



WSOY

WSOY is Finland's largest book publisher and the market leader in general literature, educational materials, and several special publications. WSOY is also one of the largest book printers and the leading calendar publisher in the Nordic region.



WSOY

Publishing,
printing,
calendar operations

Publishing

- » WSOY General Literature
- » WSOY Educational Publications
- » eWSOY
 - Young Digital Poland (49%)
- » WSOY Business Information
 - Docendo Group
 - Everscreen Oy (64%)
 - Everscreen Ab
- » Weilin+Göös Oy
 - Bertmark Media AB

Printing

- » WS Bookwell Oy
- » Lönnberg Painot Oy
- » Dark Oy

Calendar operations

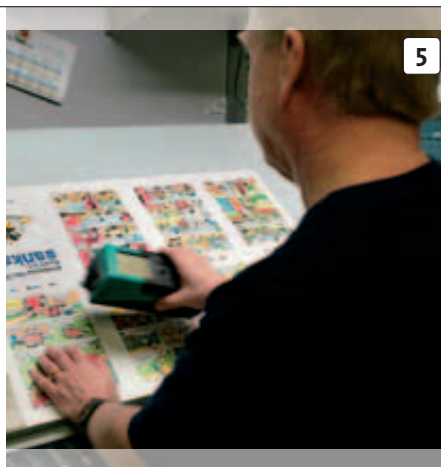
- » Ajasto Osakeyhtiö
 - Almanacksförlaget AB
 - Emil Moestue AS

Market leader in printed and digital publications

“WSOY’s goal is to be the market leader in both printed and digital publications.

“Although our main focus continues to be in Finland, our target is to become a European publishing house, and we are actively looking for opportunities to expand outside Finland.”

Jorma Kaimio, President of WSOY



125 years in publishing

WSOY celebrated its 125th anniversary in 2003. WSOY’s consumer products sold well during the year, but the market for business products continued to be weakened by the downturn in business activities. In 2004, WSOY will focus on its strategy and seek new opportunities for expanding in Europe.

Finnish fiction on the rise

WSOY’s General Literature unit is the market leader in Finland, and aims to be the forerunner and promoter of creative literature in Finland. WSOY Educational Materials is the market leader in all forms of education and related product groups, and WSOY Business Information offers products and services targeted at corporate customers. eWSOY focuses on e-learning, developing the internet-based Opit service for schools. Weilin+Göös publishes multi-volume books, and Bertmark publishes and markets annual books and multi-volume books across the Nordic region.

2003 was a particularly good year for Finnish fiction. Both the Finlandia Prize for fiction and the Tieto-Finlandia Prize for non-fiction were awarded to books published by WSOY. The Finlandia Prize went to Pirkko Saisio’s Punainen erokirja (‘The Red Book about Separation’) and the Tieto-Finlandia Prize to Elina Sana’s Luovutetut (‘The Extradited’).

1. Elina Sana’s book about the wartime deportation of Jews from Finland, ‘Luovutetut’, attracted a great deal of attention in the Finnish and international media, and was awarded the Tieto-Finlandia Prize.
2. Weilin+Göös’ sales panel develops and tests new product ideas.
3. WSOY will arrange more than 1,000 school visits and events for teachers during spring 2004 to present its new educational materials. Field Manager Erja Hautakoski presenting books at Pajjala comprehensive school in Tuusula.
4. ‘The Bookseller of Kabul’ by Åsne Seierstad, seen here at the Helsinki Book Fair, was one of the most talked-about books of 2003.
5. A Donald Duck book in production at WS Bookwell.
6. WSOY Educational Materials’ customer service department takes up to 3,000 phone calls a month. Maija Luoto, Marjo Kanerva, and Anna Block.

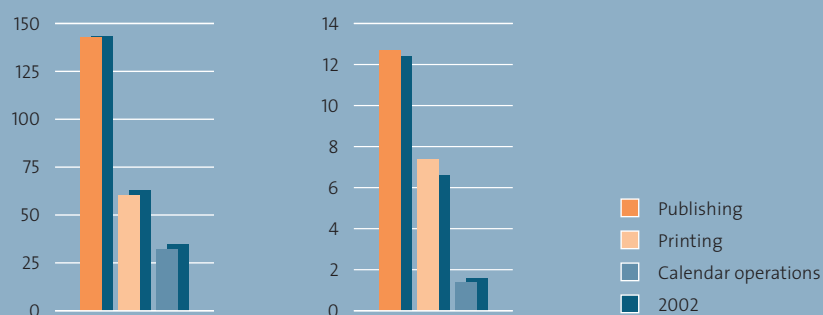
Subsidiaries

Ajasto Osakeyhtiö
 » Almanacksförlaget AB
 » Emil Moestue AS
 Dark Oy
 Docendo Finland Oy
 » Docendo Sverige AB
 Everscreen Oy (64%)
 » Everscreen AB
 Lönnberg Painot Oy
 Weilin+Göös Oy
 » Bertmark Media AB
 » Kustannusperintä Oy
 WS Bookwell Oy

