

TALENTUM OYJ ANNUAL REPORT 2001





INFORMATION FOR SHAREHOLDERS

SHARES

Talentum Oyj shares are quoted on the Main List of the Helsinki Exchanges. The company has a market-making agreement with Nordea Securities Ltd.

A list of the major shareholders of Talentum Oyj is on page 37 of this annual report. The share register is maintained by Finnish Central Securities Depository Ltd. All public information concerning the company's shares and a register of those with insider information is available at Finnish Central Securities Depository Ltd.

DIVIDEND

The Board of Directors proposes that a dividend of € 0.10 be paid for 2001. The date of record for dividend payment is 2 April 2002 and payment shall be made as of 9 April 2002.

ANNUAL GENERAL MEETING

The Annual General Meeting of Talentum Oyj will be held on Monday, 25 March 2002 at 2 p.m. at Satakuntatalo, Lapinrinne 1 A, Helsinki.

Shareholders wishing to attend the AGM must notify the company's office thereof no later than 4 p.m. on Thursday, 21 March 2002, either in writing to Talentum Oyj, Share Register, P.O. Box 920, FIN-00101 Helsinki, Finland, or by telephone to

(+358 9) 1488 0252, or by e-mail to info@talentum.fi. Letters must arrive by the deadline. Please send any proxy documents with the notification of attendance.

FINANCIAL INFORMATION IN 2002

Talentum Oyj will publish quarterly financial information in 2002. The interim reports will be published on 25 April, 8 August and 24 October.

Annual reports and press releases can be ordered from Talentum Oyj, Communications, P.O. Box 920, FIN-00101 Helsinki, Finland and by e-mail from info@talentum.fi.

The annual report and the company's releases can also be read on our website, www.talentum.fi.

SHARE AND SHAREHOLDER REGISTER

Talentum Oyj's share and shareholder register is maintained by Finnish Central Securities Depository Ltd.

Shareholders should notify changes of holdings, personal details and addresses and to organization that maintains their book-entry account.

CONTENTS

Talentum Oyj's strategy is to produce high-quality *content and marketing services* for the target segments we have selected.

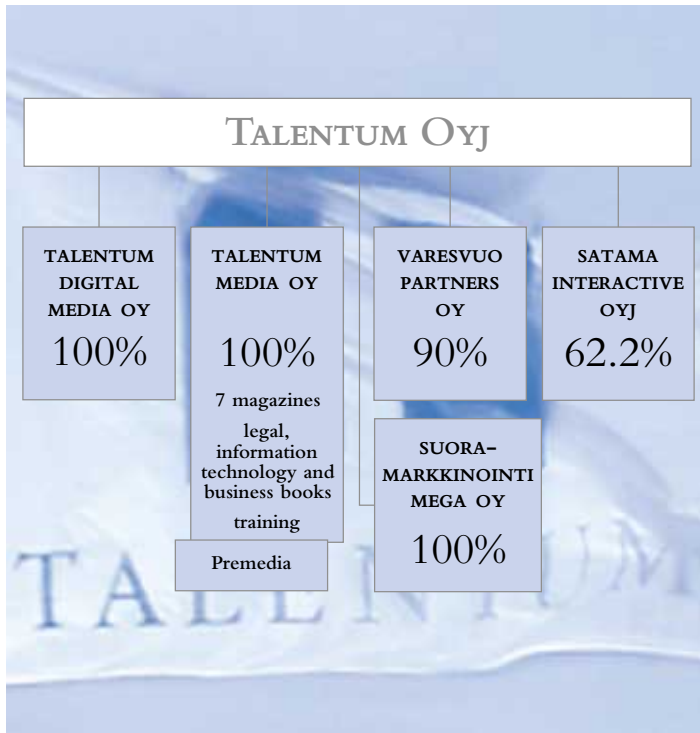
The distribution channels we use are *printed matter, networks and television* in such way, that they provide mutual support and underpin our brands.

Our operations give a high priority to *professional communications.*

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OVERVIEW OF THE GROUP



- Talentum Oyj is the Group's parent company and its shares are listed on the Main List of the Helsinki Exchanges.
- Talentum Media Oy was formed in 2000 by the merger of Talentum's magazine and journal publishing and Kauppakaari's book publishing. Talentum's titles are Talouselämä, Markkinointi & Mainonta, Tekniikka & Talous, Metallitekniikka, Tietoviikko, MikroPC, and Mediutiset, which is published through a subsidiary. Kauppakaari is the market leader in legal publishing, and each year its publications include the national statute books Suomen Laki I and II. Kauppakaari's other area of strength is information technology books, published under the name Satku. The publishing of business books is a growth area. The Lakimiesliiton Koulutus training unit mainly organizes training for legal professionals.
- Talentum Digital Media Oy, founded in 1999, is responsible for developing and maintaining Talentum's Internet services and for selling electronic content. Its most important service is the Talentum.com service network for professionals.
- Satama Interactive Oyj, in which Talentum has a 62% stake, is an Internet business consulting and planning firm. Satama has subsidiaries in Sweden, the Netherlands and Germany.
- Suoramarkkinointi Mega Oy, a wholly-owned subsidiary of Talentum Oyj, is a telemarketing company specializing in sales of publications. Mega also operates in Estonia and Latvia in addition to Finland.
- The Varesvuo Partners Oy Group's main lines of business are advertising film and TV programme production. Talentum has a 90% holding in Varesvuo Partners Oy.
- Reprstudio&Heku Oy, Offset-Kopio Oy and Oy Lito-Scan Ab, which operate in the premedia business, are among the leading companies in Finland in their field. In 2002 a new subsidiary of Talentum Oy, Talentum Premedia Oy, will be founded and Reprstudio&Heku Oy, Offset-Kopio Oy and Oy Lito-Scan Ab will become subsidiaries of this company.



YEAR 2001 IN BRIEF

- Talentum's turnover has tripled in four years and Talentum's equity ratio has remained above 60%.
- Minor, unprofitable business operations, or those not belonging to Talentum's strategy, were sold and discontinued.
- Talentum Media's profitability remained good, even though advertising revenue declined by 19% in a difficult market climate. The steady, good profitability of book publishing supported the result in adverse economic conditions.
- Despite a difficult market situation, the Mediutiset magazine made a breakthrough and became profitable two and a half years after it was founded.
- Talentum.com was published in May. The number of visitors increased and the weekly newsletters gained new readers.
- Satama's operations developed positively and its market position strengthened. The loss was substantially reduced and operational cash flow was positive.
- Suoramarkkinointi Mega Oy's operations remained very profitable, and Mega expanded its operations in the Baltic states, a rapidly growing market.
- New significant structural changes were made in Premedia, such as the acquisition of Alprint's prepress functions and cooperation with Erikoispaino Oy and JCDecaux Finland Oy.
- Talentum increased its ownership of Varesvuo Partners Oy to 90% and the company became part of the Talentum Group at the beginning of 2002. Varesvuo Partners strengthened its expertise and market position through corporate arrangements and acquisitions.
- Alma Media Oyj became Talentum Oyj's biggest shareholder, with a 32.8% holding, in March 2001.

KEY INDICATORS FOR THE GROUP

€ million	2001	2000
Turnover	106.7	117.3
Operating profit	-6.4	8.5
Financing items	1.7	1.4
Profit before extraordinary items and taxes	-4.7	9.9
Net profit for year	-2.2	12.7
Gross investments	8.1	29.4
Shareholders' equity + minority interest	58.1	64.8
Equity ratio, %	66.8	60.5
Net gearing, %	-39.0	-39.1
Balance sheet total	87.0	107.2
Earnings per share, €	-0.06	0.85
Dividend per share, €	0.10	-
Average number of personnel	1,197	1,228
Turnover per employee (€ 1000)	89	96



MANAGING DIRECTOR'S REVIEW

During 2001 the focus of operations was on improving profitability following a period of growth. Investments in Internet operations had facilitated rapid growth, as a consequence of which Talentum's turnover tripled in four years. In addition to growth, the establishment costs relating to Internet operations caused heavy losses, which resulted in Talentum Group as a whole recording an operating loss. Restoring the financial soundness of Internet operations was the primary task of the past year, because their losses were relatively large at a time when basic business operations were for the most part doing well.

We sold *Bisnes.fi* magazine, merged the IT-Kanava publication into Tietoviikko, and disposed of the Estonian legal publisher Juura Õigusteabe AS. We also disposed of KB-Tuote Oy and the Kielipiste operations because they did not fall within the scope of Talentum's core business.

The cessation of Finland's economic growth and the downturn in the advertising market in the late spring made hopes of a return to profitability during the autumn difficult to fulfil. There were sharp falls in job recruitment ads and IT sector advertising in particular. Recruitment advertising in the technical sectors declined by up to 70 per cent during the year, which made itself felt in a clear fall in Talentum's advertising revenue. A positive exception was the *Mediutiset* magazine, whose advertising revenue grew by

over 40 per cent. The publication's profitability was good in its third year of operation.

Due to market conditions we decided in the summer to adjust our cost levels to the prevailing situation. We succeeded in achieving our set targets, and the profitability of magazines even improved towards the end of the year. This reflects Talentum employees' exceptionally good understanding of the hard facts of economic life and the organization's excellent capacity to react quickly.

The profitability of book publishing and direct marketing operations remained good and their lower sensitivity to the economic cycle came into the fore as advertising revenue declined.

Although the profitability of the Talentum Group improved more slowly than was hoped due to the recession, the future trend is positive. Satama Interactive Oyj's operations in Finland, Sweden, the Netherlands and Germany improved as the year went on, and the closure of the UK and US offices revived operations at the end of the year. Satama's operational cash flow turned in a positive direction. At the beginning of 2002, Satama's operations have stabilized: the company in Finland is highly profitable, it is the clear market leader, and the company's continually growing expertise and foreign subsidiaries also enable it to serve large multinational customers. We expect Satama to make a positive result in 2002.

The Internet service Talentum.com was launched in the spring. Internet services are now clearly linked to the core operations of magazines and books. Visitor numbers to the website grew during the year and cost levels fell considerably. Revenues, however, are not yet sufficient for profitable operations. Talentum.com is developing a service for well-educated professionals, which we believe will achieve a strong market position during 2002, leading in turn to an improvement in profitability. These Internet services give clear support to magazine and book publishing operations, enabling us to significantly improve service to our selected target groups.

The premedia sector's market position strengthened during the year. Structural changes, long-term cooperation agreements and advertising material management solutions that exploit the Internet provide good reasons to assume the sector's turnover will grow in 2002 and 2003, and that profitability will improve at the end of the current year.

The TV programme and advertising film production company Varesvuo Partners Oy became a Talentum Group company at the beginning of 2002. Although 2001 was not a good one for Varesvuo Partners in terms of results, we increased our ownership to 90 per cent because the company has lots of talent, and prospects in the longer term are promising.

2001 required from all Talentum employees much work and joint effort, for which I wish to extend my thanks to everyone. Now all of our business units are in good shape and the new year has started according to plan. Talentum's profitability will improve in 2002 and we have everything necessary to succeed in the coming years in a highly volatile and interesting competitive media environment.

Harri Roschier



MAGAZINE AND BOOK PUBLISHING

MAGAZINE PUBLISHING

The turnover of Talentum's magazine publishing totalled € 37.2 million (€ 41.5m) and operations were profitable. Every Talentum magazine's goal is to be the Finnish market leader in its own field.

Talentum Media publishes seven magazines as well as the corresponding seven websites connected with these magazines. The magazines' target groups are engineers, economists, lawyers, doctors as well as advertising, marketing and IT professionals.

In 2001 the general economic climate led to a contraction in the advertising market, and the advertising revenue of Talentum's magazines also declined. In magazine publishing many measures were taken to maintain profitability. The IT-Kanava magazine was first transferred to become a supplement of Tietoviikko magazine and later, at the end of the year, its publication was halted. The Bisnes.fi magazine was sold and its editorial staff transferred to the service of a new publisher.

The Internet services of Talentum Media's magazines are part of the business service Talentum.com, and the editorial staff cooperate closely in developing the services.

TALOUSELÄMÄ is the leading weekly business journal in the Nordic region, offering topical analysis and screening of the essential changes in business life. Talouselämä's renowned special issues include Finland's Top 500 Companies and Growth Companies. In December

2001 Talouselämä launched a new special issue, Trends. At the same time the magazine was given a clearer design and its internal organization improved. December also saw the launch of Talouselämä's redesigned Internet service, www.talouselama.fi.

MARKKINOINTI & MAINONTA and its website www.marmai.fi monitor the dynamics of business life from the marketing perspective. M&M has grown to become the Finnish marketing sector's unsurpassed news magazine and provider of background information.

M&M's main content fields are marketing, advertising, sales, media trends and trend-setters. Wide-ranging reports, such as the Top 100 Media Companies, Media Decision-Makers, and an extensive brand issue are among the sector's most awaited information packages. M&M is packed with youthful energy.

In February **TEKNIikka & TALOUS** renewed both its content and its design to mark its 40th anniversary. Readers gave the new-look magazine a positive reception. The redesign, plus the magazine's status as a reporter of high technology and industry, pleased readers and advertisers. The circulation and readership of Tekniikka & Talous are rising. In the advertising market the magazine did well, even though the recession resulted in a sharp dip in recruitment advertising.

MAGAZINE AND BOOK PUBLISHING

Last year Tekniikka & Talous produced three extra Tuesday issues in addition to special theme issues. The first of these was a Tekniikka & Talous May Day issue, followed by Cars & Transport, and Automation.

METALLITEKNIikka is a professional journal for metal industry decision-makers and production experts. It is published 11 times a year. In addition, the magazine produced the Alias events publication that appeared daily at the Tampere Subcontracting Fair.

