field in Finland. The outlets and direct sales are complemented by the online webstore suomalaisen.com. Besides the Suomalainen Kirjakauppa outlets, the chain includes Reader's paperback bookstores, Yliopistokirjakauppa and Lukiolaisten Kirjakauppa. Five new outlets were opened during 2004.

The year was good for book sales in Finland, especially for the sales of general literature. In Estonia, Apollo Raamatud has established itself with a market share of about 20%.

Suomalainen Kirjakauppa developed a customer loyalty programme, which was launched in early 2005. The challenge for the future is to further develop the chain and to focus on customer service systems.

Movie theatres in four countries

The objective of the movie theatre operations is to develop a leading movie theatre chain in the Baltic Sea area, which offers movie and entertainment experiences in line with a shared concept and is cost-efficient on the growing market. There are currently operations in Finland, Estonia, Latvia, and Lithuania.

In January, Finnkinno acquired the majority share in an Estonian video wholesale company operating in all Baltic countries. The multiplex movie theatre opened in October 2003 in Riga attracted 1.1 million visitors in the first year. In Lithuania, the focus was on developing the market and establishing the operations in the new units acquired in 2003.

In Finland, new co-operation was successfully started with Kesko, and customers can collect Plussa points at Finnkinno's movie theatres within the Kesko's customer loyalty programme. Several new multiplex movie theatres were planned, and the plans may be realized in the coming years.

The summer was better than ever for movie theatre operations in Finland, and there were 12% more viewers than in the previous year. ■

Oiva is a new outlet system in the kiosk business

The kiosk outlet system Oiva is one of the largest individual projects in the history of kiosk operations. The new system will change operations at all levels.

The system facilitates the introduction of new products and services in R-kiosks. The first significant cooperation agreements were signed with the ticket service Lippupalvelu and the teleoperator Telia-Sonera in the end of 2004. Oiva will change the daily tasks of the sales personnel by giving more time for customer service while background work will be real-time and electronic. Goods flow management will be improved markedly.

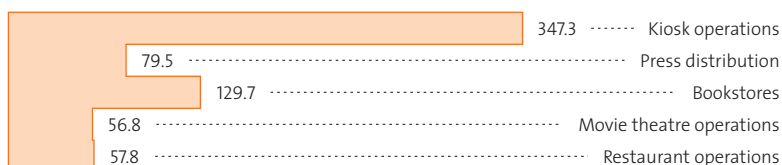
Design of Oiva was started at the end of 2003 and testing in all kiosks started in the beginning of 2005. The aim is to extend the new system to the more than 700 outlets of the R-kiosk chain in Finland during 2005. ■

Rautakirja Net sales and EBITA, %



Net sales 26% of Group
EBITA 14% of Group

Net sales by business, € million



EBITA by business, € million



Management Group

Erkki Järvinen, (Chairman),
born 1960
President & CEO,
Rautakirja Corporation

Hellevi Kekäläinen, born 1953
Senior Vice President, CFO,
Rautakirja Corporation

Raimo Kurri, born 1953
Senior Vice President,
Press Distribution

Timo Mänty, born 1960
Senior Vice President,
Movie Theatres

Jukka Nikkinen, born 1962
Senior Vice President,
Business Development,
Rautakirja Corporation

Jarmo Oksaharju, born 1961
Senior Vice President,
Bookstores

Markku Pelkonen, born 1962
Senior Vice President,
Kiosk Operations

Key indicators, € million

	31.12.2004	31.12.2003
Net sales	659.7	653.8
Operating profit before amortisation	50.6	45.7
% of net sales	7.7	7.0
Operating profit	41.5	35.5
% of net sales	6.3	5.4
Operating profit excl. associated companies	42.8	41.3
% of net sales	6.5	6.3
Balance sheet total	353.9	348.6
Gross investments	18.0	28.7
Return on investment, % (ROI)	17.4	18.1
Personnel under employment contract, average	6 261	6 458
Personnel, average (full-time equivalents)	4 795	4 962

Operational indicators, 1.1–31.12. *)

	2004	2003
Customer volume in kiosk operations, thousands	115 919	119 380
Customer volume in bookstore operations, thousands	6 239	6 316
Customer volume in movie theatres, thousands	3 499	3 599
Number of copies sold (press distribution), thousands	131 148	127 562

*) Units in Finland



Environment

Group-wide environmental policy

In line with the graphics industry in general, SanomaWSOY's environmental impact is minor.

A Group-wide environmental team was established in 2003 to promote the sharing of best environmental practices. In 2004, this team drafted an environmental policy based on responsibility, ethics and Group values, from which the divisions derive their environmental targets and objectives. Both the Group and its

divisions are aware of the environmental impact of their operations and their environmental responsibilities.

Joint logistics

SanomaWSOY's main users of logistics services are Sanoma, Sanoma Magazines and Rautakirja. Sanoma's largest provider of logistics services is Finland Post. Sanoma Magazines' Aldipress is the Netherlands' largest distributor of newsstand copies, also handling logistics for Sanoma Uitgevers' products. In the other countries in which Sanoma Magazines operates, deliveries of newsstand copies of magazines are handled jointly with other publishers. Rautakirja's Lehtipiste handles joint deliveries of newsstand copies of magazines and tabloids in Finland.

Sanomapaino's printing plants are located in Vantaa, Forssa and Varkaus, among others. This shortens the distances in newspaper deliveries. Ilta-Sanomat is partly printed in Oulu. In total, SanomaWSOY has 12 printing plants in Finland.

WSOY's book deliveries to dealers and bookstores are handled jointly with other book publishers.

Systematic recycling

SanomaWSOY's environmental principles include safe and appropriate sorting, recycling and final disposal of by-products and waste. The Group aims to reduce its material consumption and waste volumes throughout its operations.

Printing plates used in printing plants are sorted and recycled as industrial raw material, while printing inks are sent to waste disposal plants. There is a separate recycling system for waste paper produced in the printing process in each plant: all waste paper from printing plants is recycled.

Rautakirja's Lehtipiste collects and recycles unsold copies of newspapers and magazines from points of sale during regular distribution rounds.



Sustainable development is important

SanomaWSOY pays constant attention to developing its production processes to protect the environment and reduce the environmental load. Thanks to the environmental positive processes, energy, water, chemicals and paper wastage is being reduced, and the Group's cost efficiency and ecological balance are improving.

SanomaWSOY aims to reduce its environmental load through the selection of materials. Vegetable oil based printing inks and increased use of printing paper made from wood from certified forests will also prove important in the future. Some 70% of the paper used in SanomaWSOY's printing plants is made fully from Finnish wood.

SanomaWSOY monitors environmental issues and risks during planning, decision-making and implementation. Investments are made bearing the environment in mind.

Personnel play a central role in environmental protection, being continuously trained, instructed and encouraged to perform their work in an environmentally responsible manner. ■

SanomaWSOY's consumption of electrical energy in Finland *)

Consumption of electrical energy, MWh	2004	2003	2002	2001
	127 879	131 054	132 335	121 132

*) Consumption sites changed to some extent from 2001 to 2004.

SanomaWSOY's paper usage *)

Paper usage, tonnes	2004	2003	2002
Newsprint	99 000	99 500	97 000
Magazine paper	103 000	102 000	94 000
Fine and book paper and board	19 700	17 000	17 500
Bookbinding board	1 100	1 000	1 000
Total	222 800	219 500	208 500

*) Includes both the paper used in the Group's own printing plants and the paper acquired for products printed elsewhere.

Responsible corporate citizen

SanomaWSOY aims to be a good corporate citizen. SanomaWSOY's social responsibility includes financial responsibility, environmental responsibility, and responsibility for society, which includes responsibility for personnel and published products, and ethical business.

As a strong player in the media market, SanomaWSOY nurtures freedom of speech and recognises its responsibilities. Many of the Group's units have an influential position in their national markets, and it is important to maintain their values and principles in the future.

Many of SanomaWSOY's units work together with schools with the aim of e.g. enhancing media literacy among the young and encouraging children to read. In 2004,

Helsingin Sanomat, Sanoma Magazines Finland and Rautakirja's Lehtipiste participated in the magazine day for schools and in Finnish Newspaper Week for schoolchildren.

SanomaWSOY's divisions also participate actively in projects enhancing children's rights. In 2004, Helsingin Sanomat strengthened its collaboration with the Plan Finland Foundation. One aspect was a joint campaign to enhance children's possibilities to get schooling in developing countries. The bookstore chain Suomalainen Kirjakauppa continued its co-operation with Save the Children Finland and participated to the charity's support program that encourages the young from families with limited financial means to study. ■

To read more about SanomaWSOY's social responsibility, please visit: www.sanomawsoy.fi



Personnel

As an employer, SanomaWSOY appreciates professional people and emphasises its personnel's opportunities for development and fair remuneration.

SanomaWSOY employs more than 16,000 people. The Group provides equal opportunities for men and women, and for people of different ages, with different backgrounds and in different positions.

SanomaWSOY has a Group-wide HR policy, which is further clarified by division-specific objectives. Key words for personnel responsibility are respect, fairness, common values, and a positive attitude to change, training, career development and remuneration.

Each division monitors the working climate and the success of HR policy with regular personnel surveys.

In 2004, SanomaWSOY began to develop common Group-wide HR procedures.

Continuous development for personnel

The Group grows and expands internationally through mergers and acquisitions, and organisational structures around employees change constantly. Development programmes aim to enhance a positive attitude towards change.

SanomaWSOY has two Group-wide training programmes: SanomaWSOY Executive Program, SWEP, and SanomaWSOY Management Training Program, JET. These programmes are intended for supervisors and experts. At the end of 2004, 161 Group employees had participated in SWEP and 181 in JET.

SWEP focuses on developing strategic thinking and manage-

ment whereas JET offers practical tools for business development. JET continues in 2005 with two new groups, and with revised content. SWEP is being continuously developed to meet the divisions' changing needs.

An in-house training course for supervisors, 'Supervisor's Toolkit', was launched in 2003. The purpose of the lectures, organised together with WSOYpro, is to give high-quality, practise-oriented training for supervisors throughout the Group. In 2004, the series covered communications skills, among other areas.

Besides their educational content, the Group-wide programmes are aimed at strengthening the co-operation between people working in different parts of the Group, and to facilitate sharing of best practices.

In addition to these programmes, the divisions have their own programmes for training and development to ensure that the professional needs specific to the respective division and its focuses are fulfilled.

The Group also has a Media Trainee Program. The trainees are given a wide knowledge and understanding of media business. In 2004, three new trainees began the programme. So far, 21 trainees have participated, five of which are currently either going through the programme or about to start. Eleven of those who have successfully completed the programme are today employed in different positions around the Group.

Increasing internal mobility

Internal mobility or job rotation within the Group has been considered important ever since SanomaWSOY was founded. In 2004, the SanomaWSOY Internal Mobility (SWIM) process was launched to further increase rotation of employees between divisions.

Internal mobility contributes to reaching the Group's objectives and speeds up essential change in activities and structures. Also, it improves professional skills and boosts the process of adopting best practices across the Group.

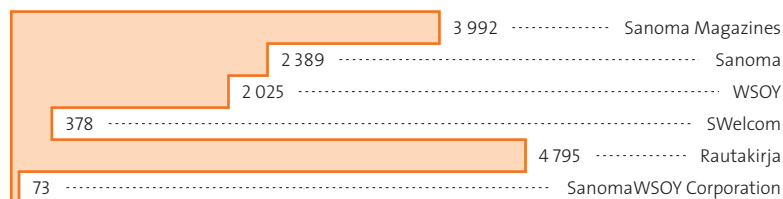
Versatile remuneration

Most SanomaWSOY employees are covered by annual incentive systems. The general principles of these schemes are Group-wide and confirmed by SanomaWSOY's Board of Directors. Further information about incentive schemes can be found under Corporate Governance on page 42.

Corporate security

Occupational health and safety issues are part of the Group's security policy. The policy also covers security of premises, personal security, operational and data security, rescue services, labour protection, environmental protection, contingency planning, as well as risk and security management. A team responsible for security at SanomaWSOY has drafted a Group policy on security. ■

Personnel by Division *)



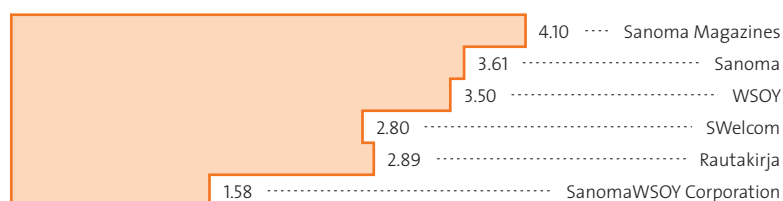
*) In average, full-time equivalents

Turnover of personnel by Division *)

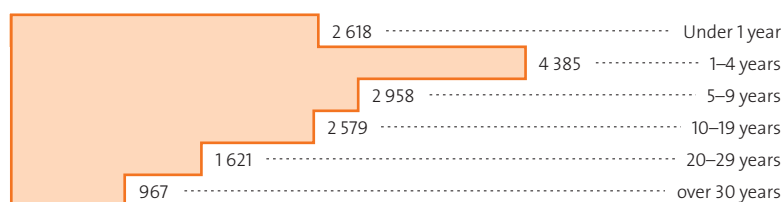


*) Includes kiosk staff and fixed-term employees

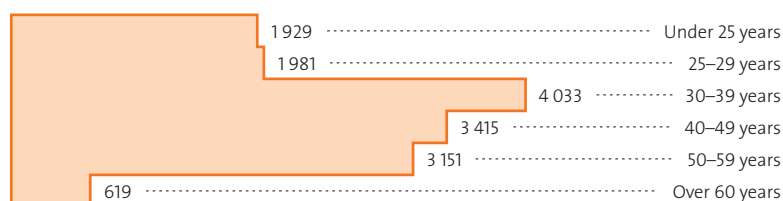
Sick day percentage



Work experience at SanomaWSOY



Age distribution



Personnel by country 31 Dec. 2004

Finland	9 487	Poland	269	The United Kingdom	58	France	14
The Netherlands	2 544	The Czech Republic	251	Slovakia	56	Germany	12
Estonia	969	Croatia	96	Norway	54	Singapore	4
Belgium	596	Lithuania	79	Sweden	40	USA	4
Latvia	548	Romania	78	Malaysia	20	China	2
Hungary	490	Bulgaria	59	Russia	15		15 745

Personnel

	2004	2003	2002	2001
Personnel under employment contract, average	16 207	17 330	18 657	15 129
Personnel average (full-time equivalents)	13 652	14 207	15 210	12 077
Net sales per employee*), € 1 000	182.6	171.3	155.0	143.6

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



Corporate Governance

The SanomaWSOY Group comprises five fully owned divisions: Sanoma Magazines, Sanoma, WSOY, SWelcom, and Rautakirja.

SanomaWSOY's divisions operate independently within agreed goals and operational principles. The parent company, SanomaWSOY Corporation, is responsible for strategic control and administration of the Group as well as Group-wide cooperation projects. The management of the Group and the Group's businesses is based on a clear organisational structure, defined areas of authority and responsibility, common strategy and action plans, supporting planning and reporting systems, and Group policies.

SanomaWSOY Group's corporate governance principles are approved by the Board of Directors. The principles follow the rules of the Helsinki Exchanges and the principles recommended by the Helsinki Exchanges, the Finnish Central Chamber of Commerce and the Confederation of Finnish Industries EK. The valid corporate governance principles can be found on the Group's website, www.sanomawsoy.fi.

The Group's administrative bodies are the Board of Directors and the President & Chief Operating Officer (COO). Their 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, or are implemented by authority of the President & COO.

Board of Directors

The Annual General Meeting elects the members of the Board of Directors, the Chairman, and his deputy. 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 a Board member begins at the close of the AGM and expires after the third AGM following their election. If a Board member's seat becomes vacant before the end of this three-year period, a new mem-

ber is elected for the remainder of the term. The Articles of Association stipulate that no person aged 75, or who will reach the age of 75 during his or her term in office, can be elected to the Board.

The Helsinki Exchanges' corporate governance principles recommend that the term of office of Board members is one year. At SanomaWSOY, the term of office of Board members is three years. The company believes that the nature of its business activities makes it necessary for Board members to have a longer period to familiarise themselves with and commit themselves to the Group's operations. The Board members' terms of office have been arranged so that about one-third of the members are elected annually.

The current Board, elected by the AGM of 30 March 2004, has ten members. Paavo Hohti, Robert Castrén, Jane Erkkö, and Robin Langenskiöld have announced that they will vacate their seats at the AGM in spring 2005. According to the Articles of Association, the term of office of a Board member is three years. The term of office of Sari Baldauf, Jaakko Rauramo, and Sakari Tamminen is until the AGM in spring 2006, and the term of Sirkka Hämäläinen, Seppo Kievari, and Hannu Syrjänen until the AGM in spring 2007.

The full-time Chairman & CEO of the Board is Jaakko Rauramo. Hannu Syrjänen, President & COO, is also employed by the Group. Half of the Board members are



independent of the company and its significant shareholders in the manner recommended in the corporate governance principles issued by the Helsinki Exchanges: Sari Baldauf, Robert Castrén, Paavo Hohti, Sirkka Hämäläinen, and Sakari Tamminen. In addition, Jane Erkkö and Robin Langenskiöld are independent of the company.

SanomaWSOY's Board of Directors is responsible for the overall management of the Group and for organising its administration in accordance with the Finnish Companies Act. The Board appoints SanomaWSOY's President & COO, his deputy and the parent company executives who sit on SanomaWSOY's Management Group. In addition, it approves the nominations of the Presidents of the divisions, their deputies and the Senior Editors-in-Chief of Helsingin Sanomat and Ilta-Sanomat, and decides on the remuneration of senior management. The Board develops its performance by an internal self-evaluation process implemented regularly by PricewaterhouseCoopers.

In 2004, the Board of Directors convened eight times. On average, 93% of Board members attended the meetings.

Board Committees

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 Executive Committee convened eight times during the year, and all the Committee members attended all the meetings. The Board is empowered to establish other committees as appropriate. A Compensation Committee, an Audit Committee and an Editorial Committee operated during 2004.

The Compensation Committee prepares matters regarding the management's remuneration and the Group's remuneration policy. The Compensation Committee's members at the year-end were Sari Baldauf (Chairman), Paavo Hohti (Vice Chairman), Jane Erkkö, and Seppo Kievari. In 2004, the Compensation Committee convened twice, and on average 75% of its members attended the meetings.

The Audit Committee develops and controls the Group's financial reporting procedures, the auditors' work, the reliability of internal control, and the execution of corporate governance principles. At the end of 2004, the Audit Committee comprised Sakari Tamminen (Chairman), Robert Castrén (Vice Chairman), Robin Langenskiöld, and Sirkka Hämäläinen. The Committee convened four times during the year. On average, 94% of its members attended the meetings.

In April 2004, SanomaWSOY's Board of Directors established an Editorial Committee. The Editorial Committee is responsible for following the editorial policies of the Group's main newspapers and preparing changes in these principles as well as the appointment of the Senior Editors-in-Chief. The members of the Editorial Committee at the end of 2004 were Seppo Kievari (Chairman), Jane Erkkö (Vice Chairman), Paavo Hohti, and Sirkka Hämäläinen. The Committee convened once during the year and all the Committee members attended the meeting.

Full-time Chairman and CEO

The Board has a full-time Chairman & CEO who prepares, in cooperation with the President & COO, the matters brought to the Board of Directors and chairs Board and Executive Committee meetings. 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 the Group's broad range of external relations together with the President & COO.

The Chairman & CEO takes part in the operational management of the Group only in pre-agreed cases, particularly in respect of growth and international expansion projects. In 2004, Jaakko Rauramo served as full-time Chairman & CEO.

President & COO

The President & COO is independently responsible for the Group's operations, in line with strategic plans and budgets 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, for the preparation of matters brought to the Board and for presenting these matters to the Board and its Committees. The President & COO also acts as Chairman of both SanomaWSOY's Management Group and the Boards of Directors of SanomaWSOY's divisions, unless otherwise agreed. Hannu Syrjänen served as President & COO of SanomaWSOY in 2004.



Remuneration and incentives

The Board of Directors approves the employment terms of the President & COO and the other members of senior management, based on the proposal prepared by the Compensation Committee. The compensation paid to the Board of Directors is decided by the AGM.

In 2004, the members of the Board of Directors were paid the following monthly compensations: EUR 5,500 to the Chairman, EUR 5,000 to the Vice Chairman and EUR 4,000 to members. A sum of EUR 200 was paid for attending the meetings. Of the Board members, Jaakko Rauramo, Chairman & CEO, Hannu Syrjänen, President & COO, and Seppo Kievari are included in the scope of SanomaWSOY's Stock Option Schemes.

Remuneration and other benefits paid to SanomaWSOY's management in 2004 amounted to EUR 5.0 (4.3) million. In this respect, management includes members of the Board of Directors of SanomaWSOY, the President & COO, and the Presidents of the

Group's divisions and their deputies, if any, as well as other members of SanomaWSOY's Management Group. This sum only covers the remuneration and benefits paid to the persons for these positions during the financial year.

