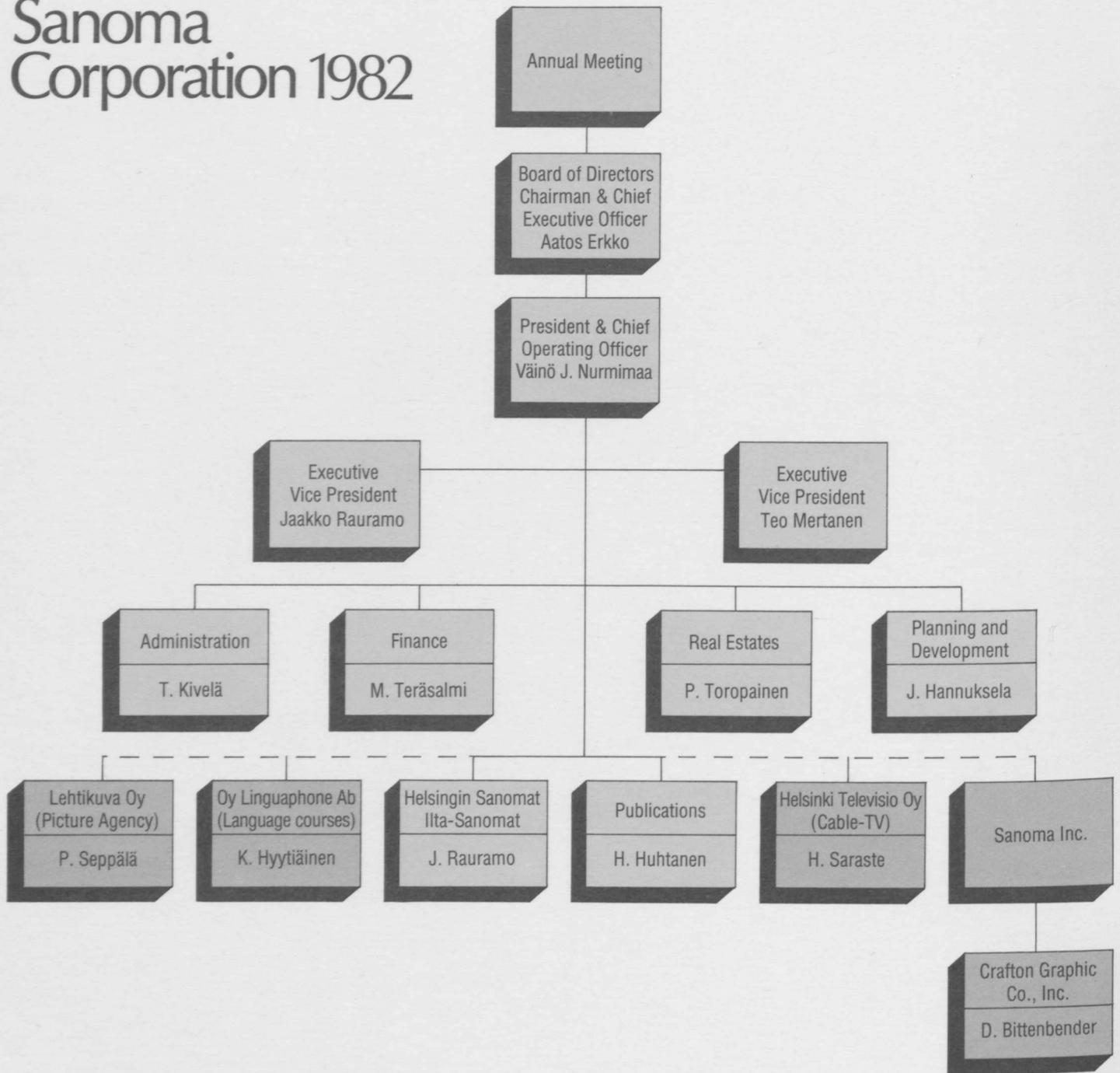


The establishment of a new daily newspaper PÄIVÄLEHTI (The Daily Paper) in 1889 marked the start of the presentday Sanoma Corporation (Sanoma Osakeyhtiö). The company by-laws state that the purpose of the Sanoma Corporation is to publish newspapers and magazines and other publications involving other 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

Annual Report

1981

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Sanoma Corporation in figures

| | 1981 | | 1980 | |
|---|--------------|-------------|--------------|-------------|
| Turnover | FIM 719.1 m | USD 163.8 m | FIM 604.2 | USD 137.6 m |
| Profit | FIM 28.3 m | USD 6.4 m | FIM 15.4 m | USD 3.5 m |
| Wages and Salaries (including change in annual holiday pay reserve) | FIM 252.4 m | USD 57.5 m | FIM 211.7 m | USD 48.2 m |
| Balance Sheet | FIM 589.6 m | USD 134.3 m | FIM 444.8 m | USD 101.3 m |
| Share Capital | FIM 14.2 m | USD 3.2 m | FIM 14.2 m | USD 3.2 m |
| Personnel | 2569 persons | | 2564 persons | |
| Newspaper Distributors | 2273 persons | | 2083 persons | |
| Sales Agents | 2765 persons | | 2928 persons | |
| Consumption of Paper | 68.3 m kg | | 62.1 m kg | |
| Consumption of Printer's Ink | 0.85 m kg | | 0.80 m kg | |

Rate of exchange USD 1 = FIM 4,39

Sanoma Corporation

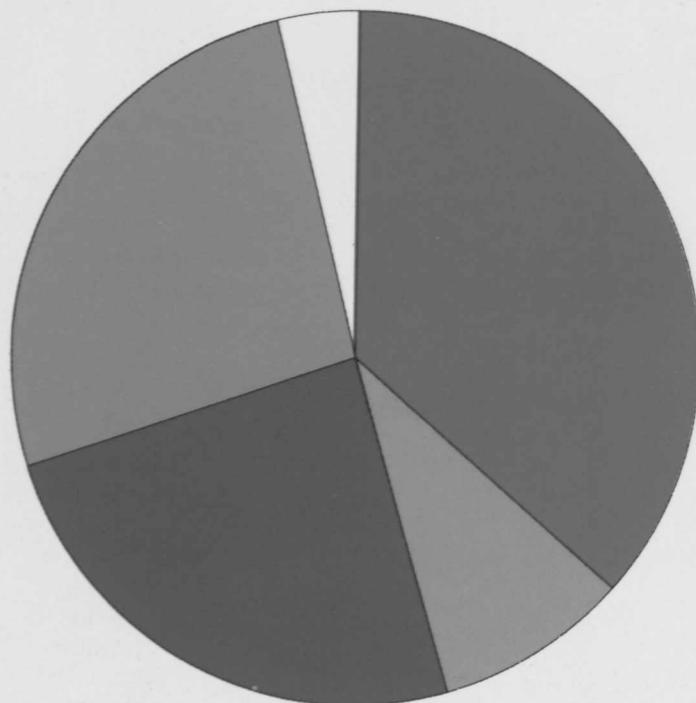
Distribution of Turnover

Total FIM 719,132,954.01 USD 163,811,606.83

Other costs 26.3 %

Profit 3.9 %

Wages and Salaries 36.3 %



Raw Materials 24.4 %

Social Security Payments 9.1 %

President's message

One year ago, the Sanoma Corporation was expecting a clear downturn in Finland's economic fortunes. The prediction was realized in 1981. We noticed the first signs when situations vacant advertisements in Helsingin Sanomat went into decline as early as the middle of the year. Yet it was in this setting that the Corporation pulled off the best result in the 92 years of its existence, an achievement that underlines the importance of planning for every eventuality. The long-term evaluation of our opportunities, undermining factors and operational strengths, begun in the 1970s, has proved to be crucial.

The overall result of the Corporation, one of the very best achievements in the Finnish printing industry, came up fully to our targets. Our turnover has quintupled during the past ten years: allowing for inflation, it has grown about 1.7 times. Profit before taxes, depreciations and auditing adjustments has fared even better. The fact that, without a three-week journalists' strike, 1980 would have been a better year than 1981 does not detract from our assessment of the latter year.

We are particularly happy to find that Helsingin Sanomat has become the biggest morning newspaper in the Nordic countries. When evening papers are included in the circulation figures, it comes second. This is due to a combination of several factors: systematic and unflamboyant development of the newspaper's contents, changes in production technology, intensified marketing, and intrepid distribution work. Allowing for the size of our marketing area, the result is of world record proportions. Clearly, a key influence has been the Finnish people's desire to keep up with events, and the high level of active literacy. These traits of the national character are backed up by a high-quality daily press. To develop newspapers and the entire communications spectrum, we need mutual support in the form of constant trust by the consumer. The resultant interplay is either self-strengthening or, as is unfortunately the case today in many European countries, slowly self-destructive.

As the Board's Report makes clear, there has been no let-up in the Corporation's operational development work, often viewed as cautious, despite the

onset of recession. Our continually strong financial position has permitted investment in both new and traditional facets of communication.

For the future of the printed media, key issues are internal, within the companies themselves, and they extend to collaboration between the companies. As it grasps the opportunities of the future, the printing industry can draw on sound industrial relations reinforced by mutual trust.

As regards internal co-operation, our Corporation has attempted to be in the vanguard. For Finns, such co-operation is generally easy because of our social structure and the conditions we are accustomed to. As in every successful operation, the approach is unencumbered by prejudice and marked by a strong desire to achieve clear ends. We want to keep the media independent and strong, free of the tutelage of the State. We regard that as the right of the public. At the same time, we want to achieve this goal in a way that gives a secure livelihood for all who work in this sector.

The relationship between cost and yield is fateful for the entire printing industry. This is particularly the case with newspapers, one of the prime media of communication. In several countries those who have sought an easy way out by unthinkingly transferring cost increases to prices have come to the end of the road. That is why a correct assessment of one's own position and significance in the overall structure of society and development of communications is the most formidable problem for the future of our newspapers. I do not think you can build the future of the media on support systems or stop analysing your development potential just because of imagined problems.

Judging by all the evidence, in the near future we shall be living in a volatile environment that is marked by rapid change and acute employment problems. Further increases in productivity will make constant claims on investment and development. "Be prepared to cooperate" will not be a facile exhortation of after-dinner speakers, but a necessity imposed by day-to-day reality. The Finnish proverb "only a madman works like mad, the wise get by with less effort" does not devalue the

President's message

worth of toil and diligence, but highlights the element of thought and planning that should go into every endeavour. There is still a potential for rationalization in all our activities. The nettle should be grasped whenever we have sufficient resources available. We must remember that a profitable, evolving business is the best guarantee of job security.

As far as anybody knows, recession could be the normal state of affairs for the rest of the century. Bracing ourselves for it will reveal the value of the development measures implemented by our Corporation to date. The clear pressure on the advertising sales market, the streamlining of the magazine market and the sensitivity of printing to the business cycle will form a major challenge to the pursuit of profitability. However, we have good reason to assume that the lessons of history have convinced all those involved in our Corporation how essential in building a secure future are high productivity, a firm financial position, continuous investment, and the development of the organisation and methods employed.

Our targets are high, but they are realistically set. They will guarantee employment in our Corporation, and make for a successful future irrespective of even major cyclical fluctuations.

Helsinki, 24 March 1982



Väinö J. Nurmimaa

Sanoma Corporation Board of Directors' Annual Report 1981



In Finland 1981 was a year of fading economic growth. At the start of the year industrial capacity utilisation was still very high, and the export trade was in excellent shape. But spring brought a change for the worse. It was most strongly marked in mechanical wood-processing – not only by a halt to growth but an actual decline in production. On the other hand, certain sections of the metal and engineering industry were still enjoying expanding order-books in the autumn. The price of oil continued to rise in the second half of the year, but it stabilised somewhat in the second.

The employment situation improved early on, but worsened as the end of the year approached. The number of jobless was very high throughout 1981, and on this front economic policy targets were not realised. The country also failed to bring inflation below 10 per cent: it eventually worked out at around this rate for the whole of 1981 after touching 13–14 per cent in the first half of the year. Index thresholds built into pay settlements were exceeded by only 0.6 per cent, so index-linked benefits devised at the beginning of 1981 were negligible from the individual wage-earner's standpoint. But they did put an extra FIM 400 m or so on the entire nation's pay bill.

The year 1981 was marked by success and vigorous growth for the Sanoma Corporation. It is true that in relative terms growth in profits did not completely match that in turnover, partly because new investments were nearly double depreciations allowed under the Business Tax Act, and a tax instalment of over FIM 17 m was paid. The percentage fixed for tax payments in advance – 4.7 per cent – was exceptionally high.

The company and group alike made far-reaching investments and organisational changes, with the sphere of operations expanding in both geographical and functional terms. But our financial position and liquidity remained good despite the earmarking of resources for investment.

Helsingin Sanomat, the principal newspaper of the Corporation, hoisted its daily circulation above the 400,000 mark in 1981. Only nine years had elapsed since the breakthrough beyond 300,000 –

half the timespan needed to put on the previous 100,000. *Ilta-Sanomat's* circulation also progressed well, especially at the end of the year. *Me naiset*, a weekly women's magazine, and *Aku Ankka*, the Finnish Donald Duck, were praiseworthy exceptions to the slight declining trend in the circulation of the Corporation's magazines.