Metallitekniikka has made good progress in recent years and it occupies a strong position among experts in the sector. Metallitekniikka's circulation is 8,522, up from 7,914 the previous year.

MEDIUUTiset is Finland's only independent news journal for health-care professionals. Mediuutiset made a breakthrough in 2001 and its advertising sales rose by 40% despite the difficult market situation.

In a readership survey conducted in spring 2001, doctors considered Mediuutiset to be the best read among the professional journals directed towards them. Mediuutiset's page numbers and advertising volumes grew strongly during 2001. In 2001 Mediuutiset published seven theme supplements, which were inserted between the pages of the journal. The innovation was positively received among readers and advertisers.

MIKROPC is a specialist information technology magazine. Its strength is in-depth, detailed equipment tests and product comparisons.

MikroPC and MikroPC.net continued to be developed together. In its Internet service MikroPC opened an article archive to all subscribers and also became the first magazine in Finland to introduce a system in which a password obtainable by phone for a fee allows the content archives to be accessed by people other than the magazine's subscribers.

MikroPC achieved a record 8,000 new readers (KMT1/01 242,000 readers) during 2001. During the autumn the weekly number of visitors to the magazine's website MikroPC.net rose by over 50% on the previous year to more than 12,000 visitors. The number of people registered to the Internet service continued its steady growth.

TIETOVIIKKO is an IT news journal which monitors companies' business activities and trends in technology. It also monitors the impact of IT solutions on change processes and their economic consequences. Tietoviikko conducts numerous annual surveys and analyses, and published special issues such as the 200 Top IT Companies in Finland. Tietoviikko's annual salary survey attracts considerable publicity when it is published.

At the beginning of 2002, Tietoviikko concluded an agreement with the Finnish Broadcasting Company's YLE24 digital TV channel according to which Tietoviikko's editorial staff will start to produce daily IT sector news and views for the digital channel.

URATIE (Career Path) is a weekly supplement published in the Tekniikka&Talous and Tietoviikko journals that features all the top industrial situations vacant advertisements. Uratie is a strong recruitment medium, and the job vacancy advertisements can also be read on the Internet website Uratie.net. In addition to job vacancy advertisements, the Uratie supplement also reports on career choices and aspects of recruitment, which gives the supplement additional interest.

The general slow-down and the problems of the IT sector led to a sharp fall in the recruitment of technical staff, which was apparent in a decline in Uratie's advertising volumes.

BOOK PUBLISHING

Book publishing turnover totalled € 10.6 million (€ 10.6m) and operations were profitable.

Talentum Media publishes books in three different product lines: legal publications (Lakimiesliitto), business literature (Kauppakaari) and information technology books (Satku). Book publishing also focuses on digital services as well as the direct sale of books via the Internet. Kauppakaari also provides access to its legal databases on the Internet.

In 2001 Kauppakaari published a total of 146 titles, of which 95 were legal books, 23 were business publications and 28 were IT books.

Kauppakaari is the market leader in legal publishing. In addition to law books and special editions, its publishing programme also includes commentaries, textbooks, handbooks and doctoral theses. Very successful works include Heikki Harjula's and Kari Prättälä's Kuntalaki - taustat ja tulkinnat (Municipal Law - Background and Interpretations), Juha Lappalainen's Siviiliprosessi II (Civil Process II), Mika Hemmo's Pankkioikeus (Banking Law) and Pirkko Haarmann's Immateriaalioikeuden oppikirja (Intellectual Property Rights Manual).

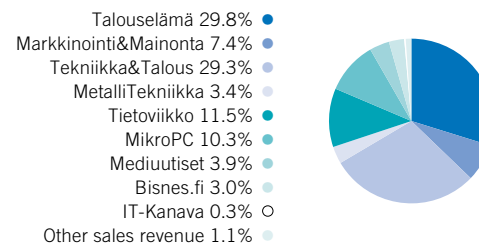
A number of works are also available in digital form as CD-ROMs and online services, e.g. the national statute books Suomen Laki and Finlands Lag.

Business literature covers subjects such as management, marketing, employment and payroll administration, accounting and taxation. Mika Kamensky's Strateginen johtaminen (Strategic Management) and Pentti Sydänmaanlakka's Älykäs organisaatio - tiedon, osaamisen ja suorituksen johtaminen (The Intelligent Organization - Managing Knowledge, Know-How and Performance)

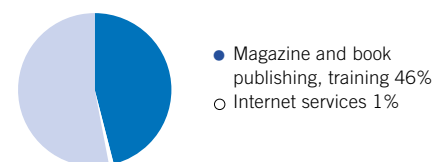
KEY FIGURES

	2001	2000	Change, %
TALOUSELÄMÄ			
Editor-in-chief Pekka Seppänen			
Issues per year	43	43	
Circulation	78,804	77,391	+ 1.8
Turnover, € million	11.3	12.4	- 8.9
Advertising sales	1,287 p.	1,483 p.	-13.2
MARKKINOINTI&MAINONTA			
Editor-in-chief until 31 January Petri Saraste			
As of 1 February Seppo Määttänen			
Issues per year	43	43	
Circulation	12,479	12,449	+ 0.2
Turnover, € million	2.8	2.8	0
Advertising sales	473 p.	580 p.	-18.4
TEKNIikka&TALOUS			
Editor-in-chief Heikki Vuonamo			
Issues per year	48	45	
Circulation	100,481	96,101	+ 4.6
Turnover, € million	11.1	13.3	-16.5
Advertising sales	706 p.	1,661 p.	-57.5
METALLITEKNIikka			
Editor-in-chief Mika Hämäläinen			
Issues per year	11	11	
Circulation	8,522	8,207	+ 3.8
Turnover, € million	1.3	1.3	0
Advertising sales	367 p.	378 p.	- 2.9
TIETOVIIKKO			
Editor-in-chief Timo Tolsa			
Issues per year	48	45	
Circulation	41,000	40,000	+ 2.4
Turnover, € million	4.4	5.2	-15.4
Advertising sales	983 p.	975 p.	+ 0.8
MIKROPC			
Editor-in-chief Kari Tyllilä			
Issues per year	20	20	
Circulation	34,551	36,909	- 6.4
Turnover, € million	3.9	4.3	- 9.3
Advertising sales	354 p.	519 p.	-31.8
MEDIUUTISET			
Editor-in-chief Pentti Kiiski			
Issues per year	22	22	
Circulation	22,000	23,700	- 7.2
Turnover, € million	1.5	1.0	+50.0
Advertising sales	509 p.	343 p.	+48.4
BISNES.FI, Sold to another publisher 7 September 2001			
Issues per year	9	12	
Circulation		13,184	
Turnover, € million	1.1	1.6	-31.3
Advertising sales	157 p.	347 p.	-54.8

TURNOVER OF TALENTUM'S MAGAZINES, 2001



SHARE OF TALENTUM GROUP'S TURNOVER



KEY FIGURES

€ million	2001	2000	Change, %
MAGAZINE AND BOOK PUBLISHING, AND TRAINING			
Turnover	49.7	54.0	-8.0
Operating profit*)	5.9	7.1	-16.8
Employees (average)	269	299	-10.0
*) net of non-recurring items			
INTERNET SERVICES			
Turnover	1.6	2.3	-27.5
Operating profit	-3.0	-3.4	+11.6
Employees (average)	33	50	-34.0

achieved record sales for the second successive year. Jim Collins's work *Hyvästä paras* (Good to Great), which has attracted attention around the world, was published in Finnish at the same time as it appeared in the United States, in November 2001.

In 2001 Satku published 28 information technology books, of which 12 were translations and the others Finnish originals. The bestsellers of the year were *Office 2000 Pikaopas* (Quick Guide to Office 2000), *Seniorien tietokoneopas* (Computer Guide for Seniors) and *Hakkeroinnin torjunta* (Hacker Prevention), which was sold out within a few months. Satku operates in cooperation with, among others, Microsoft Press, Novell Press, IDG Books and Wiley.

In July, Talentum Media sold the Estonia legal publisher Juura Õigusteabe AS.

TRAINING

The turnover of the training unit totalled € 1.9 million (€ 1,9) and operations were profitable.

Talentum's training unit, *Lakimiesliiton Koulutus*, organized 90 training sessions during the year, most of which were for legal professionals. Other important target groups are corporate personnel and financial administration staff as well as secretaries and assistants. In 2001 *Lakimiesliiton Koulutus*, in cooperation with the IPR University Centre, created an advanced training programme in intellectual property rights, *IPR Expert 2001*. Despite the anticipated weaker demand in the autumn, the training unit exceeded its target for the whole year.

In August Talentum Media sold its language teaching operations, carried out under the commercial name *Kielipiste*, which had become part of the Group when Talentum Oyj and Kauppakaari Oyj merged in 2000.

INTERNATIONAL COOPERATION

Talentum Media is also involved in legal publishing in Sweden and Russia.

The company's information technology magazines and journals cooperate extensively with the world's largest IT publisher, International Data Group (IDG), particularly in magazine editing and advertising marketing. Talentum Media's magazines produce news for international distribution and themselves receive material for an international network. The company also has a book publishing agreement with IDG Books. IDG operates in 80 countries and thus its worldwide expertise also passes into Talentum's publications.

Talentum Media and the Swedish company *Medicine Today International AB* each own a 50% stake in *Oy Mediutiset Ab*, which publishes the journal *Mediutiset*. *Mediutiset* has sister publications in 5 countries.

INTERNET SERVICES

TALENTUM DIGITAL MEDIA OY

Talentum Digital Media Oy's turnover totalled € 1.6 million (€ 2.3m) and an operating loss of € 3.0 million was recorded.

For Talentum Digital Media Oy, 2001 was a year a major change. In the spring the company acquired its present name (formerly *WOW-verkkobrandit Oy*) and launched its business service *Talentum.com*. The company cut its costs and streamlined its service provision. The visitor-volume measuring service *Web Traffic Monitor* was sold to *Taloustutkimus Oy* and *Nordic Wireless Watch* was sold to *Avara Media Oy*.

Talentum.com is a network of target group services, the backbone of which consists of the Internet services of Talentum Media's six magazines, services related to Kauppakaari's books, the *Osaketieto*, *Uratie.net* and *Duuni.net* websites, plus *Talentum.com*'s own editorial content.

Talentum.com's visitor volume grew during 2001. In November alone the service was visited by over 133,000 different people. In addition, newsletter subscribers exceeded 50,000 at the end of the year.

Talentum.com became the first service in Finland to publish a product family, named *3 min.*, of html-based newsletters. The product family includes eight newsletters, published daily or weekly, relating to magazines or certain subjects.

December saw the opening of the *Talouselämä* magazine's revamped Internet service, which is free to *Talouselämä* subscribers. *Talentum.com* has cooperation agreements with The Finnish Association of Graduates in Economics and Business SEFE and The Finnish Association of Graduate Engineers TEK. The number of visitors to *Talentum.com* is expected to grow strongly in 2002.

During 2001 the development of Internet advertising was weaker than in the previous year. The fall in job vacancy advertising also had an impact on the company's earnings in the latter part of 2001. Internet advertising is expected to pick up and return to a growth trend during 2002.

During 2002 *Talentum.com* will continue to develop through services such as the *Osaketieto* share-information site for active investors, the *Tekniikka & Talous* Internet service for engineers, Kauppakaari's legal network service for lawyers, and organizational services for professional groups. News and information services directed at companies will also be developed and service provision expanded. News and information services will include, for example, *Osaketieto*'s market and company analyses, company intranet solutions such as sector news, customer, competitor and sector monitoring, news retrieval agents, *Talouselämä*'s company information service and the Talentum magazine archive.



INTERNET CONSULTING

SATAMA INTERACTIVE OYJ

The turnover of Satama Interactive Oyj was € 28.8 million (€ 30.1m) and the operating loss was € 9.7 million. Satama's operations developed positively and its market position strengthened. The loss was substantially reduced and operational cash flow was positive.

Satama Interactive Oyj is an Internet consulting company whose main task is to help its customers build better customer relationships by utilizing digital channels. Satama's objective is to strengthen its position as a leading Internet consulting company in Finland and to gain a foothold as a significant service provider for companies operating in the mobile sector in Europe.

Satama's main goal for 2002 is to bring its profitability up to the Group level. Satama believes that no significant changes are likely to occur in the market to prevent it achieving this goal. Satama has operations in Sweden, Germany and the Netherlands, in addition to Finland.

International operations account for 30% of Satama's turnover. The sales and profitability of foreign units were disappointing and in February Satama closed its office in the United Kingdom. The problems of the US office grew as the year went on and in October the decision was taken to close the office. Satama's Finnish operations are profitable.

In 2001 Satama's strategy focused on profitable growth and the organization was changed to correspond better with strategic ob-

jectives. Finnish operations were separated into their own company, Satama Finland Oy, and Mediatyhtiö Sansibar became Satama Tampere Oy. In Germany OWD Online Werkstatt Düsseldorf GmbH and tro new media GmbH were merged and the name Satama Deutschland GmbH was adopted by the company.

In June, Satama sold 7,100 shares of First Hop Oy, its then associated company, bringing Satama's holding down to 8.8%. In November Satama decided to sell a 25% holding of the Hungarian company Tigrasoft to the main shareholder. Satama and Tigrasoft will continue to work together, however.

Satama has introduced a solution delivery process, the Satama Unified Process (SUP), designed to ensure reliability of delivery and high quality results at all stages – from the request to tender right through to delivery to the customer. The process is based on the Rational Unified Process delivery model, which is widely used in the software industry.

