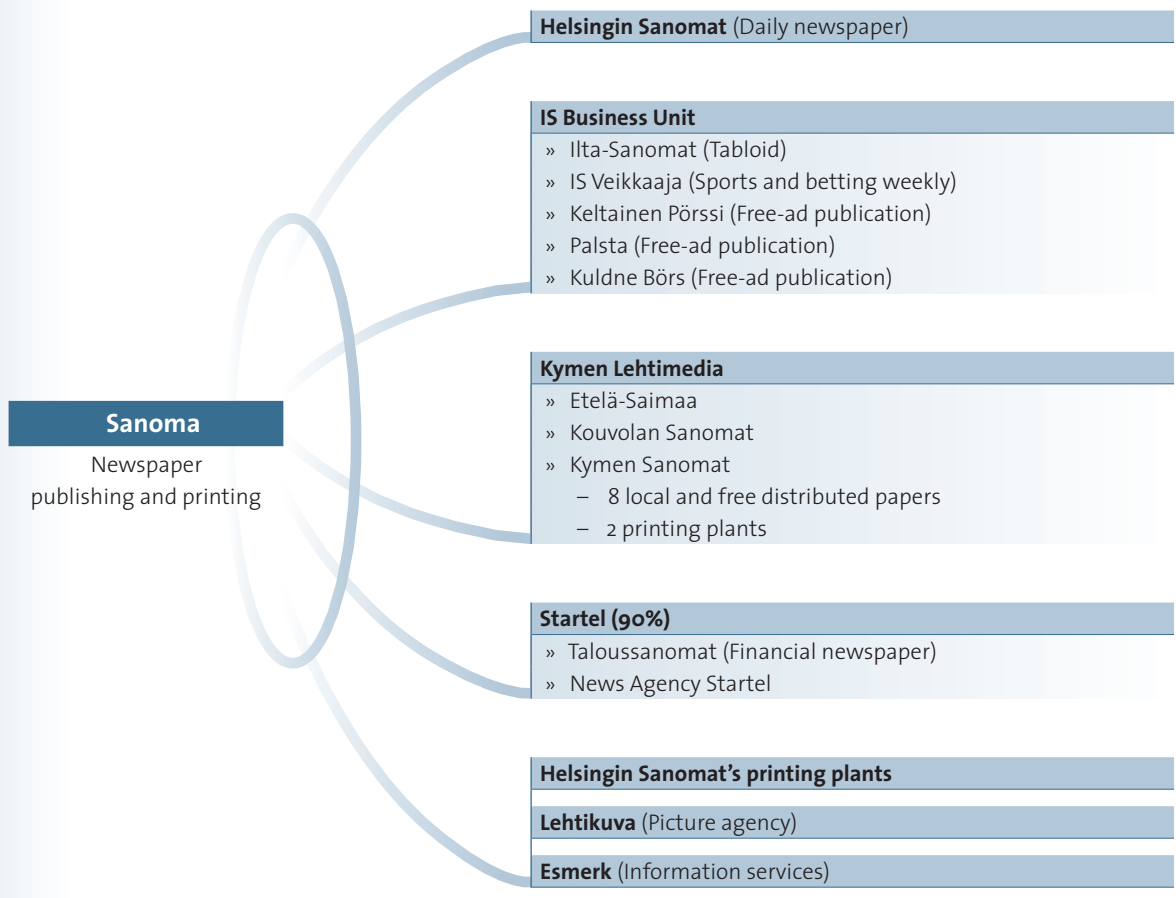




Sanoma publishes and prints Helsingin Sanomat, the largest subscription-based newspaper in the Nordic region, and Ilta-Sanomat, Finland's second-largest newspaper. Sanoma's other national papers include the business daily Taloussanomat, a sports and sport betting weekly, and two free-ad publications. Sanoma's titles also include three regional papers, as well as several local papers in Southeastern Finland.

Sanoma's titles also include three regional papers, as well as several local papers in Southeastern Finland.



Most profitable and dynamic in the Nordic region

“Sanoma’s goal is to be the most profitable and dynamic newspaper publisher in the Nordic region. Quality journalism must be independent, and this is only possible when profitability is secured and the organisation is committed to developing its operations and its products.”

Seppo Kievari, President of Sanoma Corporation

for classified ads, also increased. In November, for example, the site had half a million visitors.

In 2004, Helsingin Sanomat will continue to enhance the efficiency of its operations. The aim is to boost the newspaper’s share of the media market and continue the favourable growth in circulation that began in autumn of 2003.

Multichannels for the IS family

The main brands of the IS Business Unit – the tabloid, Ilta-Sanomat, the IS product family for sports and sport betting, and the free-ad publication, Keltainen Pörssi, with their supplements and web services – are all market leaders in their own areas.