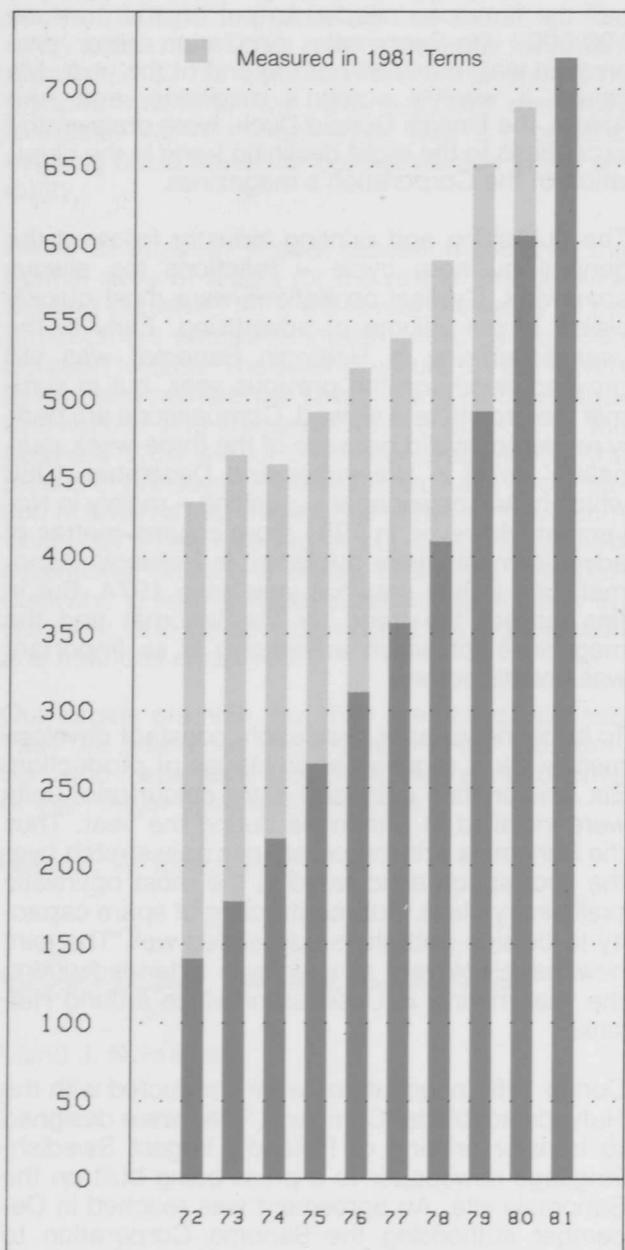
The publishing and printing industry followed the general business cycle – reactions lag always somewhat. Cyclical oscillations were most quickly visible in the volume of advertising. Early in the year advertising in Helsingin Sanomat was still growing clearly on the previous year, but in summer the growth rate slowed. Comparisons are partly rendered invalid because of the three-week journalists' strike in November and December 1980 which halted newspaper publishing – mainly in November. However, in 1981 more column-metres of advertisements were published in Helsingin Sanomat than in any previous year save 1974. But in this respect the trend for *Ilta-Sanomat* and the magazines for which advertising is so important was unsatisfactory.

To boost newspaper circulation, constant development work is required at all stages of production. Six new printing units and extra colour-print units were installed at Sanomala during the year. Thus the Sanomala printing press lines now stretch over the floor space anticipated in the most optimistic preliminary plans. Sub-contracting of spare capacity to outside publishers succeeded well. The joint newspaper delivery scheme was extended during the year, mainly in Uusimaa province around Helsinki.

During 1981 negotiations were conducted with the Hufvudstadsbladet Company. They were designed to transfer printing of Finland's largest Swedish-language newspaper to a press being built on the Sanomala site. An agreement was reached in December authorising the Sanoma Corporation to build printing plant, to procure a four-unit web-offset press from Frankenthal AG in West Germany to be installed there, and then to lease these facilities to Hufvudstadsbladet Ab. Actual printing will start at the end of 1983.



Sanoma Corporation: Turnover (FIM m)



A very intense competitive situation triggered active efforts to ensure the development of Sanomaprint and the magazines. Planning aimed at resolving the problems expected to unfold at Sanomaprint resulted in a decision, taken at the end of the year, to merge Sanomaprint and the Magazine and Book Division into one profit centre. Known as the Publications Division, this amalgamated unit came into existence on New Year's Day 1982. The arrangement gives advantages in flexibility and cost terms derived from joint management.

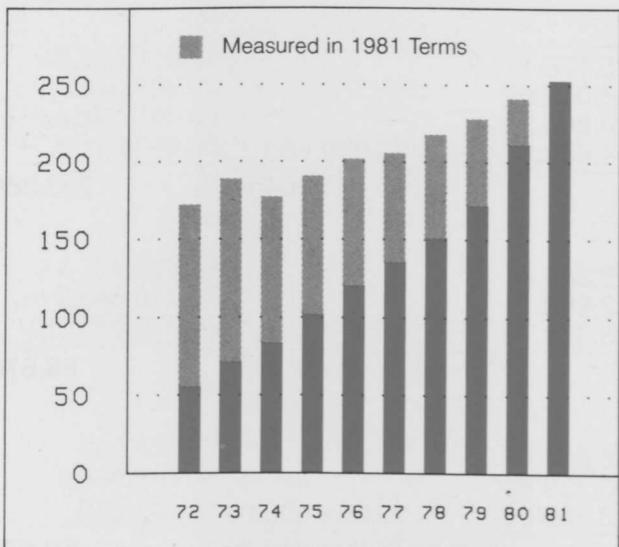
At Group level, too, 1981 was an eventful year. In 1980 an agreement had been concluded permitting the Sanoma Corporation to acquire almost 80 per cent of Helsinki Television Company's share capital. 1981 was used to revitalise the company, resulting in a change for the better in the overall trend. But time will still be needed to get its operations on durable foundations. Since the Sanoma Corporation's intention is not to become the main shareholder in the Helsinki Television Company, measures were set in motion to expand the spread of shareholders – but no results of this move can be collated as yet.

Under an agreement signed in June, 90 per cent of the shares in the Crafton Graphic Company, Inc., New York (USA) were transferred to our subsidiary in the United States, Sanoma Inc., which simultaneously purchased a Manhattan site and twelve-storey building with 12,000 square metres of floor space, where Crafton is also located. A representative of our company was posted to the USA as a liaison man to co-ordinate operations and control finances.

Crafton is a high-quality, four-colour offset printing establishment. The company's annual sales was about USD 8.5 m, and it employed 80 people, with clients drawn from numerous large corporations based on Manhattan. It had a successful year. Entry into the company gives the Sanoma Corporation the opportunity to gain experience of international operations on one hand, and to extend its printing and publishing knowhow to a much wider orbit than the domestic market on the other.

Since our American subsidiaries functioned within the Group for only part of the year in their present

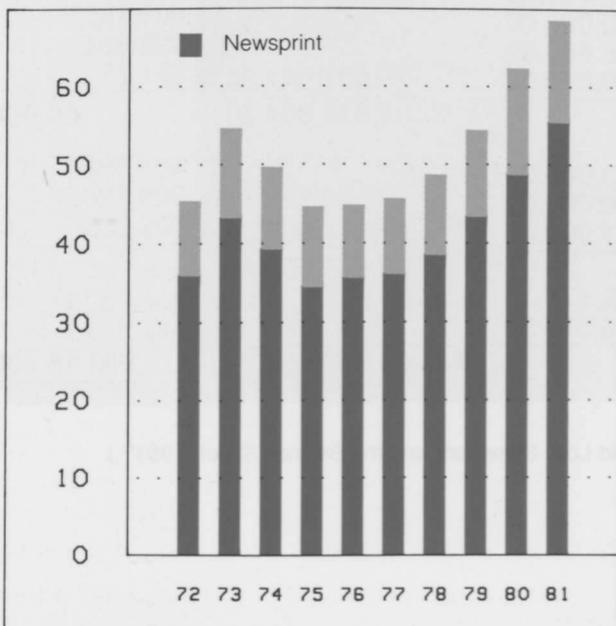
Sanoma Corporation: Wages and Salaries Paid (FIM m). The figures include payments for hours worked, sick leave, maternity leave, and annual holiday.



dimensions, and since the auditing covering them did not reach the desired co-ordination during the year, the sub-Group that they formed does not appear in the Group balance sheet appended. Available data indicate that the sub-section's operating result did not have a substantial effect on the Group's shareholders' equity.

Altogether, 1981 was a favourable year for the Sanoma Corporation. Success was achieved through the conscientious efforts of personnel at all levels. For this, the Board would like to express its heartfelt gratitude.

Sanoma Corporation: Consumption of Paper (metric tons)



Profit and Loss Statement from 1 January to 31 December 1981

| | FIM 1981 | | 1980 |
|--|-----------------|--------------------------|--------------------------|
| Sales proceeds (1) | | 946,009,719.16 | 791,958,075.93 |
| Adjustment to gross sales | | | |
| Discounts (2) | 47,206,025.72 | | |
| Credit losses (3) | 2,163,631.05 | | |
| Purchase tax | 27,521,227.30 | | |
| Commissions and advertising agency fees | 85,501,478.44 | | |
| Transport costs for newspapers and magazines | 56,876,757.92 | | |
| Other adjustment to gross sales (4) | 7,607,644.72 | 226,876,765.15 | |
| Turnover (5) | | 719,132,954.01 | 604,152,863.31 |
| Variable expenditures | | | |
| Materials (6) | 204,375,178.11 | | |
| Variable wages, salaries and fees (7) | 196,438,042.87 | | |
| Other variable expenditures (8) | 63,820,808.27 | | |
| – stock increase | – 28,684,439.92 | 435,949,589.33 | |
| Gross margin (9) | | 283,183,364.68 | 233,386,120.68 |
| Fixed expenditure | | | |
| Wages, salaries and fees (10) | 64,923,240.44 | | |
| Rents (11) | 11,172,893.11 | | |
| Other fixed expenditures (12) | 93,315,328.76 | 169,411,462.31 | |
| Profit on operations before depreciations (13) | | 113,771,902.37 | 66,670,986.20 |
| Depreciations (14) | | | |
| Buildings | 3,096,854.24 | | |
| Machinery and equipment | 29,353,739.81 | | |
| Other outlays with long-term return | 1,513,496.02 | 33,964,090.07 | |
| Profit on operations after depreciations | | 79,807,812.30 | 50,572,501.28 |
| Other revenues and expenditures | | | |
| Interest revenues | 20,237,442.03 | | |
| Dividend revenues | 1,512,789.80 | | |
| Dividend revenues from subsidiaries | 1,000,000.00 | | |
| Other revenues | 2,586,685.09 | | |
| Other expenditures | – 329,875.02 | 25,007,041.90 | |
| | | 104,814,854.20 | 66,964,620.47 |
| Increase in reserves | | | |
| Stock reserve | 33,663,000.00 | | |
| Investment reserve | 28,200,000.00 | | |
| Other reserves | 1,011,000.00 | 62,874,000.00 | |
| Interest expenditures | | 13,685,001.46 | |
| Direct taxes | 17,816,575.30 | | |
| Out of the Operating Funds | – 17,816,575.30 | – | |
| Profit for the year | | <u>FIM 28,255,852.74</u> | <u>FIM 15,430,031.09</u> |

(Figures in parenthesis refer to "Appended Information on the Profit and Loss Statement and the Balance Sheet, 1981".)

Balance Sheet as of 31 December 1981

| | USD 1981 | 1980 | |
|----------------|-------------------------|-------------------------|-----------------------------------|
| | 215,491,963.35 | 180,400,472.87 | |
| 10,753,081.02 | | | Financial assets |
| 492,854.45 | | | Cash in hand and in banks |
| 6,269,072.28 | | | Accounts receivable |
| | | | Loans receivable (18) |
| 19,476,418.78 | | | Advances payments |
| 12,955,981.30 | | | Deferred assets |
| 1,732,948.69 | 51,680,356.52 | | Other financial assets |
| | 163,811,606.83 | 137,620,242.21 | |
| 46,554,710.27 | | | Investment (18) |
| 44,746,706.80 | | | Materials |
| 14,537,769.54 | | | Projects finished |
| - 6,534,040.98 | 99,305,145.63 | | Work in process |
| | 64,506,461.20 | 53,163,125.43 | Fixed assets and other |
| | | | Long-term expenditures |
| | | | Land and stock |
| | | | Buildings |
| | | | Equipment |
| | | | Machinery and equipment |
| | | | Vehicles |
| 14,788,893.04 | | | Advance payments |
| 2,545,078.16 | | | Shares and stock |
| 21,256,339.12 | 38,590,310.32 | | Shares and stock |
| | 25,916,150.88 | 15,187,012.80 | Subsidiaries |
| | | | Other long-term expenditures (18) |
| 705,433.77 | | | Deposits |
| 6,686,501.10 | 7,736,694.78 | | |
| 344,759.91 | 18,179,456.10 | 11,519,931.95 | |
| | | | |
| 4,609,895.68 | | | |
| 344,599.04 | | | |
| 227,790.43 | | | |
| 589,222.12 | | | |
| - 75,142.37 | 5,696,364.90 | | |
| | 23,875,821.00 | 15,253,899.87 | |
| | | | |
| 7,668,109.32 | | | |
| 6,423,690.21 | | | |
| 230,296.12 | 14,322,095.67 | | |
| | 3,117,312.41 | | |
| | | | |
| 4,058,445.39 | | | |
| - 4,058,445.39 | - | | |
| | <u>USD 6,436,412.92</u> | <u>USD 3,514,813.46</u> | |

