



SANOMA CORPORATION

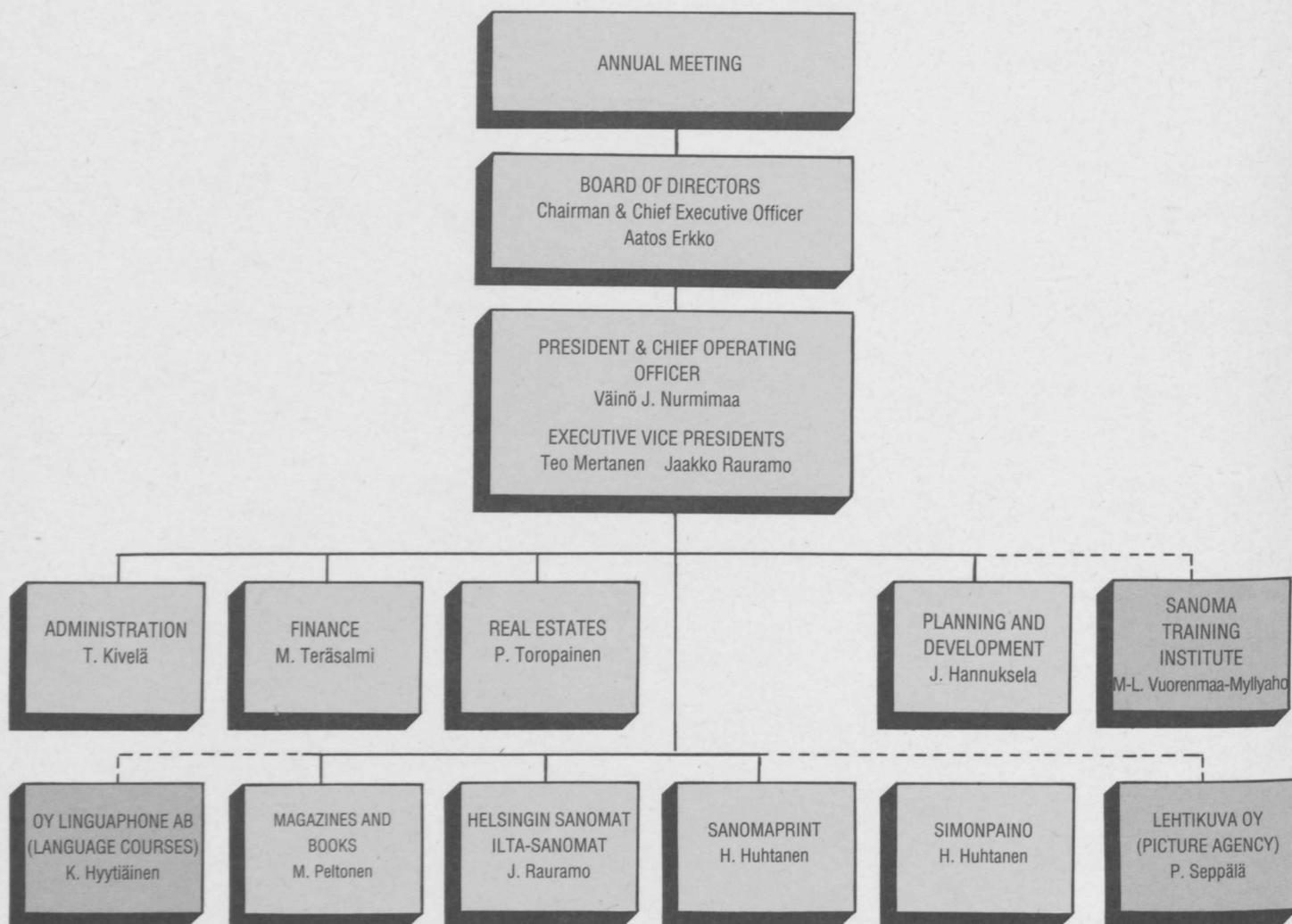
Annual Report

1980



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 1981



Board of Directors

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



SANOMA CORPORATION

Annual Report

1980

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Sanoma Corporation in figures

	1980		1979	
Turnover	FIM 604.2 m	USD 154.9 m	FIM 492.4 m	USD 126.3 m
Profit	FIM 15.4 m	USD 3.9 m	FIM 6.6 m	USD 1.7 m
Wages and Salaries (including change in annual holiday pay reserve)	FIM 211.7 m	USD 54.3 m	FIM 172.2 m	USD 44.2 m
Balance Sheet	FIM 444.8 m	USD 114.1 m	FIM 353.5 m	USD 90.6 m
Share Capital	FIM 14.2 m	USD 3.6 m	FIM 7.1 m	USD 1.8 m
Personnel	2564 persons		2450 persons	
Newspaper Distributors	2083 persons		1705 persons	
Sales Agents	2928 persons		3095 persons	
Consumption of Paper	62.1 m kg		54.1 m kg	
Consumption of Printer's Ink	0.80 m kg		0.69 m kg	

Rate of exchange USD 1 = FIM 3,90

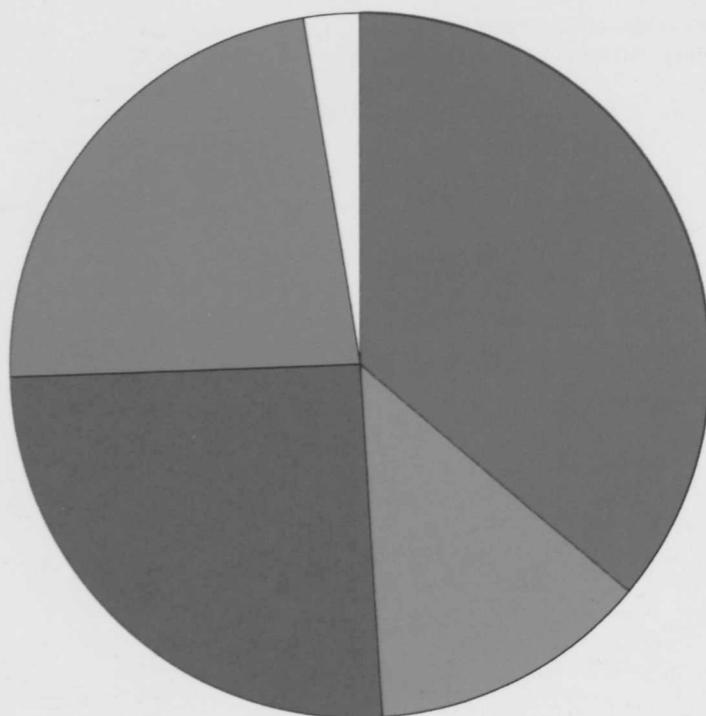
Sanoma Corporation: Distribution of Turnover

Total FIM 604,152,863.31 USD 154,910,990.59

Other costs 22.9 %

Profit 2.6 %

Wages and Salaries 36.1 %



Raw Materials 25.5 %

Social Security Payments 12.9 %

Statement by the Chairman of the Board and the President

In rapidly changing, unpredictable conditions the key problem of business is the ability to adapt oneself quickly to a new situation and respond to fresh challenges. This cannot be done without planning, simply by taking hasty decisions carrying a lot of risk.

An annual report is a review of events that have already taken place. But they retain their significance in two respects: first, the experiences they relate help one to avoid making mistakes in the future; second, future success in unstable conditions is only possible if one can build on a successful past.

1980 was a good year for our corporation. It would have been still better had a three-week journalists' strike towards the end of the year not reduced some of our profit. Without delving into the details that triggered the strike and made it last as long as it did, we can assert that plenty remains to be done to improve conditions within newspaper houses. The confidence between the parties concerned is the base for a successful enterprise. This must be achieved in their as well as in other spheres of industry.

During the strike the pattern of news service became confused. Studies made at the time prove clearly that the public still regard newspapers as the principal and most trustworthy media of information. This finding is crucial in evaluating how our corporation and the entire Finnish press will evolve, and in defining business strategy for the years to come. The newspaper press enjoys a strong position in Finnish life.

Our activities and planning should be geared to maintain a successful level of circulation despite a possible stagnation of growth. When we compare how newspapers have developed in Finland with other countries, we can only conclude that we have at our disposal a few distinctive methods. As these are further refined and developed, newspapers in Finland are better geared than those in some other countries with a traditionally strong press. However, a vital prerequisite for such a positive pattern is cooperation based on trust between management and unions.

Although the Finns read a lot, magazines have had an erratic history in this country. The satisfactory overall result for our own magazines disguises diverse financial performances by the different publications. But this does not indicate fundamental changes in our publishing policy in the near future. In the magazine publishing, our aim remains a long-standing relationship with loyal readers. This enjoins

us to avoid the sensational, and to channel our economic and human resources into a successful longterm magazine strategy. Since the objectives of our magazine, book and special product divisions within this overall strategy are set purely in business terms, devoid of ideological goals, we can afford to put a greater accent on ability.

The profitability profile of Finnish commercial printing has fluctuated sharply from year to year. With the tightening in the economic conditions and tougher price competition, the industry has been suffering a decline in profitability, frequently below minimum acceptable levels. We have deliberately tried to channel our commercial printing division, Sanomaprint into fields in which cyclical fluctuations make the smallest possible impact. So far, this process of specialization has been a success. In the next few years, as well, we shall constantly have to mobilize resources for commercial printing. There is now a visible shortening in the lifespan of equipment and methods applied to both newspaper and commercial printing, and this will have an increased bearing on our profitability requirements.

The overall guideline of Sanoma Corporation has for years put the accent on continuity, the encouragement of constructive development, and the preservation of a financial validity. As a result, our philosophy has been styled "cautious". The Corporation's principal line of activity — newspaper publishing — is of first-rate importance on the national level and in the area of free communication. Any inbuilt caution, however, does not permit us to ignore the opportunities that will arise in the future. Therefore, further effort must be devoted to developing our technical capability. To further improve working conditions, we have been spurred into continuing building activity at Sanomala, a project that will absorb a considerable share of our financial resources also in the future. Communication by the printed media, our traditional mainstay, has in recent years been supplemented by Telset, a technique used in language teaching and electronic transmission of textual information. By becoming the leading shareholder in a cable television company, Helsinki Televisio Oy, early in 1981, we have shown the extent of our commitment to developments that will shape the overall pattern of the media in the next millenium.

Business life is an entity based on combining a voluntary human input with a voluntary capital input. This juxtaposition pays off, not by the implementation of laws, regulations and contracts to the letter, but by harnessing each resource through natural and open interaction. If the starting points are to encourage progress, to pin faith in mutual

Statement by the Chairman of the Board and the President

co-operation, and to respect the work of others, the final result should be up to one's reasonable expectations.

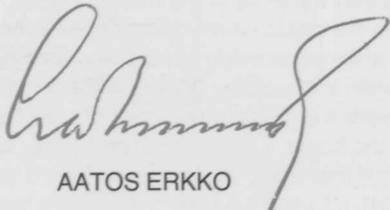
Predictions foretell that the Finnish economy will go into a clear downturn in 1981. The employment situation is again deteriorating, and inflation is gaining momentum. Such a development in the economic situation will rub off directly on our primary source of income, advertising. A decrease in the volume of advertising results directly in a deterioration in the economic performance of the Corporation.

However, the downturn may not occur until the latter part of the year, and we are better prepared for it than in similar situations in the past. By investing judiciously, our Corporation has attempted to alleviate the effects of cyclical fluctuations on its activity. It is now possible to counteract such effects by training personnel, in a sufficient and varied way, for more demanding jobs. The Act on Industrial Co-operation within enterprises offers a suitable framework for the human teamwork involved.

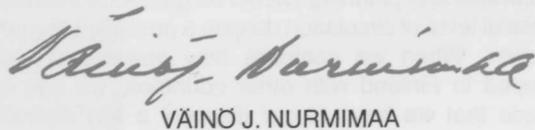
No area of communication is an end in itself. The services offered by the media only accentuate the freedom of choice enjoyed by the consumer. This freedom enjoyed by the communication performer is linked with a serious re-

sponsibility. The 1970's were marked by upheavals in the printing industry. We switched from hot-metal to cold type-setting, from letterpress to offset, from limited manual processes to integrated systems – and so on. In the 1980's we are preparing for the satellite age. Nevertheless, in all spheres technology offers widespread opportunities our operations will still revolve round creative and active personnel. Likewise, the final link in the chain, the customer, will be better educated and more demanding.

The new techniques and systems of communication are faster than their predecessors. They provide improved quality and a better range of services. We are in a position to acquire and use the relevant equipment only if our business operations are successful. As communications develop still further, it should be remembered that the law on freedom of the printed word was mainly meant to be implemented in the case of communications produced on printing presses. We need new thinking about this "freedom" where the media of the future are concerned. All those working in communications should be vigilantly committed to ensure that the public's freedom of choice is preserved. For the sake of their own future, they should work concernedly against concentration and a reduction in the available supply.



