



Sanoma Corporation Annual Report 1982

HELSINGIN

N:o 312 (30 237)

46 sivua

tähtivesti

RHEIMINTIE 20

etaan!

Koristettu ja
hoidettu on
on kukaan kukaan!

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ANOMIA

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SANOMA CORPORATION ANNUAL REPORT 1982

SANOMA CORPORATION
IN FIGURES

Turnover	FIN 287.7 m	USD 287.7 m	FIN 710.1	USD 1,067.1 m
Profit	FIN 25.5 m	USD 25.5 m	FIN 75.2 m	USD 112.2 m
Wages and Salaries (including Opeja's annual holiday pay material)	FIN 220.2 m	USD 220.2 m	FIN 544.4 m	USD 816.6 m
Business Expenses	FIN 184.7 m	USD 184.7 m	FIN 464.4 m	USD 696.6 m
Share Capital	FIN 14.0 m	USD 14.0 m	FIN 14.0 m	USD 21.0 m
Reserves	FIN 10.0 m	USD 10.0 m	FIN 10.0 m	USD 15.0 m
Shareholder Distributions	FIN 10.0 m	USD 10.0 m	FIN 10.0 m	USD 15.0 m
Other Assets	FIN 10.0 m	USD 10.0 m	FIN 10.0 m	USD 15.0 m
Consumption of Paper	71.2 m	USD 107.8 m	84.2 m	USD 126.3 m
Consumption of Printer's Ink	0.2 m	USD 0.3 m	0.2 m	USD 0.3 m

Rate of exchange USD 1 = FIN 5.94

SANOMA CORPORATION
DISTRIBUTION OF TURNOVER
TOTAL FIN 287.7 m

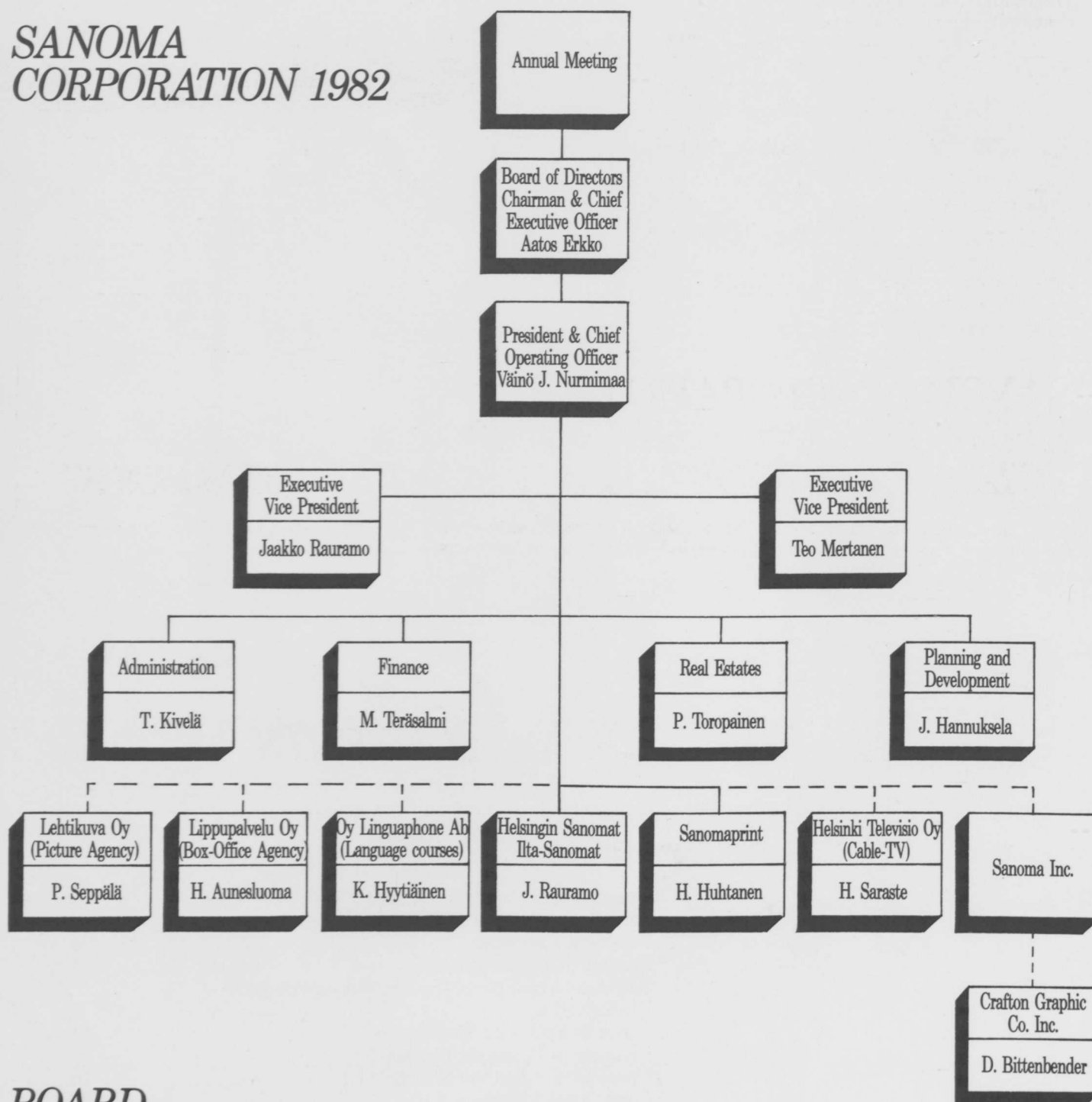
USD 484,083.97

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The establishment of a new daily newspaper PÄIVÄLEHTI (The Daily Paper) in 1889 marked the start of the presentday Sanoma Corporation (Sanoma Osakeyhtiö). The company bye-laws state that the purpose of the Sanoma Corporation is to publish newspapers and magazines and other publications involving other areas of interest such as printing and other industrial and commercial activities.

SANOMA CORPORATION 1982



BOARD OF DIRECTORS

Aatos Erkko, Chairman
 Teo Mertanen, Vice-Chairman
 Aarne Castrén
 Pentti J. K. Kouri
 Väinö J. Nurmimaa
 Jaakko Rauramo
 Patricia Seppälä

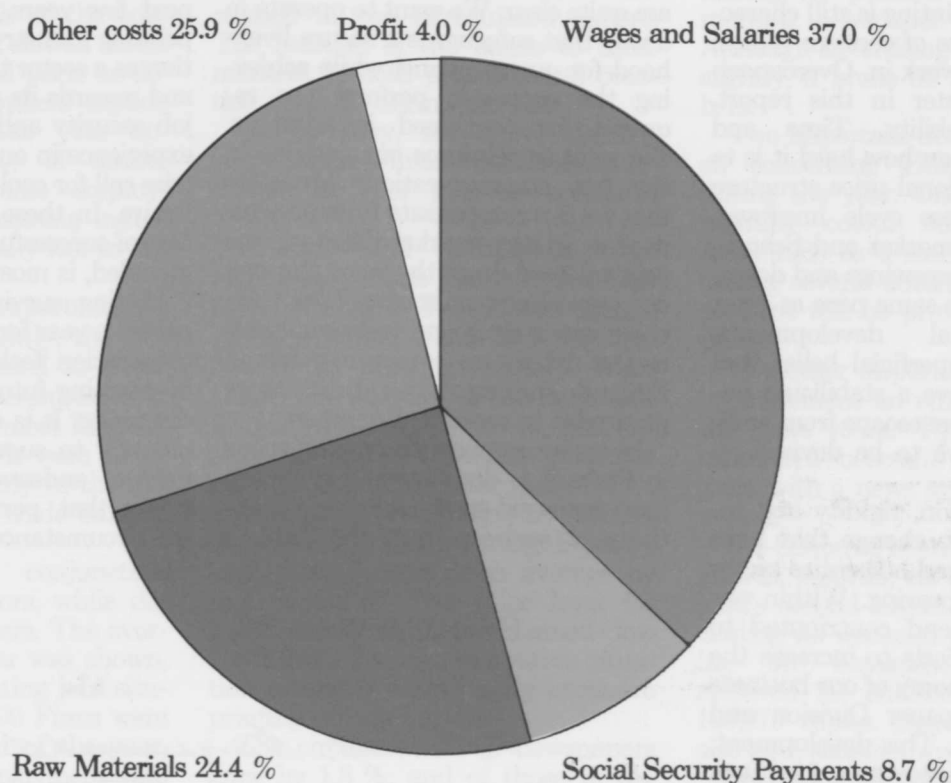
SANOMA CORPORATION IN FIGURES

	1982		1981	
Turnover	FIM 801.7 m	USD 151.3 m	FIM 719.1	USD 135.7 m
Profit	FIM 32.5 m	USD 6.1 m	FIM 28.3 m	USD 5.3 m
Wages and Salaries (including change in annual holiday pay reserve)	FIM 286.9 m	USD 54.1 m	FIM 252.4 m	USD 47.6 m
Balance Sheet	FIM 699.9 m	USD 132.1 m	FIM 589.6 m	USD 111.3 m
Share Capital	FIM 14.2 m	USD 2.7 m	FIM 14.2 m	USD 2.7 m
Personnel	2562 persons		2569 persons	
Newspaper Distributors	2234 persons		2273 persons	
Sales Agents	2666 persons		2765 persons	
Consumption of Paper	71.6 m kg		68.3 m kg	
Consumption of Printer's Ink	0.82 m kg		0.85 m kg	