Profitability and operational enhancements

In 2003, Sanoma focused on improving its profitability and implemented a number of major operational enhancements. The distribution company, Leijonajakelu, was sold to Finland Post, and a new four-colour printing press was commissioned at Helsingin Sanomat’s Sanomala printing plant. The high-points of the year in terms of journalism included the Finnish general elections and the Iraq war, as well as the related aftertalks.

In 2004, Sanoma will focus on growth, while consolidating its strong editorial content.

Helsingin Sanomat revamped

The Helsingin Sanomat product family includes the core daily paper, the weekly supplement, Nyt, the monthly magazine, Kuukausiliite, and online products: Verkkoliite, the On line news service, and Nyt.fi.

The introduction of the new four-colour printing press allowed an editorial redesign of Helsingin Sanomat’s structure. The result is a modern newspaper that meets readers’ expectations better than ever. Verkkoliite, which publishes the contents of the print daily in full on the Web, was also revamped and became a chargeable service.

The circulation of Helsingin Sanomat started to rise in August. The number of visitors at Oikotie, a web site

1. Ilta-Sanomat has strengthened its position as one of Finland’s leading news media. Senior Editor-in-Chief, A-P Pietilä, and News Editor, Riika Kuuskoski.
2. A revamp of Helsingin Sanomat included the launch of a new Home & Style section. Producer Juha Sainio, design editor Heikki Hankimo, and assistant editors Raija Forsström and Suvi Ahola, were all involved in the revamp.
3. Taloussanomat produces the content for TV channel Nelonen’s business news. Newscasters Niina Hyrsky and Petri Korhonen and cameraman Esa Selin.
4. Helsingin Sanomat was the only representative of the Finnish media with US troops during the Iraq war. Journalist Sami Sillanpää.
5. Sanomala’s new SanoMan printing press offers exciting four-colour opportunities for advertisers. Maintenance engineer Janne Rähkä.
6. Lehtikuva now offers customers video news images together with still photos. Picture editor Kalle Parkkinen.

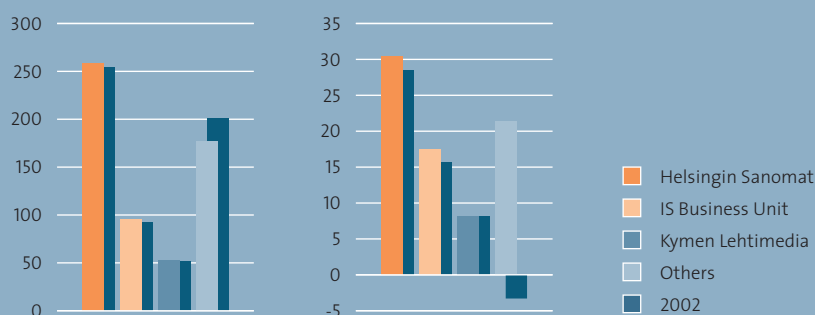
Subsidiaries

Infosto Oy
 Kymen Lehtimedia Oy
 » Baltic Media Oy (89%)
 » Etelä-Karjalan Jakelu Oy
 » Etelä-Saimaan Sanomalehti Oy
 » Kymen Sanomalehti Oy
 » Kymen Viestintä Oy
 » Lehtikanta Oy
 » Saimaan Lehtipaino Oy
 » Uutisvuoksi Oy
 Lehtikuva Oy
 Startel Oy (90%)
 Esmerk Group (90%)

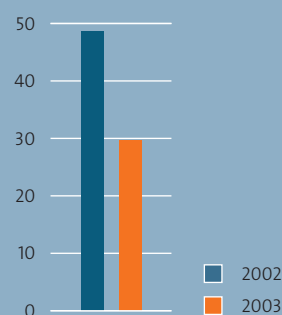
Management Group of Sanoma

Seppo Kievari, President (until 31 March 2004),
 Sanoma Corporation (chairman)
Mikael Pentikäinen, President (as of 1 April 2004),
 Sanoma Corporation (chairman)
Veli-Pekka Elonen, Vice President, Administration, Sanoma Corporation
Pekka Harju, Vice President, Marketing, Ilta-Sanomat
Kari Kivelä, Managing Director, Startel Oy
Antti Kivimaa, Vice President, Development, Sanoma Corporation
Antti Mäkelä, President, Kymen Lehtimedia Oy
Eija Rinta, Vice President, Finance (CFO), Sanoma Corporation
Pekka Soini, Vice President, Marketing, Helsingin Sanomat
Jarkko Kyttänen, Secretary to the Management Group,
 Business Development Manager, Helsingin Sanomat

Net sales and EBITA by business, € million



Gross investments, € million



Associated companies

Anjalankosken Painotalo Oy (48.22%)
 NetWheels Oy (20.06%)
 Suomen Tietotoimisto Oy (22.14%)
 ZAO Smena (30%)