In 2004, the full-time Chairman & CEO Jaakko Rauramo was paid remuneration, bonuses, and other benefits totalling some EUR 937,900 (in 2003 some EUR 732,600). Rauramo is entitled to retire after the age of 60 on a pension of 60% of his salary when he or the Company so wishes under the provisions of Sanoma Corporation's pension fund. The contract of employment of the Chairman & CEO is valid for the duration of his term of office, unless otherwise agreed with or decided by the AGM. Rauramo holds 100,000 2001B stock options and 100,000 2001C stock options.

Hannu Syrjänen, President & COO, was paid in total approximately EUR 765,400 in remuneration and benefits during 2004 (some EUR 656,700 in 2003). 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. The period of notice of the President & COO is six months and severance pay in the case of termina-

tion corresponds to 18 months' salary. The severance pay includes a fixed term non-competition clause. Syrjänen holds 50,000 2001A stock options, 50,000 2001B stock options, 50,000 2001C stock options, and 50,000 2004A stock options.

The retirement age for the other members of SanomaWSOY's Management Group is 60 years, and their pension is approximately 60% of their salary. Their period of notice is six months and severance pay in the case of termination corresponds to 12 months' salary. The severance pay includes a fixed term non-competition clause.

To promote the achievement of challenging financial targets, all SanomaWSOY's divisions operate incentive systems designed to foster the personnel's commitment to business goals and to the company, and to reward people for good performance and results. In addition to a skill-, responsibility- and performance-based salary, the personnel receive one-off bonuses. Divisions also operate short-term incentive systems tied to their particular businesses. SanomaWSOY's Board of Directors confirms the general principles of incentive systems. The incentives are set by the previous year's development, the competitive situation, the lifecycle of the business, action plans, etc. Sanoma and Sanoma Magazines Finland also maintain a personnel fund for profit sharing. Annual payments from this fund are based on operational result. The Group also has stock option schemes, which are described in more detail on page 44 of the Financials.

System of control and risk management

SanomaWSOY's Board of Directors has approved the Group's risk management policy. In addition to this, the most important risk management tools include the Group's, divisions' and business units' 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 the actual income statement, balance sheet figures and main key figures, up-to-date estimates for the current year, and rolling estimates for the next 12 months.

The Board of Directors annually selects an Audit Committee from among its members. The Audit Committee prepares, steers and evaluates the Group's risk management, internal control procedures, financial reporting, operational processes, auditing, and internal auditing in accordance with the policy confirmed by the Board of Directors.

At the end of 2004, all members of SanomaWSOY's four-person Audit Committee were independent of the company. All Board members are entitled to attend the meetings of the Committee. Depending on the issue it is addressing, the Audit Committee invites experts to attend its meetings, such as the President & COO, Senior Vice President, Finance and Administration, Internal Audit Director, or the auditors.

SanomaWSOY's chartered public accountant in charge is PricewaterhouseCoopers Oy. In 2004, SanomaWSOY paid a total of EUR 2.4 million to the chartered public accountant, of which EUR 1.1 million was for statutory audit.

SanomaWSOY's internal auditing is handled by the Group's Inter-

nal Auditing Department, which reports to the President & COO. 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 principles and the policy 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 principles. Investments are considered as part of the review of strategies, action 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.

The usual business risks in media are related to the development of advertising and consumption. Media advertising reacts quickly to changes in economic cycles. Only about one fifth of SanomaWSOY net sales are derived from media advertising. The distribution of risks varies both geographically and by businesses. The Group operates in 20 European countries in different businesses and some 45% of its net sales are derived from outside Finland. Thus the Group is independent of the development of any specific geographic area or business.

Risks related to product launches and acquisitions are more difficult to anticipate than the business risks related to product and service development and to definition of authority. However, SanomaWSOY's wide product and service portfolio reduces risks related to launches.

Technological development especially challenges the media business. As part of its normal business development and reporting, SanomaWSOY constantly monitors risks in the media field in the future and ways to prepare for them. Divisions report regularly to the Board of Directors on the possible risks they may be facing.

Financial risk management is described in more detail in note 22 on page 39 of the Financials.

Intellectual property rights

SanomaWSOY's most important intellectual property rights in respect of the Group's products and services are copyrights, publishing rights, trademarks, business names, domains, and know-how possessed or licensed by the Group. Intellectual property rights are an essential part of the Group's identifiable intellectual capital, and the principles regarding their management have been approved by SanomaWSOY's Management Group.

The Group aims to gain a competitive advantage by acquiring and exploiting intellectual property rights as cost-effectively as possible. ■



SanomaWSOY's Board of Directors visiting Sanoma Magazines' headquarters in Amsterdam. From left: Robert Castrén, Sirkka Hämmäläinen, Sakari Tamminen, Hannu Syrjänen, Paavo Hohti, Jane Erkko, Jaakko Rauramo, Sari Baldauf, Seppo Kievari, Kerstin Rinne (Secretary to the Board), Robin Langenskiöld, and Heli Rahka (Secretary to the Committees).

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 Corporation in 1966, elected to the Board in 1979, and served as General Manager at Sanomaprint, General Manager of the Newspaper Division, and as Sanoma Corporation's Executive Vice President.

Board memberships: Metso Corporation (Finland) (Vice Chairman), The Foundation of Confederation of Finnish Industry and Employers (Finland), Helsingin Sanomat Centennial Foundation, Jane and Aatos Erkko Foundation (Finland), the European Publishers Council, Reuters Founders Share Company Limited (the United Kingdom) (Trustee), The Museum of Television and Radio (USA) (Councilor), the Scandinavian International Management Institute Foundation (Denmark), Stiftelsen Svenska Dagbladet (Sweden). Also Member of National Board of Economic Defence (Finland) (Chairman), the Delegation of the Finnish Central Chamber of Commerce (Finland), the Helsinki Chamber of Commerce (Finland), the Honorary Delegation of the Student's Union of the Helsinki University of Technology (Finland).

Owns 2,452 SanomaWSOY Series A shares and 42,449 Series B shares, 10 notes of SanomaWSOY's Convertible Capital Notes 2001, 100,000 2001B and 100,000 2001C stock options.

Member of the Board of Directors of SanomaWSOY Corporation since 1999, Chairman since 2001.

Paavo Hohti

born 1944, Ph.D., Professor, Vice Chairman of the Board

Served the Finnish Cultural Foundation between 1980 and 2004. Previously served as Vice Chairman of WSOY's Supervisory Board between 1994 and 1999 and a member between 1991 and 1994.

Board memberships: Huhtamäki Corporation (Finland) (Vice Chairman), The Tapio Wirkkala – Rut Bryk Foundation (Finland) (Chairman), Werner Söderström Corporation's Literature Foundation (Finland) (Chairman), the Foundation for the Finnish Institute in Athens (Finland), the delegation of Foundation Institutum Romanum Finlandiae (Finland) (Chairman), the Valamo Foundation (Finland).

Owns 824 SanomaWSOY Series B shares.

Member of the Board of Directors of SanomaWSOY Corporation since 1999.

Sari Baldauf

born 1955, M.Sc.

(Business Administration)

Served as Executive Vice President and General Manager of Networks, Nokia Corporation and a member of the Nokia Group Executive Board between 1998 and 31 January 2005. Previously served as Executive Vice President of Nokia APAC, President of Nokia Telecommunications, Cellular Systems.

Board memberships: Foundation for Economic Education and International Youth Foundation.

Owns 7,000 SanomaWSOY Series B shares.

Member of the Board of Directors of SanomaWSOY Corporation since 2003.

Robert Castrén

born 1957, B.Sc. (Econ)

Serves as Sales & Marketing Director at UPM-Kymmene Corporation. Held various marketing positions with UPM-Kymmene Corporation and its predecessor, Kymmene Oy, since 1991. Prior to that, he worked for Finnnpap and Lamco Paper Sales, among others. 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.

Member of the Board of Directors of SanomaWSOY Corporation since 2001.

Jane Erkkö*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.

Board memberships: American Scandinavian Foundation (USA) (Overseas Trustee), Jane and Aatos Erkkö Foundation (Finland) (Vice Chairman).

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

Member of the Board of Directors of SanomaWSOY Corporation since 1999.

Sirkka Hämäläinen*born 1939, D.Sc. (Econ)*

Served e.g. as Member of the Executive Board of the European Central Bank, Governor and Chairman of the Board of the Bank of Finland.

Board memberships: Kone Corporation (Finland), Investor AB (Sweden), Helsinki School of Economics Holding Oy the Board of Trustees (Finland), Savonlinna Opera Festival Patrons' Association (Finland) (Vice Chairman), the Foundation for Economic Education (Finland), Anders Chydenius Foundation (Finland), Finnish Chamber Orchestra (Chairman).

Member of the Board of Directors of SanomaWSOY Corporation since 2004.

Seppo Kievari*born 1943*

Served Sanoma Corporation between 1966 and 2004 e.g. as Senior Editor-in-Chief of Helsingin Sanomat, Executive Vice President of Sanoma Corporation, publisher of Sanoma's newspapers, and President of Sanoma Corporation.

Board memberships: WAN (World Association of Newspapers), Hämeen Sanomat Oy (Finland), Helsingin Sanomat Centennial Foundation (Finland) (Chairman), and Päivälehti Archives Foundation (Finland) (Vice Chairman).

Owns 5,000 SanomaWSOY Series B shares, 30,000 2001A, 30,000 2001B, and 20,000 2001C stock options.

Member of the Board of Directors of SanomaWSOY Corporation since 2003.

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.

Board memberships: Pencentra Oy (Finland).

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

Member of the Board of Directors of SanomaWSOY Corporation since 1999.

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

Served Rautakirja 1989–2001 as President & CEO, Vice President, and Executive Vice President & Deputy CEO. Previously served as Vice President at the TS Group, Vice President at Wihuri Oy and Managing Director of Finnish Lawyers' Publishing Oy.

Board memberships: Federation of the Finnish Media Industry (Finland) (Chairman), Ilmarinen Mutual Pension Insurance Company (Finland) (Chairman), Confederation of Finnish Industries EK (Finland), the National Board of Economic Defence (Finland), the Graphic Industry Pool (Finland) (Chairman), Foundation for Economic Education (Finland), Finnish Scouts Foundation (Finland) (Member of the Supervisory Board). Chairman of the Board's of SanomaWSOY's divisions: Sanoma Corporation, SWelcom Oy, Werner Söderström Corporation, and Rautakirja Corporation.

Also a member of the council of National Voluntary Defence Support Association (Finland), Advisory Board of Helsinki School of Economics (Finland), Research Foundation of the University of Helsinki (Finland), the Helsinki Chamber of Commerce (Finland), the delegation of Foundation Institutum Romanum Finlandiae (Finland), Sector for Information Society of the National Board of Economic Defence (Finland), Executive Board of the Finnish section of International Chamber of Commerce (ICC), and Value Creating Management of Media Companies-program/ INSEAD (Member of Advisory Board).

Owns 20,000 SanomaWSOY Series B shares, 5 notes of SanomaWSOY's Convertible Capital Notes 2001, 50,000 2001A, 50,000 2001B, 50,000 2001C, and 50,000 2004A stock options.

Member of the Board of Directors of SanomaWSOY Corporation since 2001.

Sakari Tamminen*Born 1953, M.Sc. (Econ)*

President of Rautaruukki Corporation. Served Metso Corporation between 1999 and 2003 first as Senior Vice President and CFO and later as Executive Vice President and CFO and Deputy to the President and CEO. Previously served as Executive Vice President & CFO and Senior Vice President and Chief Financial and Accounting Officer of Rauma Oy, as Vice President, Finance of Rauma-Repola Oy's Engineering Industry and as Financial Manager of Oy W. Rosenlew Ab.

Board memberships: Lemminkäinen Corporation (Finland), the Finnish Foundation for Share Promotion, Technology Industries of Finland, Association of Finnish Steel and Metal Producers. Supervisory Board memberships: Mutual Pension Insurance Company Varma (Finland), Sampo Life Insurance Company Limited (Finland), The Finnish Fair Corporation (Finland). Also a member of the delegation of Foundation of the Finland-France Institution (Finland), the consultative committee of the major customers of Pohjola Group (Finland), the Advisory Council of the Major Customers, Finland-function of Nordea Bank, and Vuorimies-yhdistys – Bergsmannaföreningen ry (Miner Association).

Member of the Board of Directors of SanomaWSOY Corporation since 2003. ■

The share ownership information shown on pages 44–45 refers to 31 January 2005. A complete list of SanomaWSOY's insider holdings, updated monthly, can be found at www.sanomawsoy.fi. Further information about Board of Directors can be found on pages 40–43, Corporate governance.

Management Group

Hannu Syrjänen

born 1951, B.Sc. (Econ), Master of Laws, President & COO, SanomaWSOY Corporation since 2001
Served Rautakirja 1989–2001 as President & CEO, Vice President, and Executive Vice President & Deputy CEO. Previously served as Vice President at the TS Group, Vice President at Wihuri Oy, and Managing Director of Finnish Lawyers' Publishing Oy.

Board memberships: see entry on pages 44–45.

Owns 20,000 SanomaWSOY Series B shares, 5 notes of SanomaWSOY's Convertible Capital Notes 2001, 50,000 2001A, 50,000 2001B, 50,000 2001C, and 50,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 1999, Chairman since 2001.

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. Previously 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.

Board memberships: Sanoma Magazines B.V. (the Netherlands) (Chairman of the Management

Board), Sanoma Magazines Finland Corporation (Chairman of the Board) (Finland), Hansaprint Oy (Finland), Huhtamäki Corporation (Finland), R.C.V. Entertainment B.V. (the Netherlands), Sanoma Budapest Kiadói Részvénytársaság (Hungary), Sanoma Magazines Belgium N.V. (Belgium), and Uitgevers Maatschappij N.V. (Belgium).

Owns 80 SanomaWSOY Series A shares, 6,000 series B shares, 30,000 2001A, 30,000 2001B, 30,000 2001C, and 37,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 2000.

Nils Ittonen

born 1954, B.Sc. (Econ), Senior Vice President, Group Treasury, Asset Management and Real Estate
Joined Sanoma Corporation 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).

Board memberships: Rautakirja Corporation (Finland) (Vice Chairman), SWelcom Oy (Finland), Sanoma Magazines Finland Corporation (Finland), Oy Asipex Ab (Finland), and Jane and Aatos Erkko Foundation (Finland).

Owns 50,000 SanomaWSOY Series B shares, 30,000 2001A, 30,000 2001B, 30,000 2001C, and 30,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 1999.

Erkki Järvinen

born 1960, M.Sc. (Econ), President & CEO, Rautakirja Corporation
Served Rautakirja Corporation as Senior Vice President, Kiosk Operations since 1997 and as President since 2001. 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.

Board memberships: Rautakirja Corporation (Finland), Rautakirja's Pension Foundation (Finland) (Chairman), Finnino Oy (Finland) (Chairman), Suomalainen Kirjakauppa Oy (Finland) (Chairman), JHC Arena Holding Oy (Finland), IBA (International Book and Press Retailers Association), Narvesen Baltija SIA (Latvia) (Chairman of the Supervisory Board), 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), R-Kiosk Eesti AS (Estonia) (Chairman of the Supervisory Board), AS Lehepunkt (Estonia) (Chairman of the Supervisory Board), Jokerit HC Oy (Finland), and Federation of Finnish Commerce.

Owns 30,000 2001B, 30,000 2001C, and 37,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 2001.



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 from 1991 and as President from 2000. Prior to joining WSOY, he served as Managing Director of the Academic Bookstore, and as Research Fellow and Lecturer at the University of Helsinki, and as Secretary of the Finnish Matriculation Examination Board.

Board memberships: Werner Söderström Corporation (Finland), Ajasto Osaakeyhtiö (Finland) (Chairman), Weilin+Göös Oy (Finland) (Chairman), Bertmark Media AB (Sweden) (Chairman), Helsingin yliopiston Holding Oy (Finland), Licentia Oy (Finland) (Chairman), WSOY Literary Foundation (Finland) (Secretary), Lauri Jäntti Foundation (Finland), The Finnish Book Publishers Association (Finland) (Deputy Chairman), the Federation of Finnish Media Industry, the delegation of the Valamo Foundation (Finland),

Owns 14,480 SanomaWSOY Series B shares, 30,000 2001A, 30,000 2001B, 30,000 2001C, and 34,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 2000.

Tapio Kallioja

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

Joined Sanoma in 1984. Served as Vice President of Sanoma's Euro-cable Group and New Media Group and President of Helsinki Telset Oy, Helsinki Television Ltd., and Helsinki Media Company Oy.

Board memberships: SWelcom Oy (Finland), Helsinki Television Ltd. (Finland) (Chairman), Oy Ruutu-nelonen Ab (Finland) (Chairman), 2ndhead Oy (Finland) (Chairman), Suomen Urheilutelevisio Oy (Finland), the Association of Commercial Television of Finland (Finland), SSH Communications Security Corp (Finland), and Savonlinna Opera Festival Patrons' Association.

Owns 1,600 SanomaWSOY Series B shares, 30,000 2001A, 30,000 2001B, 30,000 2001C, and 34,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 1999.

Mikael Pentikäinen

born 1964, M.Sc. (Agriculture and Forestry), President, Sanoma Corporation

Served Finnish News Agency as Editor-in-Chief and President between 1999 and 2004. Previously served as Editor-in-Chief of Etelä-Saimaa between 1996 and 1999 and as editor in political news of Helsingin Sanomat between 1992 and 1996.

Board of memberships: Sanoma Corporation (Finland), Helsingin Sanomat Oy (Finland) (Chairman), Ilta-Sanomat Oy (Finland) (Chairman), Taloussanomat Oy (Finland) (Chairman), Sanoma Lehtimedia Oy (Finland) (Chairman), Sanomapaino Oy (Finland) (Chairman), Sanoma Data Oy (Finland) (Chairman), Lehtikuva Oy (Finland) (Chairman), Esmerk Oy (Finland) (Chairman), Sanoma Kaupunkilehdet Oy (Finland) (Chairman), and Finnish News Agency (Finland).

Owns 30,000 2001C and 37,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 2004.

Kerstin Rinne

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

Joined Sanoma Corporation 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. Previously worked e.g. as Attorney for the law offices Silkkö & Ståhlberg, H. Hedman, and Rinne & Talikka.

Board memberships: Sanoma Corporation (Finland) (Vice Chairman), Werner Söderström Corporation (Finland), SWelcom Oy (Finland) (Vice Chairman), Sanoma Finance AG (Switzerland) (Chairman), the HYY Group (HYY Group Ltd, Kaivopiha Ltd, HYY Real Estate Division) (Finland). Also a member of the Information Society Council and the Corporate Affairs Group of the European Publishers Council.

Owns 1,199 SanomaWSOY Series B shares, 30,000 2001A, 30,000 2001B, 30,000 2001C, and 30,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 1999.

Matti Salmi

born 1950, M.Sc. (Econ), Senior Vice President, Finance and Administration

Served Rautakirja Corporation between 1988 and 2004 as Senior Vice President, Corporate Finance and Administration. Previously served as Vice President, Finance at Suomen Tupakka Oy and as Controller at British American Tobacco Ltd.

Board memberships: Rautakirja Corporation (Finland), Sanoma Corporation (Finland), Werner Söderström Corporation (Finland), Jokerit HC Oy (Finland) and the Media Employers' Association.

Owns 12,000 2001B, 30,000 2001C, and 30,000 2004A stock options.

Member of the Management Group of SanomaWSOY Corporation since 2004. ■



The share ownership information shown on pages 46–47 refers to 31 January 2005. A complete list of SanomaWSOY's insider holdings, updated monthly, can be found at www.sanomawsoy.fi. Further information about Management Group can be found on pages 40–43, Corporate governance.