Rate of exchange USD 1 = FIM 5,30

SANOMA CORPORATION DISTRIBUTION OF TURNOVER TOTAL FIM 801,710,271.53

USD 151,266,088.97



PRESIDENT'S MESSAGE

Expectations for 1982, the 93rd year in the company's existence, were not very great. The cutback in jobs advertising that had already set in in mid-1981 – as compared even with the previous, mediocre year – indicated the start of a recession. When we drew up operational plans for 1982, the signposts for business activity in Finland pointed clearly downhill.

But the year proved better than we expected.

The caution we showed in our budgeting is demonstrated by the fact that increase in the gross sales (11.9 %) exceeded the budgeted figure by 4 points. On the internal audit, profit before taxes and depreciations was about 8 % higher than budgeted, which was made possible by the rapid growth of other revenues.

Far from falling into our lap, the profit was hard-earned through expertise and enterprise. The moderate pricing policy of recent years also brought its influence to bear and, along with measures to boost our services, it has yielded good, reliable relations with our customers. The faith of our readers and other clients is of vital significance in our success. But falling margins do somewhat detract from the joy we feel in success and the optimism we hold for the future.

Commercial printing is still characterized by features of concern typical of the sector we work in. Overcapacity, considered later in this report, hampers profitability. Time and again, we have seen how hard it is to re-establish a rational price structure when the business cycle improves. For the Finnish market and Scandinavia as a whole, upswings and downturns occur at the same pace as overall international developments. Therefore the superficial belief that exporting can have a stabilising impact is often a mere escape from reality. Measures have to be devised on the home front.

The slow motion, rigidity and inability to react to change that have traditionally dogged our entire sector are finally disappearing. Within our company this trend contributed to the deliberate efforts to increase the operational autonomy of our business units, the Newspaper Division and the Sanomaprint. This development, with some corporate functions spreading out among business units, was smoothly launched in the latter

half of the year. We are particularly pleased with the positive atmosphere of collaboration evident during this process of change. I believe this attests to the success of our training and co-operation schemes. Common understanding prevails over issues pertaining to the success and business potential of our company, and this should provide us with even more solid foundations on which to build a secure future.

So far, I have carefully avoided using the word "organization" because it is not the organization that creates and produces things, but people. A key factor as we disperse our operations is to single out more clearly the significance and value of individual effort in everyday work. We are looking into a system in which the entire company benefits from co-operation objectives, the sum total of targets set for each and every person involved.

In the last few years we have made heavy investments. As we have invested we have worked excellently together. This has permitted us to institute reforms in manning, retraining and broadening the scope of everybody's work. Their share in improving our performance cannot be belittled by anyone.

The future goals of our company are quite clear. We want to operate in a way that safeguards a secure livelihood for our personnel while achieving the economic performance required for continued investments. We want to reinforce our position in the free communications arena so that we can compensate for a possible decline in the market-share of the printed word down the years through our own electronic media. Last year, there was a clear and welcome move in the debate on communication in Finland shifting focus from mere platitudes to creative discussion.

In many respects the media scene in Finland is distinctive. I think we have managed to provide a good entirety of services from the public's

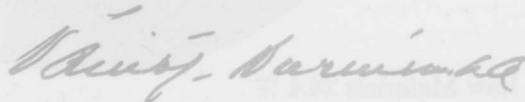
viewpoint, one that has a very balanced inbuilt consideration for the priorities of both society and the individual. If this were not the case, Finnish solutions in communication policy would not be subject to such great outside interest.

Our daily press still has its best years ahead. I think that, by pooling its resources, it will be especially well-placed to continue its contribution to Finnish media strategy, boosted by the positive and encouraging experience provided by the freedom-of-publication act. Videotex (i.e. telset) is an essential part of this strategy – and so is participation in cable television. But it is important that investments in these new media should not at any stage endanger the position of traditional forms of communication, which must remain based on as high a degree of self-sufficiency as possible.

Down the years our sector has been respected as one of the most progressive in the field of industrial relations. However, we should possibly admit that our record during the last few years of success is only satisfactory in terms of pace of development and innovational drive. With good cause we expect the co-operation work already launched to yield new ideas in the next few years. These will help the printing industry to reinforce its position as a sector that is both successful and rewards its personnel in terms of job security and work input. Recent experience in our neighbouring countries call for cool analyzing of our own future. In these conditions the position of successful companies, our own included, is most easily vulnerable.

Having survived better than expected a year foreseen as difficult, our corporation feels that its chances of overcoming future challenges are encouraging. It is entirely up to us and our will to succeed. In every single field of endeavour there are enterprises that perform well, whatever the circumstances.

Helsinki, 29 March 1983



Väinö J. Nurmimaa

SANOMA CORPORATION BOARD OF DIRECTORS' ANNUAL REPORT 1982



Uneven development in different sectors and countries set the tone for economic performance in 1982.

In Finland shipbuilding enjoyed full employment and record-long order books, whereas demand for sawn timber, pulp and paper was poor and these products commanded low prices, though there was a slight improvement towards the end of the year. The clothing industry faced some difficulties in finding sales outlets due to diminishing exports to the Soviet Union, booming strongly in 1981. This resulted from the need to restore balance to bilateral trade as prices of imported Soviet oil fell. On the other hand, growth of the construction industry was slowed down for lack of prefabricated parts as demand exceeded the suppliers' capacity. As the end of the year approached, unavailability of timber threatened to undermine employment in the wood-processing industry, and jobs were actually lost in the forest.

With the volume of exports falling while imports grew slightly, the foreign trade deficit widened to about FIM 1.7 billion. The current account showed a shortfall of almost FIM 4.5 billion. The worst trends were saved for the end of 1982: early in the autumn the accumulated trade balance was still in surplus.

Consequently, high conjuncture prevailed in some sectors, while depression was felt in others. The overall decline over the year was shown, however, by a deteriorating jobs situation. More than 180,000 Finns were out of work at the end of the year, and the average unemployment rate was 6.2 %.

Despite two devaluations the an-

nual inflation rate fell to 9.3 %. But allowing for the poor trend in the terms of trade inflation only marginally exceeded the threshold at which pay indexation could be implemented.

The money markets were relaxed throughout the year, summer especially. Even so, the discount rate was cut in the summer by 0.75 points. A peculiar feature was the vast expansion in the volume of so-called market money. Interest rates in the regulated market fluctuated on either side of 10 %, while varying between 13 % and 15 % in the market money sector. An estimated FIM 10 billion circulated in the unregulated sphere. The reaction of the banks to these markets, in both principle and practice, changed during the year.

In summary, the above demonstrate that in Finland 1982 was an indefinite sort of year in economic terms.

Printing and publishing were among the sectors that suffered least from recession. Provisional figures give a growth of about 12 % in turnover of the printing industry. Wage costs went up 11.3 %, raw materials (excluding paper) by 9.9 %, and paper itself by 10.4 %. The producer price index in this sector rose 11.2 %, against 7.3 % for industry as a whole, which meant that printing industry was affected more than average by cost pressures. The price level for commercial printing remained low because of a very competitive situation caused by continuously excessive printing capacity.

The circulation of all newspapers grew by 1.8 %, and of those in the Finnish Newspapers Publishers Association by 2.1 %. Among the 94 news-

papers appearing in Finland, two increased their frequency of publication. The average subscription fee at the start of the year was FIM 212, and there was an approximate 15 % increase in 1982.

The advertising volume of papers in the Finnish Newspapers Publishers Association, totalling 319,654 column-metres, was up by 2.1 %. The increase was largest among newspapers enjoying a market leader position in their own locality or region.

Helsingin Sanomat, the company's main vehicle of communication, continued to increase circulation, reinforcing its position as the biggest morning newspaper in Scandinavia. Although advertising lineage declined slightly, it broke all records in numbers.

