

One Word. A Thousand Stories.



Annual Report 2002



YLE Annual Report 2002

Yleisradio Oy is a limited company engaged in public full service television and radio broadcasting. Its duties, operations and funding are defined by law.

In accordance with its public service task, YLE endeavours in its programme operations to guarantee Finns equal opportunities to obtain information, to have new experiences and enjoyment and educate and develop themselves.

YLE broadcasts programmes and produces services in Finnish and Swedish as well as in Sámi, Romany and sign language.

YLE's principal owner is the state. Together with its subsidiary responsible for distribution, Digita Oy, it forms a group. 49% of Digita Oy is owned by TDF (Télédiffusion de France), a subsidiary of France Telecom.

The annual report on YLE's operation, the personnel report and the audience report provide a picture of YLE in 2002. These publications appear in Finnish and Swedish, annual report and audience report also in English (www.yle.fi/fbc).

Key Figures (EUR millions)

	YLE Group 2002	YLE Group 2001	YLE Group 2000	YLE Group 1999	YLE 1998
EXTENT OF OPERATION					
Turnover	374.5	381.0	361.8	346.3	334.7
% change	-1.7	5.3	4.5	3.5	-0.2
Balance sheet total	444.8	522.2	462.1	466.5	484.6
Gross investments	33.2	42.0	45.2	46.6	50.7
% of income	8.9	11.0	12.5	13.5	15.1
Personnel	4 431	4 511	4 595	4 582	4 638
PROFITABILITY					
Profit/loss	-62.0	-108.6	-12.0	-17.2	-11.1
Profit/loss before extraordinary items	-70.6	-107.7	-11.4	-17.9	-9.7
SOURCES OF FUNDS AND FINANCIAL POSITION					
Quick ratio	1.2	1.5	1.0	1.1	1.2
Equity/Assets ratio %	43.4	51.5	53.2	55.6	57.0
Borrowed capital with interest	72.0	72.0	72.0	72.0	72.0

Income= Turnover + other business revenue

Personnel= The number of monthly paid employees during the financial year in man-years

Quick ratio= $\frac{\text{Financial assets}}{\text{Current liabilities}}$

Equity/Assets ratio= $\frac{\text{Shareholders' equity} + \text{closing entries}}{\text{Balance sheet total}}$



Contents

Director General's review	3
Arne Wessberg, Yleisradio Oy Informing, educating, entertaining	
The year in programmes	
Information	4
Earning trust in news on a daily basis Down-to-earth regional radio	
Culture and education	8
Pearls of programme flow Smiling at misfortunes	
Entertainment and experiences	12
Straightforward moments Sports thrills and celebrations	
Channels and services	16
Statistics	18
Administration	24
International awards	26
Report of the Board of Directors of Yleisradio Oy and the 2002 Financial Statements	
Appendix	



Informing, educating and entertaining

In terms of programme output, 2002 was once again a year of wealth and diversity for YLE. The company's success at Prix Italia in September or the solid reputation of our sports televising are reflections of quality, creativity and skill. Year in, year out, YLE has shown itself consistently capable of producing for the nation a diverse package of information, culture and education together with experiences and entertainment. This in spite of the fact that the company is undergoing far-reaching reform at the same time and the entire operating environment is in a state of change.

In an increasingly globalised media field, YLE is emphatically and clearly a national company. Finland and what it means to be Finnish are interpreted in YLE programmes. For example, more than 60% of our television programmes are of domestic origin. The rest of the world is also featured with greater scope on YLE than on competitors' channels. During the year, programmes have included films from South America and Asia. Featured classics of the cinema have included Andrzej Wajda and Buster Keaton series. Reporting by YLE correspondents on events in the Middle East and Russia has formed a sizeable share of a trustworthy news and current affairs service.

If one examines YLE output according to programme area, the company's investment in the supply of information, culture and education is clearly in evidence. Supply of information accounts for approx. 38% of the costs of the programme operation as a whole. Nonetheless, experiences and entertainment are also an important element in the public service targeted at all Finns. For example, without YLE, major international sports events would not be covered as comprehensively in Finland.

YLE has been the subject of some lively public debate, which goes to show how significant YLE and our range and individual programmes are to the nation. The radio reform commenced in 2002 has been the top YLE item in the Finnish press during the autumn. There has also been discussion of Swedish-language output and of the company's cost-cutting measures, not to mention digital television. The latter is spreading inexorably, but its development has been hard to predict. I am delighted to see that, at the end of the year, demand for receivers both in Finland and elsewhere in Europe has clearly increased.

Work on developing company structures and procedures will also continue in the years to come. The professionals engaged in the programme areas no longer work for channels and different departments. They are now engaged by competence centres, from where the channels order their programmes. The reform will be brought to a conclusion in the course of 2003. The operation has also been rendered more effective by scaling down the administration and reorganising technical and support services.

The balancing of YLE's finances is based on a plan extending to 2008. The result for 2002 reflects the halving of the operating licence fee according to the Communications Market Act. The second phase of the Communications Market Act will probably enter into force in the summer of 2003. The Act will bring stability and perspective to the sector over the coming years, at a time when Finland will be switching from analogue electronic media to wholly digital television and radio broadcasting. At the same time, it will impact significantly the operating environment of the electronic media in Finland and the framework within which YLE operates as a public service broadcasting company.

Arne Wessberg
Director General

INFORMATION

YLE offers a variety of information, opinions and discussions on public issues, for minorities and special groups as well.

Supply of information accounts for over 38% of the costs of programme output as a whole.



Current Affairs TV2's live broadcast from the Tampere studios is beginning. The country's longest running current affairs programme is watched each week by almost four million Finns.

Information and help from campaigns Supply of information on public service also takes the form of various campaigns. During the year, YLE programmes have been involved in anti-AIDS and drugs work, promoting road safety and in helping families in need.

In the eye of the storm –
the women of Cosa Nostra



Earning trust in news on a daily basis



Trustworthiness and quality are an inseparable pair in news work.

News chief **Matti Rönkä** says that trustworthy news is the sum of numerous factors. "It's also about courage and judgement. Daring to explain and ask questions, but also the courage to be discreet."

The confidence shown by audiences in YLE news is the result of years of work, but it is also earned daily.

When a fateful explosion took place at a shopping centre near Helsinki in October, Rönkä was on duty for the eight-thirty news. News that something serious had happened came from a freelance cameraman who happened to be on the spot. Footage from the scene was obtained already during the broadcast.

In crisis situations, there are established operating models for the news. Rönkä estimates that, in the case in question, YLE could have been even quicker off the mark. "In a situation of that kind, relating even unconfirmed reports is also important. If the information is wrong, it is corrected."

Rönkä considers that public service YLE has the advantage of being able to draw on the company's resources to do good news work. The owner's confidence has made an economically and politically independent news service possible. "When the economy is booming, all news departments aim for a comprehensive news service, but the recession prunes the resources of the commercial media companies more visibly." Rönkä believes that quality news journalism has its own morality, there is no particular way of producing public service news. "Comprehensive follow-up and, for example, televising from the scenes of events or press conferences are the domain of public service, what people expect of YLE."

News output has increased enormously. The challenges faced by the sector relate to serving different audiences. "There are small audiences whom we aim to provide with a virtually real-time information service. And then there is the large Finnish audience for the eight-thirty news, which expects a broad television collage of the day from a variety of angles."

Expectations for a wide-ranging service lead the company to develop its output. Matti Rönkä believes that the audience's trust is also one guarantee of quality. "People trust the choices we make. We are able – and must – give a broad account of world events because the Finnish audience is educated."

Subjects of scrutiny In the media flood, is it possible to delve into current affairs without being conventional and predictable? **MOT** and **Spanaren** try to do just that. They can irritate, even offend, but are seldom insignificant, and they always comply precisely with good journalistic practice.

Camp fire | The Enigmatic China series





Factual programme *The Flow of Europe* plunges into the tales of Europe's inhabitants. In Sardinia, courses in free diving are also attended by Finns.

Thoughts out loud Radio offers time for thinkers. *European Speeches* has been broadcast each week for 21 years now. The criticism and thoughts of Asian, African and Latin-American thinkers on their own cultures have been heard in *Third World Speeches* for more than fifteen years now.

Human Factor | Morning Television



Down-to-earth regional radio



Regional radio is heard, perceived and felt to be important in its own area.

“Regional radio has a low threshold, it’s easy to get in touch with us, we’re here!” says Radio Häme reporter [Kati Turtola](#). A keen interest in the affairs and people of the local area is what counts for a regional radio reporter.

When radio is felt to be important and there is close link with the audience, it is manifested in, for example, contact programmes. “These are a way of bringing important issues into public debate. People often want to talk about, say, how various national decisions are implemented in the region.”

Radio Häme is the fastest provider of regional information in Hämeenlinna, Riihimäki and Forssa and the surrounding countryside. It is clearly the radio channel with the most listeners. YLE has stepped up programme time on regional radio, and is investing in regional television news. Local television news has been produced in Southwest, Central and Northern Finland, and in the spring of 2003 regional television news will be launched in Uusimaa and Häme as well.

Regional radio is about not only local affairs and other current affairs journalism but about serving a diverse audience. “We report on traffic, the weather and events. Tips on places to go and things to do are an essential part of the daily programmes.” Turtola considers that YLE’s strong regional presence is what distinguishes regional radio from the rest. “We stand out from the commercial channels.” Regionality is also a strong point. “Radio is a medium for storytelling, and we have room for the tales of local people.”

Turtola says that good regional radio offers a nice balance of information and emotion. “Time and resources do limit what we can do, but we still get excited about minidocumentaries and various campaigns.”

Last summer, Radio Häme sailed from Tampere to Hämeenlinna on the steamship *S/S Kirvesniemi*, which is over a century old. “The cultural voyage into the region’s history attracted large audiences to beaches and radio sets”, Kati Turtola says. She believes that strong regional radio can help to stimulate the life and culture in its area.

Children of war from near and far War drives families apart. The subject was also examined by [Bazaar](#), which investigates the phenomena of multicultural life. The department includes Finns and foreigners, professionals and amateurs, and was awarded Bonnier’s Journalist Prize for training immigrants.

Television News | [Bazaar](#) |
The Consumer is King



CULTURE AND EDUCATION

YLE supports, develops and creates domestic culture and fosters opportunities for education and study.

Culture and education account for 34% of the costs of programme output as a whole.



Blue Planet, the BBC's major series turned the television screen into a window onto an underwater world.

YLE has a broad acquisition agreement for BBC programmes.

Simon & I |
The Idle Ones | Hidden

Veta a portal of knowledge The Swedish-language **Veta** and Finnish-language **Opinportti** offer information and skill for pre-schoolers, examination candidates, adult students and the elderly. The pages contain learning material, and **Multiradio** is another source of material on-line.



Pearls of programme flow



A documentary has the power to transform.

Winner of the State award for information publishing, producer [likka Vehkalahti](#) from TV2's Documentary Project has faith in the power of his genre. He believes that documentaries are the pearls of programme flow, significant moments in the cornucopia of television fare. This is how one television critic describes the experience of watching *Mothers of Life*, a film by Markku Lehmuskallio and Anastasia Lapsui: "All of a sudden, television was not a glass screen onto which the tube reflects entertainment, but a window on the lives of the inhabitants of a snowy wilderness."

Vehkalahti considers that the essential point is what kinds of thoughts and values the programmes foster. "Do we want to become millionaires or are we interested in how our neighbour is faring? Lasse Naukkarinen's film on sculptor Miina Äkkijyrkkä received lots of feedback, defending the right to be different. The documentary and respect for difference were praised."

Vehkalahti believes that public service includes responsibility for values. "Public-service programmes are not made for the sake of advertising revenue. Nor do we make them in order to reach a large audience, even though our objective is also to obtain a large audience".

One example of reaching audiences is the international Steps For The Future project, launched by Vehkalahti. These films about everyday life in Southern Africa in the shadow of AIDS have won a bigger audience in Africa than Ally McBeal. They have also been shown on dozens of television channels and at over a hundred festivals all over the world.

Changing the world – even a little – is also the aim of the domestic joint film project Another Finland. It records Finnish life outside the centres of power during 2003.

In Finland, YLE is definitely the most significant producer, presenter and also international distributor of documentaries. Approx. 40% of funding for the domestic documentary originates from YLE. likka Vehkalahti believes that the challenge for public service is to reach the audiences in such a way that they are affected by the contents. "Informative and enlightening programmes have traditionally been the field of public service. In addition, we must have the will and skill to make programmes that lead people to engage in a dialogue with themselves, and get them to pause."

Journalism for children The jury of Suomen Kuvalehti magazine granted [Children's Hour](#) producer Maija Koivula the Journalist of the Year prize. YLE alone is responsible for domestic children's television and radio output. Parents regard the programmes as respectful of children, perceptive and safe.

The Star Dreamer | The Snakeboy and the Sandcastle | On the Surface of the Ball | Miina!



Smiling at misfortunes



Director **Heidi Kõngäs** believes that comedy is no lighter than tragedy at all.

"I want to cover even a serious subject through laughter. It's all about how you look at the world. People have their joys just as much as sorrows", she says. She believes that there is a great demand in today's world for laughter, play and consolation.

In 2002, Kõngäs directed the film *Casual Killer*, about family violence. It became the most popular quality drama of the autumn on TV1. "Family violence is a serious problem, which no one dares to talk about. *Casual Killer* highlighted a problem that has been hushed up."

Heidi Kõngäs is fascinated not only by important subjects but also by fantasy. "I'm interested in all boundary-crossing, such as what happens if a good person stops being good. Or what if a woman is big and strong? This was the set-up in the drama *Hardly a Butterfly*." A few years ago, Kõngäs directed it in a television film version that won the Special Prix Europa.

Characters with an edge create humour in Kõngäs' drama, and love stories create consolation. Kõngäs has always been amazed by how love is portrayed in television series as something easy and smooth. "I am interested in the complexity and clumsiness of love." The echoes of the response to *Casual Killer* still reverberate out to the makers. "Strangers stop me and thank me for the film. If drama strikes someone, it strikes deep."

Television offers a medium for reaching audiences. The annual audience for even a large theatre can hardly compete with television drama that attracts some 200,000 viewers. "When there are a million viewers – as is often the case with domestic drama – a really broad spectrum of Finns is reached." Kõngäs regards safeguarding the continuity of drama production as a very great challenge for public service YLE.

Many of YLE's dramas have become part of the national cultural heritage. "They tell us where we're from and where we're going and create a perspective on man's inner and outer worlds. For example, Mikko Niskanen's *Eight Deadly Shots* is still an incredibly powerful work", says Heidi Kõngäs.

Strong drama always gains new audiences from new generations as well. When it succeeds, drama has a long lifespan.

FRSO |
Summer Church
in Rauma |
The Tango

The Bible in dialect Representatives from Finland's various denominations put their message across on radio's religious programmes. **Religious programmes** are one of YLE's special public service tasks. In July, a televised service was preached in the local dialect in Rauma.

The finest films Culture and Education also include foreign films and series. International acquisitions are an important part of public service, since it is not a slave to commercialism.





The Finnish Radio Symphony Orchestra's anniversary season included eight first performances. | Prix Italia winner, Juulia's Truths was quality drama about young people.

50 Finnish homes How does a home evolve? Everyday History was a major investment by educational programmes, examining change in homes and living over a century. The series was also backed by extensive internet material.

