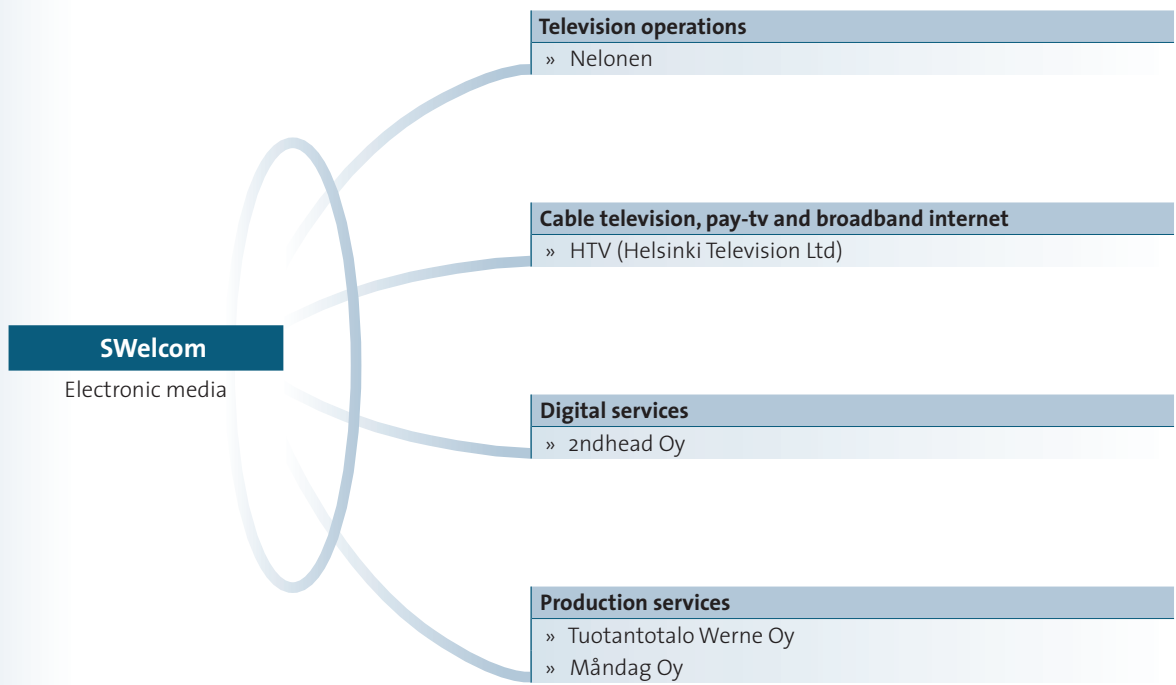
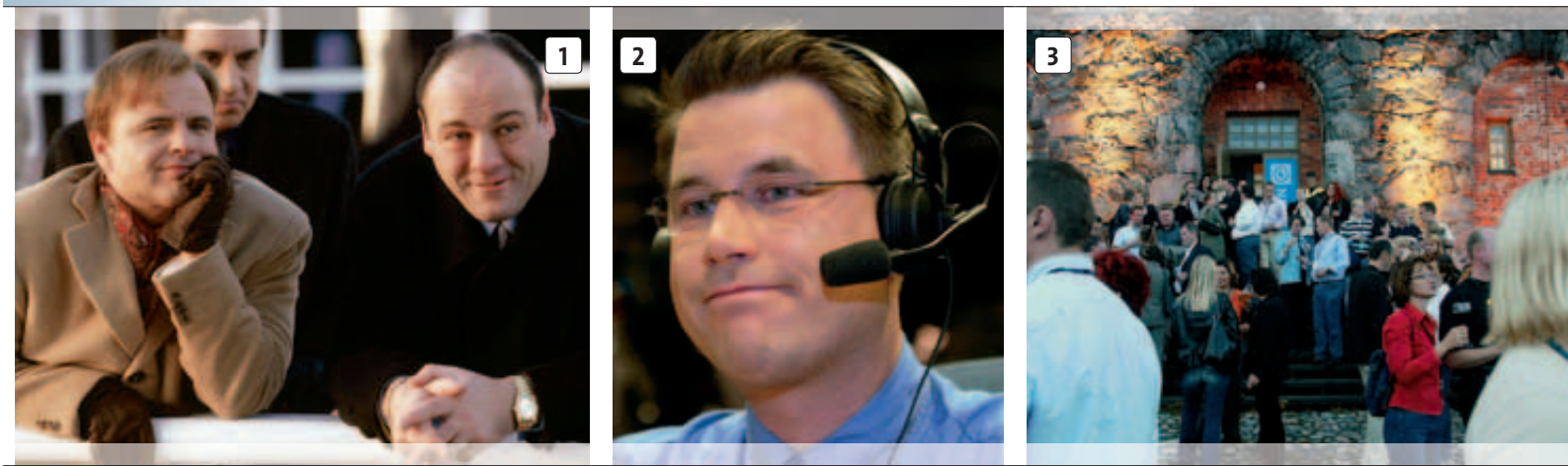