AATOS ERKKO



VÄINÖ J. NURMIMAA

Sanoma Corporation Board of Directors' Annual Report 1980



To a large extent, the Finnish economy enjoyed a good year in 1980. In industry there was a high level of capacity utilisation and an upswing of investment. The country's international competitiveness improved, and exports showed a favourable trend.

There was a falling-off in the high unemployment registered at the beginning of the year. The number of jobless declined below 100,000 – still a high figure – only to show a seasonal rise above the level at the end of the year. In some regions and sectors there was no unemployment to speak of. In southern Finland it would be more appropriate to speak of a shortage of skilled workers.

Due to an increased business investment activity, the balance of payments and trade showed a clear deficit after a few years of surplus. There was a sharp tightening in the money market towards the end of the year, and foreign interest rates touched new records. Interest rates were raised in Finland by one percentage point at the beginning of February, but, when the gap was at its widest, they were still only half the figures prevailing in the USA, for instance.

Besides the deterioration in the current account, a gradual increase in the rate of inflation throughout the period was one worry in a good year. The domestic purchasing power of the Finnmark shrank by about 14 % in 1980, though the currency remained stable on the foreign exchanges.

For the second straight year, the rise in GDP – 5.5 % – was the highest in the OECD area.

The main activities of the Sanoma Corporation – publishing and printing – developed well in Finland. Circulations of newspapers and, in particular, the amount of advertising space sold, rose clearly during the year. A manifestation of this felicitous trend – and also of stiffening competition – was the decision by six newspapers to step up publication from six to seven times weekly. In the case of periodicals, the situation was aggravated by more intense competition between the magazines and by substitute products. For this reason the pattern was less encouraging than that for newspapers. However, new foundations were laid for a more rational development through several major sales of titles and agreements among publishers, both meant to induce streamlining in the area. The printing industry was able to enjoy increased demand both at home and abroad, and benefitted from the greater efficiency and higher standards provided by the technical facilities in which large-scale investments were made in earlier years.

The most important, and most negative, event in the newspaper and magazine business was the journalists' strike that started on November 13. This halted the publication of papers and magazines for three weeks, making news dissemination the exclusive preserve of the electronic media. After the Speaker of Parliament, Mr. Johannes Virolainen, had expressed his concern about this serious disruption to the flow of information, negotiations conducted by the national conciliator were re-opened and the strike came to an end on December 2.

Besides impeding the flow of information, the strike posed manifold problems for employment – from other members of personnel, carriers and agents to advertisers and the advertising business. The Sanoma Corporation managed to avoid laying-off staff. Subscribers to Helsingin Sanomat were given a rebate for strike-induced losses.

These concessions added more than 8 million FIM invoicing procedures to the direct costs of the strike.

The strike hit magazines much less than newspapers due to advance printing before the strike started. Only a few magazines completely failed to appear during the strike.

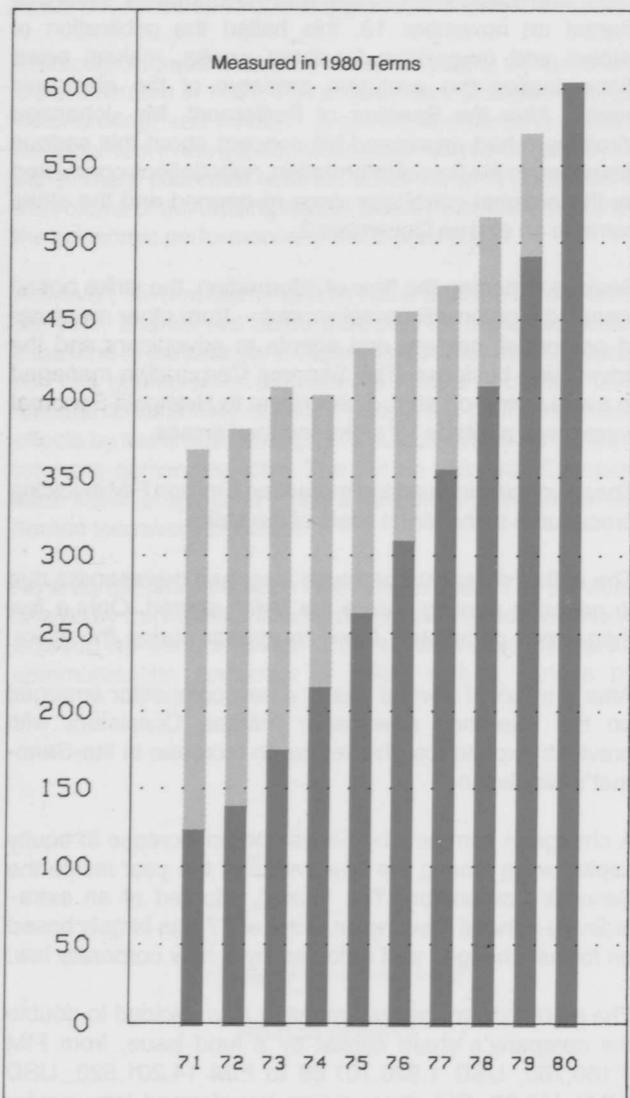
After a break of several years, a new competitor emerged on the afternoon newspaper market. Consistent with previous experience, this led to an increase in Ilta-Sanomat's circulation.

A change in company bye-laws and an increase in equity capital were among the key events of the year inside the Sanoma Corporation. The former, adopted at an extraordinary general meeting on October 17 was largely based on formal changes and enforced by a new corporate law.

The extraordinary general meeting also decided to double the company's share capital by a fund issue, from FIM 7,100,760, USD 1,820,707.69 to FIM 14,201,520, USD 3,641,415.38. Old shares were transformed into regular shares carrying ten votes per share, and for every old share one new preference share carrying one vote was issued. The preference terms involve a dividend of at least 8 per cent before any profit is distributed on the regular shares. The shares were registered in the final two months of the year, in the course of which the number of shareholders in the Sanoma Corporation rose by more than one tenth to 271. Resources for this increase of share capital were transferred from the value adjustment reserve.



Sanoma Corporation: Turnover (FIM m)



During the year the economic performance of the Sanoma Corporation matched that of the company's business activity. Financially the year was very good. The overall trend was punctuated by the strike, which coincided with the Christmas rush, the end-of-year peak for advertising. Yet despite the strike the profit of the year was good.

Turnover grew by just under 23 per cent – around 9 per cent in real terms. – This was less than the figure for the first three quarters – 27 % – a decline clearly attributable to the strike. After allowing for a FIM 28 million USD 7.2 million transfer to the pension fund to cover a risk deficit, the operating margin came to about 11 % of turnover – almost five percentage points down on the previous year. Without this transfer the percentage would have remained unchanged. The expiry of special legislation meant that depreciations fell to about one-quarter of the previous year's figure, giving an increase of about FIM 9 million to FIM 15.5 million (2.6 % of turnover) in the audited profit. The Corporation's financial situation was very strong throughout the year, strength attested to by the positive figure – about FIM 3 million USD 0.8 million – for net interest payments.

Investments were made in newspaper printing, largely to supplement equipment already acquired and to replenish Sanomaprint's aging machinery. The total value of investments came to almost FIM 55.0 million USD 14.1 million.

The operations of Lehtikuva Oy, International News Picture Agency owned by the Sanoma Corporation, were most strongly determined by the Olympic Games. Largely due to this factor, turnover increased by about one third, and there was a doubling of profits.

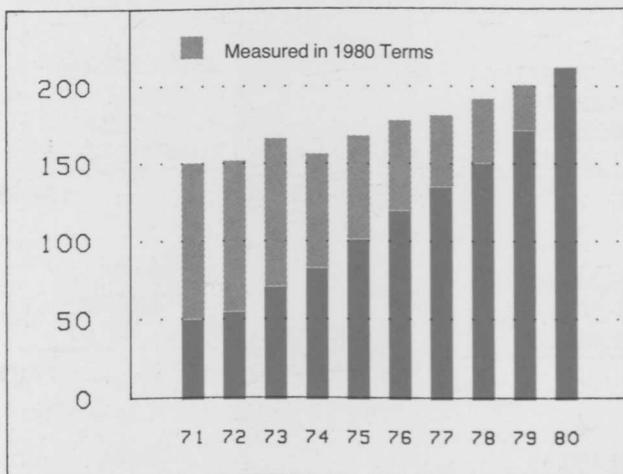
Despite this, the result was unsatisfactory – partly because of the effects of the journalists' strike on Lehtikuva Oy.

Oy Linguaphone Ab recorded an increase in turnover of about 20 %, with a good profit compared with previous years.

The distinctive operations of Simonpaino Oy were completely merged as from June 1 with those of the commercial printing division. Simonpaino Oy now continues to lease equipment.

On January 1 Finnvisuals Oy was merged into Sanoma Corporation.

Sanoma Corporation: Wages and Salaries Paid (FIM m)
 The figures include payments for hours worked, sick leave, maternity leave, and annual holidays.

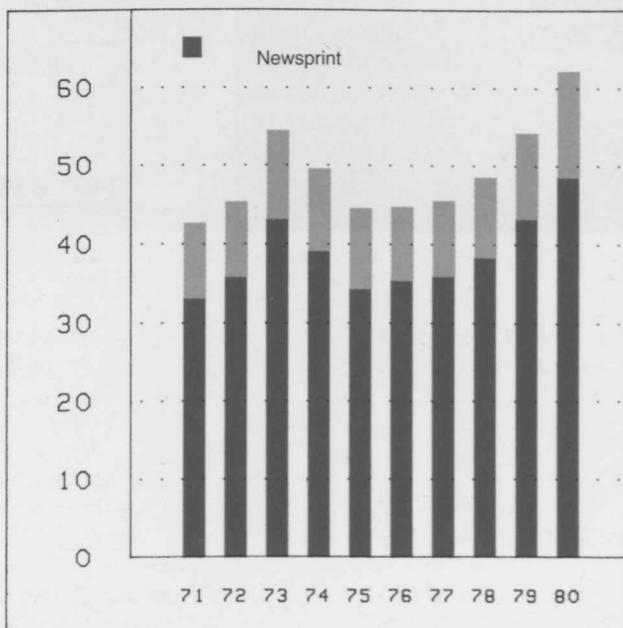


The establishing of the independent Helsingin Telset Oy put the Finnish viewdata experiment – planned and implemented by Nokia Oy, Helsingin Puhelinyhdistys (the Helsinki Telephone Company) and the Sanoma Corporation – on a permanent footing. Each partner has a one-third interest.

At the end of the year the negotiations were conducted for the acquisition of a majority holding by the Sanoma Corporation in the Helsinki Television company (Cable-TV). Despite the TV's very weak economic position, the Sanoma Corporation made this move in order to safeguard its media operational policy aims in the future – the era of communications satellites. The registration of shares did not commence until after the end of the year under review – on 30 January 1981 – with the intention to the relinquishing majority holding of Sanoma Corporation as soon as possible.

The profit and loss statement for the Group shows a turnover of FIM 611.5 million USD 156.8 million in 1980, and the balance comes to FIM 435.0 million USD 111.6 million. Personnel totalled 4,717, a figure including 15 students graduating from the Sanoma School of Journalism in December and 2,083 newspaper carriers.

