





Helsingin Sanomat Foundation Annual Report 2012

SCIENCE AND JOURNALISM MIX

Helsingin Sanomat has been a part of Professor Markku Kuisma's life for more than 50 years – he has been an avid reader of the newspaper since he learnt to read.

"Helsingin Sanomat has followed me through all stages of my life. It's like the air that I breathe, says Kuisma.

His day will also go on with Helsingin Sanomat, when Kuisma's research team begins to put together the history of Helsingin Sanomat.

The project was launched about a year ago in March. At that time, the Helsingin Sanomat Foundation awarded Kuisma's team a grant of EUR 1.5 million for this purpose. The project aims to produce a study that is based on high-quality scientific research and that complies with the best journalistic traditions.

Carried out at the University of Helsinki, the project looks into the history of the newspaper since its foundation in 1899. The areas of study include the journalistic policies and finances of Helsingin Sanomat, the newspaper's social impact, and the impact of women and female reporters on the newspaper's development.

A number of scientific articles and reports are going to be published in connection with the project. According to the schedule, a work describing the development of the newspaper's journalistic policy through its editors-in-chief will be published already in 2014. A cohesive history of Helsingin Sanomat, intended for the general public, will be published in honour of the newspaper's 130th anniversary on 16 November 2019.

The grant to Kuisma's team is the largest single grant in the foundation's history. Last year, grants and donations worth almost EUR 4.5 million were awarded to 18 projects.

One of the most important projects is an international master's programme established at the University of Helsinki. It was initiated by the Foundation and helps attract foreign media specialists to Finland. On the other hand, it also enables Finnish students to create international networks at an early stage in their careers.

The University of Helsinki plans to merge this master's programme with the syllabus of communication studies by the end of 2016. The Foundation has provided support of EUR 1.6 million in total for the programme, and last year a follow-up grant of EUR 750,000 was awarded.

The Foundation has continued to support the further education of journalists in their mid-careers at top international universities, such as Fudan University in Shanghai, Columbia University in New York, and Freie Universität in Berlin. A total of 66 journalists have received grants for these programmes.

The Foundation has been delighted to note that the number of applicants has increased each year. Last year, there were 106 applicants.

International work and further study at foreign universities is surprisingly unpopular among researchers in communication. For example, to Stanford University, one of the top universities in the US and the whole world, the Foundation has given a grant to just one post-doc researcher.

In recent years, foundations have become used to dramatic fluctuations in the value of their assets and in dividends. The Helsingin Sanomat Foundation is no exception.

Despite economic uncertainties, the Foundation has reserved EUR 4 million for grants and journalists' fellowships to be awarded in 2013.



OPERATIONS

The Helsingin Sanomat Foundation is a privately owned, non-profit foundation which aims to safeguard the future of Finnish media, especially that of newspapers. The Foundation awards grants for research and education in the field of communication and organises contests. It also maintains the Päivälehti Archives and the Päivälehti Museum.

During the year 2012, the Foundation awarded a total of EUR 4,403,359 in grants and donations to 18 projects.

During the operating year, the Helsingin Sanomat Foundation was a member of the Council of Finnish Foundations and a post-doc pool. The Foundation rejoined the European Foundation Centre.

The Foundation has web pages in both English and in Finnish. The web pages of the Archives and the Museum are in Finnish, English and Swedish. The Foundation is also active in social media.

During the year, the Foundation organized six open seminars at the Päivälehti Museum, where the results of projects supported by the Foundation were presented.

In 2013, the Foundation will organize another Uutisraivaaja Innovation Contest. The results will be published in November 2013.

During 2012, 15 journalist Fellowship holders began further studies at top universities abroad with the support of the Foundation.

During the year, the Foundation, together with three other Finnish foundations established a scholarship programme at the Wilson Center in Washington. The Finnish Center for U.S.-European Programming promotes Finno-American dialogue at state level and in the areas of the economy, society, science, culture and communication.

The Päivälehti Archives collect and preserve documents and newspaper materials related to the activities of the Sanoma Group, its predecessors and founders. Most of the documents are in paper format, but the share of digital collections keeps increasing.