Casual Killer | Where is Love? |
Paavo the Panther | Finding out



ENTERTAINMENT AND EXPERIENCES

YLE offers Finns an opportunity to be entertained and have experiences. Sport, entertainment and popular culture account for 26% of the costs of programme output as a whole.



YLE's television channels also show recorded rock concerts, such as performances by Ana & LAB and by Ilkka Alanko ja Neljä ruusua.

Everything to do with music Hit Radio represents the finest expertise on the genre, in an enjoyable way. The presenters cover fact and phenomena in an easy and relaxed way, and the reporters are experts on their own field.

Under the Guise of Play | Round the World



Straightforward moments



Entertainment on public service channels can be pertinent, even clever.

If the objective of entertainment is to entertain, producer **Micaela Metso** feels that she was made for the genre. “We don’t seek to get the audience to laugh, the gogo programme is serious entertainment”, Metso explains. In addition to gogo she also produces musical entertainment such as the Nordic video chart, and Popsmart, a programme of popular culture that has been on the summer schedule.

Gogo is a thirty-minute magazine, which the Swedish-language television FST makes each week. It is an example of YLE’s public service production in Swedish for 19 – 30 -year-olds, who have a reputation for being demanding and difficult. They watch the most American series and serials. The programme has been alive and well for over three years now. In the summer, FST gave gogo an award as the best programme of 2002 on its channel.

How is a good entertainment programme for young adults created?

Metso says that there is no secret formula. “We make a programme with rather than about people. If the theme is babies, we make sure we attend delivery training and maternity clinics.” The programme goes as close to the everyday life of ordinary people as possible. The individuals who appear on it are not so-called experts or famous people.”

People are selected for the programme slowly and carefully. “It is vital for them to enjoy being in front of the camera, so that they feel comfortable being themselves. Our point is that all the people appearing in the programme are fine and big.” Metso says that this helps to create straightforward moments and also the best everyday blunders. Programmes in which old people analyse a long marriage or children describe what it means to be a child have also been really entertaining and full of insight.

Metso believes that a certain kind of agreement with the viewer is part of programme enjoyment. “This is what we are offering, dependably. It also creates a bond between the viewer and programme.”

Metso believes firmly that entertainment also has its place on public service channels.

“It’s generally better in life to enjoy yourself than not to. You can enjoy yourself in a variety of ways, one option is to use us”, Micaela Metso suggests.

Entertaining and enlightening Young people consider questions relating to sexuality, eroticism and feelings in the television series *This is sex!*, with an associated series of radio plays called *Salatut elimet* (Hidden Organs).

X3M-Morning





The Summer Paradise series took a light-hearted look at the Finnish extreme lifestyle. The Mäki family is crazy about all things American.

Saturday evening fun The animated political satire *The Autocrats* is an award-winning hit with the television audience. The presenter of *Have I Got News For You*, Peter Nyman, received an award as the best entertainment presenter of the year.

The Autocrats | World Football Championships



Sports thrills and celebrations



Sport comes in all shapes and sizes, but at its finest it means great feelings and shared experiences.

Sport in itself provides the ingredients, whilst effective implementation of the events help to fuel the drama. "The commentator is the viewer's mate, and has to be able to immerse himself in the event and convey feelings. The approach and language have to be adapted to the same sofa", is how sports reporter [Tapio Suominen](#) sees it.

For Suominen himself, one of the thrills of 2002 was ski jumper Samppa Lajunen's success at Salt Lake City. "As a reporter, I was the first to receive Lajunen, who was moulded into a new Finnish sports icon. The sensitivity of the viewers' expectations was tangible", he says. Another fine moment was conveying the World Football Championship euphoria of South Korea and its forty million inhabitants back to Finland.

Before each broadcast, the commentator has to familiarise himself carefully with his task. With his knowledge, he helps the viewer to follow the competition or match, provides background and creates a context. If necessary, the creator of mood turns into a critical reporter on the latest doping scandal. "But sport is still primarily about feelings and the need for shared enjoyment. In particular, sport provides room for men's feelings."

YLE's role includes wide coverage of sport. "Commentary for local badminton is just as important as the Olympics, even though the number of viewers is quite different."

For Suominen, his sports reporter's routine has meant a total of 180 days of travel in 2002; snoozing for hours at airports, gobbling down piles of deplorable food and long days in cramped commentator's cubicles. "A bit of a far cry from glamour, despite the fine moments", is how Suominen, a professional in excitement, defines his job. In his opinion, high viewing figures and audiences thirsting for excitement create demands and responsibility. "A commentator cannot be unco-operative or absent. And, sure, working in YLE's internationally esteemed team is rewarding."

Without YLE, Finns would not see major international sports events. "For the commercial companies, Finland is too small and thus an expensive market area", says Tapio Suominen. The broad range of sport would also not gain any prominence on the commercial channels. Public service thus has plenty to do in the field of sports entertainment, that Finnish passion.

Salt Lake City Winter Olympics



A plethora of media The internet is establishing itself as a new channel alongside television and radio. Major sports events in particular bring more hits to YLE pages.

Television

Director of Television Olli-Pekka Heinonen

Director of Programming Heikki Seppälä

- TV Finland. Digital satellite channel for Finns living abroad.

TV1 Director of Programmes Ismo Silvo

- The leading news, current affairs and factual journalism channel, focusing on drama, cultural and documentary programmes as well as satire in entertainment. Also offers youth and educational programmes.
- Foreign acquisitions include a sizeable share of European production.
- The channel is also broadcast digitally.

TV2 Director of Programmes Päivi Kärkkäinen

- Service and lifestyle programmes, a variety of entertainment as well as drama and comedy series. The main channel for children's programmes and sport.
- Current affairs and factual programmes stress the population's perspective; domestic and regional issues.
- The channel is also broadcast digitally.

YLE24 Director of Programmes Ari Järvinen

- Digital television's round-the-clock news and current affairs channel and a competence centre that also provides a news and current affairs service on analogue channels, teletext, the internet and mobile devices.
- The channel for special broadcasts and televised events.

YLE Teema Director of Programmes Ismo Silvo

- The channel for culture, science and education on digital television. Theme broadcasts, recordings of performing art, classical music, documentaries and films.
- Co-operates with other actors in the fields of culture, science and learning.

YLE Teletext Head Jorma Lampinen

- News, sport and programme information as well as a variety of up-to-date service, theme and campaign packages.
- In digital teletext, news output is reinforced with supplementary products supporting the channels and with new information society contents.
- Programme subtitling for the hard-of-hearing is one special service.

www.yle.fi Project Manager Erkki Vihtonen

- A comprehensive news, sports and weather service and portal packages on various themes.
- The home page includes radio and tv news broadcasts, as well as programme information and access to all of YLE's internet services.

Radio

Director of Radio Seppo Härkönen

Radio Ylen Ykkönen Director of Programmes Olli Alho

- A radio channel for culture and in-depth current affairs and talk programmes, also carrying Radio Symphony Orchestra concerts.
- Classical music, jazz, folk and world music, and religious music.
- The channel was renamed YLE Radio 1 on 13th January 2003.

Radiomafia Director of Programmes Jukka Haarma

- A fast-paced multimedia programme flow channel for the young mobile population, featuring new music and the latest in popular culture.
- New domestic and foreign pop and rock and special music programmes.
- Radiomafia was renamed YLEX on 13th January 2003, Ville Vilén is Director of Programmes

Radio Suomi Director of Programmes Reijo Perälä

- A radio channel for the general public, offering a rapid news and regional service. On weekdays, the channel carries the output of 20 regional channels.
- Domestic and foreign hits, adult and nostalgic pop.
- Radio Suomi was renamed YLE Radio Suomi on 13th January 2003.

Radio Aino Director of Programmes Heikki Peltonen

- Topical matters for young adults, popular culture and politics.
- New and fairly new pop and rock music.
- Reception area Greater Helsinki, in digital format the southern Finland.
- Radio Aino was replaced by YLEQ on 13th January 2003, Hanna Lähteenmäki is Director of Programmes.

Radio Peili Director of Programmes Heikki Peltonen

- Digital Radio Peili picks the best of YLE's Finnish-language radio and tv factual talk programmes. YLE Parliament channel and classical jazz at night as supplementary services.

Special services

- Radio Finland carries the channels' main output in Finnish and Swedish internationally. In Greater Helsinki, Capital FM carries foreign output and YLE's own Russian programmes. YLE World and YLE Mondo are digital services in English and other languages.
- Ylen Classic is the digital channel of classical music.
- Sámi Radio in Lapland. Sámi television news and teletext in jointly with Sweden and Norway.
- Regional television news on weekdays on TV2 and YLE 24.

Swedish-language Radio and Television

Director of Swedish-language Radio and Television Ann Sandelin

FST (Finlands Svenska Television)

Director of Programmes Gunilla Ohls

- Swedish-language full-service digital television channel; offering news, factual programmes, children's programmes and entertainment.
- Nordic co-production in addition to its own programmes.
- FST programmes are broadcast in analogue format on TV1 and TV2, in which case they include Finnish subtitles.

FSR (Finlands Svenska Radio)

Director of Programmes Annika Nyberg Frankenhaeuser

Radio Vega Head of Channel Ingeborg Gayer-Forsman

- A news, current affairs and cultural channel for the Swedish-speaking adult population, offering regional programmes at prime time on weekdays. Output also includes drama and educational programmes.
- The channel also plays adult pop, jazz and classical music.

Radio Extrem Head of Channel Richard Nordgren

- Popular culture channel targeted at young Swedish-speaking and bilingual Finns, in tune with current debate and music-oriented
- News, culture and societal programmes as well as children's programmes and sport.

svenska.yle.fi

- YLE's Swedish-language home page on the internet provides access to all of YLE's internet services in Swedish.
- The channels' pages offer theme entities such as the BUU.yle.fi children's portal, the morjens.yle.fi youth portal and the internytt.yle.fi news portal.

Special services

- FSR Mixkanalen can be heard outside Finland's Swedish-speaking areas. The programmes are based mainly on Radio Vega's output and in the evenings on Radio Extrem's programmes.
- During the day, the Vega+ DAB supplementary service broadcasts talk programmes from both channels together with Nordic news, current affairs and cultural programmes.
- News also available on analogue and digital teletext and on a mobile phone.

Audiences

In 2002, understanding and respecting the audiences was defined as one of the values guiding YLE's activity. It means that YLE is genuinely interested in being present in Finnish life and able to show an interest in different kinds of people.

Esteem for public service programmes

YLE's public service programmes are esteemed very broadly. Finns are clearly unanimous about the kinds of programmes which they expect from YLE. There is surprisingly broad support not just for popular programmes but also for programmes for special audiences (including ones for immigrants). At the same time, YLE is expected both to serve all audience groups fairly and to deal with the needs of audience groups that require special services.

The majority of Finns do not feel that the new digital television channels and internet services are an essential part of YLE's public service. On the other hand, 66% of the youngest age-group of 15–24-year-olds regard internet services as an important element of public service. Up to 52% of them also esteem digital television channels. However, the debate which continued in 2002 concerning the necessity for digital television has meant that women and those aged fifty and over in particular felt that they were getting less value for money for the television fee. The change compared to the previous year is not quite as steep as a year before. 55% of respondents (in 2001 60%) felt that they were getting at least fairly good value for money for the television fee from YLE's radio and television programmes. Satisfaction with all of YLE's programmes is still high: 83% of Finns are at least fairly satisfied with YLE's television and radio programmes. Satisfaction has declined slightly, in the previous year it stood at 86%.

Finns are reached well

In 2002, YLE again reached almost all Finns each week. 98% of those aged over fifteen watch or listen to YLE's television and radio channels during a week for a minimum of two hours. Correspondingly, 73% use both of YLE's media. YLE as a whole accounts for 48.5% of time spent following television and radio. The share fell during the year by 1.5 percentage points from the previous year.

In 2002, Finns watched television for an average of two hours 51 minutes a day. The market share of YLE's television channels increased by two percentage points and, in total, YLE's channels accounted for 45% of all viewing time. TV1 accounted for 23.6% of viewing and TV2 for 21.8%.

In 2002, Finns listened to radio for an average of 3 hours 37 minutes a day. YLE's channels accounted for 51%, a decline of five percentage points from 2001. Nonetheless, YLE's Radio Suomi has retained its position of market leader. In an average week, 97% of Finns listen to the radio, and daily radio reaches 83% of the population aged over nine.

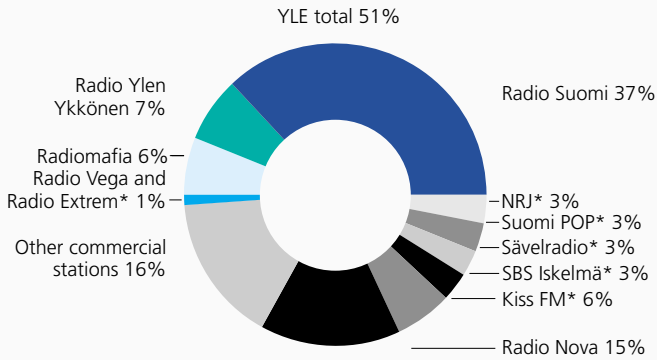
With its weekly output, YLE's FST (Finlands Svenska Television) reached 68% of its audience, and all of YLE's channels reached 88% of Swedish-speaking Finns. Swedish-speakers spent an average of two hours 24 minutes watching television. Each day, an average of 80% of the Swedish-speaking population listens to the radio, during a week 95%. FSR (Finlands Svenska Radio) reached 57% of Swedish-speakers in the spring and 54% in the autumn. In the spring Radio Extrem reached 22% of Swedish-speakers, but in the autumn dropped to 19%. Radio Vega reached an average of 43% Swedish-speakers. In the spring of 2002, the daily listening time of the Swedish-speaking population totalled three hours 16 minutes. All told, the Swedish-speaking population listens to YLE's channels for almost 70% of all its radio listening time.

YLE Teletext reached 77% of Finnish households. Use of YLE's internet services increased during the year so that, each month, the services were used by an average of 633,500 different users.

Olympic Games reflected in audience relationship

The Salt Lake City Olympics in February 2002 had a positive effect on YLE's audience relationship. Sport is very important for Finns. Even though YLE provides a very wide range of sports programmes covering almost seventy sports, the sports favoured by the general public get the most broadcasting time. Viewers are particularly keen on Nordic skiing events and ice hockey and on the summer sports of athletics and football. The popularity of a given sport is affected by the international success of Finnish teams or athletes.