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Financias

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Key indicators

SanomaWSOY

KEY INDICATORS, € million	31.12.2004	31.12.2003	31.12.2002	31.12.2001	31.12.2000
Net sales	2 493.0	2 395.9	2 357.8	1 734.3	1 447.8
Operating profit before depreciation and decrease in value	440.7	414.8	346.4	235.0	194.8
% of net sales	17.7	17.3	14.7	13.6	13.5
Operating profit before amortisation	370.5	338.4	269.2	161.4	131.1
% of net sales	14.9	14.1	11.4	9.3	9.1
Operating profit	239.5	205.2	134.4	96.5	84.0
% of net sales	9.6	8.6	5.7	5.6	5.8
Profit before extraordinary items	212.2	163.1	106.7	92.5	138.3
% of net sales	8.5	6.8	4.5	5.3	9.5
Profit after extraordinary items	213.7	163.1	112.7	92.5	140.3
% of net sales	8.6	6.8	4.8	5.3	9.7
Profit for the year	134.1	104.5	37.2	47.8	94.2
% of net sales	5.4	4.4	1.6	2.8	6.5
Balance sheet total	2 528.8	2 453.0	2 592.5	3 053.1	1 439.3
Gross investments	274.7	94.8	113.5	1 473.9	168.4
% of net sales	11.0	4.0	4.8	85.0	11.6
Return on equity, % (ROE)	15.5	11.9	4.7	6.7	10.7
Return on investment, % (ROI)	14.8	11.4	7.9	8.5	13.8
Equity ratio, %	39.0	40.3	36.9	31.6	67.4
Equity ratio, % *)	45.6	47.6	45.2	38.6	67.9
Gearing, %	85.4	72.9	96.1	115.0	-16.0
Gearing, % *)	58.6	46.4	60.0	76.0	-16.6
Financial cost of liabilities	36.6	47.1	64.3	31.3	7.4
Interest-bearing liabilities	885.9	819.4	1 006.2	1 439.7	167.4
Interest-free liabilities	705.9	686.1	666.8	678.7	336.4
Securities, cash and bank	85.8	128.8	122.4	365.0	316.9
Personnel under employment contract, average	16 207	17 330	18 657	15 129	13 364
Personnel, average (full-time equivalents)	13 652	14 207	15 210	12 077	10 350

SHARE-RELATED INDICATORS AND SHARE CAPITAL

Earnings/share, € **)	0.87	0.69	0.22	0.35	0.67
Earnings/share, diluted, € ***)	0.85	---	---	---	---
Cash flow/share, € **)	1.67	1.65	1.33	1.24	1.24
Equity/share, € **)	5.99	6.08	5.70	5.87	5.95
Dividend/share, € **) ****)	0.80	1.00	0.40	0.51	0.47
Dividend/result, % ****)	92.3	144.3	178.0	147.5	69.9
Market capitalisation, Series A	399.0	392.2	232.4	278.6	353.0
Market capitalisation, Series B	2 233.2	2 162.7	1 086.7	1 231.7	1 611.6
Market capitalisation, total	2 632.2	2 554.9	1 319.1	1 510.4	1 964.6
Effective dividend yield, %, Series A ****)	4.7	5.9	4.0	4.3	3.1
Effective dividend yield, %, Series B ****)	4.7	6.0	4.2	4.8	3.4
P/E ratio, Series A	19.9	24.4	44.5	34.7	22.6
P/E ratio, Series B	19.8	24.0	42.0	31.0	20.8
Number of shares at 31 Dec., Series A	23 199 492	23 220 492	23 220 492	23 220 492	23 220 492
Number of shares at 31 Dec., Series B	129 912 660	137 078 936	122 301 104	122 301 104	122 301 104
Number of shares at 31 Dec., with diluting effect, Series B	142 297 667	149 149 727	136 606 414	134 871 814	---
Average number of shares, Series A	23 215 864	23 220 492	23 220 492	23 220 492	23 220 492
Average number of shares, Series B	134 079 047	134 690 191	122 301 104	122 301 104	122 301 104
Average number of shares with diluting effect, Series B	146 464 054	146 760 982	135 544 281	126 502 821	---
Lowest share price, Series A **)	14.01	9.00	9.70	10.00	13.00
Lowest share price, Series B **)	13.70	7.62	8.66	9.60	12.28
Highest share price, Series A **)	17.90	17.00	13.40	16.50	24.37
Highest share price, Series B **)	17.77	17.20	13.63	15.00	23.75
Average share price, Series A **)	16.09	13.18	10.99	12.48	17.95
Average share price, Series B **)	15.72	11.77	11.29	12.02	16.46
Share price, 31 Dec., Series A **)	17.20	16.89	10.01	12.00	15.20
Share price, 31 Dec., Series B **)	17.19	16.65	9.44	10.70	14.00
Trading volumes, Series A **)	309 491	195 335	204 728	108 832	263 549
% of share capital	1.3	0.8	0.9	0.5	1.1
Trading volumes, Series B **)	29 558 799	17 252 697	6 207 842	3 625 765	6 209 129
% of share capital	22.8	13.5	5.1	3.0	5.1

*) Capital notes included in equity

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

***) In 2001–2003 diluted earnings per share has been higher than earnings per share, not published

****) Proposal of the Board of Directors

The accounting practice of net sales has been modified and comparative data for 2003 has been adjusted accordingly. Previous years (2000–2002) have not been adjusted but presented as published earlier.

Net sales by business

SanomaWSOY

€ million	1-3/ 2004	4-6/ 2004	7-9/ 2004	10-12/ 2004	1-12/ 2004	1-3/ 2003	4-6/ 2003	7-9/ 2003	10-12/ 2003	1-12/ 2003
Sanoma Magazines										
Sanoma Uitgevers	119.3	130.3	125.3	153.9	528.8	123.3	127.6	128.0	161.7	540.6
Sanoma Magazines Belgium	47.5	49.6	44.5	44.4	186.0	44.3	48.2	43.5	46.1	182.1
Sanoma Magazines Finland	43.1	43.0	40.9	47.8	174.8	40.2	41.3	38.4	48.0	167.9
Sanoma Magazines International	31.6	36.0	31.9	38.8	138.3	28.4	33.4	29.0	36.4	127.2
Aldipress	26.2	28.7	29.6	31.2	115.7	24.8	25.5	28.8	30.2	109.3
Intracompany transactions	-14.1	-14.8	-16.4	-14.5	-59.8	-15.3	-14.5	-16.9	-15.7	-62.3
Total	253.7	272.6	255.8	301.7	1 083.7	245.8	261.5	250.8	306.8	1 064.8
Sanoma										
Helsingin Sanomat	62.2	62.1	59.4	67.1	250.8	63.0	60.9	56.6	63.2	243.7
IS Business Unit	22.1	24.9	24.2	23.9	95.2	22.7	24.1	23.4	23.4	93.6
Sanoma Lehtimedia	12.0	13.7	13.1	15.2	54.0	12.7	13.7	12.8	13.5	52.7
Others	32.3	33.3	32.7	35.5	133.7	50.1	50.5	42.2	33.5	176.3
Intracompany transactions	-24.5	-24.4	-23.9	-25.7	-98.5	-40.7	-40.4	-34.0	-25.7	-140.8
Total	104.1	109.6	105.5	116.0	435.2	107.8	108.8	101.0	107.9	425.5
WSOY										
Publishing	31.6	37.8	31.2	78.1	178.7	31.3	44.2	29.2	37.9	142.6
Printing	15.2	13.6	14.6	15.6	59.0	15.1	13.4	14.7	17.0	60.2
Calendar operations	1.3	2.2	11.8	15.0	30.3	1.6	2.6	11.8	16.1	32.1
Others	1.2	1.2	1.3	1.4	5.1	1.0	1.1	1.1	1.3	4.6
Intracompany transactions	-6.5	-6.2	-5.5	-1.0	-19.1	-6.6	-6.7	-5.9	-7.9	-27.2
Total	42.8	48.6	53.4	109.1	253.9	42.4	54.6	50.9	64.3	212.2
SWelcom										
Nelonen	15.9	18.2	13.2	20.2	67.6	13.6	15.2	11.7	16.1	56.5
Others	14.0	12.7	12.9	13.4	53.1	11.8	12.1	12.0	14.1	50.0
Intracompany transactions	-0.3	-0.3	-0.3	-0.3	-1.3	-0.5	-0.4	-0.4	-0.4	-1.7
Total	29.6	30.6	25.8	33.3	119.4	24.9	26.9	23.3	29.8	104.9
Rautakirja										
Kiosk operations	80.5	87.4	88.3	91.1	347.3	79.9	92.4	88.1	92.4	352.8
Press distribution	19.0	20.6	19.9	20.0	79.5	20.0	22.3	22.3	23.0	87.6
Bookstores	27.6	20.8	34.0	47.3	129.7	25.7	19.6	31.8	44.7	121.8
Movie theatre operations	14.5	11.6	13.9	16.8	56.8	14.6	10.6	11.8	15.9	52.8
Restaurant operations	13.6	15.3	15.8	13.2	57.8	13.4	16.6	17.4	15.2	62.6
Intracompany transactions	-2.7	-3.0	-2.6	-3.0	-11.3	-5.6	-6.0	-6.1	-6.2	-23.8
Total	152.4	152.6	169.2	185.5	659.7	148.0	155.5	165.4	185.0	653.8
Intragroup transactions	-13.6	-12.0	-15.6	-17.8	-59.0	-14.1	-13.3	-19.8	-18.1	-65.3
Total	569.0	602.0	594.2	727.8	2 493.0	554.7	593.8	571.6	675.7	2 395.9

Operating profit by division

SanomaWSOY

€ million	1-3/ 2004	4-6/ 2004	7-9/ 2004	10-12/ 2004	1-12/ 2004	1-3/ 2003	4-6/ 2003	7-9/ 2003	10-12/ 2003	1-12/ 2003
Sanoma Magazines	10.9	32.6	13.5	29.9	86.9	5.9	26.1	18.3	28.5	78.8
Sanoma *)	11.4	13.3	24.0	22.6	71.2	10.7	11.0	17.9	29.7	69.4
WSOY *)	-1.5	4.6	8.8	17.4	29.2	-1.6	6.9	4.7	12.7	22.6
SWelcom	0.8	3.3	1.2	3.7	9.0	-1.1	1.8	0.3	0.2	1.2
Rautakirja	6.3	5.3	11.3	18.6	41.5	7.3	5.2	10.0	13.0	35.5
Other companies **)	0.0	-1.1	-2.0	4.1	0.9	-4.5	5.4	-1.2	-5.8	-6.1
Intragroup eliminations	-0.8	0.5	0.9	0.2	0.8	-1.9	4.2	0.9	0.7	3.9
Total	27.0	58.4	57.7	96.4	239.5	14.8	60.5	50.9	79.0	205.2

*) Includes a share of Rautakirja's result until 1 March 2003

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

EBITA*) by business

€ million	1-12/ 2004	1-12/ 2003
Sanoma Magazines		
Sanoma Uitgevers	106.4	105.1
Sanoma Magazines Belgium	18.4	17.7
Sanoma Magazines Finland	27.0	25.4
Sanoma Magazines International	9.1	13.4
Aldipress	2.3	-1.2
Intracompany transactions	-1.2	-1.1
Total	162.0	159.1
Sanoma **)		
Helsingin Sanomat	41.0	30.4
IS Business Unit	17.1	17.5
Sanoma Lehtimedia	9.5	8.1
Others	10.4	21.4
Intracompany transactions	0.0	0.0
Total	78.0	77.5
WSOY **)		
Publishing	26.9	12.7
Printing	8.1	7.4
Calendar operations	0.7	1.4
Others	-0.4	5.0
Intracompany transactions	2.9	1.4
Total	38.3	28.0

€ million	1-12/ 2004	1-12/ 2003
SWelcom		
Nelonen	27.4	20.2
Others	11.9	9.4
Intracompany transactions	0.0	0.0
Total	39.3	29.6
Rautakirja		
Kiosk operations	22.3	20.1
Press distribution	12.6	11.9
Bookstores	9.9	8.9
Movie theatre operations	8.5	7.8
Restaurant operations	0.6	-0.2
Others	-3.3	-2.9
Intracompany transactions	0.0	0.0
Total	50.6	45.7
Other companies ***)	1.0	1.3
Intragroup transactions	1.3	-2.7
Total	370.5	338.4

*) Operating profit before amortisation

**) Includes a share of Rautakirja's result until 1 March 2003

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

Income statement by quarter

SanomaWSOY

€ million	1-3/ 2004	4-6/ 2004	7-9/ 2004	10-12/ 2004	1-12/ 2004	1-3/ 2003	4-6/ 2003	7-9/ 2003	10-12/ 2003	1-12/ 2003
Net sales	569.0	602.0	594.2	727.8	2 493.0	554.7	593.8	571.6	675.7	2 395.9
Increase(+)/decrease(-) in inventories of finished goods and work in progress	3.7	1.6	0.4	-3.6	2.2	4.4	-0.3	-0.1	-2.6	1.5
Production for own use	0.2	0.3	0.1	2.1	2.7	0.4	0.2	0.2	0.4	1.2
Other operating income	11.9	12.7	16.9	26.7	68.2	7.1	20.3	15.9	39.9	83.2
Share of result of associated companies	1.3	2.5	0.5	0.9	5.2	1.6	3.4	1.5	-0.3	6.1
Materials and services	261.9	269.1	280.7	321.4	1 133.1	244.5	256.1	254.4	303.3	1 058.4
Personnel expenses	134.7	136.2	124.6	148.6	544.1	143.6	144.1	133.9	141.3	562.9
Depreciation and decrease in value	49.3	48.9	46.0	57.0	201.2	51.7	49.1	50.8	58.0	209.5
Other operating expenses	113.3	106.3	103.1	130.7	453.4	113.5	107.6	99.2	131.5	451.8
Operating profit	27.0	58.4	57.7	96.4	239.5	14.8	60.5	50.9	79.0	205.2
Financial income and expenses	0.0	-3.3	-7.4	-16.5	-27.2	-14.9	-1.2	-8.9	-17.1	-42.1
Result before extraordinary items	27.0	55.1	50.2	79.9	212.2	-0.1	59.3	42.0	61.9	163.1
Extraordinary items	1.4	0.0	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0
Result after extraordinary items	28.4	55.1	50.2	79.9	213.7	-0.1	59.3	42.0	61.9	163.1
Direct taxes	-18.4	-18.5	-20.8	-18.1	-75.7	-6.1	-16.2	-15.7	-17.7	-55.6
Minority interests	-0.2	-0.7	-0.2	-2.8	-3.9	-1.0	-0.6	-0.1	-1.3	-3.0
Result for the year	9.8	36.0	29.2	59.1	134.1	-7.1	42.6	26.1	42.9	104.5

Board of Directors' Report

SanomaWSOY

Targets and key events

In 2004, SanomaWSOY Group consistently and successfully implemented its strategic objectives in its operations: profitability, internationalisation, growth and development. Divisions invested considerably in business development, launching new products and services as well as strengthening their market positions.

Internationalisation of educational publishing progressed significantly in July as WSOY acquired Malmberg Investments, an educational publisher operating in the Netherlands and Belgium. International expansion of press distribution also continued. In July, Rautakirja acquired the majority holding in Hiparion Distribution, a Romanian press distributor, and in December, in Impress Teva, operating in Lithuania.

Magazine business was extended markedly. In December, Sanoma Magazines announced the introduction of operations in Serbia and Montenegro. After the review period, in January 2005, the Division announced its entry into an agreement to acquire Independent Media Holding operating in Russia and Ukraine. The necessary approvals from the competitive authorities have been received and the deal is estimated to be closed at the beginning of March 2005. Through Independent Media, Sanoma Magazines will become the leading magazine publisher in Russia, and gain a foothold in Ukraine. Russia and its environs offer excellent opportunities for growth.

Sanoma grew intensely and established a new business unit, Sanoma Kaupunkilehdet, for free sheets. SWelcom increased its net sales and improved profitability significantly.

The Group continued to focus on the core businesses. Måndag and Milvus Förlags were sold in April, a minority share in Savon Mediat was sold in July, and a minority share in Ilkka-Yhtymä was sold in November. Rautakirja divested its restaurant operations in December.

The Group's strong cash flow will facilitate growth and international expansion in the future.

Operating environment

In 2004, the economies of SanomaWSOY's main operating countries developed unevenly: Research institutions estimate that GDP grew in Finland by slightly over 3%. In the Netherlands the economy recovered somewhat and GDP increased by slightly over 1%. In Belgium GDP grew by nearly 3%, and in Hungary and the Czech Republic by almost 4%. Private consumption in Finland increased by over 3% and in Belgium by more than 2%. In the Netherlands, private consumption remained at the previous year's level. According to the estimates of research institutions, private consumption grew by almost 4% both in Hungary and in the Czech Republic.

Media advertising in Finland increased in 2004 by more than 6% according to TNS Gallup Adex. Newspaper advertising grew by nearly 6% and job advertising by 12%.

Advertising in magazines increased by 4% and on television by nearly 10%. According to advance information from ZenithOptimedia, magazine advertising decreased in the Netherlands, but grew in Belgium, Hungary and the Czech Republic.

According to advance information from the Finnish Book Publishers' Association, book sales increased in 2004 to a record high. Publishers' sales to bookstores and to other retail outlets grew by slightly over 9%. Book clubs' sales increased by over 5% and the sales of multi-volume books by 5%. Sales of educational materials increased in Finland by 3%. It is estimated that the educational material market grew slightly also in the Netherlands and Belgium.

The Finnish Food Marketing Association reported an increase of 0.3% in retail trade in Finland.

Net sales

SanomaWSOY's net sales grew by 4.1% in 2004, and amounted to EUR 2,493.0 (2,395.9) million. Net sales grew in all divisions. Growth was most significant in WSOY, due to the consolidation of the educational publisher Malmberg Investments as of 15 July 2004. After adjustment for changes in Group structure, net sales grew by 2.3%. Advertising sales represented 20% (20%) of the Group's total net sales. 44.7% (43.1%) of net sales came from outside Finland.

Result

SanomaWSOY's result development was excellent during the financial year. Operating profit increased by 16.7% and reached EUR 239.5 (205.2) million. Operating profit was 9.6% (8.6%) of net sales and increased in all divisions. The growth was boosted by successful acquisitions, cost-saving measures and one-time items especially affecting 2004, and positive development in advertising sales, particularly in Finland, among others. The most substantial non-recurring gains on the sales of assets totalled EUR 25.8 (43.4) million. Operating profit excluding these gains grew by 32.0 %.

EBITA (operating profit before amortisation of goodwill, consolidated goodwill and immaterial rights) rose by 9.5% to EUR 370.5 (338.4) million. Result before extraordinary items improved by 30.1% to EUR 212.2 (163.1) million and earnings per share rose to EUR 0.87 (0.69).

The Group's net financial costs amounted to EUR 27.2 (42.1) million. Financial income totalled EUR 23.8 (21.5) million, and was mainly composed of dividends, EUR 8.0 million, and of gains on divesting the share portfolio, EUR 7.1 million. Financial expenses, EUR 51.0 (63.6) million, mainly consisted of interest expenses on interest-bearing liabilities, EUR 32.7 (42.9) million, and of write-downs of loan receivables and real estate shares, EUR 9.5 (2.9) million. The Group's cash flow from operations was EUR 255.3 (248.1) million and cash flow per share EUR 1.67 (1.65).

Balance sheet and financial position

The consolidated balance sheet totalled EUR 2,528.8 (2,453.0) million. The Group's financial position remained strong. The equity ratio was 39.0% (40.3%) and, including capital notes, 45.6% (47.6%). The Group's gearing was 85.4% (72.9%) and, including capital notes, 58.6% (46.4%). Shareholders' equity, excluding capital notes, amounted to EUR 916.9 (931.2) million. Interest-bearing liabilities, including capital notes, totalled EUR 885.9 (819.4) million. Net debt amounted to EUR 800.1 (690.6) million.

The Group's share portfolio was divested in the first quarter of 2004. Securities and cash amounted to EUR 85.8 (128.8) million at the end of December.

SanomaWSOY refinanced its loan portfolio in September. The refinancing will lower the Group's interest expenses substantially.

Investments

SanomaWSOY's investments in 2004 totalled EUR 274.7 (94.8) million and were mainly related to acquisitions. The enterprise value of Malmberg Investments was EUR 221.9 million, of which EUR 188.6 million was recorded as investment. R&D expenditure recorded as expenses amounted to EUR 16.9 (8.8) million.

Administration

SanomaWSOY's Annual General Meeting of 30 March 2004 elected Sirkka Hämäläinen, D.Sc. (Econ), as a new member of the Board, and Seppo Kievari and Hannu Syrjänen were re-elected. In addition, the Board of Directors comprises Jaakko Rauramo, Chairman of the Board, Paavo Hohti, Vice Chairman, and Sari Baldauf, Robert Castrén, Jane Erkkö, Robin Langenskiöld, and Sakari Tamminen as members. Kyösti Järvinen resigned from the Board by his own request.

During the full year 2004, the Management Group comprised Hannu Syrjänen as Chairman and Eija Ailasmaa, Nils Ittonen, Erkki Järvinen, Jorma Kaimio, Tapio Kallioja, and Kerstin Rinne as members. Mikael Pentikäinen, President of Sanoma Corporation, and Matti Salmi, Senior Vice President, Finance and Administration, of SanomaWSOY, started in their new positions and became members of the SanomaWSOY Management Group on 1 April 2004. Seppo Kievari, President of Sanoma Corporation, and Aarno Heinonen, Senior Vice President, Administration and Finance, of SanomaWSOY, retired during spring 2004 and were Management Group members until 31 March 2004.

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

Personnel

The average number of persons under employment contract totalled 16,207 (17,330) in 2004. Converted to full-time employees, the average number of personnel in the Group totalled 13,652 (14,207). Sanoma Magazines employed an average of 4,522 (4,421) people, Sanoma 2,746 (4,027), WSOY 2,188 (1,933), SWelcom 415 (416), and Rautakirja 6,261 (6,458). The Group's parent company employed an average of 74 (75) people. Sanoma's average number of employees decreased when Leijonajakelu's personnel was transferred to Finland Post as of September 2003.