In order to improve the efficiency of research services and to ensure the survival of the materials, the materials of the Päivälehti Archives continued to be stored on microfilm and digitised. Digitised materials were transferred to electronic M-Files throughout the year under review.

In May, the historic archives of WSOY and Weilin+Göös, a total of 700 metres of shelf space, were transferred to the National Archives.

The Päivälehti Archives were visited by 607 researchers and guests during the period under review.

The Day of the Archives event was organized in November as usual, together with the Päivälehti Museum and the literary archives of the Finnish Literature Society. The theme was the archives of Kari Suomalainen and other cartoonists.

At the end of 2012, the Archives' collections included a total of 3,431 metres of shelf space containing documents.

The task of the Päivälehti Museum is to promote the literacy of the Finnish people, safeguard freedom of speech, and preserve the newspaper and printing history of Finland for future generations. In 2012, about 54,000 people visited the museum.

The main exhibition of the year was *Metka Matka ('Funny trip')* on 20 March–30 September, which focused on contemporary children's book illustrations. The items for the exhibition were chosen in the autumn from works received after an invitational contest in autumn 2011.

Another major exhibition during the year was *Oi aikoja*, *oi tapoja!* The World according to Kari Suomalainen ('O tempora, o mores') opened on 15 November 2012. It remained open until March 2013. Also, the Museum produced an exhibition on the history of typesetting and was involved in a joint Nordic exhibition that looked at cartoons as a data source for history studies.

During the year, a number of seminars, lectures, thematic events and work demonstrations were organized at the Museum. Particular emphasis was given to art workshops that improve children's handicraft skills.

The Museum has also participated in a three-year Nordic cartoon project and produced many related exhibitions, and international and national seminars. Funded by Kulturkontakt Nord, the project ended at the end of 2012.

During the year, the Foundation's Board decided on the renovation of the Päivälehti Museum by autumn 2014. Work began in the latter half of 2012. The revamped museum will be an interactive centre for events, focusing especially on the recent history and future of media, and on freedom of speech.

GRANTS AND DONATIONS

During the operations period 2012 the Foundation awarded a total of EUR 4,403,359 (EUR 4,349,370 in 2011) in grants and donations to 18 (27) projects (journalist grants and annual Helsingin Sanomat subscriptions are counted as separate projects). The largest single grant, EUR 1,506,500, was awarded to the Päivälehti-Helsingin Sanomat history project for the period 2012–2019.

The Foundation processed 104 grant applications during the year 2012 (2011:100), the total sum of which was EUR 12,871,948 (EUR 11,713,366).

There were no revoked grant monies (EUR 399,138). Grants entered as expenses on the balance sheet include tuition fees and exchange rate differences.

The grants were announced to the applicants in person, but they were also published on the Foundation's website.

During its years of operation (2006–2012) the Helsingin Sanomat Foundation has awarded a total of EUR 27,477,842 (2006–2011: EUR 23,074,483) in grants and donations to 208 (190) projects. In addition, the Foundation has supported the renovation of the Päivälehti Museum's permanent exhibition. During the Foundation's years of operation, the total sums of revoked grants has been EUR 573,095.

The Foundation supports research related to communications and the communications industry, especially future-oriented research and research that promotes the development of new innovations in the communications industry. In addition, the Foundation supports the international studies of journalists and post-doctoral researchers and professors in the field of communications.

When considering grant applications, the Board of Trustees assesses the importance of each project to the communications sector, the project content, the expected results and their significance, the research design and methodology, as well as the applicant's skills and the planned use of the funding.

For the year 2013, the Foundation has reserved EUR 4 million for grants and journalists' fellowships.

University of Helsinki, Department of Philosophy, History, Culture and Art Studies, Finnish and Nordic History Professor Markku Kuisma PÄIVÄLEHTI-HELSINGIN SANOMAT 1889 – 2019 HISTORY PROJECT

1,506,500€

University of Helsinki, Department of Social Research, Media and Communication Studies Professor Hannu Nieminen INTERNATIONAL MASTER'S DEGREE PROGRAM MEDIA AND GLOBAL COMMUNICATION Additional funding for the years 2014 – 2016.

