



Talentum Oyj
Annual Report 2002

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Advertising Sales team in a weekly meeting; Sales Manager Nina Zitting in front.

Information for Shareholders

Shares

Talentum Oyj shares are quoted on the Main List of the Helsinki Exchanges.
The share code is TTMV1 and ISIN code is FI0009900898.

The company has a market-making agreement with Nordea Securities Ltd.

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.

A list of the major shareholders of Talentum Oyj is on page 33 of this annual report.

Dividend

The Board of Directors proposes that a dividend of € 0.10 be paid for 2002. The date of record for dividend payment is 28th March 2003 and payment shall be made as of 4th April 2003.

Annual general meeting

The Annual General Meeting of Talentum Oyj will be held on Tuesday, 25 March 2003 at 2 p.m. at Satakunta-talo, Helsinki.

Shareholders wishing to attend the AGM must notify the company's office thereof no later than 4 p.m. on 21st of March 2003, either in writing to Talentum Oyj, Share Register, P.O. Box 920, FIN 00101 Helsinki, Finland, or

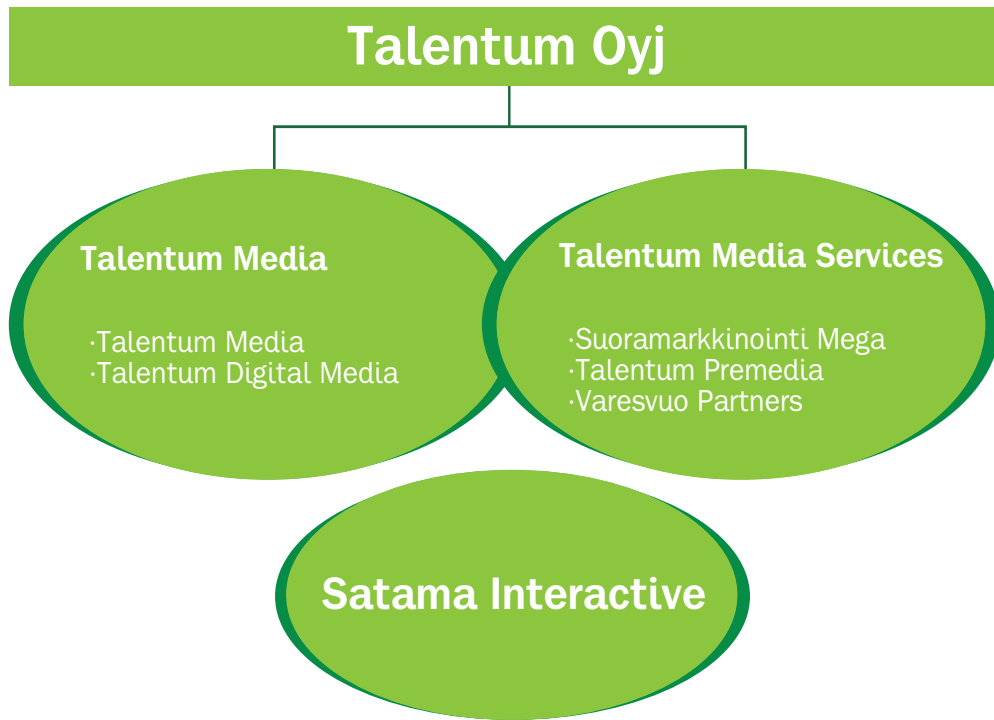
by telephone to (+358 0) 20 442 4388, or by e-mail to info@talentum.fi. Letters must arrive by the deadline. Please send any proxy documents with the notification of attendance.

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 to the account operator that maintains their book-entry account.

The annual report is published in Finnish and English. In case of doubt the Finnish version is authoritative.



The Company in Brief

Focused, Skilled,
Professional, Positive,
Daring, Content producer

Talentum Oyj is the Group's parent company, and its shares are listed on the Helsinki Exchanges Main List. Talentum operations comprise two strong pillars — media products and media services.

Talentum Media

Talentum Media publishes professional magazines and books for selected target groups. The Talentum magazines are Talouselämä, Tekniikka & Talous, Tietoviikko, Markkinointi & Mainonta, MikroPC, and Metallitekniikka and Mediutiset. Talentum Media is also a leading publisher of books on law, business management and information technology. The national statute book Suomen Laki is the most famous publication on the Company's list. Content from all Talentum's magazines and books appears on the Internet service Talentum.com, which is maintained by Talentum Digital Media.

Talentum Media Services

Talentum produces media services for customers such as advertising and design agencies, publishers, electronic and print media, and all the Finnish TV channels.

Suoramarkkinointi Mega specializes in telemarketing magazines. It operates in Estonia and Latvia as well as Finland.

Talentum Premedia is the parent company covering the premedia companies Reprstudio & Heku, Offset-Kopio and Lito-Scan. These produce graphic and electronic services for advertising and design agencies, printing houses and the media.

The companies in the **Varesvuo Partners Group** produce TV commercials and programmes for all the Finnish channels.

Satama Interactive is an Internet consulting and planning company whose shares are listed on the Helsinki Exchanges NM List.



Raija Hallikainen, Tuula Laatikainen

Key indicators for the group

M€	2002	2001
Turnover	114.6	106.7
Operating profit	-0.3	-6.4
Financing items	-0.5	1.7
Profit before extraordinary items and taxes	-0.8	-4.7
Net profit for the year	-7.6	-2.2
Gross investments	17.6	8.1
Shareholders' equity + minority interest	46.6	58.1
Equity ratio %	55.5	66.8
Net gearing %	-26.9	-39.0
Balance sheet total	84.4	87.0
Earnings per share €	-0.09	-0.06
Dividend per share €	0.10	0.10
Average number of personnel	1 222	1 197
Turnover per employee (€ 1000)	94	89

Main Events in 2002

- Talentum Oyj raised its holding in Varesvuo Partners Oy to 90% and the company became part of the Talentum Group. Varesvuo Partners is Finland's leading production company in its field, and consolidated its position as a TV content producer even further. The volume of TV advertising production fell, reflecting the general market trend.

- Talentum's publishing operations, TV content production, premedia and direct marketing performed well considering the circumstances and by comparison with the competition.

- Publishing profitability remained good despite the fact that income from job vacancy ads and the like fell sharply. Both magazines and books retained their good market standing.

- There was some restructuring in publishing, and as a consequence, books formerly published by Kauppakaari and Satku began to appear under the Talentum brand name. In this context, Talentum also launched a new logo.

- The success of Mediutiset magazine continued, with turnover now up 34% and an improving market position.

- Tekniikka&Talous magazine began to publish a new supplement, entitled Saldo, in cooperation with Kauppalehti.

- The market position of Talentum.com was further consolidated as user and reader figures for the weekly news bulletin grew. The adjustment programme for the Internet services business area was completed.

- Talentum Premedia Oy started operations at the beginning of July. The Group's premedia companies, formerly owned by Talentum Media Oy, were transferred to the new company.

- The operations of Suoramarkkinointi Mega Oy expanded well in the Baltic states, but temporarily reduced Mega's operating profit from an excellent level to about 10 per cent.

- The performance of Satama Interactive Oyj improved and although turnover fell, operating cash flow turned positive.

- Talentum's products and services won several awards and prizes in competitions within the sector; a sure sign of a strong market position and high quality.

- Restructuring was carried out in all Talentum Group business areas during the year, and staff cuts could not be avoided.

- Consolidated profits are burdened by a one-off writedown of goodwill in the 2002 financial statements arising from the acquisition of Satama Interactive Oyj's subsidiaries.

- In early 2003, the company was informed that no charges will be raised in the matter of the acquisition of the company's own shares carried out by Talentum Oyj which has been under official investigation since 1999.

Personnel

The Talentum Group is an expert organization whose success depends on its employees. Capable, competent personnel are thus a critical success factor for Talentum. Its simple organization structure and a non-hierarchical corporate culture give everyone an opportunity to participate in developing the company.

Continuous development

Staff training is encouraged at Talentum, as solid professional qualifications and a high standard of professional expertise sharpen the company's competitive edge. In 2002, the focus areas for development were management skills and cooperation across organizational boundaries.

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. The aim has been to find the best and most motivating solution for each sector and position. The different schemes used take into account the operating result of the Group as a whole, the company and the 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.

Equality in the workplace

Talentum promotes equality in the workplace, and the practical implementation of equality is the shared responsibility of all the members of the work community. Statutory equality plans have been drawn up for Talentum's publishing operations and the parent company in cooperation with employee representatives. Implementation of the equality plan is monitored annually as part of the occupational safety and health programme.

Consideration for the individual and for cooperation

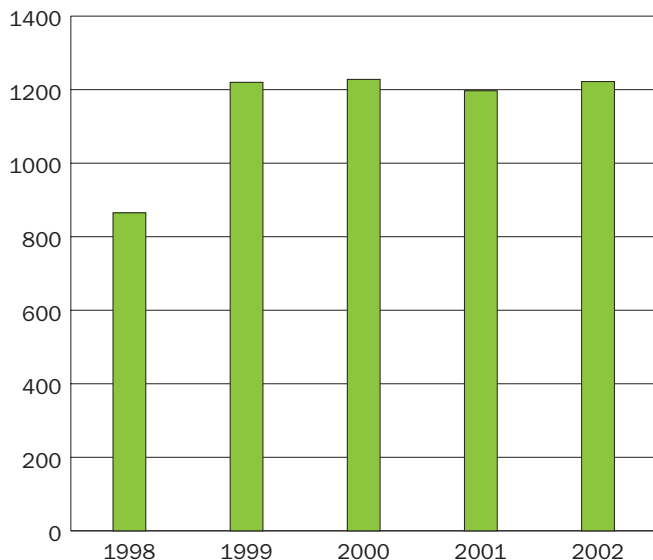
Restructuring was carried out in various parts of the Talentum Group during 2002, and staff cuts could not be avoided. These necessary cuts were carried out in negotiation with the work communities concerned and with consideration for the individual. Talentum strives to support those affected by downsizing and to help them find work as soon as possible.

Working capacity and recreation

The main focus of occupational health care is on preventive 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.

Employees by business area		
Average	2002	2001
Publishing	246	269
Internet services	20	33
Internet consulting	279	388
Premedia	213	184
Direct marketing	298	248
TV content production	126	
Parent company	40	41
Other	-	34
Total	1222	1197
TV content production (associated company Varesvuo Partners Oy)	-	127

Average number of employees



Managing Director's Review

At Talentum, 2002 lingers in the mind as a race against a deteriorating market situation. We succeeded well in rationalizing and sharpening up our own operations, but the market declined still further at much the same pace in the business areas involved in advertising and marketing. Consequently, the hoped-for clear improvement in profitability failed to materialize. However, because we are a fast-moving, non-hierarchical organization, we were able to react rapidly to the slump in advertising. When the upswing begins again, I believe the same fast reactions will also help us to respond in full measure.