Balance Sheet as of 31 December 1981

| Assets | FIM 1981 | | 1980 |
|--|----------------------|---------------------------|-----------------------|
| Financial assets | | | |
| Cash in hand and in banks | 32,628,676.12 | | |
| Accounts receivable | 135,351,990.83 | | |
| Loans receivable (15) | 102,511,585.07 | | |
| Advance payments | 2,403,288.58 | | |
| Deferred assets | 18,718,328.57 | | |
| Other financial assets | <u>19,908,674.92</u> | 311,522,544.09 | 260,414,864.40 |
| Inventories (16) | | | |
| Materials | 60,125,505.74 | | |
| Products (finished and in process) | <u>7,201,959.46</u> | 67,327,465.20 | 38,643,025.28 |
| Fixed assets and other long-term expenditures | | | |
| Land areas | | 22,100,716.11 | |
| Buildings | 23,315,300.84 | | |
| Depreciation | <u>3,096,854.24</u> | 20,218,446.60 | |
| Machinery and equipment | 122,261,325.62 | | |
| Depreciation | <u>29,353,739.81</u> | | |
| | 92,907,585.81 | | |
| Advance payments | <u>7,835,459.30</u> | 100,743,045.11 | |
| Shares and stock | 25,926,739.63 | | |
| Shares and stock, subsidiaries | <u>32,548,982.95</u> | 58,475,722.58 | |
| Other long-term expenditures (17) | 10,733,189.41 | | |
| Depreciation | <u>1,513,496.02</u> | 9,219,693.39 | |
| | | 210,757,623.79 | 145,743,177.40 |
| | | <u>FIM 589,607,633.08</u> | <u>444,801,067.08</u> |

Balance Sheet as of 31 December 1981

| | USD 1981 | | 1980 |
|--|----------------------------------|---------------|------------------------------|
| | 7,432,500.26 | | |
| | 30,831,888.57 | | |
| | 23,351,158.33 | | |
| | 547,446.15 | | |
| | 4,263,856.17 | | |
| | <u>4,535,005.67</u> | 70,961,855.15 | 59,320,014.67 |
| | 13,696,014.98 | | |
| | <u>1,640,537.46</u> | 15,336,552.44 | 8,802,511.45 |
| | 5,034,331.69 | | |
| | 5,311,002.46 | | |
| | 705,433.76 | 4,605,568.70 | |
| | <u>27,849,960.27</u> | | |
| | 6,686,501.09 | | |
| | <u>21,163,459.18</u> | | |
| | 1,784,842.67 | 22,948,301.85 | |
| | <u>5,905,863.24</u> | | |
| | 7,414,346.91 | 13,320,210.15 | |
| | <u>2,444,917.86</u> | | |
| | 344,759.92 | 2,100,157.94 | 48,008,570.33 |
| | <u><u>USD 134,306,977.92</u></u> | | <u>33,198,901.46</u> |
| | | | <u><u>101,321,427.58</u></u> |

Balance Sheet as of 31 December 1981

| Liabilities | FIM 1981 | | 1980 |
|-----------------------------|----------------------|---------------------------|-----------------------|
| Outside liabilities | | | |
| Short-term | | | |
| Accounts payable | 47,728,084.24 | | |
| Advance payments (18) | 117,802,665.38 | | |
| Deferred liabilities (19) | 63,394,312.37 | | |
| Other short-term debts (20) | <u>16,738,440.60</u> | 245,663,502.59 | 196,102,641.02 |
| Long-term (21) | | | |
| Pension loans | 162,594,962.68 | | |
| Other loans | <u>10,833,912.97</u> | 173,428,875.65 | 149,166,220.66 |
| Reserves | | | |
| Stock reserve | 33,663,000.00 | | |
| Investment reserves | 68,218,000.00 | | |
| Other reserves | <u>4,060,000.00</u> | 105,941,000.00 | 43,067,000.00 |
| 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 | 10,050,872.51 | | |
| Profit from previous years | 10,666,769.59 | | |
| Profit for the year | <u>28,255,852.74</u> | 48,973,494.84 | 64,574,254.84 |
| | | <u>FIM 589,607,633.08</u> | <u>444,801,067.08</u> |

Appended Information on the Profit and Loss Statement and the Balance Sheet 1981

| USD 1981 | | 1980 | |
|---------------------|---------------------------|-----------------------|--|
| 10,872,000.97 | | | |
| 26,834,320.13 | | | |
| 14,440,617.85 | | | |
| <u>3,812,856.63</u> | 55,959,795.58 | 44,670,305.47 | |
| 37,037,576.92 | | | |
| <u>2,467,861.72</u> | 39,505,438.64 | 33,978,637.96 | |
| 7,668,109.34 | | | |
| 15,539,407.74 | | | |
| <u>924,829.16</u> | 24,132,346.24 | 9,810,250.57 | |
| 3,234,970.39 | | | |
| <u>318,733.48</u> | 3,553,703.87 | | |
| 2,289,492.60 | | | |
| 2,429,788.07 | | | |
| <u>6,436,412.92</u> | 11,155,693.59 | 12,862,233.58 | |
| | 14,709,397.46 | <u>101,321,427.58</u> | |
| | <u>USD 134,306,977.92</u> | | |

Appended Information as of 31 December 1981

(values in FIM)

1. Changes in shareholders' equity

Operating funds

| | |
|------------------------------------|-----------------|
| 1 Jan 1981 | 17,867,447.81 |
| Transferred from retained earnings | + 10,000,000.00 |
| Taxes paid from fund | - 17,816,575.30 |
| Balance 31 Dec 1981 | 10,050,872.51 |

Reserve for donations

| | |
|------------------------------------|--------------|
| 1 Jan 1981 | - |
| Transferred from retained earnings | + 200,000.00 |
| Donations made | - 200,000.00 |
| | - |

Retained earnings

| | |
|--------------------------------------|-----------------|
| 1 Jan 1981 | 22,996,997.59 |
| Dividends distributed | - 2,130,228.00 |
| Transferred to operating funds | - 10,000,000.00 |
| Transferred to reserve for donations | - 200,000.00 |
| | 10,666,769.59 |
| Profit for the year | 28,255,852.74 |
| Balance 31 Dec 1981 | 38,922,622.33 |

2. Securities given as collateral against debt

| | |
|--|---------------|
| Mortgages given as collateral against debt | 73,000,000.00 |
| Guarantees | 2,386,491.82 |
| Guarantees on behalf of the subsidiaries | 19,885,544.27 |

3. Receivables from subsidiaries

| | |
|------------------------------------|---------------|
| Debts to subsidiaries | 18,907,379.70 |
| 4. Taxation values of fixed assets | |
| Land areas | 19,618,082.00 |
| Buildings | 46,101,046.00 |
| Shares and holdings | 27,033,140.00 |
| Shares and holdings, subsidiaries | 12,057,480.00 |

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 |
|--|---------|----------------------------|--------------------------|-------------------|---------------|----------------------------|
| Erikoisohdet 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 Linghuaphone 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 |

Appended Information on the Profit and Loss Statement and the Balance Sheet, 1981

Profit and Loss Statement

1. Gross sales were 19.5 % up on the previous year. Allowing for the 12 % inflation rate, this gives a real growth of 7.5 %. Sales of advertising grew more, and single-copy sales less, than the average. Extension of the joint delivery system boosted the revenue – and likewise the expenses – attributable to distribution.
2. Growing by 34.5 %, discounts came to 5 % of gross sales – 0.6 percentage points up on the previous year. This item is swelled particularly by the growth in volume of discounts for cash payments, a factor governed by changes in contract terms with advertising agencies.
3. Credit losses – consisting of credit losses on advertising sales and subscription fees for copies delivered but not paid for – came to 0.23 % of gross sales, a 0.03-point increase on the previous year.
4. Includes royalty payments and writers' fees for newspapers, magazines and books, and transfer-advertising commissions.
5. Turnover rose by 19.0 % on the previous year – an increase of about 7 points in real terms.
6. Paper consumption rose 10 % in volume and 40 % in value compared with 1980. Procurement of all materials and supplies cost 25 % more.
7. "Variable wages, salaries and fees" are those paid to journalists, printers and distributors, complete with payments for annual holidays and sickness. In money terms they rose 21.2 % on the previous year, with a particular accent on pay to distributors – partly because their numbers increased with the extension of the joint delivery network. Disbursements for holidays and sickness come to around 20 % of those paid for actual time at work.
8. Other variable expenditures rose by 16.4 % compared with the previous year, with the sharpest thrust – 18.0 % – for telecommunication charges.
9. The gross margin is 39.4 % of turnover – 0.8 points up on the previous year.
10. Fixed wages, salaries and fees include salaries for clerical and technical staff and wages for personnel in transportation and other depart-

ments, complete with holiday and sickness benefit. They extend to fees for lecturers and similar items. The total is 15.2 % up, and annual holiday and sickness payments come to around 24 % of those for actual time at work.

11. The upsurge in rents – 28 % – is ascribed to both the general rise in rent charges and the increasing floorspace being rented.
12. A sum of FIM 8,196,615.13, USD 1,867,110.50, has been transferred to the Sanoma Corporation Pension Fund to cover liability deficit. Excluding this transfer, other fixed expenditures rose 16.0 %.
13. Profit on operations comes to 15.8 % of turnover. If the transfer to the Pension Fund in 1980 and 1981 is left out of account, the change for this item is + 1.2 points.
14. Depreciations are the maximum permitted under the Business Taxation Act. They are more than double those for the previous year thanks to the large investments activated. Arithmetical depreciations are about FIM 1.5 m smaller.

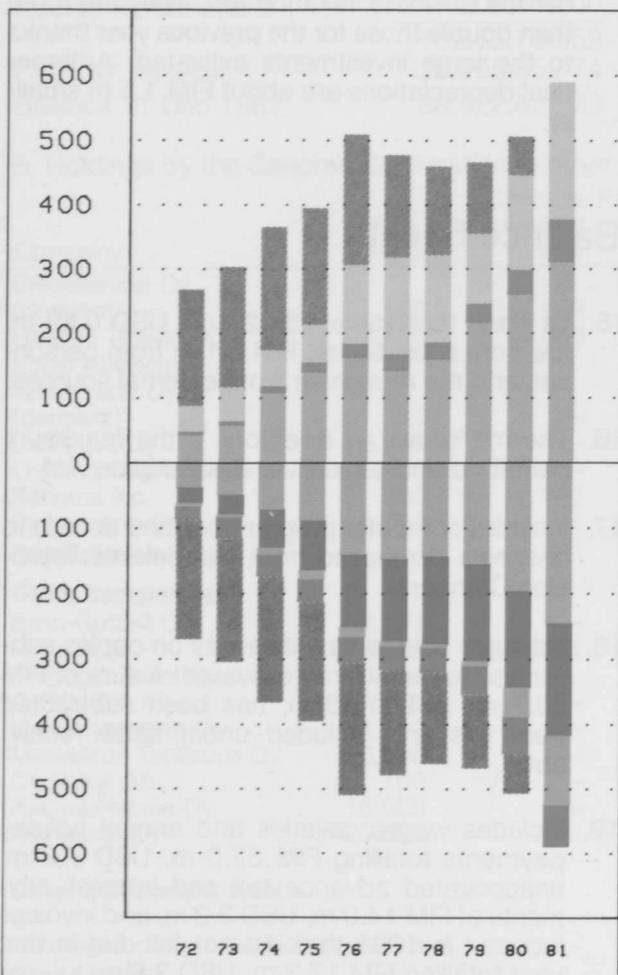
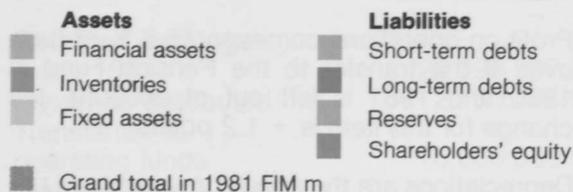
Balance Sheet

15. Of loans receivable, FIM 2.9 m, USD 0.66 m, are from subsidiaries, FIM 0.1 m from personnel, and the remainder from external sources.
16. The markdown in inventory is the maximum permitted under the Business Taxation Act.
17. Includes computer programmes and access to channels purchased from the Helsinki Television Company.
18. Advance payments are liability on copies subscribed to but still not delivered. A sum of FIM 84.7 m, USD 19.3 m, has been subtracted from this and included under sales receivables.
19. Includes wages, salaries and annual holiday payments totalling FIM 32.0 m, USD 7.3 m, unaccounted advance tax and interest payments of FIM 14.0 m, USD 3.2 m, and invoices incurred in 1981 that did not fall due in that year totalling FIM 17.3 m, USD 3.9 m.

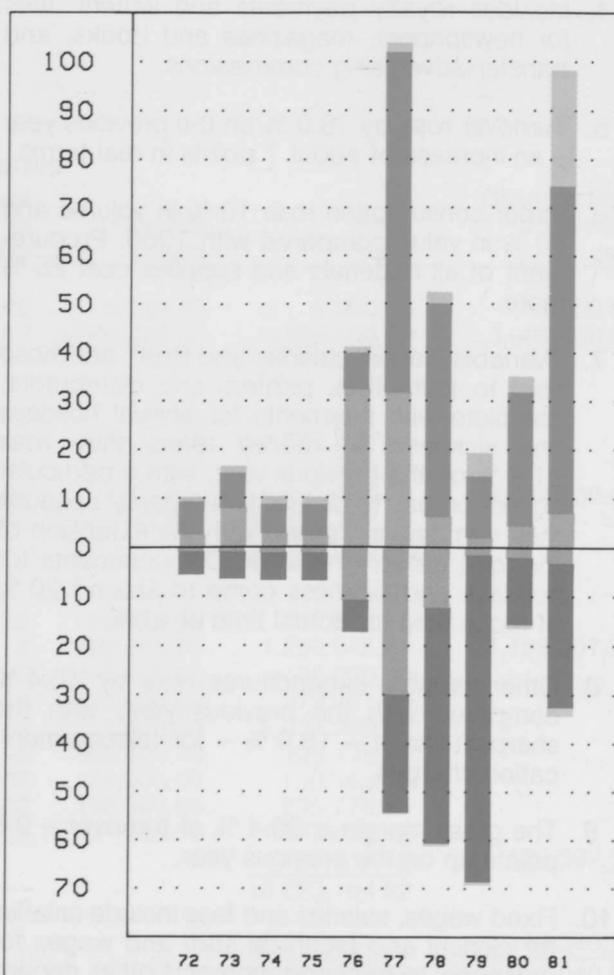
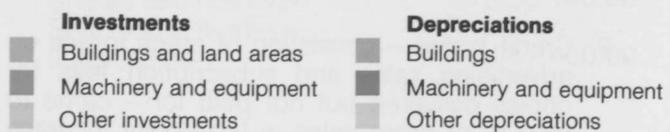
20. Unaccounted advance tax payments of FIM 7.7 m, USD 1.8 m, social security payments of FIM 1.5 m, USD 0.3 m, and instalments on long-range pension loans falling due in 1982 of FIM 5.2 m, USD 1.2 m.