750,000€

University of Helsinki and Youth Research Society Ph.D. Johanna Sumiala, Ph.D. Leena Suurpää SOCIAL MOVEMENT OF THE

YOUTH IN MEDIA SOCIETY

The multidisciplinary project explores the construction of youth-related social problems. The project compares suburban spaces in Helsinki and London, and the media in the two countries.

230,000€

Tampere Research Centre for Journalism,
Tampere Media and Communication (COMET)
Professor Heikki Luostarinen
THE CHANGING MEDIA ENVIRONMENT OF
CHILDREN AND YOUTH: A FOLLOW-UP STUDY,
PHASES 3 AND 4

The study analyzes how the media environment and media use of 5, 8, 11 and 14 year old children is changing. About 60 children are interviewed every third year. The phases 3 and 4 are conducted in 2013 and 2016. The study gives information how the media use and media environment of the same children change when they grow older, and how the media uses of given age groups are changing.

220,000€

Aalto University School of Business,

Department of Communication

Ph.D. Nando Malmelin

CREATIVE LEADERSHIP IN MEDIA MANAGEMENT

RETHINKING ORGANIZATIONAL CREATIVITY
IN MEDIA FIRMS FROM COMMUNICATIVE

AND COLLABORATIVE PERSPECTIVES

The research project investigates creative leadership in organizations and networks of media industry. The research explores organizational creativity as a strategic resource and an intellectual capital of media firms. Creative leadership is investigated especially from the perspectives of communication and collaboration. The aim is to execute both conceptual analysis and empirical case studies to create new theoretical models and practical methods for managing creativity in media industry.

190,000€

Tampere Research Centre for Journalism,
Tampere Media and Communication (COMET)
Ph.D. Laura Ahva
WORDS OF JOURNALISM STUDY (WJS) –
FINLAND 'S PART

International research endeavor that examines professional journalists in 80 different countries.

130,000€

University of Helsinki, Department of Social Research, Media and Communication Studies University Lecturer Anu Kantola MEDIA STRATEGIES: LEADERS, LOBBYISTS AND JOURNALISM

The project examines how the most influential Finnish institutions and their leaders and lobbyists practice media management and influence journalism. The projects studies by a media analysis how leaders use journalism in their reputation management and investigates by interviews the media strategies of leaders and lobbyists.

120,000€

Tampere Research Centre for Journalism, Tampere Media and Communication (COMET) Ph.D. Esa Reunanen

FROM BROADSHEET TO TABLOID

Finnish broadsheet newspapers are changing their format to tabloid. The project analyses format changes of Alma Media's northern newspapers and Helsingin Sanomat. The project consists of three working packages: 1) changes in the content, 2) the aims and results of the format change in the newsrooms, 3) the reception of the format change among the audience and the advertisers.

120,000€

Tampere Research Centre for Journalism,
Tampere Media and Communication (COMET)
Ph.D. Laura Saarenmaa
BOYS AND YOUNG MEN AS MEDIA AUDIENCES
Research project studies how boys and young men
use different media in Finland, and how media engages boys and young men as audiences and as citi-

109,400€

World Press Institute (WPI)
HELSINGIN SANOMAT FOUNDATION
FELLOWSHIP PROGRAM 2013 - 2015

80,000€

Ph.D. Liina Puustinen
London School of Economics and Political Science,
Department of Media and Communications, UK
Post Doctoral Researcher
TRUST IN ECONOMY IN LETTERS TO THE EDITOR

56,000€

University of Helsinki, Department of Social Research, Media and Communication Studies
Professor Hannu Nieminen
CHALLENGES OF CONVERGENCE TO EUROPEAN
MEDIA AND COMMUNICATION REGULATION:
A COMPARATIVE ANALYSIS (EU, BRITAIN AND FINLAND)

Research focuses both on the EU's regulative policies and on the Finnish and British developments. Project will be conducted in the University of Westminster where the applicant will be a visiting scholar.