Cash flow from operations was around EUR 10 million in the black, but operating profit ended at zero because Internet services and consulting made a loss. Writedowns of goodwill for our subsidiary, Satama Interactive, took overall Talentum Group performance well into the red.

The decline in IT and job vacancy advertising made the operating environment for magazines and Internet services a difficult one. The almost 20 per cent fall in advertising income meant we had to adjust to lower revenues.

In spite of the depressed market situation, Talentum publishing and direct marketing both recorded the hoped-for 10 per cent operating profit, but laying off staff could not be avoided. The success of book publishing, Medi uutiset and Talouselämä was particularly gratifying.

As a producer of TV programmes and commercials, Varesvuo Partners, which became a Group company at the beginning of the year, succeeded extremely well in terms of both quality and market shares. For instance, its production companies won the Venla award for best TV programme of the year with *Itse valtiaat* (The Rulers). Financial performance also moved in the right direction, and the year as a whole was satisfactory.

Varesvuo Partners illustrates Talentum's general situation during 2002 well: good products made by top professionals mostly succeeded on the market better than rival products. However, the difficult situation called for what were sometimes unpleasant measures, though these started to yield results towards year end. Consequently, we began 2003 on a good basis.

Income from Internet publishing did not rise as expected, and operations were making a heavy loss, prompting some energetic restructuring in the autumn. User figures for Talentum.com Internet services are now rising steadily, and income/expenditure are in balance, so the future looks more normal in this area, too.

For Talentum, both 2001 and 2002 were years of adjustment following initial fast growth and technology hype. This process is now drawing to a close and the future looks clearer.

The action taken in 2002 will improve the Group's competitiveness this year. We shall move forward on this basis, relying on our strong products and capable personnel. Though the future still looks economically uncertain, I believe both we at Talentum and our customers will enjoy more success in 2003 than we did in 2002.

Harri Roschier





Sales strategies under review, Jarl Michelsson, Director of Sales and Marketing (left) and Jukka Nääntö, Managing Director of Suoramarkkinointi Mega Oy.

Business Areas

Publishing

Publishing accounted for 38% of consolidated turnover.

The business area's target groups are economics and engineering graduates, lawyers, doctors, and advertising, marketing and IT professionals.

Talentum Publishing has managed well in what continues to be a difficult market and the magazines have retained their market standing. Media advertising (especially the job advertising so important to Talentum and IT advertising) declined compared with 2001.

Talentum Publishing has adjusted well to the more demanding market situation, and magazine publishing is profitable. Book publishing is not as susceptible to economic trends as magazine publishing, which depends on advertising revenue, and the sub-area has succeeded in its own market segment.

Magazine publishing

Every Talentum magazine aims to be the Finnish market leader in its own sphere.

Talouselämä

Talouselämä consolidated its standing as the most read economic weekly in Scandinavia.

The magazine publishes stimulating evaluations of companies, management, economic trends and investments, but also provoked debate with its reporting on matters such as

the responsibilities of the public sector, the crisis in health care, and love in the workplace.

Readers were particularly enthusiastic about the year's special issues (Talouselämä 500, Talouselämän Kesälehti and Talouselämän Trendit). Visits to the magazine's newly designed web site at www.talouselama.fi tripled. The entire staff were involved in the overhaul.

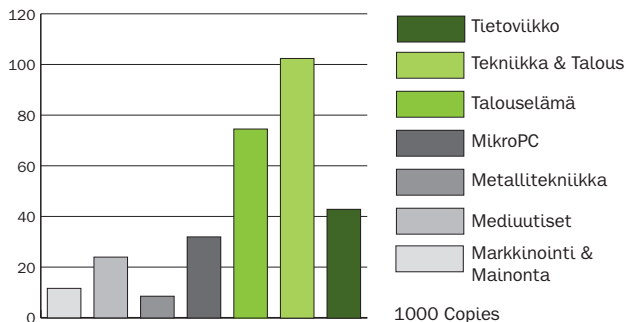
Financially, 2002 was also a good year for Talouselämä and profitability actually improved despite the difficult climate.

Markkinointi & Mainonta

The M&M's brand embraces not only the no. 1 magazine in the field but also the fast-growing www.marmai.fi web site, the 'High and Low Altitude' customer events in Lapland in the north and Hanko in the south, and M&M evenings about once a month.

M&M also consolidated its standing as the most important news channel in marketing, advertising, the media and sales. As well as strong coverage of M&M, it offered yet more news, topical reporting and analysis of the marketing world. Based on M&M news items, broad debate was prompted on issues such as the cut-throat competition in financial marketing and the secrets of retail price advertising. On several occasions, M&M's opinion pages and columns also gave rise to considerable discussion.

Circulation / Distribution of Talentum magazines and journals



Publishing

	2002	2001
Turnover, EURm	43.9	49.7
Operating profit, EURm	4.5	5.8
% turnover	10	12
Employees, average	246	269

M&M's ad agency issue, report on the biggest media companies and extensive brand issue are among the most well-known and eagerly awaited surveys in their fields.

Tekniikka & Talous

In June 2002 Tekniikka & Talous sponsored a product development seminar on corporate innovation. Designed for people involved in corporate R&D, it was arranged jointly with the Technical Research Centre of Finland (VTT) and the National Technology Agency (Tekes). There are plans to make the seminar an annual event.

Tekniikka & Talous began to collaborate with the daily business paper Kauppalehti in producing a joint supplement called Saldo. The first Saldo appeared in August.

Tekniikka & Talous gained a new editor-in-chief in October 2002, Timo Tolsa, formerly editor-in-chief of Tietoviikko.

Tietoviikko

The high point of Tietoviikko's 20th anniversary year was the April launch of IT-Uutiset news on the Yle 24 digital channel. The magazine's own staff produced all the material.

The magazine has changed its editorial strategy; rather than a business publication for the IT field, it is now more of a professional magazine for the IT sector and its users. Tietoviikko is the main organ of the IT business, and the oldest and best news and current events magazine in the field. Its Internet news service, Tietoviikko Online, attracted a steady flow of new users all year. The daily news bulletin Päiväkirje already has nearly 20,000 subscribers.

Editor-in-chief Timo Tolsa moved to Tekniikka & Talous in October and was replaced by Kauko Ollila.

Metalliteknikka

Metalliteknikka appeared twelve times during the year, one more than in 2001. It also collaborated with the Finnish Fair Corporation and Tampere Trade Fairs on an events magazine for the FinnTec 02 and Subcontracting 2002 fairs.

MikroPC

Fifteen issues of MikroPC appeared in 2002, that is, one every third week. The magazine is supplemented by a news bulletin every weekday, weekly product news and a free back-issue archive service.

MikroPC was the only computing magazine in Finland to increase its circulation in 2002. According to a National Readership Survey, it now has 249,000 readers, 5000 more than in 2001. Its MikroPC.net web service also continued to grow steadily, topping 16,000 visitors a week in the autumn.

In January MikroPC published a basic PC user's handbook focusing on Windows XP which was distributed to all its regular subscribers.

Mediutiset

Mediutiset continued to grow energetically in 2002, and turnover was up 34% on the previous year. It consolidated its standing on the health care advertising market and expanded much faster than any of its rivals. Readership survey shows that doctors consider Mediutiset the most attractive and up-to-date professional journal.

Mediutiset will continue to develop in 2003, and the number of issues will be raised from 23 to 34.

The top management of Mediutiset changed at the end of the year, when Pentti Kiiski was replaced by Olli-Pekka Tiainen as editor-in-chief and managing director.

Talentum.com

Talentum.com is Talentum's online service network for the general public. It comprises the web pages of the Talentum Media magazines, the specialist services Lakiverkko, Uratie.net and Duuni.net, and the network's own home page, which summarizes the latest items from the entire network.

Readership grew rapidly all year. At year end the network could claim over 170,000 different visitors a month, and about 60,000 a week.

E-mail bulletins play an important part in the Talentum.com service. All the magazines, the Talentum.com editors and the Duuni.net community all issue their own bulletins, with varying weightings and schedules.

At year end over 90,000 people subscribed to the e-mail service, mostly taking Talentum.com and Tietoviikko's daily news bulletins.



Filmitalli shooting a commercial, behind the camera Mark Stubbs, Production Manager Olli Korpiala (right).

Book publishing

Book publishing aims to be the market leader in professional reference literature and in the Finnish Law product family in book form and via the Internet.

Books published earlier under the Kauppakaari and Satku titles when the new Talentum trademark was adopted were incorporated into the same trademark.

Talentum is market leader in the publication of legal literature. Its programme includes commentaries, textbooks, handbooks and academic theses, as well as the Finnish Law products. Several works are also available in the form of CDs and online services, such as Finnish Law in Finnish and Swedish, and European Union law.

Talentum's business books have consolidated their market standing still further. There were three Talentum books amongst the six works shortlisted for the Pro Oeconomica prize, and Jukka-Pekka Kalunki, Minna Martikainen and Jaako Niemelä's book on professional investment won an honorary mention. Other popular works during the year included the Finnish translation of Jim Collins' Good to Great, Heikki Peltola's Jokaisella on juttunsa and a book on law for young people by Thomas Elfgren, Ritva Juntunen and Kati Norppa.

Talentum's IT books cover operating systems, programming, data networks, telecommunications, data security, software and ways of utilizing IT in different spheres of life. Particularly successful books included Heikki Koistinen's handbook on data system maintenance, and Raili Huttunen's Open Office handbook and software. The unit cooperates with IDG Books, and includes in its translation programme works by some of the world's leading IT publishing houses, such as O'Reilly, McGraw-Hill/Osborne, New Riders, Que, Sams, Wiley and Hungry Minds.

Training

The Talentum training unit (Lakimiesliiton koulutus) mainly arranges courses for legal professionals on topical issues. Other important target groups are personnel and financial managers in companies.

In 2002 the unit was asked to organize the Finnish Federation of Graduates in Economics and Business Administration Ekonomipäivät seminar for the Federation's members.

International relations

Talentum computing magazines and books cooperate closely with International Data Group (IDG), the biggest IT publisher in the world. IDG operates in 85 countries and the comprehensive expertise that it acquires through this network is passed on to Talentum readers.

The two organizations work together in both magazine editing and advertising marketing. The Talentum magazines generate news for international distribution and themselves receive material from the international network. A publishing agreement has been signed with IDG Books concerning IT books.

Talentum Media and the Swedish company Medicine Today International AB own Oy Mediutiset Ab, the publisher of Mediutiset, on a 50/50 basis. Mediutiset has sister magazines in five countries.

Talentum is also involved in legal publishing in Russia. In October it sold its 66.7% holding in the small legal publisher lustus Förlag AB in Sweden.

Internet Services

Talentum Digital Media Oy (TDM) is responsible for developing and maintaining the Talentum network media, accounting for 1% of consolidated turnover.

TDM's cost adjustment programme continued in 2002. By year end the company had achieved its desired cost structure.

The overall volume of Internet advertising in Finland was quite small. There were particular difficulties in the business-to-business environment, but TDM media sales reached the target set. The number of customer agreements in Internet advertising rose substantially.