21. Pension loans consist of a FIM 74.7 m, USD 17.0 m, repayment from the Ilmarinen Insurance Company, FIM 87.9 m, USD 20.0 m, from the Sanoma Corporation Pension Fund, FIM 10.2 m, USD 2.3 m, from the subsidiary Simonpaino Oy, and FIM 0.6 m, USD 0.1 m, as supplier credit for the electric drive of the new press.

Balance Sheets in 1972-1981 (FIM m)



Investments and depreciations



Funds (FIM m.)

| Sources of funds | 1981 | 1980 | 1979 | 1978 |
|--|--------------|--------------|--------------|--------------|
| Income financing | | | | |
| Profit before transfers from the closing of the accounts and taxes | 99.3 | 84.8 | 49.1 | 13.9 |
| Taxes | -17.8 | - 4.9 | - 0.0 | - 0.2 |
| Depreciations (without tax concession depreciations) | +34.0 | +16.1 | +28.9 | +42.6 |
| | <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) | 25.6 | + 1.1 | +14.3 | +11.5 |
| | <u>141.1</u> | <u>97.1</u> | <u>92.3</u> | <u>67.8</u> |
| Use of funds | | | | |
| Investments in fixed assets | 99.0 | 54.8 | 42.7 | 49.1 |
| Dividends distributed + donations | + 2.3 | + 1.8 | + 1.3 | + 1.0 |
| | <u>101.3</u> | <u>56.6</u> | <u>44.0</u> | <u>50.1</u> |
| Increase of net working capital | +31.6 | +12.2 | +48.3 | +17.7 |
| Transfer to pension fund | + 8.2 | +28.3 | - | - |
| | <u>141.1</u> | <u>97.1</u> | <u>92.3</u> | <u>67.8</u> |
| Change in net working capital | | | | |
| Financing assets: increase+ | +51.1 | +43.0 | +56.9 | +17.6 |
| Inventories: increase+, decrease- (before non-current deduction) | +28.7 | + 9.5 | + 2.4 | - 6.7 |
| Short-term liabilities: increase+, decrease- | -48.2 | -40.3 | -11.0 | + 6.8 |
| | <u>+31.6</u> | <u>+12.2</u> | <u>+48.3</u> | <u>+17.7</u> |

Wages, Salaries and Social Security Payments (FIM)

| | 1981 | 1980 |
|---|-----------------------|-----------------------|
| Wages and salaries paid to personnel for hours worked | 206,485,314.89 | 172,153,203.74 |
| Pay for sickness and maternity leave | 6,101,838.62 | 4,800,816.24 |
| Annual holiday pay, including change in reserve | 39,856,326.96 | 34,775,163.69 |
| Wages and salaries and similar items | <u>252,443,480.47</u> | <u>211,729,183.67</u> |
| Employer's social security payments | 17,531,212.22 | 14,960,350.97 |
| Social insurance payments | 27,907,125.00 | 24,444,007.73 |
| Other statutory fringe benefits | 2,717,040.25 | 3,406,082.15 |
| Total | <u>48,155,377.47</u> | <u>42,810,440.85</u> |
| Non-statutory fringe benefits | 8,822,042.07 | 6,893,334.88 |
| Transfer to pension fund | 8,196,615.13 | 28,261,000.00 |
| Total | <u>17,018,657.20</u> | <u>35,154,334.88</u> |
| Wages and salaries to non-members of personnel | 9,343,256.48 | 7,160,587.76 |
| Grand total | <u>326,960,771.62</u> | <u>296,854,547.16</u> |

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

The above figures for 1981 include salaries and fees totalling FIM 1,926,436.12 paid to the members of the Board and the President.

Profit and Loss Statement for the Group; 1 January to 31 December 1981

| | FIM 1981 | | 1980 |
|---|-----------------|--------------------------|--------------------------|
| Sales proceeds | | 963,973,458.85 | 800,368,927.66 |
| Adjustments for gross sales | | | |
| Discounts | 47,005,193.67 | | |
| Credit losses | 2,184,745.78 | | |
| Purchase tax | 28,736,525.30 | | |
| Commissions and advertising agency fees | 85,554,694.74 | | |
| Other adjustments items | 64,582,552.28 | -228,063,711.77 | |
| Turnover | | 735,909,747.08 | 611,471,079.27 |
| Variable expenditures | | | |
| Materials | 209,351,593.94 | | |
| Variable wages, salaries and fees | 201,459,388.68 | | |
| Other variable expenditures | 60,093,317.83 | | |
| - change in stock | - 29,769,417.28 | 441,134,883.17 | |
| Gross margin | | 294,774,863.91 | 239,039,025.58 |
| Fixed expenditures | | | |
| Fixed wages, salaries and fees | 69,259,728.71 | | |
| Rents | 10,897,932.68 | | |
| Other fixed expenditures | 97,886,315.61 | 178,043,977.00 | |
| Profit on operations before depreciations | | 116,730,886.91 | 68,867,482.51 |
| Depreciations | | | |
| Buildings | 3,192,096.45 | | |
| Machinery and equipment | 32,308,123.22 | | |
| Immaterial rights | 20,866.30 | | |
| Other outlays with long-term return | 2,364,328.95 | | |
| Additional depreciations of the Group | 1,618,401.65 | 39,503,816.57 | |
| Profit on operations after depreciations | | 77,227,070.34 | 48,709,770.68 |
| Other revenues and expenditures | | | |
| Interest revenues | 20,341,033.54 | | |
| Dividend revenues | 1,512,789.80 | | |
| Other revenues | 2,334,475.32 | | |
| Other expenditures | - 331,151.00 | 23,857,147.66 | |
| | | 101,084,218.00 | 64,857,915.85 |
| Change in reserves | | | |
| Stock reserve | 34,362,229.00 | | |
| Investment reserve | 28,200,000.00 | | |
| Other reserves | 1,441,238.38 | - 64,003,467.38 | |
| Interest expenditures | | - 14,556,238.33 | |
| Taxes | 19,019,496.35 | | |
| From the operating fund | - 17,816,575.30 | - 1,202,921.05 | |
| Minority share of the loss of Helsinki Televisio Oy | | - 674,523.14 | |
| Profit for the year | | <u>FIM 20,647,068.10</u> | <u>FIM 14,411,061.24</u> |

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.

Balance Sheet of the Group as of
31 December 1981

| | USD 1981 | | 1980 | |
|----------------|-------------------------|--|-------------------------|---|
| | 219,583,931.40 | | 182,316,384.43 | Assets |
| 10,707,333.41 | | | | Financial assets |
| 497,664.19 | | | | Cash in hand and in banks |
| 6,545,905.53 | | | | Accounts receivable |
| | | | | Loans receivable |
| | | | | Advanced payments |
| | | | | Deferred profits |
| 19,488,540.94 | | | | Other financial assets |
| 14,711,287.54 | - 51,950,731.61 | | | |
| | 167,633,199.79 | | 139,287,261.79 | Inventories |
| | | | | Materials |
| | | | | Products finished and in process |
| 47,688,290.19 | | | | Other inventories |
| 45,890,521.34 | | | | Fixed assets and other |
| 13,688,682.87 | | | | Long-term investments |
| - 6,781,188.44 | 100,486,305.96 | | | Land and areas |
| | 67,146,893.83 | | 54,450,803.09 | Buildings |
| | | | | Machinery and equipment |
| | | | | Other material goods |
| 15,776,703.58 | | | | Ships and barge |
| 2,482,444.80 | | | | Intangible rights |
| 22,297,566.20 | 40,556,714.58 | | | Other long-term investments |
| | 26,590,179.25 | | 15,687,353.65 | From purchase price of the companies |
| | | | | Corporation Intergroup |
| 727,129.03 | | | | |
| 7,359,481.37 | | | | |
| 4,753.14 | | | | |
| 538,571.52 | | | | |
| 368,656.41 | 8,998,591.47 | | | |
| | 17,591,587.78 | | 11,095,619.74 | Liabilities |
| | | | | Outside liabilities |
| | | | | Borrowings |
| | | | | Accounts payable |
| | | | | Advanced payments |
| | | | | Deferred liabilities |
| | | | | Other short-term debts |
| 4,633,492.83 | | | | Long-term |
| 344,599.04 | | | | Financial loans |
| 531,771.14 | | | | Other long-term debts |
| - 75,433.02 | 5,434,429.99 | | | Reserves |
| | 23,026,017.77 | | 14,774,012.72 | Retained profits |
| | | | | Shareholders' equity |
| | | | | Paid-up capital |
| 7,827,387.02 | | | | Profit for the year |
| 6,423,690.21 | | | | |
| 328,300.31 | - 14,579,377.54 | | | |
| | - 3,315,771.83 | | | |
| 4,332,459.30 | | | | |
| - 4,058,445.39 | - 274,013.91 | | | |
| | - 153,649.92 | | | |
| | <u>USD 4,703,204.57</u> | | <u>USD 3,282,701.88</u> | |

Balance Sheet of the Group as of 31 December 1981

| Assets | FIM 1981 | 1980 |
|--|---------------------------|---------------------------|
| Financial assets | | |
| Cash in hand and in banks | 35,690,916.46 | |
| Accounts receivable | 138,413,543.88 | |
| Loans receivable | 102,069,956.55 | |
| Advance payments | 2,490,237.26 | |
| Deferred assets | 18,794,338.95 | |
| Other financial assets | <u>19,926,278.92</u> | 261,309,835.96 |
| | 317,385,272.02 | |
| Inventories | | |
| Materials | 61,030,258.77 | |
| Products (finished and in process) | 7,201,959.46 | |
| Other inventories | <u>1,636,960.00</u> | 39,359,916.61 |
| | 69,869,178.23 | |
| Fixed assets and other long-term expenditures | | |
| Land areas | 22,100,716.11 | |
| Buildings | 21,504,152.21 | |
| Machinery and equipment | 108,937,153.86 | |
| Other material goods | 5,584,005.77 | |
| Shares and holdings | 33,794,491.43 | |
| Immaterial rights | 187,796.70 | |
| Other long-term expenditures | | |
| From balance sheets of the companies | <u>14,444,315.43</u> | 128,964,745.04 |
| | 206,552,631.51 | |
| | 3,842,773.00 | 5,461,174.65 |
| Corporation intangibles | <u>FIM 597,649,854.76</u> | <u>FIM 435,095,672.26</u> |
| | | |
| Liabilities | FIM 1981 | 1980 |
| Outside liabilities | | |
| Short-term | | |
| Accounts payable | 42,498,671.91 | |
| Advance payments | 117,907,942.38 | |
| Deferred liabilities | 66,876,473.99 | |
| Other short-term debts | <u>16,070,605.05</u> | 197,341,615.20 |
| | 243,353,693.33 | |
| Long-term | | |
| Pension loans | 164,541,264.64 | |
| Other long-term debts | <u>28,220,740.40</u> | 141,477,993.68 |
| | 192,762,005.04 | |
| Reserves | | |
| Stock reserve | 34,362,229.00 | |
| Investment reserve | 68,218,000.00 | |
| Other reserves | <u>4,842,308.38</u> | 43,419,070.00 |
| | 107,422,537.38 | |
| Minority share | 1,508,709.29 | |
| Shareholders' equity | | |
| Bound capital | 22,021,691.71 | |
| Free capital | 9,934,149.91 | |
| Profit for the year | <u>20,647,068.10</u> | 52,856,993.38 |
| | 52,602,909.72 | |
| | <u>FIM 597,649,854.76</u> | <u>FIM 435,095,672.26</u> |

Group Figures:
 Addenda, 31 December 1981

(values in MM)

| | USD 1981 | 1980 |
|---------------------|---------------------------|--------------------------|
| 8,130,049.31 | | |
| 31,529,281.07 | | |
| 23,250,559.58 | | |
| 567,252.22 | | |
| 4,281,170.60 | | |
| <u>4,539,015.69</u> | 72,297,328.47 | 59,523,880.63 |
| 13,902,109.06 | | |
| 1,640,537.46 | | |
| <u>372,883.83</u> | 15,915,530.35 | 8,965,812.44 |
| 5,034,331.69 | | |
| 4,898,440.14 | | |
| 24,814,841.43 | | |
| 1,271,983.09 | | |
| 7,698,061.83 | | |
| 42,778.29 | | |
| <u>3,290,276.86</u> | 47,050,713.33 | 29,376,935.09 |
| | 875,346.92 | 1,244,003.33 |
| | <u>USD 136,138,919.07</u> | <u>USD 99,110,631.49</u> |
| | USD 1981 | 1980 |
| 9,680,790.87 | | |
| 26,858,301.23 | | |
| 15,233,820.95 | | |
| <u>3,660,730.07</u> | 55,433,643.12 | 44,952,531.94 |
| 37,480,925.89 | | |
| <u>6,428,414.67</u> | 43,909,340.56 | 32,227,333.41 |
| 7,827,387.02 | | |
| 15,539,407.74 | | |
| <u>1,103,031.52</u> | 24,469,826.28 | 9,890,448.75 |
| | 343,669.54 | |
| 5,016,330.69 | | |
| 2,262,904.31 | | |
| <u>4,703,204.57</u> | 11,982,439.57 | 12,040,317.39 |
| | <u>USD 136,138,919.07</u> | <u>USD 99,110,631.49</u> |