46,200€

Pekka Pekkala How to keep journalism profitable

43,000€

University of Helsinki,
Department of Social Research
Communication Research Centre CRC
Ph.D. Juha Herkman
THE EURO CRISIS, MEDIA COVERAGE, AND
PERCEPTIONS OF EUROPE WITHIN THE EU
A comparative research project of media coverage on
Euro Crisis in ten EU-countries. The project is directed by the Reuters Institute for the Study of Journalism (University of Oxford). Communication Research Centre (CRC) at the University of Helsinki runs
the Finnish sub-study in the project in 2012-2013.
35,000 €

UNESCO/

Guillermo Cano World Press Freedom Prize

The prize was created in 1997. Each year the prize honours a person, organization or institution that has made an outstanding contribution to the defence and/or promotion of press freedom anywhere in the world. The Prize is named in honour of Guillermo Cano Isaza, a Colombian journalist who was assassinated in Bogotá, on 1986. The prize is given by UNESCO's DG on the occasion of the World Press Freedom Day which is celebrated on 3 May.

22,035€

Sami Sillanpää Book of Chinese Democracy activists 21,500 €

Donations

A one-year subscription to Helsingin Sanomat for the top graduates in Finnish-language study at every Finnish high school

98,245€

Fellowship programs

Kirsi Hakaniemi, Jarkko Jokelainen,
Mirjami Saarinen
REUTERS INSTITUTE FOR THE STUDY
OF JOURNALISM, THE UNIVERSITY OF OXFORD

Veera Luoma-aho International visiting scholars program, uc berkeley

Kari Rintakoski
USC ANNENBERG SCHOOL FOR COMMUNICATION
AND JOURNALISM

Inka Kovanen, Eeva-Liisa Pere EUROPÄISCHE JOURNALISTEN FELLOWSHIPS - PROGRAM, FREIE UNIVERSITÄT BERLIN

Jenny Matikainen FUDAN UNIVERSITY, SHANGHAI

Olavi Koistinen
WORLD PRESS INSTITUTE, WPI FELLOWSHIP
PROGRAM FOR INTERNATIONAL JOURNALISTS

Piia Elonen, Juha Kauppinen, Katja Kuokkanen, Esa Mäkinen, Mikko Numminen SUMMER INVESTIGATIVE REPORTING COURSE, COLUMBIA UNIVERSITY GRADUATE SCHOOL OF JOURNALISM

Donations total	98,245€
Fellowships total	625,479€
Grants total	3,679,635€
Total of all grants and donations	4,403,359€

FINANCIAL AND INVESTMENT ACTIVITIES

Actual operating costs during the year were EUR 6,812,558 (EUR 6,280,884 in 2011),of which EUR 4,403,359 were for grants and fellowships (EUR 3,963,514). During the reporting period, EUR 815,787 was paid in salaries and wages (EUR 878,422). The Foundation did not receive subsidies or grants in 2012 (in 2011, the Foundation received a subsidy of EUR 10,000 towards the museum's exhibition expenses, as well as a grant of EUR 17,500 for arranging the archive of author correspondence for the Päivälehti Archives). The deficit for the reporting period was EUR 1,894,342 (EUR 42,193,749). The Foundation carries a debt of EUR 5,811,034 (EUR 4,806,664), of which unpaid grants and fellowships accounted for EUR 5,626,434 (EUR 4,561,823).

The accounting and recognition principles for shares and fund units were amended. During the financial period, the Foundation adopted the fair value approach in the appreciation of financial instruments, as provided for in section 5(2a) of the Accounting Act . The comparison data has been revised in the balance sheet figures for 2011. Fund units are entered in non-current assets. Changes in value are presented under equity capital in the fair value reserve. Shares and investment fund units are valued at market value on the closing date, with the exception of real estate shares, which are valued at acquisition price. Comparison data has been revised to comply with the new method, which is why the adjustment made to the fair value reserve on 31 December 2011 also includes increases in value worth EUR 963,651.18.

The Foundation's income statement for 2011 has not been adjusted, which means that the results for the 2012 and 2011 financial years are not comparable.