Key indicators, € million

	31.12.2003	31.12.2002
Net sales	443.3	438.1
Operating profit before amortisation	77.5	49.0
% of net sales	17.5	11.2
Operating profit	69.4	41.9
% of net sales	15.6	9.6
Operating profit excl. associated companies	67.3	36.2
% of net sales	15.2	8.3
Balance sheet total	447.7	508.5
Gross investments	29.7	48.6
Return on investment, % (ROI)	23.5	13.3
Personnel under employment contract, average	4 027	4 944
Personnel, average (full-time equivalents)	3 041	3 578

Operational indicators, 1.1 – 31.12.

	2003	2002
Helsingin Sanomat		
Weekday circulation, copies *)	429 244	431 262
Sunday circulation, copies *)	500 269	500 150
Advertising volume (column metres)	42 359	42 834
Ilta-Sanomat		
Circulation, copies *)	198 693	204 820
Advertising volume (column metres)	7 036	7 036
Taloussanomat		
Circulation, copies *)	34 784	32 513
Advertising volume (column metres)	2 393	2 747
Other daily papers		
Total circulation, copies *)	88 715	89 718
Advertising volume (column metres)	21 967	21 092
Local newspapers		
Total circulation, copies	33 100	33 407
Advertising volume (column metres)	8 179	8 501
Paper consumption, tonnes	99 724	94 993

*) Audited circulation figures

2003 was a good year in journalistic terms for Ilta-Sanomat, with features on issues such as the Iraq information leak, which caused a lot of concern in Finnish domestic politics. Veikkaaja magazine became IS Veikkaaja, and IS Urheilulehti and IS Veikkaaja expanded their cooperation. The free-ad publications, Keltainen Pörssi and Palsta, and their web services, were also renewed.

In 2004, Ilta-Sanomat's weekly supplement, Plussa, will be switched from tabloid to magazine format. The IS product group for sports and sport betting centred on IS Urheilu and IS Veikkaaja will be developed. Ilta-Sanomat's sport editors and TV channel Nelonen's Sport News will combine their efforts to provide IS Sports News, which will be broadcast on Nelonen.

7. The launch of Helsingin Sanomat's revamp made a splash in Helsinki city centre. Editor-in-Chief Heleena Savela.
8. The Parliamentary elections were a major feature of the news year. Ilta-Sanomat's newsroom at 1.30 a.m. on election night. From the left: Managing Editor Tapio Sadeoja and Chief of the Political Affairs Desk Pekka Ervasti, with News Editor Ulla Appelsin in the foreground.
9. The Crown Princess of Sweden visited Sanoma House during her state visit to Finland. From the right: journalist Jukka Kajava, Crown Princess Victoria, Senior Editor-in-Chief Janne Virkkunen, and Editor-in-Chief Reetta Meriläinen.



Kymen Lehtimedia develops internal cooperation

Kymen Lehtimedia publishes and prints dailies and local newspapers. Its titles include the regional newspapers, Etelä-Saimaa, Kouvolan Sanomat, and Kymen Sanomat, as well as six local and two free distributed papers in Southeastern Finland.

Kymen Lehtimedia extended its internal cooperation within the Group in 2003. Editorial cooperation between its dailies increased, and advertisement production and some administrative activities were centralised.

In 2004, Kymen Lehtimedia will further enhance the efficiency of its operations. Digital advertising material, for example, will be concentrated in a single access point. At the beginning of the year, Kymen Lehtimedia sold its majority shareholding in its Russian agent, Baltic Media Oy.

Progress for Taloussanomat, more visibility for Lehtikuva

Startel publishes Taloussanomat, provides news agency services, and supplies financial information. In 2003, the new theme supplements of Taloussanomat and the revamping of its Saturday issue were received positively. Advertising and circulation sales moved up during the

latter part of the year and profitability improved. In 2004, Startel will continue to develop Taloussanomat into a strong finance media for corporate decision-makers, and invest in new digital solutions for financial information.

Lehtikuva is Finland's leading picture agency. In 2003, it concentrated on enhancing its visibility and developing its image search capabilities. Foreign demand for images for illustration needs grew significantly. In 2004, Lehtikuva's largest project will be the Olympic Games in Athens.

The Sanoma Group also includes Esmerk, which provides customised news analysis and summary services.

Outlook for 2004

In 2004, Sanoma's comparable net sales are expected to grow in line with the general trend in the media market. The profit from basic business operations is expected to improve more than net sales, due to long-term development measures. The division's operating profit will fall short of the previous year's figure, as non-recurring gains on the sales of assets are not expected to reach the previous year's level in 2004.

See also Financials, p. 6–7.