SUCCESS IN COMPETITIONS

Services provided by Satama have attracted widespread interest. The website (<http://www.heartagram.com>) designed by Satama for the Finnish group HIM won the Grand Prix in an international advertising competition organized by the Finnish Association of Marketing Communication Agencies, and it also achieved second

place in the Games and Entertainment category of SATU ry's Media & Message competition. The same category was won by Satama's CD-ROM Galilei 2: Island of Adventures. Satama Interactive's website for Audi in the Netherlands won the Autobranche Internet Award 2001 presented by Autokompas, the leading Dutch professional magazine for the car industry.

At the beginning of 2002, the Swedish marketing and advertising magazine Resumé announced the results of the annual Best Advertising Agency in Sweden customer competition. Satama was ranked fourth in the Best Web Agency category, an excellent achievement for an office with a staff of only 16.

NEW CUSTOMER RELATIONSHIPS

In its customer relationships Satama strives for long-term, continually developing cooperation. In this way, Satama can use its expertise and professionalism to promote the exploitation of new technology and to help customers develop their business operations further.

Satama's notable new customer relationships include A.Ahlstrom, Finland's Ministry for Foreign Affairs, VR-Yhtymä, Kapiteeli, Leaseplan Deutschland, Engel, Danzas, Suunto and Amer. Satama has good, long-standing customer relationships with, among others, Nokia, Sonera, S-ryhmä and Talentum.

Satama Interactive Oyj's shares are listed on the NM List of the Helsinki Exchanges. In 2001 Talentum Oyj held 62% of Satama's shares. Satama publishes its own electronic annual report of its operations at the address <http://www.satama.com>.

PREMEDIA

The turnover of the Premedia business area totalled € 17.9 million (€ 18.0m) and operating profit was € 1.1 million (€ 1.9m).

Reprostudio & Heku, Oy Lito-Scan Ab and Offset-Kopio Oy are leading companies in their field. Their customers include advertising and design agencies, printing houses, magazines, publishers, electronic media companies, and trade and industry. The Premedia companies market, produce, archive and administer graphic and electronic communications materials.

The growth areas for Premedia are in the storage, management, editing and global distribution of digital materials.

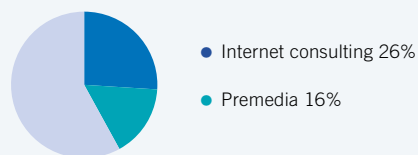
In February Reprostudio & Heku Oy and Oy Lito-Scan Ab bought the Digistudio business, with the aim of strengthening and expanding the overall service of its units. Offset-Kopio Oy bought the premedia business of Alprint Oy in October. The Alprint units in Pitäjänmäki, Helsinki, and Hyvinkää were merged with the operations of Offset-Kopio.

During 2002 the structure of companies belonging to the Talentum Group will change. Reprostudio & Heku Oy, Oy Lito-Scan Ab and Offset-Kopio Oy will become subsidiaries of Talentum Premedia Oy, a new subsidiary of Talentum Oyj. The purpose of the reorganization is to streamline the structure of the Talentum Group and to enable the operational development of companies in different sectors to follow the development and demands of their particular sector.

OTHER BUSINESS OPERATIONS

KB-Tuote Oy, which focuses on the sale of business and promotional gifts, became a Group company with the merger of Talentum Oyj and Kauppakaari Oyj. KB-Tuote Oy, as a company not belonging to the Talentum Group's core business, was sold in its entirety to Belton-Yhtiöt Oyj in August.

SHARE OF TALENTUM GROUP'S TURNOVER



KEY FIGURES

€ million	2001	2000	Change, %
INTERNET CONSULTING			
Turnover	28.8	30.1	-4.3
Operating profit	-9.7	-17.0	+42.7
Employees (average)	388	414	-6.3
PREMEDIA			
Turnover	17.9	18.0	-0.8
Operating profit	1.1	1.9	-42.0
Employees (average)	184	169	+8.9



TV CONTENT PRODUCTION

VARESVUO PARTNERS OY

Varesvuo Partners Oy is the parent company of a group whose main business is the production of advertising films and TV programmes. In 2001 Talentum Oyj owned 47.5% and the Varesvuo family 52.5% of the company. In January 2002 Talentum exercised an option it retained under a shareholder agreement to increase its holding in the company. A deal between Talentum and the Varesvuo company raised Talentum's ownership of the company to 90%.

The weakened profitability and substantially reduced revenue of the commercial television channels combined with the less favourable financial situation due to the Finnish Broadcasting Company's digitalization process significantly deteriorated the environment for the profitable production of advertising films and television programmes.

Cost adjustments initiated in the second half of the year improved profitability to a satisfactory level in the final quarter. The Varesvuo Partners Group employed an average of 127 people (110 people). At the end of the year the workforce totalled 111 employees.

In 2001 television advertising's share of total Finnish media advertising remained at the level of the previous year, namely around 19%. Of the national media, the value of television advertising fell the most, namely 9%, and totalled € 192.2 million.

The Varesvuo Partners Group includes the advertising film companies Crea Filmi Oy, Elohoepa-Filmi Oy, Woodpecker Film Oy and

Filmitalli Oy, as well as the postproduction company Provideo Oy and the equipment hire firm Angel Films Oy. The Group's share of total market value in the advertising film sector was around 37%. The profitability of advertising film production weakened significantly and was merely adequate in comparison with previous years.

The Group's television programme production companies are Crea Video Oy, Crea Sport Production Oy, Oy Filmitoimittajat Oy, which was acquired for the Group at the beginning of 2001, and Van Der Media Oy, which was founded at the end of 2001. The Group's market share of independent television programme production was around 20%. The profitability of television programme production weakened slightly from 2000, but was still satisfactory.

In addition to its main lines of business, Varesvuo Partners owns the classical music production company Ondine Oy, whose profitability improved to a good level.

DIRECT MARKETING



SUORAMARKKINOINTI MEGA OY

Suoramarkkinointi Mega Oy has specialized in the telemarketing of magazine, specialist journal and newspaper subscriptions. The company is responsible to a large extent for the circulation sales of Talentum's magazines and journals.

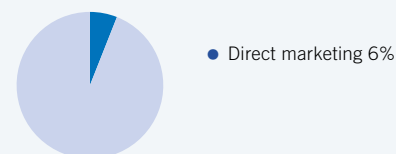
Suoramarkkinointi Mega's turnover in 2001 totalled € 6.7 million (€ 5.9m) and its operating profit was € 1.6 million.

In Finland, Mega operates in 12 cities. It has offices in Hyvinkää, Hämeenlinna, Kerava, Kotka, Kouvola, Lahti, Mäntsälä, Porvoo, Riihimäki, Forssa and Kuusankoski, in addition to Helsinki.

During 2001 Suoramarkkinointi Mega bought the Estonian company Müügimeistrite AS, with which it previously cooperated under a franchising agreement. Müügimeistrite operates in Estonia and Latvia, with five offices in Estonia and four in Latvia.

In addition to Talentum, Mega's customers include numerous other Finnish magazine and book publishers. To an increasing extent, Mega's sales also include publishers' auxiliary products. Sales of Talentum magazines and advertising accounted for around 40% of Mega's turnover in 2001.

SHARE OF TALENTUM GROUP'S TURNOVER



KEY FIGURES

€ million	2001	2000	Change, %
TV CONTENT PRODUCTION			
Varesvuo Partners			
Turnover	21.4	24.8	-13.5
Operating profit	0.1	2.5	-95.4
Employees (average)	127	110	+15.5
DIRECT MARKETING			
Turnover	6.7	5.9	+13.3
Operating profit	1.6	1.6	-3.5
Employees (average)	248	165	+50.3



PERSONNEL

TALENTUM'S VALUES

The Talentum Group is an expert organization whose success is dependent on the intellectual ability of its employees. Our goal is operations in which high quality, speed and willingness to change are of key importance.

We have a common desire to change and develop rapidly. Initiative and individual entrepreneurship are apparent in the way we work. Individual responsibility as well as respect and encouragement for fellow workers are important to us. Cost-effectiveness plays a key role in all operations.

REMUNERATION

The Talentum Group hires people who are among the best in their profession. We employ people who have long experience in their field as well as people who want their careers to grow in demanding positions within the company. Talentum employees develop their expertise and internalize the necessity of constant change.

One of the priorities of recruitment, alongside acquiring new and expert staff, is to arrange sufficient job circulation within the Group to ensure that units have the best possible talent at their disposal and to give employees the opportunity to work in areas where they will succeed.

INCENTIVE PAY SCHEMES

The Talentum Group operates a performance-based remuneration scheme. Incentives vary from company to company within the Group and according to the job in question, as the aim has been to find the best solution for each sector and position. The different schemes used take into account the operating result of the company and profit centre as well as the employee's personal performance, progress and results.

Talentum Oyj, Talentum Media Oy and Satama Interactive Oyj employees are covered by share option schemes. Moreover, Talentum Oyj's share option schemes (1996–2000) have been extended to cover key personnel in the subsidiaries.

CONTINUOUS DEVELOPMENT AND CHANGE

The Talentum Group operates in business sectors which are all characterized by rapid technological development. High levels of expertise and professionalism on the part of personnel give the Group better chances of success in the market. That's why the Group encourages personnel training and independent study. Responsibility for development lies with the organization, supervisors and individuals themselves.

Information technology is one important point of focus. A major change has been the transfer of Talentum Media's magazines to a new content management system.

PERSONNEL

To develop management skills, the Group makes use of its own and external training programmes, aimed not only at personal development but also at improving cooperation between different parts of the Group.

Employee satisfaction in Talentum, Talentum Media and Talentum Digital Media with respect to career path, training, cooperation, working tools, remuneration and flow of information are measured twice a year by means of a questionnaire conducted via the intranet.

Corresponding workplace satisfaction surveys are also carried out in other parts of the Group as part of each company's personnel management.

In the first half of 2002, a training programme for staff in magazine and book publishing, training, Internet services and the Group's parent company will be implemented. The objective is to enhance leadership and to further improve cooperation between editorial and sales staff in magazines, books and Internet services.

WORKING CAPACITY AND RECREATION

The main focus of occupational health care is on preventative measures and action to maintain working capacity. To maintain employees' capacity for work, mental agility and job satisfaction, support is given to a wide range of personnel sporting, exercise and cultural activities. An exercise club arranges, among other things, opportunities for sports, exercise and various group events.

AVERAGE NUMBER OF EMPLOYEES

	1-12/2001	1-12/2000
Publishing	269	299
Internet consulting	388	414
Internet services	33	50
Direct marketing	248	165
Premedia	184	169
Other areas	34	131
Parent company	41	
Total	1,197	1,228
TV content production (associated company Varesvuo Partners Oy)	127	110

REPORT BY THE BOARD OF DIRECTORS

OPERATING ENVIRONMENT

The economic recession had a wide impact on Finland in 2001, with the IT sectors and job advertising being hit hardest. Things still went well in the first quarter, but in the second quarter media advertising started to decline, falling still more sharply towards the end of the year. From early September on, economic uncertainty intensified, and the problems experienced by the airlines, for example, made them halt all media advertising for a while.

A total of € 1,047 million was spent on media advertising, 6% down on the previous year. Radio and cinema advertising increased from 2000, but in all other media groups advertising declined, with TV suffering most with a fall of 9%. The uncertain economic climate generally was fully reflected in job vacancy advertising, which fell 24% over the year as a whole, and as much as 55% in December.

The printed media still claim the lion's share of all the media advertising groups: newspapers account for 51.1%, local and free-distribution papers for 4.5% and magazines and periodicals for 17.7%. Magazines have done well in recent years and have increased their share of the media advertising market. This is understandable, as special-interest periodicals and network media are targeted more effectively than the other media.

Paper prices rose substantially. Magazine paper prices increased by around 10% and newsprint 15%. Prices are expected to fall slightly this year.

The year proved an exceptional one in many respects for Internet consulting. Technology share prices fell and the sector no longer interested venture capitalists as much as it did before. Several firms offering IT consulting fell into difficulties when the general economic uncertainty reduced corporate investment in the creation of new services. There were several mergers, and some companies closed down completely. There were also changes in the structure of the sector, as traditional software houses also started to offer e-business consulting.

Use of network services increased, but even this sector encountered market problems. Many services disappeared from the Internet because they failed to make money.

Business networking continues, however, and more and more functions are managed via the Internet. The number of services available to both consumers and businesses is growing all the time. On-line services and e-commerce are already part of normal business life, communications and public services. In a challenging market situation, it is the good companies built on a sustainable basis that stand out, and in 2002-2003 growth is expected to be better balanced than in 2001.

Share prices in Finland fell more sharply than anywhere else in the world in 2001. Quotations fell 33.7% as measured by the HEX All-Share Index, and even measured by the more balanced Portfolio Index declined 23.1%. In the USA, technology stocks fell an average 21.1%.

THE TALENTUM GROUP AND BUSINESS AREAS IN 2001

In the last few years, Talentum has been built up into a diversified media concern. Over the last four years it has invested substantially in Internet operations and internationalization. Suoramarkkinointi Mega has expanded into the Baltic States, and Talentum has founded the magazine Mediutiset with a Swedish partner. Satama Interactive operates in four countries. Talentum has expanded into the book publishing business by merging with Kauppakaari Oyj. The Talentum Group's turnover has tripled in four years.

In making these leaps forward, the Group also acquired functions which have no close link with its core business, and structures that did not support its operations in the best possible way. 2001 was a time for seeking sustainable profitability in various ways and through restructuring. The market situation caused us problems, but we are moving in the right direction.