Dividend

In line with the decision of the AGM, SanomaWSOY distributed a dividend of EUR 1.00 (0.40) per share for 2003. The record date for dividend payment was 2 April 2004 and the dividend was paid on 13 April 2004. The Board of Directors' proposes a dividend of EUR 0.80 (1.00) per share for 2004. SanomaWSOY's Board of Directors' has renewed the Group's dividend policy. SanomaWSOY pursues an active dividend policy, based on the principle of normally distributing half of the Group's result after taxes in the form of a dividend.

Outlook for 2005

The economy in Europe will continue to grow in 2005. Research institutions estimate that GDP will grow in the Netherlands by roughly 1%, in Belgium by 2.5%, and in Finland by some 3%. The growth in Hungary is estimated to be slightly less than 4% and in the Czech Republic over 4%. Media advertising traditionally grows more than GDP.

SanomaWSOY's net sales are expected to grow by some 4% in 2005. SanomaWSOY will start reporting according to IFRS standards in 2005, and the change will improve the Group's operating profit and earnings per share considerably. The comparable operating profit excluding non-recurring gains on the sales of assets is expected to be at the previous year's level. In 2004, operating profit included some EUR 25 million of the non-recurring gains on the sales of assets. The estimate does not include the impact of the acquisition of Independent Media.

Sanoma Magazines

Magazine publishing and distribution

Sanoma Magazines' net sales in 2004 totalled EUR 1,083.7 (1,064.8) million. Circulation sales, representing 57% (57%) of the Division's net sales, developed well in most of the countries and increased in total by slightly over 2%. Advertising sales were some 21% (22%) of Sanoma Magazines' net sales. Advertising sales decreased by slightly more than 2% compared to 2003.

Sanoma Magazines' operating profit increased to EUR 86.9 (78.8) million despite considerable investments in magazine and online launches. The result improved due to lower operational costs, resulting from cost-cutting programmes started in 2003, as well as lower amortisation. The most substantial gains on the sales of assets totalled EUR 2.4 (0.0) million. In total, Sanoma Magazines made 17 major launches. The Division's EBITA was EUR 162.0 (159.1) million.

Investments totalled EUR 19.8 (18.4) million and were mostly related to acquisitions and ICT.

The Dutch-based Sanoma Uitgevers' net sales amounted to EUR 528.8 (540.6) million. The business continued to be affected by a difficult market situation with high pressure on advertising income. Advertising sales declined by 14% and totalled 18% (20%) of the net sales. In the Netherlands, the magazine advertising's share of total advertising decreased. Sanoma Uitgevers' advertising sales also suffered from heavy discounts in media overall. Circulation sales increased by almost 1% in a highly competitive market. Sanoma Uitgevers' EBITA amounted to EUR 106.4 (105.1) million despite significant investments in magazine launches. The improved result is due to lower print and personnel costs as well as other cost savings.

The net sales of Sanoma Magazines Belgium increased to EUR 186.0 (182.1) million. Advertising sales increased by almost 7% due to the market recovery and represented 28% (27%) of Sanoma Magazines Belgium's net sales. Circulation sales were stable: The most important titles in the Flemish-speaking north performed better than the market average whereas the performance in the French-speaking south was below market average. EBITA in Sanoma Magazines Belgium amounted to EUR 18.4 (17.7) million. Favourable advertising development and lower costs contributed to the result.

Sanoma Magazines Finland's net sales grew to EUR 174.8 (167.9) million. A decrease due to divestments was offset by new launches and well performing established titles. In advertising sales, representing 16% (17%) of net sales, market position was held. Circulation sales increased by 6%. Both subscription and single copy sales increased due to several well performing titles. EBITA totalled EUR 27.0 (25.4) million and included the EUR 2.4 million gain on the sale of Milvus Förlags in April.

Net sales at Sanoma Magazines International increased to EUR 138.3 (127.2) million. Most countries contributed to the improvement. Net sales increased in Hungary, where advertising sales grew and circulation sales were up due to successful main titles. Net sales in the Czech Republic were stable despite the fierce competition in both the advertising and single copy market. The business-to-business magazines were divested in December. In Romania, advertising sales increased, partly due to a new launch. Circulation sales, especially single copy sales, grew in Croatia. EBITA in Sanoma Magazines International decreased to EUR 9.1 (13.4) million. Investments in new launches and operations as well as increased price competition in the Czech market impacted the result. Sanoma Magazines International entered into Serbia and Montenegro, where operations will begin in Spring 2005.

Aldipress' net sales grew to EUR 115.7 (109.3) million. Sales grew mainly due to new customers while, in general, newsstand sales of magazines decreased due to the declining market situation in the Netherlands. Aldipress' EBITA increased to EUR 2.3 (-1.2) million, due to cost efficiency and restructuring of the processes.

After the end of financial year, Sanoma Magazines announced an agreement to acquire the Russian magazine publisher Independent Media. Through Independent Media, Sanoma Magazines will become the leading Russian magazine publisher and obtain a position in Ukraine also. The necessary approvals from competition authorities have been received. The acquisition is subject to the finalising of license agreements with some licensors. The deal is estimated to be closed at the beginning of March 2005.

In 2005, Sanoma Magazines' net sales are estimated to grow. EBIT is estimated to grow significantly due to IFRS reporting. Comparable operating profit is expected to be slightly below that of 2004 due to continuing investments in future growth and expansion to new markets. In addition, it is uncertain whether the Dutch advertising market will pick up. This estimate does not include the effect of Independent Media.

Sanoma

Newspaper publishing and printing

Sanoma's net sales increased to EUR 435.2 (425.5) million in 2004. Most growth was generated by the Helsingin Sanomat and Taloussanomat Business Units and the new Sanoma Kaupunkilehdet business unit for free sheets. The figures for 2003 include Leijonajakelu, which was sold in September 2003. After adjustment for changes in Group structure, net sales increased by 3.4%.

Advertising sales grew by almost 6% in 2004 and accounted for 49% (47%) of Sanoma's net sales. Newspaper advertising growth that started at the beginning of 2004 is still continuing, and Sanoma's advertising sales grew by over 10% in the last quarter compared to the same period in 2003. Advertising sales increased in all business units.

Circulation sales also grew by 2% and accounted for 43% (44%) of Sanoma's net sales. Helsingin Sanomat increased its circulation sales despite slightly decreased circulation. Ilta-Sanomat with its newly launched supplements increased its circulation slightly. Taloussanomat's circulation and circulation sales also grew. As for regional papers, circulation mainly remained at the previous year's level.

Sanoma's operating profit increased to EUR 71.2 (69.4) million, representing the best result ever, even though the most significant non-recurring gains on the sales of assets, EUR 11.3 (25.7) million, were less than in the previous year. In addition to increased advertising sales, operating profit was improved by good cost control. The release of provision for Nostokonepalvelu Oy, EUR 3.0 million, is included in the result of the Helsingin Sanomat Business Unit. Sanoma's operating profit in 2003 included a EUR 1.0 million share of the result of Rautakirja from January–February. Sanoma's EBITA was EUR 78.0 (77.5) million.

Sanoma's total investments amounted to EUR 24.9 (29.7) million, most of which related to replacement and new investments in printing plants, ICT development, acquisition of real estate, and acquisition of the publishing rights for free sheets.

The Helsingin Sanomat Business Unit's net sales grew to EUR 250.8 (243.7) million, mainly due to increased advertising and circulation sales. Increased advertising sales, cost savings and the release of provision improved profitability considerably, and EBITA grew to EUR 41.0 (30.4) million. The result was negatively affected by non-recurring restructuring costs. Job advertising started to grow in the spring and increased in total by 12% during the year. Helsingin Sanomat's circulation decreased slightly but circulation sales grew by almost 3%, mainly due to new subscription alternatives and increased prices.

The IS Business Unit's net sales rose to EUR 95.2 (93.6) million and EBITA reached EUR 17.1 (17.5) million. The investments in new products increased net sales but slightly weakened the result. Ilta-Sanomat's advertising sales grew by 9%. Circulation and share in newsstand sales increased markedly. Ilta-Sanomat's market share in the tabloid market was 60.8% (61.6%). Free-ad papers posted significantly better results despite decreased net sales.

Net sales at Sanoma Lehtimedia (previously: Kymen Lehtimedia) increased to EUR 54.0 (52.7) million and EBITA to EUR 9.5 (8.1) million. Advertising sales developed well and increased by more than 7%. The circulation sales of daily newspapers grew slightly. Kouvola Sanomat increased circulation. The circulation of the other dailies remained at the previous year's level. Sanoma Lehtimedia's export to Russia was discontinued but the decrease in printing sales was partly compensated by the beginning of exports to the West.

In 2004, Sanoma focused on its core businesses and sold its minority share in Savon Mediat Oy and Ilkka-Yhtymä Oy. A new business unit, Sanoma Kaupunkilehdet, was created for free sheet publishing, and four new free sheets were acquired by the end of the year. Through the reorganisation of Sanoma on 1 January 2005, the printing plants previously under Sanoma Lehtimedia were organised under the Sanomapaino Business Unit, and the Division's ICT operations were centralised in one business unit, Sanoma Data.

Growth in media advertising is expected to continue in 2005. Sanoma's advertising sales are expected to grow at least in line with this general trend. The Division's net sales are expected to grow. Comparable operating profit is estimated to be at least at the previous year's level.

WSOY

Publishing, printing, and calendar operations

WSOY's net sales grew to EUR 253.9 (212.2) million in 2004. Net sales increased particularly due to the acquisition of Malmberg Investments, an educational publisher operating in the Netherlands and Belgium, in July 2004. In traditional publishing, general literature was very successful. Net sales of printing and calendar operations fell short of the previous year due to slow development in business-to-business sales. The figures for 2003 include Genimap, sold in December 2003, and Everscreen AB, sold in April 2004. Net sales after adjustment for changes in the Group structure were at the previous year's level.

WSOY's operating profit grew to EUR 29.2 (22.6) million. Operating profit was boosted by the success of general

literature and Malmberg Investments, which posted better results than expected towards the end of the year. A non-recurring lower pension fund support payment improved WSOY's result by some EUR 3 million. In 2003, the figure included EUR 1.4 million share of the result of Rautakirja from January–February and EUR 5.4 million of most significant non-recurring gains on the sales of assets. In 2004, WSOY had no non-recurring gains on the sales of assets. WSOY's EBITA was EUR 38.3 (28.0) million.

WSOY's investments totalled EUR 197.9 (8.7) million. The biggest investment was the acquisition of Malmberg.

Net sales in publishing grew as a result of the Malmberg acquisition, to EUR 178.7 (142.6) million. In traditional publishing, sales to bookstores grew by over 12%. The year was especially successful for general literature and translated fiction. Sales through book clubs fell slightly from the previous year but the result improved markedly. The operations of Weilin+Göös, publisher of multi-volume books, developed positively.

After the acquisition of Malmberg Investments, WSOY became the leading educational publisher not only in Finland but also in the Netherlands and Belgium. In Finland, educational material sales were slightly down but up in the Netherlands and Belgium. The number of users of the Opit eLearning environment grew to over 110,000. In 2004, WSOY increased its ownership in Young Digital Poland, producer of eLearning materials, which posted good results. From the beginning of 2005, educational publishing forms a new business unit.

Publishing's EBITA grew to EUR 26.9 (12.7) million. In addition to increased sales, the result was improved by the newly acquired businesses.

Net sales in printing totalled EUR 59.0 (60.2) million. The demand for Lönnberg's services was sluggish. The book printer WS Bookwell and the digital printer Dark were successful. Printing's EBITA grew to EUR 8.1 (7.4) million.

Net sales of calendar operations decreased to EUR 30.3 (32.1) million due to reduced business-to-business sales. In October, Ajasto acquired a minority share in the Estonian OÜ Büroodisain. The calendar unit's EBITA declined to EUR 0.7 (1.4) million. The result was weakened by the non-recurring expenses on closure of the production plant in Norway.

WSOY's net sales and operating profit for 2005 are expected to grow significantly, due to the international expansion of educational publishing, among others. The development is also expected to be positive in the other businesses.

SWelcom

Electronic media

SWelcom's net sales continued to grow strongly in 2004, reaching EUR 119.4 (104.9) million. Net sales of both Nelonen and HTV increased by almost 20%. Nelonen is Finland's third largest advertising medium, and advertising sales amounted to 57% (54%) of SWelcom's net sales.

SWelcom's operating profit increased markedly, reaching EUR 9.0 (1.2) million. Due to strong growth in sales, Nelonen posted a positive result for the first time in its history. HTV also improved its result considerably. SWelcom's EBITA was EUR 39.3 (29.6) million. SWelcom had no significant non-recurring gains on the sales of assets in 2004, and none in the previous year either.

SWelcom's investments were mainly related to the extension of HTV's cable network and to broadband operations, and amounted to EUR 10.7 (8.9) million.

Nelonen reached its main targets in 2004. The increase in Nelonen's net sales was substantial considering the field in general, and its share in TV advertising grew to 29.8% (27.3%). The strong development in net sales increased Nelonen's EBITA to EUR 27.4 (20.2) million. Thanks to strong and successful investments in programmes, Nelonen attracted an increased number of viewers even though TV watching decreased in general in 2004. Growth was particularly good among viewers aged 25–44, which is the key target group.

HTV continued to be successful. In 2004, a record number of new households, over 23,000, were connected to the cable network. Currently more than 280,000 households are connected. Subscriptions for pay-TV in the HTV network grew slightly due to the rapidly growing number of digiboxes and successful channel and service packages. HTV was also successful in a broadband connections market despite the strong competition: almost 9,000 new Welho customers were connected in 2004.

In April, SWelcom sold Måndag Oy, a company offering video copying and DVD mastering services. In line with its strategy, SWelcom focused on providing services for the Helsinki area and sold its minority share in Päijät-Visio Oy and Kotkan Tietoruutu Oy, and denounced some of the remaining pay-TV cooperation agreements.

In 2005, SWelcom's net sales are expected to grow further, due to growing TV advertising, Nelonen's increased market share and sales of HTV's connection and broadband services. Growth is also expected from new technologies and businesses. Operating profit is estimated to remain at the previous year's level despite strong investments in increasing the market share and in new businesses.

Rautakirja

Kiosk operations, press distribution, bookstores, and movie theatres

Rautakirja's net sales grew to EUR 659.7 (653.8) million. Growth was generated by bookstores and movie theatre operations. Finland accounted for 89% (91%) of the net sales. After adjustment for changes in Group structure, the Division's net sales were at the previous year's level.

Rautakirja's operating profit amounted to EUR 41.5 (35.5) million. The result improved in press distribution, kiosk operations, and movie theatres. The Division's EBITA was EUR 50.6 (45.7) million. Operating profit was improved especially by the positive development of the associated companies. The accounting practice for rights relating to the distribution of visual recordings was revised at the beginning of 2004, and the comparable figures for 2003 have been adjusted accordingly. The change increased Rautakirja's EBITA for 2003 by EUR 4.3 million. The change has no impact on the operating profit. Rautakirja's most significant non-recurring gains on the sales of assets amounted to EUR 1.0 (0.0) million. The divestment of restaurant operations in December 2004 will improve Rautakirja's operating profit by roughly EUR 4 million, and the main impact will be on the figures for 2005. The units were transferred to the new owner by the end of January 2005.

Rautakirja's investments totalled EUR 18.0 (28.7) million. The biggest individual investments were the acquisition of a video wholesaler in the Baltic region, and the expansion of press distribution to Romania. Strong investments were also made in ICT development.

Kiosk operations generated net sales of EUR 347.3 (352.8) million. Net sales declined in Finland due to increased competition. Decreased beer taxation and teleoperators' competition for market shares influenced negatively the sales in the product groups important for kiosk operations, sales of beer and telephone cards. Net sales grew in Estonia and Latvia, and growth was strongest in the Czech Republic. In Finland, an investment was made in ICT, which was the biggest investment in the history of kiosk operations. The system enables the sales of new product areas in kiosks and efficient logistics. EBITA in kiosk operations was EUR 22.3 (20.1) million. Due to successful cost control, the result in Finland was at the previous year's level. The result improved in the other countries.

Net sales from press distribution reached EUR 79.5 (87.6) million. Net sales grew in Finland and Estonia. In Latvia, net sales decreased as the unit outsourced the logis-

tics for own kiosk chains and its net sales thus decreased. Press distribution expanded markedly in 2004 with the acquisition of majority shares in the press distributors Hiparion Distribution S.A., Romania, and UAB Impress Teva, Lithuania. Press had a good year in Finland: newsstand sales grew by 2.7%. The development was positive in both newspapers and magazines. The volume of newsstand sales in Finland was more than 131.1 million, about a quarter of which were magazines, and the rest were newspapers. Press distribution's EBITA was EUR 12.6 (11.9) million. The result improved considerably in Estonia but declined in Latvia. The result of the Finnish operations remained at the previous year's level.

Net sales from bookstores operating in Finland and Estonia grew to EUR 129.7 (121.8) million. Net sales grew in both countries. In 2004, five new outlets were opened in Finland. Sales of fiction were particularly favourable. Bookstores' EBITA was EUR 9.9 (8.9) million. Result was increased by the improved result in the associated company Kirjavälitys and the favourable development in Estonia.

Movie theatres' net sales grew to EUR 56.8 (52.8) million. Net sales decreased in Finland but increased in all Baltic countries. New distribution agreements in the Baltic region and the opening of new movie theatres in Latvia at the end of 2003 increased net sales. At the beginning of 2004, Finnkino acquired 75% of AS V&K Holding, a Baltic video wholesaler. In Finland, the total number of movie theatre visits declined slightly compared to the previous year despite record numbers in the summer. Movie theatres' EBITA was EUR 8.5 (7.8) million. The result declined in Finland but improved in Estonia, Latvia and Lithuania.

Net sales from restaurant operations declined to EUR 57.8 (62.6) million because of the decrease in the number of highway service areas and declined outlet sales. In December, Rautakirja sold its highway service area operations to Neste Marketing and moved the eight units of the Pizza Hut chain to the kiosk organisation as of the beginning of 2005. Restaurant operations' EBITA grew to EUR 0.6 (-0.2) million. The result was improved by the gains on sales of assets from the units transferred to Neste already in 2004.

Competition will continue to be challenging in retail but Rautakirja's investments in ICT development and personnel training will secure success also in 2005. Comparable net sales are expected to grow, particularly outside Finland, and operating profit is expected to improve.

Proposal for application of profits

SanomaWSOY

The Group's distributable funds for 2004 total EUR 711,353,444.38.

The Parent Company's distributable funds as of 31 December 2004 total EUR 532,087,602.48, of which the profit for the year is EUR 57,634,006.38.

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

- a dividend of EUR 0.80 per share shall be paid EUR 122,489,721.60
- the following sum shall be transferred to the donation reserve and used at the Board's discretion EUR 350,000.00
- shareholders' equity shall be set at EUR 409,247,880.88

The dividend will be paid to shareholders registered with the Shareholder Register maintained by the Finnish Central Securities Depository on the record date set by the Board for payment of the dividend, Friday 15 April 2005. The Board will propose to the Annual General Meeting that the dividend shall be paid on Friday 22 April 2005.