Sanoma Corporation: Consumption of Paper (metric tons)



Profit and Loss Statement from January to 31 December 1980

	FIM 1980	1979
Sales proceeds	791,958,075.93	646,102,487.52
Adjustment to gross sales		
Discounts	35,096,321.01	
Credit losses	1,589,373.16	
Purchase tax	24,361,052.00	
Commissions and advertising agency fees	73,791,653.99	
Transport costs for newspapers and magazines	46,096,709.46	
Other adjustment to gross sales	6,870,103.00	
	<u>187,805,212.62</u>	
Turnover	604,152,863.31	492,373,618.93
Variable expenditures		
Materials	163,494,729.47	
Variable wages, salaries and fees	162,024,221.14	
Other variable expenditures	54,809,757.84	
– stock increase	– 9,561,965.82	
	<u>370,766,742.63</u>	
Gross margin	233,386,120.68	194,430,879.76
Fixed expenditures		
Wages, salaries and fees	56,335,389.60	
Rents	8,727,084.60	
Other fixed expenditures	101,652,660.28	
	<u>166,715,134.48</u>	
Profit on operations before depreciations	66,670,986.20	77,830,431.27
Depreciations		
Buildings	1,988,450.59	
Machinery and equipment	13,622,045.54	
Other outlays with long-term return	487,988.79	
	<u>16,098,484.92</u>	
Profit on operations after depreciations	50,572,501.28	8,890,943.60
Other revenues and expenditures		
Interest revenues	13,370,867.85	
Dividend revenues	1,021,825.60	
Other revenues	2,177,150.94	
Other expenditures	– 177,725.20	
	<u>16,392,119.19</u>	
	66,964,620.47	22,827,866.08
Increase in reserves	– 36,269,000.00	
Interest expenditures	– 10,323,041.18	
Direct taxes	– 4,942,548.20	
Profit for the year	<u>FIM 15,430,031.09</u>	<u>FIM 6,557,538.47</u>

	USD 1980		1979
	203,066,173.31		165,667,304.49
8,999,056.67			
407,531.58			
6,246,423.59			
18,920,936.92			
11,819,669.09			
1,761,564.87	48,155,182.72		
	154,910,990.59		126,249,645.88
41,921,725.50			
41,544,672.09			
14,053,784.06			
- 2,451,786.11	95,068,395.54		
	59,842,595.05		49,854,071.73
14,444,971.69			
2,237,714.00			
26,064,784.69	42,747,470.38		
	17,095,124.67		19,956,520.84
509,859.13			
3,492,832.19			
125,125.33	4,127,816.65		
	12,967,308.02		2,279,729.13
3,428,427.65			
262,006.56			
558,243.83			
- 45,570.56	4,203,107.48		
	17,170,415.50		5,853,298.99
	- 9,299,743.59		
	- 2,646,933.63		
	- 1,267,320.05		
	USD 3,956,418.23		USD 1,681,420.12

Balance Sheet as of 31 December 1980

January to 31 December 1980

ASSETS

	FIM 1980		1979
Financial assets			
Cash in hand and in banks	38,969,282.79		
Accounts receivable	126,660,389.93		
Loans receivable	84,045,983.16		
Advance payments	587,030.99		
Deferred assets	8,243,562.61		
Other financial assets	<u>1,908,614.92</u>	260,414,864.40	217,362,084.35
Inventories			
Materials	31,369,998.62		
Products (finished and in process)	<u>7,273,026.66</u>	38,643,025.28	29,081,059.46
Fixed assets and other long-term expenditures			
Land areas	22,025,116.11		
Acquisition	<u>37,800.00</u>	22,062,916.11	
Buildings	13,757,058.91		
Acquisition	<u>4,437,450.98</u>		
	18,194,509.89		
Depreciation	<u>1,988,450.59</u>	16,206,059.30	
Machinery and equipment	24,491,687.76		
Acquisition	<u>23,014,812.48</u>		
Reduction	<u>1,553,403.71</u>		
	45,953,096.53		
Depreciation	<u>13,622,045.54</u>		
	32,331,050.99		
Advance payments	<u>30,296,683.20</u>	62,627,734.19	
Shares and stock	18,531,634.32		
Acquisition	<u>2,996,814.73</u>		
Reduction	<u>5,750.00</u>	21,522,699.05	
Shares and stock, subsidiaries	22,084,752.95		
Acquisition	<u>64,770.00</u>	22,019,982.95	
Other long-term expenditures	1,188,377.62		
Acquisition	<u>603,396.97</u>		
	1,791,774.59		
Depreciation	<u>487,988.79</u>	1,303,785.80	107,031,097.37
		<u>145,743,177.40</u>	
		<u>FIM 444,801,067.08</u>	<u>353,474,241.18</u>

	USD 1980		1979	
	9,992,123.79			
	32,477,023.06			
	21,550,252.09			
	150,520.77			
	2,113,734.00			
	<u>489,388.44</u>	66,773,042.15	55,733,867.78	
	8,043,589.39			
	<u>1,864,878.63</u>	9,908,468.02	7,456,681.91	
	5,647,465.67			
	<u>9,692.32</u>	5,657,157.99		
	3,527,451.00			
	<u>1,137,807.94</u>			
	4,665,258.94			
	<u>509,859.12</u>	4,155,399.82		
	6,279,919.93			
	5,901,233.97			
	<u>398,308.64</u>			
	11,782,845.26			
	<u>3,492,832.18</u>			
	8,290,013.08			
	<u>7,768,380.30</u>	16,058,393.38		
	4,751,701.11			
	768,414.03			
	<u>1,474.36</u>	5,518,640.78		
	5,662,757.16			
	<u>16,607.69</u>	5,646,149.47		
	304,712.21			
	<u>154,717.17</u>			
	459,429.38			
	<u>125,125.33</u>	334,304.05	37,370,045.49	27,443,871.12
		<u>USD 114,051,555.66</u>	<u>90,634,420.81</u>	

Balance Sheet as of 31 December 1980

LIABILITIES

	FIM 1980		1979
Outside liabilities			
Short-term			
Accounts payable	20,111,619.41		
Advance payments	106,247,008.98		
Deferred liabilities	57,157,157.01		
Other short-term debts	<u>12,586,855.62</u>	196,102,641.02	155,241,870.41
Long-term			
Pension loans	140,562,037.09		
Other loans	<u>8,604,183.57</u>	149,166,220.66	148,637,029.26
Reserves			
Investment reserves	40,018,000.00		
Other reserves	<u>3,049,000.00</u>	43,067,000.00	6,798,000.00
Shareholders' equity			
Bound			
Share capital	14,201,520.00		
Value adjustment reserve	<u>1,399,240.00</u>	15,600,760.00	
Free			
Operating funds	17,867,447.81		
Profit from previous years	7,566,966.50		
Profit for the year	<u>15,430,031.09</u>	40,864,445.40	56,465,205.40
		<u>FIM 444,801,067.08</u>	<u>353,474,241.18</u>

USD 1980		1979	
5,156,825.49			
27,242,822.82			
14,655,681.28			
<u>3,227,398.88</u>	50,282,728.47	39,805,607.80	
36,041,547.97			
<u>2,206,200.92</u>	38,247,748.89	38,112,058.78	
10,261,025.64			
<u>781,794.87</u>	11,042,820.51	1,743,076.92	
3,641,415.38			
<u>358,779.49</u>	4,000,194.87		
4,581,396.87			
1,940,247.82			
<u>3,956,418.23</u>	10,478,062.92	14,478,257.79	10,973,677.31
	<u>USD 114,051,555.66</u>	<u>90,634,420.81</u>	

Appended Information as of 31 December 1980

(values in FIM)

1. Changes in equity		2. Pension Fund liability deficit	322.22
1 Jan. 1980			
236,692 K-shares	7,100,760.00	3. Securities given as collateral against dept	16,817,178.86
Share issue, 236,692 E-shares	+ 7,100,760.00	Mortgages given as collateral against dept	73,000,000.00
	14,201,520.00	Guarantees	1,986,273.22
Value adjustment reserve		4. Receivables from subsidiaries	1,002,904.66
1 Jan. 1980	8,500,000.00	Debts to subsidiaries	9,286,873.35
Used for increase in share capital	- 7,100,760.00		
	1,399,240.00	5. Taxation values of fixed assets	
Reserve for donations		Land areas	13,792,057.00
1 Jan. 1980	-	Buildings	40,662,761.00
Transferred from retained earnings	200,000.00	Shares and holdings	22,255,842.74
Donations made	200,000.00	Shares and holdings, subsidiaries	3,914,580.00
	-		
Retained earnings			
1 Jan. 1980	9,329,133.70		
Dividends distributed	- 1,562,167.20		
Transferred to reserve for donations	- 200,000.00		
	7,566,966.50		
Profit for the year	15,430,031.09		
	22,996,997.59		

6. 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
Subsidiaries:						
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. (Dormant)	100	-		100 USD	39,480.00	-
Simonpaino Oy	1,000	-	100	1,000,000.00	20,493,782.50	-
Finnvisuals Oy	-	-20,000		-	-	-64,770.00
Subsidiaries, total					22,019,982.95	-
Other companies:						
Enso-Gutzeit Oy	12,967	-	0,02	129,670.00	112,579.14	-
Finnair Oy	26,667	6,667	0,11	133,355.00	130,237.96	31,346.15
Helsingin Telset Oy	40	40	33,33	400,000.00	400,000.00	400,000.00
Oy Kaukas Ab	1,759	1,759	0,13	175,900.00	279,081.25	279,081.25
Kymi Kymmene Oy	62,310	24,258	1,05	3,115,500.00	5,037,290.48	969,126.35
Metsäliiton Teollisuus Oy	8,000	4,009	1,05	400,000.00	405,176.80	202,662.75
Oy Nokia Ab	700	200	0,02	70,000.00	199,163.11	11,220.00
Rauma-Repola Oy	15,666	15,666	0,02	156,660.00	239,778.95	239,778.95
Rautakirja Oy	20,023	-	16,68	10,011,500.00	1,642,655.12	-
Others			16,68		1,017,522.16	237,977.10
Other companies, total					9,463,484.97	
Housing and real estate corporations					12,059,214.08	626,872.18
Grand total					FIM 43,542,682.00	2,926,294.73

Appended Information on the Profit and Loss Statement and the Balance Sheet, 1980

Profit and Loss statement

1. Compared with 1979, discounts grew more (30.9 %) than gross sales (22.6 %). Advertising sales, which form the bulk of the discounts, are being increasingly concentrated on various packages and recurrent discount schemes. The share of discounts in gross sales rose from 4.2 % to 4.4 %.
2. The amount of credit losses grew by 1 %, but their share of gross sales declined from 0.31 % to 0.20 %. As before, they include subscription fees for copies delivered but not paid for.
3. Includes royalty and commission payments.
4. Paper consumption rose 14.8 % in volume and 27.3 % in value compared with 1979. However, the average procurement price per kilo increased by only 2.89 % during the year. The apparent discrepancy is primarily due to the sharp rise in the price of silver, the money spent on films and other reproduction materials jumped by 160.3 %.
5. Itemised in accordance with common practice in the publishing business, this heading includes wages and salaries for journalists, printers and distributors, complete with payments for annual holidays and sickness. Omitting the 90th anniversary bonus paid in 1979, total wages and salaries were up by 23.1 %. The very strong increase for distributors, 39.9 %, was due to the transfer to the Corporation of newspaper distribution in Helsinki and a sharp rise in the wage level of distributors.
6. The largest items are social security payments on variable wages and salaries (up by 24.7 %), payments for supplies and spares (18.2 %), and telecommunications charges (9.9 %). For the whole category the increase was 21.4 %.
7. The gross margin is 38.6 % of turnover, compared with 39.5 % the previous year (40.4 % when the 90th anniversary bonus, an item under variable wages and salaries, is omitted).
8. The major items included are salaries for clerical and technical staff, complete with holiday and sickness benefit, and wages for the traffic and other departments. Excluding the effect of the anniversary bonus in 1979, this item is up by 19.8 % on the previous year.
9. The upsurge in rents – 29.8 % – is due partly to the general rise in rent charges, but primarily to the increasing area of premises rented.
10. Includes a FIM 28.3 m USD 7.3 m transfer to the Sanoma Corporation pension fund to cover liability deficit.
11. The profit on operation is 11.0 % of turnover – 15.7 % without the pension fund transfer. One year ago the corresponding percentage (excluding bonus payment) was 1.4 percentage points higher.
12. Depreciations are the maximum permitted under the Business Tax Act. They are approximately FIM 7.5 m USD 1.9 m less than arithmetical depreciations.
13. Of this sum, FIM 36.0 m USD 9.2 m, is a transfer to the investment reserve, and the remainder, FIM 0.269 m USD 0.069 m, an increase to the credit loss reserve.

Balance Sheet

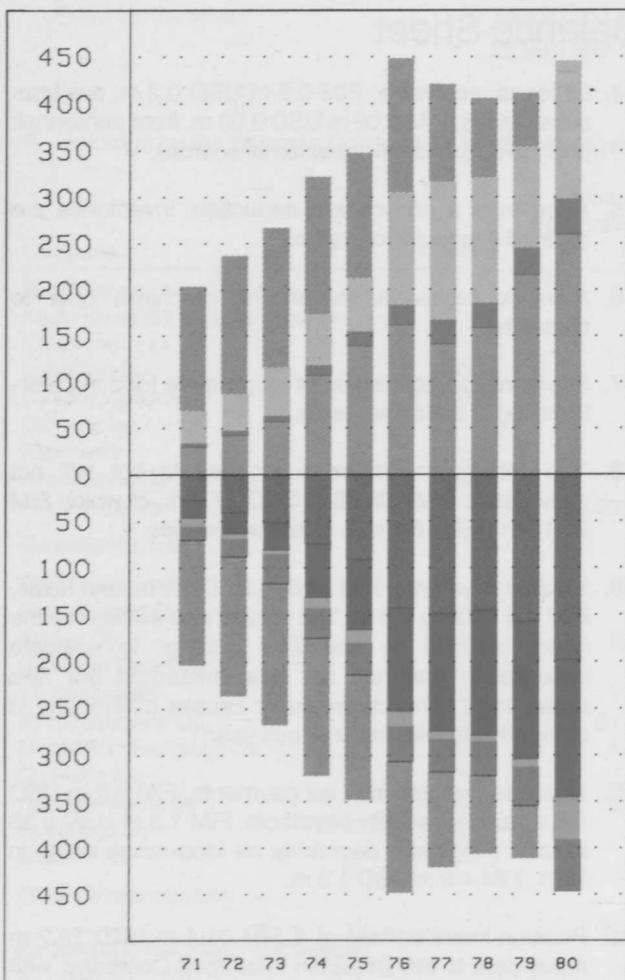
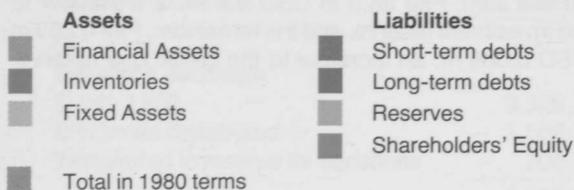
14. Of loans receivable, FIM 0.9 m USD 0.2 m, are from subsidiaries, FIM 0.06 m USD 0.02 m, from personnel, and the remainder from external sources.
15. Apart from a non-current deduction, inventories are entered at acquisition value.
16. Advance payments for printing machines prior to dispatch.
17. Payments on acquisition of programme for computer-handling of advertisements.
18. The liability on copies subscribed to but still not delivered is FIM 106.18 m USD 27.2 m, of which FIM 71.12 m USD 18.2 m is sales receivables.
19. Holiday payments, FIM 24.3 m USD 6.2 m, and taxes, FIM 4.9 m USD 1.3 m. The total is also swelled by the need, induced by speedier auditing, to evaluate expenditure that has not been incurred but falls under 1980. This discrepancy causes differences in comparisons with the previous year.
20. Unaccounted advance tax payments, FIM 6.2 m USD 1.6 m, social security payments, FIM 1.3 m USD 0.33 m, and instalment payments on long-range debts in 1981, FIM 4.9 m USD 1.3 m.
21. Pension loans consist of a FIM 61.4 m USD 15.7 m repayment to the Ilmarinen Insurance Company, with the remainder from the Corporation's own pension fund.