Two important decisions were taken concerning Helsingin Sanomat during the year: One to establish a monthly colour supplement with April 1983 as a start-up date. Containing several dozen pages, the supplement will be printed at Sanomaprint.

The other important decision was to implement an editorial system in the news room. This decision was based on a successful experiment program with a news system at Ilta-Sanomat.

Ilta-Sanomat continued its positive growth, securing its position as Finland's second-largest newspaper. Including its weekend edition, appearing on Saturday, Ilta-Sanomat achieved an audited circulation of 169,975 copies. Sales of advertising also gave satisfactory results.

For Sanomaprint 1982 was the first year of operations after the merger of Sanomaprint and the Magazine and

Book Division. There has been a further development of operations and the planning of new guidelines continued. New alternatives for both production technology and product development have been examined resulting in major decisions in 1983.

Goals for the magazine publishing were not fully met. Measures taken did not yet take full effect in improving profitability of 1982. However, business publications were successful, whereas commercial printing operation by Sanomaprint fell short of the predicted level.

Our last annual report outlined the agreement signed in December 1981 with Hufvudstadsbladet Ab for the construction of a printing plant on the Sanomala site, with a press to be acquired and the entire installation to be leased to Hufvudstadsbladet, Finland's largest Swedish-language newspaper. In 1982 construction work has been in schedule. Assuming that the printing presses ordered from Frankenthal AG of West Germany are installed on schedule, the first copies of Hufvudstadsbladet produced at Sanomala will be put forth in autumn 1983. The contractors Teräsbetoni Oy are responsible for the construction work.

The same contractors are to raise the mail room at the Sanomala printing plant by one floor. This enables further automation of the mailroom operations. Once replacement equipment ordered from Ferag AG of Switzerland is delivered – in autumn 1983 – the extension will be operational.

Thirteen printing units were equipped with half decks, thereby increasing color-printing capacity at the printing plant. When the two remaining units have been furnished with

half decks in 1983, all 42 units at Sanomala will have color capability.

In order to further concentrate activities on Sanomala, plans for building an office block to serve the data-processing and marketing functions of the Corporation were examined. This would be an annex of the Hufvudstadsbladet building. These plans led the Board of Directors in February 1983 to take the decision to go ahead with the project. The office block, also to be built by Teräsbetoni Oy, will be ready in early 1984.

There was further development in the administrative organization of the Sanoma Corporation. Once Sanomaprint had been formed, business operations were left mainly to two business units with increasing autonomy. Part of the general administration was distributed into these units in autumn 1982.

The Income Statement and Balance Sheet show that the Sanoma Corporation came close to the financial success it enjoyed in 1981. For the first time ever, gross sales exceeded FIM 1 billion. Turnover surpassed FIM 800 million, but against a nominal increase of 11.5 %, real growth was only around 3 %. Since the increase in operating costs was slightly higher, pre-tax profit showed a decline. But due to the advance made by other revenues there was a slight improvement in profitability and our financial performance should be regarded satisfactory. The profit made it possible for the company to retain a strong financial position.

The Group as a whole expanded its operations by acquiring the entire stock of Oy Lippupalvelu – Biljett-tjänst Ab, the leading box-office agency in Helsinki. The purchase was

motivated by a desire to diversify our customer services and exploit our computer know-how by a fully-automated ticket-sales system giving a high standard of service for both buyers of tickets and organizers of big events.

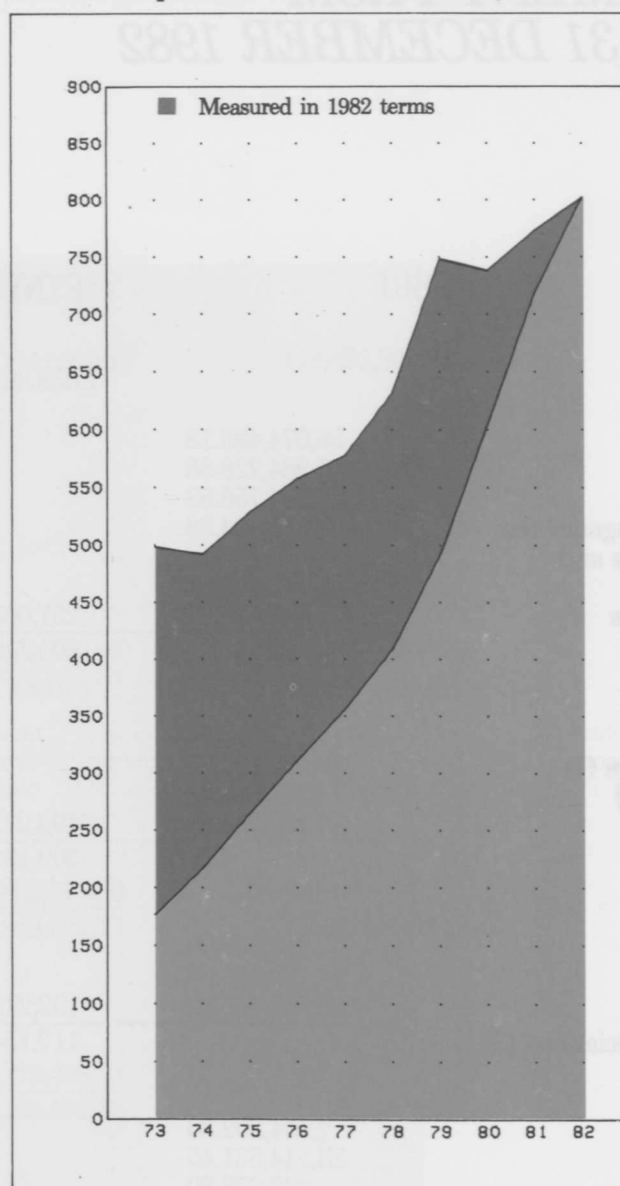
The operations of our subsidiaries Lehtikuva Oy and Oy Linguaphone Ab were successful registering a strong surge in turnover and good profits.

The improvement in the Helsinki Television Company (HTV) went as planned. Prime provincial newspapers joined us in acquiring stock shares, indicating success for our efforts to expand the list of shareholders.

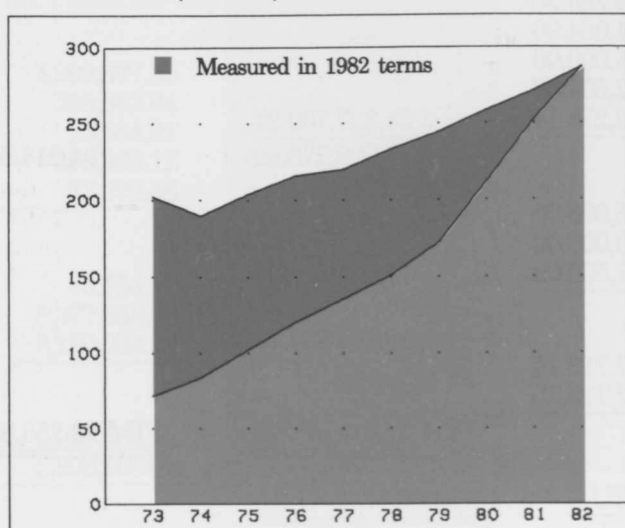
The Crafton Graphic Company, Inc., our American subsidiary, was impaired by the recession in the USA. Its turnover remained more or less unchanged and it was clearly down on the previous year though it still returned a profit.

In conclusion, both the main divisions of Sanoma Corporation and all group subsidiaries worked tirelessly to increase their business infrastructure in the midst of an economic recession, and to safeguard their future viability. With some exceptions, the Corporation managed to retain its positions in the market: in part even improving them. In short, all the groundwork for a continuation of the firm and safe trend has been done.