Helsinki, 10 February 2005

Jaakko Rauramo
Chairman

Paavo Hohti
Vice Chairman

Sari Baldauf

Robert Castrén

Jane Erkko

Sirkka Hämäläinen-Lindfors

Seppo Kievari

Robin Langenskiöld

Hannu Syrjänen

Sakari Tamminen

Income statement

SanomaWSOY

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003
NET SALES 1)	2 493.0	2 395.9		
Increase(+)/decrease(-) in inventories of finished goods and work in progress	2.2	1.5		
Production for own use	2.7	1.2		
Other operating income 2)	68.2	83.2	9.6	10.5
Share of result of associated companies	5.2	6.1		
Materials and services 3)	1 133.1	1 058.4		
Personnel expenses 4)	544.1	562.9	8.3	8.3
Depreciation and decrease in value 5)	201.2	209.5	1.7	3.9
Other operating expenses 6)	453.4	451.8	12.5	12.4
OPERATING PROFIT (LOSS)	239.5	205.2	-12.9	-14.2
Financial income and expenses 7)	-27.2	-42.1	-9.2	-20.1
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	212.2	163.1	-22.1	-34.3
Extraordinary items 8)	1.4		73.5	259.4
PROFIT (LOSS) AFTER EXTRAORDINARY ITEMS	213.7	163.1	51.4	225.0
Provisions			0.2	0.6
Direct taxes 9)	-75.7	-55.6	6.0	8.5
Minority interests	-3.9	-3.0		
PROFIT (LOSS) FOR THE YEAR	134.1	104.5	57.6	234.2

Balance sheet

SanomaWSOY

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
ASSETS				
NON-CURRENT ASSETS 10)				
Intangible assets	161.8	173.1	0.7	0.9
Consolidated goodwill	1 187.0	1 066.6		
Tangible assets	446.8	453.9	15.2	17.3
Investments	144.1	177.5	1 743.0	1 776.1
NON-CURRENT ASSETS, TOTAL	1 939.8	1 871.1	1 758.8	1 794.3
CURRENT ASSETS				
Inventories 11)	137.3	95.0		
Long-term receivables 12)	56.0	66.0	1.5	4.7
Short-term receivables 13)	310.0	292.2	130.6	150.9
Securities 14)	25.3	60.6	2.1	16.3
Cash and bank	60.5	68.2	0.5	8.8
CURRENT ASSETS, TOTAL	589.1	581.9	134.7	180.7
ASSETS, TOTAL	2 528.8	2 453.0	1 893.5	1 975.0
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY 15)				
Share capital	65.8	68.9	65.8	68.9
Premium fund	34.9	31.8	18.8	15.7
Other funds	369.4	369.4	355.7	355.7
Retained earnings	312.6	356.7	118.8	145.4
Profit (loss) for the year	134.1	104.5	57.6	234.2
Capital notes	158.3	171.6	150.6	163.8
SHAREHOLDERS' EQUITY, TOTAL	1 075.2	1 102.9	767.3	983.7
MINORITY INTEREST	20.2	16.3		
ACCUMULATED PROVISIONS 16)			0.5	0.7
STATUTORY PROVISIONS 17)	38.1	34.1	0.2	0.1
LIABILITIES				
Deferred tax liability 18)	40.5	36.4		
Long-term liabilities 19)	224.0	365.3	117.4	312.5
Current liabilities 20)	1 130.9	898.0	1 008.1	678.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	2 528.8	2 453.0	1 893.5	1 975.0

Cash flow statement

SanomaWSOY

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003
OPERATIONS				
Operating profit (loss)	239.5	205.2	-12.9	-14.2
Adjustments to operating profit 1)	129.2	129.5	1.0	2.3
Change in working capital 2)	-4.8	-1.4	0.2	-3.5
Cash flow from operations before financial items and taxes	363.9	333.3	-11.8	-15.4
Interest received from operations	5.3	8.1	0.2	1.2
Interest paid on operations	-52.2	-48.0	-36.1	-52.7
Dividend received from operations	11.6	13.2	11.0	1.2
Other financial items	-2.9	-2.9	0.1	-4.0
Group contributions			57.1	32.2
Tax paid on operations	-70.4	-55.6	-14.3	-22.2
CASH FLOW FROM OPERATIONS	255.3	248.1	6.2	-59.7
INVESTMENTS				
Acquisition of tangible and intangible assets	-67.5	-86.1	-0.3	-1.0
Group companies acquired 3)	-84.7	-7.1	-86.0	
Associated companies acquired	-0.6	-1.5		
Acquisition of other holdings	-0.4	-1.8		
Sales of tangible and intangible assets	31.4	14.3	1.3	0.1
Group companies sold 4)	13.3	0.3		
Associated companies sold	3.5	78.9	2.3	0.0
Sales of other companies	30.8	17.1	8.0	10.8
Long-term loans granted	-3.6	-2.8		
Repayments of long-term loan receivables	2.1	0.1		
Increase(-)/decrease(+) in current loan receivables	-2.0	4.7	25.6	-64.4
Investments in other assets	-3.8	-0.8		-1.5
Sales of other investments	1.9	0.0	12.1	296.0
Interest received from investments	0.1	0.1	23.2	45.0
Dividend received from investments	4.6	4.3	0.0	0.2
CASH FLOW FROM INVESTMENTS	-75.0	19.7	-13.9	285.2
CASH FLOW BEFORE FINANCING	180.3	267.8	-7.6	225.5
FINANCING				
Minority capital investment in subsidiaries	0.0	0.5		
Drawings on short-term loans	242.4	152.4	312.9	236.2
Repayments of short-term loans	-42.9	-17.7	-49.2	-70.9
Drawings on long-term loans	213.1	0.9	360.0	2.5
Repayments of long-term loans	-488.8	-325.8	-495.4	-326.2
Dividends paid	-154.5	-63.3	-160.3	-71.6
Donations	-0.3	-0.3	-0.3	-0.3
CASH FLOW FROM FINANCING	-231.0	-253.4	-32.3	-230.3
Change in liquidities according to the cash flow statement	-50.7	14.4	-40.0	-4.9
Liquidities received in merger with subsidiary			17.5	12.2
Exchange rate differences under liquidities	7.7	-8.1		
Net increase(+)/decrease(-) in liquidities	-43.0	6.4	-22.4	7.4
Liquidities according to the balance sheet at 1 Jan.	128.8	122.4	25.1	17.7
Liquidities according to the balance sheet at 31 Dec.	85.8	128.8	2.6	25.1

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003

NOTES TO THE CASH FLOW STATEMENT

1) Adjustments to operating profit

Depreciation and decrease in value	201.2	205.2	1.7	3.9
Profit(-) and loss(+) on sales of non-current assets	-34.3	-51.6	-0.8	-1.8
Interest in the results of associated companies, in profit(-) and loss(+)	-5.2	-6.1		
Change in statutory provisions	1.9	18.3	0.0	0.1
Other adjustment items	-34.3	-36.3		
	129.2	129.5	1.0	2.3

2) Change in working capital

Increase(-)/decrease(+) in inventories	-3.5	-1.5		
Increase(-)/decrease(+) in interest-free short-term receivables	-3.5	-6.3	0.2	1.2
Increase(+)/decrease(-) in interest-free short-term debts	2.2	6.4	0.0	-4.7
	-4.8	-1.4	0.2	-3.5

3) Supplementary information on acquired Group companies

Impact of acquired companies on the Group's assets and liabilities				
Non-current assets	-203.6	-7.5		
Current assets	-79.8	-6.3		
Long-term liabilities	131.0	2.2		
Current liabilities	59.7	2.8		
Other items	3.3	-0.7		
Acquisition cost	-89.4	-9.7		
Liquidities of acquired companies	4.6	2.5		
Investments in Group companies	-84.7	-7.1		

4) Supplementary information on sold Group companies

Impact of sold companies on the Group's assets and liabilities				
Non-current assets	0.3	3.8		
Current assets	12.4	-5.9		
Long-term liabilities	0.0	0.0		
Current liabilities	-1.0	-2.9		
Other items	2.5	5.4		
Selling price	14.1	0.4		
Liquidities of sold companies	-0.9	-0.1		
Income on the sale of Group companies	13.3	0.3		

Accounting principles

SanomaWSOY

SanomaWSOY's consolidated financial statements have been prepared in accordance with Finnish rules and regulations. SanomaWSOY will start to report according to IFRS in 2005. SanomaWSOY Corporation was created by a combination merger on 1 May 1999.

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, in the relevant asset and liability items on 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 ventures 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. The 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 in the Group's shareholders' equity.

Exchange rate differences arising from translating the balance sheets of foreign subsidiaries and associated companies have generally been recorded in consolidated shareholders' equity.

Non-current assets

Fixed assets have been recorded on 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	3–20 years

The purchases of film and television broadcasting rights are recorded in SanomaWSOY Group as immaterial rights under non-current assets and the expenditure of those rights is recorded as amortisation.

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. Securities are valued at acquisition cost or at market value if lower.

The Group exercises a cash pooling system covering several European countries. Judicially there is an outside bank as a 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. Changes in tax base have been recorded as changes in deferred taxes as far as deferred taxes are related to a period after the financial year.

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 risks. The hedging instruments primarily used are interest rate swap agreements, interest rate options, currency options and currency forward agreements.

The interest income and expenses related to the derivative contracts used in risk management are matched according to the tenor 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 tenor 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 and currency options 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 and classification of contingent liabilities has been further harmonized 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. A total of 4 944 notes of the convertible capital note were redeemed during the financial year 2004. Redeemed debentures are invalidated in six months. At the end of the financial year 2004, the remaining liability is EUR 150.6 million

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.

Stock options for management

SanomaWSOY Group has taken into use two stock option schemes, Warrant Scheme 2001 and Stock Option Scheme 2004. Both schemes comprise a maximum of 4 500 000 warrants. Each stock option entitles the holder to one SanomaWSOY Corporation Series B share. The statutory provision on social security payments related to distributed options has been recorded to the extent that the market price of the Series B share exceeds the exercise price of the option.

The detailed terms of the issue and the outstanding amounts are presented in the 'Shares and shareholders' section in 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 in commission sales.

The accounting practice of net sales has been modified from the beginning of the financial year. According to the new accounting principles, the press distribution is treated as commission sales and only commission is recorded in net sales. In addition the accounting practice regarding granted discounts and purchased services has been harmonised. Comparative data has been adjusted accordingly.

Materials and services, and other operating expenses

The classification of materials and services as well as other operating expenses has been harmonised, in particular regarding press distribution. Comparative data has been adjusted accordingly. The reclassifications have no impact on operating profit.

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 institutions. Pension cover for personnel employed by units outside Finland is arranged in line with the requirements of local legislation and social security provisions. In some units pension cover has been handled through pension funds, which have 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 11.9 million.

Additional pension cover for SanomaWSOY Corporation and its 18 subsidiaries has been arranged through Sanoma Corporation's pension fund. The latter has no uncovered liability and its assets exceed its liabilities by EUR 10.8 million. The fund was closed on 31 August 1981.

Voluntary pension cover for personnel employed by Rautakirja Oy, 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 17.8 million, of which EUR 4.1 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 divisions, and the Editors-in-Chief of the Group's largest newspapers has been agreed at 60 to 65 years.

Notes to the income statement

SanomaWSOY

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003
1) NET SALES				
Net sales by business				
Sanoma Magazines				
Sanoma Uitgevers	528.8	540.6		
Sanoma Magazines Belgium	186.0	182.1		
Sanoma Magazines Finland	174.8	167.9		
Sanoma Magazines International	138.3	127.2		
Aldipress	115.7	109.3		
Intracompany transactions	-59.8	-62.3		
Total	1 083.7	1 064.8		
Sanoma				
Helsingin Sanomat	250.8	243.7		
IS Business Unit	95.2	93.6		
Sanoma Lehtimedia	54.0	52.7		
Others	133.7	176.3		
Intracompany transactions	-98.5	-140.8		
Total	435.2	425.5		
WSOY				
Publishing	178.7	142.6		
Printing	59.0	60.2		
Calendar operations	30.3	32.1		
Others	5.1	4.6		
Intracompany transactions	-19.1	-27.2		
Total	253.9	212.2		
SWelcom				
Nelonen	67.6	56.5		
Others	53.1	50.0		
Intracompany transactions	-1.3	-1.7		
Total	119.4	104.9		
Rautakirja				
Kiosk operations	347.3	352.8		
Press distribution	79.5	87.6		
Bookstores	129.7	121.8		
Movie theatre operations	56.8	52.8		
Restaurant operations	57.8	62.6		
Intracompany transactions	-11.3	-23.8		
Total	659.7	653.8		
Intragroup transactions	-59.0	-65.3		
Total	2 493.0	2 395.9		
Net sales by market area				
Finland	1 379.7	1 363.4		
Other EU countries	1 074.5	938.9		
Other countries	38.8	93.6		
Total	2 493.0	2 395.9		
2) OTHER OPERATING INCOME				
Rental income	18.1	18.8	3.9	4.4
Rental income, internal			2.9	3.1
Profit on sales	37.1	52.6	2.3	2.8
Other operating income	12.9	11.8	0.6	0.2
Total	68.2	83.2	9.6	10.5

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003
3) MATERIALS AND SERVICES				
Materials and supplies				
Purchases during the year	574.0	579.0		
Change in inventories	0.6	1.5		
Total	574.6	580.6		
Purchased services				
Purchased transport and distribution services	290.9	281.9		
Other purchased services	267.6	196.0		
Total	558.5	477.8		
Total	1 133.1	1 058.4		
4) PERSONNEL EXPENSES				
Wages, salaries & fees	434.0	444.6	6.6	6.6
Transfers to the employees' profit-sharing fund	6.2	4.6		
Pension expenses	57.8	65.4	1.1	1.1
Other social expenses	46.0	48.3	0.5	0.6
Total	544.1	562.9	8.3	8.3
REMUNERATION TO MANAGEMENT				
SanomaWSOY Board members, President & COO, Presidents of Divisions and their Deputies and other members of SanomaWSOY Management Group				
Total	5.0	4.3	3.2	2.6
PERSONNEL, AVERAGE *)				
Sanoma Magazines	3 992	3 879		
Sanoma	2 389	3 041		
WSOY	2 025	1 859		
SWelcom	378	392		
Rautakirja	4 795	4 962		
Other companies **)	73	74	73	74
Total	13 652	14 207	73	74
*) 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	199.8	208.3	0.8	3.7
Decrease in value of non-current assets	1.4	1.3	0.9	0.2
Total	201.2	209.5	1.7	3.9
6) OTHER OPERATING EXPENSES				
Rents	67.6	69.5	4.8	5.3
Advertising and marketing	162.3	143.8	0.2	0.2
Commissions	7.4	22.3		
Office and IT expenses	70.7	70.8	1.3	1.8
Other expenses	145.4	145.4	6.2	5.1
Total	453.4	451.8	12.5	12.4

€ million	Group		Parent Company	
	1.1–31.12.2004	1.1–31.12.2003	1.1–31.12.2004	1.1–31.12.2003
7) FINANCIAL INCOME AND EXPENSES				
Dividend income (incl. avoird fiscal)				
From Group companies			15.5	1.6
From associated companies		2.5		
From other companies	8.0	3.2	0.0	0.2
Total	8.0	5.7	15.6	1.8
Interest from investments under non-current assets				
From Group companies			18.9	40.7
From other companies	0.1	0.1	0.1	0.1
Total	0.1	0.1	18.9	40.7
Other interest and financial income				
From Group companies			1.1	3.3
From associated companies	0.3	0.3		
From other companies	13.9	11.9	2.0	3.8
Exchange rate gains	1.5	3.4	0.8	0.6
Total	15.7	15.6	3.9	7.8
Decrease in value of investments				
Investments under non-current assets	3.4	2.9	1.8	3.4
Securities under current assets		0.4		
Total	3.4	3.3	1.8	3.4
Interest and other financial expenses				
To Group companies			7.7	8.2
To associated companies	0.0			
To other companies	45.4	55.8	37.1	51.8
Exchange rate losses	2.2	4.5	0.9	7.0
Total	47.6	60.3	45.7	67.1
Total	-27.2	-42.1	-9.2	-20.1

8) EXTRAORDINARY ITEMS

Extraordinary income				
Group contributions received			74.3	64.6
Other extraordinary income	2.0		22.2	218.9
Extraordinary expenses				
Group contributions given			2.0	7.5
Income tax on extraordinary items	0.6		21.0	16.5
Total	1.4		73.5	259.4

Other extraordinary income of Parent Company is comprised of internal changes in Group structure.

9) DIRECT TAXES

Tax on operational income	-70.8	-53.2	6.0	8.5
Change in deferred tax liability and receivable *)	-4.9	-2.5		
Total	-75.7	-55.6	6.0	8.5

*) Change in deferred tax liability and receivable

From capitalisation differences	-4.3	-2.0		
From provisions	-1.1	-0.9		
From consolidation measures	-0.4	0.3		
Due to change in tax rate	0.9			
Total	-4.9	-2.5		

Notes to the balance sheet

SanomaWSOY

€ million	Acquisition cost at 1 Jan. 2004 a)	Differences in rates and transfers between balance sheet items	Increases b)	Decreases c)
10) NON-CURRENT ASSETS, GROUP				
Intangible assets				
Immaterial rights	305.7	9.6	45.9	0.9
Goodwill	45.6	11.5	2.4	-10.0
Other long-term investments	118.0	-12.0	9.1	-6.4
Advance payments	11.9	-3.5	1.1	0.0
	481.3	5.5	58.4	-15.5
Consolidated goodwill				
Consolidated goodwill	1 288.2	-11.6	210.8	-16.7
Consolidation difference	-0.4	0.0	0.0	0.4
	1 287.8	-11.6	210.8	-16.3
Tangible assets				
Land and water	43.3	0.0	2.4	-0.9
Revaluations	7.8	0.0	0.0	0.0
Total land and water	51.1	0.0	2.4	-0.9
Buildings and structures	256.6	5.4	14.9	-3.8
Revaluations	9.0	0.0	0.0	0.0
Total buildings and structures	265.7	5.4	14.9	-3.8
Machinery and equipment	657.2	3.5	39.1	-111.6
Other tangible assets	37.6	8.0	6.8	-9.6
Advance payments and work in progress	3.4	-5.6	4.6	0.0
	1 014.9	11.3	67.8	-126.0
Investments				
Interest in associated companies e)	87.5	-3.3	0.6	-6.5
Receivables from associated companies	1.8	0.0	1.7	-0.1
Other shares and holdings	98.4	-2.8	2.5	-21.6
Other receivables	7.3	0.0	0.0	-1.8
Advance payments	0.2	-0.2	2.3	0.0
	195.1	-6.3	7.1	-30.0
TOTAL NON-CURRENT ASSETS	2 979.1	-1.1	344.1	-187.7

Book value of production machinery at 31 December 2004: € 123.3 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 fixed asset acquisition costs current at the time of the acquisition of companies and businesses.
- c) Includes the acquisition costs of fixed assets that were eliminated, sold, or scrapped by the end of the year, and the purchase price current at the time of the sale of fixed assets of divested companies and business.
- d) Includes the accumulated depreciation of acquired companies and businesses at the time of acquisition.
- e) Acquisition costs include original purchase prices, but exclude Group-level associated company transfers.

Acquisition cost at 31 Dec. 2004	Differences in rates and bookings relating to the value of shares in associated companies	Accumulated depreciation and decrease in value at 1 Jan. 2004	Accumulated depreciation and decrease in value of decreases and transfers d)	Depreciation and decrease in value for the period	Book value at 31 Dec. 2004
362.0	-0.5	-201.8	-4.7	-51.3	103.7
49.4	-0.1	-30.5	-3.9	-3.8	11.2
108.7	0.0	-75.8	15.4	-10.8	37.4
9.5	0.0	0.0	0.0	0.0	9.5
529.7	-0.6	-308.2	6.8	-65.9	161.8
1 470.7	0.0	-221.5	13.7	-76.0	1 187.0
0.0	0.0	0.3	-0.3	0.0	0.0
1 470.7	0.0	-221.2	13.5	-76.0	1 187.0
44.8	0.0	0.0	0.0	-0.7	44.1
7.8	0.0	0.0	0.0	0.0	7.8
52.6	0.0	0.0	0.0	-0.7	51.9
273.0	0.0	-70.3	-5.8	-9.0	188.0
9.0	0.0	0.0	0.0	0.0	9.0
282.1	0.0	-70.3	-5.8	-9.0	197.0
588.1	-0.4	-463.7	102.5	-46.5	180.1
42.8	0.0	-27.0	2.9	-3.2	15.5
2.4	0.0	0.0	0.0	0.0	2.4
968.0	-0.4	-561.1	99.6	-59.3	446.8
78.3	-11.5	0.0	0.0	0.0	66.8
3.4	0.0	-1.6	0.0	0.0	1.8
76.5	0.0	-4.0	0.7	-3.4	69.7
5.5	0.0	-1.9	0.0	0.0	3.6
2.3	0.0	0.0	0.0	0.0	2.3
165.9	-11.5	-7.5	0.7	-3.4	144.1
3 134.4	-12.5	-1 098.0	120.5	-204.6	1 939.8

€ million	Acquisition cost at 1 Jan. 2004 a)	Transfers between balance sheet items	Increases	Decreases b)
10) NON-CURRENT ASSETS, PARENT COMPANY				
Intangible assets				
Immaterial rights	0.4	0.1	0.0	0.0
Other long-term investments	1.9	0.3	0.0	0.0
Advance payments	0.4	-0.4	0.0	0.0
	2.7	0.0	0.0	0.0
Tangible assets				
Land and water	7.3	0.0	0.0	-0.2
Revaluations	4.8	0.0	0.0	0.0
Total land and water	12.1	0.0	0.0	-0.2
Buildings and structures	5.1	0.0	0.0	-0.7
Machinery and equipment	10.2	0.0	0.3	-0.1
Other tangible assets	1.4	0.0	0.0	0.0
	28.8	0.0	0.3	-1.0
Investments				
Interest in Group companies	1 152.8	2.5	86.0	0.0
Receivables from Group companies	590.0	0.0	0.0	-107.4
Interest in associated companies	5.4	0.2	0.0	-2.3
Receivables from associated companies	0.1	0.0	0.0	-0.1
Other shares and holdings	29.2	-2.5	0.0	-7.5
Other receivables	3.7	0.0	0.0	-0.1
Advance payments	0.5	-0.2	0.0	0.0
	1 781.8	0.0	86.0	-117.4
TOTAL NON-CURRENT ASSETS	1 813.3	0.0	86.4	-118.4