22. As was stated in the report for 1979, a dollar loan valued at FIM 39.06 m USD 10.0 was paid off on 17 January 1980. This payment was made at exactly the same exchange rate – to the very fraction of a penny – as that prevailing when the first instalment was withdrawn.

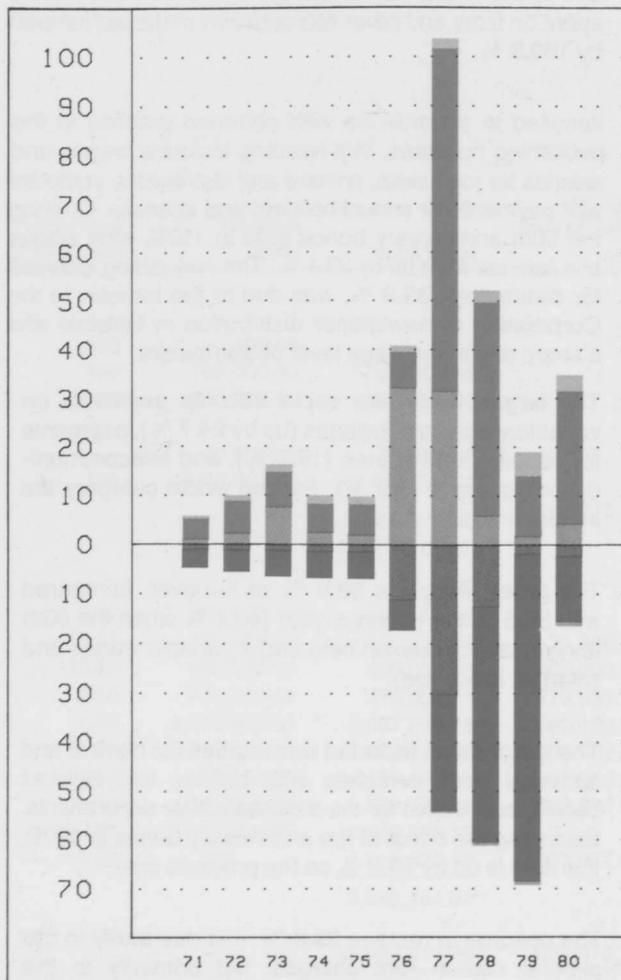
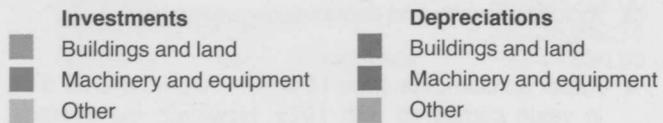
The remaining long-term loan, FIM 8.1 m USD 2.1 m, is a loan from Simonpaino Oy.

23. Equity was increased by doubling the fund issue through the transfer of FIM 7.1 m USD 1.8 m from the value adjustment reserve to equity.

Balance Sheet, 1971–80 (m FIM)



Investments and depreciations



Funds (Fim m.)

Sources of funds	1980	1979	1978	1977
Income financing	84.8	49.1	13.9	12.5
Profit before transfers from the closing of the accounts and taxes	- 4.9	- 0.0	- 0.2	- 5.9
Depreciations (without tax concession depreciations)	+16.1	+28.9	+42.6	32.9
	96.0	78.0	56.3	39.5
Additions to loans (without deducting part-payments for the following year)	+ 1.1	+14.3	+11.5	+15.3
	<u>97.1</u>	<u>92.3</u>	<u>67.8</u>	<u>54.8</u>

Use of funds

Investments in fixed assets	54.8	42.7	49.1	89.3
Dividends distributed + donations	+ 1.8	+ 1.3	+ 1.0	+ 1.0
	56.6	44.0	50.1	90.3
Increase of net working capital	+12.2	+48.3	+17.7	-35.5
Transfer to pension fund	28.3	-	-	-
	<u>97.1</u>	<u>92.3</u>	<u>67.8</u>	<u>54.8</u>

Change in net working capital

Financing assets: increase +, decrease -	+43.0	+56.9	+17.6	-20.5
Inventories: increase +, decrease - (before non-current deduction)	+ 9.5	+ 2.4	- 6.7	- 8.7
Short-term liabilities: increase +, decrease -	-40.3	-11.0	+ 6.8	- 6.3
	<u>+12.2</u>	<u>+48.3</u>	<u>+17.7</u>	<u>-35.5</u>

Wages, Salaries and Social Security Payments (Fim)

	1980	1979
Wages and salaries paid to personnel for hours worked	172,153,203.74	142,414,283.55
Pay for sickness and maternity leave	4,800,816.24	4,031,805.81
Annual holiday pay, including change in reserve	34,775,163.69	25,726,647.22
Wages and salaries and similar items	211,729,183.67	172,172,736.58
Employer's social security payments	14,960,350.97	13,196,445.45
Social insurance payments	24,444,007.73	18,508,612.00
Other statutory fringe benefits	3,406,082.15	3,120,641.70
Total	42,810,440.85	34,825,699.15
Non-statutory fringe benefits	6,893,334.88	3,180,394.75
90th anniversary bonuses	-	6,500,826.87
Transfer to pension fund	28,261,000.00	-
Total	35,154,334.88	9,681,221.62
Wages and salaries to non-members of personnel	7,160,587.76	6,313,119.02
Grand total	296,854,547.16	222,992,776.37

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

The above figures for 1980 include salaries and fees totalling FIM 1,518,162.09 paid to the members of the Board and the managing director.

Profit and Loss Statement for the Group; January to 31 December 1980

	1980	1979
Sales proceeds	800,368,927.66	658,150,319.82
Adjustments for gross sales		
Discounts	34,991,029.07	
Credit losses	1,609,255.48	
Purchase tax	25,392,295.68	
Commissions and advertising		
Agency fees	73,867,023.97	
Other adjustment items	53,038,244.19	
	-188,897,848.39	
Turnover	611,471,079.27	502,420,687.62
Variable expenditures		
Materials	161,671,877.07	
Variable wages, salaries and fees	165,555,092.61	
Other variable expenditures	53,107,234.70	
- change in stock	- 7,902,150.69	
	372,432,053.69	
Gross margin	239,039,025.58	197,982,510.19
Fixed expenditures		
Fixed wages, salaries and fees	57,292,548.54	
Rents	8,717,459.76	
Other fixed expenditures	104,161,534.77	
	170,171,543.07	
Profit on operations before depreciations	68,867,482.51	77,625,084.06
Depreciations		
Buildings	1,988,450.59	
Machinery and equipment	15,315,595.37	
Other outlays with long-term return	547,770.87	
Additional depreciations of the Group	2,305,895.00	
	20,157,711.83	
Profit on operations after depreciations	48,709,770.68	6,859,800.69
Other revenues and expenditures		
Interest revenues	13,292,685.53	
Dividend revenues	1,021,825.60	
Other revenues	1,965,039.98	
Other expenditures	- 131,405.94	
	16,148,145.17	
	64,857,915.85	20,516,569.78
Change in reserves		
Credit loss reserve	466,671.00	
Investment reserve	36,000,000.00	
Stock reserve	- 922,757.19	
	- 35,543,913.81	
Interest expenditures	- 9,546,476.17	
Taxes	- 5,356,464.63	
Profit for the year	<u>FIM 14,411,061.24</u>	<u>FIM 4,523,734.26</u>

The Group comprises the parent company, the Sanoma Corporation, and the following subsidiaries: Lehtikuva Oy, Oy Lingua-
phone Ab, and Simonpaino Oy. Finnvisuals Oy has been merged into the Sanoma Corporation. Duplication of ownership
has been eliminated by the procurement expenditure method.

USD 1980	1979
205,222,801.96	168,756,492.26
8,972,058.73	
412,629.61	
6,510,845.05	
18,940,262.56	
13,599,549.79	
— 48,435,345.74	
<u>156,787,456.22</u>	128,825,817.34
41,454,327.45	
42,450,023.75	
13,617,239.67	
— 2,026,192.49	
95,495,398.38	
<u>61,292,057.84</u>	50,764,746.20
14,690,397.06	
2,235,246.09	
26,708,085.84	
43,633,728.99	
<u>17,658,328.85</u>	19,903,867.71
509,859.12	
3,927,075.74	
140,454.07	
591,255.13	
5,168,644.06	
<u>12,489,684.79</u>	1,758,923.25
3,408,380.91	
262,006.56	
503,856.40	
— 33,693.83	
4,140,550.04	
<u>16,630,234.83</u>	5,260,658.92
119,659.23	
9,230,769.23	
— 236,604.41	
— 9,113,824.05	
— 2,447,814.40	
— 1,373,452.47	
<u>FIM 3,695,143.91</u>	<u>USD 1,159,931.86</u>

Balance Sheet of the Group as of 31 December 1980

Assets		FIM 1980	1979
Financial assets			
Cash in hand and in banks	39,024,897.40		
Accounts receivable	128,192,574.57		
Loans receivable	83,179,933.18		
Advance payments	605,916.11		
Deferred assets	8,392,031.78		
Other financial assets	<u>1,914,482.92</u>	261,309,835.96	219,967,579.59
Inventories			
Materials	32,086,889.95		
Products (finished and in process)	<u>7,273,026.66</u>	39,359,916.61	31,457,765.92
Fixed assets and other long-term expenditures			
Land areas	22,062,916.11		
Buildings	16,206,059.30		
Machinery and equipment	67,656,349.92		
Shares and holdings	21,613,357.85		
Other long-term expenditures			
From balance sheets of the companies	1,426,061.86		
From balance sheet of the Group	<u>5,461,174.65</u>	134,425,919.69	96,106,101.53
		<u>FIM 435,095,672.26</u>	<u>FIM 347,531,447.04</u>

Liabilities		FIM 1980	1979
Outside liabilities			
Short term			
Accounts payable	19,696,265.96		
Advance payments	106,247,008.98		
Deferred liabilities	58,607,167.88		
Other short-term debts	<u>12,791,172.38</u>	197,341,615.20	157,772,160.16
Long-term			
Pension loans	141,012,938.41		
Other long-term debts	<u>465,055.27</u>	141,477,993.68	141,767,758.15
Reserves			
Investment reserve	40,018,000.00		
Other reserves	<u>3,401,070.00</u>	43,419,070.00	7,875,156.19
Shareholders' equity			
Bound capital	15,600,760.00		
Free capital	22,845,172.14		
Profit for the year	<u>14,411,061.24</u>	52,856,993.38	40,116,372.54
		<u>FIM 435,095,672.26</u>	<u>FIM 347,531,447.04</u>

	USD 1980	1979
10,006,383.95		
32,869,890.92		
21,328,187.99		
155,363.10		
2,151,803.02		
<u>490,893.06</u>	67,002,522.04	56,401,943.48
8,227,407.68		
<u>1,864,878.63</u>	10,092,286.31	8,066,093.83
5,657,157.99		
4,155,399.82		
17,347,782.03		
5,541,886.63		
365,656.88		
<u>1,400,301.19</u>	34,468,184.54	24,642,590.14
	<u>FIM 111,562,992.89</u>	<u>USD 89,110,627.45</u>

	USD 1980	1979
5,050,324.60		
27,242,822.82		
15,027,478.94		
<u>3,279,787.79</u>	50,600,414.15	40,454,400.04
36,157,163.70		
<u>119,244.94</u>	36,276,408.64	36,350,707.22
10,261,025.64		
<u>872,069.23</u>	11,133,094.87	2,019,270.82
4,000,194.87		
5,857,736.45		
<u>3,695,143.91</u>	13,553,075.23	10,286,249.37
	<u>USD 111,562,992.89</u>	<u>USD 89,110,627.45</u>

Group Figures: Addenda, 31 December 1980

1. Changes in shareholders' equity

Free capital

1 Jan. 1980	24,515,612.54
Dividend distributed	- 1,470,440.40
Donations made	- 200,000.00
	<u>22,845,172.14</u>
Profit for the year	14,411,061.24
	<u>FIM 37,256,233.38</u>

2. Pension fund liability deficit	FIM	427,847.22
2a Guarantees		2,018,777.69

3. Taxation values of shares and holdings	FIM	22,308,792.74
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4. Group shares

Sanoma Corporation	
Sanoma Inc.	39,480.00
Other companies	9,463,484.97
Shares in real estate	12,059,214.08
Lehtikuva Oy	40,478.80
Oy Linguaphone Ab	9,150.00
Simonpaino Oy	1,550.00
	<u>FIM 21,613,357.85</u>

5. Other addenda: see addenda for parent company

Sources of funds

Income financing	
Profit before transfers from the closing of the accounts and taxes	83.6
Taxes	- 5.4
Depreciations	20.2
	<u>98.4</u>
Repayments of loans	0.4
	<u>98.8</u>

Use of funds

Investments in fixed assets	58.4
Dividends distributed + donations	1.8
Increase of net working capital	10.3
Transfer to pension fund	28.3
	<u>98.8</u>

Change in net working capital

Financing assets, increase	41.3
Inventories, increase	+ 7.9
Short-term liabilities, increase	-38.9
	<u>10.3</u>

Auditors' Report

We have inspected the financial statements, accounting and Group auditing, as well as the company administration, of the Sanoma Corporation for 1980 to the extent laid down by good auditing practice.