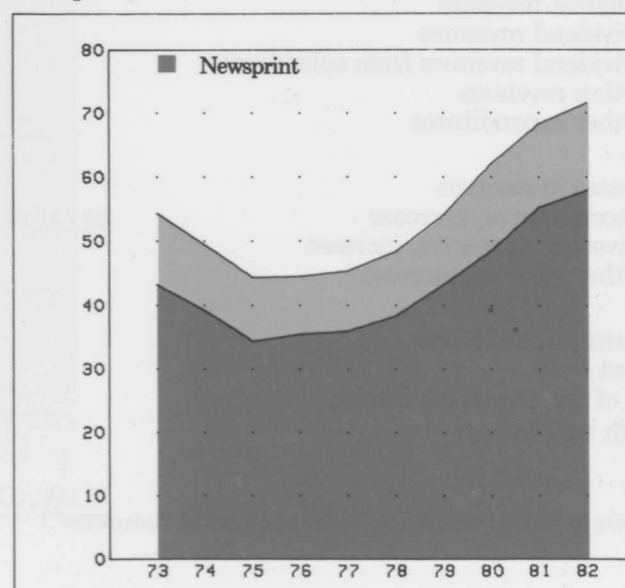
Sanoma Corporation Turnover (FIM m)



Sanoma Corporation Wages and Salaries Paid (FIM m)



Sanoma Corporation Consumption of Paper (thousand metric tons)



SANOMA CORPORATION

INCOME STATEMENT FROM

1 JANUARY TO 31 DECEMBER 1982

	FIM 1982	1981
Sales proceeds (1)	1.058,805,335.03	946,009,719.16
Adjustment to gross sales		
Discounts (2)	56,074,485.18	
Credit losses (3)	2,984,228.86	
Purchase tax	30,744,756.62	
Commissions and advertising agency fees	93,257,304.38	
Transport costs for newspapers and magazines	64,542,412.09	
Other adjustment to gross sales	9,491,876.37	
Turnover (3)	801,710,271.53	719,132,954.01
Variable expenditures		
Materials	212,115,976.86	
Variable wages, salaries and fees (4)	223,092,332.60	
Other variable expenditures (5)	73,361,337.78	
- stock increase	- 16,292,355.91	
Gross margin (9)	309,432,980.20	283,183,364.68
Fixed expenditure		
Wages, salaries and fees (7)	73,732,608.00	
Rents	12,108,169.53	
Other fixed expenditures (8)	106,437,969.32	
Profit on operations before depreciations (9)	117,154,233.35	113,771,902.37
Depreciations (10)		
Buildings	2,994,802.30	
Machinery and equipment	23,144,631.45	
Immaterial rights	333,276.80	
Other outlays with long-term return	2,099,944.14	
Profit on operations after depreciations	88,581,578.66	79,807,812.30
Other revenues and expenditures		
Interest revenues	26,339,289.96	
Dividend revenues	2,114,084.90	
Dividend revenues from subsidiaries	125,000.00	
Other revenues	3,052,604.52	
Other expenditures	- 303,279.14	
	31,327,700.24	
	119,909,278.90	104,814,854.20
Increase in reserves		
Stock reserve, decrease	216,000.00	
Investment reserve, increase	28,500,000.00	
Other reserves, increase	43,407,500.00	
	71,691,500.00	
Interest expenditures	15,702,807.70	
Direct taxes	15,897,713.75	
Out of the Operating Funds	- 15,897,713.75	
Profit for the year	FIM 32,514,971.20	FIM 28,255,852.74

(Figures in parenthesis refer to "Notes to Financial Statements".)

	USD 1982	1981
	199,774,591.52	178,492,399.84
10,580,091.53		
563,062.06		
5,800,897.48		
17,595,717.81		
12,177,813.60		
1,790,920.07	48,508,502.55	
	151,266,088.97	135,685,463.02
40,021,882.43		
42,092,892.94		
13,841,761.85		
- 3,074,029.42	92,882,507.80	
	58,383,581.17	53,430,823.52
13,911,812.83		
2,284,560.29		
20,082,635.72	36,279,008.84	
	22,104,572.33	21,466,396.67
565,057.04		
4,366,911.58		
62,882.42		
396,215.88	5,391,066.92	
	16,713,505.41	15,058,077.79
4,969,677.35		
398,883.94		
23,584.91		
575,963.12		
- 57,222.48	5,910,886.84	
	22,624,392.25	19,776,387.58
40,754.72		
5,377,358.49		
8,190,094.34	13,526,698.11	
	2,962,793.91	
2,999,568.63		
- 2,999,568.63	-	
	<u>USD 6,134,900.23</u>	<u>USD 5,331,292.97</u>

BALANCE SHEET AS OF 31 DECEMBER 1982

Assets

Financial assets

Cash in hand and in banks
Accounts receivable
Loans receivable (11)
Advance payments
Deferred assets
Other financial assets

27,688,548.55
142,336,817.13
147,739,873.53
597,852.66
18,893,437.36
33,363,656.92

FIM 1982

370,620,186.15

1981

311,522,544.09

Inventories (12)

Materials
Products (finished
and in process)

78,117,342.96
5,502,478.15

83,619,821.11

67,327,465.20

Fixed assets and other long-term expenditures

Land areas

22,100,716.11

Buildings
Depreciation

37,315,807.42
2,994,802.30

34,321,005.12

Machinery and equipment
Depreciation

116,481,972.55
23,144,631.45
93,337,341.10

Advance payments

24,632,099.10

117,969,440.20

Shares and stock
Shares and stock,
subsidiaries

26,998,846.88
32,743,682.95

59,742,529.83

Immaterial rights (13)

1,666,384.00

Depreciation

333,276.80

1,333,107.20

Other long-term expenditures (14)
Depreciation

12,266,064.04
2,099,944.14

10,166,119.90

245,632,918.36

210,757,623.79

FIM 699,872,925.62

589,607,633.08

		USD 1982	1981
	5,224,254.44		
	26,856,003.23		
	27,875,447.84		
	112,802.39		
	3,564,799.50		
	<u>6,295,029.61</u>	69,928,337.01	58,777,838.51
	14,739,121.31		
	<u>1,038,203.43</u>	15,777,324.74	12,703,295.32
	4,169,946.11		
7,040,718.38			
<u>565,057.04</u>	6,475,661.34		
21,977,730.67			
<u>4,366,911.59</u>			
17,610,819.08			
<u>4,647,565.86</u>	22,258,384.94		
5,094,122.05			
<u>6,178,053.39</u>	11,272,175.44		
314,412.08			
<u>62,882.42</u>	251,529.66		
2,314,351.71			
<u>396,215.88</u>	1,918,135.83	46,345,833.65	39,765,589.39
	<u>USD 132,051,495.40</u>	<u>111,246,723.22</u>	

Liabilities

Short-term

- Accounts payable
- Advance payments (15)
- Deferred liabilities (16)
- Other short-term debts

Long-term (17)

Pension loans
Other loans

Stock reserve
Investment reserves
Other reserves (18)

Bound

Share capital
Value adjustment reserve

Free

Operating funds
Profit from previous
years
Profit for the year

FIM 1982

1981

40,405,613.50
122,372,815.64
71,266,089.36
21,630,467.93

255,674,986.43

245,663,502.59

178,835,842.89
10,368,312.01

189,204,154.90

173,428,875.65

33,447,000.00
95,218,000.00
47,467,500.00

176,132,500.00

105,941,000.00

14,201,520.00
1,399,240.00

15,600,760.00

24,153,158.76

6,592,394.33

30,745,553.09

78,861,248.29

64,574,254.84

32,514,971.20

FIM 699,872,925.62

589,607,633.08

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

(Values in YMD)

	USD 1982	1981
7,623,700.66		
23,089,210.50		
13,446,431.96		
<u>4,081,220.36</u>	48,240,563.48	46,351,604.26
33,742,611.87		
<u>1,956,285.28</u>	35,698,897.15	32,722,429.37
6,310,754.71		
17,965,660.38		
<u>8,956,132.08</u>	33,232,547.17	19,988,867.92
2,679,532.08		
<u>264,007.54</u>	2,943,539.62	
4,557,199.76		
1,243,847.99	5,801,047.75	
	<u>6,134,900.23</u>	12,183,821.67
	USD 132,051,495.40	111,246,723.22

NOTES TO FINANCIAL STATEMENTS

(values in FIM)

1. Changes in shareholders' equity

Operating funds

1 Jan. 1982	10,050,872.51
Transferred from retained earnings	+30,000,000.00
Taxes paid from fund	-15,897,713.75
Balance 31 Dec. 1982	24,153,158.76

Reserve for donations

1 Jan. 1982	-
Transferred from retained earnings	+ 200,000.00
Donations made	- 200,000.00
	-

Retained earnings

1 Jan. 1982	38,922,622.33
Dividends distributed	- 2,130,228.00
Transferred to operating funds	-30,000,000.00
Transferred to reserve for donations	- 200,000.00
	6,592,394.33
Profit for the year	32,514,971.20
Balance 31 Dec. 1982	39,107,365.53

2. Securities given as collateral against debt

Mortgages given as collateral against debt	16,247,218.67
Guarantees	73,000,000.00
Guarantees on behalf of the subsidiaries	2,937,035.53
	25,530,424.21

3. Receivables from subsidiaries

Debts to subsidiaries	11,724,370.09
	15,985,770.66

4. Taxation values of fixed assets

Land areas	15,537,428.00
Buildings	50,378,190.00
Shares and holdings	29,102,520.00
Shares and holdings, subsidiaries	13,180,145.00