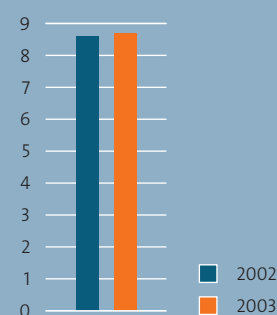
Management Group of WSOY

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

Net sales and EBITA by business, € million



Gross investments, € million



Associated companies

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

Key indicators, € million

	31.12.2003	31.12.2002
Net sales	212.2	215.9
Operating profit before amortisation	28.0	26.4
% of net sales	13.2	12.2
Operating profit	22.6	20.5
% of net sales	10.6	9.5
Operating profit excl. associated companies	21.0	12.4
% of net sales	9.9	5.7
Balance sheet total	203.8	280.8
Gross investments	8.7	8.6
Return on investment, % (ROI)	17.8	9.7
Personnel under employment contract, average	1 933	1 937
Personnel, average (full-time equivalents)	1 859	1 836

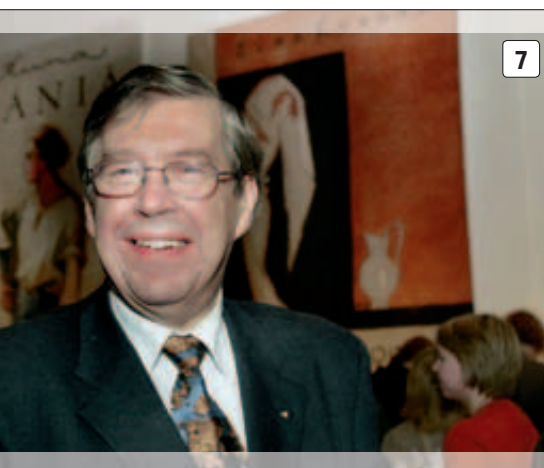
Operational indicators, 1.1 – 31.12.

	2003	2002
Number of new titles published		
Books	714	681
Electronic products	105	116
Number of reprints published		
Books	1 168	1 251
Electronic products	202	279
Books printed, millions	21	22
Paper consumption, tonnes	12 828	12 952

Other Finnish fiction did well as well: Many of WSOY's Finnish authors broke sales records in 2003. The popularity of translated fiction, however, declined. Weilin+Göös decided to publish the first Finnish multi-volume encyclopedia for many years. The first two volumes of the Factum series were published in 2003 and had a positive reception.

The Opit learning portal has about 75,000 users. Long-term, large-scale user agreements were made with the cities of Tampere and Espoo. Both cities decided to introduce the Opit service for all their schoolchildren.

7. The 'Tavaton kiire–Deadline' exhibition of illustrations was held at the Design Museum in Helsinki to mark the 125th anniversary of the founding of WSOY. President Jorma Kaimio can be seen here at the opening.
8. WSOY's Calendar business combines expertise in content, production, and distribution.
9. Many favourite Finnish authors sold well in 2003. Raket Liehu's Runeberg prize-winning 'Helene' was one of the year's success stories.



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WSOY has an interesting publishing programme for 2004, which is expected to be a good year for books. The operations of the Educational Materials unit will be affected by the decade's largest curriculum change, which will affect materials at all school levels and poses inspiring challenges for development.

Printing operations enhance production

WSOY's printing company, WS Bookwell, is one of the largest book printers in the Nordic region, and 50% of its production is exported. Lönnberg Painot Oy specialises in printing advertising material, annual reports, in-store displays, and gift packaging. Dark Oy is a digital printer.

In 2003, WS Bookwell developed its bindery lines and enhanced its operating efficiency. Dark invested in printing multi-colour manuals, which strengthened its position as Finland's leading digital printer. The first year of operation at its new Sanomala premises also improved Dark's productivity. F.G. Lönnberg was nominated the best printing house in Finland for the sixth time.

Competition in the printing business is expected to continue to be intense in 2004. Printing Operations aim to retain its market share by developing customer service and improving the profitability of investments.

Calendar operations focus on profitability

WSOY's Calendar Operations unit, Ajasto, is the leading Nordic time management company, with operations in Finland, Sweden, and Norway.

Calendar Operations reduced its fixed expenses and made production more cost-efficient during 2003. The market for consumer calendars remained stable in Finland, and the company's position on the market was strengthened.

In 2004, Calendar Operations will streamline its structure. As the market leader, the unit aims to maximise economies of scale and improve profitability.

Outlook for 2004

WSOY's net sales for 2004 are expected to grow from previous year in line with the improving operating environment. Growth in results will also continue – solid market positions and profitability improvement measures will enhance the increase.

See also Financials, p. 7.