The objective of the change is to allow the income statement to better depict the Foundation's income creation. Short-term changes in the value of investments do not have a substantial impact on the Foundation's activities.

The net income from investments and financial activities was EUR 4,918,216 (2011: net loss was EUR –35,912,865, including changes in value worth –44,303,072). Dividend income from Sanoma Group of EUR 3,420,942 (EUR 6,271,727) and the pay-out of mutual funds in the amount of EUR 1,243,660 (EUR 1,270,341) were the largest

income items. Total income was EUR 4,967,213 (EUR 8,871,980). The change in the value of investments in the fair value reserve was EUR -58,204,621 (EUR -54,379,798). This was mostly due to the change in the value of Sanoma shares. The book value of Sanoma shares was determined at the end of 2006, when the Helsingin Sanomat Foundation was founded by merging the Helsingin Sanomat Centennial Foundation with the Päivälehti Archives Foundation.

At the turn of the year, the market value of the Foundation's assets was EUR 95.0 million (EUR 99.6 million). The share of listed equities accounted for 86% (86%) of the assets, properties 7% (7%), and fixed income investments for 7% (7%). The portion of Sanoma shares of total assets was 45% (51%). No substantial changes were made in asset allocation during the year.

The market return of the securities portfolio in 2012 was 1.1% (-28.9%). The return on Sanoma shares was -9.8% (-40.5%), and the total return on other investments was 13.8% (-6.8%).

Assets have been managed and investments have been made in line with the investment policy approved by the Board of Trustees. Matters related to investments have been processed by the Financial Committee.

The goal of the Foundation's investment activities is to preserve and increase the capital over the long term as well as to ensure the continuation of the core activities through a stable cash flow and sufficient liquidity. Our investment horizon is long term, which is why our investment strategy is heavy on shares. The domestic and international economic situations are reflected in the Foundation's investments. The risks of investment activities are connected to the development of the market value of Sanoma Group's shares and the company's ability to pay out dividends, as well as to the general development of financial markets and the economy.

Accounting and cash management services were provided by the Financial Shared Services Centre of the Sanoma Group.

INCOME STATEMENT

In EUR	1.131.12.2012		1.131.12.2011	
REGULAR OPERATIONS				
PROMOTION OF RESEARCH ACTIVITIES				
Income				
Expenses				
Grants distributed	4305114		2741631	
Uutisraivaaja project	0		363 282	
Donations	98 245		1257740	
Returned/cancelled grants	0		-399138	
Share of personnel expenses	203 803		221798	
Depreciation	7071		8 6 2 6	
Other expenses	277 961	4892195	210308	4 404 245
Deficit for research activities		-4892195		-4404245
MUSEUM AND ARCHIVE ACTIVITIES				
Income		8 791		35 200
Expenses				
Grants				
Share of personnel expenses	732 457		760736	
Depreciation	106120		108918	
Other expenses	1015031	1853607	969 405	1839059
Deficit for museum and archive activities	-	-1844816		-1803859
OVERALL EXPENSES				
Income				
Expenses				
Personnel expenses	974 976		1022963	
 transferred for operations 	-936 260		-982 534	
Depreciation	1414		1725	
Other expenses	35416	-75 547	30626	-72779
Total deficit		-75 547		-72779
Expense deficit		-6812558		-6280884
FUNDING				
Income		0		0
Income surplus		0		0
investment and financial activ	'ITIES			
Income		4 967 213		8871980
Change in value		0		-44 303 071
Expenses		-48 997		-481773
Income surplus		4918216		-35912865
Surplus/deficit for the year	······································	-1894342		-42 193 749

The accounting information given in the Annual Report is an abridged statement. The statement presented here does not include all of the bookkeeping information. Figures are presented to the nearest euro.