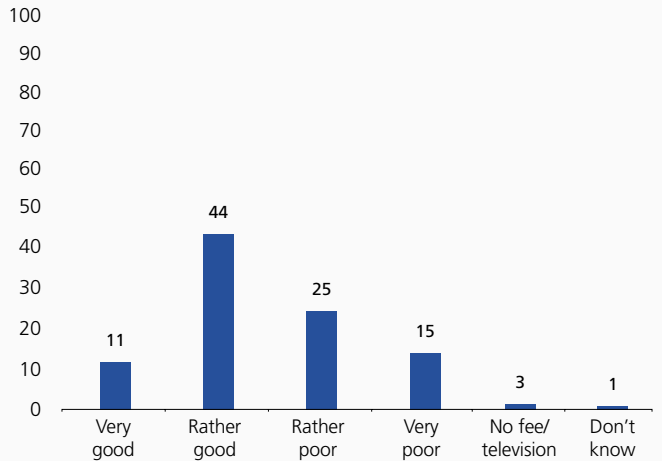
Share of daily listening (%) 2002



*not available nationwide

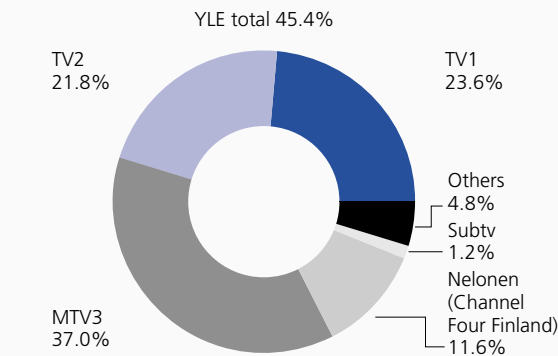
National Radio Research: Finnpanel Oy - YLE Audience Research

How much value for money is the television fee (%) 2002



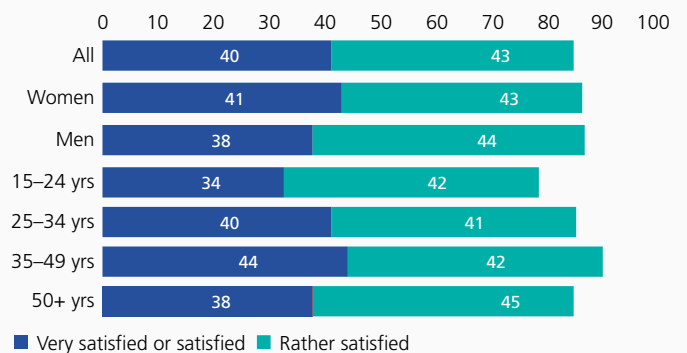
YLE Audience Research

Share of daily viewing (%) 2002



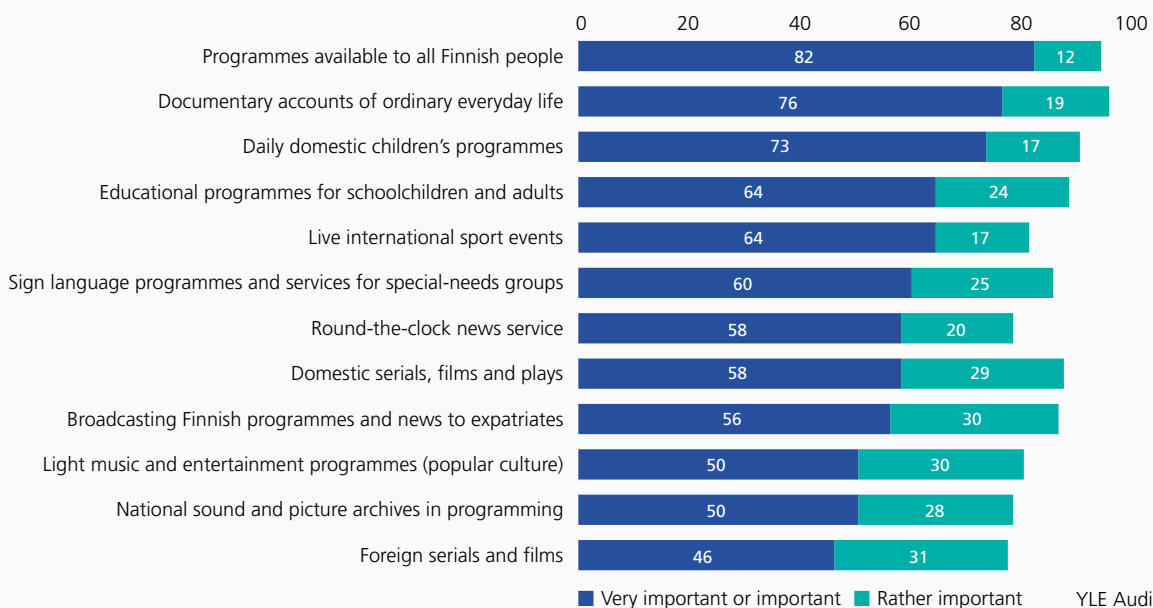
TV meter research: Finnpanel Oy - YLE Audience Research

Satisfaction with YLE's television and radio output (%) 2002



YLE Audience Research

The most esteemed public service functions (%) 2002



YLE Audience Research

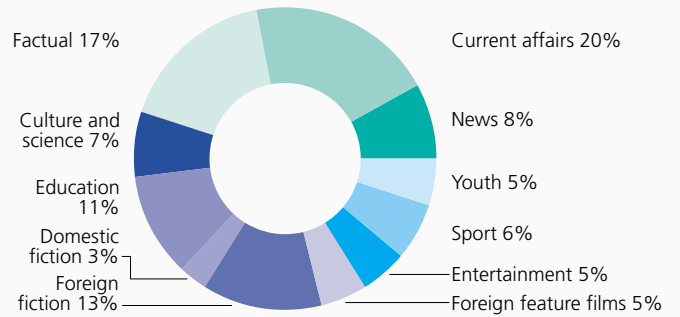
Television statistics

Key figures for TV channels 2002

Analogue channels

TV1 (not incl. FST broadcast hours)

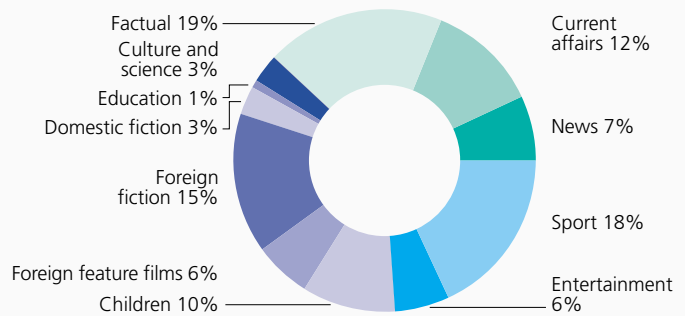
		Change from 2001
Broadcast hours per year	5 619	+1.2%
Broadcast hours per day	15.4	+1.2%
Total costs	EUR million 78.4	-15.6%
Average price of broadcast hour	EUR 14 000	-16.2%
Daily reach	59.6%	-
Daily viewing	39 min	+8.3%
Daily contact price	EUR 0.08	-12.5%



TV2 (not incl. FST broadcast hours)

		Change from 2001
Broadcast hours per year	4 222*	+1.8%
Broadcast hours per day	11.6	+1.8%
Total costs	EUR million 77.7	-5.2%
Average price of broadcast hour	EUR 18 400	-7.1%
Daily reach	53.9%	+1%-point
Daily viewing	36 min	+9.1%
Daily contact price	EUR 0.09	-

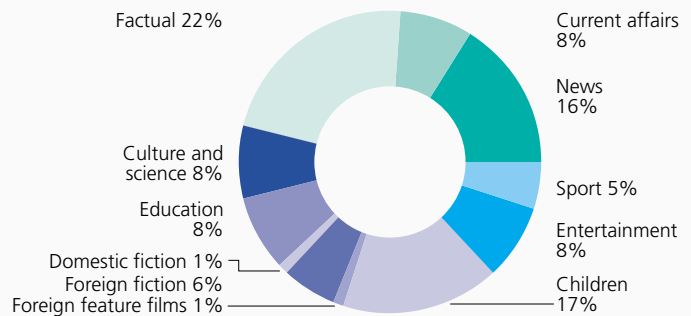
*incl. 81 hours of parallel regional broadcasts



FST (on analogue TV1 and TV2 channels)

		Change from 2001
Broadcast hours per year	941	-1.6%
Broadcast hours per day	2.6	-
Total costs	EUR million 23.8	-22.63%
Average price of broadcast hour	EUR 25 317	-1.27%
Daily reach*	18.90%	-0.2%-point
Daily viewing	3 min	+4.3%
Daily contact price	EUR 0,076	-21.65%

*FST's reach and viewing in its target group (Swedish-speaking population) is higher.

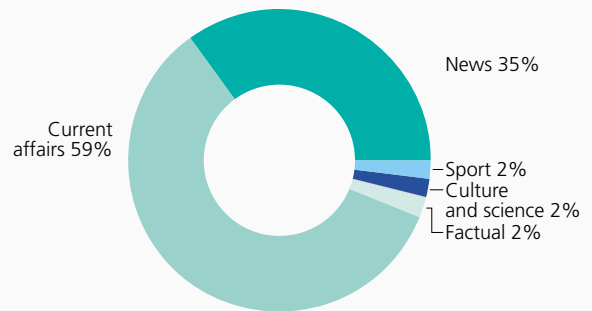


Digital channels (launched on 27.8.2001)

YLE24

Broadcast hours per year*	3 673
Broadcast hours per day	10.1
Total costs	EUR million 17.5
Average price of broadcast hour	EUR 4 700

*incl. 992 h of simulcast transmissions.

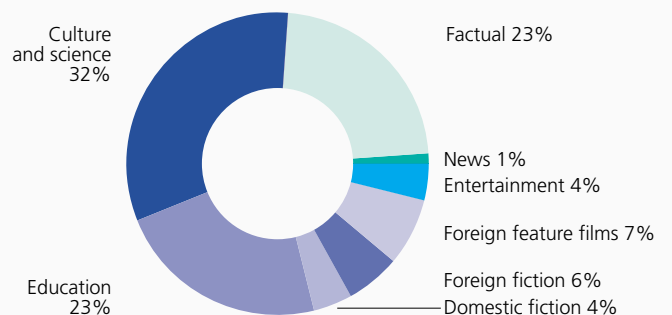


YLE Teema

Broadcast hours per year	2 398
Broadcast hours per day	6.6
Total costs	EUR million 8.6
Average price of broadcast hour	EUR 3 600

TV1 and TV2 are also broadcast digitally. YLE's digital parallel channel broadcast a total of 164 hours of sports and children's programmes.

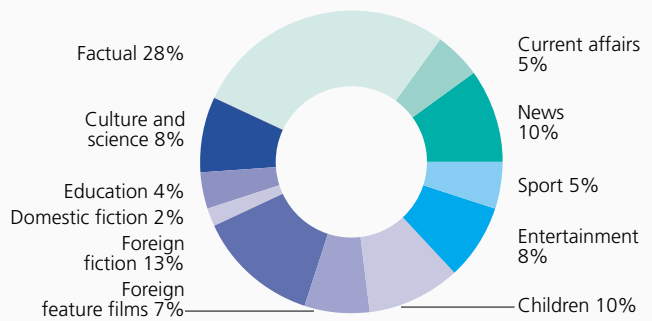
Serving expatriate Finnish viewers, TV Finland broadcast 4 633 hours of YLE programmes.



FST-D (output of the digital channel)

Broadcast hours per year*	2 104
Broadcast hours per day	5.8
Total costs	EUR million 13.4
Average price of broadcast hour	EUR 12 948

*incl. 1 069 hours of simulcast broadcasts



Reach refers to the number of people who watch television per day (for a minimum of 1 minute).
 Daily viewing is the amount of viewing on average per day (among the over-10s).
 The contact price is calculated by dividing the average daily cost by the number of viewers reached each day.

Total hours of analogue television broadcasts

Broadcast hours 10 782
 (incl. 81 hours of parallel regional broadcasts)

		Change from 2001
Level of domestic content	58.5%	+1.5%-point
Level of European content	85%	-1%-point
Level of repeats	33%	+2%-points
Share of independent programme producers	17%	-4%-points

Total hours of analogue and digital television broadcasts

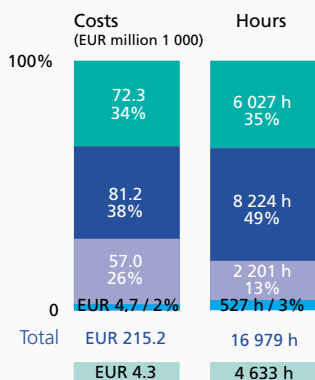
Broadcast hours 19 121
 (incl. 2 142 hours of parallel regional and simulcast broadcasts and 164 hours of digital simulcast channel)

Level of domestic content	62%
Level of European content	86%
Level of repeats	42%
Share of independent programme producers	*17%

*(excl. YLE24)

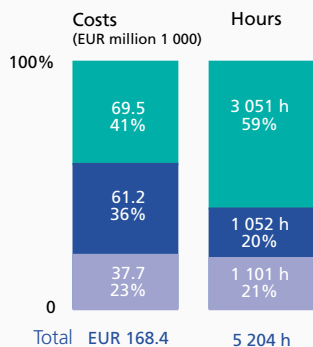
Entire programming 2002

(excl. parallel and simulcast broadcasts)



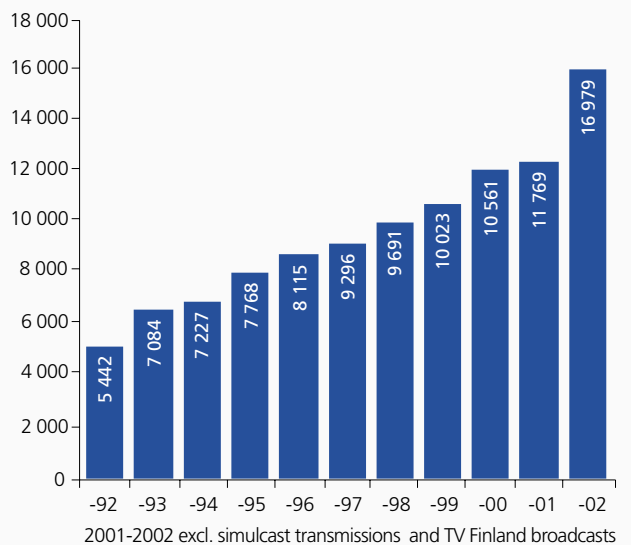
New domestic programme hours 2002

(excl. parallel and simulcast broadcasts)



■ Supply of Information ■ Culture and education
 ■ Entertainment and excitement ■ Special tasks ■ External services

YLE TV broadcast hours 1992 - 2002



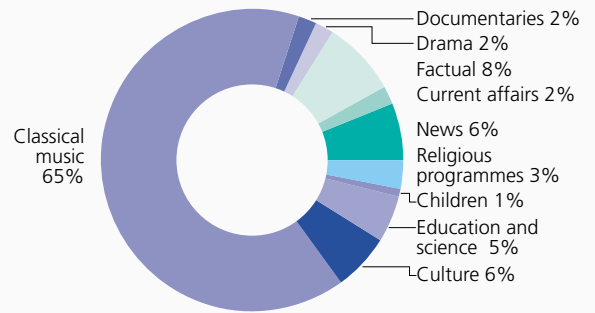
YLE's output and costs were examined in 2002 according to the programme area. Programme output has been divided in accordance with YLE's public service task into three principal categories and into special tasks.
 News, current affairs programmes and factual programmes are counted as supply of information.
 Culture and education comprise drama (incl. feature films), documentaries, classical music, culture, education and science and also children's programmes.
 The programme area of entertainment and experiences comprises sport, popular culture (incl. youth programmes), entertainment and light music as well as programmes about it.
 Special tasks include religious programmes and services in various languages (Sámi, Romany, sign language, Euronews) and official announcements.