- 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. 2004	Differences in rates	Accumulated depreciation and decrease in value at 1 Jan. 2004	Accumulated depreciation and decrease in value of decreases and transfers	Depreciation and decrease in value for the period	Book value at 31 Dec. 2004
0.6	0.0	-0.1	0.0	-0.1	0.3
2.2	0.0	-1.6	0.0	-0.2	0.3
0.0	0.0	0.0	0.0	0.0	0.0
2.7	0.0	-1.8	0.0	-0.3	0.7
7.1	0.0	0.0	0.0	-0.7	6.4
4.8	0.0	0.0	0.0	0.0	4.8
11.8	0.0	0.0	0.0	-0.7	11.1
4.4	0.0	-2.4	0.0	-0.3	1.7
10.5	0.0	-9.1	0.0	-0.5	0.9
1.4	0.0	0.0	0.0	0.0	1.4
28.1	0.0	-11.5	0.0	-1.5	15.2
1 241.4	0.0	-1.6	0.0	0.0	1 239.8
482.6	0.2	0.0	0.0	0.0	482.9
3.3	0.0	-0.8	0.0	-0.3	2.2
0.0	0.0	0.0	0.0	0.0	0.0
19.2	0.0	-3.6	0.3	-1.8	14.2
3.5	0.0	0.0	0.0	0.0	3.5
0.3	0.0	0.0	0.0	0.0	0.3
1 750.4	0.2	-5.9	0.3	-2.1	1 743.0
1 781.2	0.2	-19.2	0.3	-3.8	1 758.8

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 MAGAZINES				
Sanoma Magazines B.V., the Netherlands *)	100.0		100.0	700 399
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	
Aldipress				
B.V. Aldipress, the Netherlands			100.0	
De Grebbe Tijdschriften Boekendistributie B.V., the Netherlands			100.0	
Hedinet Vastgoed B.V., the Netherlands			100.0	
Sanoma Magazines Verkoopgroep B.V., the Netherlands			100.0	
Sanoma Magazines Belgium				
Sanoma Magazines Belgium N.V., Belgium		99.9	100.0	
JERVI N.V., Belgium		100.0	100.0	
N.V. Uitgevers Maatschappij, 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, the United Kingdom			100.0	
Roof s.r.o., the Czech Republic			100.0	
S+N Bratislava s.r.o., Slovakia			90.0	
Sanoma Budapest Kiadói Részvénytársaság, Hungary			100.0	
Sanoma Communications Hungary Ltd, 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., the Czech Republic			100.0	
Sanoma Magazines Slovakia s.r.o, Slovakia			100.0	
Sanoma Magazines SMG d.o.o., Serbia and Montenegro			100.0	
Sanoma Magazines Zagreb d.o.o., Croatia			100.0	
Sanoma Stratosfera B.V., the Netherlands			100.0	
Via Classis 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	
Consultancy Marketing Ltd, the United Kingdom			100.0	
Cosmos Home Entertainment B.V., the Netherlands			100.0	
CU2 B.V., the Netherlands			49.1	
De Woonbeurs B.V., the Netherlands			100.0	
Domestic Film Corporation B.V., the Netherlands			100.0	
H.P.R. Holding B.V., the Netherlands			100.0	
Home & Garden B.V., the Netherlands			100.0	
I.B.S. N.V., Belgium			100.0	
Ilse Media B.V., the Netherlands			96.3	
Ilse Media Groep B.V., the Netherlands			96.3	
ilse media magazines B.V., the Netherlands			96.3	
Jonge Gezinnen B.V., the Netherlands			100.0	
Kaboem B.V., the Netherlands			96.3	
Lastannet Entertainment II B.V., the Netherlands			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 €
MediaNet B.V., the Netherlands			96.3	
Mediastud B.V., the Netherlands			100.0	
NewRules Media B.V., the Netherlands			96.3	
Parti-Avanti Holding B.V., the Netherlands			96.3	
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 N.V., 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 Men's Magazines, the Netherlands			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	
Soapshow B.V., the Netherlands			65.0	
Sportweek Abonnementen B.V., the Netherlands			100.0	
Sportweek Media B.V., the Netherlands			100.0	
Sportweek Online B.V., the Netherlands			100.0	
Startpagina B.V., the Netherlands			96.3	
Still Visual Entertainment Investments BVBA, Belgium			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	
Uitgeverij Nokerizon 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	
Suomalainen Yritystiedosto Oy, Helsinki		100.0	100.0	
Suomen Rakennuslehti Oy, Helsinki		60.0	60.0	
SANOMA				
Sanoma Corporation, Helsinki *)	100.0		100.0	111 280
Andyn Paino Oy, Lappeenranta			100.0	
Anjalankosken Painotalo, Anjalankoski			57.5	
Arnedo Oy, Helsinki		60.0	60.0	
AS Infesto, Estonia			90.0	
Esmerk Americas Inc, USA			90.0	
Esmerk Argentina S.A., Argentina			90.0	
Esmerk GmbH, Germany			90.0	
Esmerk Information AB, Sweden			90.0	
Esmerk Information OOO, Russia			90.0	
Esmerk Information SARL, France			90.0	
Esmerk Information Services Pte Ltd, Singapore			90.0	
Esmerk Information Services Sdn. Bhd., Malaysia			90.0	
Esmerk Limited, the United Kingdom			90.0	
Esmerk OOO, Russia			90.0	
Esmerk Oy, Helsinki			90.0	

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 €
Esmerk ZAO, Russia			90.0	
Etelä-Karjalan Jakelu Oy, Lappeenranta			100.0	
Etelä-Saimaan Sanomalehti Oy, Lappeenranta			100.0	
Helsingin Sanomat Oy, Helsinki		100.0	100.0	
Hämeen Paino Oy, Forssa			100.0	
Ilta-Sanomat Oy, Helsinki		100.0	100.0	
Kiint. Oy Saimaan Viestintäkeskus, Lappeenranta			100.0	
Kiinteistö Oy Tommolankatu, Kouvola			100.0	
Kiinteistö Oy Virolahden Mäkitie 3, Virolahti			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	
Lekan Paino Oy, Kouvola			100.0	
Nytnet Oy, Helsinki		80.0	80.0	
Päiväverkko Oy, Vantaa			100.0	
Saimaan Lehtipaino Oy, Lappeenranta			100.0	
Sanoma Data Oy, Helsinki		100.0	100.0	
Sanoma Kaupunkilehdet Oy, Helsinki		100.0	100.0	
Sanomala Oy, Vantaa			100.0	
Sanoma Lehtimedia Oy, Anjalankoski		100.0	100.0	
Sanomapaino Oy, Helsinki		100.0	100.0	
Savon Paino Oy, Varkaus			100.0	
Taloussanomat Oy, Helsinki		90.0	90.0	
Tampereen Sanomain Oy, Helsinki		100.0	100.0	
Uutisvuoksi Oy, Imatra			100.0	
WSOY				
Werner Söderström Corporation, Helsinki *)	100.0		100.0	78 618
SW Educational B.V., the Netherlands	100.0		100.0	86 034
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	
Collegenet B.V., the Netherlands			100.0	
Dark Oy, Vantaa		100.0	100.0	
Docendo Finland Oy, Jyväskylä		100.0	100.0	
Docendo Produktion Aktiebolag, Sweden			100.0	
Docendo Sverige AB, Sweden		100.0	100.0	
Educational Network B.V., the Netherlands			100.0	
Emil Moestue AS, Norway			100.0	
Everscreen AB, Sweden			64.0	
Everscreen Oy, Helsinki		64.0	64.0	
AB Förlagsinkasso, Sweden			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	
L.C.G. Malmberg B.V., the Netherlands			100.0	
Lönnberg Painot Oy, Helsinki		100.0	100.0	
Uitgeverij Van In N.V., Belgium			100.0	
Van In Investments N.V., Belgium			100.0	
Weilin+Göös Oy, Helsinki		100.0	100.0	
Werner Söderström GmbH, Germany		100.0	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				
WS Bookwell Oy, Porvoo		100.0	100.0	
WSOY Educational B.V., the Netherlands			100.0	
WSOY - Hyvä-Kirja Oy, Helsinki		100.0	100.0	
Young Digital Poland S.A., Poland		55.1	55.1	
SWELCOM				
SWelcom Oy, Helsinki *)	100.0		100.0	4 250
2ndhead Oy, Helsinki		100.0	100.0	
Helsinki Televisio Oy, Helsinki		100.0	100.0	
Oy Ruutunelonen Ab, Helsinki		90.6	90.6	
Oy Suomen Medanelonen Ab, Helsinki			90.6	
Tuotantotalo Werne Oy, Helsinki		75.8	100.0	
RAUTAKIRJA				
Rautakirja Oy, Vantaa *)	100.0		100.0	143 948
AS Lehepunkt, Estonia		100.0	100.0	
AS MPDE, Estonia			100.0	
Apollo Raamatud OÜ, Estonia			100.0	
Baltic Cinema SIA, Latvia			90.0	
Eurostrada Oy, Vantaa		100.0	100.0	
Finnkino Oy, Vantaa		100.0	100.0	
Foodstop Oy, Vantaa			99.0	
Hiparion Distribution S.A., Romania		51.0	51.0	
Interprint Oy, Helsinki			100.0	
Kiinteistö Oy Hallahepe, Toijala		100.0	100.0	
Kiinteistö Oy Keravan Toripaviljonki, Kerava		50.8	50.8	
Kiinteistö Oy Kuusankosken Kioski, Kuusankoski		58.9	58.9	
Kiinteistö Oy Porin Liisankatu 6, Pori		100.0	100.0	
Kiinteistö Oy Porin Promenadikeskus, Pori		73.2	73.2	
Kiinteistö Oy Salon Torikioski, Salo		55.6	55.6	
Lehtipiste Oy Pressco, Vantaa		100.0	100.0	
R Kiosk Eesti AS, Estonia		100.0	100.0	
Suomalainen Kirjakauppa Oy, Helsinki		100.0	100.0	
UAB Vingio kino teatras, Lithuania			90.0	
AS V & K Holding, Estonia			75.0	
REAL ESTATE AND INVESTMENT COMPANIES				
Kiinteistö Oy Jokela City 1, Tuusula	93.0		100.0	555
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	8
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	1 688
				1 239 839

*) 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 €
ASSOCIATED COMPANIES				
SANOMA MAGAZINES				
Sanoma Magazines Belgium				
Repropress CVBA, Belgium			33.6	
S.B.P.P. N.V., Belgium			50.0	
Sanoma Magazines International				
Hearst-Sanoma Budapest Kft, Hungary			50.0	
Stratosféra s.r.o., the Czech Republic			30.0	
Sanoma Bliask Bulgaria A.D., Bulgaria			50.0	
Sanoma Magazines Nederland B.V.				
Rock Solid Investments B.V., the Netherlands			50.0	
Sanoma Uitgevers				
AKN CV, the Netherlands			25.0	
B.V. Programmabladen AKN, the Netherlands			25.0	
Felicitas Promotions AG, Switzerland			49.0	
Geïllustreerde Pers / MC V.O.F., the Netherlands			50.0	
Mood for Magazines B.V., the Netherlands			35.0	
Quattro Voci B.V., the Netherlands			25.0	
Preview Filmmagazine B.V., the Netherlands			35.0	
V4M B.V., the Netherlands			48.1	
Sanoma Magazines Finland				
Egmont Kustannus Oy Ab, Tampere		50.0	50.0	
Hansaprint Oy, Turku		40.0	40.0	
SANOMA				
Netwheels Oy, Helsinki		20.1	20.1	
Suomen Tietotoimisto Oy, Helsinki		20.8	22.1	
ZAO Smena, Russia		30.0	30.0	
WSOY				
Asunto Oy Uudenmaankatu 13, Helsinki		26.7	26.7	
Büroodisain Oü, Estonia			30.0	
Taskukirja Loisto Oy, Helsinki		25.0	25.0	
SWELCOM				
Maxisat-Yhtiöt Oy, Helsinki			46.2	
Platco Oy, Helsinki		33.3	33.3	
Suomen Urheiluradio Oy, Helsinki		23.3	23.3	
Vantaan Yhteisverkko Oy, Vantaa			24.0	

	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				
RAUTAKIRJA				
Amadeo s.r.o., the Czech Republic			50.0	
Asunto Oy Kuopion Suomuurain, Kuopio			26.0	
Asunto Oy Tikkurilan Asematie 6, Vantaa		38.0	38.0	
Asunto Oy Vihdin Yhdystalo, Vihti		25.8	25.8	
Baltlab OÜ, Estonia			33.3	
CZ Retai a.s., the Czech Republic		50.0	50.0	
JHC Arena Holding, Helsinki		30.0	48.2	
Jokerit HC Oyj, Helsinki		36.4	36.4	
Kiint. Oy Haukiputaan Revontie 1, Haukipudas		48.2	48.2	
Kiint. Oy Hämeenkatu 12, Hyvinkää		46.0	46.0	
Kiint. Oy Joutsenon Torirakennus, Joutseno		28.4	28.4	
Kiint. Oy Kiuruveden Toritalo, Kiuruvesi		23.0	23.0	
Kiint. Oy Kuopion Tullinportink. 33, Kuopio		29.7	29.7	
Kiint. Oy Mikkelin Torikioski, Mikkeli		36.6	36.6	
Kiint. Oy Palosaarentie 31, Vaasa		21.5	21.5	
Kiint. Oy Ristiniäri, Pieksämäki	10.5	22.8	33.4	
Kiint. Oy Ruukintori, Ruukki		23.7	23.7	
Kiint. Oy Taulumäen Toripaviljonki, Kerava		47.6	47.6	
Kiint. Oy Välikero, Rovaniemi			39.5	
Kirjavälitys Oy, Vantaa		13.0	20.1	
M-Trafik s.r.o., the Czech Republic			50.0	
Nakkilan Liikekeskus Oy, Nakkila		24.5	24.5	
Narvesen Baltija SIA, Latvia		50.0	50.0	
SIA Preses Apvieniba, Latvia			48.5	
SIA Serviss Apvieniba, Latvia			48.5	
Pro Kirja Oy, Helsinki			50.0	
SIA Stockmann Centrs, Latvia		37.0	37.0	
SanomaWSOY Corporation and other companies				
Kiint. Oy Keravan Portti, Kerava	33.3		33.3	188
Kiint. Oy Köpmansgatan 2 i Karis, Karjaa	24.3		39.0	108
Kiint. Oy Loimaan Torikioski, Loimaa	38.6		38.6	0
Kiint. Oy Nastolan Nappi, Nastola	22.5		22.5	132
Kiint. Oy Nokian Liikekeskus, Nokia	34.4		34.4	314
Kiint. Oy Puistolan Pankkitalo, Helsinki	36.9		40.8	1 010
Valkeakosken Yhteistalo Oy, Valkeakoski	39.1		39.1	432
				2 183
OTHER SHARES OWNED BY THE PARENT COMPANY				
Shares in housing corporations				4 876
Other shares				9 295
				14 171

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
10) NON-CURRENT ASSETS				
Intangible assets				
Immaterial rights	103.7	103.9	0.3	0.3
Goodwill	11.2	15.1		
Other long-term investments	37.4	42.2	0.3	0.3
Advance payments	9.5	11.9		0.4
	161.8	173.1	0.7	0.9
Consolidated goodwill	1 187.0	1 066.6		
Tangible assets				
Land and water	51.9	51.1	11.1	12.1
Buildings and structures	197.0	195.3	1.7	2.7
Machinery and equipment	180.1	193.5	0.9	1.1
Other tangible assets	15.5	10.6	1.4	1.4
Advance payments and work in progress	2.4	3.4		
	446.8	453.9	15.2	17.3
Investments				
Interest in Group companies			1 239.8	1 151.3
Receivables from Group companies			482.9	590.2
Interest in associated companies	66.8	77.4	2.2	4.6
Receivables from associated companies	1.8	0.2		0.1
Other shares and holdings	69.7	94.4	14.2	25.6
Other receivables	3.6	5.4	3.5	3.7
Advance payments	2.3	0.2	0.3	0.5
	144.1	177.5	1 743.0	1 776.1
Total	1 939.8	1 871.1	1 758.8	1 794.3
11) INVENTORIES				
Materials and supplies	10.0	9.1		
Work in progress	31.7	7.1		
Finished products/goods	94.8	77.9		
Other inventories	0.6	0.6		
Advance payments	0.3	0.2		
Total	137.3	95.0		
12) LONG-TERM RECEIVABLES				
Trade receivables	1.5	1.5		
Prepaid expenses and accrued income	7.5	10.3	1.5	4.7
Loan receivables	11.6	19.5		
Other receivables	0.8	0.2		
Deferred tax receivables	34.6	34.5		
Total	56.0	66.0	1.5	4.7
Receivables from associated companies				
Loan receivables	5.2	7.2		
Total	5.2	7.2		

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
13) SHORT-TERM RECEIVABLES				
Trade receivables	199.3	200.7	0.2	0.5
Prepaid expenses and accrued income *)	75.1	56.7	80.3	74.7
Loan receivables	2.0	2.4	49.4	75.0
Other receivables	26.6	18.3	0.7	0.8
Deferred tax receivables	7.0	14.2		
Total	310.0	292.2	130.6	150.9

Receivables from Group companies

Trade receivables			0.2	0.4
Prepaid expenses and accrued income			78.4	72.9
Loan receivables			49.4	75.0
Total			128.0	148.3

Receivables from associated companies

Trade receivables	0.3	0.4		
Prepaid expenses and accrued income	0.0	0.1		
Loan receivables	1.8	1.6		
Other receivables	0.4			
Total	2.6	2.1		

***) Prepaid expenses and accrued income**

Prepaid personnel expenses	3.2	4.8		
Accrued interest income	0.0	0.5	4.0	8.3
Prepaid/accrued income tax	8.6	16.3	1.2	
Other prepaid expenses and accrued income	63.3	35.1	75.1	66.4
Total	75.1	56.7	80.3	74.7

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	0.0	18.9		
Book value	0.0	13.1		
Difference	0.0	5.8		

Securities

Reacquisition cost	25.3	68.6	2.1	16.3
Book value	25.3	60.6	2.1	16.3
Difference	0.0	8.1	0.0	0.0

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
15) SHAREHOLDERS' EQUITY				
Share capital at 1 Jan.	68.9	62.6	68.9	62.6
Increase in share capital		14.4		14.4
Invalidation of shares	-3.1	-8.1	-3.1	-8.1
Share capital	65.8	68.9	65.8	68.9
Premium fund at 1 Jan.	31.8	16.1	15.7	
Increase in share premium		7.6		7.6
Invalidation of shares	3.1	8.1	3.1	8.1
Premium fund	34.9	31.8	18.8	15.7
Other funds at 1 Jan.	369.4	364.4	355.7	355.7
Transfer to other funds		5.0		
Other funds	369.4	369.4	355.7	355.7
Retained earnings at 1 Jan.	461.1	345.9	379.6	217.4
Dividends	-153.1	-61.2	-160.3	-71.6
Change in translation difference	5.5	-14.1		
Transfer to other funds		-5.0		
Change in Group structure*)		90.6	-100.2	
Other changes	-0.9	0.6	-0.3	-0.3
Profit (loss) brought forward	312.6	356.7	118.8	145.4
Profit (loss) for the year	134.1	104.5	57.6	234.2
Capital notes at 1 Jan.	171.6	207.4	163.8	200.0
Changes	-13.3	-35.8	-13.2	-36.2
Capital notes	158.3	171.6	150.6	163.8
Total shareholders' equity	1 075.2	1 102.9	767.3	983.7

*) Changes in Group structure is related in 2004 to Tiikerijakelu merger and in 2003 to Rautakirja merger to SanomaWSOY.

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. During years 2003 and 2004 the Company has redeemed upon an offer totally 4,944 notes. Redeemed debentures are invalidated in six months. In the end of the financial year 2004 the amount of the capital note is EUR 150,560,000.00.

The main terms of the notes:

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 the remaining subordinated notes into a maximum of 9,463,230 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 trading-weighted 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		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
Distributable earnings at 31 Dec.				
Other distributable funds	355.7	355.7	355.7	355.7
Profit brought forward	312.6	356.7	118.8	145.4
Profit (loss) for the year	134.1	104.5	57.6	234.2
Depreciation difference recorded in equity	-86.2	-74.9		
Interest or other reimbursement payable on capital note	-5.0	-4.1		
Earnings distributable from equity	711.4	737.8	532.1	735.3

Share capital and share series (Parent Company)

NUMBER OF SHARES

Series A shares (20 votes / share)	23 199 492
Series B shares (1 votes / share)	129 912 660

NOMINAL VALUES

	€
Series A shares (20 votes / share)	9 975 781.56
Series B shares (1 votes / share)	55 862 443.80

Tiikerijakelu Oy, a fully owned subsidiary of SanomaWSOY Corporation, was merged with Parent Company on 31 July 2004. Following the merger, the Parent Company received in total 7,817,276 Series B shares of SanomaWSOY Corporation. Shares were invalidated according to the decision of the AGM.

16) ACCUMULATED PROVISIONS

Accumulated provisions in Parent Company consist of cumulative depreciation differences.

17) STATUTORY PROVISIONS

Pension liability provision	7.7	4.8		
Other statutory provisions	30.4	29.3	0.2	0.1
Total	38.1	34.1	0.2	0.1

18) DEFERRED TAX LIABILITIES/RECEIVABLES

DEFERRED TAX RECEIVABLES

From capitalisation differences	41.2	43.7		
From provisions		2.7		
From consolidation measures	0.4	2.3		
Total	41.6	48.7		

DEFERRED TAX LIABILITIES

From capitalisation differences	7.5	3.8		
From provisions	32.9	32.4		
From consolidation measures		0.2		
Total	40.5	36.4		

DEFERRED TAXES IN CONSOLIDATED BALANCE SHEET

Long-term receivables	34.6	34.5		
Short-term receivables	7.0	14.2		
Long-term liabilities	40.4	36.3		
Short-term liabilities	0.1	0.1		
Total deferred tax liabilities(-)/receivables(+)	1.2	12.3		

The estimated income tax on the value appreciation of land and buildings totals EUR 4.4 million.