The Talentum Group's turnover in 2001 totalled € 106.7 million (€ 117.3m), a fall of 9.0% (+11.9%). The Group recorded an operating loss of € -6.4 million (€ +8.5m). The net result for the year was a loss of € -2.2 million (€ +12.7m). Consolidated ROI was -5.7% (+15.2%) and ROE -9.3% (+13.3%). The profit shown in the comparison year 2000 was swelled a total of € 22.8 million in one-off items.

REPORT BY THE BOARD OF DIRECTORS

EFFICIENCY THE AIM

During the spring, Talentum detected signs of a fall-off in advertising and of growing uncertainty in the economy generally. In the second quarter it therefore made plans to boost income and cut costs. However, we failed to respond sufficiently quickly to the new economic climate; the effects of cost cuts on profits only began to be felt at the end of the third quarter, and had their full impact in the last three months.

The downsizing called for by the deteriorating economic situation was embarked on in August. Staff working hours were reduced through staggered lay-offs agreed on in joint staff/management negotiations, fixed-term contracts were not renewed, and work previously outsourced began to be done by permanent staff.

Talentum Media, Talentum Digital Media and the parent company set the target of cutting costs 15-20% between August and the end of the year, and were successful. As a result of the steps taken, the personnel of the Talentum Group, including Varesvuo Partners, which is now a Group company, will decrease by some dozens of employees during 2002. The aim is to achieve lasting cost-efficiency.

TALENTUM AND ALMA MEDIA COOPERATION

Alma Media Oyj became Talentum Oyj's biggest shareholder, with a 32.8% holding, in March 2001.

Talentum Oyj has explored possible collaboration projects, which would benefit the business and profitability of the company. Projects started during the year under review include the publication of Kauppalehti daily news by Talouselämä's Internet service and a joint Internet advertising management system, and joint Internet media packages have been offered to advertisers.

BUSINESS AREAS

The division of the Talentum Group into business areas for performance-reporting purposes was altered at the beginning of 2001 to correspond better to the balance between different operations and the profitability spread. The aim was to achieve clearer and more

transparent reporting that would help with monitoring developments in the various business areas. These are: magazine and book publishing and training; Internet consulting; Internet services; direct marketing; premedia and other business; as well as television content production by the Group's associated company. The parent company figures are also given separately. The magazine publishing was transferred to Talentum Media Oy as a business transfer.

MAGAZINE AND BOOK PUBLISHING AND TRAINING

Magazine and book publishing encompasses Talentum Media Oy's magazine and book publishing, plus the training it arranges under the name Lakimiesliiton Koulutus, and Mediutiset Oy Ab's publishing. Publishing accounts for 46.6% of the Talentum Group's turnover.

Turnover in this business area fell 8.0%, to € 49.7 million (€ 54.0m). Operating profit came to € 5.9 million (€ 7.1m). Magazine publishing turnover was € 37.2 million (€ 41.5m), book publishing € 10.6 million (€ 10.6m) and training € 1.9 million (€ 1.9m). Advertising income represented 63% (68%) of total magazine publishing income.

The advertising revenues of the Talentum Media magazines declined 19%, against a background of a 6.2% fall in total media advertising and a 3.6% reduction in magazine advertising. Talentum Media was hit particularly hard by the fall-off in job vacancy advertising, which plays a significant role in Talentum publications. The fall in recruitment advertising in Finland was 24.7%. Income from job ads fell 32% at Talentum, more than in the market overall, because its media mainly advertise technical jobs and positions. One of the reasons for the decline in Talentum Media advertising income was that it stopped publishing IT-Kanava in the spring, and Bisnes.fi was sold in the autumn.

Mediutiset made a successful breakthrough about two and a half years after its foundation. Advertising sales got on to good growth track despite the difficult market situation. Turnover rose about 40% and profitability reached a good level.

REPORT BY THE BOARD OF DIRECTORS

Publication of IT-Kanava ended in June, and coverage of the IT trade was shifted to the newspaper Tietoviikko.

In September Bisnes.fi magazine, which had been making a loss, and its entire editorial staff were transferred from Talentum to a new publisher.

In July, Talentum Media sold Juura Õigusteabe AS in Estonia, which engages in legal publishing, and in August announced the sale of its language teaching operations carried out under the commercial name Kielipiste. In April, Talentum Oyj's Managing Director Harri Roschier was also appointed MD of Talentum Media Oy when the previous holder of the post left the Group.

INTERNET CONSULTING

The turnover of Satama Interactive Oyj, which specializes in Internet consulting, was € 28.8 million (€ 30.1m), 4.3% down on 2000. The figures include € 0.9 million (€ 2.6m) in intra-Group sales. It recorded an operating loss of € -9.7 million (€ -17.0m).

As Satama Interactive's focus is on profitable growth, the organization was changed to correspond better to its strategic goals. Business in Finland was turned into a separate company, and Satama Interactive Oyj became the parent company of the Group.

The name of Satama's subsidiary, Mediatyhtiö Sansibar Oy, was changed to Satama Tampere Oy. That of the Germany subsidiary OWD GmbH was changed to Satama Deutschland GmbH.

In October Satama sold its 25% holding in the Hungarian company Tigrasoft Ltd under the terms of the shareholder agreement. Tigrasoft and Satama will continue to work together under a sub-contracting agreement.

Satama invested in First Hop Oy in 1999 through an arrangement that created a strategic partnership. Since then the two companies have gone their separate ways, and in June Satama sold 7,100 of its First Hop Oy shares, recording a sales gain of € 1.3 million. It still has an 8.8% holding in First Hop.

In order to improve profitability, working hours were cut in a manner agreed in negotiations with personnel, and a total of 14 employees were made redundant at Satama Tampere Oy and the Oulun office.

In October, Jan Sasse was appointed CEO of Satama Interactive Oyj.

During the year under review Satama Interactive had operations in Sweden, Germany, the Netherlands, the UK, the USA and Singapore, as well as Finland. During the first quarter it closed down its UK office and in October decided to wind down its US operations. International operations accounted for 30% of Satama Interactive turnover in 2001, and were still resulting in an overall loss. Satama Finland Oy is profitable.

Satama Interactive Oyj entered € 6.2 million in one-off costs related to writedowns of subsidiaries' goodwill and restructuring of

international operations. The overall impact of these items on the Talentum Group is € 3.9 million.

Satama Interactive Oyj will publish its own separate annual report for 2001.

INTERNET SERVICES

The operations of Talentum Digital Media Oy (WOW-verkko-brandit up to 10 May 2001), which specializes in digital content production, include the business service Talentum.com. The company is responsible for developing and maintaining Talentum's Internet services and for selling electronic content.

Internet services' turnover totalled € 1.6 million (€ 2.3m). An operating loss of € -3.0 million (€ -3.4m) was recorded.

In April the company sold the Web Traffic Monitor (WTM) service that it had developed. The sale was part of an overall development project concentrating on core functions.

The Talentum.com service was launched at the beginning of May. Over 133,000 people a month visited the service towards the end of the year, and there were over 50,000 new subscribers to the newsletters. The service network was expanded around the same time, e.g. by introducing new Talouselämä services. The main development projects continue to be further development of the Talentum.com network and commercialization of digital content services designed for companies.

DIRECT MARKETING

Direct marketing covers the operations of Suoramarkkinointi Mega Oy, which account for 6.3% of the Talentum Group's turnover.

Suoramarkkinointi Mega Oy turnover rose 13.3%, to € 6.7 million (€ 5.9m). The figures include intra-Group sales of € 2.5 million (€ 2.7m). Operating profit came to € 1.6 million.

In February Suoramarkkinointi Mega bought 35% of the Estonian company Müügimeistrite AS, and in April the remaining 65%. The total purchase price was € 0.8 million. Mega had earlier cooperated with Müügimeistrite under a franchising agreement. The company operates in Estonia and Latvia, and makes a good profit, though not quite at the Finnish level as yet. Operations are growing rapidly and profitability is expected to remain good.

Mega operates in 12 localities in Finland, 5 in Estonia and 4 in Latvia.

PREMEDIA AND OTHER BUSINESS

Premedia includes Reprostudio & Heku Oy, Oy Lito-Scan Ab and Offset-Kopio Oy. Turnover in the business area was at the previous year's level, totalling € 17.9 million (€ 18.0m). Operating profit came to € 1.1 million (€ 1.9m).

REPORT BY THE BOARD OF DIRECTORS

The premedia business accounts for 16.7% of the Talentum Group's turnover.

In February Reprostudio & Heku Oy and Oy Lito-Scan Ab bought the Digistudio business, with the aim of strengthening its net-to-print operations.

Offset-Kopio Oy bought the premedia business of Alprint Oy in October. The Alprint units in Pitäjänmäki, Helsinki, and Hyvinkää were combined with Offset-Kopio, where staff/management negotiations will result in 22 personnel being laid off during 2002.

At the end of August Talentum Media Oy sold KB-Tuote Oy, which concentrates on the sale of business and advertising gifts. The agreed debt-free price was € 3.7 million, € 0.92 million of which was paid in Belton-Yhtiöt Oy shares.

TELEVISION CONTENT PRODUCTION

The turnover of Varesvuo Partners Oy, which produces television content, fell 13.5% to € 21.4 million (€ 24.8m). It recorded an operating profit of € 0.1 million (€ 2.5m).

Talentum Oyj owned 47.5% of Varesvuo Partners Oy during the year under review. The impact of the Varesvuo Partners Group on the Talentum Group result was € -0.8 million (€ 0.3m).

PERSONNEL

During the year under review the Talentum Group employed an average of 1,197 (1,228) people. 251 (171) persons worked abroad.

The average number of employees by business area was as follows:

Magazine and Book Publishing and Training	269
Internet Consulting	388
Internet Services	33
Direct Marketing	248
Premedia and other business	218
Parent Company	41

SECURITIES OPERATIONS

The result of securities operations is included in the profit and loss account under financial income and expenses. The book values of shares are included in the balance sheet under bonds and securities. The net impact of financial income and expenses was € 1.7 million in the black (€ 1.4m). The Group's liquid assets are invested in current financial instruments.

CAPITAL EXPENDITURE

The Talentum Group's gross capital expenditure totalled € 8.0 million; of this, € 3.5 million was spent on tangible assets, € 1.9 million on intangible assets, and € 2.6 million on stocks and shares. Capital expenditure accounted for 7.6% (25.1%) of turnover.

FINANCE AND SOLVENCY

The parent company managed all of the Group companies' financial arrangements, with the exception of Satama Interactive Oyj. The financial situation of Talentum group is good and the equity ratio is 66,8%.

BOARD OF DIRECTORS AND AUDITOR

The Annual General Meeting on 29 March 2001 re-elected the following as members of the Talentum Oyj Board of Directors for the next two-year period: Managing Director Jukka Ant-Wuorinen, Managing Director Simo Jutila, lawyer Seppo Kemppinen, Managing Director Vilho Korkeamäki, Managing Director Johannes Koroma, Managing Director Göran Nyman, Executive Vice President Eira Palin-Lehtinen, and Licentiate in Political Science Eero Tuomainen, with Managing Director Juha Blomster as a new member. Jukka Ant-Wuorinen was elected Chairman of the Board and Seppo Kemppinen Deputy Chairman.

SVH Pricewaterhouse Coopers Oy, Authorized Public Accountants, was re-elected the company's auditor, with Kari Miettinen, Authorized Public Accountant, as responsible auditor.

DISCONTINUATION OF THE SUPERVISORY BOARD

The Annual General Meeting on 29 March 2001 decided to amend the Talentum Oyj Articles of Association to the effect that the company's administration would in future comprise only the Board of Directors and Managing Director, and the Supervisory Board would be discontinued.

SHARES AND SHARE CAPITAL

At year-end Talentum Oyj had 20,099,515 shares, listed on the Main List of the Helsinki Exchanges. On 31 December the company owned 90,500 of its own shares, share capital stood at € 8,451,239.37 and the share's book countervalue was € 0.42.

The number of shares traded during the year was 10,961,273, representing 54.9% of the average number of all shares during the year.

Notifications in accordance with chapter 2, section 10, of the Securities Markets Act

- 1 Robert Fleming Holdings Limited announced that on 4 January its own and its subsidiaries' combined holding of Talentum Oyj shares was 1,733,611 shares and its share of the votes votes 8.7%.
- 2 Hemisphere Management (Ireland) Limited announced that Kairos Fund Limited's total holding of Talentum Oyj shares on 19 January 2001 exceeded one twentieth. On that date Kairos Fund Limited's holding was 1,004,476 shares and its share of the votes 5.03%.

REPORT BY THE BOARD OF DIRECTORS

3 Robert Fleming Holdings Limited announced on 2 March that its own and its subsidiaries' combined holding of Talentum Oyj shares on 26 February 2001 was 2,003,504 shares and its share of the votes 10.02%.

Robert Fleming Holdings Limited's holding comprised holdings by its subsidiaries as follows:

Chase Fleming Asset Management (UK) Limited
(Discretionary Investment Manager)
Share of votes 8.89%, 1,776,676 shares

Fleming Unit Trust Management Limited
(Life Insurance & Pensions)
Share of votes 0.12%, 23,842 shares

Save & Prosper Group Limited
(Life Insurance & Pensions)
Share of votes 1.01%, 202,986 shares.

4 On 20 March Alma Media Oyj announced that it had purchased Talentum Oyj shares that raised its overall holding above one quarter of the total. Alma Media's holding was 6,154,376 shares and its share of the votes 30.8%.

5 Hemisphere Management (Ireland) Limited announced that on 20 March, 2001 Kairos Fund Limited's holding of Talentum Oyj shares dropped below one twentieth, and that the said company's holding of votes and shares was 0.

6 Robert Fleming Holdings Limited announced on behalf of JP Morgan Chases & CO and its subsidiaries that their holding of Talentum Oyj shares fell below one tenth on March 21, 2001, and that Robert Fleming Holdings Limited's holding of votes and shares was 0.