Group Figures: Addenda, 31 December 1981

(values in FIM)

1. Changes in shareholders' equity

Bound shareholders' equity

| | | |
|---------------------------|----------------------|---------------|
| Share capital 1 Jan. 1981 | | |
| K-shares | 7,100,760.00 | |
| E-shares | <u>7,100,760.00</u> | 14,201,520.00 |
| Value adjustment fund | | |
| | 1,399,240.00 | |
| | <u>15,600,760.00</u> | |

| | | |
|--|----------------------|--|
| Helsinki Televisio Oy, reserve fund, Group share 31 Dec. 1981 | + 6,420,931.71 | |
| | <u>22,021,691.71</u> | |

Free shareholders' equity

| | | |
|---|----------------------|--|
| 1 Jan. 1981 | 37,256,233.38 | |
| Dividend distributed | - 2,005,146.00 | |
| Donations made | - 200,000.00 | |
| Taxes paid | - 17,816,575.30 | |
| Sales of Group shares | + 575.00 | |
| Loss of Helsinki Televisio Oy from previous years, share of the Group | - 7,300,937.17 | |
| | <u>9,934,149.91</u> | |
| Profit for the year | 20,647,068.10 | |
| | <u>30,581,218.01</u> | |

2. Pension fund liability deficit 563,264.55

3. Securities given as collateral against debt 17,674,451.15

Mortgages given as collateral against debt 78,000,000.00

Savings certificates given as collateral against debt 28,300.00

Guarantees 2,614,884.34

Guarantees on behalf of the subsidiaries 19,885,544.27

4. Taxation values of fixed assets

Land areas 19,618,082.00

Buildings 46,101,046.00

Shares and holdings 27,815,840.00

5. Group shares

Sanoma Corporation

 Sanoma Inc. 6,603,480.00

 Erikoislehdet Oy 5,000.00

 Other companies 10,723,184.82

 Real estate holdings 15,203,554.81

Helsinki Televisio Oy 1,205,411.00

Lehtikuva Oy 43,160.80

Oy Linguaphone Ab 9,150.00

Simonpaino Oy 1,550.00

33,794,491.43

6. Sanoma Corporation shares owned by Lehtikuva Oy, 27.791, nominal value 833,730.00

7. Expenditures in fixed assets
Other activated expenditures on top of acquisition
Helsinki Televisio Oy 3,313,558.04

8. Inventory reserve includes Oy Linguaphone Ab 1980 stock reserve 199,557.17

Sources of funds 1981 1980

| | | |
|--|--------------|-------------|
| Income financing | | |
| Profit before transfers from the closing of the accounts and taxes | 94.7 | 83.6 |
| Taxes | - 19.0 | - 5.4 |
| Depreciations | 39.5 | 20.2 |
| | <u>115.2</u> | <u>98.4</u> |
| Increases in loans | 52.2 | 0.4 |
| | <u>167.4</u> | <u>98.8</u> |

Use of funds

| | | |
|-----------------------------------|--------------|-------------|
| Investments in fixed assets | 115.6 | 58.4 |
| Dividends distributed + donations | 2.2 | 1.8 |
| Increase in net working capital | 41.4 | 10.3 |
| Transfer to pension fund | 8.2 | 28.3 |
| | <u>167.4</u> | <u>98.8</u> |

Change in net working capital

| | | |
|----------------------------------|-------------|-------------|
| Financing assets, increase | 56.1 | 41.3 |
| Inventories, increase | 30.5 | 7.9 |
| Short-term liabilities, increase | - 45.2 | - 38.9 |
| | <u>41.4</u> | <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 1981 to the extent laid down for good auditing practice.

The auditing bureau Aimo Autio Ky has 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 Profit and Loss Statement shows a profit for the financial year of FIM 28,255,852.74, USD 6,436,412.92.

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 1981,
- 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 30,581,218.01, USD 6,966,108.88.

We propose that

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

Helsinki, 2 April 1982

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 | " " | 1979-1981 |
| Pentti J. K. Kouri | " " | 1980-1982 |
| Väinö J. Nurmimaa | " " | 1981-1983 |
| 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 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 28,255,852.74, USD 6,436,412.92. FIM 10,666,769.59, USD 2,429,788.07, of profit was retained from the previous year. Hence a total of FIM 38,922,622.33, USD 8,866,200.99, is at the disposal of the Annual General Meeting.

| | | |
|--|-------------------|------------------|
| The Board of Directors proposes that, from the above mentioned sum of | FIM 38,922,622.33 | USD 8,866,200.99 |
| - a dividend of FIM 4.50 should be paid on each share | 2,130,228.00 | 485,245.56 |
| - a sum should be transferred to the operations fund | 30,000,000.00 | 6,833,712.99 |
| - a sum should be transferred to the reserve for charitable purposes, at the discretion of the Board | 200,000.00 | 45,558.09 |
| - giving a balance of | 6,592,394.33 | 1,501,684.35 |

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 1982.

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 3,234,970.39 |
| Value adjustment reserve | 1,399,240.00 | 318,733.48 |
| Operating fund | 40,050,872.51 | 9,123,205.59 |
| Reserve for donations | 200,000.00 | 45,558.09 |
| Undisposed profit | 6,592,394.33 | 1,501,684.35 |

The investment reserve comes to FIM 68,218,000.00, USD 15,539,407.74, and the inventory reserve to FIM 33,663,000.00, USD 7,668,109.34, and the credit loss reserve to FIM 4,060,000.00, USD 924,829.16.

Helsinki, 19 March 1982

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

Newspaper Division

HS



Helsingin Sanomat

The illness of President Urho Kekkonen and the election campaign to find his successor were the main domestic news items of 1981. The news year was livelier than average in other directions, too, with growing strains in relations between the great powers and in the international atmosphere. Tension in Europe was particularly heightened by the Polish crisis.

There were three highlights in the content of Helsingin Sanomat: monitoring of the major international events, reporting of the presidential issue, and improved coverage of the Helsinki metropolitan area. As the presidential debate got under way the HS Gallup polls published by the paper aroused exceptional interest. During the election campaign Helsingin Sanomat stuck to its traditional independent line.

Telecommunication links between regional editorial offices and Helsinki were improved. Use of computer graphics in statistical displays was one way in which the illustration of the newspaper's contents was improved.

At the end of the year Mr Keijo K. Kulha, Ph. D., was appointed co-editor and deputy to the senior editor-in-chief, with effect from 1 April 1982.

Helsingin Sanomat's average circulation in 1981 was 402,280 on weekdays and 463,046 on Sundays. The increase on the previous year was 8,583 (2.2 %) on weekdays and 7,188 (1.6 %) on Sundays. The 400,000 barrier was broken on weekdays for the very first time. In both 1980 and 1981 average growth in newspaper circulation in Finland was 1.8 %.

42,927 column-metres of advertising were published, the second-largest annual volume in the history of Helsingin Sanomat. This figure was up by 3,586 (9.1 %) on the previous year. At 569,254, the actual number of advertisements showed a 15.1 % increase. We ran 519 four-colour advertisements – a slight increase (823) on 1980. Growth in advertising volume for all newspapers in Finland was 9.1 % in 1981, a figure matched exactly by Helsingin Sanomat.

Comparisons are rendered somewhat invalid by the journalists' strike in autumn 1980, which brought down figures for that year.

The grand total of pages in Helsingin Sanomat was 17,722, an increase of 1,574 (9.7 %) on 1980.

Due to added automation in the circulation computer system in 1981 progress took place in several sub-areas, with a project launched to provide a comprehensive overhaul of the entire system. The joint distribution system for Helsinki, run by Helsingin Sanomat and inaugurated in 1980, became firmly established and was extended, with the accent on the rest of the province of Uusimaa.

The collaboration of the "Top Three" in nationwide advertising – Helsingin Sanomat, Turun Sanomat and Aamulehti – continued, with a colour-technology seminar arranged for 250 clients in the advertising industry.

Back-up for Helsingin Sanomat's sales of advertising were the newspaper's own strong pull in the media field, and application of research and analysis in marketing work.

In order to improve the newspaper's service to local advertisers two advertising supplements were introduced. Known as HS-Lähimarkkinat (HS-Local market), they were distributed to all Helsingin Sanomat subscribers in Espoo and West Helsinki as a part of the newspaper.

On the sports side, Helsingin Sanomat continued to sponsor major events with a youthful accent, like the Hopeasompa skiing events, the Jukola orienteering contest, the Siniviitta swimming championships, the Optimist Dingy Finnish Championships, and two new events for 1981 – the Juppakärpänen, children's gymnastic competition, and the Helsinki City Marathon.

Ilta-Sanomat

In 1981 Ilta-Sanomat aimed to improve its quick, reliable news coverage by following major world events on the spot. The world-shaking acts of violence against national and church leaders and the situation in Poland were reported swiftly and comprehensively.

The main item in the Finnish scene was the resignation of President Kekkonen due to illness and preparations for a presidential election two years ahead of schedule.

In addition to providing a diverse reader service, Ilta-Sanomat enhanced its role as an interpreter of the good and bad sides of sport.

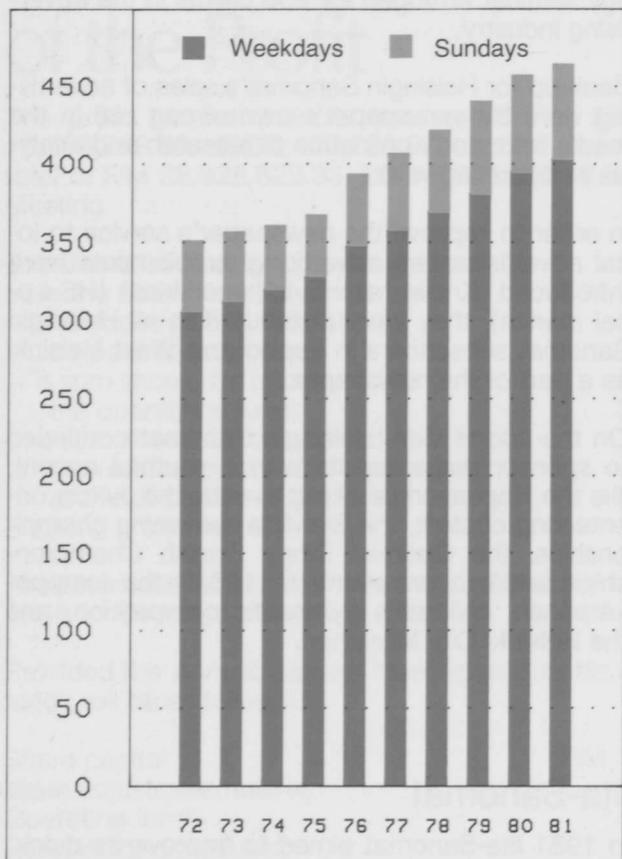
The most spectacular of promotions for readers was the Finn of the Year Contest, in which Mr Mauno Koivisto – then prime minister, subsequently president – obtained an overwhelming majority.

In the first half of the year Ilta-Sanomat's circulation was somewhat on the slide, with daily sales averaging 116,051. But there was a sharp upturn in demand in the summer, and thanks to an eventful autumn the audited net circulation for the second

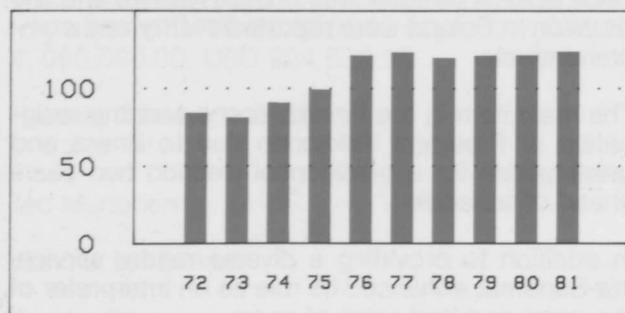
half of 1981 swelled to 128,082, giving an average for the year of 122,067 – the biggest ever recorded in the newspaper's history. There was a sharp decline in sales of advertising space which, at 2,474 column-metres, was 23.4 % down on the previous year.

As in earlier years, Ilta-Sanomat sponsored such sports events as the Iltarastit orienteering contest and the Kultakiekko youth ice-hockey tournament.

Helsingin Sanomat: Average Circulation



Ilta-Sanomat: Circulation



Production technology

In 1981 the Newspaper Division laid the foundations for numerous key improvements in production, such as direct input of editorial copy, computer-controlled page make up and the Sanomala mailroom operations.

Additional production equipment was obtained to supplement or boost existing production. An order was placed for the Hastech Inc.'s advertising and lay-out system to improve page make-up. The first phase related to advertisements was in production at the end of the year. To backup output, our computer system was divided between two premises in 1981, with a new photosetting machine installed in reserve. A change in the typography for classified advertisements was introduced in May. Electronic proofing equipment was acquired to control the quality of fourcolour separations. A third facsimile unit was started up at Sanomala in January to ensure continuous page transmission.

During the year the number of pages published grew more than predicted.

Six new printing units were inaugurated at Sanomala in December, and the printing facilities was brought to its final size of 42 units. Additional colour decks will be added in 1982 to give spot-colour availability in all printing units.

All records were broken on the production front in 1981. 55,242 tonnes of newsprint were used – a 14.2 % increase. Ink consumption was up by 14.8 % to 664.7 tonnes.