In content sales TDM produced three new products: an electronic Talentum press archive, and the Mediamonitori and Uutisagentti tools for monitoring Internet content. Sales of these products began towards the end of the year.

In November TDM gave up OsakeTieto, which had concentrated on independent investment analysis, and sold the subsidiary to its executive management.

Managing Director Juha-Pekka Virtanen left the Talentum Group. His duties were taken over on December 1 by Hannu Ollikainen side by side with his work as editor-in-chief of Talentum.com.

TV Content Production

The Varesvuo Partners Group, which focuses on TV content production, was incorporated into Talentum Oyj as a Group company on January 2, 2002, when Talentum increased its holding to 90%.

TV content production accounts for 20% of consolidated turnover. The financial result was satisfactory (operating profit EUR 1.3 million), but insufficient to cover the EUR 1.4 million in consolidation goodwill depreciation.

The Varesvuo Partners Group is made up of several subsidiaries mainly involved in producing TV commercials and programmes. The Group companies operate on an independent basis, supplying to all advertising agencies and TV channels. The post-production and equipment leasing companies also serve other companies.

TV commercial production and the supporting functions, equipment leasing and post-production, suffered from the small amount of new TV commercials ordered as a result of the general economic slump. TV programme production did better, and the company consolidated its market standing in this area.

Varesvuo Partners has strengthened its own know-how and market standing during the slump.

In January Varesvuo Partners carried out some restructuring, and with two partners founded a new company called Generator Post Oy, which is a world-class post-production enterprise in film production and TV content. Though this was the company's first year of operation, it made a profit.

Internet services		
	2002	2001
Turnover, EURm	1.2	1.6
Operating loss, EURm	-2.1	-3.0
Employees, average	20	33

TV content production		
	2002	2001
Turnover, EURm	23.7	21.4
Operating profit, EURm*	1.3	0.1
% turnover	5.5	0.5
Employees, average	126	127
*) excluding consolidated goodwill depreciation		

At the beginning of March Kaunofilm Oy became a subsidiary when Varesvuo Partners raised its holding from 40% to 60% in accordance with an earlier agreement. It also acquired a 29% holding in Production House Oy, which concentrates on TV programme production.

Varesvuo Partners acquired a 60% holding in Moskito Television Oy, effective on August 30.

In November Varesvuo Partners bought a 50% holding in Moving Camera Company Oy, which produces filming services and leases digital camera equipment. Operations were moved to Angel Films Oy in the interest of synergy benefits.

In December Filmiteollisuus Fine Oy acquired some 51% of Ten Years Production Oy, which produces TV programmes, and set up Helsinki-Filmi Oy (51% holding), which concentrated on full-length features during the year.

The Group's TV commercial production companies did well in contests, and the Group won four of the six prizes awarded in the spring 2002 Voitto competition. In the Vuoden Huiput contest, Kaunofilm won first prize, Crea Filmi second prize and Filmitalli an honorary mention. Nearly half of the finalists in the spring 2003 Voitto competition were from the Varesvuo Partners Group.

An animated series called Itse valtiaat (The Rulers), produced by Filmiteollisuus Fine Oy, won the Venla award for best TV entertainment, and also came top in the audience vote. The Rulers already won a jury award for its excellent implementation at the international animation festival in Seoul, South Korea, in May, and the audience voted it top of the list. Moskito Television Oy's programme Isänmaan Toivot won the Venla for best comedy series.

The Varesvuo Partners Group also includes the classical music production company Ondine Oy. A Soile Isokoski recording issued by Ondine won the esteemed Gramophone Award, a first for a Finnish producer.



Editorial plan list of Tekniikka & Talous, Kari Peltonen, Managing Editor (left) and Jukka Lukkari, Journalist.

Direct Marketing

Suoramarkkinointi Mega Oy specializes in telephone marketing of subscriptions to periodicals, specialist magazines and newspapers. It accounts for 5% of consolidated turnover.

Suoramarkkinointi Mega's customers include several Finnish magazine and book publishers. Mega is responsible for a large proportion of Talentum magazine circulation sales.

During 2002 Mega expanded operations in the Baltic region, though its financial performance deteriorated at the same time. The result for the year was nonetheless good and Mega has succeeded well in its sphere of operation.

In Finland Mega functions in 12 localities, with offices in Hyvinkää, Hämeenlinna, Kerava, Kotka, Kouvola, Lahti, Mäntsälä, Porvoo, Riihimäki, Forssa and Kuusankoski as well as Helsinki.

The subsidiary Müügimeistrite AS operates in the Baltic region, with five offices in Estonia and four in Latvia.

Premedia

The Premedia companies produce graphic and electronic services for advertising agencies and design bureaux, printing houses and the media.

Premedia accounts for 17% of consolidated turnover. Operating profit was satisfactory, at 5% of turnover. During the autumn, costs were adjusted to the market situation.

The Talentum Oyj subsidiary Talentum Premedia Oy was entered in the Trade Register on June 30, 2002. Reprstudio & Heku Oy, Oy Lito-Scan Ab and Offset-Kopio Oy became subsidiaries of the new company. The aim of this arrangement is to clarify the standing of the Premedia business area within the Group and to increase competitiveness.

Other arrangements were also made to strengthen market standing and boost know-how. Early in the year Lito-Scan bought the majority holding in Marvaco Oy, which specializes in high-quality pre-press material for packaging and is known for its high technology and fine quality. Offset-Kopio bought the pre-press production operations of Gummerus Kirjapainot Oy.

Reprstudio & Heku rationalized its operations by grouping all services under Heku. The graphic style of its subsidiaries was harmonized with the same brand.

Direct marketing		
	2002	2001
Turnover, EURm	6.4	6.7
Operating profit, EURm*	0.5	1.4
% turnover	8	21
Employees, average	298	248

Premedia		
	2002	2001
Turnover, EURm	20.5	17.9
Operating profit, EURm*	1.0	1.1
% turnover	5	6
Employees, average	213	184

*)excluding consolidated goodwill depreciation

Internet consulting		
	2002	2001
Turnover, EURm	22.2	28.8
Operating profit, EURm*	-0.3	-8.4
Employees, average	279	388

*)excluding consolidated goodwill depreciation

Internet Consulting

Satama Interactive Oyj concentrates on Internet consulting. It accounted for 19% of consolidated turnover.

The Satama Interactive Group's operating result improved significantly in 2002 and its operating cash flow was positive. Satama proved able to strengthen its market leadership standing. The result for 2002 was greatly burdened by the EUR -9.5 million one-off writedown of its subsidiaries' remaining goodwill.

Satama's financial position is excellent. The Group's liquid assets totalled EUR 16.2 million and its equity ratio was 83.8%.

During 2002 Satama operated from six offices, in Helsinki, Tampere and Oulu in Finland, and abroad in the Netherlands (Amsterdam), Germany (Düsseldorf) and Sweden (Stockholm).

The profitability of Satama's largest subsidiary, Satama Finland Oy, improved for the third year in succession, despite the continued slow demand for digital services on the Finnish market. Throughout the year, Satama's international operations suffered from the decline in demand for digital services in all markets.

Satama Finland also supplies client projects outside Finland. During 2002, for example, it delivered over 70 MMS technology projects in 26 countries on three continents. Some of the projects were carried out jointly with Satama's international units.

Satama's operations are based on long-term client relationships. Particularly significant projects were delivered to Audi

Netherlands, Finnish Rail, KPN/Planet Internet, S Group and Sonera, for example. Metso, Pfizer Finland, Sampo Bank and Vodafone are examples of clients for which Satama has begun producing digital services.

In continental Europe, Satama aspires to win a recognized position as a strategic partner for companies operating in the Mobile Value Web. This goal is being pursued by combining Satama's substantial knowledge concerning mobile end-users with the business acumen of operators, handset producers and content providers. Satama's most important clients operating in the Mobile Value Web in 2002 were Global Mobile Suppliers Association, KPN, Nokia, Orange and Vodafone. Professionals from all the Satama offices contributed to projects supplied to these clients.

Satama Finland placed tenth in the EU-sponsored study "Finland's Best Workplaces 2003".

Satama Interactive Oyj is issuing a separate annual report on its operations.

Report by the Board of Directors

Operating environment

The mood of uncertainty that gathered in 2001 and the apprehensive atmosphere in the world economy continued throughout 2002. On account of the weak economic trend, the unemployment rate rose and the level of investment declined. In Finland, consumer confidence in the economy and personal purchasing power remained good, but companies encountered more difficulties. Cost-cutting, corporate restructuring and staff/management negotiations aimed at downsizing were common news during the past year, also at advertising agencies and in the media.

Advertising volumes contracted for the second year running, following different trends in different branches. The decrease hit job advertising, the IT sector and business-to-business advertising hardest.

Turnover and returns

Talentum's Internet business was still in the red, but its other business areas recorded adequate performance. The Group's operating loss was EUR -0.3 million, including EUR 0.8 million in one-off items relating to adjustments. Satama Interactive's writedowns of subsidiaries' goodwill totalled EUR 9.5 million, and put the Talentum Group result into the negative.

Talentum Group turnover in 2002 totalled EUR 114.6 million (EUR 106.7m), an increase of 7%.

Varesvuo Partners Oy's incorporation into the Talentum Group increased consolidated turnover by EUR 23.7 million.

The consolidated operating loss was EUR -0.3 million (EUR -6.4m). The net result for the year was a loss EUR -7.6 million (EUR -2.2m). Consolidated return on investment was -0.0% (-5.7%) and return on equity -3.2% (-9.3%).

Finance and solvency

Talentum Group's financial standing was good, with an equity ratio of 55.5% (66.8%).

Cash flow from operations stood at EUR 10.1 million (EUR 3.9m).

The Group's liquid assets are invested in current financial instruments and shares.

Business areas

Publishing

Publishing accounted for 38% of consolidated turnover.

Publishing turnover fell 12%, to EUR 43.9 million (EUR 49.7m). Operating profit came to EUR 4.5 million (EUR 5.8m). The 10% operating profit target for publishing was thus achieved.

Magazine publishing turnover was EUR 31.5 million (EUR 37.2m), book publishing EUR 10.7 million (EUR 10.6m) and training EUR 1.7 million (EUR 1.9m). Advertising income represented 61% (63%) of all magazine-based income.

The advertising revenues of the Talentum magazines declined 18%. The publishing programme comprised two magazines less (Bisnes.fi and IT-Kanava) than in 2001. Income from job ads fell more at Talentum than on the market overall, because its media mainly advertise technical jobs and posts.

Circulation and circulation revenue for the Talentum magazines remained stable, showing a positive trend.

The Talentum magazines engage in fruitful cooperation with trade organizations. Talentum continues to arrange group subscriptions for the engineers' and economists' associations (Tekniikka & Talous and Talouselämä), for the Finnish Marketing Federation (Markkinointi & Mainonta), and for Tradenomiliitto (Association of Bachelors of Business Administration) (Talouselämä).

Book publishing is not as sensitive to cyclical fluctuation as magazine publishing. Legal publishing is particularly long-range.