Radio statistics

Key figures for radio channels 2002

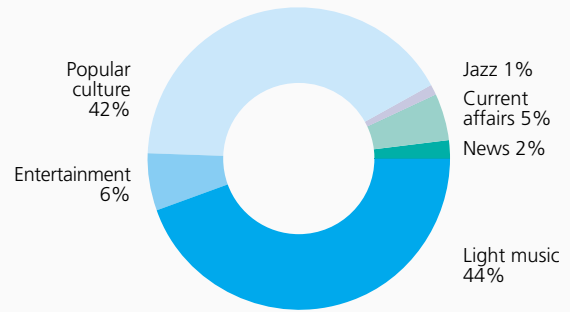
Radio Ylen Ykkönen

		Change from 2001
Daily programming	24 h	-
Share of music	60%	-
-domestic	19%	-
Channel costs	EUR million 28.1	-3.2%
Price of broadcast hour	EUR 3 210	-3.2%
Reach	11%	-1%-point
Average number of listeners per day	489 000	-4.1%
Daily listening time	2 h 16 min	-2.2%
Contact price per day	EUR 0.16	+1.0%



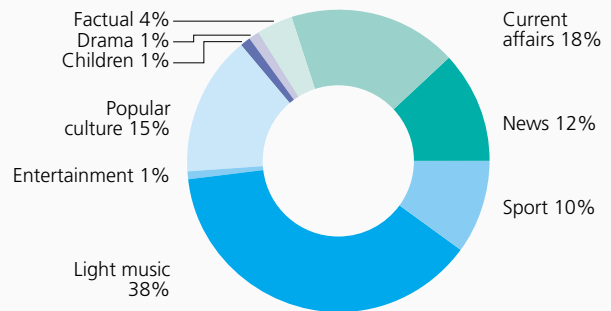
Radiomafia

		Change from 2001
Daily programming	24 h	-
Channel loans per day	3 h	-
Share of music	73%	-1%-point
-domestic	29%	+1%-point
Channel cost	EUR million 13.9	-1.3%
Price of broadcast hour	EUR 1 584	-1.3%
Reach	9%	-
Average number of listeners per day	403 000	+3.3%
Daily listening time	2 h 18 min	+7.0%
Contact price per day	EUR 0.09	-4.5%



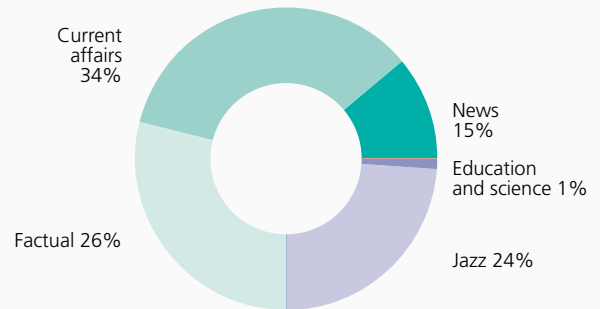
Radio Suomi

		Change from 2001
Daily programming	24 h	-
National total	6 708 h	-0.1%
Regional total (20 regional stations)	44 520 h	+0.1%
Share of music	43%	-
-domestic	62%	-1%-point
Channel costs	EUR million 49.4	+0.7%
Price of broadcast hour	EUR 964	+0.7%
Reach	34%	-3%-points
Average number of listeners per day	1 509 000	-6.9%
Daily listening time	3 h 55 min	+2.6%
Contact price per day	EUR 0.09	+8.1%



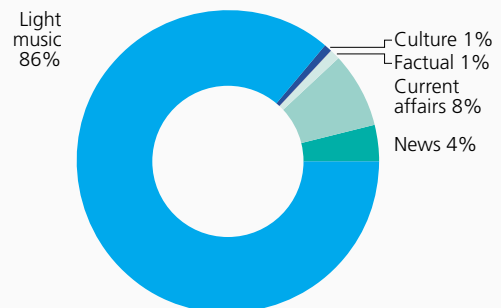
Radio Peili (DAB)

		Change from 2001
Daily programming	24	-
Share of music	24%	-
-domestic	0.4%	-
Channel costs	EUR million 1.8	-10.4%
Price of broadcast hour	EUR 210	-10.4%



Radio Aino (DAB)*

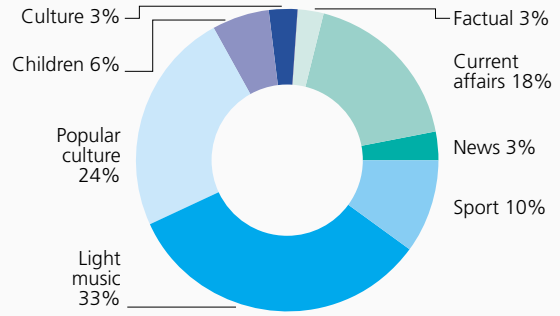
		Change from 2001
Daily programming	24 h	-
Channel loans per day	9.5 h	-
Share of music	46%	-
-domestic	10%	-2%-points
Channels costs	EUR million 3.5	-30%
Price of broadcast hour	EUR 405	-30%
Reach	1%	-
Average number of listeners per day	16 000	-20%
Daily listening time	2 h 02 min	-10%
Contact price per day	EUR 0.61	-13%



*in Helsinki region also VHF-broadcasts

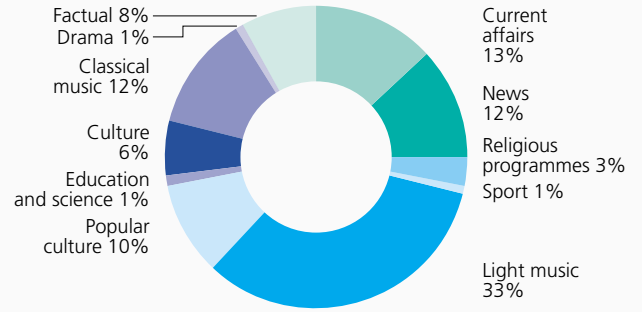
Radio Extrem

		Change from 2001
Daily programming	24 h	-
Channel loans per day	4 h	-
Share of music	68%	-2%-points
-domestic	9%	-1%-point
Channel costs	EUR million 8.7	9%
Price of broadcast hour	EUR 992	9%
Reach (of Swedish-language population)	19%	-7%-points
Average number of listeners per day	39 000	-26%
Daily listening time	55 min	-34%
Contact price per day	EUR 0.61	49%



Radio Vega

		Change from 2001
Daily programming	24 h	-
Channel loans per day	5 h	-
Share of music	52%	+1%-point
-domestic	19%	+3%-points
Channel costs	EUR million 15.6	-3%
Price of broadcast hour	EUR 1 294	-4%
Reach (of Swedish-language population)	42%	+1%-point
Average number of listeners per day	84 000	+1%
Daily listening time	2 h 29 min	+1%
Contact price per day	EUR 0,51	-6%

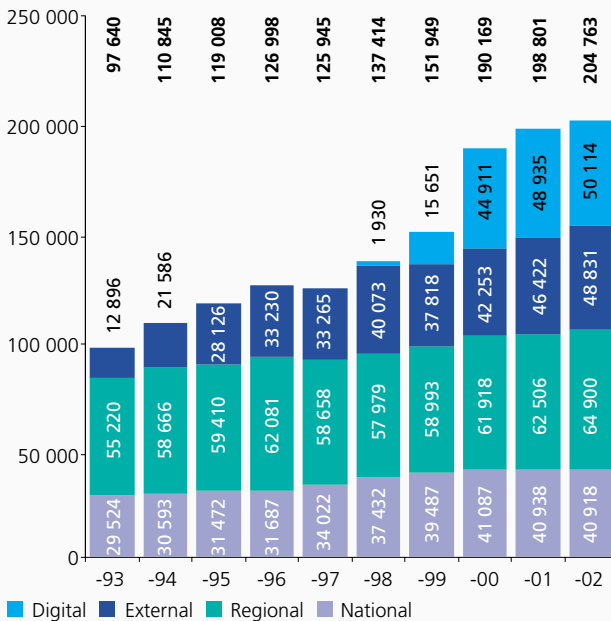


Reach refers to the percentage of listeners out of the population aged over nine who listen to the channel for at least half of a 15-minute period. The reach on an average day is calculated as the average of the reach for the different days of the week.

Daily listening time in the key figures refers to the average listening time of the reached audience.

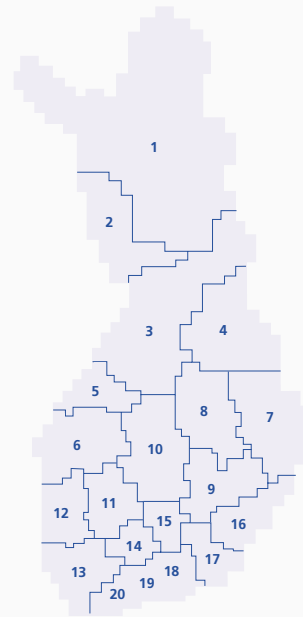
The contact price is obtained by dividing the channel's average daily cost by the average number of listeners reached.

YLE radio broadcast hours 1993-2002



Regional stations and Swedish-language* regional programmes

- Lapin Radio
- Sámi Radio
- Radio Perämeri
- Oulu Radio
- Kainuun Radio
- Radio Keski-Pohjanmaa
- Radio Pohjanmaa
- Radio Vega Österbotten *
- Pohjois-Karjalan Radio
- Radio Savo
- Etelä-Savon Radio
- Radio Keski-Suomi
- Tampereen Radio
- Satakunnan Radio
- Turun Radio
- Radio Vega Åboland *
- Radio Häme
- Lahden Radio
- Etelä-Karjalan Radio
- Kymenlaakson Radio
- Radio Itä-Uusimaa
- Radio Vega Östnyland *
- Ylen aikainen
- Radio Vega Mellanbyland *
- Ylen läntinen
- Radio Vega Västnyland *



Other programming

	Broadcast		Costs		Costs per hour	
	hours per day	Change	EUR million	Change	EUR	Change
Sámi Radio	5.1	-5%	1.7	+1%	940	+6%
Educational channels	15.4	+73%	1.2	-1%	218	-42%
External service	134	+5%	5.9	+29%	122	+22%
Capital FM	24		incl. external service's costs			
YLE World (DAB)	24		incl. external service's costs			
YLE Mondo (DAB)	24		incl. external service's costs			
YLE Classic (DAB)	24		0.1	-77%	7	-77%
YLE Parliament (DAB)	0.3	+62%	incl. Radio Peili's costs			
DAB Demo	2.0	-83%	incl. Radio Peili's costs			
DAB Multiradio	12.9		new, incl. Educational channels' costs			
DAB FSR	3		0.19	-75%	257	-75%

Regional stations (20)

	2002	Change	Range
Average broadcast hours/year	2 059 h	+0,1%	
Radio Keski-Suomi:	5 395 h	-0,2%	
Share of music	53%	+1%-point	47 - 61%
-domestic	66%	+1%-point	60 - 74%

Swedish-language regional programmes (5)

	2002	Change	Range
Average broadcast hours/year	830 h	+2%	
Share of music	44%	-	38-48%
-domestic	11%	+3%	9-14%

YLE Administration

Administrative Organs

Yleisradio Oy's administrative organs are, in accordance with the Act on Yleisradio Oy, the Administrative Council, Board of Directors, and the Director General, who acts as the Managing Director.

The Administrative Council

YLE's supreme decision-making organ is the 21-member Administrative Council.

The Members to the Administrative Council are elected by Parliament during the first session of its term.

The members of the Administrative Council are to comprise people familiar with science, art, educational work and business and economic life, and who represent different social and language groups. In addition to the members appointed by Parliament, the company's personnel are entitled to appoint two representatives to the Administrative Council, who have the right to be present and the right to speak.

It is the task of the Administrative Council, *inter alia*, to

- appoint the members of the Board of Directors and the Managing Director;
- appoint the Programme Directors as proposed by the Managing Director;
- make decisions on matters relating to an appreciable reduction in, or expansion of, the operation or to a fundamental change to the company's organisation;
- ensure that the tasks according to the public service operation are carried out;
- approve the budget and the plan of action;
- grant authorisation for signing for the company;
- approve the Annual Report of the Board of Directors;
- monitor the administration of the company;
- convene the Annual General Meeting of shareholders and prepare its agenda.

The Administrative Council meets approx. 7 to 8 times a year. At the meetings, matters relating to the company are presented by Managing Director.

The Board of Directors

YLE's Board of Directors deals with the administration of the company and the proper arrangement of the operation. The Board of Directors comprises the Managing Director, his deputy and maximum of eight other permanent members. In addition to the members appointed by the Administrative Council, the company's personnel are entitled to appoint one permanent member to the Board of Directors.

It is the task of the Board of Directors, *inter alia*, to:

- prepare the basic strategic policies of the company and to monitor the way they are put into practice;
- prepare the proposals for decisions by the Administrative Council and ensure that they are put in practice;
- safeguard the financial position of the company;
- approve the personnel policies of the company;
- appoint the producers in charge of programmes as detailed in the Act on Broadcasting Responsibility.

The Board of Directors meets 8-9 times a year. At the meetings, matters relating to the company are presented by the Managing Director.

Members of the Administrative Council

Mr Markku Laukkanen, MP (Centre Party), Chairman | Mr Jouni Backman, MP (Social Democratic Party), Deputy Chairman, until 5.6. | Mr Antti Kalliomäki, MP (Social Democratic Party), Deputy Chairman, from 11.6. | Mr Claes Andersson, Psychiatrist (Left Alliance) | Ms Pirjo-Riitta Antvuori, MP (National Coalition Party), from 19.3. | Ms Maria Kaisa Aula, MP (Centre Party) | Mr Jyri Häkämies, MP (National Coalition Party) | Ms Liisa Jaakonsaari, MP (Social Democratic Party) | Mr Reijo Kallio, MP (Social Democratic Party) | Mr Toimi Kankaanniemi, MP (Finnish Christian League) | Ms Paula Kokkonen, MP (National Coalition Party) | Ms Irina Krohn, MP (Green League) | Ms Annika Lapintie, MP (Left Alliance) | Mr Mika Lintilä, MP (Centre Party) | Mr Markku Markkula, MP (National Coalition Party) | Mr Seppo Niemelä, M.A. (Centre Party) | Mr Velipekka Nummikoski, M.Sc. (Pol.) (National Coalition Party) | Mr Kalevi Olin, MP (Social Democratic Party) | Ms Margareta Pietikäinen, MP (Swedish People's Party) | Ms Mirja Ryyänen, MP (Centre Party) | Mr Martti Tiuri, MP (National Coalition Party) | Ms Pia Viitanen, MP (Social Democratic Party) | Mr Markku Vuorensola, Consultant (Centre Party) | [Personnel representatives](#) | Mr Timo-Erkki Heino, Journalist | Mr Juhani Mäkelä, Shop Steward | Secretary to the Administrative Council and the Board of Directors, Ms Kirsi-Marja Okkonen, Head of Legal Affairs

Members of the Board of Directors

Mr Arne Wessberg, Director General, Chairman | Mr Seppo Härkönen, Director of Radio, Deputy Director General | Mr Olli-Pekka Heinonen, Director of Television, from 1.2.2002 | Ms Ann Sandelin, Director of Swedish-language Radio and Television | Personnel Representative, Ms Eeva Vuortama, Producer

Central Management

Mr Jussi Tunturi, Director of Corporate Affairs | Ms Marja-Riitta Kaivonen, Director of Corporate Finance | Mr Jorma Laiho, Director of Corporate Technology | Mr Jyrki Pakarinen, Director at the Central Management