Sanomala sales and new products

Invoicing by Sanomala sales to outside customers increased by 41 % on the previous year to FIM 21.7 m, USD 4.9 m. At the end of 1981 the following publications were printed at Sanomala for outside clients:

Hevosurheilu (Equestrianism), Insinööriutiset (Engineering News), Koulusanomat (School News), Landsbygdens Folk (newspaper for Swedish-speaking farmers), Luonnonsuojeluväki (The Nature Conservationist), Länsiväylä (a give-away, published by the Tapiola Housing Foundation), Maaseudun Tulevaisuus (Farmer's Newspaper), Pääkaupunkilehti (give-away for Greater Helsinki), Sana (The Holy Word), Uudenmaan työpaikat (Situations Vacant in Uusimaa), and Veikkaus-Lotto (weekly of the State-run football pools and lottery). In addition one-shot tabloid publications and promotional material were also printed.

The newspaper division's new products activities assumed permanent shape during the year. At the end of 1981 it was reinforced by the Corporation's information service unit.

Tiede 2000 (Science 2000) the periodical jointly founded by Tieteen Tiedotus ry (Scientific Information) and Helsingin Sanomat in 1980, was published regularly, eight times a year and was spon-

sored by the Academy of Finland, the Finnish National Fund, the Council of the Finnish Academy of Science, and a number of scientific foundations. An audit in August gave a circulation of 14,873, and by the end of the year there were 16,946 subscribers.

Product development of books based upon the editorial contents of the newspapers continued. The facilities deployed by the newspaper were used for implementation and marketing.

The information content of HS-tele, the electronic newspaper, was developed through experimentation and the continuous monitoring of viewing data. There was slight growth in the number of frames, which numbered 4,500 at the end of the year, when the first interactive data bases were introduced. Using the experience already gained, the objective will be to develop a clear concept for HS-tele in the communications scene of the future, in order to be a natural complement for existing newspapers.

Sanomaprint

The year brought a slowdown in economic growth in Finland. As the market situation in certain export-target countries such as Sweden was poor at the same time, competition in the commercial printing field intensified. Despite a tougher market situation, Sanomaprint reached its gross sales target.

The focus was concentrated on special periodicals, company publications, and associated sales and service catalogues. The recession abroad was countered by sales on the home market. Orders remained in good shape, with almost all production capacity utilised. The several years of work that had been put in to boost marketing and, in particular, to develop the products bore fruit.

Countering stiff competition, Sanomaprint was able to obtain more contracts than before.

Besides our Corporation, Sanomaprint's principal clients had a familiar appearance: Tukkukauppojen Oy/TUKO (a wholesale/retail chain), Oy Valitut Palat - Reader's Digest Ab, A-lehdet Oy (maga-

zine publishers), and trade and organisational publications for farmers. The share of outsiders in Sanomaprint's total sales - 56 % - was unchanged compared with 1980. The number of clients with whom we did more than FIM 1 m of business grew by almost one third.

The structure of production developed on target with the annual plan. The number of composed marks decreased by 5 %, but the volume of four-colour reproduction expanded by 15 %. Web-off-set products were unchanged. Sheet-fed production decreased by 12 %, which led to an average 4 % decline in the binding departments.

The main investments in 1981 were in connection with the start-up of a new text-processing system. A page make-up unit, unique in its operating principles, was installed for four-colour work. It can handle colour pages requiring complex lay-out. Integration of the printing and binding departments was continued by gradually transferring work to the big-bundle system in magazine production.

Magazines and Book Division

Magazines

Competition remained stiff in the magazine market. Allowing for this situation, the Sanoma magazines had a satisfactory year.

Me naiset, the woman's weekly, recorded an increase in circulation on the previous year by 5,678 to 132,234. But pages of advertising slipped from 635 to 583, while the number of pages printed went up from 4,852 to 4,992.

The sustained upsurge of Kodin Kuvalehti, the woman-and-home fortnightly, registered since 1975, slowed down resulting in average circulation of 185,451 (191,165 in 1980). Pages of advertising came to 565 (590) and total pages published to 3,040 (3,120).

Suuri Käsityökerho remained the largest publication in Finland for handicraft enthusiasts, with average circulation at 109,354 (112,747), advertisements covering 91 pages (97) and a total of 1,058 pages printed throughout the year (1,060).

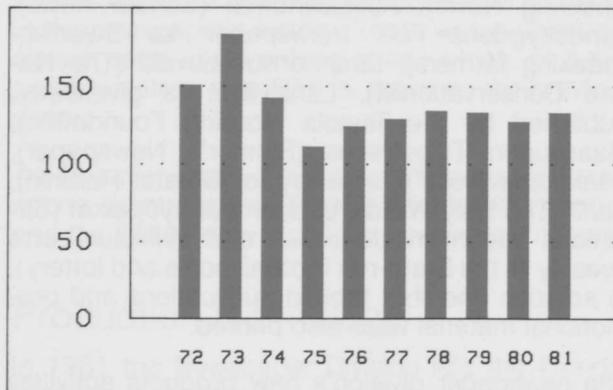
The circulation of the weekly Aku Ankka (Donald Duck) improved well, to an average 298,046 (294,892). Advertising covered 13 of the 1,684 (1,678) pages printed.

Kansa taisteli – miehet kertovat, the war memoirs monthly, managed a circulation of 36,964 (39,494), 25 (27) pages of advertising and total number of pages of 432 (no change).

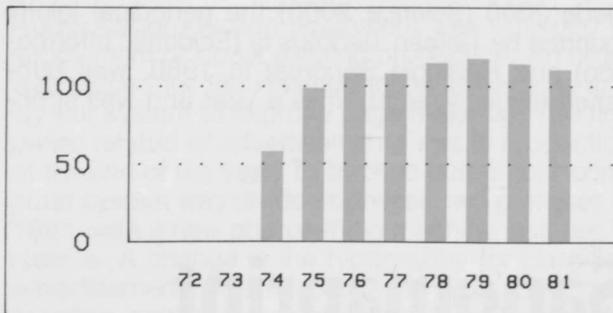
Figures for Eläinmaailma, the monthly for animal lovers, were: 38,073 (40,860), 16 (18) and 576 (600).

A new monthly cartoon magazine, Nalle Puh, (Pooh), was launched, and it got off to an auspicious start. The first number, published in December, had a circulation of more than 20,000.

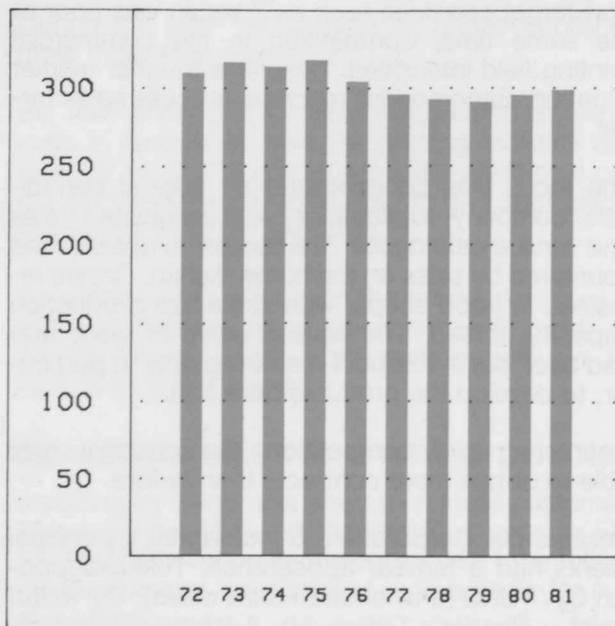
Me naiset (We women): Circulation



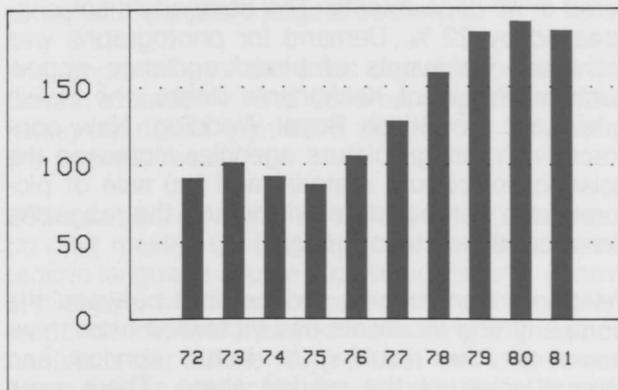
Suuri Käsityökerho (Big Handiwork Club): Circulation



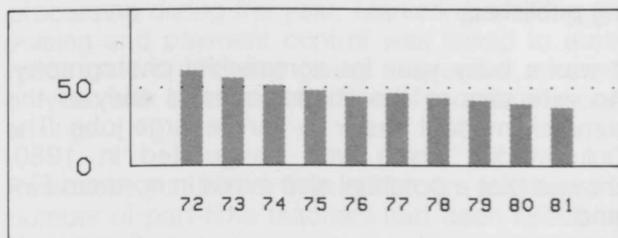
Aku Ankka (Donald Duck): Circulation



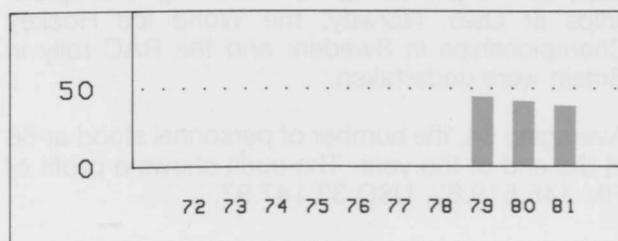
Kodin Kuvalehti (fortnightly): Circulation



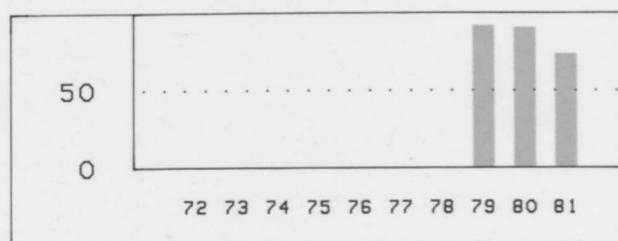
Kansa taisteli – miehet kertovat (monthly): Circulation



Eläinmaailma (monthly): Circulation



Roope-setä taskulehti (monthly): Circulation



Books

In this sector the accent continued to fall on books for children, with cartoon books and the Lasten Oma Kirjakerho (Children's Own Book Club) heading the list. The number of new titles was up by 13 to 49, largely due to Roope-setä taskulehti (Uncle Scrooge pocket magazine), being published monthly and to issuing some other new Disney cartoon books. 8 new editions were brought out, compared with 14 in 1980. Aggregate sales of books were up by 239,479 to 2,619,351.

The children's book club was a spectacular success, with 39,897 members at end of the year (833,594 in 1980). The popularity of the Aku Ankka taskukirja (Donald Duck pocket book) remained unshaken, though the increase in frequency of publication caused, as expected, a decline in the circulation of Roope-setä taskulehti. The latter figure – 72,307 – was nevertheless very satisfactory.

In the large-size cartoon-book category Mikin suuret seikkailut (Great Adventures of Mickey Mouse) and Aku Ankan lukupaketti (Donald Duck Bumper), appeared once again. Besides the cartoon output, another big book for family reading – Eläinmaailman pienokaiset (The Small Creatures) – was published.

A new edition of the Finnish-language version of the Guinness Book of Records came out in the autumn, with the entire print of 16,000 sold out. The Teema (Theme) series, launched in 1980, did not meet with the success expected.

Special products

Sales volume in this category was down on the previous year. The children's hobby package called Onnimannin Oppileikit (Learn and Play) and the Kotikeittiön Parhaat (Home Cooking) recipe file were terminated during the year. Sales of special products was mainly limited to our own outlets. In the spring business publications, previously part of the special products department, were merged into the Sanomaprint organisation.

Subsidiaries

Helsinki Televisio Oy

(Helsinki Cable Television Company)

The Sanoma Corporation became the principal shareholder in the Helsinki Cable Television Company, HTV, in January. The performance of the HTV, previously in serious financial straits, was rapidly improving towards the end of the year, even if it still showed a loss.

Installing the cable network was mainly focussed on three northwestern suburbs – Haaga, Lassila–Kannelmäki, and Lauttasaari – and on increasing network penetration in the centre of Helsinki. At the end of 1981 1,721 condominiums and housing cooperatives encompassing 74,067 homes were connected to the network. Subscribers to the entertainment pay-TV channel numbered 12,408.

The company has not yet been fully able to exploit all its potential, and subsequently cable television was still not attractive enough for advertising agencies and advertisers. But in autumn 1981 revitalised and more systematic sales efforts started to produce results, clearly boosting the demand for transmission time.

Spare capacity, in the shape of studio space and equipment, was leased to outsiders. To expand studio production services, new equipment was purchased in December and the marketing organization was being developed.

In 1981 an average of 31 hours per week of own programming were transmitted, of which the Helsinki channel (free of charge to viewers) accounted for about five hours. On the Helsinki channel, the output was largely entertainment programmes and Finnish feature films. On the entertainment channel, feature films absorbed more than half the programme time, with the remainder divided between serials, sport, music, programmes for children and youth, and nature and culture documentaries. Besides Finland, the software was acquired from the USA, Britain, France, Canada, West Germany, Brazil, Italy, Poland, Czechoslovakia, and several other countries. The new business contacts established in the international programme market should ensure satisfactory programme both in quality and quantity in the future.

For the financial period between 1 July 1980 and 31 December 1981 the books show a loss of FIM 148,201.01, USD 33,758.77.

During this period there were on average 53 people on the payroll, with 44 at the end of 1981.

Lehtikuva Oy

(Picture Agency)

An improvement on the previous year was registered in all departments. The company's sales increased by 22 %. Demand for photographs was increased by events of broad audience appeal such as President Kekkonen's illness, the Polish crisis and the British Royal Wedding. New contracts with foreign picture agencies increased the selection of picture material and the sale of pictures from abroad for television and the magazine press continued to improve.