5. Holdings by the Sanoma Corporation in other companies

Company	Number	Changes from previous year	Percentage of all shares	Nominal value	Book value	Changes from previous year
Erikoislehdet Oy (Dormant)	100	100	100	5,000.00	5,000.00	5,000.00
Helsinki Televisio Oy	3.600	3.600	78.7	3,960,000.00	3,960,000.00	3,960,000.00
Kodin Kuvalehti - Terve Lapsi Oy (Dormant)	10	-	100	100.00	-	-
Lehtikuva Oy	75.000	-	100	750,000.00	1,025,400.45	-
Oy Linguaphone Ab	25.000	-	100	250,000.00	461,320.00	-
Sanoma Inc.	200	100	100	200 USD	6,603,480.00	6,564,000.00
Simonpaino Oy	1.000	-	100	1,000,000.00	20,493,782.50	-
Subsidiaries, total					32,548,982.95	
Other companies:						
Enso-Gutzeit Oy	12.967	-	0.02	129,670.00	112,579.14	-
Finnair Oy	273.331	246.664	1.14	1,366,655.00	1,253,545.81	1,123,307.85
Helsingin Telset Oy	40	-	33.33	400,000.00	400,000.00	-
Oy Kaukas Ab	1.759	-	0.13	175,900.00	279,081.25	-
Kymi Kymmene Oy	62.310	-	1.05	3,115,500.00	5,037,290.48	-
Metsäliiton Teollisuus Oy	8.000	-	1.05	400,000.00	405,176.80	-
Oy Nokia Ab	700	-	0.02	70,000.00	199,163.11	-
Rauma-Repola Oy	15.666	-	0.02	156,660.00	239,778.95	-
Rautakirja Oy	20.023	-	16.68	10,011,500.00	1,642,655.12	-
Others					1,153,914.16	136,392.00
Other companies, total					10,723,184.82	-
Housing and real estate corporations					15,203,554.81	3,144,340.73
Grand total					FIM 58,475,722.58	14,933,040.58

NOTES TO FINANCIAL STATEMENTS

INCOME STATEMENT

1. Gross sales were up by 11.9 % on 1981. When a deflator is used to convert 1981 money into 1982 values, the increase comes to 4.1 %. In the principal categories – subscriptions, single-copy sales, and advertising – growth has been more or less equally large.
2. Adjustable sales items grew by 13.3 %. This is especially accounted for by discounts (18.8 %) and other adjustables (24.8 %). The latter category includes freight charges, royalty payments and commissions on advertisements forwarded to other newspapers.
There has also been a strong growth – 37.9 % – in credit losses, but this item comes to only 0.28 % of gross sales, a 0.05-point increase on 1981. In line with established practice, subscriptions for newspapers delivered yet unpaid have been entered as credit losses.
3. Turnover increased 11.5 %. Converted into real growth by the method applied to gross sales, the figure is 3.7 %.
4. Following general practice in this sector, variable wages include those of journalists, printers and newspaper distributors holiday and sickness payments, and certain other fees. The grand total is 13.5 % up on 1981. Holiday and sickness fees come to 23.7 % of payments for hours worked.
5. Other variable expenditures, up by 14.1 %, extend to variable social security payments on income, variables incurred in editorial and production work (excluding raw materials), and telecom-

munication expenses.

6. The gross margin grew 9.3 % – a 1.1 % real increase when measured by the method outlined above (1 and 3). The percentage figure is 38.6 – 0.8 points down on 1981.
7. Fixed wages and salaries include those of clerical and technical staff and personnell employed by the transportation and other departments, together with holiday and sickness payments and fees for lectures and other commissions.
The amount due is 13.6 % higher on the previous year. Holiday and sickness payments are 23.7 % of those paid for actual time at work. The two percentage figures are exactly the same as corresponding figures for variable wages.
8. A sum of FIM 6,414,286.06 has been transferred to the Sanoma Corporation Pension Fund, giving complete coverage of liability deficit. Excluding this transfer, other fixed expenditures have risen by 15.3 %.
9. Profit on operations comes to 14.6 % of turnover – in Finnmarks, it is 3.0 % higher than in 1981. If the transfer to the pension fund is ignored for both 1981 and 1982, the respective figures are 15.4 % and 4.9 %. Measured in real values, the operating margin is FIM 1.9 million less in 1982 than in 1981.
10. Depreciations are FIM 10.3 million less than those permitted under the Business Taxation Act, and about FIM 25.0 million below auditable depreciations. They are down by 15.9 % on 1981.

BALANCE SHEET

11. Repayable items break down between FIM 0.5 million from subsidiaries, and all other from external debtors.
12. Raw materials are valued at 60 % of procurement value, books in terms of the practice prevailing in publishing.
13. Copyright of certain movies and special royalties on some video-films are entered as non-tangible assets.
14. These are income deductibles on computer programmes and access to channels purchased from the Helsinki Television Company.
15. Advance payments include the liability of newspapers subscribed to but not yet delivered. FIM 79.3 million have been deducted from this sum, to be included in sales receivables.
16. The largest items not falling due in 1982 include wages, salaries and annual holiday payments (FIM 45.9 m), interest charges (FIM 5.6 m), and taxes (FIM 4.4 m).
17. Among long-term loans are a FIM 88.5 million loan from the pension insurance company Eläkevakautusyhtiö Ilmarinen, and one of FIM 90.3 million from the Sanoma Corporation Pension Fund. These loans are based on the Finnish practice that makes it possible to borrow back the capital which has been paid to the Pension Fund. FIM 10.2 million were borrowed from the subsidiary Simonpaino Oy, and FIM 0.1 million is a balance from supplier credit for the electric drive of the press.
18. Includes, in full, an operational reserve and credit-loss reserve.

SANOMA CORPORATION

CHANGES IN FINANCIAL POSITION (FIM m)

SOURCES OF FUNDS	1982	1981	1980	1979	1978
Income financing					
Profit before transfers from the closing of the accounts and taxes	100.6	99.3	84.8	49.1	13.9
Taxes	-15.9	-17.8	- 4.9	- 0.0	- 0.2
Depreciations (without tax concession depreciations)	+28.6	+34.0	+16.1	+28.9	+42.6
	<u>123.3</u>	<u>115.5</u>	<u>96.0</u>	<u>78.0</u>	<u>56.3</u>
Addition to loans (without deducting part-payments for the following year)	+16.9	+25.6	+ 1.1	+14.3	+11.5
	<u>140.2</u>	<u>141.1</u>	<u>97.1</u>	<u>92.3</u>	<u>67.8</u>

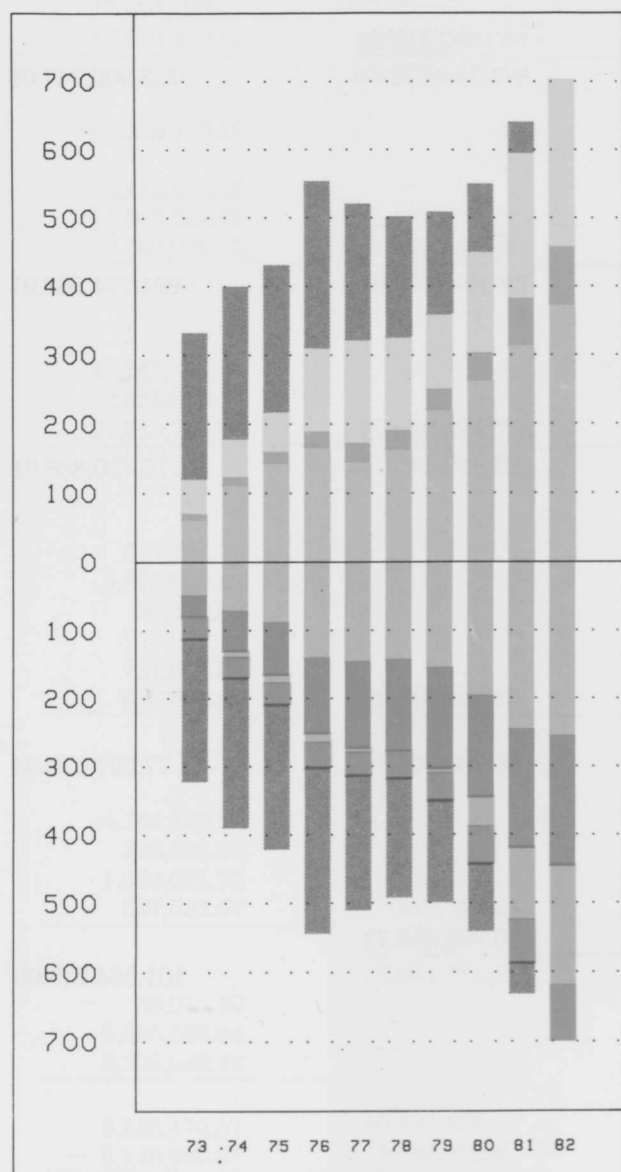
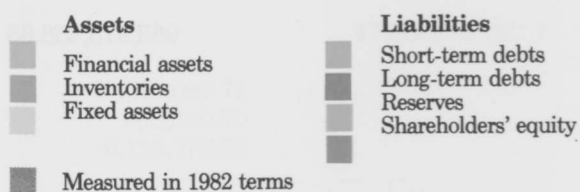
USE OF FUNDS