7 Zurich Scudder Investments announced that its asset management customers' holding of Talentum Oyj shares fell below one twentieth on March 20, 2001, and that Zurich Scudder Investments' holding of votes and shares was 0.

Board of Directors' authorization to increase the share capital

The Annual General Meeting held on 29 March 2001 authorized the Board of Directors, within one year of the AGM, to decide on the issue of one or more convertible bonds and/or warrants, and/or to decide to raise share capital by means of a new issue of shares in one or more tranches such that the combined total of the increases in share capital does not exceed € 1,678,942. The AGM authorized

the Board of Directors to decide on the terms of the rights issue and the principles according to which the subscription price would be set; the maximum increase in share capital and the combined votes of share issues would represent less than 20% of the company's share capital and total shares as registered on 15 February.

The Board of Directors did not exercise this authorization to raise share capital.

Board of Directors' authorization to sell the company's own shares

On 29 March 2001 the Annual General Meeting authorized the Board of Directors to decide, within one year of the AGM, on the sale of shares purchased for the company in one or more tranches, the maximum number of shares thus sold to be 90,500. This number covers the shares acquired for the company under earlier authorizations.

The Board of Directors did not exercise this authorization to sell the company's own shares.

Own shares held by the company

At the end of the financial year Talentum Oyj owned 90,500 of the company's own shares, equivalent to 0.5% of Talentum's shares outstanding and votes.

Shareholdings of the Board of Directors and the Managing Director

On 31 December 2001, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the Managing Director personally and through companies in which they have a controlling interest was 257,088, representing 1.3% of the company's total shares and votes.

If the warrants issued by Talentum Oyj in 1996, 1999 and 2000 were to be fully utilized, the Group management would own 315,888 shares, representing 1.6% of the company's total shares and votes.

Voting at Shareholders' Meetings

Talentum Oyj's Articles of Association decree that no shareholder may cast in shareholders' meetings more than 1/6 of the aggregate voting rights conferred by the company's shares. In the event that subsidiaries or companies in the Group and/or the pension fund or pension foundation of such companies or enterprises together hold more than shares conferring 1/6 of the total voting rights, only voting rights conferred by shares comprising a maximum of 1/6 of the total voting rights may be exercised at a shareholders' meeting of the company.

REPORT BY THE BOARD OF DIRECTORS

SHAREHOLDER AGREEMENTS

The company has no knowledge indicating that its shareholders have any mutual shareholder agreements related to its operations or share ownership.

TAXABLE VALUE OF SHARE

The taxable value of the Talentum Oyj share in 2001 tax assessment is € 3.29.

The official taxable value of the Satama Interactive Oyj share is € 0.525.

OFFICIAL INVESTIGATION

In 1999 the Financial Supervision Authority submitted to the police a request for investigation in respect of suspicion of the misuse of insider information in the acquisition of the company's own shares. At the closing of the financial statements, proceedings into the matter were still underway.

REGULATIONS ON INSIDER TRADING

The Talentum Group applies the Helsinki Exchanges' regulations on insider trading, which came into effect on 1 March 2000. In the Talentum Group, the period during which insiders may not trade in company shares before the publication of financial disclosures is 21 days.

CORPORATE GOVERNANCE

On 31 May 2001 the Talentum Group adopted corporate governance regulations concerning decision-making in subsidiaries. The regulations are based on the recommendations issued by the Central Chamber of Commerce, the Confederation of Finnish Industry and Employers and the Helsinki Exchanges on the administration of listed companies.

STRATEGY

It is the strategy of Talentum Oyj to produce high-quality content and marketing services for selected target groups. The distribution channels used are printed media, network communications and television, such that they support each other and strengthen our brands. The main emphasis of our business is on professional communications.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Talentum increased its holding in Varesvuo Partners Oy

In 1997 Talentum bought a 47.5% holding in Varesvuo Partners Oy, and under a shareholder agreement signed at the same time retained the right to acquire a majority holding in the company

before December 31, 2001. On 4 January 2002 Talentum and the Varesvuo family agreed on a deal raising Talentum's share in the company to 90%. The price of the shares was fixed in accordance with the 1997 shareholder agreement, and was consequently € 8.928 million.

OUTLOOK FOR 2001

As Talentum Group enters 2002 the foundations for its business are in good shape.

The operating environment will remain challenging at least for the first six months.

Talentum's magazine and book publishing is on a stable footing, and profitability will be strengthened by cost-efficient operations and by boosting sales and marketing.

The turnover of Internet consulting is not expected to start growing until 2003. A positive result is anticipated for 2002.

The structural changes being made in the Premedia business area are expected to improve its profitability towards the end of the year.

The addition of Varesvuo Partners Oy as a company in Talentum Group will increase consolidated turnover. However, difficulties in the Finnish television market will hinder the attainment of good profitability in 2002.

Talentum Group's profitability will improve in 2002.

The forecasts and estimates outlined here are based on the management's current view of economic trends, and the actual results may differ substantially from what is expected of the company at this point.

REPORT BY THE BOARD OF DIRECTORS

Talentum Group by business area € 1,000

	1-12/2001	1-12/2000
Turnover		
Publishing	49,721	54,042
Internet consulting	28,845	30,118
Internet services	1,634	2,255
Direct marketing	6,708	5,919
Premedia	17,870	18,026
Other areas	6,541	14,781
Sales within Group	-4,611	-7,849
Total	106,708	117,292
TV content production (associated company Varesvuo Partners Oy)	21,428	24,773
Operating profit		
Publishing	5,866	5,639
Net of non-recurring items	5,937	7,134
Internet consulting	-9,717	-16,951
Net of non-recurring items	-6,920	-14,841
Internet services	-2,968	-3,356
Net of non-recurring items	-3,288	-9,097
Direct marketing	1,576	1,633
Premedia	1,117	1,925
Net of non-recurring items	1,117	2,315
Other areas	720	614
Net of non-recurring items	805	883
Parent company	-1,288	
TV content production, effect on Group's profit	-842	251
Group entries		
Targeted issue in Satama Interactive		25,209
Depreciation on consolidation goodwill and other items	-871	-6,443
Total	-6,407	8,521
TV content production (associated company Varesvuo Partners Oy, presented according to Group's accounting principles)	114	2,524

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (€ 1000)	Group		Parent Company	
	1 Jan.-31Dec. 2001	1 Jan.-31Dec. 2000	1 Jan.-31Dec. 2001	1 Jan.-31Dec. 2000
Turnover	106,708	117,292	4,124	41,302
Change in inventories	-126	-487	0	0
Production for own use	0	44	0	0
Other operating income	2,571	31,369	5	739
Materials and services	22,137	28,193	0	8,671
Personnel expenses	51,201	57,233	2,494	12,523
Depreciation				
Intangible and tangible assets	7,202	7,867	417	1,591
Consolidated goodwill	2,463	7,613	0	0
	9,665	15,480	417	1,591
Other operating expenses	31,707	38,910	2,532	19,448
Share in associated companies' profits	-851	118	0	0
Operating profit/loss	-6,407	8,521	-1,314	-192
Financial income and expenses				
Dividend income from Group companies	0	0	13,628	567
Dividend income from associated companies	0	0	626	468
Interest and financial income from Group companies	0	0	179	183
Other investment income	2,313	5,088	1,188	3,090
Investment write-downs/-ups	-42	-1,163	0	253
Interest and financial expenses to Group companies	0	0	-544	-378
Other investment financial expenses	-94	-1,828	-6	-114
Other interest expenses	-517	-709	-253	-267
	1,660	1,388	14,818	3,800
Profit before extraordinary items	-4,747	9,909	13,504	3,609
Extraordinary items	-1,712	-4,948	3,091	1,827
Profit before appropriations and taxes	-6,459	4,960	16,595	5,435
Increase (-)/decrease (+) in depreciation difference	0	0	-4	92
Direct taxes				
For financial year	907	3,497	4,750	2,762
For previous years	-5	8	0	0
Change in deferred tax liability	15	-929	46	-1,217
	917	2,576	4,796	1,546
Profit before minority interest	-7,376	2,384	11,795	3,982
Minority interest in profit for year	5,147	10,273	0	0
NET PROFIT FOR YEAR	-2,229	12,657	11,795	3,982

BALANCE SHEET

BALANCE SHEET (€ 1000)	Group		Parent Company	
	31 Dec. 2001	31 Dec. 2000	31 Dec. 2001	31 Dec. 2000
ASSETS				
FIXED ASSETS				
Intangible assets	6,940	9,334	822	2,695
Consolidated goodwill	14,813	17,459	0	0
Tangible assets	7,412	9,276	701	2,414
Investments				
Shares in subsidiaries	0	0	122,856	120,911
Shares in associated companies	7,534	8,443	8,712	7,121
Other shares	1,064	375	316	316
	8,598	8,817	131,884	128,349
Fixed assets, total	37,763	44,886	133,407	133,457
CURRENT ASSETS				
Inventories				
Own work in progress	20	211	0	0
Other inventories	1,233	3,420	0	0
	1,253	3,631	0	0
Long-term receivables				
Receivables from Group companies	0	0	696	1,051
Other receivables	350	337	0	0
	350	337	696	1,051
Short-term receivables				
Trade receivables	7,952	12,840	0	1,564
Receivables from Group companies	0	0	11,078	2,839
Receivables from associated companies	2	0	0	0
Loan receivables	137	181	1	12
Other receivables	1,746	899	10	226
Prepaid expenses and accrued income	4,088	3,665	1,754	330
	13,925	17,585	12,843	4,971
Deferred tax credit	1,439	1,513	1,316	1,393
Bonds and securities				
Own shares and holdings	437	593	437	593
Other shares and holdings	852	299	43	299
Other securities	28,403	35,048	11,968	13,938
	29,692	35,940	12,448	14,830
Cash at bank and in hand	2,564	3,354	117	656
Current assets, total	49,223	62,359	27,420	22,902
ASSETS, TOTAL	86,986	107,246	160,827	156,359

BALANCE SHEET (€ 1000)	Group		Parent Company	
	31 Dec. 2001	31 Dec. 2000	31 Dec. 2001	31 Dec. 2000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital	8,451	8,404	8,451	8,404
Share premium fund	3,812	3,559	82,364	82,100
Reserve fund	6,294	6,294	6,294	6,294
Own share fund	437	593	437	593
Other funds	786	786	786	786
Retained earnings	33,880	21,181	21,342	17,360
Net profit for year	-2,229	12,657	11,795	3,982
	51,431	53,474	131,469	119,519
Minority interest	6,693	11,318	0	0
Accumulated appropriations				
Accumulated depreciation difference	0	0	209	1,126
Deferred tax liability	293	382	0	0
Non-current				
Pension loans	5,264	6,337	4,709	5,382
Loans from financial institutions	2,943	3,483	0	0
Other long-term liabilities	175	99	0	22
	8,382	9,919	4,709	5,404
Current				
Pension loans	872	1,094	673	673
Advances received	140	599	8	0
Accounts payable	1,783	3,457	111	791
Debts to Group companies	0	0	22,796	21,587
Debts to associated companies	155	11	145	2
Accrued liabilities and deferred income	13,997	13,167	449	4,995
Loans from financial institutions	493	2,269	0	0
Other current liabilities	2,747	11,555	258	2,263
	20,187	32,152	24,440	30,310
LIABILITIES	28,862 *	42,453 *	29,149	35,714
LIABILITIES AND SHAREHOLDERS' EQUITY, TOTAL	86,986	107,246	160,827	156,359
*Non-interest bearing	18,829	28,291		

SOURCE AND APPLICATION OF FUNDS

SOURCE AND APPLICATION OF FUNDS (€ 1000)	Group		Parent company	
	1 Jan.-31Dec. 2001	1 Jan.-31Dec. 2000	1 Jan.-31Dec. 2001	1 Jan.-31Dec. 2000
BUSINESS OPERATIONS				
Operating profit/loss	-6,407	8,521	-1,314	-192
Adjustments to operating profit	11,616	9,377	413	6,094
Change in net working capital	-2,836	580	-8,124	36,958
Financial items	2,424	2,551	14,108	3,800
Taxes paid	-902	-3,506	-4,750	-2,762
Net cash flow from business operations	3,895	17,523	333	43,899
INVESTMENTS				
Acquired Group companies	-6,461	-11,604	-1,839	-31,867
Acquired associated companies	-1,591	-21	-1,591	0
Other investments	0	-726	0	0
Investments in tangible and intangible assets	-5,288	-8,781	-960	-1,640
Group companies sold	1,144	0	30	0
Associated companies sold	1,771	0	0	0
Sales of other shares	0	801	0	3
Sales of other fixed assets	860	10,348	109	371
Cash flow from investments	-9,565	-9,984	-4,251	-33,133
FINANCING				
Withdrawals of long-term loans	0	3,483	0	0
Repayment of long-term loans	-1,537	-7,561	-695	-4,529
Increase/decrease in long-term receivables	13	333	-35	1,387
Dividends paid	0	-3,090	0	-1,702
Change in value of own shares	-156	-777	-156	-777
Rights issue	311	199	311	199
Minority capital investment in subsidiaries	0	18,152	0	0
Group contributions received	0	0	1,827	0
Cash flow from financing	-1,368	10,738	1,252	-5,422
Increase/decrease in liquid assets	-7,038	18,278	-2,666	5,344
Liquid assets 1 January	39,294	21,017	15,486	10,143
Liquid assets 31 December	32,256	39,294	12,820	15,486

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

Comparability of data

Any comparison of the parent company's data for the financial year should take into account the fact that magazine publishing operations were transferred to Talentum Media Oy as a transfer in kind on 1 January 2001.