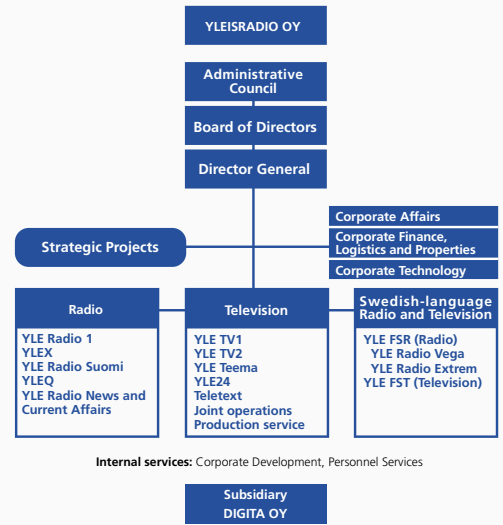
Other Management

Ms Astrid Gartz, Director of Programmes TV1, until 31.1.2002 | Mr Ismo Silvo, Director of Programmes YLE Teema and TV1, from 1.2.2002 | Ms Päivi Kärkkäinen, Director of Programmes TV2 | Mr Ari Järvinen, Director of Programmes YLE 24 | Mr Heikki Seppälä, Director of TV Programming, acting Director of Television from 6.11.2001 to 31.1.2002 | Mr Jorma Hatakko, Director of TV Production | Mr Olli Alho, Director of Programmes Radio Ylen Ykkönen (YLE Radio 1, 13.1.2003) | Mr Jukka Haarma, Director of Programmes Radiomafia | Mr Ville Vilén, Director of Programmes YLEX, from 1.9.2002 | Mr Reijo Perälä, Director of Programmes Radio Suomi (YLE Radio Suomi, 13.1.2003) | Mr Jaakko Heino, Director of Radio News, until 14.10.2002 | Mr Kari Mänty, Director of Programmes Radio News and Current Affairs, from 15.10.2002 | Mr Heikki Peltonen, Director of Radio New Services, from 1.8. 2002: Director of Programming | Ms Hanna Lähteenmäki, Director of Programmes, YLEQ, from 1.9.2002 | Ms Annika Nyberg Frankenhaeuser, Director of Programmes FSR | Ms Gunilla Ohls, Director of Programmes FST, from 1.4.2002

Auditors

Mr Eero Suomela, Chartered Public Accountant | Mr Erkki Mäki-Ranta, Chartered Public Finance Auditor, Chartered Accountant | Authorized Public Accountants SVH Pricewaterhouse Coopers Oy, responsible Mr Jari Häkkinen, Chartered Public Accountant

The YLE Group



International Awards 2002

Anthropological Film Festival of Russia, Salehard

[Mothers of Life](#)

First prize

Direction Markku Lehmuskallio and Anastasia Lapsui

Production Giron Filmi and YLE TV2

Banff International TV Festival, Alberta, Canada

[The Ball](#)

Best children's programme and Special Prize of the Jury

Direction Orlando Mesquito

Production Steps for the Future/Day Zero Film, South Africa and YLE TV2

Barents TV Festival, Piteå, Sweden

[Village of the Sleeping Beauty](#)

Honourable Mention

Direction Petteri Saario

Production Taiga Films and YLE TV1

CNN World Report, Atlanta

[Swamp Soccer World Championships](#)

Best Fringe Report

Producer Mika Mäkeläinen

Production YLE24

Finn-Ugric TV and Film Festival, Petrozavodsk

[Hennan Leudd](#)

First Prize

Direction Heikki Huttu-Hiltunen

Production Illume and YLE TV1

IDFA - International Documentary Film Festival, Amsterdam

[Barbeiros](#)

International Critics' Award

Direction Mervi Junkkonen

Production YLE TV1

International Educational Program Contest

(Japan Prize), Tokyo

[Open Story](#)

Special Commendation

Producer Tuula Rajavaara

Production YLE Teema

Laon International Film Festival For Young People, France

[Tootletubs and Jyro](#)

First Prize

Direction Mariko Härkönen and Ismo Virtanen

Production Lumifilm and YLE TV2

Nordic Council's Film Award

[The Man Without A Past](#)

Direction Aki Kaurismäki

Production Sputnik and YLE TV1

Prix Italia, Palermo

[Juulia's Truths](#)

Prix Italia (drama series)

Direction Jukka-Pekka Siili

Production Talent House and YLE TV2

Seoul International Animation Festival, South Korea

[The Autocrats](#)

Outstanding Work Prize

Direction Riina Hyytiä

Production Filmiteollisuus and YLE TV1

ARSC-Association for Recorded Sound Collections
[Lifetime Achievement Award](#)

Pekka Gronow, Head of YLE Radio Sound Archives

Baikal International Festival for
Documentaries and Educational Programmes, Irkutsk
[Mothers of Life](#)

First Prize

Direction Markku Lehmuskallio and Anastasia Lapsui

Production Giron Filmi and YLE TV2

Berlin International Film Festival
[Mothers of Life](#)

C.I.C.A.E. Special Prize

Direction Markku Lehmuskallio and Anastasia Lapsui

Production Giron Filmi and YLE TV2

Cannes Film Festival
[The Man Without A Past](#)

Grand Prix and the Award for Best Actress (Kati Outinen)

Direction Aki Kaurismäki

Production Sputnik and YLE TV1

Golden Chest TV Festival, Plovdiv, Bulgaria
[The Fence](#)

The Prize of the Municipality of Plovdiv

Direction Matti Ijäs

Production YLE TV1

Green Vision Festival, St. Petersburg
[Before the Flood](#)

First Prize

Direction Mika Ronkainen

Production Magic Path Entertainment and YLE TV1

International Sport Film Festival, Sevilla
[Cyclomania](#)

First Prize

Direction Simo Halinen

Production Blind Spot Pictures and YLE TV1

International Wildlife Film Festival, Missoula, Montana
[The Wing Beats](#)

First Prize

Direction Risto Salovaara

Production YLE Teema, UR/Sweden, NRK/Norway and DR/Denmark

Nordic Film Days, Lübeck
[Now You Are Hamlet](#)

First Prize

Direction Ulrika Bengts

Production Talking Heads and YLE FST

Olympic Golden Rings, Lausanne
[Skiing and biathlon productions
at the Salt Lake City Winter Olympics](#)

The best sports reports

Production YLE Sport

Sunny Side of the Doc Festival, Marseille
[Steps for the Future](#)

EBU Golden Link Award

Production Day Zero Film, South Africa and YLE TV2

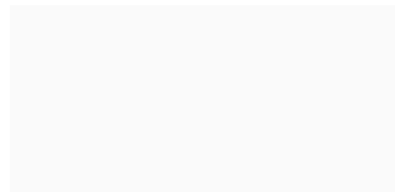
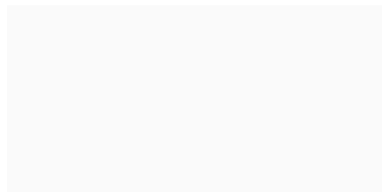
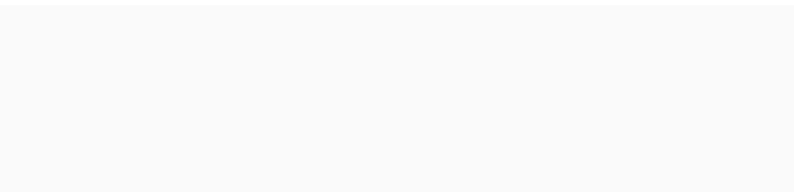
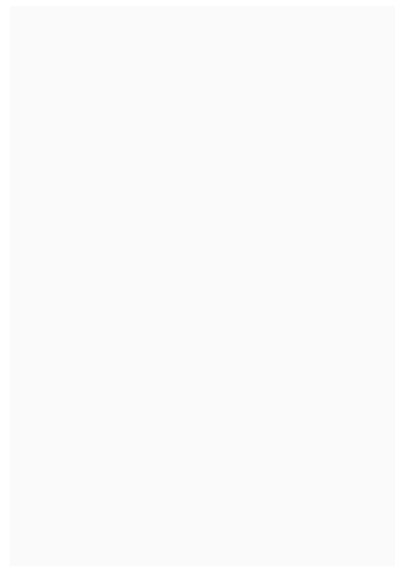
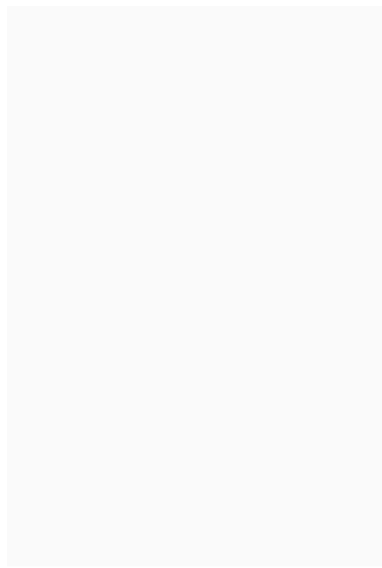
Vila Do Conde Short Film Festival, Portugal
[Love Is A Treasure](#)

First Prize

Direction Eija-Liisa Ahtila

Production Cristal Eye and YLE TV1







YLEISRADIO OY

Radiokatu 5, Helsinki

Mail to: Box 90, 00024 Helsinki

tel. +358 9 1480, fax. +358 9 1480 3216

www.yle.fi/fbc

e-mail: fbc@yle.fi

personal e-mail:

forename.surname@yle.fi

YLE Corporate Communications

YLE Photo Service: Seppo Sarkkinen,

Heli Sorjonen, Jyrki Valkama;

Mikael Borodin, Harri Hinkka,

Nanna Saarhelo, Antero Tenhunen,

Markku Tissarinen, Ilokuva Oy; Information

Centre of the Lutheran Church in Finland

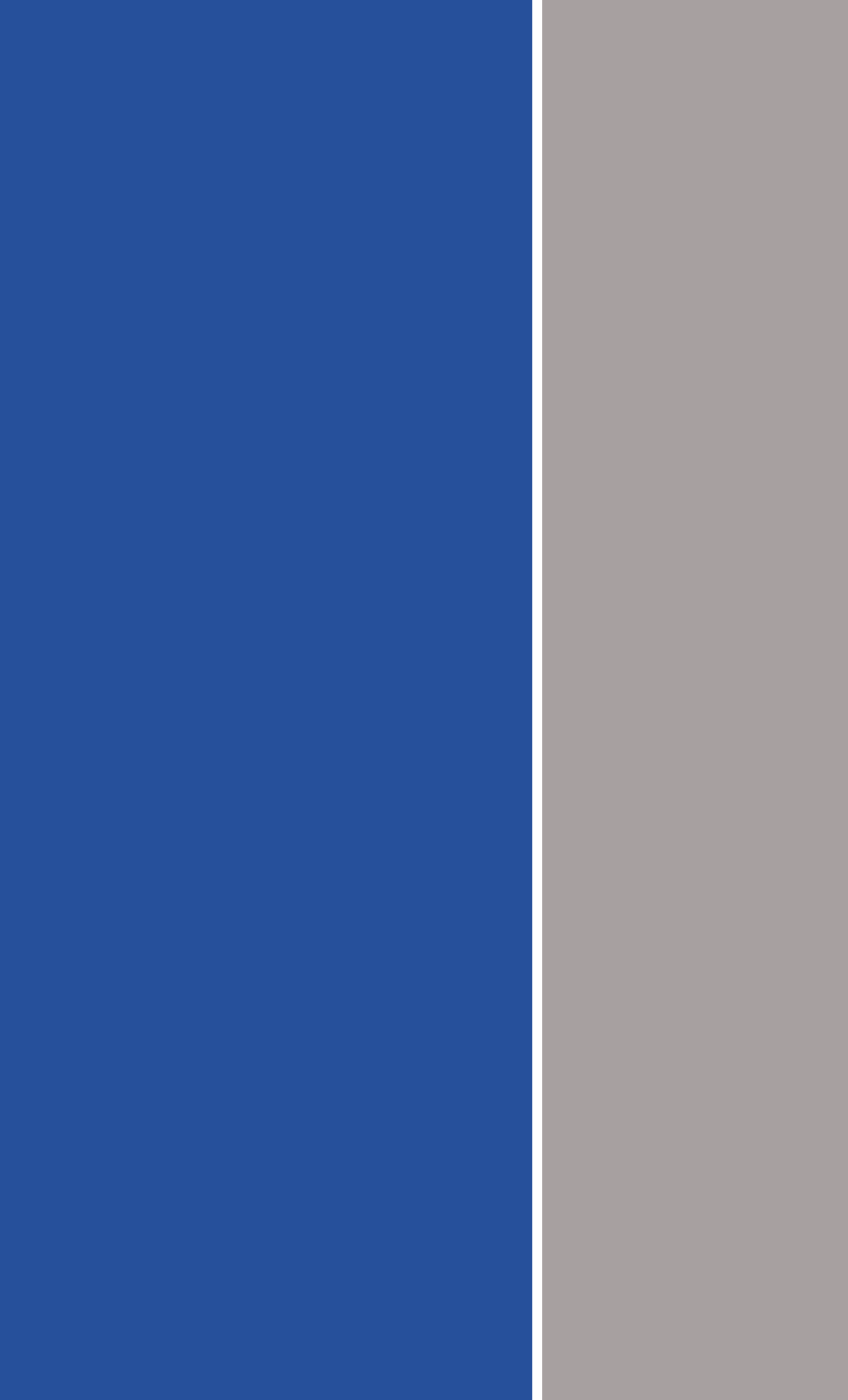
English translation: John Pickering

Layout: Tähtikuviot Oy

Printed by Erweko Painotuote Oy

Cover: Shown on YLE TV1 in the winter of 2003, the drama series Venny introduced viewers to the golden age of Finnish art in the early twentieth century.

Financial Statements 2002



Report of the Board of Directors

In 2002, the extensive reform of YLE's structures and procedures continued. The company has switched more clearly towards management of contents, and YLE's entire programme output and costs have been examined for the first time by programme area. The operating environment has been marked by slower development of digital television and radio than expected and by the reform of the Communications Market Act. The pending reform will affect YLE's operation and finances in a variety of ways.

Law reform and digitalisation shape the operating environment

In July 2002, the reform of telecommunications legislation halved the operating licence fee paid by commercial operators, the effect of which on YLE is approx. EUR 20 million annually. The revenue from operating licence fees declined by approx. EUR 10 million from the preceding year. The law reform is affecting YLE in other ways, too.

The law reform to promote the network operation, television and radio broadcasting and content production is being carried through in two phases. The laws in the first stage entered into force on 1st July 2002. In addition to the halving of the analogue operators' operating licence fee, digital television operators were exempted from paying it until 2010. The radio operating licence fee was scrapped altogether. The law also specifies that YLE's public service radio and television programmes are to include related special and supplementary services. In addition, YLE can carry public service contents in all telecommunications networks.

A decision on the contents of the second phase of the Communications Market Act was taken by the Council of State in the early autumn of 2002. The bill was submitted to Parliament in September. The amendments to the second phase of the Act are due to enter into effect in July 2003. According to the bill, two new reports on YLE's operation will be given annually for the purpose of assessing public service tasks. The Administrative Council will issue Parliament with a content report on the company's operation. In addition, the company will issue the Finnish Communications Regulatory Authority with a legality report on public service. The latter would then issue its own statement on that to the Council of State. Telecoms companies operating in the cable television network would also distribute YLE programmes with the related special and supplementary services free-of-charge and unmodified.