Investments in fixed assets	65.0	99.0	54.8	42.7	49.1
Dividends distributed + donations	+ 2.3	+ 2.3	+ 1.8	+ 1.3	+ 1.0
	<u>67.3</u>	<u>101.3</u>	<u>56.6</u>	<u>44.0</u>	<u>50.1</u>
Increase of net working capital	+66.5	+31.6	+12.2	+48.3	+17.7
Transfer to pension fund	+ 6.4	+ 8.2	+28.3	-	-
	<u>140.2</u>	<u>141.1</u>	<u>97.1</u>	<u>92.3</u>	<u>67.8</u>

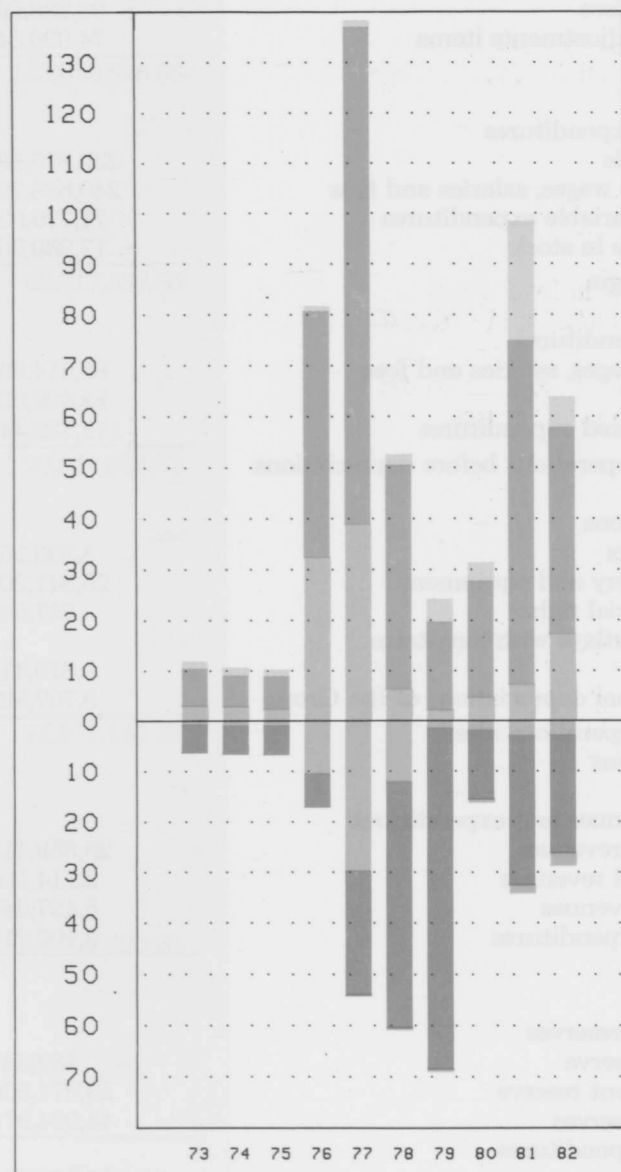
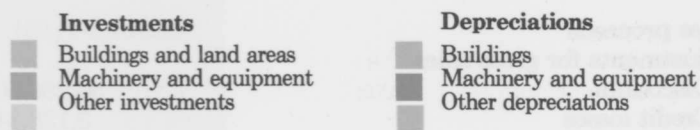
CHANGE IN NET WORKING CAPITAL

Financing assets: increase+	+59.1	+51.1	+43.0	+56.9	+17.6
Inventories: increase+, decrease- (before non-current deduction)	+16.3	+28.7	+ 9.5	+ 2.4	- 6.7
Short-term liabilities: increase+, decrease-	- 8.9	-48.2	-40.3	-11.0	+ 6.8
	<u>+66.5</u>	<u>+31.6</u>	<u>+12.2</u>	<u>+48.3</u>	<u>+17.7</u>

BALANCE SHEETS IN 1973-1982 (FIM m)



INVESTMENTS AND DEPRECIATIONS



CONSOLIDATED INCOME STATEMENT

1 JANUARY TO 31 DECEMBER 1982

	FIM 1982	1981
Sales proceeds	1,130,735,057.71	963,973,458.85
Adjustments for gross sales		
Discounts	56,286,507.25	
Credit losses	3,138,346.25	
Purchase tax	32,471,891.75	
Commissions and advertising agency fees	93,288,999.77	
Other adjustments items	74,096,640.21	
Turnover	-259,282,385.23	
	871,452,672.48	735,909,747.08
Variable expenditures		
Materials	239,876,532.75	
Variable wages, salaries and fees	240,688,721.65	
Other variable expenditures	71,779,923.26	
- change in stock	- 17,289,003.19	
Gross margin	535,056,174.47	
	336,396,498.01	294,774,863.91
Fixed expenditures		
Fixed wages, salaries and fees	81,314,692.94	
Rents	13,426,909.26	
Other fixed expenditures	115,782,447.08	
Profit on operations before depreciations	210,524,049.28	
	125,872,448.73	116,730,886.91
Depreciations		
Buildings	3,398,154.30	
Machinery and equipment	25,841,206.91	
Immaterial rights	357,643.10	
Other outlays with long-term return	3,879,414.66	
Additional depreciations of the Group	3,707,523.02	
Profit on operations after depreciations	37,183,941.99	
	88,688,506.74	77,227,070.34
Other revenues and expenditures		
Interest revenues	25,359,414.26	
Dividend revenues	2,114,106.90	
Other revenues	5,427,686.28	
Other expenditures	- 2,107,214.67	
	30,793,992.77	
	119,482,499.51	101,084,218.00
Change in reserves		
Stock reserve	- 439,981.58	
Investment reserve	29,974,500.00	
Other reserves	44,024,971.62	
Interest expenditures	- 73,559,490.04	
Taxes	- 18,229,382.41	
From the operating fund	16,633,894.03	
Minority share of the profit of the subsidiaries	- 16,689,220.41	
	+ 55,326.35	
	+ 789,956.52	
Profit for the year	FIM 28,538,909.93	FIM 20,647,068.10

The Group comprises the parent company, the Sanoma Corporation, and the following subsidiaries: Lehtikuva Oy, Oy Linguaphone Ab, Simonpaino Oy, and Helsinki Televisio Oy. Duplication of ownership has been eliminated by the procurement expenditure method.

USD 1982

1981

213,346,237.30

181,881,784.69

10,620,095.71
592,140.80
6,126,772.03

17,601,698.07
13,980,498.15

48,921,204.76

164,425,032.54

138,850,895.68

45,259,723.16

45,412,966.35
13,543,381.75

- 3,262,076.08

100,953,995.18

63,471,037.36

55,617,898.85

15,342,394.89
2,533,379.11

21,845,744.73

39,721,518.73

23,749,518.63

22,024,695.64

641,161.18
4,875,699.42
67,479.83

731,965.03
699,532.65

7,015,838.11

16,733,680.52

14,571,145.35

4,784,795.14
398,888.09
1,024,091.75

- 397,587.67

5,810,187.31

22,543,867.83

19,072,493.96

- 83,015.40
5,655,566.04
8,306,598.42

-13,879,149.06

- 3,439,506.12

3,138,470.57

- 3,148,909.51

+ 10,438.94

+ 149,048.40

USD 5,384,699.99USD 3,895,673.23

CONSOLIDATED BALANCE SHEET

31 DECEMBER 1982

Assets		FIM 1982	1981
Financial assets			
Cash in hand and in banks	29,606,286.19		
Accounts receivable	156,655,291.10		
Loans receivable	137,232,302.75		
Advance payments	833,517.55		
Deferred assets	19,757,596.94		
Other financial assets	<u>34,272,760.92</u>	378,357,755.45	317,385,272.02
Inventories			
Materials	81,199,023.12		
Products (finished and in process)	7,752,398.42		
Other inventories	<u>864,483.88</u>	89,815,905.42	69,869,178.23
Fixed assets and other long-term expenditures			
Land areas	28,123,336.11		
Buildings	45,133,578.32		
Machinery and equipment	134,741,329.36		
Other material goods	6,076,109.44		
Shares and holdings	28,328,818.68		
Immaterial rights	1,531,537.60		
Other long-term expenditures			
From balance sheets of the companies	<u>15,889,003.10</u>	259,823,711.61	206,552,631.51
Corporation intangibles		9,371,286.04	3,842,773.00
Appreciation items	176,484.00		
		<u>FIM 737,545,142.52</u>	<u>FIM 597,649,854.76</u>
Liabilities		FIM 1982	1981
Outside liabilities			
Short-term			
Accounts payable	46,909,805.37		
Advance payments	123,043,758.14		
Deferred liabilities	76,000,557.17		
Other short-term debts	<u>20,938,749.53</u>	266,892,870.21	243,353,693.33
Long-term			
Pension loans	181,504,458.34		
Other long-term debts	<u>43,156,474.44</u>	224,660,932.78	192,762,005.04
Reserves			
Stock reserve	33,922,247.42		
Investment reserve	96,692,500.00		
Other reserves	<u>48,920,110.00</u>	179,534,857.42	107,422,537.38
Minority share		2,332,507.84	1,508,709.29
Shareholders' equity			
Bound capital	17,208,859.57		
Free capital	18,376,204.77		
Profit for the year	<u>28,538,909.93</u>	64,123,974.27	52,602,909.72
		<u>FIM 737,545,142.52</u>	<u>FIM 597,649,854.76</u>