Telephoto transmission service time between the company and its clients has increased from three hours to four resulting in better service and strengthening of the market share. There were some visible structural changes in the client profile for archive pictures, with increasing sales to the press, television and advertising agencies. But the growth in sales to book publishers slowed down due to fewer new reference and sports books being published.

It was a busy year for commercial photography. An extension to the studio, opened early in the summer, made it easier to handle large jobs. The Oulu studio, which was inaugurated in 1980, showed that a potential also exists in northern Finland.

There was further co-operation with Time magazine, which commissioned news photo assignments in Poland, Iran and other crisis areas. In addition, trips to important sports events abroad, such as the pre-World Nordic Skiing Championships at Oslo, Norway; the World Ice Hockey Championships in Sweden; and the RAC rally in Britain were undertaken.

Averaging 64, the number of personnel stood at 66 at the end of the year. The audit shows a profit of FIM 145,519.62, USD 33,147.97.

Oy Linguaphone Ab

(Language courses)

A satisfactory year was marked by 18 % growth in sales, with the profit targets beaten.

A strengthening of the sales organisation and the correct channelling and dimensioning of the marketing input had a positive bearing on sales and the financial result.

260 courses, covering 34 different tongues, were on offer making Oy Linguaphone Ab the most extensive language course supplier in Finland. A novel package, which combines learning at home, correspondence, and classroom teaching with examinations under teacher supervision was introduced. There was an upsurge in the demand for language-training services for companies and young people. Added staff contributed to successful marketing to companies.

Oy Linguaphone Ab moved on to automatic data-processing during the year. Marketing, mailing, invoicing and payment control was linked to automatic data-processing giving a speedier, sharper service, with efficient collection of money and cost savings.

Personnel numbered 9 in 1981. In addition the number of part-time teachers had been raised by three to 13.

Oy Linguaphone Ab shows a profit of FIM 83,005.09, USD 18,907.76.

Simonpaino Company

Simonpaino Oy did not undertake any actual business operations in 1981 with the exception of leasing of the company's fixed assets to Sanomaprint, giving a profit of FIM 541,393.73, USD 123,324.31.

Personnel

Numbers employed

(Figures in parentheses show the situation in 1980)

The average number of people employed by the Sanoma Corporation totalled 4,842 (4,647). On a fulltime basis there were 2,569 (2,564). Of these, 889 (872) were salaried staff, 460 (470) journalists, and 1,220 (1,222) manual workers. Newspaper deliverers numbered 2,273 (2,083). In addition, we paid commission to 2,765 (2,928) agents.

By division, personnel break down as follows:

| | | |
|---|-------|---------|
| Newspapers | 1,427 | (1,404) |
| Sanomaprint | 604 | (631) |
| Magazines and books | 156 | (117) |
| Administration | 245 | (210) |
| Finance | 73 | (120) |
| Real estate | 38 | (34) |
| Planning and development | 14 | (12) |
| Training institute | – | (24) |
| Senior management and special assignments | 12 | (12) |

The turnover of fulltime employees was 7.1 % (5.6 %), with a corresponding figure of 27.3 % (21.7 %) among distributors.

The absenteeism ratio was 4.9 % (5.0 %).

Occupational health

During the year, there were 13,203 (14,110) outpatients to the company health care centre, and 5,227 (4,648) visits to doctors – a total of 18,430 (18,758). Of these, 11,607 (11,161) involved treatment for sickness, 5,704 (6,498) occupational health and medical treatment and 608 (633) were related to industrial accidents. 459 (329) health check-ups were carried out. 158 (116) received training in first aid, and 244 (238) donated blood.

In February the occupational health service was improved by taking on a physician specialised in internal ailments. In November, employer-financed physical rehabilitation was launched in external health centres.

Work safety

The work safety committee held six meetings, and the clerical staff's ergonomics group met three clerical times.

In addition to the Corporation's own work safety committee and safety personnel, the Uusimaa Province Work Safety Inspectorate examined the Corporation's premises.

Internal information

The personnel magazine HESA was published 8 times, and the Sanomia information bulletin 57. Sanomain Asiamies, a news-letter for agents came out 4 and Sanomain Asiamies – tiedotuksia, a supplementary leaflet, 3 times. Sanomia Jakajillemmme, a bulletin for our deliverers, was published for the first time.

Hiring new personnel

430 people, among them almost 300 temporary summer reliefs were employed by the Corporation. In conjunction with the Helsinki City Comprehensive School and Work Consultative Committee, 16 school pupils were placed as trainees in various departments for a limited period.

Celebrations

The Central Chamber of Commerce Medal of Merit was awarded to 151 employees who had served the Corporation for the following periods:

| | |
|----------|-------|
| 50 years | 1 |
| 40 years | 3 |
| 35 years | 12 |
| 30 years | 14 |
| 25 years | 43 |
| 20 years | 78 |
| | <hr/> |
| | 151 |

Leisure activity

A grant of FIM 217,000 was made to the Sanoma Personnel Club. Members decided how the sum was to be disposed at their annual meeting. In all, there were 20 hobby circles.

Numbers visiting the Corporation's recreation centers were: Jalassaari 6,081 (6,721), Ruka 138 (144) and Bomba 118 (134).

Housing

151 apartments are available for full-time employees. The 12 that became empty during the year were allotted in accordance with principles approved by the Consultative Committee. 11 home-loan guarantees were granted.

Industrial co-operation

A participation agreement in the Sanoma Corporation was signed on 3 March 1981. Under its terms, a 12-member co-operation committee was set up, with five representatives drawn from the typographical workers, one from technical personnel, one from clerical staff, one from the journalists, and four from the management. The committee was convened on six occasions. One of the major projects completed was a Guide for Personnel Policies.

Among all various co-operation committees, that for the Newspaper Division met six times, and that for Sanomaprint eight times.

All five of the Corporation's restaurant committees met four times to discuss matters relating to restaurant costs, food and the menu.

The Corporation's shop stewards had two joint meetings for receiving information about the Corporation's annual reports and operational plans.

Training

The Sanoma Corporation Training Institute operated in five main sectors: printing, journalism, clerical work, general training and instruction of foremen with an emphasis on follow-up and refresher teaching.

Three committees were responsible for curricula. Respectively, they covered printing, journalism and clerical work.

Numbers of training courses and participants were:

| Sector | Courses | Participants |
|------------------|-----------|---------------|
| Printing | 70 (62) | 666 (694) |
| Journalism | 31 (30) | 531 (496) |
| Clerical | 72 (75) | 949 (1,137) |
| General | 168 (178) | 2,817 (2,597) |
| Foreman training | 26 (21) | 325 (278) |
| Total | 367 (366) | 5,288 (5,202) |

A sum of FIM 3,161,900 – equivalent to 1.3 % of wages and salaries and 0.4 % of turnover – was used on training. The figure does not include salaries paid during the training periods.

Retired employees

At the end of the year 782 (746) retired employees were covered by the Sanoma Corporation Pension Fund. The Fund was closed on 1 September 1981. After that period, people joining the companies belonging to the Pension Fund are included in an external pension insurance scheme.

Statistics

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

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sales proceeds | 122.8 | 122.5 | 124.9 | 127.7 | 129.7 | 131.2 | 131.1 | 131.5 |
| Sales adjustment items | - 22.8 | - 22.5 | - 24.9 | - 27.7 | - 29.7 | - 31.2 | - 31.1 | - 31.5 |
| Turnover | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Variable expenditures | - 66.2 | - 67.3 | - 65.5 | - 58.5 | - 59.0 | - 60.5 | - 61.4 | - 60.6 |
| Gross margin | 33.8 | 32.7 | 34.5 | 41.5 | 41.0 | 39.5 | 38.6 | 39.4 |
| Fixed expenditures | - 27.0 | - 28.3 | - 25.4 | - 24.8 | - 24.1 | - 23.7 | - 27.6 | - 23.6 |
| Operating margin | 6.8 | 4.4 | 9.1 | 16.7 | 16.9 | 15.8 | 11.0 | 15.8 |
| Depreciations | - 3.0 | - 2.5 | - 5.5 | - 15.2 | - 14.9 | - 14.0 | - 2.6 | - 4.7 |
| Profit on operations | 3.8 | 1.9 | 3.6 | 1.5 | 2.0 | 1.8 | 8.4 | 11.1 |
| Other income and expenditures | + 2.9 | + 3.0 | + 3.0 | + 2.5 | + 1.6 | + 2.8 | + 2.7 | + 3.5 |
| | 6.7 | 4.9 | 6.6 | 4.0 | 3.6 | 4.6 | 11.1 | 14.6 |
| Change in reserves | - 3.3 | - 1.1 | - 0.7 | - | - | - 0.5 | - 6.0 | - 8.8 |
| Interest expenditures | - 1.4 | - 1.6 | - 2.4 | - 2.8 | - 2.8 | - 2.8 | - 1.7 | - 1.9 |
| Direct taxes | - | - | - 1.7 | - 0.6 | - 0.1 | - | - 0.8 | - |
| Profit for the year | 2.0 | 2.2 | 1.8 | 0.6 | 0.7 | 1.3 | 2.6 | 3.9 |

Circulation Figures

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| HS | 305,016 | 311,438 | 318,953 | 327,275 | 346,910 | 356,945 | 368,351 | 379,753 | 393,697 | 402,280 |
| HS-Sunday ed. | 349,392 | 355,116 | 359,130 | 365,809 | 391,971 | 405,185 | 420,063 | 438,820 | 455,858 | 463,046 |
| IS | 83,085 | 79,983 | 89,778 | 98,045 | 120,080 | 122,024 | 118,063 | 119,818 | 120,186 | 122,067 |
| MN | 150,289 | 182,619 | 142,015 | 110,618 | 123,872 | 128,483 | 133,619 | 132,423 | 126,556 | 132,234 |
| AA | 309,155 | 315,877 | 313,139 | 317,571 | 303,703 | 295,163 | 291,890 | 290,109 | 294,892 | 298,046 |
| KK | 90,639 | 100,475 | 91,611 | 86,448 | 104,682 | 127,232 | 158,241 | 184,449 | 191,165 | 185,451 |
| KT | 60,533 | 55,867 | 50,944 | 47,846 | 43,886 | 46,093 | 43,197 | 41,516 | 39,494 | 36,964 |
| SKK | - | - | 56,752 | 97,307 | 106,753 | 106,572 | 113,261 | 116,261 | 112,747 | 109,354 |
| RS | - | - | - | - | - | - | - | 90,936 | 89,385 | 72,307 |
| EM | - | - | - | - | - | - | - | 43,544 | 40,860 | 38,073 |

Figures are averages of official circulation audits during each year.

Key Indicators

| Current Values (FIM) | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Turnover per employee 1 | 110,746.2 | 132,783.2 | 155,841.1 | 181,193.8 | 200,968.8 | 235,851.8 | 279,927.2 |
| Turnover per employee 2 | 64,889.3 | 77,185.0 | 89,606.7 | 131,894.2 | 149,068.6 | 167,698.9 | 194,098.0 |
| Wages and salaries for hours worked per employee | 21,409.5 | 25,342.1 | 28,869.9 | 32,446.8 | 34,488.6 | 37,769.5 | 44,626.2 |
| Social security payments per employee | 8,392.0 | 10,989.2 | 12,516.3 | 13,182.5 | 15,509.7 | 19,587.5 | 22,178.8 |
| Wages, salaries and other payments per employee, total | 29,801.5 | 36,331.3 | 41,386.2 | 45,629.3 | 49,998.3 | 57,357.0 | 66,872.9 |
| Payments to personnel, % of turnover | 45.9 | 47.1 | 46.2 | 44.0 | 43.8 | 49.0 | 45.5 |
| Converted into 1981 values | | | | | | | |
| | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
| Turnover per employee 1 | 205,766.4 | 221,482.4 | 235,164.2 | 260,194.3 | 265,278.8 | 267,927.0 | 279,927.2 |
| Turnover per employee 2 | 120,564.3 | 128,744.6 | 135,216.5 | 189,400.1 | 196,770.6 | 190,506.0 | 194,098.0 |
| Wages and salaries paid for hours, per employee | 39,778.9 | 42,270.6 | 43,564.7 | 46,593.6 | 45,525.0 | 42,906.2 | 44,626.2 |
| Social security payments per employee | 15,592.3 | 18,330.0 | 18,887.1 | 18,930.1 | 20,472.8 | 22,251.4 | 22,178.8 |
| Wages, salaries and other payments per employee, total | 55,371.2 | 60,600.6 | 62,451.8 | 65,523.7 | 65,997.8 | 65,157.6 | 66,872.9 |
| Payments to personnel, % of turnover | 45.9 | 47.1 | 46.2 | 44.0 | 43.8 | 49.0 | 45.5 |

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, 1980 and 1981 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

TYPOGRAPHICAL WORKERS

Chief Shop Steward Teuvo Hörkkö

Newspaper Division

Deputy Chief Shop Steward Pentti Käyhkö

Ludviginkatu

Type-setting Pentti Käyhkö
Tele ad department Kaisa Käyhkö
Repro Pentti Lassila

Sanomala

Plate making Heikki Hartikainen
Rotary Press, day shift Voitto Salo
Rotary Press, night shift Unto Lauronen
Mailroom, day shift Anni Torkkeli
Mailroom, night shift Väinö Saloniemi
Maintenance Karl Källman

Sanomaprint

Deputy Chief Shop Steward Pertti Liinkangas

Hiomotie

Photolitho Jorma Tuuli
Type-setting Tauno Holappa
Rotary Ilkka Lindroos
Bindery Laine Lahdelma
Dispatching Elisabeth Leinonen