The auditing bureau Aimo Autio Ky has acted as the Company's supervisory auditor.

Parent company

The Balance Sheet has been drawn up according to regulations currently in force. The Profit and Loss Statement shows a profit for the financial year of FIM 15,430,031.09, USD 3,956,418.23.

We propose that

- the Profit and Loss Statement and the Balance Sheet be approved,
- the Members of the Board and President be absolved of responsibility for 1980,
- 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 capital amounting to FIM 37,256,233.38, USD 9,552,880.35

We propose that

- the Profit and Loss Statement for the Group and the Balance Sheet for the Group be approved.

Helsinki, 20 March 1981

Aimo Autio
Certified Auditor

Antti Helenius
Certified Auditor

Board of Directors and Auditors

Aatos Erkko, Chairman	elected for 1978–1980
Teo Mertanen, Vice-Chairman	” ” 1980–1982
Aarne Castrén	” ” 1979–1981
Pentti J.K. Kouri	” ” 1980–1982
Väinö J. Nurmimaa	” ” 1978–1980
Jaakko Rauramo	” ” 1980–1982
Patricia Seppälä	” ” 1979–1981

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

Proposal for Distribution of the Profit

The profit for the financial year totals FIM 15,430,031.09 USD 3,956,418.23. FIM 7,566,966.50 USD 1,940,247.82 of profit was retained from the previous year. Hence a total of FIM 22,996,997.59 USD 5,896,666.05 is at the disposal of the Annual General Meeting.

The Board of Directors proposes that, from the above mentioned sum of	FIM 22,996,997.59	USD 5,896,666.05
– a dividend of FIM 4.50 should be paid on each share	2,130,228.00	546,212.31
– a sum should be transferred to the operations fund	10,000,000.00	2,564,102.56
– a sum should be transferred to the donation reserve, for the discretion of the Board	200,000.00	51,282.05
– giving a balance of	10,666,769.59	2,735,069.13

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 1981.

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 3,641,415.38
Value adjustment reserve	1,399,240.00	358,779.49
Operating fund	27,867,447.81	7,145,499.44
Reserve for donations	200,000.00	51,282.05
Undisposed profit	10,666,769.59	2,735,069.13

The investment reserve comes to FIM 40,018,000.00 USD 10,261,025.64, and the credit loss reserve to FIM 3,049,000.00 USD 781,794.87.

Helsinki, 2 March 1981

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

Newspapers

HS



Helsingin Sanomat

1980 was marked by exceptionally important news events and a cooling in the international atmosphere. Events in Afghanistan induced tension in the relations between the super-powers. The Polish crisis increased tension in Europe during the autumn. The war between Iran and Iraq broke out in September. The US presidential election in early November was another major assignment for our foreign affairs analysts.

In Finland the political highlight was the local elections of October 20–21. State visits by the President of France and the King of Norway, as well as the 80th birthday of President Kekkonen, were among the other major domestic news events. The debate on the security of the Nordic region intensified towards the end of the year.

The most demanding assignments for our sports section were the Winter Olympics at Lake Placid and the Summer Olympics in Moscow. Large supplements were published in conjunction with both these events.

Through its editorial comments Helsingin Sanomat brought a positive influence to bear on such topics as funds for scientific research, and sparked off a debate on planning in the centre of Helsinki, the future of the Olympic Games, and other issues. Long-running series on the themes "Man and Environment" and "Man and Energy" demonstrated the type of controversies in the spotlight in 1980.

Among the editorial improvements made by Helsingin Sanomat were changes in the lay-out of the leader page and the special Saturday section.

Quicker dissemination of news was facilitated by the use of Texas Instruments 765 memory terminals.

Helsingin Sanomat's average circulation in 1980 was 393,697 on weekdays and 455,858 on Sundays. The increase on the previous year was 13,944 (3.7 %) on weekdays and 17,038 (3.9 %) on Sundays. Thus Helsingin Sanomat's circulation growth rate clearly exceeded the average, 2.4 %, for Finnish newspapers as a whole.

39,340 column-metres of advertisements were published. Despite the 20-day journalists' strike, this figure was up by 3,165 (8.7 %) on the year before, compared with an average growth in advertising volume of 8.2 % for all Finnish newspapers. We ran 496 four-colour display advertisements.

The grand total of pages in Helsingin Sanomat for the year was 16,148, 4.4 % growth over 1979.

During 1980 sub-regions for the distribution of other morning papers published in Helsinki were attached to the Helsingin Sanomat delivery system in Helsinki and parts of the adjacent municipalities of Espoo and Vantaa. Handling about 250,000 copies daily, this is the largest single combined delivery system in Finland. This pattern of pooling also developed quickly in other parts of Uusimaa province (Helsinki sphere of influence), and preparations were started for the weekend delivery of papers published outside Helsinki.

A paid weekly day-off, in force from March 1, marked a major advance in the conditions of newspaper carriers.

More sophisticated sales methods were introduced together with the special conditions in the Helsinki region and the rest of Uusimaa province. The development of a data-processing system for distribution, an application of subscriber service was continued.

During the year a widespread change was implemented in the classified advertisement section, including an alphabetical order for vehicles and a district-oriented break-down of property. This further activated reading of this material. Advertiser services were enhanced by several customer-based surveys on readability and effectiveness.

Aamulehti (Tampere), Turun Sanomat (Turku) and Helsingin Sanomat (Helsinki) continued to join forces in nationwide advertising. One by-product of this collaboration of the "Top Three" was a competition for the best four-colour advertisement. A seminar, "newspaper – the basic medium", for 200 decision-makers in the advertising industry was held at Finlandia Hall, Helsinki.

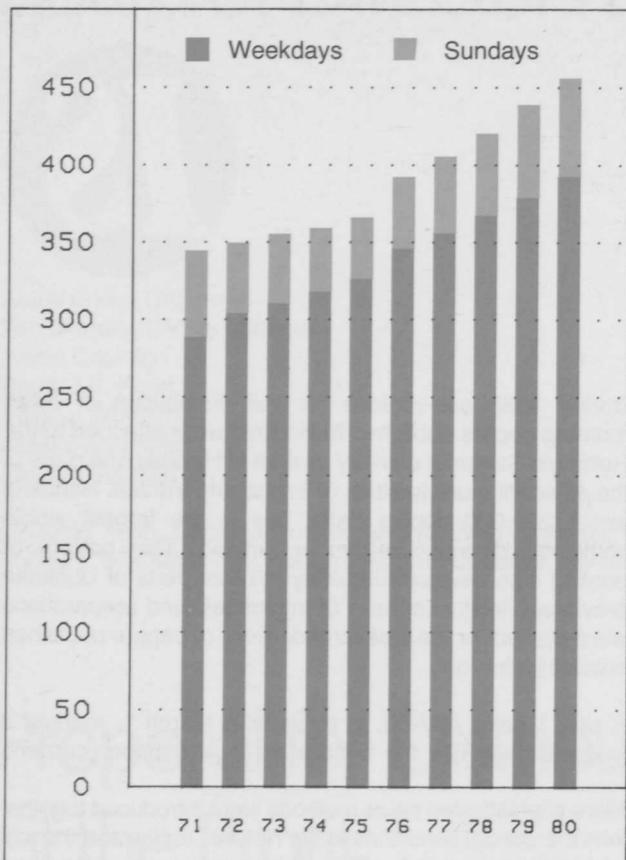
Helsingin Sanomat sponsored the Jukolan Viesti orienteering contest, the Kaivopuisto Marathon and the following junior level events: The Hopeasompa ski-race, the Siniviitta swimming championship, the Finnish championship for Optimist yachtsmen. In all, about half a million people participated in these events.

Ilta-Sanomat

A key aim of Ilta-Sanomat is to project its own distinctive view of events. The most important facts of its work, however, is the concentration of news operations on the Greater Helsinki region.

Ilta-Sanomat reporters were on the spot following the US presidential elections, the situation in Poland, the elections in the Federal Republic of Germany, the Algerian earthquake, and the Madrid follow-up conference on security and co-operation in Europe.

Helsingin Sanomat: Average Circulation



The outstanding domestic news event was the local elections in October. Ilta-Sanomat probed deeply, publishing political reports from more than twenty towns and four different types of rural districts prior to the voting.

In the paper's competition for "Finn of the Year" readers gave sporting personalities pride of place: long distance runner Kaarlo Maaninka among the men, and skier Hilikka Riihivuori among the women. This was no surprise in an Olympic year.

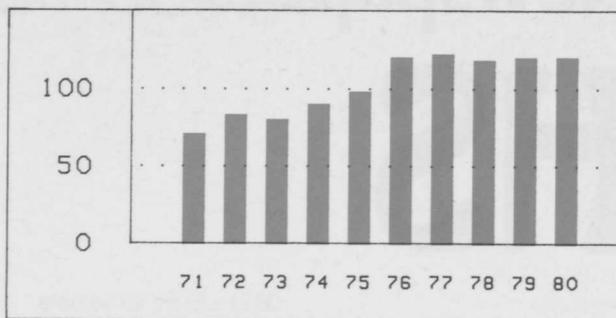
Ilta-Sanomat published special supplements on summer and winter travel, motoring, sailing, newly-matriculated students, autumn fashion, home decoration, and photography. On the last Sunday of the summer Olympics we came out with a 64-page report on the Games.

Journalists now work in better conditions with the opening of new premises in early September on the first floor on Ludviginkatu 2. The editorial staff took part in the planning from the very start.

284 editions of Ilta-Sanomat with an average pagination of 34.8 were printed during the year. During the pre-Christmas shoppingrush the presses clocked up an all-time record run, 321,500. Average circulation for the entire year grew, and the launching of a competing afternoon journal in the last quarter actually boosted demand for Ilta-Sanomat. The average figure for the year, 120,186, showed an increase of 368 copies (0.3 %) on 1979.

The price of a single copy remained unchanged throughout the year, at 2 Finnmarks. 16 editions went unpublished because of the journalists' strike, a key factor behind the failure of advertising sales, down by 9.3 % on the previous

Ilta-Sanomat: Circulation



year, to reach their target. In all, 3,231 column-metres of advertisements were published.

Circulation-boosting efforts were backed up by competitions for readers. In advertising the accent was on outdoor media. This type of approach drew a wide public response and, resulted in an award in the commercial section of the "Year's Best Posters" competition. The outdoor drive was selected as one of the best six campaigns of the year in an annual contest arranged in conjunction with Idea Days, the top forum for the advertising industry.

Ilta-Sanomat continued its support for sport as co-sponsor of the Ilta-Rastit orienteering contest and the Kultakiekko ice-hockey tournament for the youth of Vantaa, north of Helsinki.

Printing technology

The acquisition during the year of a second TEXT II system and a fourth Linotron photosetting machine gave greater reliability to text production. Pictorial processing methods were further improved by purchase of a second Hell DC 300 B laser scanner for colour separation and two Autokon II digital cameras.

Productivity continued to show progress in the year under review.

In Sanoma's production work 1980 was an intermediary year, in which the main effort was devoted to stabilisation while ensuring that the newspapers would come out on schedule. Investments, small compared with previous years, were concentrated towards this end.