	USD 1982	1981
5,586,091.73		
29,557,602.10		
25,892,887.31		
157,267.46		
3,727,848.48		
<u>6,466,558.67</u>	71,388,255.75	59,884,013.59
15,320,570.40		
1,462,716.68		
<u>163,110.17</u>	16,946,397.25	13,182,863.82
5,306,289.83		
8,515,769.49		
25,422,892.33		
1,146,435.55		
5,345,060.13		
288,969.36		
<u>2,997,925.11</u>	49,023,341.80	38,972,194.62
	1,768,167.19	725,051.51
	33,298.87	-
	<u>USD 139,159,460.86</u>	<u>USD 112,764,123.54</u>
	USD 1981	1980
8,850,906.67		
23,215,803.42		
14,339,727.77		
<u>3,950,707.46</u>	50,357,145.32	45,915,791.19
34,246,124.21		
<u>8,142,731.03</u>	42,388,855.24	36,370,189.63
6,400,424.05		
18,243,867.92		
<u>9,230,209.43</u>	33,874,501.40	20,268,403.28
	440,095.83	284,662.13
3,246,954.64		
3,467,208.44		
<u>5,384,699.99</u>	12,098,863.07	9,925,077.31
	<u>USD 139,159,460.86</u>	<u>USD 112,764,123.54</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Changes in shareholders' equity

Bound shareholders' equity

Share capital 1 Jan. 1982

K-shares

7,100,760.00

E-shares

7,100,760.00

Value adjustment fund

14,201,520.00

1,399,240.00

15,600,760.00

Helsinki Televisio Oy, reserve fund,
share of the Group

+ 6,420,931.71

Covered losses from previous year,
share of the Group

- 4,810,171.07

Share of sold Group stock from the
reserve fund of Helsinki Televisio Oy

- 2,661.07

1,608,099.57

31 Dec. 1982

17,208,859.57

Free shareholders' equity

1 Jan. 1982

30,581,218.01

Dividend distributed

- 2,005,168.50

Donations made

- 200,000.00

Taxes paid

-16,689,220.41

Loss of Sanoma, Inc. from previous years

- 1,257,296.00

Loss of Helsinki Televisio Oy from previous
years, covered from the reserve fund,
share of the Group

- 4,810,171.07

Difference in exchange rate

+ 3,136,500.60

18,376,204.77

Profit for the year

28,538,909.93

31 Dec. 1982

FIM 46,915,114.70

2. Securities given as collateral against debt

17,385,429.67

Mortgages given as collateral against debt

78,000,000.00

Guarantees

3,045,128.75

3. Taxation values of fixed assets

Land areas

15,537,428.00

Buildings

50,378,190.00

Shares and holdings

29,858,292.00

4. Group shares

Company	Number	Percentage of all shares	Nominal value	Book value
Erikoislehdet Oy (dormant)	100	100	5,000.00	5,000.00
Kodin Kuvalehti - Terve Lapsi Oy (dormant)	10	100	100.00	100.00
Sanoma, Inc., subsidiary				
Crafton Graphic Company, Inc.	171	90	USD 19,00.00 (USD	3,000,000.00)
Enso-Gutzeit Oy	12,967	0.02	129,670.00	112,579.14
Finnair Oy	277,331	1.15	1,386,655.00	1,275,809.81
Helsingin Telset Oy	40	33.33	400,000.00	400,000.00
Oy Kaukas Ab	1,759	0.13	175,900.00	279,081.25
Kymi Kymmene Oy	62,310	1.05	3,115,500.00	5,037,290.48
Metsäliiton Teollisuus Oy	8,000	1.05	400,000.00	405,176.80
Oy Nokia Ab	980	0.03	98,000.00	217,070.31
Rauma Repola Oy	15,666	0.02	156,660.00	239,778.95
Rautakirja Oy	20,023	16.68	10,011,500.00	1,642,655.12
Others				18,714,276.82
In total				28,328,818.68

5. Sanoma Corporation shares owned by Lehtikuva Oy, 27,791, nominal value FIM 833,730.00
6. Expenditures in fixed assets
Other activated expenditures on top of acquisition Helsinki Televisio Oy FIM 2,209,038.70
7. The Income Statement as well as the Balance Sheet of the Group include as new entries Sanoma, Inc. together with Crafton Graphic Company, Inc. and Oy Lippupalvelu – Biljettjänst Ab. These companies were not with the Group last year and consequently changes in inventories and reserves of the Group Income Statement and Balance Sheet are not equal.

CONSOLIDATED CHANGES IN FINANCIAL POSITION

SOURCES OF FUNDS

	1982	1981
Income financing		
Profit before transfers from the closing of the accounts and taxes	108.3	94.7
Taxes	- 16.6	- 19.0
Depreciations	37.2	39.5
Difference in exchange rate	3.2	-
	<u>132.1</u>	<u>115.2</u>
Increases in loans	33.1	52.2
	<u>165.2</u>	<u>167.4</u>

USE OF FUNDS

Investments in fixed assets	97.5	115.6
Dividends distributed + donations	2.2	2.2
Increase in net working capital	58.5	41.4
Transfer to pension fund	7.0	8.2
	<u>165.2</u>	<u>167.4</u>

CHANGE IN NET WORKING CAPITAL

Financing assets, increase	61.0	56.1
Inventories, increase	19.9	30.5
Short-term liabilities, increase	- 22.4	- 45.2
	<u>58.5</u>	<u>41.4</u>

WAGES, SALARIES AND SOCIAL SECURITY PAYMENTS (FIM) OF THE PARENT COMPANY

	1982	1981
Wages and salaries paid to personnel for hours worked	230,100,049.59	206,485,314.89
Pay for sickness and maternity leave	6,936,994.33	6,101,838.62
Annual holiday pay, including change in reserve	49,862,956.99	39,856,326.96
Wages and salaries and similar items	286,900,000.91	252,443,480.47
Employer's social security payments	17,944,350.64	17,531,212.22
Social insurance payments	31,859,736.20	27,907,125.00
Other statutory fringe benefits	3,889,999.59	2,717,040.25
Total	53,694,086.59	48,155,377.47
Non-statutory fringe benefits	9,348,633.52	8,822,042.07
Transfer to pension fund	6,414,286.06	8,196,615.13
Total	15,762,919.58	17,018,657.20
Wages and salaries to non-members of personnel	10,030,539.69	9,343,256.48
Grand total	366,387,546.77	326,960,771.62

Social security payments do not include rents on premises, equipment etc., or other internal charges.

The above figures for 1982 include salaries and fees totalling FIM 2,310,037.25 paid to the members of the Board and the President.

Salaries and fees paid by the Group were FIM 322,532,284.35 including a sum to the members of the Board and the President.

AUDITORS' REPORT

1982-1983	Antti Helenius, Chairman
1981-1982	The Chairman, Vice-Chairman
1980-1981	Antti Helenius
1979-1980	Antti Helenius
1978-1979	Antti Helenius
1977-1978	Antti Helenius
1976-1977	Antti Helenius
1975-1976	Antti Helenius
1974-1975	Antti Helenius
1973-1974	Antti Helenius

We have inspected the financial statements, accounting and Group auditing, as well as the company administration, of the Sanoma Corporation for 1982 to the extent laid down for good auditing practice.

The auditing bureau Aimo Autio Ky acted as the Company's supervisory auditor during the financial year.