Calculation of key indicators

The Group's key indicators have been calculated in accordance with a decision of the Ministry of Finance issued on 25 March 1999 and as if the merger of Kauppakaari and Talentum in 2000 had occurred before 1997. The level of precision of figures for the years 1997 to 1999 does not in all respects correspond to the level of precision for the years 2000 and 2001.

Consolidated financial statements

The consolidated financial statements combine the parent company's and subsidiaries' profit and loss accounts, balance sheets and notes to financial statement.

The consolidated financial statements include all those companies which the parent company controls either directly or indirectly. The acquisition cost method is generally applied in the consolidation of subsidiaries. The pooling method was applied to the merger of Talentum Oyj and Kauppakaari Oyj that occurred in 2000. Oy Mediutiset Ab has been consolidated as a joint venture company line-by-line in proportion to the holding (50%) and otherwise applying the same principles as in the consolidation of subsidiaries. Other associated companies have been included in the consolidated financial statements using the equity method. The price paid for shares in subsidiaries in excess of their shareholders' equity is shown as consolidated goodwill, to be depreciated over a maximum of ten years.

Business transactions within the Group, internal dividend payments, and internal receivables and debts have been eliminated. Minority interest is separated from the Group's shareholders' equity and net profit, and it is given as a separate item.

Other operating income

Other operating income in 2000 includes the share premium arising in the listing of Satama Interactive.

Valuation of fixed assets

Fixed asset items have been entered in the balance sheet at their original acquisition cost less planned depreciation. Planned depreciation has been calculated by the straight-line method based on economic life. The depreciation periods are as follows:

Intangible rights	2-5 years
Consolidated goodwill	5-10 years
Other long-term expenses	3-10 years
Machinery and equipment	2-7 years

Valuation of inventories

Inventories are presented at the variable costs of acquisition and manufacturing. The acquisition cost of the same type of inventory assets is determined using the FIFO principle.

Valuation of financial assets

Shares, holdings and financial instruments included in financial assets are valued at the acquisition cost or the market price, whichever is the lower.

Items denominated in foreign currency

Items denominated in foreign currency are shown in euros at the rate quoted by the European Central Bank at year-end. Differences in exchange rates accruing during the financial year have been included in financial income and expenses.

Balance sheet items in the financial statements of foreign Group and associated companies have been translated into euros at the rate quoted by the European Central Bank at year-end. Profit and loss accounts have been translated using the average rate for the financial year. The average exchange rate difference arising when translating financial statements and translation differences in shareholders' equity has been presented in the item "retained earnings".

Pension arrangements

Pension expenses have been presented in accordance with the local legislation of the country in question. The statutory and voluntary pension cover of Finnish Group companies has been arranged through external pension insurance companies.

Deferred taxes

Accumulated depreciation differences in the Group have been divided between deferred tax liability and shareholders' equity.

The tax effects arising from the booked and taxation matching differences are given as a deferred tax credit and tax liability.

NOTES TO THE FINANCIAL STATEMENTS

€ 1000	Group		Parent	
	2001	2000	2001	2000
1. Turnover and operating profit by business area				
Turnover				
Publishing	49,721	54,041	0	41,302
Internet consulting	28,845	30,118	0	0
Internet services	1,633	2,255	0	0
Direct marketing	6,709	5,919	0	0
Premedia	17,870	18,026	0	0
Other business	6,542	14,782	0	0
Internal invoicing/Group services	-4,612	-7,848	4,124	0
	106,708	117,292	4,124	41,302
TV content production (associated company Varesvuo Partners)				
	21,429	24,774	0	0
Operating profit/loss				
Publishing	5,866	5,639	0	-192
Internet consulting	-9,717	-16,951	0	0
Internet services	-2,968	-3,356	0	0
Direct marketing	1,576	1,633	0	0
Premedia	1,117	1,925	0	0
Other business	720	614	0	0
Parent company	-1,288		-1,314	
Group items:				
Listing of Satama		25,209		
Depreciation on consolidated goodwill and other items	-871	-6,444	0	0
	-5,565	8,269	-1,314	-192
TV content production (associated company Varesvuo Partners Oy)				
	114	2,525		
Impact on consolidated operating profit	-842	251		
Operating profit/loss, total	-6,407	8,521		
2. Other income from business operations				
Profits on sale of fixed assets	1,761	5,985	4	81
Rental income	429	175	1	5
Share premium in subsidiary, targeted issue in Satama Interactive Oyj	0	25,209	0	0
Other income	381	0	0	653
	2,571	31,369	5	739
3. Materials and services				
Materials, supplies and goods				
Purchases during financial year	6,601	10,790	0	0
Change inventories (+/-)	-25	-462	0	0
Materials, supplies and goods, total	6,576	10,328	0	0
External services				
	15,561	17,865	0	8,671
Materials and services, total	22,137	28,193	0	8,671

€ 1000	Group		Parent	
	2001	2000	2001	2000
4. Personnel expenses				
Performance-based salaries and fees:				
Managing Directors	1,654	2,037		
Supervisory Board and Boards of Directors	147	141	102	106
Others	40,067	44,623	1,971	9,899
Pension expenses	5,976	6,741	323	1,736
Other statutory personnel expenses	3,357	3,690	98	781
Personnel expenses in profit and loss account				
	51,201	57,233	2,494	12,523
Average number of personnel during the period under review*)				
	1,197	1,228	41	197
*) Adjusted to full-time employees				
5. Depreciation and writedowns				
Planned depreciation				
Intangible assets	2,712	2,986	194	854
Tangible assets	4,490	4,881	223	737
Depreciation, total	7,202	7,867	417	1,591
Depreciation on consolidated goodwill				
	2,463	7,613	0	0
All depreciation, total	9,665	15,480	417	1,591
Change in depreciation difference				
Intangible assets			-40	25
Tangible assets			36	67
Change in depreciation difference, total			-4	92
6. Extraordinary items				
Losses on relinquishment of operations	0	-1,199	0	0
Additional depreciation on goodwill (Satama Interactive)	-2,126	-3,749	0	0
Profits on relinquishment of operations	96	0	0	0
Recognition of additional purchase price	318	0	0	0
Group contributions	0	0	3,091	1,827
Extraordinary items, total	-1,712	-4,948	3,091	1,827
7. Shares and holdings included in fixed assets and held by Group and parent company				
	Domicile	Group holding %	Parent company holding %	
Konserniyriytykset				
Talentum Media Oy	Helsinki	100.00	100.00	
Suoramarkkinointi Mega Oy	Helsinki	100.00	100.00	
Satama Interactive Oyj	Helsinki	62.20	62.20	
Talentum Digital Media Oy	Helsinki	99.37	99.37	
Planum Oy	Helsinki	100.00	100.00	
Expose Oy	Helsinki	100.00	100.00	
Michelsson Sales Consults Oy	Helsinki	100.00	100.00	

NOTES TO THE FINANCIAL STATEMENTS

	Domicile	Group holding %	Parent company holding %
Associated companies			
Filmitalli Oy	Helsinki	20.18	20.18
Elohopea-Filmi Oy	Helsinki	26.13	26.13
Crea-Filmi Oy	Helsinki	27.66	27.66
Woodpecker Film Oy	Helsinki	21.88	21.88
Varesvuo Partners Oy	Helsinki	47.50	47.50
Subsidiaries' Group companies			
Interweb Oy	Helsinki	100.00	
Satama Finland Oy	Helsinki	100.00	
Seiren Solutions Oy	Helsinki	100.00	
Satama Tampere Oy	Tampere	100.00	
Satama Deutschland GmbH	Dusseldorf	100.00	
Satama UK Ltd	London	100.00	
Satama Amsterdam B.V.	Amsterdam	100.00	
Satama USA Inc.	Dallas	100.00	
Satama Sverige AB	Stockholm	100.00	
Satama Singapore Pte Ltd	Singapore	100.00	
Studio Soini Oy	Helsinki	100.00	
Oy Mediuutiset AB	Helsinki	50.00	
Iustus Förlag AB	Uppsala	66.70	
Conseco Press	Moscow	40.00	(51% of votes)
Reprostudio & Heku Oy	Helsinki	100.00	
Tietopolku Oy	Helsinki	90.00	
Offset-Kopio Oy	Helsinki	100.00	
Lito-Scan Oy	Helsinki	100.00	
Digistudio Helsinki Oy	Helsinki	91.00	
Main Domain Oy	Helsinki	50.00	
Müügimeistrite A/S	Tallinn	100.00	
Telemarket SIA	Riga	100.00	

€ 1000	Group		Parent	
	2001	2000	2001	2000
8. Intangible and tangible assets				
Intangible assets				
Acquisition cost 1 Jan.	22,126	15,949	4,705	4,269
Transfer of operations			-3,946	
Increase	1,926	7,491	652	442
Decrease	-1,155	-1,314	-282	-6
Acquisition cost 31 Dec.	22,897	22,126	1,129	4,705
Accumulated depreciation	-15,957	-12,792	-307	-2,010
Book value 31 Dec.	6,940	9,334	822	2,695
Tangible assets				
Acquisition cost 1 Jan.	22,852	32,529	5,972	5,139
Transfer of operations			-4,341	
Increase	3,545	5,942	309	1,117
Decrease	-3,964	-15,619	-766	-284
Acquisition cost 31 Dec.	22,433	22,852	1,174	5,972
Accumulated depreciation	-15,021	-13,576	-473	-3,558
Book value 31 Dec.	7,412	9,276	701	2,414

€ 1000	Group		Parent	
	2001	2000	2001	2000
Consolidated goodwill				
Acquisition cost 1 Jan.	33,796	20,139		
Increase/decrease	-398	13,657		
Acquisition cost 31 Dec.	33,398	33,796		
Accumulated depreciation	-18,584	-16,337		
Book value 31 Dec.	14,814	17,459		
Investments				
Shares in subsidiaries				
Acquisition cost 1 Jan.			120,911	12,384
Transfer of operations			-17	
Increase			1,974	113,111
Decrease			-12	-4,584
Acquisition cost 31 Dec.			122,856	120,911
Shares in associated companies				
Acquisition cost 1 Jan.	8,404	8,384	7,121	7,121
Increases	1,591	21	1,591	0
Decreases/transfers	-1,266	0	0	0
Acquisition cost 31 Dec.	8,729	8,404	8,712	7,121
Accumulated planned depreciation and shares of profits	-1,195	38	0	0
Book value 31 Dec.	7,534	8,443	8,712	7,121
Associated company shares include undepreciated consolidation asset	4,705	3,836		
Other investments				
Acquisition cost 1 Jan.	1,792	1,274	316	320
Increases/transfers	715	1,319	0	0
Decreases	-16	-801	0	-3
Acquisition cost 31 Dec.	2,491	1,792	316	316
Accumulated planned depreciation and writedowns	-1,427	-1,417	0	0
Book value 31 Dec	1,064	375	316	316

9. Itemization of intangible and tangible assets

Intangible assets				
Computer software	2,648	2,861	781	1,308
Renovation of business premises	2,621	2,838	1	308
Others	1,671	3,635	39	1,079
Total	6,940	9,334	822	2,695
Tangible assets				
Machinery and equipment	6,900	8,578	670	2,385
Other tangible assets	512	698	32	29
Total	7,412	9,276	702	2,414

10. Inventories

Materials and supplies	122	206	0	0
Work in progress	207	211	0	0
Finished products/goods	924	3,076	0	0
Advance payments	0	138	0	0
Total	1,253	3,631	0	0

NOTES TO THE FINANCIAL STATEMENTS

€ 1000	Group		Parent	
	2001	2000	2001	2000
11. Financial assets				
Difference between the book and market values of shares, holdings and financial instruments included in financial assets:				
Market value	29,852	37,486	12,595	16,376
Book value	29,692	35,940	12,448	14,830
Difference	160	1,546	147	1,546
12. Receivables				
Receivables from Group companies				
Long-term receivables:				
Loan receivables			696	1,051
Short-term receivables:				
Trade receivables			273	27
Loan receivables			525	968
Prepaid expenses and accrued income			10,280	1,844
Total			11,078	2,839
Receivables from associated companies				
Trade receivables	2	0	0	0
13. Prepaid expenses and accrued income				
Tax assets	1,276	997	619	0
TEL pension receivables	891	36	150	
Investment receivables	968	3	968	2
Others	953	2,628	17	328
Total	4,088	3,664	1,754	330
14. Shareholders' equity				
Share capital 1 Jan.	8,404	8,374	8,404	7,196
New issue	47	30	47	1,208
Share capital 31 Dec.	8,451	8,404	8,451	8,404
Reserve fund	6,294	6,294	6,294	6,294
Share premium fund 1 Jan.	3,559	3,390	82,100	1,866
Issue premium	264	169	264	80,234
Other change	-11			
Share premium fund 31 Dec.	3,812	3,559	82,364	82,100
Own share fund 1 Jan.	593	1,370	593	1,370
Decrease	-156	-777	-156	-777
Own share fund 31 Dec.	437	593	437	593
Other funds	786	786	786	786
Retained profits 1 Jan.	33,838	24,204	21,342	19,062
Dividend payment	0	-3,090	0	-1,702
Translation difference	41	68	0	0
Net profit for the year	-2,229	12,657	11,795	3,982
Net profit for the year	31,651	33,838	33,137	21,342
Shareholders' equity total 31 Dec.	51,431	53,474	131,469	119,519