In 1980 48,553 tons of newsprint were consumed, a 12.3 % increase on the previous year, printer's ink consumption, 579 tons, was up by 14.4 %

Sanomala: sales and new products

Invoicing by Sanomala doubled on the previous year to exceed FIM 15 m USD 3.8 m. At the end of 1980, the following regular journals were clients of Sanomala: Auto ja liikenne (Car and Transport), Hevosurheilu (Equestrianism), Insinööriutiset (Engineering News), Koulusanomat (School News), Landsbygdens Folk (for Swedish speaking rural communities), Länsiväylä (a give-away, published by the Tapiola Housing Foundation), Maaseudun Tulevaisuus (The Rural Future), Pääkaupunki (give-away for Greater Helsinki), Sana (The Word) and Uudenmaan työpaikat (Situations Vacant in Uusimaa).

Several individual one-off publications and advertising products were also printed at Sanomala.

Starting on 1 May 1980, the administrative organisation was reinforced by forming a separate section to develop and market new products. Under this heading came the launch of Tiede 2000 (Science 2000) magazine, the continuation of HS-book publishing, and the development of HS-tele.

An agreement to publish Tiede 2000 was signed on 31 March 1980 by the Sanoma Corporation and Tieteen Tiedotus ry (Scientific Information), and two pilot numbers

appeared in autumn 1980. The number of subscribers gained by the end of the year, 8,077, exceeded expectations.

On 1 April 1980, with the Telset project completed, HS-tele started to appear as a separate electronic information service. Editorial staff numbered five at the end of 1980. A maximum exceeding 4,000 pages is available through the HS-tele system. Nationwide collaboration between newspapers interested in Telset got under way in December.

Sanomaprint

The boom and its inseparable repercussion, rising costs, have had a clear bearing on the printing activity of Sanomaprint. Changes in the production structure stemming from longrange development measures, inputs into marketing, and, in particular, the growth in rotarypress capacity induced by the purchase of Simonpaino have enabled Sanomaprint to hoist its sales above the target fixed. Total sales showed a 34 % growth on 1979, so profitability continued the favourable trend of previous years.

Sanomaprint concentrated, as before, on printing special periodicals and sales catalogues. At the same time printed products and services used in direct advertising and sales promotion were both marketed and developed.

During the year our development work bore fruit in a number of new products. One example was Blue Wings, an in-flight publication commissioned by Finnair, and several new service products for the travel business.

Because there was more contract work than predicted, capacity utilisation was good. Except for the duration of the journalists' strike, almost the entire production capacity was used.

The real value of exports was virtually unchanged: the nominal increase in money terms, 14.3 %, was roughly in line with price inflation.

The share of outside customers in Sanomaprint's total sales rose to 56 %. Besides Sanomaprint itself, leading clients were Tukkukauppojen Oy/TUKO (a central wholesale and retail organisation), Oy Valitut Palat – Reader's Digest Ab, A-lehdet Oy (a magazine chain), and professional and organisational publications for farmers.

Compared with the previous year, wages and salaries were the most rapidly growing cost item. The increase was also boosted by an expansion in the number employed, caused by a transfer of personnel at Tapiolan paino and a switch former employees of Simonpaino to Sanomaprint. By contrast, prices of the principal raw materials rose less than the general level of inflation.

Growth marked the main areas of production. The number of composed marks grew by 20 %. The volume of four-colour reproduction was up by 24 %, and that of rotary-printed products by 20 %. According to plan, the volume of sheet-fed machinery production diminished by 9 %, while that of the processing (binding) departments was up by an average of 4 %.

Sanomaprint consumed 13,500 tons of paper, a 28 % increase on the previous year.

The chief investments undertaken in 1980 were directed to expanding the capacity required for special products and, in particular, to stepping up the efficiency of the rotary presses at Tapiolan paino.

During the year the co-operation structure launched by Sanomaprint at shop-floor level was consolidated in actual day-to-day work. The principles of industrial co-operation were put into practice and further developed by departmental groups and the Sanomaprint co-operation committee.

At the end of the year 610 people were employed by Sanomaprint – 93 staff and 517 workers.

Magazines

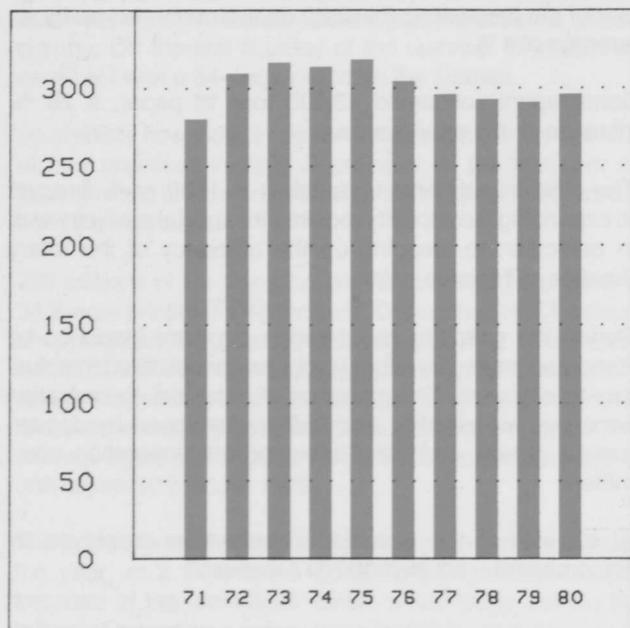
On the whole, the magazines of Sanoma Corporation had a satisfactory year. Of the six titles published, two enjoyed increasing circulation, with the circulation of the other four falling slightly. No new titles were launched.

1980 marked the fifth successive growth year for Kodin Kuvalehti. Average circulation for the year, 191,165, was 6,716 higher than in 1979. In the second half of 1980 this magazine broke a new record with a circulation of 198,554. Advertising sales fell back a little from the very high level of the previous year. Advertisements covered 590 pages, a decline of 64, while the total number of pages, 3,120, was 28 up on 1979.

Me naiset retained its position in the harshly competitive women's magazine arena. Average circulation for the year, 126,556, was 5,867 down on 1979. Sales of advertising went well, totalling 635 pages – the same as the preceding year and substantially bigger than those for other women's periodicals. At 4,852, the number of pages printed was 204 fewer than in 1979.

Suuri Käsityökerho was once again easily the biggest publication for handicraft enthusiasts in Finland, despite the keener competition from other publications covering this special field. Average circulation for 1980 was 112,747, a decline of 3,514 on the previous year. Advertising pages increased by 17 to 97 (23 %), and total pages printed by 36 to 1,060.

Aku Ankka (Donald Duck): Circulation



The circulation of Aku Ankka (Donald Duck) developed well – an increase of 4,783 in 1979 to an average of 294,892 for 1980. Total pagination, 1,678, was identical with that the year before.

The circulation of Kansa taisteli – miehet kertovat (war memoirs) fell by 2,022 to 39,494. There were 27 pages of advertising – up by one on the year, and total pages printed was unchanged at 432.

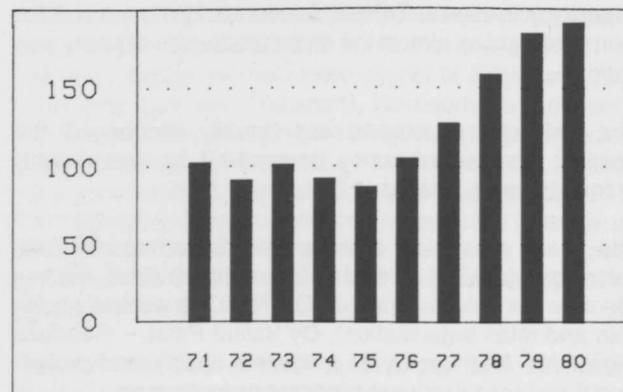
The progress of Eläinmaailma, a monthly for animal lovers launched in 1979, did not match expectations. Average circulation of 40,860 marked a drop of 2,684 on the year before. The contents swung more and more to specifically Finnish species and pets. Only a limited number of advertisements were taken by Eläinmaailma – 18 pages, an increase of 7. Pagination for the year expanded by 56 to 600.

Books

As before, the book division concentrated heavily on children's literature. The chief lines were cartoon books and the Lasten Oma Kirjakerho (Children's Own Book Club). The number of new titles, 36, showed a decrease of seven on the previous year. New impressions of fourteen successful volumes were issued. The total number of titles therefore came to 50, an increase of three. Aggregate sales of books, 2,379,972, were down by 50,520 copies on the previous year, but measured in terms of money and profitability this was a striking increase.

Once again, the most popular cartoon books were Aku Ankan taskukirjat (Donald Duck pocket books), Roope-setä taskulehti (Uncle Scrooge pocket paper), Asterix and Tenavat (Peanuts). Membership of the children's book

Kodin Kuvalehti (fortnightly): Circulation



club – 33,594 at the end of the year – continued at the 1979 level.

Newcomers to the bumper cartoon book series were "Aku Ankan aarrearkku" ("Donald Duck's Treasure Chest") and Walt Disney's illustrated fairy-tale anthology, "Lasten Satuaarteet". Records, cassettes, toys and hobby accessories are rapidly joining books in the regular product range of the Children's Own Book Club.

In the autumn we published a completely revised Finnish-language edition of the "Guinness Book of Records", the print of 10,000 was quickly sold out. Around the same time we also launched the Teema (Theme) series, practical advice for homeowners under titles which translate as "Tasty Titbits", "Beautiful Indoor Plants", "Curtains and Lighting", and "Salades, Vegetables and Berries".

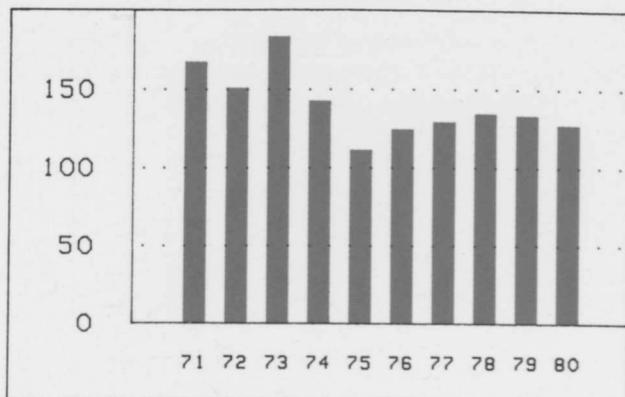
Special products

The accent shifted slightly to sales of goods. The range for collectors embraced higher-quality products, so the value of sales increased more than volume while profitability improved.

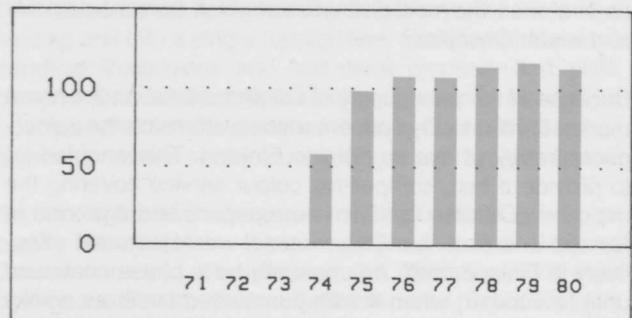
The children's hobby package called "Onnimannin oppi-leikit" ("Learn and Play") and the recipe series known as "Kotikeittiön parhaat" ("Home Cooking") became exhausted as collectors completed their build-up. This reinforced the trend towards sales of goods.

During the year a business publication venture, Sanoma – Business Magazines, was launched. It included the contract marketing of special publications, the first of which was Blue Wings, commissioned by Finnair.

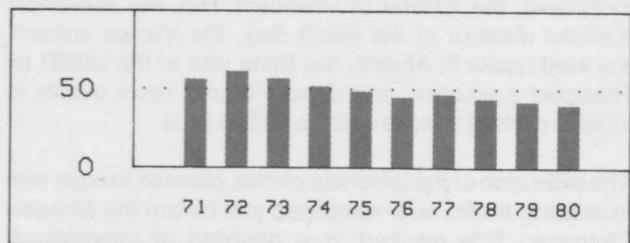
Me naiset (We women): Circulation



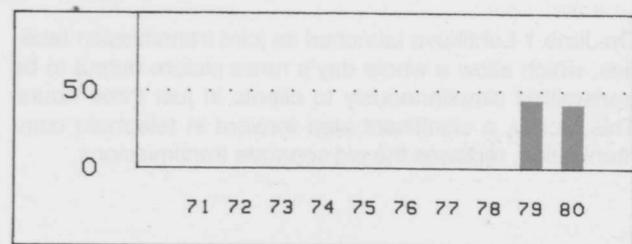
Suuri Käsiyökerho (Big Handiwork Club): Circulation



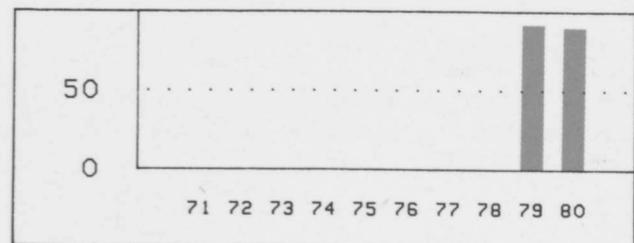
Kansa taisteli – miehet kertovat (war memoirs monthly): Circulation



Eläinmaailma: Circulation



Roope-setä taskulehti (Uncle Scrooge pocket paper): Circulation



Picture Agency

Lehtikuva Oy

The company had a busy year handling several foreign news stories, the most distinctive of which were the summer and winter Olympics.