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
19) LONG-TERM LIABILITIES				
Loans from financial institutions	201.0	313.0	80.0	310.0
Pension loans	14.2	35.3		
Accrued expenses and deferred income	0.1	5.3		
Advances received	1.4			
Other debts	7.3	11.7	37.4	2.5
Total	224.0	365.3	117.4	312.5
Liabilities to Group companies				
Other debts			37.4	2.5
Total			37.4	2.5
Debts maturing in five years or later				
Other debts		2.2		
Total		2.2		
20) CURRENT LIABILITIES				
Loans from financial institutions	218.4	6.3	370.8	89.5
Pension loans	5.3	6.7		
Commercial papers	283.7	279.6	283.7	279.6
Trade payables	161.5	147.9	0.4	0.9
Accrued expenses and deferred income *)	266.6	281.9	15.7	14.1
Advances received	127.1	102.2	0.1	0.1
Other debts	68.4	73.2	337.5	293.7
Total	1 130.9	898.0	1 008.1	678.0
Liabilities to Group companies				
Trade payables			0.2	0.4
Accrued expenses and deferred income			3.6	0.3
Other debts			337.0	293.3
Total			340.8	293.9
Liabilities to associated companies				
Trade payables	1.3	2.1		
Accrued expenses and deferred income	0.0			
Other debts	0.0	0.3		
Total	1.4	2.4		
*) Accrued expenses and deferred income				
Accrued personnel expenses	97.9	92.7	2.2	2.2
Accrued interest expenses	8.4	8.8	9.2	7.6
Accrued/deferred income tax	21.8	30.5		2.6
Other accrued expenses and deferred income	138.6	149.9	4.3	1.7
Total	266.6	281.9	15.7	14.1

Other accrued expenses and deferred income consist mainly of accrued expenses related to normal business activities.

Other notes

SanomaWSOY

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
21) CONTINGENCIES AND PLEDGED ASSETS				
Debts with collateral consisting of real estate and shares				
Pension loans		16.9		
Loans from financial institutions	0.4	1.9		
Other debts	7.3	8.0		
Mortgages, real estate, total	2.5	9.2		
Mortgages, movable property, total	2.7	18.3		
Pledged securities, total	5.6	5.6		
Other contingencies for own commitments				
Corporate mortgages	2.5	2.8		
Book value of pledged securities	0.9	2.2		
Deposits	8.7	4.0		
Total	12.2	8.9		
Contingencies given on behalf of Group companies				
Guarantees			106.8	94.7
Total			106.8	94.7
Contingencies given on behalf of associated companies				
Guarantees	15.4	15.7	7.9	10.0
Total	15.4	15.7	7.9	10.0
Contingencies given on behalf of other companies				
Guarantees	18.1	18.2		
Total	18.1	18.2		
Other contingencies				
Leasing liabilities for premises				
Leasing liabilities for 2005	40.0	40.6		
Leasing liabilities beyond 2005	186.3	191.0		
Total	226.3	231.6		
Other leasing liabilities				
Other leasing liabilities for 2005	13.6	8.8		
Other leasing liabilities beyond 2005	35.8	28.0		
Total	49.5	36.8		
Interest on capital notes	5.0	4.1		
Other liabilities	74.0	73.2		
Other contingencies, total	354.7	345.7		
All liabilities, total	411.2	421.6	114.7	104.7

€ million	Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
NOMINAL VALUE OF OPEN DERIVATIVE CONTRACTS				
Interest rate derivatives				
Options				
Purchased	100.0	340.0	100.0	340.0
Written	54.8	254.8	54.8	254.8
Interest rate swaps	20.0	210.0	20.0	210.0
Total	174.8	804.8	174.8	804.8
Currency derivatives				
Forward contracts	13.5	18.1	13.5	36.5
Options				
Purchased	33.0		33.0	
Written	33.0		33.0	
Total	79.6	18.1	79.6	36.5
Share derivatives				
Options				
Purchased		15.2		
Written		16.6		
Total		31.7		
Total	254.3	854.6	254.3	841.3
MARKET VALUE OF OPEN DERIVATIVE CONTRACTS				
Interest rate derivatives				
Options				
Purchased	0.1	0.6	0.1	0.6
Written	-0.6	-4.3	-0.6	-4.3
Interest rate swaps	-0.1	0.0	-0.1	0.0
Total	-0.6	-3.7	-0.6	-3.7
Currency derivatives				
Forward contracts	0.1	0.2	0.1	0.0
Options				
Purchased	0.0		0.0	
Written	-1.0		-1.0	
Total	-0.9	0.2	-0.9	0.0
Share derivatives				
Options				
Purchased		0.0		
Written		-0.8		
Total		-0.8		
Total	-1.5	-4.3	-1.5	-3.6

22) Financial risk management

SanomaWSOY's treasury activities are centralised and managed through the Group Treasury. 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, 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.

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 approximately 10% of total net sales. Equity portfolio and non-euro denominated shareholders' equity of subsidiaries 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:

- Bilateral committed facilities of EUR 495 million, of which EUR 205 million unused
- Bilateral uncommitted facilities of EUR 200 million, all unused
- Finnish commercial paper programme of EUR 400 million, of which EUR 176.5 million unused
- Belgian commercial paper programme of EUR 200 million, of which EUR 138.1 million unused
- Current account limits of EUR 22.7 million, of which EUR 15.1 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. Operational units bear responsibility for credit risks associated with their businesses.

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, %	=	$\frac{\text{Interest-bearing liabilities - cash and bank and securities}}{\text{Shareholders' equity + minority interest}} \times 100$
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	=	$\frac{\text{Share price on the balance sheet date, adjusted for share issues}}{\text{Result / share}}$

Shares and shareholders

SanomaWSOY

Share capital and share series

SanomaWSOY's share capital (€ 1 000) 31 Dec.	2004	2003	2002	2001	2000
Total, all shares	65 838	68 929	62 574	62 574	62 574
Series A	9 976	9 985	9 985	9 985	9 985
Series B	55 862	58 944	52 589	52 589	52 589
Total, shares on the market	65 838	65 838	59 484	59 484	59 484
Series A	9 976	9 985	9 985	9 985	9 985
Series B	55 862	55 853	49 499	49 499	49 499

According to SanomaWSOY's Articles of Association, the company minimum share capital is EUR 50,000,000 and its maximum EUR 300,000,000. The share capital can be increased or reduced within these limits without amending the Articles of Association. The latest decrease in the share capital occurred when Tiikerijakelu Oy, a fully owned subsidiary of SanomaWSOY was merged with the Parent Company on 31 July 2004 and its 7,187,276 Series B shares were invalidated. The latest increase in share capital was in connection with the Rautakirja merger on 1 March 2003 in order to pay the merger consideration. At that time SanomaWSOY issued 33,550,850 new Series B shares.

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

A four-for-one split was effected on 10 May 2000.

Company shares

Tiikerijakelu Oy, a fully owned subsidiary of SanomaWSOY, was merged with the Parent Company on 31 July 2004 in line with the decision of the Annual General Meeting.

Following the merger, SanomaWSOY Series B shares owned by Tiikerijakelu, in total 7,187,276 shares, representing 4.48% of the shares and 1.19% of the votes (book counter-value totalling EUR 3,090,528.68), were invalidated. At the end of the financial year, SanomaWSOY did not have any of its own shares. The total number of shares on the market at year-end was 153,112,152, of which 23,199,492 were of Series A shares and 129,912,660 Series B shares.

During 2004, SanomaWSOY redeemed 1,324 notes of the convertible capital note issued in 2001. These notes would confer entitlement to 832,181 Series B shares. The 195 notes conferring entitlement to 122,564 shares and thereto related debentures redeemed in April and July 2004 were invalidated on 10 August 2004. The company practice has been to invalidate the redeemed notes in every six months. The 1,129 notes redeemed in August and September 2004 will be invalidated in February 2005.

Number of shares	Series A	Series B	Total
Number at 31 Dec. 2004	23 199 492	129 912 660	153 112 152
Average issue-adjusted number of shares	23 215 864	134 079 047	157 294 911
Issue-adjusted number of shares on the market at 31 Dec. 2004	23 199 492	129 912 660	153 112 152
Average issue-adjusted number of shares on the market	23 215 864	129 896 288	153 112 152
Dilution effect if all capital notes and distributed stock options were converted to shares *)	Series A	Series B	Total
Number of shares on the market at 31 Dec. 2004	23 199 492	129 912 660	153 112 152
Convertible capital note 2001 (excluding 3,107,479 shares redeemed by the company)		9 463 230	9 463 230
2001A stock options		615 000	615 000
2001B stock options		1 082 500	1 082 500
2001C stock options		1 151 500	1 151 500
2004A stock options		1 158 100	1 158 100
Number of shares on the market, diluted 31 Dec. 2004	23 199 492	143 382 990	166 582 482

*) If all converted capital notes and distributed stock options are converted to shares.

Authorisations of the Board

The AGM of 30 March 2004 authorised the Board to decide, within one year of the AGM, on an increase of share capital by one or more rights issues, issuance of one or more convertible bonds loans and/or issuance of option rights. The new shares subscribed under the rights issue and/or converted against the convertible bonds, and/or the new shares subscribed under the option rights, shall be of Series B, and their aggregate number may not exceed 30,622,430 shares. The total increase of share capital may not exceed EUR 13,167,644.90.

The AGM also authorised the Board to decide, within one year of the AGM, to acquire the company's own Series A and B shares. The acquisition will be made by using distributable funds. The aggregate book counter-value of the shares or the total votes conferred by such shares after the acquisition may not exceed 5% of the share capital or of the total votes of the company. The shares will be acquired in the existing proportion of the different share classes.

On 8 November 2004, the Board of Directors decided to issue the Stock Option Scheme 2004. The Board did not exercise any other authorisations in 2004.

Share listing and share codes

SanomaWSOY's shares and 2001A stock options are listed on the Main List of the Helsinki Exchanges and are identified in the trading system as SWSAV, SWSBV, and SWSBVEW101. Both Series A and Series B shares can be sold in lots of 10 shares. The lot size for 2001A stock options is 50. The following codes are also used:

	Series A	Series B
Bloomberg	SWSAV FH	SWSBV FH
Reuters	SWSAV.HE	SWSBV.HE
Startel	SWSAV	SWSBV

SanomaWSOY shares have been included in the Dow Jones STOXX 600, Small 200 as well as media sector indexes as of 22 September 2003.

SanomaWSOY shares are included in the book-entry system operated by the Finnish Central Securities Depository. At the end of 2004, the company had 10,563 shareholders, and foreign shareholders had 4.23% of all shares and 1.87% of all votes.

Share pricing and trading

In 2004 trading in SanomaWSOY shares grew considerably. A total of 309,491(195,335) Series A and 29,558,799 (17,252,697) Series B shares were traded during the year. Trading in Series A shares amounted to 1.33% (0.84%) of the average number of shares during the year and trading in Series B shares to 22.76% (13.53%). The average price of Series A shares was EUR 16.09 with a low of EUR 14.01 and a high of EUR 17.90. Series B shares were traded at an average price of EUR 15.72 and the price varied between EUR 13.70 and EUR 17.77.

SanomaWSOY was not informed of any statutory notices of changes in its ownership in 2004. No significant changes in the share ownership took place in 2004 apart from the invalidation of Tiikerijakelu's shares.

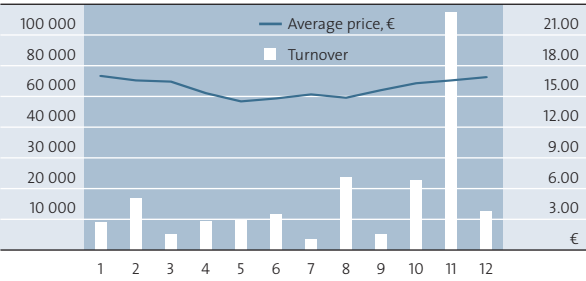
Share-related indicators are given in the Key Indicators table on page 1.

SanomaWSOY's market capitalisation at 31 December 2004 was EUR 2,632.2 (2,554.9) million. At the end of the year, Series A shares were quoted at EUR 17.20 (16.89) and Series B shares at EUR 17.19 (16.65).

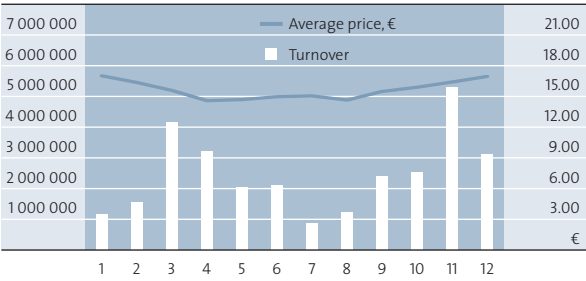
SanomaWSOY's share value (€ million) at 31 Dec. 2004	2004	2003	2002	2001	2000
Market value of shares, total	2 632.2	2 674.6	1 387.0	1 587.3	2 065.2
Series A	399.0	392.2	232.4	278.6	353.0
Series B	2 233.2	2 282.4	1 154.5	1 308.6	1 712.2
Market value of shares on the market	2 632.2	2 554.9	1 319.1	1 510.4	1 964.5
Series A	399.0	392.2	232.4	278.6	353.0
Series B	2 233.2	2 162.7	1 086.7	1 231.7	1 611.6
Book counter-value (€)					
Series A	0.43	0.43	0.43	0.43	0.43
Series B	0.43	0.43	0.43	0.43	0.43
Taxable value (€)					
Series A	11.90	11.41	7.35	8.40	10.50
Series B	12.04	11.62	6.61	7.49	9.45

Development of share price and indexes

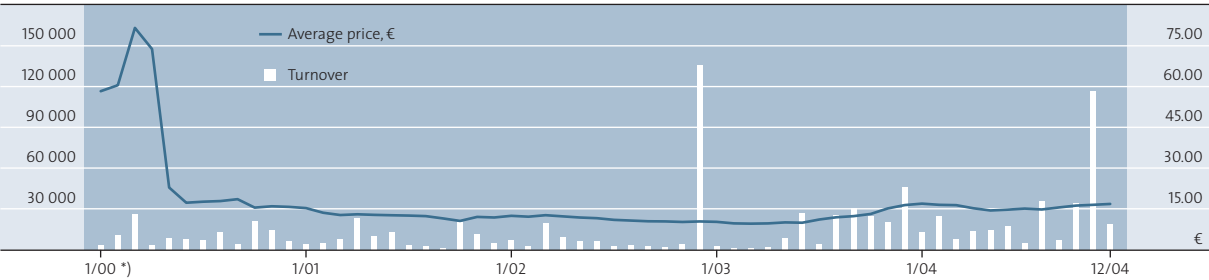
Series A, turnover and average price 2004



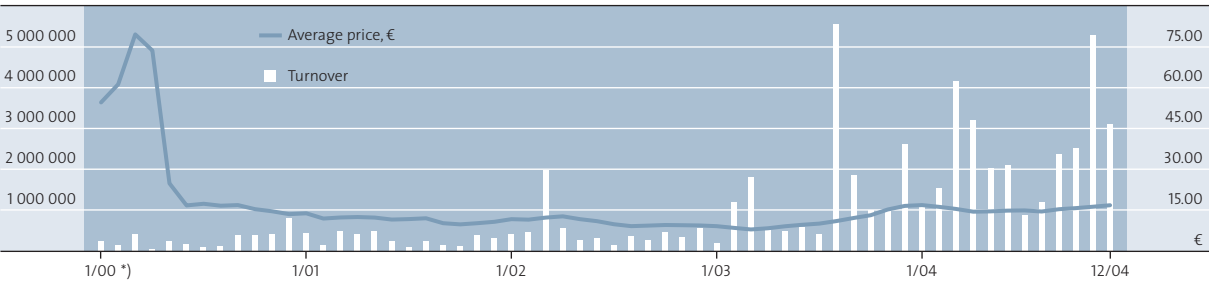
Series B, turnover and average price 2004



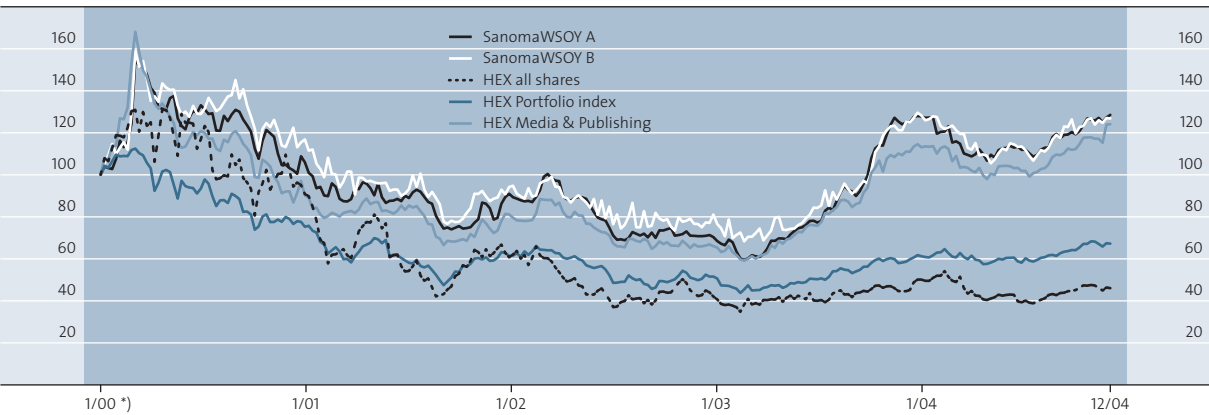
Series A, turnover and average price 2000–2004



Series B, turnover and average price 2000–2004



Series A and B compared to indexes 2000–2004



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

Stock options

SanomaWSOY has two option schemes: Warrant Scheme 2001 issued on the basis of an authorisation received at the EGM of 21 August 2001 and Stock Option Scheme 2004 issued on the basis of an authorisation received at the AGM on 30 March 2004.

Warrant Scheme 2001 comprises a maximum of 4,500,000 stock options, each entitling the holder to one SanomaWSOY Series B share. The stock options have been distributed in three stages, at the turn of 2001/2002 (identified as 2001A stock options), 2002/2003 (2001B stock options), and 2003/2004 (2001C stock options), and in each stock option category a maximum of 1,500,000 stock options could be issued. The non-distributed and returned 2001A and 2001B stock options, a total of 1,262,300 stock options, were invalidated in February 2004. The undistributed 2001C stock options have been given to SanomaWSOY's fully owned subsidiary, Lastannet Oy, to be used according to a future decision of the Board of Directors of SanomaWSOY.

The number of shares covered by the 2001 stock options is equivalent to a maximum total of 2.07% of the company shares and 0.54% of votes after the conversion. The 2001 stock options issued by the end of 2004 would represent approximately 1.83% of the shares after the conversion and some 0.48% of the votes.

SanomaWSOY's management held 615,000 2001A stock options, 1,082,500 2001B stock options and 1,151,500 2001C stock options at the end of 2004. All SanomaWSOY's Divisions, in total 192 persons, were included in the scheme.

The subscription period of Warrant Scheme 2001 will begin three years from the issue date and will continue for three years from that point. The subscription period of 2001A stock options is from 1 November 2004 to 30 November 2007, that of 2001B stock options is from 1 November 2005 to 30 November 2008, and that of 2001C is from 1 November 2006 to 30 November 2009. The subscription price in all three stages will be the average price of SanomaWSOY Series B shares as quoted in November–December 2001, 2002 or 2003 with an addition of 20%. Each year the dividend is reduced from the subscription price.

Trading in the 2001A stock options began on the Main List of the Helsinki Exchanges on 1 November 2004. The price of 2001A stock options at the end of the year was EUR 10.83. The imputed share price of 2001B was EUR 10.10 and that of 2001C EUR 18.61.

Stock Option Scheme 2004 comprises a maximum of 4,500,000 stock options, each entitling the holder to one SanomaWSOY Corporation Series B share. The stock options will be distributed in three stages, at the turn of 2004/2005 (identified as 2004A stock options), 2005/2006 (2004B stock options), and 2006/2007 (2004C stock options), and in each stock option category a maximum of 1,500,000 stock options can be issued. In total, 1,158,100

2004A stock options were distributed to 205 senior managers. The undistributed 2004A stock options were given to Lastannet Oy. The Board of Directors of SanomaWSOY will decide on their distribution later. The Board of Directors is entitled to broaden the range of recipients or to decide to distribute stock options in new acquisitions or recruitments.

The number of shares covered by the 2004 stock options is equivalent to a maximum total of 2.86% of the company shares and 0.75% of votes after the conversion. The stock options issued by the end of 2004 would represent approximately 0.75% of the shares after the conversion and some 0.19% of the votes.