Digital television and radio has continued to make slower progress than foreseen. Sales of digital receivers picked up towards the end of the year when the first more advanced and cheaper digital adapters entered the market. By the end of 2002, approx. 70,000 digital adapters were in use. The digital television output of the commercial companies has so far been modest. Notwithstanding digital television's sluggish first year, digitalisation is inevitable. YLE is therefore justified in promoting the development of digital reception in Finland. Following the halving of the operating licence fee, new services are operating on a tighter budget and in tune with developments on the receiver market.

In 2002, the future of the open MHP (Multimedia Home Platform) standard was assured. The standard was published in the Official Journal of the European Communities at the end of December, which made it the official European digital television programme interface.

In November 2002, the Ministry of Transport and Communications issued the network operating licence for digital television to Digita Oy (all three multiplexes). Digital radio network operating licences were granted to Digita Oy (two multiplexes) and to Telemast Nordic Oy (Helsinki area). The belief is that the solution will facilitate development of digital television and radio broadcasting. A decision on granting three digital television programme licences that had previously expired was deferred until 2003. In the summer of 2002, the Council of State granted new frequencies to Radio Nova and six special radio channels, which has further tightened the radio competition situation. Applications for digital radio operating licences were rejected.

The operating licence applications published in 1999 were rejected. The Ministry has announced that it will launch a new round of applications for operating licences once Digita or Telemast Nordic give notice of the commercial radio channels expressing an interest.

As part of the drafting of the Communications Market legislation, the Ministry of Transport and Communications set up a Parliamentary Working Group to look into ways of improving the operating prerequisites for television broadcasting. The bulk of the Working Group's proposals related to the aforesaid operating licence fee arrangements, YLE's own measures to render its own operation more efficient and to reform of the television fee system. According to the proposals on the television fee, it will be revised annually

starting in 2004. The 2004 revision will be based on the costs of developing content services and on inflation subsequent to the previous increase.

From the beginning of 2005, the television fee will be increased annually in line with inflation plus 1%. The percentage increase will cover overlapping analogue and digital broadcast costs and the development of content services. The increase will be discontinued once overlapping broadcasts end.

In addition, the Working Group observed that the company's financial position will be strengthened not only by the aforesaid measures but also by the sale of Digita Oy shares.

Examination by programme area clarifies public service output

YLE's entire programme output and costs were examined in 2002 for the first time by programme area. Programme output in its entirety has been divided into three main categories, supply of information, culture and education, and entertainment and experiences. There are also statutory special tasks such as religious and service programmes, and international broadcasts.

The division into three clarifies the strategies for public service output and costs and reporting. The number of channels and services as well as new forms of distribution will increase the need to perceive production in programme area entities. The objectives of programme activity will henceforth be defined according to programme area. During the year, reporting has also been polished into a tool for programme planning and management. In the summer of 2002, the company's Administrative Council defined the programme area responsibilities for the departmental heads that are members of the Board of Directors.

The establishment of competence centres has been a major organisational reform relating to editorial work. As a rule, the programme area professionals work primarily within the competence centres, which the channels order their programmes from. This is designed to make editorial expertise available to an increasing number of programme units. In Television, the model built up mainly in 2001 was developed, whilst, in Radio, grouping into competence centres was performed in the autumn of 2002. In Radio, the new organisation entered into force on 13th January 2003, at the same time as the reformed channels started broadcasting.

YLE continued to develop partnership models for support operations serving programme activity. Overlapping has been eliminated in administration and support operations, and procedures have been harmonised.

Group structure

Digita Oy

Ownership of Digita Oy (51%) remained at the same level during the year under review. Under the agreement concluded in 2001, YLE is entitled to sell the remainder of its shares to Telediffusion de France S.A (TDF). For its part, TDF is entitled to buy a 41% additional holding in Digita Oy. The right to sell and buy commences on 1st July 2003.

TietoEnator Broadcasting IT Oy

During the year, preparations were made for the transfer of the company's information technology to a new joint venture. At the end of 2002, YLE founded TietoEnator Broadcasting IT Oy (TEBIT). On 1st January 2003, a directed share issue was implemented so that TietoEnator Oyj received an ownership share in the new company of 80% and YLE of 20%. 82 information technology and application development experts were relocated from YLE to TEBIT. Fixed assets were transferred at book values. The partnership with TietoEnator is designed to secure IT expertise and safeguard the IT infrastructure. Another objective is to allocate resources from operating services to application development.

Nordmagi Ab

In 2001, YLE became a shareholder in a company producing programmes for children and young people set up by the Nordic broadcasting companies. During the year under review, it transpired that there were not enough operating prerequisites and potential for growth. An extraordinary meeting of the company's shareholders decided to close down the operation and place the company in liquidation on 1st January 2003.

YLE's one-third ownership of Platco Oy remained unaltered, likewise its 20% ownership of Radio- and televisio-tekniikan tutkimus Oy.

Radio

During 2002, YLE's radio operation was reformed. This reform is designed to offer public service radio programmes that cover the information and experiential needs of different audiences more evenly. In addition, it is aimed at stabilising the audience relationship. The reform also involved an internal change in procedures. In the new organisation, the channels are responsible for programme distribution and for developing the audience relationship. The competence centres are responsible for producing programmes for different channels.

The increased output from the commercial radio channels has further tightened competition for listeners. YLE's share of total radio listening has thus fallen five percentage points from the previous year. However, YLE is still the radio operator with the most listeners in Finland; the company's share of total listening was 51%. Listener satisfaction with YLE's radio output remained high. Approx. 90% of listeners to both Finnish- and Swedish-language channels were either very or quite satisfied with programmes.

In 2002, Finns listened to the radio for an average of three hours and 37 minutes, or nine minutes more than in 2001.

The Administrative Council also made a decision on new objectives for international broadcasts. YLE has thus reduced the number of broadcasts in foreign languages and is focusing on serving expatriate Finns in Finnish and Swedish. Digital pilot broadcasts were continued in the pilot network in the South of Finland at the same level as before.

There were a total of 204,763 hours of radio broadcasts, a growth from the previous year of 5,962 hours.

There were a total of 89,589 hours of broadcasts on the five national VHF channels, i.e., 245 hours a day. Output comprises broadcasts on three Finnish-language and two Swedish-language channels and the programmes of twenty Finnish-language and five Swedish-language regional radio channels. In addition, three VHF study radio channels in Turku, Kuopio and Lahti broadcast 5,619 hours of their own programmes. There were 1,850 hours of broadcasts on Sámi Radio. Foreign-language programmes from other broadcasting companies were broadcast round the clock on Capital FM. There were a total of 48,831 international AM and SW broadcasts, an increase of 2,409 hours from the previous year.

There were a total of 50,114 hours of digital programmes, an increase of 1,179 hours from the previous year. The digital basic channels – Radio Peili, Ylen Klassinen and Radio Aino – broadcast programmes 24 hours a day. 115 hours of plenary sessions of Parliament were broadcast as a supplementary service on Radio Peili. In Greater Helsinki, Radio Aino could also be heard in VHF, as could Radio Peili for most of the day in Tampere and on Opintoradio (Study Radio) frequencies. DAB Multiradio established itself as a new digital service. The channel broadcast a total of 4,725 hours of programmes supporting learning and education. 1,300 hours of this was also relayed over the VHF study radio channels. Foreign-language digital programmes were broadcast on the entirely English-language YLE World and on YLE Mondo, a channel broadcasting in other major languages. Both are on air 24 hours a day. The supplementary news service on Radio Vega in the

mornings was extended as a pilot to cover the whole day. The news morning was supplemented with talk programmes on Radio Vega and Radio Extrem and with news and talk programmes loaned from Sweden, Norway and Denmark.

Radiomafia, Radio Peili, Radio Aino, Radio Extrem and Radio Finland could also be heard on the internet.

During the year under review, preparations were made for expanding regional television news. Under a plan approved by the Administrative Council, the new television news will be launched in Uusimaa and Häme in March 2003. News production in the three areas that are already operating totalled 212 hours in 2002. In Northern Lapland, 31 hours of Nordic News in Sámi was broadcast on TV1.

Television

2002 was the first full year of operation for YLE's new digital channels which started up in August 2001. These new channels include YLE24, focusing on news and current affairs services, and YLE Teema, focusing on educational, cultural and science programmes. In addition, Swedish-speakers are provided with programmes on their own digital FST channel. The analogue channels TV1 and TV2 are also broadcast digitally.

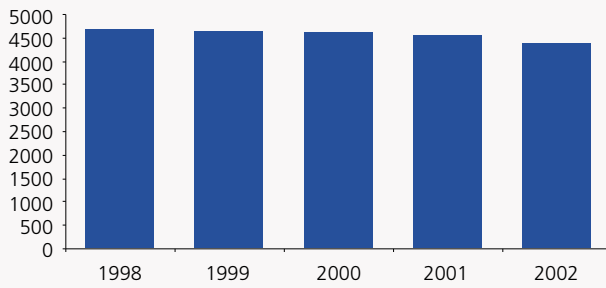
The audience relationship developed positively in 2002. YLE's share of total television viewing rose by a full two percentage points and stands at 45.4%, and both basic channels have strengthened their market share. The average number of viewers reached daily by YLE increased and now stood at over 3.1 million. Audience satisfaction with YLE programmes remained high. Over 80% of the audience was at least partly satisfied with YLE output. YLE Teletext reached more than half of its potential audience each day.

Total television viewing rose again in 2002. Viewing increased by 3% and now averaged 2 hours 52 minutes.

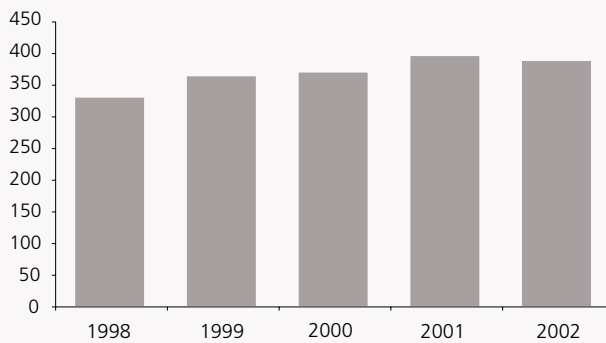
The number of YLE's Finnish-language television programme hours, including digital simulcasts, rose to 16,076 hours, an increase of almost 5,000 hours on the previous year. The bulk of the increase comprises output by the digital channels. The output of the analogue basic channels rose by 128 to 10,782 hours. The output of the digital YLE24 and YLE Teema including simulcasts totalled 6,071 hours. In addition, 164 hours of parallel output of sports and children's programmes were provided digitally as supplementary services.

The share of domestic programmes rose from 57% in the previous year to 58.5%. The level of European content was 85%, a percentage point lower than before. First transmissions accounted for two-thirds of all programmes in 2002. Programmes bought by YLE from independent producers for

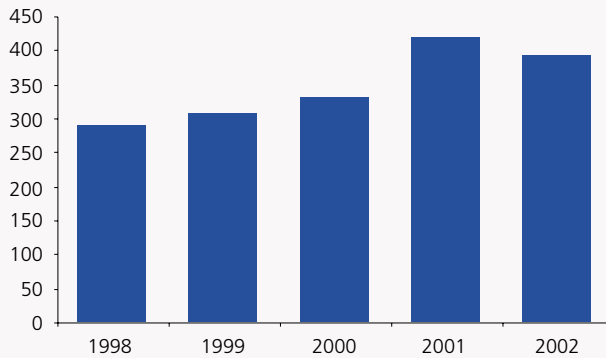
Personnel (man years)



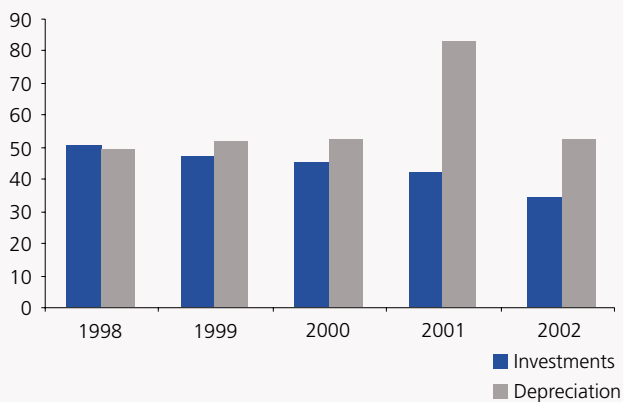
Income (EUR million)



Expenditure (EUR million)



Investments and depreciation (EUR million)



the analogue channels accounted for 17% of the total.

Swedish-language output on the analogue basic channels came to 941 hours. There were a total of 2,104 hours of Swedish-language programmes, including analogue simulcasts of the digital FST channel. Domestic programmes accounted for 56% of this.

Internet and multimedia services

Use of YLE's internet services increased considerably in 2002. YLE's site had an average of 216,000 visitors a week. In the previous year, the weekly reach averaged 150,000. The numbers of visitors were at their peak in October and in November, when there were as many as 275,000 weekly visitors. A peak of over a quarter of million visitors at the start of the year occurred during the Salt Lake City Winter Olympics.

In September, YLE24 launched a pay service which enables users to order a news review of the day's events in a multimedia message in both Finnish and Swedish. Another new service provides users with SMS messages containing top news stories on their mobile telephones. The news service was also extended in the autumn with the launch of an English-language version on both Teletext and the internet.

In the course of 2002, YLE developed the first MHP supplementary services for digital television. Towards the end of the year, when the first digital television boxes supporting the MHP standard entered the market, YLE introduced the first of these supplementary services, the EPG national programme guide, news roll, Parliamentary information services and FST's information game. YLE's first Superteletext pages were also opened in the autumn of 2002.

Personnel

At the end of 2002, YLE had a total of 3,719 permanent employees, a decline of 51 employees from the end of the previous year, i.e., of approx. 1.4%. During the year, a total 776 man-years were accrued from monthly- and hourly-paid employees on fixed-term contracts, an increase from the previous year of 4.7%. The changes in permanent employees and those on fixed-term contracts correspond to the Company's aim of achieving a more flexible employment structure.

One of the main personnel projects during the year related to development discussions. This practice is being harmonised and extended to cover the entire Company. In 2002, YLE formulated the values guiding the Company's internal activity. The values and the competence model already employed in some units were tied in to the development discussions. Systematic development discussion practice was

initiated at the close of the year in corporate management. The objective is for a discussion according to this model to be held in 2003 with all YLE employees.

The first manager training programme for the Specialist Qualification in Management commenced at the beginning of the year. On the basis of the experiences of this pilot group of eighteen managers, the contents of training will be adjusted and the programme established as part of Company-wide manager training.

During the year, the changes to structures and procedures carried out at YLE affected personnel in a variety of ways. The Personnel Report describes the changes in work and outlines the principal statistics.

Technology

The Company's new investment process stresses projects based on operational needs and productivity. One example of a project of this kind is the renovation of the Pasila television studio building, which is almost forty years old. Studio production and associated operations were brought together, and a new filming hall was also incorporated into the building. The construction projects are in accordance with the Company's new real estate strategy.

Production technology for regional television news was also constructed during the year. In the spring of 2003, regional television news in Uusimaa and Häme are set to be launched.

A total of EUR 24.8 million was invested.