Because of the poor supply of colour material on the home market Lehtikuva Oy concentrated its efforts on the colour-photography of events outside Finland. This enabled us to provide a fast, competitive colour service covering the main news stories for client newspapers and agencies in Europe and America. This material was also used effectively in Finland itself. An unusually busy phase continued until November, when it was punctuated for three weeks by the journalists' union strike.

Besides the Games at Lake Placid and Moscow, other important pictorial projects included three assignments in Poland, the funeral of President Tito, the Alexander Kielland disaster in the North Sea, the Venice summit, the earthquake in Algeria, the State visit to the USSR by President Kekkonen, and several crucial news events in various parts of Europe and the Middle East.

The extension of the telephoto centre, planned to cope with increasing traffic, was completed just before the Moscow Olympics. This resulted in a doubling of international communications, while the number of lines primarily allocated to domestic telephoto traffic rose from ten to sixteen.

On June 1 Lehtikuva launched its joint transmission facilities, which allow a whole day's news picture output to be transmitted simultaneously to clients in just three hours. This facility, a significant step forward in telephoto communication, replaces the old separate transmissions.

Thanks to the abundance of Olympic material and the joint transmissions, domestic telephoto sales almost tripled compared with 1979. There was also a positive trend in the sale abroad of telephoto pictures and colour photos. Owing to the increased supply and new printing technology, Finnish newspapers published an unprecedented number of colour pictures to illustrate their Olympic reports.

The commercial department advanced strongly in the latter half of the year. The largest pictorial commissions were for the Finlandia Ski Race and multivisuals.

The photographic work was boosted by the opening of a new studio in north-west Finland. Employing a photographer transferred from the commercial department, its responsibility is divided between commercial and news photography.

The company recorded a positive financial result, due largely to the photography undertaken abroad.

The audit shows a profit of FIM 68,852.91 USD 17,654.59.

Personnel numbered 62 at the end of the year.

Oy Linguaphone Ab

The company enjoyed a good year in 1980. Sales rose 23 %, and profit targets were easily exceeded. Key factors in this trend were further growth of the domestic economy, the correct channelling and dimensioning of the marketing input, and a curbing of overheads.

Language teaching remained the exclusive field of the company. We did not launch any new products during the year, but concentrated on selling those already on the market. Our best marketing effort revolved round the Minilab, a small language laboratory meant for company use, which showed a 21 % growth in volume. We bolstered our marketing organisation for both company and adult education.

A pilot study of a transfer to automatic dataprocessing was initiated towards the end of the year.

The marked appreciation of sterling and rise in import price impeded the company's activity and precipitated an exceptional increase in costs. Nevertheless, overheads grew by only 8 %.

At the end of the year the company employed 8 people. A staff of ten teachers liaised with the students.

The audit shows a profit of FIM 29,971.58 USD 7,685.02 for the year.

Simonpaino Company

Since the start of 1980 Simonpaino Oy's operations have been streamlined by combining two rotary presses and a binding unit into a single rotation line. Sections of the plant handling illustrations and text were emptied, and plate composition was the only function to remain in place. The operations of the company were integrated with those of Sanomaprint and shut – but printing was sharply reduced.

On June 1 the entire personnel of Simonpaino Oy – numbering 49 people – were transferred to the Sanoma Corporation, and the name of the operations unit was changed to Sanomapainon Tapiolan paino (Sanomaprint's Tapiola Press). While this wound up of Simonpaino Oy's real activities, the company retains some fixed assets, with rent and interest revenues accruing under this item.

Personnel

Numbers employed

The average number employed by the Corporation on a fulltime basis was 2,564 (2,450 in the previous year). On these, 872 (834) were salaried staff, 470 (457) journalists, and 1,222 (1,159) manual workers. There were 2,083 (1,705) newspaper deliverers. Thus a total of 4,647 (4,155) people were regularly employed by the Corporation. In addition we paid commission to 2,928 (3,095) sales agents.

By division, the breakdown is as follows:

Newspapers	1,404	(1,351)
Sanomaprint	631	(595)
Magazines and books	117	(107)
Administration	210	(229)
Finance	120	(118)
Real estates	34	(-)
Planning and development	12	(14)
Senior management, special assignments	12	(15)
Training institute	24	(21)
	<u>2,564</u>	<u>(2,450)</u>

There was a slightly more intensive turnover of labour – 5.6 % against 4.9 % in 1979.

Turnover figures were 21.7 % (25.5 %) for distributors, and 7.3 % (19.8 %) for agents. The absenteeism ratio was 5.01 (4.9 %).

Occupational health

During the year 18,758 (18,863) patients were treated by doctors and occupational health nurses. 2,997 (3,129) people underwent laboratory check-ups, and 447 (551) had their sight tested. Hearing tests went up from 174 to 424. There were 238 (291) blood-donors, and 116 people received training in first-aid.

Work safety

The work safety committee held six meetings and made one inspection. The ergonomic group, drawn from the staff, met five times.

In addition to conventional checks and measurements of temperature, draught, humidity, and noise, several throughgoing work hygiene-related observations were carried out in special conditions. Numerous improvements were made in safety procedures, with extensive training in work safety, fire precautions, and first-aid.

The Corporation undertook 12 internal work safety inspections. The Uusimaa regional work safety inspectorate carried out checks of all Sanomaprint's premises. The organisation's special permit division also inspected the newspaper typesetting section.

Internal information

HESA, the personnel magazine of the Sanoma Corporation and its subsidiaries, appeared 8 (7) times, and the Sanomia information bulletin 47 (49) times. Sanomain Asiamies, a news-letter for agents, was published 4 (4) times, along with 11 (12) numbers of a supplementary bulletin.

Wage and salary calculations

During the year workers and carriers had three contractual wage rises, and staff on a monthly salary two. On March 1 restaurant personnel came under a new work contract involving monthly instead of weekly payments and necessitating a revision of the basic payments system. At the end of the year wage payments to carriers were switched to the data-processing system.

Services for personnel

The Corporation maintained five staff canteens. Committees were responsible for developing facilities.

FIM 155,000 were granted to Sanoma Personnel Club. Members decided on the allocation of funds at their annual meeting.

150 employees celebrated 50th or 60th birthdays, which were marked by congratulations, presents and flowers. The Central Chamber of Commerce Medal of Merit was

Sanoma Training Institute

awarded to 161 employees, who had served the Corporation for the following periods:

50 years -	1
40 years -	3
35 years -	7
30 years -	18
25 years -	49
20 years -	83
	<hr/>
	161

The Corporation's recreation centres were again popular, with 6,721 (0&,264) visitors to Jalassaari and 144 (119) to Ruka. 134 employees used the new holiday facility at the Bomba House, Nurmes.

Co-operation

In line with the Act on Industrial Co-operation, enforced since July 1979, a joint meeting was convened at Group level 6 times. There were 7 meetings of the newspaper division's consultative committee, and 7 of Sanomaprint's co-operation committee.

Joint consultations at group level led to co-operation agreements valid for each enterprise.

At meeting with shop stewards, the previous year's annual report was discussed in the spring, and business plans for the year ahead were outlined in the autumn.

Retired employees

At the end of the year 746 (687) retired employees were covered by the Sanoma Corporation Pension Fund, the board of which convened five times in 1980. The Sanoma Senior Club arranged a wide-ranging leisure programme for pensioners.

The Sanoma Corporation Training Institute operated in three main sectors in 1980: printing, journalism, and office work. The last-mentioned sphere also embraced management training and general courses. The training consists of refresher and followup teaching, and the re-training required for various Corporation projects. Basic training as such was given in the Sanoma School of Journalism only.

The Printing Scholl arranged 62 training sessions attended by a total of 694 employees.

15 people graduated from the ninth basic course at the Sanoma School of Journalism in December 1980. There were 21 follow-up courses attended by 481 journalists.

The 75th training session organised for salaried staff drew a total of 1,137 participants. 21 managerial training sessions were attended by 278 foremen.

The number of general training courses was 178, with 2,597 participants. Respective figures for office work training were 274 and 4,012.

In all courses and participants at the Training Institute totalled 358 and 5,202 respectively.

Curricula were planned by training committees of printers, journalists and office staff, and affiliated working parties.

Statistics

Profit and Loss Statement expressed as Share of Turnover (%)

	1973	1974	1975	1976	1977	1978	1979	1980
Sales proceeds	122,8	122,8	122,5	124,9	127,7	129,7	131,2	131,1
Sales adjustment items	- 22,8	- 22,8	- 22,5	- 24,9	- 27,7	- 29,7	- 31,2	- 31,1
Turnover	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Variable expenditures	- 67,1	- 66,2	- 67,3	- 65,5	- 58,5	- 59,0	- 60,5	- 61,4
Gross margin	32,9	33,8	32,7	34,5	41,5	41,0	39,5	38,6
Fixed expenditures	- 27,8	- 27,0	- 28,3	- 25,4	- 24,8	- 24,1	- 23,7	- 27,6
Operating margin	5,1	6,8	4,4	9,1	16,7	16,9	15,8	11,0
Depreciations	- 3,7	- 3,0	- 2,5	- 5,5	- 15,2	- 14,9	- 14,0	- 2,6
Profit on operations	1,4	3,8	1,9	3,6	1,5	2,0	1,8	8,4
Other income and expenditures	+ 1,4	+ 2,9	+ 3,0	+ 3,0	+ 2,5	+ 1,6	+ 2,8	+ 2,7
	2,8	6,7	4,9	6,6	4,0	3,6	4,6	11,1
Change in reserves	- 0,7	- 3,3	- 1,1	- 0,7	-	-	- 0,5	- 6,0
Interest expenditures	- 1,0	- 1,4	- 1,6	- 2,4	- 2,8	- 2,8	- 2,8	- 1,7
Direct taxes	-	-	-	- 1,7	- 0,6	- 0,1	-	- 0,8
Profit for the financial year	1,1	2,0	2,2	1,8	0,6	0,7	1,3	2,6

Circulation Figures

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
HS	289.704	305.016	311.438	318.953	327.275	346.910	356.945	368.351	379.753	393.697
HS Sunday ed.	344.173	349.392	355.116	359.130	365.809	391.971	405.185	420.063	438.820	455.858
IS	70.481	83.085	79.983	89.778	98.045	120.080	122.024	118.063	119.818	120.185
MN	166.725	150.289	182.619	142.015	110.618	123.872	128.483	133.619	132.423	126.556
AA	279.754	309.155	315.877	313.139	317.571	303.703	295.163	291.890	290.109	294.892
KK	101.915	90.639	100.475	91.611	86.448	104.682	127.232	158.241	184.449	191.165
KT	55.413	60.533	55.867	50.944	47.846	43.886	46.093	43.197	41.516	39.494
SK	-	-	-	56.752	97.307	106.753	106.572	113.261	116.261	112.747
RS	-	-	-	-	-	-	-	-	90.936	89.385
EM	-	-	-	-	-	-	-	-	43.544	40.860

Figures are averages of official circulation audits during each year.

Key Indicators

Current Values (FIM)

	1974	1975	1976	1977	1978	1979	1980
Turnover per employee 1	91,801.8	110,746.2	132,783.2	155,841.1	181,193.8	200,968.8	235,851.2
Turnover per employee 2	69,122.0	64,889.3	77,185.0	89,606.7	131,894.2	149,068.6	187,698.9
Wages and salaries for hours worked, per employee	18,861.2	21,409.5	25,342.1	28,869.9	32,446.8	34,488.6	37,769.5
Social security payments per employee	7,019.9	8,392.0	10,989.2	12,516.3	13,182.5	15,509.7	19,587.5
Wages, salaries and other payments per employee, total	25,881.1	29,801.5	36,331.3	41,386.2	45,629.3	49,998.3	57,357.0
Payments to personnel, % of turnover	46.7	45.9	47.1	46.2	44.0	43.8	49.0

Converted into 1980 Values

	1974	1975	1976	1977	1978	1979	1980
Turnover per employee 1	170,475.9	181,070.0	194,925.7	206,957.0	229,210.2	233,324.9	235,851.2
Turnover per employee 2	128,359.6	106,094.0	113,307.6	118,997.7	166,846.2	173,068.6	187,698.9
Wages and salaries paid for hours, per employee	35,025.2	35,004.5	37,202.2	38,339.2	41,045.2	40,041.2	37,769.5
Social security payments per employee	13,035.9	13,720.9	16,132.1	16,621.6	16,675.9	18,006.8	19,587.5
Wages, salaries and other payments per employee, total	48,061.2	48,725.5	53,334.3	54,960.8	57,721.1	58,048.0	57,357.0
Payments to personnel % of turnover	46.7	45.9	47.1	46.2	44.0	43.8	49.0

Turnover per employee 1 = Turnover divided by permanently-employed personnel at the end of the year

Turnover per employee 2 = Turnover divided by both permanently-employed personnel and half the number of distributors at the end of the year

Figures for 1979 and 1980 have been calculated in line with other data on personnel in terms of the average number of employees, while earlier figures refer to the situation at the end of the year.