Internet services

Internet services accounted for 1% of consolidated turnover.

The business area's turnover was EUR 1.2 million (EUR 1.6m) and the operating loss EUR -2.1 million (EUR -3.0m).

An extensive adjustment programme was implemented in Internet services during the autumn, allowing costs to be cut by approximately EUR 1.2 million per year. In service provision and sales, a viable collaboration model with magazines published by Talentum has been built up.

Customer accounts showed growth in terms of numbers and volume, but volume and price levels are still relatively low. Job advertising declined considerably on the previous year.

Direct marketing

Direct marketing accounted for 5% of consolidated turnover.

Turnover from direct marketing fell 5%, to EUR 6.4 million (EUR 6.7m). The figures include intra-Group sales of EUR 2.3 million (EUR 2.5m). Operating profit came to EUR 0.5 million (EUR 1.4m).

Suoramarkkinointi Mega expanded its operations in Estonia and Latvia, and this, along with internal restructuring, explains the poor first half compared with its previous success. Mega's performance returned to a good level during the second half.

Premedia

Premedia accounted for 17% of consolidated turnover.

The Premedia business area includes the operations of Reprstudio & Heku Oy, Oy Lito-Scan Ab and Offset-Kopio Oy.

Turnover in the business area grew 14%, to EUR 20.5 million (EUR 17.9m). Operating profit excluding depreciation of consolidation goodwill came to EUR 1.0 million (EUR 1.1m).

Premedia grew both organically and through acquisitions. These comprised the pre-press production operations of Gummeruksen Kirjapainot Oy and the majority of Marvaco Oy, which specializes in the production of pre-press material for packaging.

Television content production

Television content production accounted for 20% of Talentum Group turnover.

The turnover of Varesvuo Partners Oy, which produces television content, increased 10.0% to EUR 23.7 million (EUR 21.4m). Operating profit without depreciation of consolidation goodwill amounted to EUR 1.3 million (EUR 0.1m).

The increase in television content production was achieved through acquisitions. Since the commercial film production market was depressed, investments focused on post production and TV programme production.

Internet consulting

Internet consulting accounted for 19% of consolidated turnover.

Internet consulting turnover was EUR 22.2 million (EUR 28.8m), down 23% on the previous year. The figures include EUR 0.2 million (EUR 0.9m) in intra-Group sales. The operating loss amounted to EUR -1.6 million (EUR -9.7m). Excluding Satama Interactive's depreciation of consolidation goodwill, the operating loss was EUR -0.3 million and cash flow from business operations was positive.

The goodwill values generated in the acquisition of Satama Interactive's subsidiaries were written down in a one-off depreciation in the financial statements. This caused a non-recurrent cost of EUR 9.5 million.

Satama Interactive's equity is strong and the writedown has only a slight impact on the balance sheet parameters. It has no effect on cash flow.

Satama Interactive Oyj is issuing a separate year-end report on its operations.

Investments

The Talentum Group's gross investments totalled EUR 17.6 million; of this, EUR 6.1 million was spent on tangible assets, EUR 1.6 million on intangible assets, and EUR 9.9 million on acquisition of stocks and shares. Investments accounted for 15.4% (7.6%) of turnover.

The most significant investments related to corporate acquisitions.

Changes in Group structure

In January 2002, Talentum Oyj raised its holding in Varesvuo Partners Oyj from 47.5% to 90%. It had acquired the 47.5% holding in 1997, and under a shareholders' agreement signed at that time acquired a majority holding in the company.

Talentum Oyj's subsidiary Talentum Premedia Oy was entered in the Trade Register on June 30, 2002. The premedia companies previously owned by Talentum Media Oy were transferred to the ownership of Talentum Premedia. The reorganization was carried out by demerging Talentum Media Oy.

Personnel

The Group had an average of 1,222 employees in 2002 (1,197 in 2001), 209 (251) of them working outside Finland.

The following is the breakdown of personnel by business area (average):

Publishing	246
Internet services	20
Direct marketing	298
Premedia	213
TV content production	126
Internet consulting	279
Parent company	40

Board of Directors and auditor

The Annual General Meeting on March 25, 2002 re-elected Jukka Ant-Wuorinen as Chairman and Seppo Kemppinen as Deputy Chairman of the Board of Directors of Talentum Oyj.

No Board member was in turn to resign. Managing Director Johannes Koroma resigned from the Board of Directors on March 21, 2002.

PricewaterhouseCoopers Oy, Authorized Public Accountants, was reappointed the company's auditor, with Kari Miettinen, Authorized Public Accountant, as responsible auditor.

Shares and share capital

At the end of the financial year Talentum Oyj had 20,118,215 shares, listed on the Helsinki Exchanges Main List. On December 31 the company owned 92,300 of its own shares. This is 0.5% of the shares and votes carried by Talentum's entire stock.

The share's book counter value was about EUR 0.42. The book counter value of the total share capital was EUR 8,459,102.16 at year end.

The number of shares traded during the year was 4,364,202, representing 21.8% of the average number of all shares during the year.

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

OKOBANK Group Central Cooperative gave notice that the combined holdings of Talentum Oyj shares by the Cooperative, its subsidiaries and companies under its control exceeded 5% of shares and votes on August 6, 2002. The holding comprised 1,065,700 shares, representing 5.3% of total shares and votes.

Board of Directors' authorization

On March 29, 2001 the Annual General Meeting authorized the Board of Directors to decide on the issue of one or more convertible bonds and/or option rights, and/or to decide to raise share capital through a rights issue. The authorization was in force until March 28, 2002. The Board of Directors did not exercise this authorization to raise share capital.

On March 29, 2001 the Annual General Meeting authorized the Board of Directors to decide on the sale of shares purchased for the company. The authorization was in force until March 28, 2002. The Board of Directors did not exercise this authorization.

At the close of the financial year, the Board of Directors had no authorizations to acquire or relinquish its own shares, to carry out a rights issue or to issue convertible bonds or option rights.

Shareholdings of the Board of Directors and the Managing Director

On December 31, 2002, 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 258,488, representing 1.3% of the company's total shares and votes.

If the option rights issued by Talentum Oyj in 1996, 1999 and 2000 were exercised in full, the Group management would own 267,988 shares, representing 1.3% of the company's shares and votes.

Voting at the Annual General Meeting

Talentum Oyj's Articles of Association stipulate that a single shareholder is entitled to vote at an Annual General Meeting by exercising a maximum of 1/6 of the total votes conferred by company shares. If Group subsidiaries, companies and/or or a pension trust or pension fund of such companies together own Company shares carrying more than 1/6 of the total votes, their maximum total voting entitlement is still only 1/6 of the total votes.

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 official taxable value of the Talentum Oyj share in 2002 tax assessment is EUR 2.07.

The official taxable value of the Satama Interactive Oyj share is EUR 0.36.

Investigation

The acquisition of the company's own shares carried out by Talentum Oyj in 1999 was under official investigation, pending possible charges for misuse of inside information. On January 15, 2003 the State Prosecutor informed the company that no charges will be raised.

Regulations on insider trading

The Talentum Group applies the Helsinki Exchanges' regulations on insider trading, which came into effect on March 1, 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 May 31, 2001 the Talentum Group adapted 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 Helsinki Exchanges on the administration of listed companies.

Future outlook

In 2002, the Talentum Group took a number of measures to reorganize its structures. Prospects for good performance therefore exist. However, a positive trend presupposes no further weakening in demand in the advertising and marketing sector.

* * *

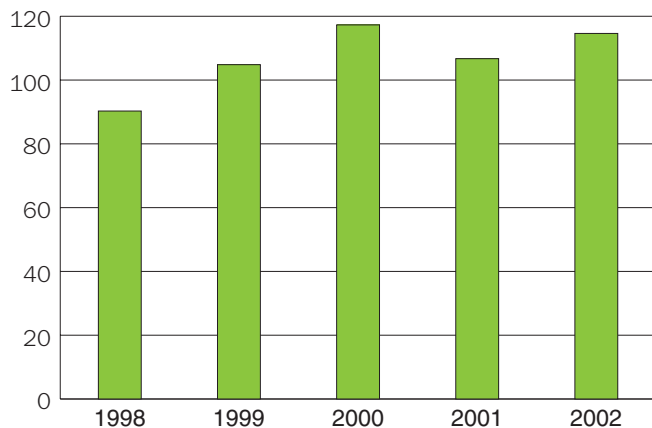
The forecasts and estimates outlined here are based on the management's current view of economic trends, and the actual results may differ substantially from what is expected of the company at this point.

Talentum Group by Business Area

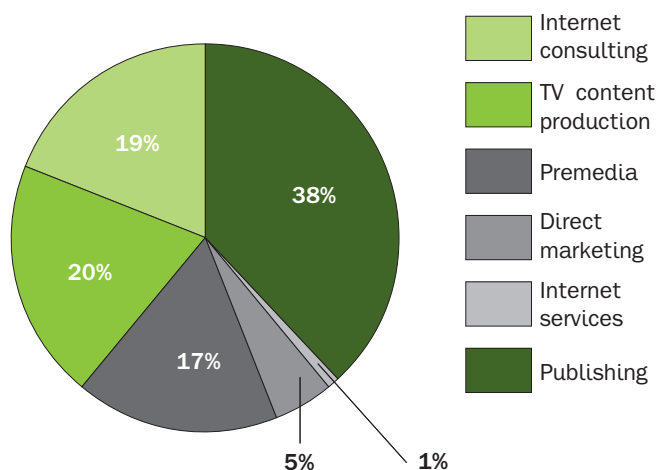
1000 €	1-12/2002	1-12/2001
Turnover		
Publishing	43 915	49 721
Internet consulting	22 195	28 845
Internet services	1 236	1 634
TV content production	23 675	-
Direct marketing	6 403	6 708
Premedia	20 461	17 870
Other areas	-	6 541
Sales within Group	-3 269	-4 611
Total	114 616	106 708
TV content production (associated company Varesvuo Partners Oy)	-	21 428
Operating profit		
Publishing	4 454	5 783
net of goodwill depreciation	4 487	5 866
Internet consulting	-1 589	-9 717
net of goodwill depreciation	-298	-8 361
Internet services	-2 066	-2 998
net of goodwill depreciation	-1 872	-2 952
TV content production	-79	-
net of goodwill depreciation	1 310	-
Direct marketing	532	1 428
net of goodwill depreciation	661	1 576
Premedia	378	507
net of goodwill depreciation	1 006	1 117
Other areas	-	720
Parent company	-1 712	-1 288
TV content production	-	-842
Group items	-180	-
Total	-263	-6 407
TV content production (associated company Varesvuo Partners Oy)	-	114