# swelcom<sup>e</sup>

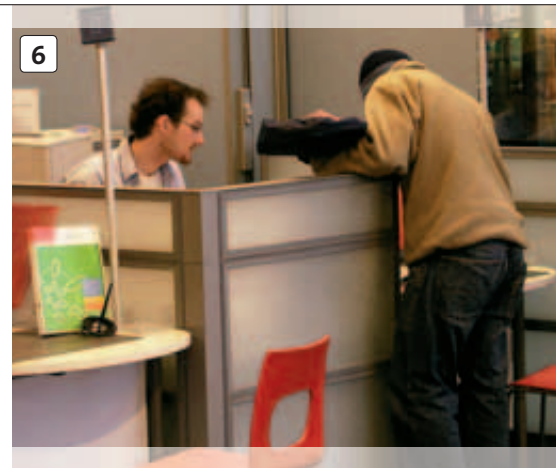
SWelcom is SanomaWSOY's electronic media division. The division includes Finland's third most important advertising media, the Nelonen TV channel, and the country's biggest cable TV company, HTV (Helsinki Television).



## A significant player in electronic media

"We are a serious challenger on the electronic media market, in both television and broadband internet. Our goal is to be the number-one choice for our target groups and an important player in the field of electronic media at the national level."

**Tapio Kallioja**, President of SWelcom



### Year of success

In addition to the TV channel, Nelonen, and the cable TV company, HTV, SWelcom's units include Werne, Måndag, and 2ndhead, which provide electronic media production services.

For SWelcom, 2003 was an excellent year. The division improved its financial performance considerably and posted a profit. Nelonen increased its share of the advertising market and became the second most viewed channel among viewers aged between 10 and 44. For HTV, the year was also successful, with a substantial increase in the number of connections and the number of broadband internet subscriptions.

In 2004, Nelonen's broadcasts will expand to cover almost all of Finland. The company's positive result in 2003 will help investments in digital TV and programming. HTV's profitable growth will continue and the company will focus on starting new services for its broadband customers.

### Outlook for 2004

In 2004, SWelcom's net sales are expected to grow substantially due to the increase in Nelonen's advertising sales, sales of HTV's connections and the popularity of the broadband services. Operating profit is expected to improve further despite growing investments.

1. The popularity of TV channel Nelonen continued to grow in 2003 among the channel's key target audiences. 'The Sopranos' won numerous awards in 2003.
2. Nelonen's news cameramen have won a number of top Finnish awards. Mikko Hirvonen is one of the news anchors.
3. The Finnish firework championships held by Nelonen is Finland's largest public event. Nelonen arranges a customer event during the championships.
4. HTV and Welho were profiled on Helsinki's city bikes during the summer.
5. Nelonen's programmes received four Venla awards in 2003. 'Irtiottoja' received an award as the best drama series.
6. HTV's broadband network already has more than 260,000 households as customers. A HTV shop in Sanoma House.

See also Financials, p. 7–8.

## Subsidiaries

2ndhead Oy  
 Helsinki Televisio Oy  
 Oy Ruutunelonen Ab (90.55%)  
 » Oy Suomen Medianeelon Ab  
 Tuotantotalo Werne Oy  
 » Måndag Oy

## Associated companies

Maxisat Oy (46.21%)  
 Platco Oy (33.33%)  
 Suomen Urheiluradio Oy (23.25%)

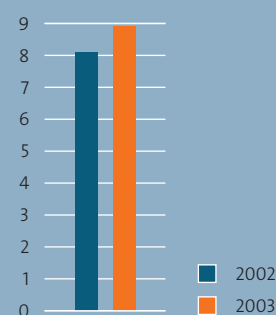
## Management Group of SWelcom

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

## Net sales and EBITA by business, € million



## Gross investments, € million



## Key indicators, € million

	31.12.2003	31.12.2002
Net sales	<b>104.9</b>	86.1
Operating profit before amortisation	<b>29.6</b>	9.0
% of net sales	<b>28.3</b>	10.5
Operating profit	<b>1.2</b>	-18.0
% of net sales	<b>1.1</b>	-20.9
Operating profit excl. associated companies	<b>1.0</b>	-15.6
% of net sales	<b>1.0</b>	-18.1
Balance sheet total	<b>142.3</b>	138.2
Gross investments	<b>8.9</b>	8.1
Return on investment, % (ROI)	<b>1.5</b>	-16.8
Personnel under employment contract, average	<b>416</b>	413
Personnel, average (full-time equivalents)	<b>392</b>	384

## Operational indicators, 1.1 – 31.12.

	2003	2002
Nelonen's share of Finnish TV advertising	<b>27.3%</b>	24.7%
Nelonen's daily coverage	<b>41%</b>	43%
Nelonen's national commercial viewing share	<b>22.0%</b>	23.4%
Nelonen's national viewing share	<b>11.4%</b>	11.6%
Number of connected households, thousands (31.12.)	<b>257</b>	237
Number of pay-TV subscriptions, thousands (31.12.)	<b>33</b>	36
Number of broadband internet connections, thousands (31.12.)	<b>43</b>	31