Research and development

Understanding and appreciating the audiences is one of the values guiding the Company's activity. Audience research is an integral part of the Company's planning, control and development systems. Reception of YLE programmes and attainment of audience objectives are thus monitored using continuous quantitative and qualitative meters. New projects in 2002 related to monitoring reception of digital services and to studies into parallel use of different media. These included the reports Audiences by Stage of Life and One Media Day.

Centralised programme development projects in 2002 included a project to transfer television documentary expertise, and support for the introduction of digital production systems in Radio. The focus in the piloting and other development of programmes was on multimedia and interactivity.

Turnover and revenue

Consolidated turnover came to EUR 374.5 million, 1.7%

less than in the previous year. There were 2,011,036 television fees at the end of the year, an increase of 2,820 from the previous year.

Operating licence fees halved when the first phase of the Communications Market Act entered into force in July. Television advertising began to rise during the year (by 3.4% compared to the previous year), and this was reflected in operating licence fee revenue. Taken as whole, operating licence fees remained at 9.9% less than previous year's level.

Other revenues fell by EUR 4.1 million. The turnover of the subsidiary Digita came to EUR 81.0 million, an increase compared to the previous year of EUR 5.6 million.

Consolidated operating profit and expenditure

The Group's operating loss was EUR 62 million, or EUR 46.6 million less than in the previous year.

The Group's costs for the period totalled EUR 445.5 million, EUR 57.3 million less than in the previous year.

Costs in the comparison year 2001 were raised by a non-recurring increase in Pension Fund contributions and by reductions in fixed assets.

Pension costs in the financial period rose as a consequence of the decline in revenue from the Pension Fund's investments caused by the general trend on the capital market.

Performance fees remained at below the previous year's level despite the Company's investment in the Salt Lake City Winter Olympics.

Result for the financial year

The consolidated result for the financial year came to EUR 76.2 million. The parent company's loss for the financial year totalled EUR 84.3 million and the subsidiary Digita Oy's profit EUR 5.6 million.

Investments

During the 2002 financial year, EUR 33.2 million was invested in the Group's fixed assets, EUR 8.6 million less than in the previous year.

Financing

The Group's liquid assets at the end of the year totalled EUR 103.8 million, EUR 52.3 million less than in the previous year.

Future prospects

The electronic media are continuing to evolve. The sector is marked by the switch from analogue to digital, albeit estimates

differ as to the date when analogue broadcasts will come to an end. Like Finland, many European countries are planning to adopt digital terrestrial television quickly. A target schedule for the process has often been suggested, but, as the date draws nearer, it remains to be seen how realistic it is.

Audiences are still bifurcating, the number of channels and services is increasing and the share of international programme output is growing. The rise in foreign programme output in Finland underscores the significance of YLE's domestic programmes. In future, too, the audiences for YLE's radio and television channels will consist of quite large basic audiences and of special audiences of various sizes. The services for the basic audience will offer a daily package of information, education and entertainment. The company aims to provide various targeted services for the special audiences that are small but growing.

YLE's Finnish-language digital channels and services complement the basic services. For example, YLE Teema has increased significantly the cultural and educational output of public service, but educational, science and cultural programmes are still shown on the analogue general channels. FST's digital channel is basic service in Swedish. Digitally broadcast programmes consist of versions of programmes produced for other channels, new programmes and of programmes made with outsiders and related services.

YLE is also supplying more public service programmes and services through new distribution channels. Accordingly, the internet and mobile distribution of programmes will continue to be developed.

YLE's programme operation is planned in three-year target-oriented periods, according to programme area. The departments' and channels' annual operative assignments are derived from these objectives. Long-term development of the channels' programme structures helps to strengthen the audience relationship. A more uniform operating model reinforces content management and creates better prerequisites for co-ordinated, efficient production planning. The competence centres will continue to be developed, and expertise will be available more flexibly across channel, media and language boundaries.

YLE's resources will be developed and its technical processes managed in accordance with a uniform owner, maintenance and investment policy and through partnerships.

The Company's operation will be developed on the basis of the financial strategy approved by the Administrative Council. The Company's finances can only be managed if its financial position is kept under a tight rein, even though

investments in the development of digital and other new services over the next few years will be considerable.

In the current period, TDF will probably exercise the right to acquire 41% of Digita Oy's shares, in which case Digita will cease to be part of the Group.

Board of Directors

During the period, the Company's Board of Directors has comprised Mr Arne Wessberg, Director General (Chairman),

Mr Seppo Härkönen, Mr Olli-Pekka Heinonen from 1st February 2002, Ms Ann Sandelin and, as personnel representative, Ms Eeva Vuortama.

The Administrative Council appointed Mr Arne Wessberg, Mr Seppo Härkönen, Mr Olli-Pekka Heinonen and Ms Ann Sandelin to the Board of Directors for 2003. Ms Eeva Vuortama continues as personnel representative on the Board of Directors.

Profit and loss account

	Note	YLE Group 1.1.-31.12.2002 EUR 1000	YLE Group 1.1.-31.12.2001 EUR 1000	Yleisradio Oy 1.1.-31.12.2002 EUR 1000	Yleisradio Oy 1.1.-31.12.2001 EUR 1000
TURNOVER		374 508.9	380 972.1	340 523.8	350 949.6
Other business income		9 105.5	13 194.3	10 310.4	13 582.6
Share of affiliated companies' results		-40.5	7.2	0.0	0.0
Materials and services	(1)	700.7	637.3	700.7	637.3
Personnel costs	(2)	223 544.7	252 059.4	206 278.2	231 718.0
Depreciations and reductions in value (write-offs) (3)					
Planned depreciation		50 332.7	50 492.0	28 021.5	28 805.0
Reductions in value (write-offs)		0.0	32 536.3	0.0	32 536.3
Performance fees		76 928.7	79 365.4	76 928.7	79 365.4
Other business costs		94 047.8	87 693.9	120 503.4	115 529.0
OPERATING PROFIT/LOSS		-61 980.7	-108 610.6	-81 598.4	-124 058.8
Financial income and expenses	(4)	-8 580.2	908.2	-2 731.3	7 059.5
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		-70 560.9	-107 702.4	-84 329.7	-116 999.3
Extraordinary items		0.0	133 759.7	0.0	112 617.1
PROFIT/LOSS BEFORE CLOSING ENTRIES		-70 560.9	26 057.3	-84 329.7	-4 382.2
Income taxes		-2 565.8	0.0	0.0	0.0
Change in computed tax debt	(5)	-26.4	-1 264.3	0.0	0.0
Minority interest		-3 091.7	-1 506.1	0.0	0.0
PROFIT/LOSS FOR FINANCIAL YEAR		-76 244.8	23 287.0	-84 329.7	-4 382.2

Balance sheet

	Note	YLE Group 1.1.-31.12.2002 EUR 1000	YLE Group 1.1.-31.12.2001 EUR 1000	Yleisradio Oy 1.1.-31.12.2002 EUR 1000	Yleisradio Oy 1.1.-31.12.2001 EUR 1000
ASSETS					
FIXED ASSETS					
Intangible assets	(6)	10 472.3	8 031.2	8 160.8	6 097.5
Tangible assets	(7)	268 074.1	287 856.2	162 740.7	168 036.1
Investments	(8)				
Holdings in group companies		0.0	0.0	25 740.8	25 732.8
Holdings in affiliated companies		94.4	200.1	170.0	192.9
Other stocks and shares		1 586.1	1 599.6	1 561.4	1 574.2
FIXED ASSETS TOTAL		280 226.9	297 687.1	198 373.7	201 633.5
CURRENT ASSETS					
Current assets	(9)	531.6	524.6	531.6	524.5
Long-term receivables	(10)	83.0	175.0	120 856.3	120 948.3
Short-term receivables	(11)	60 187.4	67 708.3	58 501.8	66 267.6
Liquid assets securities	(12)	102 087.3	150 309.7	102 087.3	150 309.7
Cash at bank and in hand		1 721.9	5 846.2	1 707.4	5 846.2
CURRENT ASSETS SUM TOTAL		164 611.2	224 563.8	283 684.4	343 896.3
ASSETS SUM TOTAL		444 838.1	522 250.9	482 058.1	545 529.8
LIABILITIES					
SHAREHOLDERS' EQUITY (13)					
Share capital		8 000.0	8 000.0	8 000.0	8 000.0
Reserve fund		9 974.9	9 974.9	9 974.9	9 974.9
Other funds		12 747.7	12 747.7	12 747.7	12 747.7
Retained earnings		238 530.5	215 243.6	254 009.6	258 391.7
Profit/loss for the financial year		-76 244.8	23 287.0	-84 329.7	-4 382.1
CAPITAL AND RESERVES SUM TOTAL		193 008.3	269 253.2	200 402.5	284 732.2
MINORITY INTEREST		30 344.1	27 252.4	0.0	0.0
OBLIGATORY PROVISIONS (14)		7 414.4	8 095.3	7 414.4	8 095.3
CREDITORS					
Computed tax debt		2 150.0	2 123.6	0.0	0.0
Non-current liabilities	(15)	71 984.4	71 984.4	71 984.4	71 984.4
Current liabilities	(16)	139 936.9	143 542.0	202 256.8	180 717.9
CREDITORS SUM TOTAL		214 071.3	217 650.0	274 241.2	252 702.3
LIABILITIES SUM TOTAL		444 838.1	522 250.9	482 058.1	545 529.8

Source and application of funds

	YLE Group 1.1.-31.12.2002 EUR 1000	YLE Group 1.1.-31.12.2001 EUR 1000	Yleisradio Oy 1.1.-31.12.2002 EUR 1000	Yleisradio Oy 1.1.-31.12.2001 EUR 1000
Business cash flow:				
Payments from sales	378 738.1	378 695.7	344 678.2	347 959.3
Payments from other business revenue	9 561.8	10 340.0	11 603.0	11 395.3
Payments of business costs	-399 407.7	-407 145.7	-409 720.2	-417 004.0
Business cash flow before financial items	-11 107.9	-18 110.0	-53 439.0	-57 649.4
Interest paid	-3 186.1	-3 314.2	-5 164.7	-5 039.6
Interest from business operation	5 699.4	4 760.7	5 685.0	4 805.3
Cash flow before extraordinary items	2 513.3	1 446.5	520.3	-234.3
Business cash flow (A)	-8 594.6	-16 663.5	-52 918.7	-57 883.7
Investment cash flow:				
Investments in tangible and intangible assets	-33 166.4	-41 802.0	-24 794.6	-25 692.3
Income from disposal of tangible and intangible assets	176.8	4 626.4	59.0	4 482.5
Other investments	0.0	-35 000.0	0.0	-35 000.0
Loans granted	0.0	-190.0	0.0	-190.0
Repayment of loans receivable	15.0	0.0	15.0	0.0
Subsidiary shares purchased	-16.4	0.0	-8.0	0.0
Subsidiary shares sold	0.0	137 340.7	0.0	137 340.7
Affiliated company shares purchased	0.0	-189.5	0.0	-189.5
Interest from investments	7 850.3	7 850.3	0.0	0.0
Dividend from investments	13.9	47.6	12.9	47.6
Investment cash flow (B)	-32 977.1	64 833.3	-16 865.4	88 649.3
Cash flow for financing:				
Raising of short-term loans	0.0	0.0	28 197.9	17 404.2
Cash flow for financing (C)	0.0	0.0	28 197.9	17 404.2
Change in cash flows (A+B+C) (increase (+)/decrease (-))	-41 571.7	48 169.8	-41 586.2	48 169.8
Liquid assets at beginning of period	119 881.8	71 712.0	119 881.8	71 712.0
Liquid assets at end of period	78 310.1	119 881.8	78 295.6	119 881.8

Notes to the financial statements

The principles of the financial statements

The consolidated financial statements

The consolidated statements comprise the parent company Yleisradio Oy and the subsidiaries Digita Oy and TietoEnator Broadcasting IT Oy (TEBIT Oy). The Group also includes the affiliated companies Platco Oy and Radio- ja televisiotekniikan tutkimus Oy.

The consolidated statements combine the Group companies' profit and loss accounts, balance sheets and notes. Internal income and expenses, inter-Group receivables and debts, and margins, have been eliminated.

The minority interest has been separated from the consolidated shareholders' equity and result.

Mutual share ownership has been eliminated using the acquisition cost method. As Digita Oy and TEBIT Oy are subsidiaries no elimination difference has emerged.

The affiliated companies have been consolidated using the capital share method. The proportion according to the Group's ownership share of the affiliated companies' result is under other business income.

In the consolidated statements, the change in computed tax debt from closing entries is in the profit and loss account. As the parent company YLE is exempt from tax, the change in the computed tax debt is due to the subsidiary Digita Oy's depreciation difference. In the consolidated balance sheet, the accrual of closing entries is divided between the shareholders' equity and computed tax debt.

Fixed assets and depreciation

The Balance Sheet value of the fixed assets is the original acquisition price minus planned cumulative depreciation. The planned depreciation of fixed assets has been calculated on the basis of the estimated economic life as straight-line depreciation from the original acquisition price. The depreciation periods according to plan are as follows:

Intangible assets	5 – 10 years
Other non-current costs	5 – 10 years
Buildings and structures	10 – 40 years
Machinery and equipment	3 – 15 years
Other tangible assets	10 years

Small procurements have been entered as expenditure.

Financial securities

Financial securities are valued at the original acquisition cost or lower market value.

Turnover

The consolidated turnover comprises the income from the actual operation, which consists of television and operating licence fees, income from the distribution operation, and income obtained from the sale of current assets, programme performance rights and programme time. The income is entered in accordance with the accrual principle of the financial statements.

Other business revenue

Profits from the sale of fixed assets and regular revenue relating to other than the actual operation are entered as the Group's other business revenue.

Pension arrangements

Pension cover is arranged through YLE's Pension Fund. This is a joint pension fund which applies an equalising system, and includes the parent company and the subsidiary Digita Oy. The contributions paid by the employers to the Fund are defined in proportion to the salaries paid out by the employers. The pension liability of YLE's Pension Fund is covered in full and the solidity position of Division B Employers' Pension Act is within target.

Supplementary pension cover has been approved for some directors at the company's own expense. YLE has pension liability for the supplementary pension cover. The change in liability is entered under the result and is presented in the Balance Sheet among the obligatory provisions.

Performance fees

The performance fees for programmes acquired from outside producers are generally entered as expenditure for the financial year when the programme is shown. Advances paid for performance rights before the year of showing are posted in the Balance Sheet receivables as advances under current assets. The costs of performance rights for programmes shown during the financial year are included among the performance fees in the profit and loss account.

Items denominated in foreign currency

The receivables and debts outside the Euro area denominated in foreign currency in the Balance Sheet at the closing of the accounts have been converted into Euros at the average rates published on the date when the accounts were closed.

Notes to the profit and loss account (EUR 1000)

	YLE Group	YLE Group	Yleisradio Oy	Yleisradio Oy
	2002	2001	2002	2001
1. Materials and services				
Materials, equipment and goods				
Purchases during financial year	707.8	613.7	707.8	613.7
Increase/decrease in inventories	- 7.1	23.6	- 7.1	23.6
Total	700.7	637.3	700.7	637.3

2. Personnel costs

Wages and salaries	180 058.5	172 810.6	166 070.0	159 300.0
Pension costs	33 445.3	67 315.1	30 740.0	61 673.4
Other personnel costs	10 040.9	11 933.7	9 468.2	10 744.6
Total	223 544.7	252 059.4	206 278.2	231 718.0

The pension costs in the previous year were exceptionally high. This was due to an index increase in Division A, required by changes in legislation, and to a one-off change in the basis for calculating Division B.