€ 1000	Group		Parent	
	2001	2000	2001	2000
15. Calculation of distributable assets				
Non-restricted equity 31 Dec.	32,436	34,414	33,923	22,127
-Portion entered in shareholders' equity from accumulated depreciation difference	-717	-1,149	0	0
-Other items	-3,150	-31,999	0	-1,393
Distributable assets from non-restricted equity	28,569	1,266	33,923	20,734
Share capital by type of share at end of financial year:			shares	shares
Series: TTMV1			20,099,515	19,987,415
Own shares held by the company			90,500	90,500
16. Voluntary reserves				
Accumulated depreciation difference by fixed asset group				
Intangible assets			120	721
Tangible assets			89	405
			209	1,126
Deferred tax liability included in reserves			61	327
17. Liabilities				
Liabilities to Group companies				
Current liabilities:				
Accounts payable			44	351
Other current liabilities			22,751	21,236
Total			22,795	21,587
Liabilities to associated companies				
Accounts payable	10	11	0	2
Other current liabilities	145	0	145	0
Total	155	11	145	2
Accrued liabilities and deferred income				
Subscription fee advances	1,620	1,785	0	1,744
Holiday pay obligation liability	4,518	4,431	278	1,360
Reserve for incentive bonuses	93	729	76	712
Statutory employment pension and social security contributions debt	186	747	13	291
Royalty debt	98	237	0	237
Operational restructuring reserve	4,565	1,915	0	0
Others	2,917	3,323	82	650
Total	13,997	13,167	449	4,995
18. Deferred tax liabilities and credits				
Deferred tax credits				
On matching items	1,439	1,513	1,316	1,393
Deferred tax liabilities				
On matching items	293	382	0	0

NOTES TO THE FINANCIAL STATEMENTS

€ 1000	Group		Parent	
	2001	2000	2001	2000
19. Guarantees, contingent liabilities and other commitments				
Financial institution loans				
with shares as collateral	3,364	5,466		
Book value of				
shares pledged	8,139	8,643		
Financial institution loans with				
promissory notes as collateral	3,364	5,505		
Pension loans with promissory				
notes as collateral	438	661		
Book value of				
notes pledged	6,728	8,462		
Guarantees posted for				
own commitments				
Rent guarantees	11,196	10,396		
Other commitments	1,098	1,233		
Leasing commitments				
To be paid in the				
next financial year	795	1,123	40	40
To be paid later	608	1,183	35	35
Guarantees posted on behalf				
of Group companies				
Rent guarantees	6,253	304	6,253	304
Other commitments	22	260	22	260
Equity-rated loans			696	1,051
Pledged securities	238	238	238	238
Guarantees	348	32	32	32
No pledges or other contingent				
liabilities have been posted on behalf				
of the management or shareholders.				
20. Warrant bonds				
Parent company's Warrant Bond Issue 1996:				
Amount of issue, FIM	440,000			
Amount of issue, €	74,003			
Interest rate	4%			
Repaid	16.9.1999			
Number of A warrants	220,000	subscription rights	880,000	shares
Number of B warrants	220,000	subscription rights	880,000	shares
Total	440,000	subscription rights	1,760,000	shares
Subscription period:				
A warrants	1 Sept.1999 – 31 Jan. 2004			
B warrants	1 Sept.2000 – 31 Jan. 2004			
Warrants not exercised at 31 Dec. 2001:				
Number of A warrants	16,325	subscription rights	65,300	shares
Number of B warrants	179,650	subscription rights	718,600	shares
Subscription price:				
A warrants	€ 2.78 (FIM 16.50) per share			
B warrants	€ 2.78 (FIM 16.50) per share			

Parent company's Warrant Bond Issue 1999:

Amount of issue, FIM	1,450,000		
Amount of issue, €	243,873		
Interest rate	0%		
Repaid	30 April 2001		
Number of A warrants	725,000	subscription rights	725,000 shares
Number of B warrants	725,000	subscription rights	725,000 shares
Total	1,450,000	subscription rights	1,450,000 shares

Subscription period:

A warrants	1 Feb. 2002 – 28 Feb. 2005
B warrants	1 Feb. 2004 – 28 Feb. 2005

Subscription price:

A warrants	€ 14.10 per share
B warrants	€ 12.18 per share

Parent company's Warrant Bond Issue 2000:

Amount of issue, FIM	460,000		
Amount of issue, €	77,366		
Interest rate	0%		
Repaid	30 November 2002		
Number of A warrants	115,000	subscription rights	115,000 shares
Number of B warrants	230,000	subscription rights	230,000 shares
Total	345,000	subscription rights	345,000 shares

Subscription period:

A warrants	1 Feb. 2002 – 28 Feb. 2005
B warrants	1 Feb. 2004 – 28 Feb. 2005

Subscription price:

A warrants	€ 14.10 per share
B warrants	€ 12.18 per share

The company Expose Oy, a wholly owned subsidiary of the parent company, had subscription rights totalling 502,450 shares.

21. Management share holdings

At the end of the year under review, the members of the parent company's Supervisory Board and Board of Directors, Managing Director and companies under their control held a total of 257,088 shares and share options in Talentum Oyj. This holding corresponds to 1.3 per cent of the issued stock. In the event of the warrants issued by Talentum Oyj in 1996, 1999 and 2000 all being exercised, the holdings of the Group management would be 315,888 shares, representing 1.6 per cent of the company's issued stock and voting rights.

WARRANT BONDS ISSUED TO TALENTUM PERSONNEL

WARRANT BOND ISSUE 1996

An Extraordinary General Meeting of the company held on 28 August 1996 passed a resolution on an FIM 440,000 warrant bond issue with subscription rights granted to all the Group's employees. The issue was fully subscribed. The maturity period was three years and it was repaid on 16 September 1999. The annual interest rate was 4%. The issue took the form of 440 tranches with a par value of FIM 1,000, each of which carried 1,000 warrants, of which 500 were marked A and 500 were marked B. Each warrant confers entitlement to subscribe four Talentum Oyj shares at a subscription price of € 2.78 (FIM 16.50). Shares can be subscribed with warrant A between 1 September 1999 and 31 January 2004 and with warrant B between 1 September 2000 and 31 January 2004. The shares confer entitlement to a dividend for the financial year during which the shares are subscribed. Other entitlements begin after the increase in share capital has been entered in the Trade Register. The share capital of Talentum Oyj may rise on the basis of subscriptions of the Warrant Bond Issue 1996 by a maximum of 1,760,000 shares or € 740,026.88. Similarly, the number of voting rights conferred by shares may rise as a result of the subscriptions by a maximum of 1,760,000 votes.

The Warrant Bond Issue 1996 was aimed at the entire personnel, and 82 people were within its scope.

It has been possible to subscribe shares with A warrants since 1 September 1999 and with B warrants since 1 September 2000. Of the 1,760,000 maximum number of subscriptions, 783,900 shares remained unsubscribed at the end of the year under review.

WARRANT BOND ISSUE 1999

The Annual General Meeting held on 29 March 1999 passed a resolution on an FIM 1,450,000 warrant bond issue with subscription rights granted to all the Group's employees. The issue was fully subscribed. The maturity period was two years and it was repaid in a single instalment on 30 April 2001. The issue was non-interest bearing. The issue takes the form of 1,450 tranches each with a par value of FIM 1,000, each of which carries 1,000 warrants, of which 500 are marked A and 500 are marked B. Shares can be subscribed with warrant A between 1 February 2002 and 28 February 2005 and with warrant B between 1 February 2004 and 28 February 2005. According to the terms of the warrant bond issue, the subscription price at the end of the year under review of a share with warrant A is € 14.10 and with warrant B € 12.18. The subscription price of a share will be lowered by the amount of the dividends paid after the period for setting the subscription price and before the share subscription on each dividend payment's date of record. However, the subscription price of a share must in all cases be no less than the share's countervalue.

Share entitlements begin after the increase in share capital has been entered in the Trade Register, and shares confer entitlement to a dividend for the financial year during which the shares are subscribed. Talentum Oyj's share capital may rise as a result of subscriptions of the Warrant Bond Issue 1999 by a maximum of 1,450,000 shares or € 609,681.23. Similarly, the number of voting rights conferred by shares may rise as a result of the subscriptions by a maximum of 1,450,000 votes.

Warrant Bond Issue 1999 was aimed at the entire personnel, and 170 people are within its scope.

In the event of a subscriber's employment or position with a company of the Talentum Group ending before the share subscription period with an option has begun, he or she must return to the company any options whose share subscription period has not yet begun.

WARRANT BOND ISSUE 2000

Talentum Oyj's Board of Directors decided on 19 October 2000 by virtue of the authorization granted by the Annual General Meeting on 31 March 2000 to issue a warrant bond issue with subscription rights granted to personnel of Kauppakaari Oyj, which merged with the Talentum Group in 2000, and to Expose Oy, a wholly owned subsidiary of Talentum Oyj. The amount of the warrant bond issue is FIM 460,000. The issue takes the form of 345,000 warrants, of which 115,000 are marked A and 230,000 are marked B. The warrants can subscribe a maximum total of 345,000 Talentum Oyj shares. The subscription price of a share is € 14.10 with warrant A and € 12.18 with warrant B. The subscription price will be lowered by the amount of the dividends paid before the share subscription on each dividend payment's date of record. Subscription of shares with warrant A began on 1 February 2002 and will begin with warrant B on 1 February 2004. The subscription period for all warrant ends on 28 February 2005.

Some 39 employees are within the scope of Warrant Bond Issue 2000.

In the event of a subscriber's employment or position with a company of the Talentum Group ending before the share subscription period with an option has begun, he or she must return to the company any options whose share subscription period has not yet begun.

SHARE INFORMATION

Talentum shares are quoted on Main List of the Helsinki Exchanges. Talentum shares were first quoted on the OTC list (now the I-list) in 1988. The shares moved to the Main List on 1 December 1998. The code for the shares is TTM1V. The company's shares are not traded on any other stock exchange.

Talentum Oyj's issued stock stands at 20,099,515 shares. The shares are included in the book-entry securities system. All the shares are in a single series and each share confers equal entitlement to vote at company meetings and to identical dividend rights. However, Talentum Oyj's Articles of Association include a clause on redemption obligations and restrictions on voting rights.

The total turnover of Talentum shares in 2001 was 10,961,273 shares, representing 54.9% of all shares.

DIVIDEND POLICY

Talentum Oyj follows an active policy on dividends. No dividend was distributed in 2000. For 2001, the Board of Directors is proposing to the Annual General Meeting that a dividend of € 0.10 per share be distributed.

The factors affecting dividends are the amount of distributable equity, the absolute and relative net profit for the year, the company's cash flow from business operations, the requirement for capital expenditure in the near future, and the outlook for the future.

The period for the expiry of the dividend is five years from the date on which payment of dividend begins. Dividends unpaid after this time belong to the company. The shares also confer entitlement to a share of the proceeds in the event of the company being disbanded.

INVESTOR RELATIONS

It is the aim of Talentum's investor relations to ensure that the market receives accurate information on the Talentum Group's business and its future prospects.

Talentum serves investors and analysts by arranging meetings with the management. Bulletins issued to the market can be seen at the company's website.

In all our disclosures, we aim for transparency.

Share capital increases 1994 - 2001

		Number of A shares	Number of B shares
1993		1,081,000	916,000
1994	Bonus issue	1A/1B : 1B	-
1996	Bonus issue	1A/1B : 1B	-
1998	Bonus issue	1A:1A, 1B:1B	-
1998	Targeted issue	1A/1,16	-
		2,507,920	13,814,000
			+ 2,507,920
Combined, series A and B			
	Total number of shares 31 Dec.1998		16,321,920
1999	Share subscriptions with warrants		792,400
	Total number of shares 31 Dec.1999		17,114,320
2000	Targeted issue/Kauppaari Oyj		2,801,495
2000	Share subscriptions with warrants		71,600
	Total number of shares 31 Dec.2000		19,987,415
2001	Share subscriptions with warrants		112,100
	Total number of shares 31 Dec.2001		20,099,515

Talentum Oyj (situation at 31 Dec. 2001)

		Number of warrants
In addition, Talentum Oyj's outstanding warrants	total	2,578,900
- of which fell due	1 Sep. 1999	65,300
- of which fell due	1 Sep. 2000	718,600
- of which fall due	1 Feb. 2002	840,000
- of which fall due	1 Feb. 2004	955,000

SHARE INFORMATION

Breakdown of share ownership 31 December 2001

Number of shares	Number of shareholders	% of holders	Number of shares	% of shares and votes
1 - 100	925	29.95	69,077	0.34
101 - 1,000	1,621	52.49	704,726	3.51
1,001 - 10,000	465	15.06	1,264,609	6.29
10,001 - 100,000	60	1.94	1,888,346	9.39
100,001 - 10,000,000	17	0.55	16,131,453	80.25
Waiting list			0	0
Joint account			41,304	0.21
Total	3,088	100.0	20,099,515	100.0