Turnover

EURm



Share of Talentum group's turnover



Profit and Loss Account

Profit and loss account (1000 €)	Note	Group		Parent company	
		1.1.-31.12.2002	1.1.-31.12.2001	1.1.-31.12.2002	1.1.-31.12.2001
Turnover	1	114 616	106 709	4 603	4 124
Change in inventories		193	-126	0	0
Other operating income	2	1 135	2 571	106	5
Materials and services	3	23 254	22 137	0	0
Personnel expenses	4	54 765	51 201	2 731	2 494
Depreciation	5				
Intangible and tangible assets		6 873	7 203	502	417
Consolidation goodwill		3 844	2 463	0	0
		10 717	9 665	502	417
Other operating expenses		27 859	31 707	3 186	2 532
Share in associated companies profits		387	-851	0	0
Operating profit / loss	1	-263	-6 407	-1 710	-1 314
Financial income and expenses	6	-541	1 660	-10 594	14 818
Profit/loss before extraordinary items		-804	-4 747	-12 304	13 505
Extraordinary items	7	-9 491	-1 712	1 794	3 091
Profit/loss before appropriations and taxes		-10 295	-6 459	-10 510	16 595
Increase (-) / decrease (+) in depreciation difference	5	0	0	4	-4
Income taxes					
For financial year		-857	-907	0	-4 750
For previous years		-48	5	0	0
Change in deferred tax liability		55	-15	13	-46
		-850	-917	13	-4 796
Profit/loss before minority interest		-11 145	-7 376	-10 493	11 795
Minority interest in profit for the year		3 525	5 147	0	0
NET PROFIT/LOSS FOR THE YEAR		-7 620	-2 229	-10 493	11 795

Balance Sheet

BALANCE SHEET (1000 €)		Group		Parent company	
ASSETS	Note	31.12.2002	31.12.2001	31.12.2002	31.12.2001
FIXED ASSETS					
Intangible assets	9, 10	5 927	6 940	1 029	822
Consolidation goodwill	9	16 084	14 813	0	0
Tangible assets	9, 10	10 179	7 412	629	701
Investments					
Holdings in Group companies	8, 9	0	0	131 997	122 856
Holdings in associated companies	8, 9	1 056	7 534	0	8 712
Other investments	9	1 172	1 064	320	316
		2 228	8 598	132 317	131 884
Fixed assets, total		34 418	37 763	133 975	133 407
CURRENT ASSETS					
Inventories					
Own work in progress	11	429	207	0	0
Other inventories		1 408	1 046	0	0
		1 837	1 253	0	0
Non-current receivables					
Receivables from Group companies	13	0	0	0	696
Other receivables		465	350	0	0
		465	350	0	696
Current receivables					
Trade receivables	13, 14	10 133	8 081	13	0
Receivables from Group companies		0	0	9 770	11 078
Receivables from associated companies		10	2	0	0
Loan receivables		1 428	137	1	1
Prepaid expenses and accrued income		2 312	3 959	159	1 754
Other receivables		893	1 746	3	10
		14 776	13 925	9 946	12 843
Deferred tax credit	19	1 385	1 439	1 329	1 316
Bonds and securities					
Own shares	12	264	437	259	437
Other shares and holdings		3 543	852	2 866	44
Other securities		24 637	28 403	9 105	11 968
		28 444	29 692	12 230	12 448
Cash at bank and in hand		3 061	2 564	75	117
Current assets, total		49 968	49 223	23 580	27 420
ASSETS, TOTAL		84 386	86 986	157 555	160 827

BALANCE SHEET (1000 €)		Group		Parent company	
LIABILITIES AND SHAREHOLDER 'S EQUITY	Note	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Shareholder 's equity	15				
Share capital		8 459	8 451	8 459	8 451
Share issue		3	0	3	0
Share premium fund		3 855	3 812	82 408	82 364
Reserve fund		6 299	6 294	6 294	6 294
Own share fund		264	437	259	437
Other funds		786	786	786	786
Retained earnings		29 444	33 880	31 136	21 342
Net profit/loss for the year		-7 620	-2 229	-10 493	11 795
		41 490	51 431	118 852	131 469
Minority interest		5 148	6 693	0	0
Accumulated appropriations	17				
Accumulated depreciation difference		0	0	205	209
Deferred tax liability	19	277	293	0	0
Non-current liabilities	18				
Pension loans		7 205	5 264	6 769	4 709
Loans from financial institutions		9 288	2 943	4 336	0
Other long-term liabilities		49	175	0	0
		16 542	8 382	11 105	4 709
Current liabilities	18				
Pension loans		1 212	871	1 093	673
Advances received		528	140	8	8
Accounts payable		2 101	1 783	146	111
Debts to Group companies		0	0	24 484	22 796
Debts to associated companies		241	155	241	146
Accrued liabilities and deferred income		12 308	13 997	588	449
Loans from financial institutions		1 276	493	694	0
Other current liabilities		3 263	2 747	139	258
		20 929	20 187	27 393	24 440
LIABILITIES		37 748^(*)	28 862^(*)	38 498	29 149
LIABILITIES AND SHAREHOLDER 'S EQUITY, TOTAL		84 386	86 986	157 555	160 827
*Non-interest bearing		18 441	18 829		

Source and Application of Funds

SOURCE AND APPLICATION OF FUNDS (1000 €)	Group		Parent company	
	1.1.-31.12.2002	1.1.-31.12.2001	1.1.-31.12.2002	1.1.-31.12.2001
BUSINESS OPERATIONS				
Operating profit / loss	-263	-6 407	-1 710	-1 314
Adjustments to operating profit	10 330	11 616	470	413
Change in net working capital	-555	-2 836	3 268	-8 124
Net financing	1 603	2 424	-214	14 108
Tax paid	-981	-902	-86	-4 750
Cash flow from business operations	10 134	3 895	1 728	333
INVESTMENTS				
Acquired Group companies	-10 859	-6 461	-9 824	-1 839
Acquired associated companies	-617	-1 591	0	-1 591
Acquisitions of other investments	-20	0	-3	0
Acquisitions of other non-current assets	-7 761	-5 288	-771	-960
Acquisitions and sales of minorities	1 010	0	0	0
Sales of Group companies	227	1 144	0	30
Sales of associated companies	0	1 771	0	0
Sales of other investment	358	0	0	0
Sales of other non-current assets	1 567	860	165	109
Cash flow from investments	-16 095	-9 565	-10 433	-4 251
FINANCING				
Withdrawals of long-term loans	10 152	0	9 298	0
Repayment of long-term loans	-1 878	-1 537	-1 787	-695
Increase / decrease in non-current receivables	-115	13	697	-36
Dividends paid	-2 191	0	-2 001	0
Change in value of own shares	-182	-156	-178	-156
Share issue	55	311	55	311
Minority capital investment in subsidiaries	322	0	0	0
Other financing items	-954	0	-985	0
Group contributions	0	0	3 091	1 827
Financing	5 209	-1 368	8 190	1 252
Increase / decrease in liquid assets	-752	-7 038	-515	-2 666
Liquid assets 1 January	32 256	39 294	12 820	15 487
Liquid assets 31 December	31 504	32 256	12 305	12 820

Notes to Financial Statements

Accounting Principles

Changes in Group Structure

Varesvuo Partners Oy and Marvaco Oy Ltd became Group companies in 2002. Group company lustus Förlag AB was sold.

Calculation of key indicators

The Group's key indicators have been calculated in accordance with a decision of the Ministry of Finance issued on 29 October 2002 and as if the merger of Kauppakaari and Talentum in 2000 had occurred before 1998. The level of precision of figures for the years 1998 to 1999 does not in all respects correspond to the level of precision for the years 2000 to 2002.

Consolidated financial statements

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

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 Mediuutiset 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.

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 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
Buildings	30 years
Machinery and equipment	2-7 years

The ten year depreciation period of consolidated goodwill depreciation is used in acquisitions, where the economic life is considered to be a minimum of ten years.

Valuation of financial 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".

Research and development expenses

The Group does not generate research and development expenses as stated by the decision of Ministry of Trade and Industry (50/1998).

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 company	
	2002	2001	2002	2001
1. Turnover and operating profit by business area				
Turnover				
Publishing	43 915	49 721	0	0
Internet consulting	22 195	28 845	0	0
Internet services	1 236	1 633	0	0
TV content production	23 675		0	0
Direct marketing	6 403	6 709	0	0
Premedia	20 461	17 870	0	0
Other business areas	0	6 542	0	0
Internal invoicing	-3 269	-4 612	4 603	4 124
	114 616	106 708	4 603	4 124
TV content production (associated company Varesvuo Partners Oy)		21 429		0
Operating profit				
Publishing	4 487	5 866	0	0
Internet consulting	-1 589	-9 717	0	0
Internet services	-1 872	-2 968	0	0
TV content production	1 310			
Direct marketing	661	1 576	0	0
Premedia	1 006	1 117	0	0
Other business areas	0	720	0	0
Parent company	-1 713	-1 288	-1 710	-1 314
Group entries				
Depreciation on consolidation goodwill and other items	-2 552	-871		
	-223	-5 565	-1 710	-1 314
TV content production (associated company Varesvuo Partners Oy)		114		
Impact on consolidated operating profit		-842		
Operating profit		-6 407		
2. Other income from business operations				
Profits on sale of fixed assets	480	1 761	32	4
Rental income	193	429	67	1
Other income	462	382	7	0
	1 135	2 571	106	5
3. Materials and services				
Materials, supplies and goods				
Purchases during financial year	9 377	6 601	0	0
Change in inventories	267	-25	0	0
Materials, supplies and goods, total	9 644	6 576	0	0
External services	13 610	15 561	0	0
Materials and services, total	23 254	22 137	0	0
4. Personnel expenses				
Performance-based salaries and fees:				
Supervisory Board and Boards of Directors	169	147	94	102
Others	44 205	41 721	2 035	1 971
Pension expenses	6 951	5 976	441	323
Other statutory personnel expenses	3 440	3 357	161	98
Personnel expenses in profit and loss account	54 765	51 201	2 731	2 494
Salaries, fees and fringe benefits paid to managing directors	2 766	1 654		
The retirement age of some managing directors of Group companies is 55 to 60 years.				
The retirement age of the MD of the parent company is 60 years				
Average number of personnel during the period under view *)	1 222	1 197	40	41
*) Adjusted to full-time employees				
5. Depreciation and writedowns				
Planned depreciations				
Intangible assets	2 297	2 712	276	194
Tangible assets	4 576	4 490	226	223
Depreciation, total	6 873	7 202	502	417
Depreciation on consolidation goodwill	3 844	2 463	0	0
Depreciation, total	10 717	9 665	502	417
Change in depreciation difference				
Intangible assets			-20	-40
Tangible assets			24	36
Change in depreciation difference, total			4	-4
6. Financial income and expenses				
Dividend income from Group companies	0	0	29	13 628
Dividend income from associated companies	0	0	0	626
Interest and financial income from Group companies	0	0	311	179
Other interest and financial income	1 215	2 313	448	1 188
Changes in value of liquid assets	-954	-42	-10 380	0
Interest and financial expenses to Group companies	0	0	-408	-544
Other financial expenses	86	-94	-19	-6
Other interest expenses	-888	-517	-575	-253
	-541	1 660	-10 594	14 818
7. Extraordinary items				
Additional depreciation on goodwill (Satama Interactive Oy)	-9 491	-2 126	0	0
Profits on relinquishment of operations	0	96	0	0
Reversal of additional purchase price	0	318	0	0
Group contributions	0	0	1 794	3 091
Extraordinary items, total	-9 491	-1 712	1 794	3 091