Parent company

The Balance Sheet has been drawn up according to regulations currently in force. The Income Statement shows a profit for the financial year of FIM 32,514,971.20, USD 6,134,900.23.

We propose that

- the Income Statement and Balance Sheet be approved,
- the Members of the Board and President be absolved of responsibility for 1982,
- and the Profit shown in the Balance Sheet be distributed in the manner proposed by the Board of Directors.

Group

The Balance Sheet of the Group has been drawn up according to regulations currently in force. The Group Balance Sheet shows free shareholders' equity amounting to FIM 46,915,000.00, USD 8,851,886.79.

We propose that

- the Income Statement for the Group and the Balance Sheet for the Group be approved.

Helsinki, 8 April 1983

Aimo Autio
Certified Auditor

Antti Helenius
Certified Auditor

BOARD OF DIRECTORS AND AUDITORS

Aatos Erkko, Chairman	elected for	1981-1983
Teo Mertanen, Vice-Chairman	" "	1980-1982
Aarne Castrén	" "	1982-1984
Pentti J. K. Kouri	" "	1980-1982
Väinö J. Nurmimaa	" "	1981-1983
Jaakko Rauramo	" "	1980-1982
Patricia Seppälä	" "	1982-1984

Mr. Aimo Autio, Certified Auditor, and Mr. Antti Helenius, Certified Auditor, have acted as Auditors, with Mrs. Johanna Perälä, Certified Auditor, and Mr. Aunus Salmi, Certified Auditor, as their Deputies.

PROPOSAL FOR DISTRIBUTION OF THE PROFIT

The profit for the financial year totals FIM 32,514,971.20, USD 6,134,900.23, FIM 6,592,394.33, USD 1,243,847.98 of profit was retained from the previous year. Hence a total of FIM 39,107,365.53, USD 7,378,748.21 is at the disposal of the Annual General Meeting.

The Board of Directors proposes that, from the above mentioned sum of	FIM 39,107,365.53	USD 7,378,748.21
- a dividend of FIM 4.50 should be paid on each share	2,556,273.60	482,315.77
- a sum should be transferred to the operations fund	30,000,000.00	5,660,377.36
- a sum should be transferred to the reserve for charitable purposes, for the discretion of the Board	250,000.00	47,169.81
- giving a balance of	6,301,091.93	1,188,885.27

The balance is left on the Profit and Loss Account, and the Board of Directors is entitled to use it for payment of taxes in 1983.

Provided the Annual General Meeting adopts the above proposal, the Corporation's own funds will be as follows:

Share capital	FIM 14,201,520.00	USD 2,679,532.08
Value adjustment reserve	1,399,240.00	264,007.55
Operating fund	54,153,158.76	10,217,577.12
Reserve for donations	250,000.00	47,169.81
Undisposed profit	6,301,091.93	1,188,885.27

The investment reserve comes to FIM 95,218,000.00, USD 17,965,660.38, and the inventory reserve to FIM 33,447,000.00, USD 6,310,754.72, the credit loss reserve to FIM 4,270,000.00, USD 805,660.38, and the operational reserve to FIM 43,197,500.00, USD 8,150,471.70.

Helsinki, 22 March 1983

Teo Mertanen	Aatos Erkko	Patricia Seppälä
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NOTES ON SOME SIGNIFICANT FINNISH ACCOUNTING PRINCIPLES AND TAX LAW

The following comments are given to the foreign readers of our annual report who are not familiar with Finnish accounting principles and tax law.

Inventory valuation

Inventories are valued at the lower of cost, market or net realizable value. The principle of determining the acquisition cost of inventories is FIFO and only direct costs are accounted for (i.e. indirect costs as well as factory overheads are not capitalized).

Inventories may further be written down by the creation of a tax-free inventory reserve. This reserve is not to exceed 50 % of the inventory value at the end of the financial year arrived at as above. Inventory reserve must not exceed 40 % if an operational reserve is used. The change of the inventory reserve is chargeable against the taxable income.

Fixed assets

Fixed assets are recorded at cost. Depreciation cannot be claimed for tax purposes in excess of the cumulative depreciation charged in the annual financial statements. The taxation rules state following maximum rates for depreciation using the declining balance method.

Machinery and equipment	30 %
Buildings (depending on type)	5-10 %
Storage tanks and other light fixed constructions	20 %

Securities and other such investments shall be valued at cost. Their value may be written down if the current value is substantially lower than the acquisition cost.

The acquisition cost of intangibles

as patents and trademarks are amortized over the estimated life span not exceeding ten years on a straight-line basis.

Goodwill is to be amortized over a maximum period of ten years on a straight-line basis.

Research and development costs, company formation and other start-up costs can either be capitalized or charged against the current year's income. If capitalized they must be depreciated on a straight-line basis over a period not exceeding ten years.

Revaluation of fixed assets

If the current value of a fixed asset is materially higher than its net book value, a revaluation of that fixed asset is permitted. This revaluation surplus is to be recorded as a revaluation fund in the restricted equity.

The revaluation fund can only be used for a stock dividend. The revaluation surplus in the asset values may not be depreciated.

Most common untaxed reserves

The Accounting Act and particularly tax laws permit the creation of a number of reserves charging the income.

Inventory reserve:

The maximum reserve allowed is 50 % of the value of inventories after deductions for obsolescence (see inventory valuation).

Operational reserve:

The maximum operational reserve can be 15 % of wages and salaries paid.

Doubtful debts reserve:

The taxable income may be charged with a provision for doubtful business receivables provided that cumulative provisions allocated to the reserve do not exceed three percent of the accounts receivable. If justified, a higher percentage may be allowed.

Investment reserve:

The maximum annual transfer to the reserve is 50 % of the profit shown in the financial statements before the transfer to the reserve. The reserve represents an anticipated write-off of future investments mainly in buildings or machinery and equipment to be manufactured in Finland. When approved expenditure is incurred, the cost is debited to the investment reserve account thus restricting the amount that can be claimed for tax purpose as depreciation or other expenditure. Funds representing at least 50 % of the transfer to the reserve must be deposited with the Bank of Finland.

Income taxes:

The income tax expense charged against the income should represent the estimated tax liability incurred during the financial year. The charging of income taxes directly against distributable equity is allowed. The standard rate of national corporate income tax is 43 %. The municipal and church income tax rates together vary from 16 % to 19 %. Losses may be carried forward for set-off against future profits for five years.

Deferred taxation accounting is not applied in Finland. The major deferred tax-liability is included in the untaxed reserves.

MANAGEMENT, 31 DECEMBER 1982

Aatos Erkkö, Chairman and Chief Executive Officer
Väinö J. Nurminen, President and Chief Operating Officer
Teo Mertanen, Administrative Editor-in-Chief and Executive Vice President
Jaakko Rauramo, General Manager of Newspaper Division and Executive Vice President

Jaakko Hannuksela, Vice President, Planning and Development
Heikki Huhtanen, Vice President and General Manager, Sanomaprint
Tapani Kivelä, Vice President, Administration
Matti Peltonen, Vice President, Special Projects
Matti Teräsalmi, Vice President, Finance
Pekka Toropainen, Vice President, Real Estate

Sakari Almi, Marketing Director, Ilta-Sanomat
Pertti Huhtala, Marketing Director, HS-Information Services
Matti Huopaniemi, Marketing Director, Helsingin Sanomat
Hannu Kilttilä, Newspaper Production Manager, Sanomala
Pertti Metsähuone, Advertising Director, Helsingin Sanomat
Jouko Nurmela, Production Manager, Prepress
Matti Ojars, Deputy Vice President, Finance
Pertti Puolakka, Planning Manager, Sanomaprint
Tuomo Saarinen, Production Manager, Sanomaprint
Kari Stadigh, Media Marketing and Business Publications, Marketing Director as of 1 January 1983
Aleksis Stenvall, Marketing Director, Sanomaprint

EDITORS-IN-CHIEF

Newspapers

Teo Mertanen, Administrative Editor-in-Chief

Helsingin Sanomat

Heikki Tikkanen, Senior
Seppo Kievari, Assistant Editor-in-Chief
Simopekka Nortamo
Keijo K. Kulha (from April 1, 1982)

Ilta-Sanomat

Matti Huhtamäki, Senior

Kodin Kuva-lehti
Suuri Käsityökerho
Maire Varhela

Me naiset
Kerttu Saarela

Aku Ankka
Nalle Puh
Kirsti Toppari

Roope-setä Taskulehti
Mary A. Wuorio

Eläinmaailma
Ilkka Koivisto

MANAGING DIRECTORS OF SUBSIDIARIES

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Heikki Saraste

Lehtikuva Oy
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Oy Linguaphone Ab
Kari Hyytiäinen

Oy Lippupalvelu-Biljettjänst Ab
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