Strömbergintie

Sheet fed Pertti Liinkangas
In house printing Kalevi Hirvonen

Tapiola Plant

Jukka Suojanen

Maintenance

Pentti Lindstedt

Restaurants

Marjatta Kuosmanen

JOURNALISTS

Chief Shop Steward Jukka Tennilä
Deputy Chief Shop Steward Martti Backman
Helsingin Sanomat Martti Backman
Helsingin Sanomat
Regional Offices Jukka Kuikka
Iltä-Sanomat Jukka Tennilä
Magazines Helinä Lappalainen-Suvanto

Lehtikuva Oy

Pertti Tuominen

CLERICAL GT

Chief Shop Steward Irma Seppälä
Deputy Chief Shop Steward Lauri Koski

Financial and Administrative Section Tuula Pulkkanen
Subscription Department Ritva Marjanen
City Centre Anneli Kärppä
Pitäjänmäki Irma Seppälä
Customer Service and Distribution Offices Anja Savolainen
Circulation Department, Agents Lauri Koski
Sanomala Matti Auvinen

CLERICAL STL

Chief Shop Steward Iiris Lindman
City Centre Taija Petrov

TECHNICIANS

Consultative Liaison Officer Aarni Pitkänen
Deputy Consultative Liaison Officer Veikko Koskinen

Newspaper printing

Ludviginkatu, Liaison Officer Mauri Ketola

Sanomala

Liaison Officer Pentti Peltomäki

Sanomaprint/Hiomotie

Liaison Officer Matti Perälä

Sanomaprint/ Strömbergintie

Liaison Officer Risto Pirhonen

TRANSPORT WORKERS

Chief Shop Steward Juhani Heinonen

Day shift Kullervo Ahola
Night shift Kauko Wilberg

DISTRIBUTORS

Metropolitan Helsinki

Chief Shop Steward Airi Kantonen
Deputy Chief Shop Steward Eeva Miinin

Provinces

| | |
|--------------|--------------------|
| Hamina | Terttu Taipale |
| Hyvinkää | Maija Hyttinen |
| Hämeenlinna | Inga Heikintupa |
| Imatra | Eeva Toikka |
| Inkeroinen | Annikki Tani |
| Joensuu | Arja Ikonen |
| Järvenpää | Irma Lehtinen |
| Kerava | Helena Viitanen |
| Lahti | Anni Vilen |
| Lohja | Anja Kinnula |
| Lappeenranta | Helvi Hyypiä |
| Pori | Annikki Nokelainen |
| Rauma | Vuokko Pajari |
| Riihimäki | Timo Heino |
| Tampere | Inkeri Manninen |

OCCUPATIONAL SAFETY AND HEALTH REPRESENTATIVES

| | |
|--------------------|---------------|
| Riitta Astikainen | editorial |
| Taina Lehtonen | clerical |
| Pentti Peltomäki | technical |
| Kyllikki Rajaharju | clerical |
| Kalle Salonen | typographical |
| Reijo Toivanen | typographical |
| Jorma Puusa | editorial |

Sanoma Journalist Guild

Chairman Jouko Törmä

Typographical Union, Helsinki Chapter

Chairman Toive Suominen

Occupational Safety and Health Committee

Chairman Jouko Vanninen

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Chairman

Raimo Rajahuhta

Sanoma Corporation Pension Fund
Chairman of the Board Teo Mertanen

50th Anniversary of Ilta-Sanomat

There were two reasons for the very first number of Ilta-Sanomat, published on 29 February 1932. First, an intensification of the tense internal situation marked by an uprising in the village of Mäntsälä gave its own sense of urgency. Eljas Erkko, editor-in-chief and publisher of Helsingin Sanomat, wanted to keep his readers abreast of the situation by publishing news of the day in the form of an evening edition of Helsingin Sanomat. Second, Erkko wanted to express his concerted opposition to this attempt to dislodge the pillars of Finnish society before it was too late.

At that time telegram-bulletins sold in the street were used for this type of instant communication. But in such a fateful news situation as the Mäntsälä uprising the column space offered by a wire service was insufficient. So Ilta-Sanomat was born.

The first number really was an evening paper, with the latest news focussed on the situation at Lapua, a stronghold of the anti-democratic movement opposed to the Government, at 2 p.m. There, the paramilitary, self-styled civil guard had stopped its men joining up with the mutineers at Mäntsälä. But the guards who had gathered at Lapua refused to change from uniforms into "civvies" and were unwilling to call off a crusade aimed at "expunging Marxism from Finnish soil".

That the first Ilta-Sanomat came out at a critical moment is also reflected by the size of the first print - 80,000 - and a sell-out of all copies within a few hours.

It was a week before the next number was issued. The Mäntsälä trouble evaporated, the troops dispersed, there was no breakdown of law.

In August the same year Ilta-Sanomat returned to the market, feting the Finnish gold-medallists at the Los Angeles Olympics, Volmari Iso-Hollo, Lauri Lehtinen and Matti Järvinen. But as far as readers were concerned the hottest news item surrounded Paavo Nurmi, king of world runners, who was disqualified for allegedly flouting amateur status just before the marathon, which was meant to crown his career. This incident prompted, until the end of the 1930s, the breaking of sporting links with Sweden from which the chairman of the International Olympic Committee and chief witness against Nurmi's alleged professionalism was drawn. The chairman of the Finnish Sports Federation was the country's future president, Urho Kekkonen.



Ratkaiseva taistelu Taftin ja Eisenhowerin välillä alkanut

Chicago, 30. 6. (STT - Reuter) Ratkaiseva taistelu kerran Eisenhowerin ja senaattori Taftin välisessä kamppailussa presidenttiehdokkaiksi nimittämisessä alkaa Chicagossa tänään, jolloin republikaanien kansalliskokous pitää ensimmäisen kokouksensa.

Kokouksessa käsitellään ensinnäkin senaattori Taftin nimityksen kysymys. Senaattori Taftin nimityksen puolesta puheuttaa senaattori Charles McNary. Senaattori Taftin vastustajien puolesta puheuttaa senaattori Charles McNary. Senaattori Taftin puolesta puheuttaa senaattori Charles McNary. Senaattori Taftin puolesta puheuttaa senaattori Charles McNary.

Koelienäjän urotyö

Koelienäjän urotyö on ollut erittäin vaikeaa ja vaativaa. Koelienäjän urotyö on ollut erittäin vaikeaa ja vaativaa. Koelienäjän urotyö on ollut erittäin vaikeaa ja vaativaa. Koelienäjän urotyö on ollut erittäin vaikeaa ja vaativaa.

MAAILMAN KAUNEIN



Miss America 1952, Miss Helen Thayer.

Kommunistien huoltotien pullonkaulaa pommitettu

Yhdysvaltojen armeija on pommitanut kommunistien huoltotien pullonkaulaa. Yhdysvaltojen armeija on pommitanut kommunistien huoltotien pullonkaulaa. Yhdysvaltojen armeija on pommitanut kommunistien huoltotien pullonkaulaa.

Teollisuuden laajentaminen "elävän elämän" eikä säännöstelevän viraston arvioitavaksi

Suomen Teollisuusliiton lausunto pitkin tahtaimen ohjelmasuunnitelmasta.



Teollisuusliiton lausunto pitkin tahtaimen ohjelmasuunnitelmasta.

History almost repeated itself at the Montreal Olympics in 1976 when Lasse Viren ran a lap of honour after winning the 10,000 metres and was hauled before the IOC for alleged advertising. To do justice to this news and Viren's gold-medal run in the 5,000 metres on the following day Ilta-Sanomat required a print of 280,000.

Returning to Paavo Nurmi, outcast as a "professional", he was exonerated, as it were, at the opening of the Helsinki Olympic Games in 1952 when he bore the torch that lit the flame of this festival of amateur youth.

There have been numerous other instances in Ilta-Sanomat's history when sport has provided a major boost for sales. More than 20 years ago Ingemar Johansson and Floyd Patterson, fighting for the world heavyweight crown, were responsible for our first-ever print exceeding 200,000.

Regular publication of the paper was started on 15 October 1932. Eljas Erkko, the editor-in-chief, masterminded this afternoon edition of Helsingin Sanomat until December 1938. Asked to be foreign minister, he then gave up this post and Yrjö Niiniluoto became editor-in-chief of both newspapers.

At the outset Ilta-Sanomat was a four-page broadsheet newspaper, with original material consisting of the latest, midday foreign news and Helsinki Stock Exchange quotations - then viewed as an essential sign of being up-to-date on the domestic front.

The number of pages grew gradually, doubling at one jump on 1 November 1949 when the first tabloid-size Ilta-Sanomat was published. At the same time the paper ceased being the evening edition of Helsingin Sanomat but a product in its own, independent right.

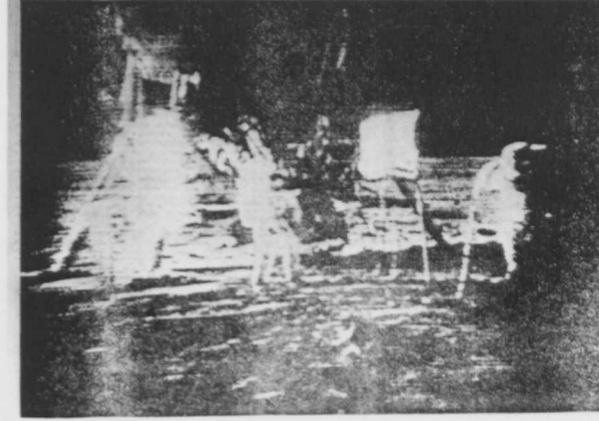
Ilta-Sanomat's distinctiveness was highlighted by giving its newsprint a red tint and its logo an orange colour. A new policy was pursued for separating the various sections. The front and back pages were devoted to the main news stories. There were reports from the provinces on page 2, with an editorial on page 3. Regular features included film and fashion columns, and radio programmes. Crosswords, strip cartoons and letters to the editor also appeared daily. Illustrated journalism extended itself outwards from the central spread, where pictures usually were more important than the printed word.

Suezin verinen sunnuntai vaati yli 100 uhria

SIVU 6

Astronautit hyppelivät riemusta KUUKÄVELY ONNISTUI

Kello 04.57 ensimmäinen ihminen, amerikkalainen astronautti Neil A. Armstrong astui kuun pinnalle. Muutaman tapailevan, varovaisen askelen jälkeen ensimmäinen ihminen suoritti riemikkään kuutansin. Kuu oli valloitettu. Ihminen on kuussa. 20 minuuttia Armstrongin jälkeen riuomaan yhtyi Edwin E. Aldrin. Kuitenkin astronauttien kahden tunnin 55 minuutin kuukävelyn pääosan muodostaa tieteellinen toiminta, näytteiden kerääminen ja tutkiminen. Kuun valloituksen vaarallisin vaihe alkaa tänä iltana kello 19.53. Silloin kuauluksen on määrä nousta tavoittamaan Michael Collinsin ohjaamaa komentoluotaa.



Management, 31 December 1981

Aatos Erkko, Chairman and Chief Executive Officer

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

Jaakko Hannuksela, Vice President, Planning and Development

Heikki Huhtanen, Vice President and General Manager, Sanomaprint, Publications (as of 1 January 1982)

Tapani Kivelä, Vice President, Administration

Matti Peltonen, Vice President, Magazines and Books (until 31 Dec 1981), Special Projects (as of 1 January 1982)

Martti Teräsalmi, Vice President, Finance

Pekka Toropainen, Vice President, Real Estate

Sakari Almi, Marketing Director, Ilta-Sanomat

Pertti Huhtala, Advertising Director, Helsingin Sanomat

Matti Huopaniemi, Marketing Director, Helsingin Sanomat

Hannu Kilttilä, Newspaper Production Manager, Sanomala

Jouko Nurmela, Production Manager, Prepress

Martti Ojares, Assistant Vice President, Finance

Pertti Puolakka, Planning Manager, Sanomaprint

Tuomo Saarinen, Production Manager, Sanomaprint

Antti Sojakka, Marketing Manager (as of 1 March 1982), Publications (as of 1 January 1982)

Kari Stadigh, Marketing Manager, Export, Sanomaprint

Aleksis Stenvall, Marketing Director, Sanomaprint

Editors-in-Chief

Newspapers

Teo Mertanen, Administrative Editor-in-Chief

Helsingin Sanomat

Heikki Tikkanen, Senior

Keijo Kylävaara (retiring

as of 31 March 1982)

Simopekka Nortamo

Keijo K. Kulha (from 1 April 1982)

Ilta-Sanomat

Martti Huhtamäki, Senior

Heikki Aarnio († 4 February 1982)

Kodin Kuvalehti

Suuri Käsityökerho

Maire Varhela

Me naiset

Kerttu Saarela, Senior

Tuija Verkkola

Aku Ankka

Kirsti Toppari

Roope-setä Taskulehti

Mary A. Wuorio

Eläinmaailma

Ilkka Koivisto

Nalle Puh

Alli Peltonen

Managing Directors of Subsidiaries

Helsinki Televisio Oy

Heikki Saraste

Lehtikuva Oy

Patricia Seppälä

Oy Linguaphone Ab

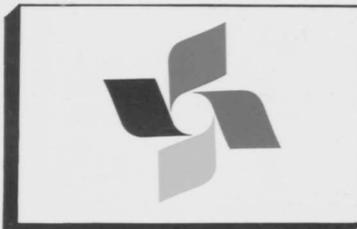
Kari Hyytiäinen

Simonpaino Oy

Heikki Huhtanen

Crafton Graphic Company, Inc.

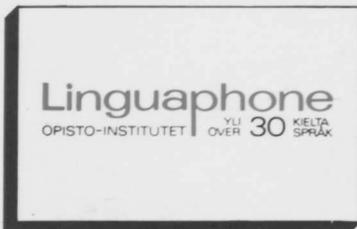
D. Bittenbender



Sanomapaino



Lehtikuva Oy



Oy Linguaphone Ab



Helsinki Televisio



Crafton Graphic Company, Inc.