8. Shares and holdings included in fixed assets and held by Group and parent company

	Domicile	Group holding %	Parent company holding %
Group companies			
Talentum Media Oy	Helsinki	100.00	100.00
Suoramarkkinointi Mega Oy	Helsinki	100.00	100.00
Satama Interactive Oyj	Helsinki	60.64	60.64
Talentum Digital Media Oy	Helsinki	100.00	100.00
Varesvuo Partners Oy	Helsinki	85.72	85.72
Talentum Premedia Oy	Helsinki	99.00	99.00
Expose Oy	Helsinki	100.00	100.00
Michelsson Sales Consults Oy	Helsinki	100.00	100.00
Subsidiaries' Group Companies			
Satama Interactive Oyj:			
Interweb Oy	Helsinki	100.00	
Satama Finland Oy	Helsinki	100.00	
Setren Solutions Oy	Helsinki	100.00	
Satama Deutschland GmbH	Düsseldorf	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	
Talentum Media Oy:			
Oy Mediutiset Ab	Helsinki	50.00	
Conseco Press	Moscow	40.00 (51% of votes)	
Talentum Premedia Oy:			
Reprostudio & Heku Oy	Helsinki	100.00	
Tietopolku Oy	Helsinki	80.00	
Lito-Scan Oy	Helsinki	100.00	
Digistudio Helsinki Oy	Helsinki	100.00	
Offset-Koptio Oy	Helsinki	100.00	
Marvaco Oy Ltd	Helsinki	55.94	
Matn Domain Oy	Helsinki	50.00	
Suoramarkkinointi Mega Oy:			
Müügimeistrite A/S	Tallin	88.00	
Telemarket SIA	Riga	88.00	
Varesvuo Partners Oy:			
Angel Films Oy	Helsinki	60.00	
Crea Video Oy	Helsinki	90.00	
Crea Sport Production Oy	Helsinki	80.00	
Van Der Media Oy	Helsinki	52.00	
Moskito Television Oy	Helsinki	60.00	
Ondine Oy	Helsinki	71.08	
Filmiteollisuus Oy	Helsinki	56.29	
Helsinki-Filmi Oy	Helsinki	50.91	
Filmiteollisuus fine-Mediastation Oy	Helsinki	51.00	
Funny Films Oy	Helsinki	50.00	
Ten Years Production Oy	Tampere	51.00	
Oy Kaunofilmi Ab	Helsinki	85.50	
Woodpecker Film Oy	Helsinki	79.00	10.00
Elohopea-Filmi Oy	Helsinki	95.12	26.13
Crea Filmi Oy	Helsinki	92.59	27.66
Filmitalli Oy	Helsinki	85.09	30.00
Kiinteistö Oy Helsingin Sahaajankatu 30	Helsinki	100.00	
Electric Light Company Finland Oy	Helsinki	45.00	
Generator Post Oy	Helsinki	50.00	
Moving Camera Company Oy	Helsinki	50.00	
Production House Oy	Helsinki	29.00	

9. Intangible and tangible assets

	Group		Parent company	
	2002	2001	2002	2001
Intangible assets				
Acquisition cost 1 Jan.	22 897	22 126	1 128	4 705
Business transfer				-3 946
Increases	1 973	1 926	483	652
Decreases	-203	-1 155	0	-282
Acquisition cost 31 Dec.	24 667	22 897	1 611	1 129
Accumulated depreciation	-18 740	-15 957	-582	-307
Book value 31 Dec.	5 927	6 940	1 029	822
Tangible assets				
Acquisition cost 1 Jan.	22 433	22 852	1 174	5 972
Business transfer				-4 341
Increases	10 837	3 545	263	309
Decreases	-1 039	-3 964	-133	-766
Acquisition cost 31 Dec.	32 231	22 433	1 304	1 174
Accumulated depreciation	-22 052	-15 021	-675	-473
Book value 31 Dec.	10 179	7 412	629	701
Consolidation goodwill				
Acquisition cost 1 Jan.	33 398	33 796		
Increase / Decrease/transfers	14 165	-398		
Acquisition cost 31 Dec.	47 563	33 398		
Accumulated depreciation	-31 479	-18 584		
Book value 31 Dec.	16 084	14 814		
Investments				
Shares in subsidiaries				
Acquisition cost 1 Jan.				
Business transfer			122 856	120 911
Increases				-17
Decreases			21 836	1 974
Acquisition cost 31 Dec.			-12 695	-12
			131 997	122 856

(1000 €)	Group		Parent company	
	2002	2001	2002	2001
Shares in associated companies				
Acquisition cost 1 Jan.	8 729	8 404	8 712	7 121
Increases	1 207	1 591	0	1 591
Decreases	-8 931	-1 266	-8 712	0
Acquisition cost 31 Dec.	1 005	8 729	0	8 712
Accumulated depreciation and shares of profits	51	-1 195	0	0
Book value 31 Dec.	1 056	7 534	0	8 712
Non-depreciated consolidation goodwill related to shares in associated companies	478	4 705		
Other shares				
Acquisition cost 1 Jan.	2 491	1 792	316	316
Increases	467	715	4	0
Decreases	-359	-16	0	-0
Acquisition cost 31 Dec.	2 599	2 491	320	316
Accumulated planned depreciation and writedowns	-1 427	-1 427	0	0
Book value 31 Dec.	1 172	1 064	320	316
10. Itemization of intangible and tangible assets				
Intangible assets				
Computer software	2 189	2 648	820	781
Renovation of business premises	2 213	2 621	1	1
Others	1 525	1 671	208	39
Total	5 927	6 940	1 029	822
Tangible assets				
Machinery and equipments	7 970	6 900	597	670
Other tangible assets	2 209	512	32	32
Total	10 179	7 412	629	702
11. Inventories				
Materials and supplies	371	122	0	0
Work in progress	429	207	0	0
Finished products / goods	954	924	0	0
Others	83	0	0	0
Total	1 837	1 253	0	0
12. Liquid assets				
Difference between the book and market values of shares, holdings and financial instruments included in liquid assets:				
Market value	28 563	29 852	12 291	12 596
Book value	28 444	29 692	12 230	12 448
Difference	119	160	61	147
13. Receivables				
Receivables from Group companies:				
Non-current receivables:				
Loan receivables			0	696
Current receivables:				
Trade receivables			130	273
Loan receivables			7 836	525
Prepaid expenses and accrued income			1 804	10 280
Total			9 770	11 078
Receivables from associated companies:				
Trade receivables	10	2	0	0
14. Prepaid expenses and accrued income				
Tax assets	703	1 276	86	619
Statutory pension insurance	732	891	0	150
Investment receivables	10	968	10	968
Others	867	824	64	18
Total	2 312	3 959	160	1 754

(1000 €)	Group		Parent company	
	2002	2001	2002	2001
15. Shareholders equity				
Share capital 1 Jan.	8 451	8 404	8 451	8 404
New issue	8	47	8	47
Share capital 31 Dec.	8 459	8 451	8 459	8 451
Share issue	3		3	
Share premium fund 1 Jan.	3 812	3 559	82 364	82 100
Issue premium	44	264	44	264
Other	0	-11		
Share premium fund 31 Dec.	3 856	3 812	82 408	82 364
Reserve fund 1 Jan.	6 294	6 294	6 294	6 294
Transfer from retained earnings	5			
Reserve fund 31 Dec.	6 299			
Own share fund 1 Jan.	437	593	437	593
Increase	5			
Decrease	-178	-156	-178	-156
Own share fund 31 Dec.	264	437	259	437
Other funds	786	786	786	786
Non-restricted equity				
Retained profits 1 Jan.	31 651	33 838	33 137	21 342
Dividend payment	-2 001	0	-2 001	0
Transfer to reserve fund	-5	0	0	0
Cancellation of revaluation	-85	0	0	0
Translation differences	-116	41	0	0
Net profit for the year	-7 620	-2 229	-10 493	11 795
Retained profits 31 Dec.	21 824	31 651	20 643	33 137
Shareholders equity total 31 Dec.	41 490	51 431	118 852	131 469
16. Calculation of distributable assets				
Retained profits and other funds 31.12.	22 610	32 436	21 429	33 923
- Portion entered in shareholder's equity from accumulated depreciation difference	-500	-717	0	0
- Other items	-405	-3 150	0	0
Distributable assets	21 705	28 569	21 429	33 923
Share capital by type of share at end of financial year: Serie: TTM1V			shares 20 118 215	shares 20 099 515
Own shares held by the company	92 300	90 500	90 500	90 500
17. Appropriations				
Accumulated depreciation difference by fixed asset group			141	120
Intangible assets			64	89
Tangible assets			205	209
Deferred tax liability included in reserves			60	61
18. Liabilities				
Long-term debts which become due after more than five years	3 937	1 382	2 612	0
Liabilities to Group companies				
Current liabilities:				
Accounts payable			7	44
Other current liabilities			24 477	22 751
Total			24 484	22 795
Liabilities to associated companies				
Accounts payable	0	10	0	0
Other current liabilities	241	145	241	145
Total	241	155	241	145
Substantial items included in accrued liabilities and deferred income				
Subscription fee advances	1 757	1 620	0	0
Holiday pay obligation liability	5 299	4 518	273	278
Reserve for incentive bonuses	133	93	53	76
Statutory employment pension and social security contributions debt	325	187	47	13
Royalty debt	82	98	0	0
Reserve for restructuring costs	790	4 565	27	0
Others	3 922	2 917	188	82
Total	12 308	13 997	588	449
19. Deferred tax liabilities and credits				
Deferred tax credits				
On matching items	1 385	1 439	1 329	1 316
Deferred tax liabilities				
On matching items	277	293	0	0
20. Guarantees, contingent liabilities and other commitments				
Financial institution loans with shares as collateral	5 203	3 364	5 203	0
Book value of shares pledged	15 429	8 139	15 429	0
Financial institution loans with promissory notes as collateral	790	3 364	0	0

(1000 €)	Group		Parent company	
	2002	2001	2002	2001
Pension loans with promissory notes as collateral	285	438	0	0
Book value of shares pledged	1 673	6 728	0	0
Guarantees posted for own commitments				
Rent guarantees	4 868	11 196	0	0
Other commitments	1 064	1 098	0	0
Leasing commitments				
To be paid in the next financial year	883	795	44	40
To be paid later	582	608	7	35
Guarantees posted on behalf of Group companies				
Rent guarantees	5 073	6 253	6 353	6 253
Other commitments	3	22	3	22
Loans on equity terms	0		0	696
Pledged securities	238	238	238	238
Guarantees	0	348	4 643	32
Guarantees posted on behalf of other				
Guarantees	615			
Pledges	10			

No pledges or other contingent liabilities have been posted on behalf of the management or shareholders.