Shareholders by category 31 December 2001

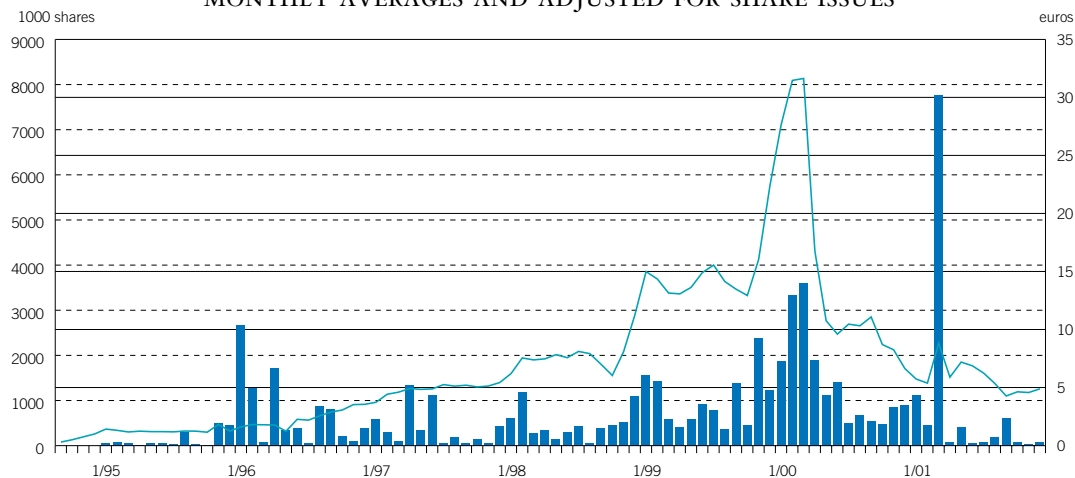
	Number of shareholders	% of shares	Number of shares	% of shares and votes
Companies				
Public companies	1	0.0	2,400	0.0
Private companies	239	7.7	8,699,313	43.3
Nominee registered	1	0.0	10,031	0.0
Financial institutions and insurance companies				
Financial institutions and insurance companies	37	1.2	1,292,147	6.4
Nominee registered	4	0.1	3,325,871	16.5
Non-corporate public sector	21	0.7	196,680	1.0
Non-profit organizations	68	2.2	4,483,813	22.3
Households	2,695	87.3	1,948,875	9.7
Foreign	22	0.7	99,081	0.5
Waiting list			0	0.0
Joint account			41,304	0.2
Total	3,088	100.0	20,099,515	100.0

SHARE INFORMATION

Major shareholders, 31. December 2001

	Total shares	% of shares and voting rights
1. Alma Media Corporation	6,600,000	32.8
2. The Association of Finnish Lawyers	1,661,080	8.3
3. The Association of Finnish Engineers	1,100,000	5.5
4. The Finnish Association of Graduates in Economics and Business Administration	520,000	2.6
Aimonoke Oy	524,896	2.6
Total	1,044,896	5.2
5. The Finnish Association of Graduate Engineers TEK	234,800	1.2
Dia-Tieto Oy	799,069	4.0
Total	1,033,869	5.1
6. OP-Delta Mutual Fund	344,700	1.7
7. Finpro	223,410	1.1
8. The Association of Finnish Wholesalers and Importers	169,698	0.8
9. Alfred Berg Small Cap Mutual Fund	158,820	0.8
10. Nordea Bank Finland Plc	141,513	0.7
11. TFIS Engineering Society in Finland	139,987	0.7
12. Alfred Berg Portfolio Mutual Fund	129,479	0.6
13. Alfred Berg Finland Mutual Fund	119,420	0.6
14. Gyllenberg Small Firm Fund	77,500	0.4
15. Finnish National Fund for Research and Development SITRA	70,520	0.4
16. Association of Swedish-speaking Engineers in Finland DIFF	70,010	0.3
17. Mr. Vilho Korkeamäki	68,500	0.3
18. Alfred Berg Optimal Mutual Fund	68,420	0.3
19. Mr. Mikko Saarela	67,000	0.3
20. The Foundation for Commercial and Technical Sciences	65,400	0.3
Nominee-registered shares	3,335,302	16.6
Other shareholders, total	3,409,991	17.0
ISSUED STOCK	20,099,515	100.0

**PRICE DEVELOPMENT AND TRADING OF TALENTUM SHARE,
MONTHLY AVERAGES AND ADJUSTED FOR SHARE ISSUES**



KEY INDICATORS

Key indicators for the Group

		2001	2000	1999	1998	1997
Return on equity, % (ROE)	%	-9.3	13.3	5.2	29.4	27.8
Return on investment, % (ROI)	%	-5.7	15.2	11.1	35.6	38.5
Equity ratio	x) %	66.8	60.5	55.6	62.5	55.4
Net gearing	%	-39.0	-39.1	-17.4	-41.2	-44.6
Key indicators per share						
Earnings per share	€	-0.06	0.85	0.20	0.70	0.50
Earnings per share, diluted by warrant bonds	€	-0.06				
Dividend per share	€	0.10	-	0.10	0.25	0.17
Equity per share	€	2.55	2.66	2.17	2.27	1.87
Dividend/earnings	%	neg.	-	50	36	34
Effective dividend yield	%	2.1	-	0.4	1.8	3.0
P/E ratio at year-end share price		-80.3	7.7	120.5	20.4	11.1
Market capitalization	xx) € million	96.6	130.3	410.3	233.3	88.7
Traded price, 31 Dec.	€	4.83	6.55	24.10	14.30	5.55
Traded price, high	€	9.00	43.80	26.00	15.14	6.05
Traded price, low	€	4.00	5.40	11.40	5.55	3.45
Average price for year, adjusted for share issue	€	7.86	21.13	15.38	8.04	4.78
Total share turnover	xx) shares	10,961,273	17,142,084	12,101,456	6,298,500	4,739,140
Total share turnover as percentage of shares	xx) %	54.9	90.3	73.3	39.3	29.7
Number of shares, issue-adjusted:						
weighted average during year	shares	19,951,436	18,987,685	18,463,337	17,970,229	17,926,634
at year-end	shares	20,009,015	19,896,915	19,825,315	19,123,415	18,777,495
Unredeemed 1996 warrants	warrants	783,900	896,000	967,600		
Unredeemed 1999 warrants	warrants	1,450,000	1,450,000	1,450,000		
Unredeemed 2000 warrants	warrants	345,000	345,000			
Company's own shares	shares	90,500	90,500	90,500		

x) matching of the subscriptions booked in deferred liabilities has been treated as debt

xx) 1997-1999 calculated with Talentum's figures

Financial trends of the Group

		2001	2000	1999	1998	1997
Turnover	€ 1,000	106,708	117,292	104,826	90,287	103,129
growth	%	-9.0	11.9	16.1	-12.5	18.1
Operating profit	€ 1,000	-6,407	8,521	2,466	9,547	7,537
turnover	%	-6.0	7.3	2.4	10.6	7.3
Financial items	€ 1,000	1,659	1,388	3,449	7,755	6,619
Profit before extraordinary items, taxes and minority interest						
turnover	€ 1,000	-4,747	9,909	5,915	17,302	14,156
	%	-4.4	8.4	5.6	19.2	13.7
Taxes	€ 1,000	-917	-2,576	-3,534	-5,354	-5,011
Minority interest	€ 1,000	5,147	10,273	1,529	447	-130
Profit before extraordinary items	€ 1,000	-517	17,605	3,910	12,395	9,015
Extraordinary items	€ 1,000	-1,712	-4,948	258	506	0
Net profit for the year	€ 1,000	-2,229	12,657	4,168	12,901	9,015
Gross investment	€ 1,000	8,065	29,405	28,891	10,530	25,562
turnover	%	7.6	25.1	27.6	11.7	24.8
Shareholders' equity + minority interest	€ 1,000	58,124	64,792	47,755	44,938	36,295
Balance sheet total	€ 1,000	86,986	107,246	85,242	72,267	66,235
Average number of employees		1,197	1,228	1,220	865	685
Turnover per employee	€ 1,000	89	96	86	104	151

CALCULATION OF KEY INDICATORS

Return on equity (ROE), %	$\frac{\text{Profit or loss before extraordinary items - taxes}}{\text{Shareholders' equity + minority interest (average of beginning and end of year)}} \times 100$	x 100
Return on investment (ROI), %	$\frac{\text{Profit or loss before extraordinary items + interest expenses and other financial expenses}}{\text{Balance sheet total - non-interest-bearing debts (average of beginning and end of year)}} \times 100$	x 100
Equity ratio, %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$	x 100
Gearing, %	$\frac{\text{Interest-bearing debts - cash, bank and securities included in financial assets}}{\text{Shareholders' equity + minority interest}} \times 100$	x 100
Earnings per share	$\frac{\text{Profit before extraordinary items - taxes +/- minority interest}}{\text{Average number of shares for financial year (adjusted for share issues)}}$	
Dividend per share	$\frac{\text{Dividends paid}}{\text{Number of shares at year-end (adjusted for share issues)}}$	
Equity per share	$\frac{\text{Shareholders' equity}}{\text{Number of shares at year-end (adjusted for share issues)}}$	
Dividend per earnings (%)	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$	x 100
Effective dividend yield (%)	$\frac{\text{Dividend per share}}{\text{Share price at year-end (adjusted for issues)}} \times 100$	x 100
Price/earnings ratio, P/E	$\frac{\text{Share price at year-end (adjusted for share issues)}}{\text{Earnings per share}}$	
Market capitalization	$\text{Number of shares} \times \text{share price at year-end}$	

PARENT COMPANY'S PROPOSAL FOR THE DISTRIBUTION OF PROFITS

	Parent company, €	Group, €
Distributable assets	33,922,665.17	28,569,383.75
The Board of Directors proposes that a dividend of € 0.10 be distributed to shares outstanding	2,000,901.50	2,000,901.50
Retained in distributable assets	31,921,763.67	26,568,482.25

Helsinki, 12 February 2002

Jukka Ant-Wuorinen
Juha Blomster
Vilho Korkeamäki
Göran Nyman
Eero Tuomainen

Seppo Kempainen
Simo Jutila
Johannes Koroma
Eira Palin-Lehtinen

Harri Roschier
Managing Director

AUDITORS' REPORT

TO THE SHAREHOLDERS OF TALENTUM OYJ

We have audited the accounting, the financial statements and the corporate governance of Talentum Oyj for the financial year 1 January - 31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies Act.

Helsinki, 27 February, 2002

SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants

Kari Miettinen
Authorized Public Accountant

BOARD OF DIRECTORS

The members of the Board of Directors are elected by the Annual General Meeting. The term of office of Board members ends at the closing of the second Annual General meeting following the one at which they were elected. Board members may not be 64 years of age or older at the time of election. The Annual General Meeting elects a Chairman and Deputy Chairman of the Board of Directors for one year at a time.

CHAIRMAN:

Managing Director
Jukka Ant-Wuorinen (b. 1950)
Amer-Tupakka Oy
Term of office expires: 2003

DEPUTY CHAIRMAN:

Lawyer
Seppo Kemppinen (b. 1950)
Asianajotoimisto Borenius&Kemppinen Oy
Term of office expires: 2003

MEMBERS:

Managing Director
Juha Blomster (b. 1957)
Kustannusosakeyhtiö Kauppalehti
/Alma Media Oyj
Term of office expires: 2003

Managing Director
Simo Jutila (b. 1957)
Keycast Oy
Term of office expires: 2003

Managing Director
Vilho Korkeamäki (b. 1945)
Ins.toimisto V.Korkeamäki Ky
Term of office expires: 2003

Managing Director
Johannes Koroma (b. 1943)
Confederation of Finnish
Industry and Employers
Term of office expires: 2003

Managing Director
Göran Nyman (b. 1939)
Oy NIM International Ab Ltd
Term of office expires: 2003

Executive Vice President
Eira Palin-Lehtinen (b. 1950)
Nordea Bank Finland Plc
Term of office expires: 2003

Lic. (Pol. Sc.)
Eero Tuomainen (b. 1938)
Term of office expires: 2003

Board of Directors from left: Eira Palin-Lehtinen, Vilho Korkeamäki, Seppo Kemppinen (Chairman), Eero Tuomainen, Jukka Ant-Wuorinen (Deputy Chairman), Simo Jutila, Juha Blomster, Johannes Koroma and Göran Nyman.



MANAGEMENT

MANAGING DIRECTOR

The Managing Director is appointed by the Board of Directors.

M.Sc. (Econ.&B.A.)
Harri Roschier (b. 1957)

AUDITOR

The Annual General Meeting elects annually a firm of Authorized Public Accountants as auditor.

The auditor is the Authorized Public Accountant firm SVH PricewaterhouseCoopers Oy, with **Kari Miettinen, Authorized Public Accountant (b. 1951)** the responsible auditor.

MANAGING DIRECTORS OF SUBSIDIARIES

Talentum Media Oy
until 26 April 2001
Ilkka Seppälä (b. 1956)
LL.M.
as of 27 April 2001
Harri Roschier (b. 1957)
M.Sc. (Econ.&B.A.)

Satama Interactive Oyj
until 24 October 2001
Heikki Rotko (b. 1961)
Commercial college graduate, MBA
as of 25 October 2001
Jan Sasse (b. 1967)
M.Sc. (Econ.&B.A.)

Suoramarkkinointi Mega Oy
Mikko Saarela (b. 1960)
Commercial college graduate

Talentum Digital Media Oy
(until 10 May 2001
WOW-Verkkobrandit Oy)
Juha-Pekka Virtanen (b. 1970)
M.Sc. (Econ.&B.A.)

Mediutiset Oy Ab
Pentti Kiiski (b. 1953)
Pharmacist

Varesvuo Partners Oy
until 2 January 2002
Markus Varesvuo (b. 1960)
as of 3 January 2002
Jukka Valtanen (b. 1961)
M.Sc. (Econ.&B.A.)

ANALYSTS

The following banks and brokers are among those which analyze Talentum as an investment:

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(+358 9) 228 321

Nordea Securities Oyj
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Conventum Pankkiiriliike Oy
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Crédit Agricole Indosuez Cheuvreux International Ltd,
Helsinki research office
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Carnegie D. Carnegie Ab Finland Branch
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Deutsche Bank Global Equities
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Enskilda Securities AB, Helsinki Branch
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Handelsbanken Investment Banking
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Mandatum Pankkiiriliike Oy
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Pankkiiriliike Opstock Oy
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Evli Bank Plc
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Cazenove & Co
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Crédit Agricole Indosuez Cheuvreux International Ltd.
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CONTACT INFORMATION

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