Union Representatives

PRINTING WORKERS

Chief Shop Steward	Teuvo Hörkkö
Newspaper Printing Division	
Deputy Chief Shop Steward	Pentti Käyhkö
Type-setting	Pentti Käyhkö
Plate-making	Heikki Hartikainen
Repro	Pentti Lassila
Rotary Press, day shift	Voitto Salo
Rotary Press, night shift	Unto Lauronen
Dispatching, day shift	Anni Torkkeli
Dispatching, night shift	Väinö Saloniemi
Maintenance	Karl Källman
Sanomaprint	
Deputy Chief Shop Steward	Pertti Liinkangas
Hiomotie	
Photolitho Unit	Jorma Tuuli
Type-setting	Tauno Holappa
Press	Heikki Salomaa
Bindery	Laine Lahdelma
Dispatching	Elisabeth Leinonen
Maintenance	Pentti Lindstedt
Strömbergintie	
Form-printing Press	Martta Kaivola
Press	Pertti Liinkangas
Bindery	Seija Palonen
Tapiola Press	
Switchboard Service	Jukka Suojanen
Restaurants	Kaisa Käyhkö
	Marjatta Kuosmanen

JOURNALISTS

Chief Shop Steward	Oili Tolvanen
Deputy Chief Shop Steward	Seija Sarti-Laitinen
Helsingin Sanomat	Seija Sarti-Laitinen
Helsingin Sanomat,	
Regional Offices	Jukka Kuikka
Ilta-Sanomat	Jukka Tennilä
Magazines	Kati Lintonen (Me Naiset)
Lehtikuva Oy	Pertti Tuominen

SALARIED EMPLOYEES: PRINTING

Chief Shop Steward	Irma Seppälä
Deputy Chief Shop Steward	Lauri Koski
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Subscription Department	Ritva Marjanen
City Centre	Anneli Kärppä
Pitäjänmäki	Irma Seppälä
Customer Service and	
Distribution Offices	Anja Savolainen
Sanomala	Matti Auvinen
Circulation Department, Agents	Lauri Koski

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Deputy Chief Shop Steward	Ritva Viitanen
Administration Section	Ritva Viitanen
City Centre	Taija Heinonen
Magazine and Book Division	Iiris Lindman

SALARIED EMPLOYEES: TECHNICAL

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Deputy Consultative Liaison	
Officer	Veikko Koskinen

Newspaper Printing

Ludviginkatu, Liaison Officer	Mauri Ketola
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Sanomala

Liaison Officer	Pentti Petomäki
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Sanomaprint/Hiomotie

Liaison Officer	Matti Perälä
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Sanomaprint/Strömbergintie

Liaison Officer	Risto Pirhonen
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Day shift	Kullervo Ahola
Night shift	Kauko Wilberg

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Area under Helsinki agreement

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Deputy Chief Shop Steward	Eeva Miinin

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Lahti	Anni Vilen
Lohja	Anja Kinnula
Lappeenranta	Helvi Hyypiä
Pori	Annikki Nokelainen
Rauma	Vuokko Pajari
Riihimäki	Timo Heino
Tampere	Inkeri Manninen

Sanoma Personnel Club

Chairman	Jouko Vanninen
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Sanoma Senior Club

Chairman	Raimo Rajahuhta
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Sanoma Corporation Pension Fund

Chairman of the Board	Teo Mertanen
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Helsingin Sanomat: Promoting Sport for Youth

For almost thirty years Helsingin Sanomat has been sponsoring sport for young people. Today three leading contests designed for youth receive support: the Hopeasompa Ski Race, the Siniviitta Swimming Competition, and the Finnish Championship for Optimist sailors. A new event, for gymnasts, will be Jumppakärpänen.

Sports sponsorship by the paper started with contests for adults. The first Jukolan Viesti relay was run in 1949. Helsingin Sanomat still has a hand in organizing this orienteering contest for everybody. Its first approach to supporting sport was made, naturally enough, through schools. A soccer cup for senior schoolboys, launched in 1955, lasted 18 years: in its heyday 160 schools entered the contest.

In the 1960s basketball cups for boys and girls were introduced. This made a total of three cup contests, a healthy revolution in the sphere of ballgames played by the young.

These contests had to be dropped with the reform of the school system, but at the very start of the 1970s Helsingin Sanomat took a host of new competitions under its wings. The decade resulted in football for young boys, the Siniviitta Swimming Competition, Korttelikiekko (local ice-hockey tournament), the Hopeasompa Ski Race, and the national championship for Optimist yachtsmen. The ice-hockey contest lapsed after five years – prematurely in the view of enthusiasts. The lads' football contest lives on, but without the sponsorship and insignia of Helsingin Sanomat.

It was easy for the newspaper to make its thrust on behalf of Finnish youth. Ten years ago young people were short of competitive outlets, and still received insufficient funds for sport. Thanks to the cordial reception they gave, Helsingin Sanomat-sponsored competitions have become firmly established.

Among the events promoted, the most vital and the strongest point of attraction is the Hopeasompa, which is meant for girls and boys aged 10–16. They can choose between all the types of skiing: cross-country, combined (with ski-jumping), ski-jumping, and slalom.

When the contest was launched ten years ago coaches were seriously worried about the future of the sport because youngsters were foresaking their skis.

With the development of the Hopeasompa (a silver trophy resembling the ring on a ski-pole), their gloom has evaporated. In the first year of the event there only just over one hundred completed the course, but then overall popularity increased as banks, fire brigades, householders' associations, Lions' Clubs, and women's volunteer organisations (Martat) joined the cubs in organising the contest.

Now 10 years old, Hopeasompa draws half a million entries, with a record of 474,000 completed performances in the very snowy winter of 1978.

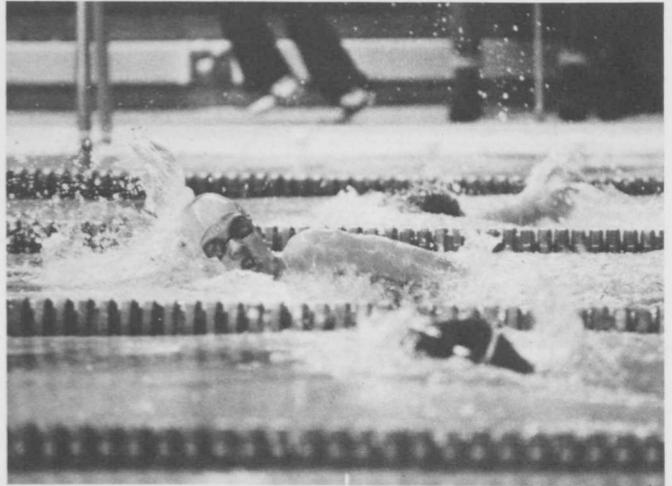
Because of the overlap in contests entered, the actual number of skiers is around 250,000. This still makes Hopeasompa the most popular contest for young people in Finland. Considering there are about half a million Finns in the 10–16 agebracket at any one time, Hopeasompa is getting half of them onto skis – eloquent testimony to the vigour of the competition.

The first competitors in the Hopeasompa have moved up to the senior events. One of the Hopeasompa winners, Taina Impiö, made the grade right up to women's world champion. Others have developed more slowly. Harri Kirvesniemi (fourth in the World Cup for Nordic skiers in 1980–81) and Kari Härkönen, another outstanding name, were far from the front in the Hopeasompa contest. As adults they are among the best in the world.

Siniviitta, for swimmers, is two years older than the Hopeasompa. Every year it lures more than a thousand contestants into the pool. But in this sport we have not managed to train promising talents to the same high standard reached in skiing. Not one of the Siniviitta (literally "Blue Cloak") champions figures among the world's swimming élite.

Gymnastics, in which young Finns have been rather inactive, has been brought into the sponsorship scheme. It is one of the most demanding types of sport, but the Jumppakärpänen contest is attracting a fair number of girls and boys aged 6–8. In gymnastics one must have skill and integrity to teach the young – as we have seen, children can be shadily exploited.

JUHANI SYVÄNEN



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Väinö J. Nurmimaa, 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

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Managing Directors of Subsidiaries

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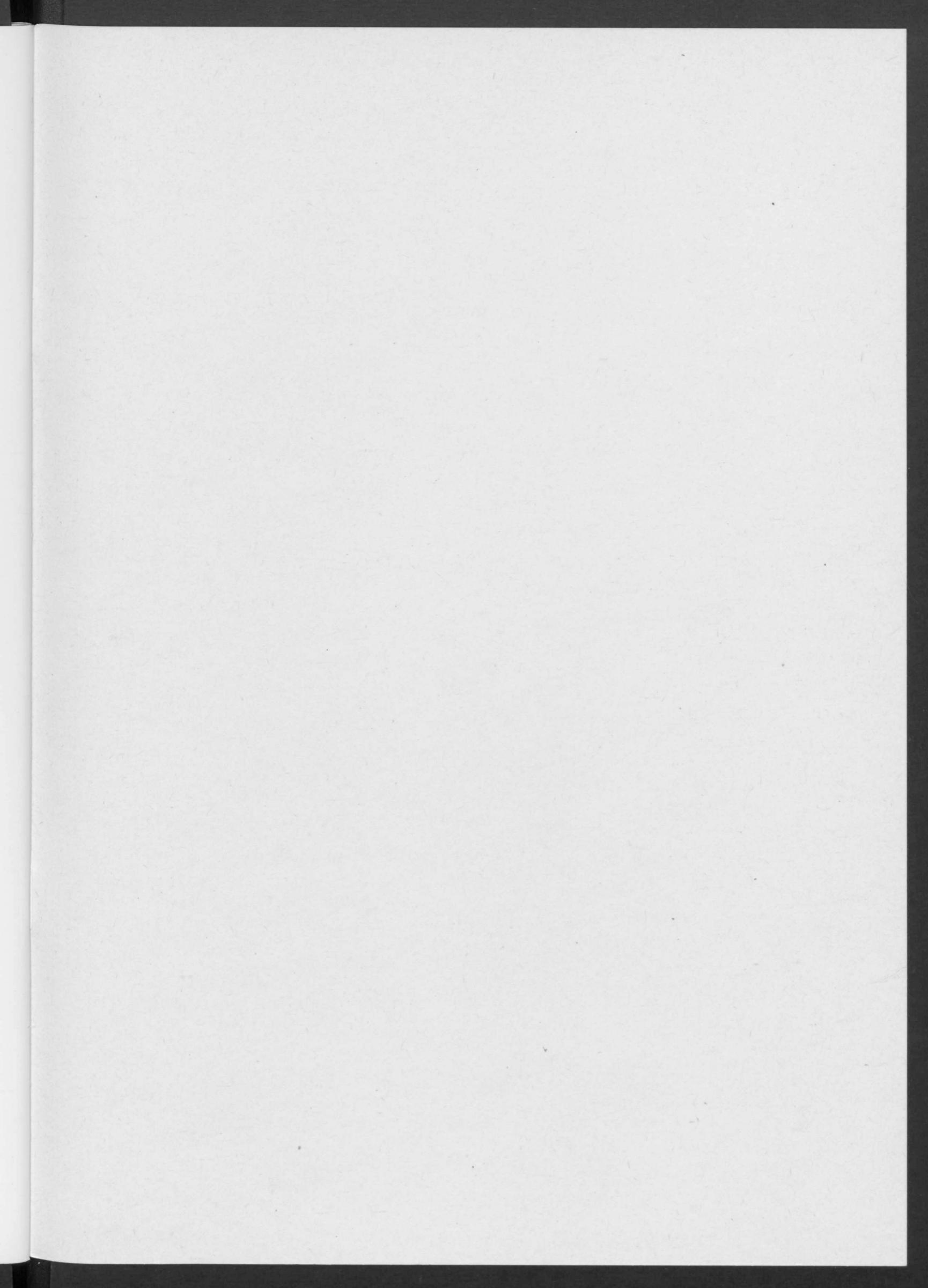
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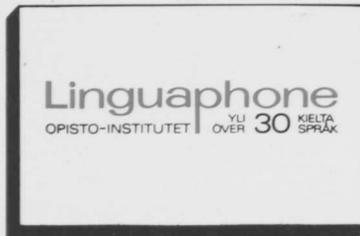
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Sanomaprint

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