21. 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 Sept. 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. 2002:		
Number of A warrants	14 150 subscription rights	56 600 shares
Number of B warrants	177 150 subscription rights	708 600 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 Apr. 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	€14.00 per share	
B warrants	€12.08 per share	
Warrants not exercised at 31 Dec. 2002:		
Number of A warrants	725 000 subscription rights	725 000 shares

Parent company's Warrant Bond Issue 2000:

Amount of issue, FIM	460,000	
Amount of issue, €	77,366	
Interest rate	0%	
Repaid	30 Nov. 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	€ 14.00 per share	
B warrants	€ 12.08 per share	
Warrants not exercised at 31 Dec. 2002:		
Number of A warrants	115 000 subscription rights	115 000 shares

The company Expose Oy, a wholly-owned subsidiary of the parent company, had subscription rights totalling 517 950 shares for future needs.

22. Management share holdings

At the end of the year under review, the members of the parent company's Board of Directors, Managing Director and companies under their control held a total of 258,488 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 267,988 shares, representing 1.3 per cent of the company's issued stock and voting rights.

Warrant Bond Issues 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, 765,200 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 noninterest 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 € 14.00 and with warrant B € 12.08. 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.

It has been possible to subscribe shares with A warrants since 1 February 2002. During the period under review no subscriptions have been made.

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 issue was fully subscribed. The maturity period was two years and it was repaid in a single instalment on 30 November 2002. The issue was noninterest bearing. 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 € 14.00 with warrant A and € 12.08 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.

It has been possible to subscribe shares with A warrants since 1 February 2002. During the period under review no subscriptions have been made.

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 20 118 215 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 2002 was 4 364 202 shares, representing 21.8% of all shares.

Dividend policy

Talentum Oyj follows an active policy on dividends. In 2001 a dividend of € 0.10 was distributed. For 2002, 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.

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 – 2002

			Number of A shares	Number of B shares
1993			1 081 000	916 000
1994	Stock dividends	1A/1B : 1B	-	1 997 000
1996	Stock dividends	1A/1B : 1B	-	3 994 000
1998	Stock dividends	1A:1A, 1B:1B	1 081 000	6 907 000
1998	Private placement	1A/1.16	345 920	-
			2 507 920	13 814 000
	Combined, series A and B			+ 2 507 920
	Total number of shares 31.12.1998			16 321 920
1999	Share subscriptions with warrants			792 400
	Total number of shares 31.12.1999			17 114 320
2000	Private placement/Kauppakaari Oyj			2 801 495
2000	Share subscriptions with warrants			71 600
	Total number of shares 31.12.2000			19 987 415
2001	Share subscriptions with warrants			112 100
	Total number of shares 31.12.2001			20 099 515
2002	Share subscriptions with warrants			18 700
	Total number of shares 31.12.2002			20 118 215

In addition, Talentum Oyj's outstanding warrants, at 31 Dec. 2002			Number of warrants
	Total		2 560 200
- of which fell due	1.9.1999		56 600
- of which fell due	1.9.2000		708 600
- of which fell due	1.2.2002		840 000
- of which fall due	1.2.2004		955 000

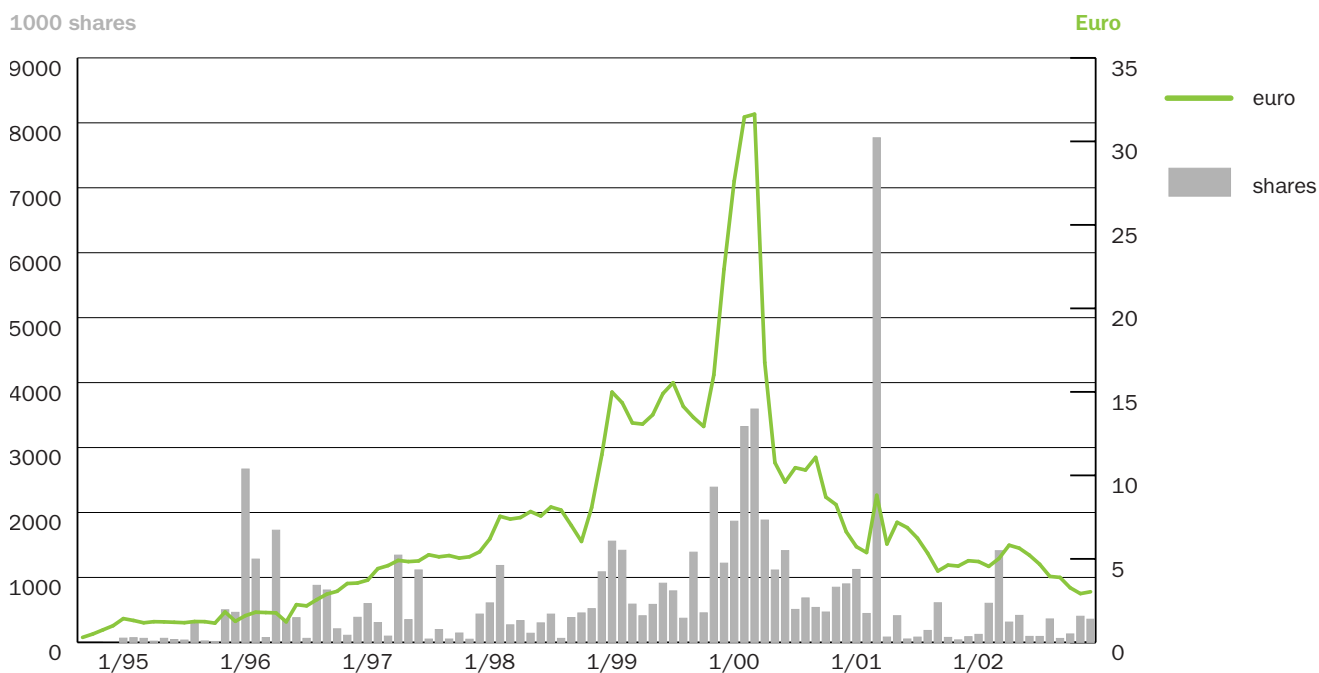
Breakdown of share ownership 31 December 2002

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares and votes
1 – 100	892	27.80	66 677	0.33
101 – 1 000	1 703	53.07	766 088	3.81
1,001 – 10,000	519	16.17	1 446 856	7.19
10,001 – 100,000	73	2.27	2 621 357	13.03
100,001 – 10,000,000	22	0.69	15 175 941	75.43
Waiting list			0	0
Joint account			41 296	0.21
Total	3 209	100.0	20 118 215	100.0

Shareholders by category 31 December 2002

	Number of shareholders	% of shareholders	Number of shares	% of shares and votes
Companies				
Public companies	3	0.0	3 100	0.0
Private companies	256	8.0	9 012 315	44.9
Nominee registered	1	0.0	9 756	0.0
Financial institutions and insurance companies				
Financial institutions and insurance companies	40	1.2	2 329 036	11.6
Nominee registered	4	0.1	1 331 501	6.6
Non-corporate public sector	17	0.5	286 400	1.4
Non-profit organizations	66	2.1	4 705 922	23.4
Households	2 790	87.1	2 158 170	10.7
Foreign	32	1.0	240 719	1.2
Waiting list			0	0.0
Joint account			41 296	0.2
Total	3 209	100.0	20 118 215	100.0

Price development and trading of Talentum share, monthly averages and adjusted share issue



Major shareholders, 31. December 2002	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
Insinööritieto Oy	400 00	0.0
Total	1 100 400	5.5
4. OKO Bank Group Central Cooperative *)		
Aurum Life Assurance Company	39 100	0.2
The Research Foundation of the OKO Bank G.	31 200	0.2
The funds registered by OP-Investment Comp.		
OP-Delta Mutual Fund	476 600	2.4
OP-Pirkka Mutual Fund	108 000	0.5
OP-Suomi Kasvu Mutual Fund	135 900	0.7
OP-Tuotto Mutual Fund	198 000	1.0
OP-Focus Special Mutual Fund	82 500	0.4
Total	1 071 300	5.4
5. 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
6. The Finnish Association of Graduate Engineers TEK	234 800	1.2
Dia-Tieto Oy	799 069	4.0
Total	1 033 869	5.2
7. FIM Forte Fund	343 500	1.7
8. Finpro ry	223 410	1.1
9. FIM Fenno Fund	175 000	0.9
10. The Association of Finnish Wholesalers and Importers	169 698	0.8
11. Nordea Fennia Investment Fund	156 000	0.8
12. Evli-Select Mutual Fund	147 500	0.7
13. TFIS Engineering Society in Finland	139 987	0.7
14. Mutual Insurance Company Pension Fennia	135 000	0.7
15. Gyllenberg Small Firm Fund	77 500	0.4
16. Mr. Saarela Mikko Aarne Juhani	70 800	0.4
17. Mr. Korkeamäki Vilho	70 700	0.4
18. The Association of Swedish-speaking Engineers in Finland DIFF	70 010	0.3
19. Evli Finland Mix Mutual Fund	68 000	0.3
20. The Foundation for Commercial and Technical Sciences	65 400	0.3
Nominee-registered shares	1 327 501	6.6
Other shareholders, total	4 366 664	21.7
ISSUED STOCK	20 118 215	100.0

*) The group consists of owners reported to the company on August 8, 2002

Key Indicators

Key indicators for the Group

		2002	2001	2000	1999	1998
Return on equity (ROE)	%	-3.2	-9.3	13.3	5.2	29.4
Return on investment (ROI)	%	0.0	-5.7	15.3	11.1	35.6
Equity ratio ^{x)}	%	55.5	66.8	60.5	55.6	62.5
Net gearing	%	-26.9	-39.0	-39.1	-17.4	-41.2
Key indicators per share						
Earnings per share	€	-0.09	-0.06	0.85	0.20	0.70
Dividend per share	€	0.10	0.10	-	0.10	0.25
Equity per share	€	2.06	2.55	2.66	2.17	2.27
Dividend/earnings	%	-107.3	-166.3	-	50.0	35.7
Effective dividend yield	%	3.5	2.1	-	0.4	1.8
P/E- ratio at year-end share price		-30.7	-80.3	7.7	120.5	20.4
Market capitalization ^{xx)}	€ million	57.3	96.6	130.3	410.3	233.3
Traded price, 31. Dec	€	2.86	4.83	6.55	24.10	14.30
Traded price, high	€	6.30	9.00	43.80	26.00	15.14
Traded price, low	€	2.75	4.00	5.40	11.40	5.55
Average price for year, adjusted for share issue	€	4.55	7.86	21.13	15.38	8.04
Total share turnover ^{xx)}	shares	4 364 202	10 961 273	17 142 084	12 101 456	6 298 500
Total share turnover as percentage of shares ^{xx)}	%	21.8	54.9	90.3	73.3	39.3
Number of shares, issue adjusted						
weighted average during year	shares	20 016 698	19 951 436	18 987 685	18 463 337	17 970 229
at year-end	shares	20 025 915	20 009 015	19 896 915	19 825 315	19 123 415
Unredeemed 1996 warrant bonds	shares	765 200	783 900	896 000	967 600	
Unredeemed 1999 warrant bonds	shares	1 450 000	1 450 000	1 450 000	1 450 000	
Unredeemed 2000 warrant bonds	shares	345 000	345 000	345 000		
Company's own shares	shares	92 300	90 500	90 500	90 500	