BALANCE SHEET

In EUR	31.12.2012		31.12.2011	
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	0		2 693	
Other long-term expenditures	218330	218 330	289110	291 803
Tangible assets				
Machinery and equipment	101846		113763	
Other tangible assets	1440850	1542696	1440850	1554613
Investments				
Other stocks and shares		95 009 117		99 456 585
Non-current assets total		96 770 143		101 303 001
CURRENT ASSETS				
Inventories		6 4 3 6		7871
Receivables				
Current				
Other receivables	0		38	
Accrued income	93 117	93 117	102860	102898
Securities		0		0
Cash and cash equivalents		33 784		185 877
Current assets total		133 336		296 646
Assets total		96 903 479	·····	101 599 647
LIABILITIES				
CAPITAL				
Restricted capital				
Fund capital		1000000		1000000
Unrestricted capital				
Usage capital		145 786 455		145 786 455
Fair value reserve		-58 204 621		-54379798
Surplus/deficit from previous periods		4346743		-8802958
Surplus/deficit for current period		-1894342		-42 193 749
Total capital		91 034 236		96753400
LIABILITIES				
Current				
Trade payables	36 534		15 263	
Other liabilities	21675		24321	
Accrued expenses	5811034	5 869 243	4806664	4 846 247
Total liabilities		5 869 243		4846247
Liabilities total		96 903 479	<u>.</u>	101 599 647

The accounting information given in the Annual Report is an abridged statement. The statement presented here does not include all of the bookkeeping information. Figures are presented to the nearest euro.

ADMINISTRATION AND PERSONNEL

During the year, meeting fees of EUR 12,000 in total were paid out to members of the Board and Committees. Fees are paid for each meeting specifically and only to those members who attend.

The Board of Trustees and President

The Foundation's Board of Trustees consisted of Janne Virkkunen, chairman; Reetta Meriläinen and Matti Sintonen, vice chairpersons; and members Kaius Niemi, Liisa Välikangas and Jyrki Ali-Yrkkö. The Board's first deputy member was Merja Karhapää, and the second deputy member was Elina Lehtinen.

Heleena Savela served as the president of the Foundation and as the presenting official to the Board of Trustees. Ulla Koski, the vice president of the Foundation, served as the Board's secretary.

The Board convened four times during the reporting period.

In May, the Board of Trustees made a study trip to China. During the trip, the Board visited, for example, the CUC (Communication University of China) in Beijing and Fudan University in Shanghai.

In September, the Board met for a day to discuss the Foundation's vision, during which the Foundation's strategy for the period 2013–2017 was clarified.

The Working Committee

The Working Committee consisted of members Janne Virkkunen (chairman), Reetta Meriläinen, Matti Sintonen and Heleena Savela. Ulla Koski served as the committee's secretary. The Working Committee met three times during the period under review.

The Finance Committee

In the year 2012, Nils Ittonen served as the chairman of the Finance Committee. The other members were Heleena Savela, Matti Sintonen, and Janne Virkkunen. Ulla Koski served as secretary at the committee's meetings. The Finance Committee met five times during the year.

The Scientific Committee

The task of the Scientific Committee is to assist the Board of Trustees in evaluating grant applications. The members of the Scientific Committee

were Professor Colin Sparks of Hong Kong Baptist University, Professor Thorsten Quandt of the University of Münster, and Hanna Rajalahti, Ph.D., the managing editor of the magazine Talouselämä. Representing the Foundation on the Scientific Committee were Matti Sintonen (chairman), Heleena Savela and Ulla Koski (secretary). The Committee met once during the year. The meeting was held in Oxford in June.

Personnel

During the financial year 2012, the Foundation had 12 full-time employees with regular employment contracts.

The Foundation operates in three locations: The Sanomatalo building, where activities concentrated on the Foundation's grant operations; Korkeavuorenkatu, where the Päivälehti Archives are located; and Ludviginkatu, where the Päivälehti Museum is situated.

Auditors

Johanna Perälä, CA, and Samuli Perälä, CA, served as auditors. Juha Tuomala, CA, and Henrik Sormunen, CA, were the deputy auditors.



Board of Trustees 2012 from left: Kaius Niemi, Liisa Välikangas, Janne Virkkunen, Jyrki Ali-Yrkkö, Matti Sintonen, and Reetta Meriläinen.