The subscription period of Stock Option Scheme 2004 will begin three years from the distribution of stock options and will continue for three years from that point. The subscription period for 2004A stock options is from 1 November 2007 to 30 November 2010, for 2004B stock options from 1 November 2008 to 30 November 2011 and for 2004C stock options from 1 November 2009 to 30 November 2012. The subscription price in all three stages will be the average price of SanomaWSOY Series B shares as quoted in November–December 2004, 2005 or 2006 with an addition of 20%. Each year the dividend is reduced from the subscription price. At the end of 2004, the imputed share price of 2004A stock options was EUR 19.92.

Stock options owned by the SanomaWSOY Board of Directors or Management Group are listed in the Annual Report on pages 44–47. A monthly update on the insiders' ownership in traded stock options can be found on the Group's website, www.sanomawsoy.fi.

In cases where the stock option holder's contract of employment or service ends before the beginning of a share subscription period, the person in question will be required to offer his/her stock options back to the company; no payment will be made to cover any additional value that may have accrued. This does not affect people retiring or cases where a person dies.

Convertible capital note

In accordance with an authorisation granted by the EGM held 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 Main List of the Helsinki Exchanges on 6 September 2001.

A fixed annual interest of 5.25% is payable on the notes. The conversion period began on 2 January 2002. The conversion 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). None of the convertible capital notes had been converted into shares by the end of 2004.

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 conversion 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.

By the end of 2004, SanomaWSOY had redeemed 4,944 notes. These notes would have conferred entitlement to 3,107,479 Series B shares. A total of 3,815 notes have already been invalidated and the remainder will be invalidated in February 2005. The dilution effect of the loan at the end of the year, excluding the redeemed notes, was a maximum of 9,463,230 Series B shares, equivalent to 5.82% of the shares after the conversion and 1.57% of the votes. The loan capital amounted to EUR 150,560,000 at the end of the financial year.

Shares owned by the management

At 31 December 2004 the combined holding of company shares held by the members of the 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, totalled 5.25 % (5.02%) of shares and 5.11% (5.04%) of votes. In addition, Jaakko Rauramo has subscribed to ten and Hannu Syrjänen to five notes under the convertible capital notes issue. Under the warrant system introduced at the beginning of 2002, Jaakko Rauramo has 100,000 2001B stock options and 100,000 2001C stock options entitling him to 200,000 SanomaWSOY Series B shares. Hannu Syrjänen has 50,000 2001A stock options, 50,000 2001B stock options, 50,000 2001C stock options, and 50,000 2004A stock options entitling him to 200,000 SanomaWSOY Series B shares. Seppo Kievari has 30,000 2001A stock options, 30,000 2001B stock options, and 20,000 2001C stock options entitling him to 80,000 SanomaWSOY Series B shares. Other members of the Board of Directors do not have any stock options.

If all the notes under the convertible capital notes issue (excluding the notes redeemed by the company) and the 2001A, 2001B, 2001C, and 2004A stock options are subscribed to, and Hannu Syrjänen, Jaakko Rauramo and Seppo Kievari 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 5.12% of shares and 5.07% of votes, provided that there are no other changes in holdings.

Share ownership of SanomaWSOY's Management Group is listed in the Annual Report on pages 46–47, and on the Group's website, www.sanomawsoy.fi.

Shareholder agreement

The Board of Directors is unaware of any agreements associated with ownership of the company shares or the use of votes.

Dividend policy

The Board of Directors proposes a dividend of EUR 0.80 (1.00) per share for 2004. SanomaWSOY's Board of Directors' has renewed the Group's dividend policy. SanomaWSOY pursues an active dividend policy, based on the principle of normally distributing half of the Group's result after taxes in the form of a dividend.

SanomaWSOY's insider trade restrictions

SanomaWSOY's insiders pursuant to the law include the President & COO, the Chairman & CEO, and the members of the Board, the President & COO's deputy, the company auditor, the auditor in charge, 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. 5/264/99) guidelines are also included in the insider list. SanomaWSOY has a Group-wide Insider Regulation, which is in line with the insider regulation recommendation of the Helsinki Exchanges.

A SanomaWSOY insider is not allowed to commission sales, purchases, or other transactions involving SanomaWSOY securities*) or directly or indirectly advise others in transactions if he/she has access to insider information. Insiders may not buy or sell SanomaWSOY securities within a 14-day period prior to the publishing of the Company's interim reports or a 28-day period prior to the publishing of the year-end statements.

SanomaWSOY recommends that insiders do not buy or sell the same SanomaWSOY securities within a period of six months. In addition, SanomaWSOY recommends that insiders do not commission sales, purchases or other transactions of SanomaWSOY securities except within a 28-day period after publication of the Company's statutory financial information (year-end statement and interim reports).

*) 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 loans, and subscription rights). Securities giving entitlement to such shares means, as the Securities Markets Act defines, the options and forwards referred to in the Act on Trading in Standardized Options and Futures, derivative contracts equivalent to them and other derivative contracts (SMA, Chapter 10) for which the above-mentioned securities as well as a depositary receipt carrying entitlement to securities serve as underlying assets.

Shareownership

Principal shareholders as 31 Dec. 2004

Shareholder	Number of shares				votes	%
	Series A	Series B	Total	%		
1 Erkkö Aatos	6 480 816	36 354 720	42 835 536	27.98	165 971 040	27.94
Erkkö Aatos	5 125 832	26 041 660	31 167 492	20.36	128 558 300	21.65
Oy Asipex Ab	1 354 984	10 313 060	11 668 044	7.62	37 412 740	6.30
2 Patricia Seppälä's estate	2 317 876	10 378 524	12 696 400	8.29	56 736 044	9.55
3 Langenskiöld Robin	1 119 604	6 577 712	7 697 316	5.03	28 969 792	4.88
4 Seppälä Rafaela	1 119 600	6 577 716	7 697 316	5.03	28 969 716	4.88
5 Ilmarinen Mutual Pension Insurance Company	720 624	4 564 802	5 285 426	3.45	18 977 282	3.20
6 Helsingin Sanomat Centennial Foundation	915 932	4 086 796	5 002 728	3.27	22 405 436	3.77
7 Alfred Kordelin Foundation	1 780 122	3 017 634	4 797 756	3.13	38 620 074	6.50
8 Pohjola Group	326 100	2 267 394	2 593 494	1.69	8 789 394	1.48
Pohjola Group Plc		1 621 080	1 621 080	1.06	1 621 080	0.27
Pohjola Non-Life Insurance Company Ltd	326 100	646 314	972 414	0.64	7 168 314	1.21
9 Oy Karl Fazer Ab		2 418 782	2 418 782	1.58	2 418 782	0.41
10 Finnish Cultural Foundation	1 848 956	500 000	2 348 956	1.53	37 479 120	6.31
11 Foundation for Actor's Old-Age Home	386 248	1 824 484	2 210 732	1.44	9 549 444	1.61
12 Sampo Group	456 066	1 634 991	2 091 057	1.37	10 756 311	1.81
Sampo Life Insurance Company Limited	456 066	1 634 991	2 091 057	1.37	10 756 311	1.81
13 WSOY's Literature Foundation	1 338 300	687 037	2 025 337	1.32	27 453 037	4.62
14 Finnish Literature Society	264 000	1 624 918	1 888 918	1.23	6 904 918	1.16
15 Tapiola Group		1 814 169	1 814 169	1.18	1 814 169	0.31
Tapiola General Mutual Insurance Company		753 308	753 308	0.49	753 308	0.13
Tapiola Mutual Pension Insurance Company		652 397	652 397	0.43	652 397	0.11
Tapiola Mutual Life Assurance Company		309 864	309 864	0.20	309 864	0.05
Tapiola Corporate Life Insurance Company Ltd		98 600	98 600	0.06	98 600	0.02
16 The State Pension Fund		1 600 000	1 600 000	1.04	1 600 000	0.27
17 OP-Delta Investment Fund		1 321 000	1 321 000	0.86	1 321 000	0.22
18 Päivälehti Archives Foundation	345 992	676 656	1 022 648	0.67	7 596 496	1.28
19 Aubouin Lorna	87 056	873 208	960 264	0.63	2 614 328	0.44
20 Noyer Alex	87 044	873 216	960 260	0.63	2 614 096	0.44
20 largest, total	19 594 336	89 673 759	109 268 095	71.36	481 560 479	81.08
Nominee registrations, total	42 739	4 123 257	4 165 996	2.72	4 978 037	0.84

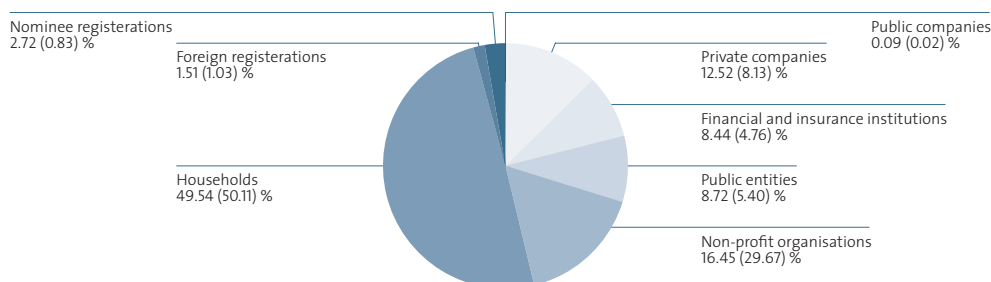
Shareholders are grouped according to the direct holdings of individual shareholders and the shares held by their investment companies are stated as aggregate amounts and specified by category. The shareholdings of companies belonging to the same group are stated both as aggregate amounts and specified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

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

Shareholders by sectors as of 31 Dec. 2004

	Number of shareholders	%	Number of shares	%	Number of votes	%
Public companies	19	0.18	140 799	0.09	142 699	0.02
Private companies	683	6.47	19 161 459	12.51	48 310 727	8.13
Financial and insurance institutions	86	0.81	12 915 140	8.44	28 266 646	4.76
Public entities	61	0.58	13 345 521	8.72	32 042 053	5.40
Non-profit organisations	327	3.10	25 172 053	16.44	176 182 875	29.67
Households	9 306	88.28	75 807 012	49.51	297 587 438	50.11
Foreign registrations	60	0.57	2 312 760	1.51	6 110 537	1.03
Nominee registrations	11	0.10	4 165 996	2.72	4 978 037	0.83
Total	10 553	100.00	153 020 740	99.94	593 621 012	99.95
On joint account			91 412	0.06	281 488	0.05
Number of shares on the market			153 112 152	100.00	593 902 500	100.00

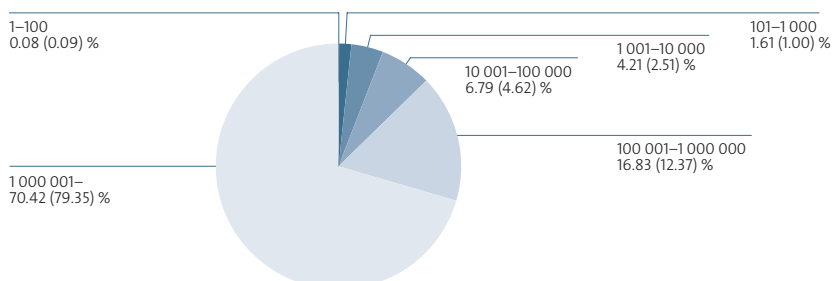
SanomaWSOY's shareholders by sectors, % of shares (% of votes)



Shareholders by number of shares owned as of 31 Dec. 2004

Number of shares	Number of shareholders	%	Number of shares	%	Number of votes	%
1–100	2 004	18.99	123 761	0.08	559 317	0.09
101–1 000	5 901	55.92	2 470 805	1.61	5 943 948	1.00
1 001–10 000	2 183	20.69	6 438 558	4.21	14 914 781	2.51
10 001–100 000	370	3.51	10 402 843	6.79	27 456 464	4.62
100 001–1 000 000	76	0.72	25 764 099	16.83	73 464 473	12.37
1 000 001–	19	0.18	107 820 674	70.42	471 282 029	79.35
Total	10 553	100.00	153 020 740	99.94	593 621 012	99.95
On joint account			91 412	0.06	281 488	0.05
Number of shares on the market			153 112 152	100.00	593 902 500	100.00

Shareholders by number of shares owned, % of shares (% of votes)



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 2004 to 31 December 2004. 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 of the parent company.

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 of the parent company 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, 4 March 2005

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johanna Perälä
Authorised Public Accountant

Pekka Nikula
Authorised Public Accountant

IFRS reporting

SanomaWSOY will start reporting according to IFRS standards in 2005. The new accounting principles will have an impact on the Group's net sales. The most important changes relating to net sales took place at the beginning of 2004 in accordance with Finnish Accounting Standards. The most significant modifications in net sales were related to press distribution, which is treated as commission sales according to the new accounting principles, and to harmonising the accounting practice regarding granted discounts and purchased services.

The comparable figures for 2003 have been adjusted according to the changes in accounting principles. According to the adjustments, SanomaWSOY's net sales decreased as a result of the changes by some EUR 38 million in 2003. Sanoma Magazines' net sales increased by approximately EUR 36 million. The changes relating to the new accounting principles within the Division were significant: net sales from magazine operations increased by some EUR 106 million whereas net sales from magazine distribution decreased by approximately EUR 115 million. Sanoma's net sales decreased by about EUR 18 million due to the changes, and Rautakirja's net sales by some EUR 116 million. The changes did not affect the net sales of WSOY and SWelcom.

According to the new and amended standards issued in March 2004, goodwill and intangible assets with indefinite useful lives are no longer amortised according to plan but tested for impairment. This change has the most significant impact on SanomaWSOY's result. Amortisation of goodwill and consolidated goodwill amounted to EUR 79.8 (81.4) million in 2004.

Reporting according to the IFRS standards will have an impact on the treatment of pension costs and management stock options schemes, among others. According to the current estimate, no major expense increase is expected at the Group level.

At the end of 2004, SanomaWSOY evaluated whether there is any indication of impairment related to the most important goodwill items. The evaluations did not indicate any need for write-downs. The goodwill related to the acquisition of the magazine operations in 2001 has already earlier been evaluated in accordance with the accounting standards used in the Netherlands. The Dutch standards of impairment testing are mainly in line with the general IFRS principles.

According to a preliminary, unaudited estimate, IFRS reporting will improve the Group's operating profit margin by some 2.5 percentage points. SanomaWSOY will publish its comparative IFRS data for 2004 during the week beginning 25 April 2005.

Investing in SanomaWSOY

Annual General Meeting

SanomaWSOY Corporation's Annual General Meeting of Shareholders (AGM) will be held on 12 April 2005 as of 2.00 p.m. Finnish time at the Congress Wing of Helsinki Fair Centre (Messuaukio 1, 00520 Helsinki). Shareholders wishing to attend are requested to register by 4.15 p.m. Finnish time on 5 April 2005. Registration can be made by phone tel. +358 105 19 5021, fax +358 105 19 5058, or via e-mail, yhtiokokous@sanomawsoy.fi.

Dividend for 2004

The Board of Directors proposes to the AGM that a dividend of EUR 0.80 per share should be paid for 2004. All shareholders registered on the Company's list of shareholders on the record date of 15 April 2005 are entitled to a dividend. List of shareholders is maintained by the Finnish Central Securities Depository. The dividend payment date in Finland will be 22 April 2005.

Attending the AGM

Shareholders, who own SanomaWSOY's shares on 1 April 2005, can attend AGM.

Notice of AGM is published in at least one newspaper with a large circulation. The matters dealt in the meeting are included in the notice. Notice of the meeting and the proposals of the Board are also published as a Stock Exchange release as well as at Company website.

Shareholders wishing to attend AGM are requested to register within the time specified in the notice. Shareholders can participate AGM or they can authorise an authorised representative or a statutory representative.

Shareholder's rights in AGM

A shareholder will have voting right at the AGM if he/she has registered to the meeting by 4.15 p.m. Finnish time on 5 April 2005. Regarding to nominee registered shareholders and shares that are not included in book-entry system, the regulations according them are applied.

Each Series A share carries twenty (20) votes and each Series B share carries one (1) vote at the shareholders' meeting. However, a shareholder can vote with a maximum of one fifth of the total amount of votes represented at the meeting.

List of shares and shareholders

The Finnish Central Securities Depository maintains a list of Company shares and shareholders. Shareholders who wish to make changes to their personal and contact information are asked to contact the Depository directly.

SanomaWSOY's financial reporting during 2005

The Group's Interim Reports will be published on 4 May, 4 August, and 2 November at around 11.30 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.

Companies analysing SanomaWSOY

The following companies have published analyses about SanomaWSOY during 2004:

Alfred Berg ABN AMRO
tel. +358 9 228 321
fax +358 9 228 32 283
www.alfredberg.fi

Exane BNP Paribas
tel. +44 207 039 94 48
fax +44 207 039 94 35
www.bnpparibas.com

Carnegie Investment
Bank AB, Finland Branch
tel. +358 9 6187 11
fax +358 9 6187 1239
www.carnegie.fi

FIM Securities Ltd
tel. +358 9 613 4600
fax +358 9 6134 6226
www.fim.com

Deutsche Bank
tel. +358 9 2525 2552
fax +358 9 2525 2585
www.db.com

Goldman Sachs International
tel. +44 207 552 9366
fax +44 207 552 7279
www.gs.com

Enskilda Securities AB,
Helsinki Branch
tel. +358 9 6162 8900
fax +358 9 6162 8769
www.enskilda.se

Handelsbanken Capital Markets
tel. +358 10 444 2425
fax +358 10 444 2578
www.handelsbanken.se

eQ Bank Ltd
tel. +358 9 231 231
fax +358 9 2312 3335
www.eqonline.fi

Mandatum Stockbrokers Ltd
tel. +358 10 236 10
fax +358 9 651 093
www.mandatum.fi

Evli Bank Plc
tel. +358 9 476 690
fax +358 9 4766 9350
www.evli.com

Opstock Ltd
tel. +358 10 252 012
fax +358 10 252 2703
www.opstock.fi

Releases 2004

Stock Exchange Releases, Releases and Stock Exchange Announcements

8.1 SanomaWSOY to start a Belgian Commercial Paper Program	7.6 SanomaWSOY clarified its figures and presented its focuses	6.10 Helsinki Court of Appeal's decision to dismiss Nostokonepalvelu's case against Sanoma legally binding
12.2 Year-End Statement 2003	30.6 Sanoma Corporation sold its holding in Savon Mediat to Ilkka Group	18.10 SanomaWSOY applies for listing of the 2001A warrants on the main list of the Helsinki Exchanges
12.2 SanomaWSOY's result continued to show an excellent trend – earnings per share more than tripled	2.7 Rautakirja expands into Romania	1.11 SanomaWSOY 2001A warrants listed on 1 November 2004
12.2 Matti Salmi appointed Senior Vice President, Finance and Administration of SanomaWSOY	16.7 SanomaWSOY to acquire Malmberg Investments B.V.	2.11 SanomaWSOY's Malmberg deal approved by competition authorities
12.2 SanomaWSOY to invalidate the non-distributed 2001A and 2001B warrants	16.7 Internationalisation of educational publishing fits into SanomaWSOY's strategy	8.11 Interim report Q3
20.2 Notice of Annual General Meeting	21.7 SanomaWSOY redeemed convertible capital notes	8.11 SanomaWSOY's result continued to develop well
27.2 SanomaWSOY to invalidate redeemed notes	26.7 SanomaWSOY redeemed convertible capital notes again	8.11 SanomaWSOY to issue another Stock Option Scheme
16.3 WSOY acquires majority in Young Digital Poland	2.8 Invalidation of SanomaWSOY shares held by the company	8.11 SanomaWSOY's share conversion
30.3 SanomaWSOY's Annual General Meeting	10.8 Interim Report Q2	9.11 SanomaWSOY completes its acquisition of Malmberg
1.4 SanomaWSOY redeemed convertible capital notes	10.8 SanomaWSOY's year 2004 continued successfully	12.11 Flagging announcement of selling Ilkka-Yhtymä shares
1.4 SanomaWSOY redeemed more convertible capital notes	10.8 SanomaWSOY's share conversion	15.11 Sanoma gains EUR 5.6 million on the sale of assets of Ilkka-Yhtymä shares
6.4 Sanoma Magazines sells Milvus Förlags AB	10.8 SanomaWSOY to invalidate redeemed notes	26.11 SanomaWSOY share conversion registered
19.4 SWelcom sells Måndag	18.8 SanomaWSOY redeemed convertible capital notes	3.12 SanomaWSOY's financial reporting during 2005
29.4 Sanoma Corporation incorporating its operations	23.8 SanomaWSOY redeemed convertible capital notes again	8.12 Rautakirja acquires press distribution company in Lithuania
4.5 Sanoma acquires news publication Uutislehti 100	27.8 SanomaWSOY share conversion registered	22.12 Rautakirja sells restaurant operations
7.5 Interim Report Q1	13.9 SanomaWSOY again redeemed convertible capital notes	22.12 Sanoma Magazines International enters Serbia and Montenegro
7.5 SanomaWSOY's good development in results continues – operating profit almost doubled	23.9 SanomaWSOY refinanced its loan portfolio	
	28.9 Free sheets Kellokas and Hyvinkään Kellokas to Sanoma	

