

Sanoma Osakeyhtiö — Sanoma Publishing Company

Report of the Board of Directors for the Financial Year of 1973

Abridgement in English

General Review

Despite the boom, 1973 went down in the economic history of Finland as a year of instability. The inflation was rapid and the money markets extremely tight. The deficit in the balance of payments rose to nearly 1,500 million Finnish marks.

The deferment until the autumn of the conclusion of the agreement with EEC caused a lot uncertainty.

Sanoma Osakeyhtiö 1973

On the whole the year was a successful one for our company. The sale of advertisements was lively during the boom phase. The sale of circulation for 1973 could be made during less-strained markets that had prevailed in 1972, and the Company's turnover increased by approximately 25 per cent. The price rises that were made contributed to the growth. Costs also increased sharply: for instance, wages and salaries together with social charges by approximately 24.5 per cent.

Newspaper division

Consideration of the future situation of the press has, among other things, prompted longer-term planning in newspaper work. It has consequently been possible to combat in advance the ever-rising costs and the ever more threatening difficulties of distribution, whether this latter is effected through the post office or by the enterprise itself.

The financial objective of the Division was obtained and proved to be better than that of the preceding year, primarily on account of the growth in the amount of advertising. The circulation of Helsingin Sanomat increased by 2.1 per cent on weekdays and by 1.6 per cent on Sundays, the actual circulation figures being 311,438 and 355,116 respectively. The circulation of Ilta-Sanomat declined by 3.7 per cent and was 79,983. The year's issues of Helsingin Sanomat weighed 101 kilogrammes, and Sunday numbers of 84 pages were published during the year for the first time.

The investments of the Division were approximately 1.8 million Fmk. The personnel strength was 1,333.

Periodical and Book Division

The Division had to operate in the tightening market in which it was nevertheless essential that prices be raised on account of the sharp rise in costs.

Our magazines were successful where competition was concerned. Expressed in average figures for the year the circulations were as follows:

Me naiset	182,619
Aku Anka	315,877
Viikkosanomat	76,752
Kodin Kuvalehti	100,475
Kansa Taisteli — miehet kertovat	55,867
PM purje ja moottori	35,398

On 16 November 1973 the periodicals published by the Company were joined by a seventh member — the comic book Zoom. Its first issues attained a circulation of more than 30,000.

The sales of subscriptions to the periodicals increased by 18.6 per cent; the sales of single copies by 21.6 per cent and the sales of advertising by 39.4 per cent. The amount of advertising pages increased by 22.2 per cent and numbered 1,806.

Forty-three new books and eight re-prints were published by the Division, the aggregate number of books printed being 1,978,000. In the line of special products, a novelty, the chief product was Kodin Kuvalehden Keittotaitokerho (The Kodin Kuvalehti Cookery Club), a cookery book in the form of filing cards.

The personnel of the Division numbered 75.

Sanomaprint

The main products of the Division remained the printing of the periodicals and books published by the Company's Division of periodicals. The number of these exceeded all advance estimates but the amount of work coming from outside, primarily printed advertising matter and magazines, could nevertheless be increased from 15.5 million to 18.5 million as expressed in Finnish marks.

This was made possible by intensive technical develop-

ment. A total of 4.2 million Finnish marks was put into investments. The letterpress department at Strömbergintie was converted with greater rapidity into an offset printing shop that makes use of phototypesetting.

At the end of the year the personnel numbered 706.

Other Operating Divisions

An enterprise-planning division was set up during the year with the task of providing expert service to the other groups in long-term planning and ADP systems analysis.

The financing and administrative divisions operated in the same manner as formerly. Among modernizations were the start made on installing new IBM 370/135 equipment and the completion of two new apartment houses for personnel and the commencement of building work on a third.

The activities of the vocational school expanded rapidly, with some 1,000 members of the personnel attending the various courses and other educational events. A new course

commenced at the school for editors.

The operations of the subsidiary Lehtikuva Oy expanded, but its financial result was unsatisfactory.

Result

As appears from the accompanying statement of profit and loss, the profit of the financial year amounted to 1,992,158,64 Finnish marks. After the distribution of the dividend of Fmk 3,60 on every share, of nominal value of 30 marks, as proposed by the Board of Directors, and after the transfers made at the closing of the books, the Company's net worth is:

Share capital	mk	7,100,760.00
Contingency Reserve	mk	22,333,406.92
Investment Reserve	mk	853,000.00
Donation Reservation	mk	50,000.00
Undisposed Profits	mk	<u>1,760,021.96</u>
	mk	<u><u>32,097,188.88</u></u>

Helsinki, March 22, 1974

SANOMA OSAKEYHTIÖ

Board of Directors

Aatos Erkkö

Patricia Seppälä
Risto Kavanne

Teo Mertanen
Väinö J. Nurmimaa

Aarne F. Castrén