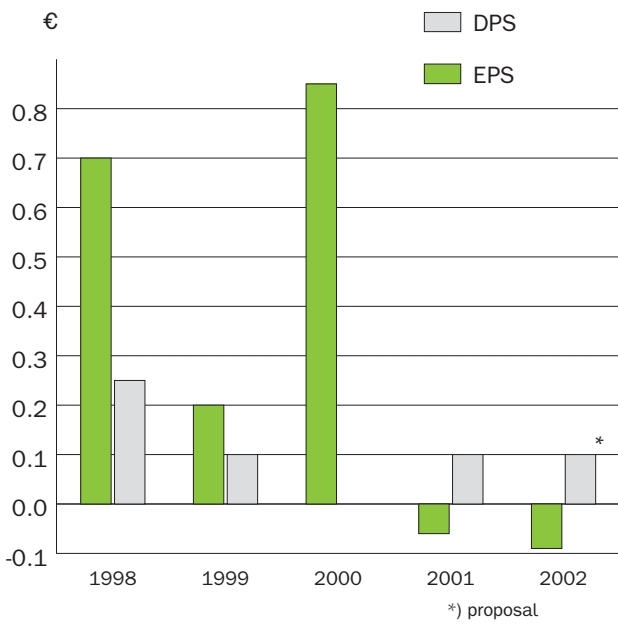
x) matching of the subscriptions booked in deferred liabilities has been treated as debt

xx) 1998-1999 calculated without Kauppakaari's figures

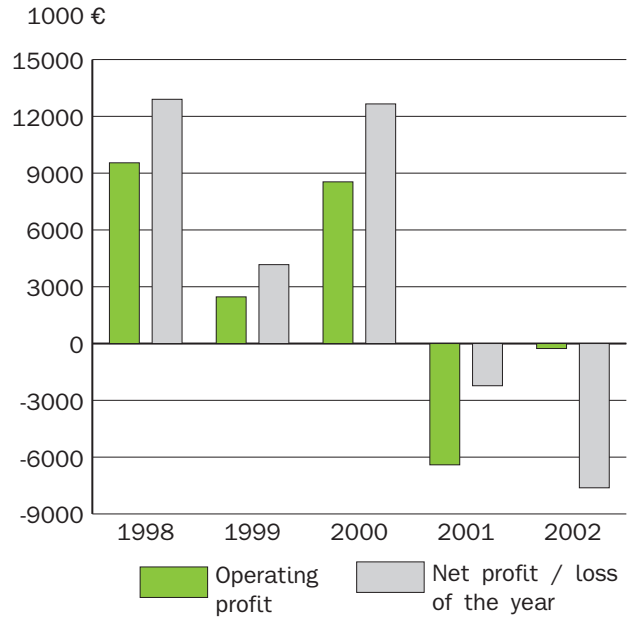
Financial trends of the Group

		2002	2001	2000	1999	1998
Turnover	€ 1 000	114 616	106 708	117 292	104 826	90 287
growth, %	%	7.4	-9.0	11.9	16.1	-12.5
Operating profit	€ 1 000	-263	-6 407	8 521	2 466	9 547
% turnover	%	-0.2	-6.0	7.3	2.4	10.6
Financial items	€ 1 000	-541	1 659	1 388	3 449	7 755
Profit before extraordinary items, taxes and minority interest						
	€ 1 000	-804	-4 747	9 909	5 915	17 302
% turnover	%	-0.7	-4.4	8.4	5.6	19.2
Taxes	€ 1 000	-850	-917	-2 576	-3 534	-5 354
Minority interest	€ 1 000	3 525	5 147	10 273	1 529	447
Profit before extraordinary items	€ 1 000	1 871	-517	17 605	3 910	12 395
Extraordinary items	€ 1 000	-9 491	-1 712	-4 948	258	506
Net profit/loss of the year	€ 1 000	-7 620	-2 229	12 657	4 168	12 901
Gross investment	€ 1 000	17 645	8 065	29 405	28 891	10 530
% turnover	%	15.4	7.6	25.1	27.6	11.7
Shareholders' equity and minority interest	€ 1 000	46 638	58 124	64 792	47 755	44 938
Balance sheet total	€ 1 000	84 386	86 986	107 246	85 242	72 267
Number of employees		1 222	1 197	1 228	1 220	865
Turnover per employee	€ 1 000	94	89	96	86	104

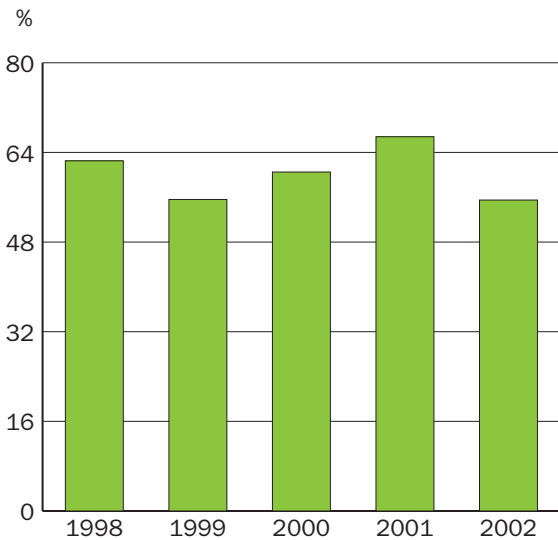
Earnings per share and dividend per share



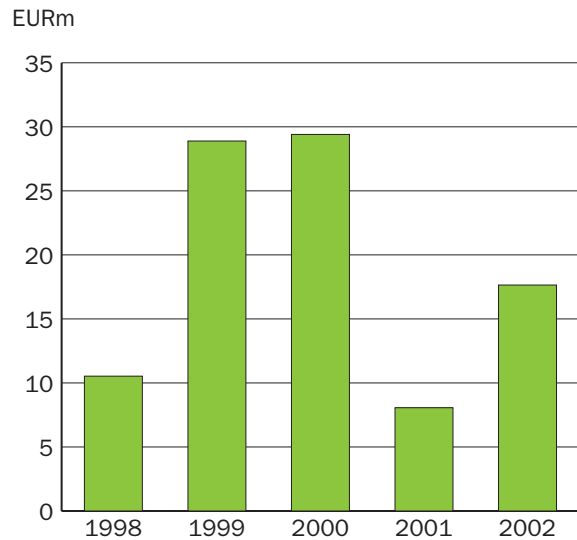
Operating profit and net profit/loss for the year



Equity ratio



Gross investment



Calculation of Key Indicators

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

Parent Company's Proposal for the Distribution of Dividend

	Parent company, €	Group
Distributable assets	21 429 350.70	21 705 091.68
The Board of Directors proposes that a dividend of € 0.10 be distributed to 20 025 915 shares outstanding	2 002 591.50	2 002 591.50
Retained in distributable assets	19 426 759.20	19 702 500.18

Helsinki, 11 February 2003

Jukka Ant-Wuorinen
Juha Blomster
Vilho Korkeamäki
Eira Palin-Lehtinen

Seppo Kempainen
Simo Jutila
Göran Nyman
Eero Tuomainen

Harri Roschier
Managing Director

Auditor's 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 2002. 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 of the parent company.

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 distribution of retained earnings is in compliance with the Companies' Act.

Helsinki, February 28, 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants

Kari Miettinen
APA



Board of Directors

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.

The Board of Directors proposes that the General Meeting of Shareholders March 25, 2003 resolves to amend the articles of association in a way that the members of the Board of Directors are appointed for a term of office of two years, nevertheless at least four of the members shall retire yearly beginning with members sitting longest after their latest appointment, however at most half of the members shall retire in case the Board of Directors consists of six or less members.

Chairman:

Managing Director **Jukka Ant-Wuorinen** (born 1950)
Amer-Tupakka Oy
Term of office expires 2003

Managing Director **Johannes Koroma** (born 1943)
Confederation of Finnish Industry and Employers
Resigned March 21, 2002

Deputy Chairman:

Lawyer **Seppo Kempainen** (born 1950)
Asianajotoimisto Borenius & Kempainen Oy
Term of office expires 2003

Managing Director **Göran Nyman** (born 1939)
Oy NIM International Ab Ltd
Term of office expires 2003

Members:

Managing Director **Juha Blomster** (born 1957)
Kustannusosakeyhtiö Kauppalehti Oy /Alma Media Oyj
Term of office expires 2003

Executive Vice President **Eira Palin-Lehtinen** (born 1950)
Nordea Bank Plc
Term of office expires 2003

Managing Director **Simo Jutila** (born 1957)
Keycast Oy
Term of office expires 2003

Lic. (Pol. Sc.) **Eero Tuomainen** (born 1938)
Term of office expires 2003

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

Meeting of the Board of Directors.: From the left: Heikki Tarkka, Director of Finance; Board members Juha Blomster, Vilho Korkeamäki, Simo Jutila, Göran Nyman, Eira Palin-Lehtinen, and Eero Tuomainen; Deputy Chairman Seppo Kempainen; Chairman Jukka Ant-Wuorinen; and Managing Director Harri Roschier.

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 Pricewaterhouse Coopers Oy, with Kari Miettinen, Authorized Public Accountant Kari Miettinen, KHT (b. 1951), the responsible auditor.

Managing directors of subsidiaries

Talentum Media Oy

Harri Roschier (b. 1957)

M.Sc. (Econ. & B.A.)

Satama Interactive Oyj

Jan Sasse (b. 1967)

M.Sc. (Econ. & B.A.)

Talentum Digital Media Oy

Until November 30, 2002

Juha-Pekka Virtanen (b. 1970)

M.Sc. (Econ. & B.A.)

as of December 1, 2002

Hannu Ollikainen (b. 1955)

M.Sc. (Econ. & B.A.), Editor-in-Chief

Talentum Premedia Oy

June 30, 2002 - February 28, 2003

Mika Kaukonen (b. 1966)

as of March 1, 2003

Lasse Rosengren (b. 1963)

Master of Laws

Suoramarkkinointi Mega Oy

(until November 30, 2002)

Mikko Saarela (b. 1960)

Commercial college graduate

as of December 1, 2002

Jukka Näntö (b. 1960)

MBA (B.Sc.)

Mediuutiset Oy Ab

Pentti Kiiski (b. 1953)

until December 31, 2002

Pharmacist, Editor-in-Chief

as of January 1, 2003

Olli-Pekka Tiainen (b. 1964)

Editor-in-Chief

Varesvuo Partners Oy

Managing Director

Jukka Valtanen (b. 1961)

M.Sc. (Econ. & B.A.)

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