MANAGEMENT SALARIES AND FEES

	YLE Group	YLE Group
	2002	2001
Managing Directors	308.9	304.1
Board of Directors	9.3	37.9
Administrative Council	71.1	71.9
Total	389.3	413.9

NUMBER OF MONTHLY PAID EMPLOYEES IN MAN-YEARS

	YLE Group	YLE Group	Yleisradio Oy	Yleisradio Oy
	2002	2001	2002	2001
Radio	1 108	1 124	1 108	1 124
Television	1 750	1 776	1 750	1 776
Swedish-language Radio & TV	530	504	530	504
Other departments	663	720	663	720
Digita	380	387	0	0
Total	4 431	4 511	4 051	4 124

THE PENSION COMMITMENTS OF MANAGEMENT

One member of the parent company's Board of Directors will receive a full pension after three five-year terms.

3. Depreciation and reductions in value

Planned depreciation

Other non-current costs	2 654.2	2 266.7	2 192.4	1 950.1
Buildings and structures	11 334.5	11 503.8	7 153.0	7 014.7
Machinery and equipment	36 327.6	36 716.1	18 659.7	19 834.8
Other tangible assets	16.4	5.4	16.4	5.5
Total	50 332.7	50 492.0	28 021.5	28 805.1

Reductions in value	0.0	32 536.3	0.0	32 536.3
---------------------	-----	----------	-----	----------

Total depreciation and reductions in value	50 332.7	83 028.3	28 021.5	61 341.3
---	-----------------	-----------------	-----------------	-----------------

The non-recurring reductions in value implemented during the year relate to the introduction of digital technology.

4. Financial income and expenses

	YLE Group 2002	YLE Group 2001	Yleisradio Oy 2002	Yleisradio Oy 2001
DIVIDENDS				
Other	13.9	47.6	12.9	47.6
OTHER INTEREST AND FINANCIAL INCOME				
Group companies	0.0	0.0	7 850.3	7 850.3
Other	5 432.3	6 264.4	5 417.9	6 261.3
Total other interest and financial income	5 432.3	6 264.4	13 268.2	14 111.6
Total financial income	5 446.2	6 312.0	13 281.1	14 159.2
WRITE-OFFS OF INVESTMENTS				
Write-offs of financial securities	- 10 917.9	- 2 250.3	- 10 875.5	- 2 250.3
INTEREST AND OTHER FINANCIAL EXPENDITURE				
Group companies	0.0	0.0	- 2 029.7	- 1 697.3
Other	- 3 108.5	- 3 153.5	- 3 107.2	- 3 152.1
Total interest and other financial expenditure	- 3 108.5	- 3 153.5	- 5 136.9	- 4 849.4
Total financial income and expenditure	- 8 580.2	908.2	- 2 731.3	7 059.5

5. Change in computed tax debt

The computed tax debt has emerged from the depreciation difference of the subsidiary Digita Oy.

Notes to the balance sheet (EUR 1000)

6. Intangible assets

Acquisition cost 1 st Jan	22 000.3	27 078.1	16 280.5	22 391.2
Increases	5 096.3	2 166.1	4 256.7	1 133.2
Decreases	- 83.6	- 7 243.9	- 83.3	- 7 243.9
Acquisition cost 31 st Dec	27 013.0	22 000.3	20 453.9	16 280.5
Accrued depreciation 1 st Jan	13 969.0	14 787.2	10 183.0	11 320.7
Accrued depreciation of decreases and transfers	- 82.5	- 7 241.1	- 82.4	- 7 243.9
Depreciation and write-offs for the financial year	2 654.2	6 422.9	2 192.5	6 106.2
Accrued depreciation 31 st Dec	16 540.7	13 969.0	12 293.1	10 183.0
Bookkeeping value 31st Dec	10 472.3	8 031.2	8 160.8	6 097.5

7. Tangible assets

LAND

Acquisition cost 1 st Jan	2 792.9	2 306.2	504.1	504.1
Increases	13.3	500.7	13.3	0.0
Decreases	- 101.6	- 14.0	0.0	0.0
Acquisition cost 31 st Dec	2 704.6	2 792.9	517.4	504.1
Bookkeeping value 31st Dec	2 704.6	2 792.9	517.4	504.1

	YLE Group 2002	YLE Group 2001	Yleisradio Oy 2002	Yleisradio Oy 2001
BUILDINGS AND STRUCTURES				
Acquisition cost 1 st Jan	293 696.3	301 474.4	195 360.5	208 763.6
Increases	5 987.9	9 786.6	4 891.7	4 028.5
Decreases	- 22.8	- 17 564.7	0.0	- 17 431.6
Acquisition cost 31 st Dec	299 661.4	293 696.3	200 252.2	195 360.5
Accrued depreciation 1 st Jan	145 636.8	137 990.6	94 590.2	91 398.6
Accrued depreciation of decreases and transfers	- 22.8	- 17 466.1	0.0	- 17 431.6
Depreciation and write-offs for financial year	11 334.6	25 112.3	7 153.0	20 623.2
Accrued depreciation 31 st Dec	156 948.6	145 636.8	101 743.2	94 590.2
Bookkeeping value 31 st Dec	142 712.8	148 059.5	98 509.0	100 77.3
MACHINERY AND EQUIPMENT				
Acquisition cost 1 st Jan	509 325.2	517 581.1	256 175.9	296 416.3
Increases	19 446.3	52 756.3	13 666.9	20 547.0
Decreases	- 10 253.3	- 61 012.3	- 9 694.3	- 60 787.3
Acquisition cost 31 st Dec	518 518.2	509 325.2	260 148.5	256 176.0
Accrued depreciation 1 st Jan	379 377.0	386 758.5	195 724.6	219 825.4
Accrued depreciation of decreases and transfers	- 10 167.9	- 58 869.2	- 9 667.5	- 58 707.2
Depreciation and write-offs for financial year	36 327.6	51 487.7	18 659.7	34 606.4
Accrued depreciation 31 st Dec	405 536.7	379 377.0	204 716.7	195 724.6
Bookkeeping value 31 st Dec	112 981.6	129 948.1	55 431.8	60 451.4
OTHER TANGIBLE ASSETS				
Acquisition cost 1 st Jan	902.1	735.5	381.5	215.0
Increases	12.5	167.2	12.6	167.2
Decreases	0.0	- 0.6	0.0	- 0.6
Acquisition cost 31 st Dec	914.6	902.1	394.1	381.5
Accrued depreciation 1 st Jan	554.0	549.1	34.4	29.5
Accrued depreciation of decreases and transfers	0.0	- 0.6	0.0	- 0.6
Depreciation and write-offs for financial year	16.4	5.5	16.4	5.5
Accrued depreciation 31 st Dec	570.4	554.0	50.8	34.4
Bookkeeping value 31 st Dec	344.2	348.1	343.3	347.1
ADVANCE PAYMENTS AND CONSTRUCTION IN PROGRESS				
Acquisition cost 1 st Jan	6 707.5	8 060.7	5 963.2	6 146.7
Decreases	2 623.3	- 1 353.2	1 976.0	- 183.5
Acquisition cost 31 st Dec	9 330.8	6 707.5	7 939.2	5 963.2

8. Investments

	YLE Group	YLE Group	Yleisradio Oy	Yleisradio Oy
	2002	2001	2002	2001
Stocks				
GROUP COMPANIES				
Acquisition cost 1 st Jan	0.0	0.0	25 732.8	50 456.4
Increases	0.0	0.0	8.0	0.0
Decreases	0.0	0.0	0.0	- 24 723.6
Acquisition cost 31 st Dec	0.0	0.0	25 740.8	25 732.8
Bookkeeping value 31 st Dec	0.0	0.0	25 740.8	25 732.8
AFFILIATED COMPANIES				
Acquisition cost 1 st Jan	200.1	3.4	192.8	3.4
Increases	0.0	196.7	0.0	189.5
Decreases	- 105.7	0.0	- 22.8	0.0
Acquisition cost 31 st Dec	94.4	200.1	170.0	192.8
Bookkeeping value 31 st Dec	94.4	200.1	170.0	192.8
OTHERS				
Acquisition cost 1 st Jan	1 599.6	1 587.2	1 574.2	1 574.2
Increases	0.0	13.7	0.0	0.0
Decreases	- 13.5	- 1.3	- 12.8	0.0
Bookkeeping value 31 st Dec	1 586.1	1 599.6	1 561.4	1 574.2
GROUP COMPANIES				
	Group's		Parent company's	
	ownership share %		ownership share %	
Digita Oy, Helsinki	51%		51%	
TEBIT Oy, Helsinki	100%		100%	
Digiset Oy	100%			
AFFILIATED COMPANIES				
Radio- ja tv-tekniikan tutkimus Oy; Helsinki	20%		20%	
Platco Oy; Helsinki	33,3%		33,3%	
Nordmagi A/S	25%		25%	

9. Current assets

YLE Group's current assets are goods intended for sale, such as PR products, programme recordings and educational publications.

10. Non-current receivables

Group companies				
Loan receivables	0.0	0.0	120 773.3	120 773.3
Other non-current receivables				
Loan receivables	83.0	175.0	83.0	175.0

11. Current receivables

	YLE Group	YLE Group	Yleisradio Oy	Yleisradio Oy
	2002	2001	2002	2001
Advance payments	33 437.3	38 005.0	33 437.3	38 005.0
Receivables from the				
State Television and Radio Fund	9 374.4	12 628.3	9 374.4	12 628.3
Trade receivables	1 883.6	3 518.4	1 276.4	2 836.5
Receivables from group companies				
Trade receivables	0.0	0.0	79.3	37.1
Transition items	0.0	0.0	493.0	12.2
Total	0.0	0.00	572.3	49.3
Other receivables	2 695.6	2 552.2	2 676.8	2 547.1
Transition items	12 796.5	11 004.4	11 164.6	10 201.4
Total receivables	60 187.4	67 708.3	58 501.8	66 267.6

The advances are the performance right fees for programmes that have not been shown.

Transition items included the refund of the Pension Fund advance payments EUR million 7.6.

12. Financial securities

The financial securities comprise bonds which are the object of public trading, investment and municipal certificates, and fund investments.

Replacement price	103 527.7	151 250.9	103 527.7	151 250.9
Bookkeeping value	102 087.3	150 309.7	102 087.3	150 309.7
Difference	1 440.4	941.2	1 440.4	941.2

13. Shareholders' equity

CHANGES

Share capital 1 st Jan	8 000.0	7 878.0	8 000.0	7 878.0
Increase in share capital	0.0	122.0	0.0	122.0
Share capital 31 st Dec	8 000.0	8 000.0	8 000.0	8 000.0
Reserve fund 1 st Jan	9 974.9	10 096.9	9 974.9	10 096.9
Transfer to share capital	0.0	- 122.0	0.0	- 122.0
Reserve fund 31 st Dec	9 974.9	9 974.9	9 974.9	9 974.9
Retained earnings 1 st Jan	238 530.5	215 243.5	254 009.6	258 391.7
Profit/loss for financial year	- 76 244.8	23 287.0	- 84 329.7	- 4 382.2
Profit 31 st Dec	162 285.7	238 530.5	169 679.9	254 009.6

CALCULATION OF ASSETS DISTRIBUTABLE AS DIVIDEND PER 31ST DECEMBER

Non-restricted funds	12 747.7	12 747.7	12 747.7	12 747.7
Retained earnings	238 530.5	215 243.6	254 009.6	258 391.7
Profit/loss for financial year	- 76 244.8	23 287.0	- 84 329.7	- 4 382.2
- Share transferred from depreciation				
difference to shareholders' equity	- 2 684.5	- 2 651.5	0.0	0.0
Total	172 348.9	248 626.8	182 427.6	266 757.3

14. Obligatory provisions

	YLE Group	YLE Group	Yleisradio Oy	Yleisradio Oy
	2002	2001	2002	2001
Contractual pensions	7 414.4	8 095.3	7 414.4	8 095.3
Change in obligatory provisions in profit and loss account	- 680.9	842.2	- 680.9	842.2

15. Non-current liabilities

Pension Fund loan	71 984.4	71 984.4	71 984.4	71 984.4
-------------------	----------	----------	----------	----------

The Pension Fund loan will fall due for payment in over five years' time.

16. Current liabilities

Trade payables	12 523.0	11 856.1	9 841.6	10 365.1
Debts to group companies				
Trade payables	0.0	0.0	86.3	190.9
Other debts	0.0	0.0	74 057.4	45 859.6
Accrued liabilities	0.0	0.0	283.2	258.7
Total	0.0	0.0	74 426.9	46 309.2
Other debts	12 746.0	14 054.5	10 335.6	11 707.2
Accrued liabilities	114 667.9	117 631.4	107 652.7	112 336.4
Total current liabilities	139 936.9	143 542.0	202 256.8	180 717.9

ACCRUED LIABILITIES

Periodised part of television fees	71 518.1	70 617.6	71 518.1	70 617.6
Periodisations of personnel costs	35 037.3	34 607.1	31 418.4	31 346.0
Other accrued liabilities	8 112.5	12 406.7	4 716.2	10 372.8
Total	114 667.9	117 631.4	107 652.7	112 336.4

Securities and contingent liabilities (EUR 1000)

SECURITIES GIVEN ON OWN BEHALF

Pledged securities	15 600	15 000	15 600	15 000
Pledges	5	5	0	0
Guarantees	34	52	10	10
Total	15 639	15 057	15 610	15 010

LEASING LIABILITIES

To be paid in next financial year	4 829	3 626	3 087	2 250
To be paid later	6 024	5 322	4 102	3 609
Total	10 853	8 948	7 189	5 859

DERIVATIVE AGREEMENTS

Forward contracts denominated in foreign currency

Current value	- 535	162	- 535	162
Contract or notional value	10 131	11 735	10 131	11 735

Board of Directors' recommendation for use of profit

The parent company's loss for the period is EUR 84 329 68.09 and unrestricted equity at the end of the period EUR 182 427 625.82. The consolidated unrestricted equity at the end of the period is EUR 175 033 440.40. The Board of Directors recommends to the Annual General Meeting of Shareholders that the parent company's loss for the period be transferred as a deduction on the profit account.

Helsinki, 4th March 2003

Arne Wessberg Olli-Pekka Heinonen Seppo Härkönen Ann Sandelin Eeva Vuortama

Auditors' entry

The financial statements have been drawn up in accordance with good accounting practice. The auditors' report on the audit has been issued today.

Helsinki, 7th March 2003

Erkki Mäki-Ranta Eero Suomela Jari Häkkinen
Chartered Public Finance Auditor,
Chartered Accountant Chartered Public Accountant Authorised Public Accountant

Statement by the Administrative Council to the Annual General Meeting

At the meeting held today, the Administrative Council of Yleisradio Oy has examined the financial statements and auditors' report for the 2002 financial year.

The Administrative Council submits as its statement to the 2003 Annual General Meeting that the Profit and Loss Account and the Balance Sheet for the financial year from 1st January to 31st December 2002 be adopted and concurs with the Board of Directors' recommendation on the application on the profit.

Helsinki, 1st April 2003

Markku Laukkanen Antti Kalliomäki Markku Markkula Annika Lapintie Markku Vuorensola
Claes Andersson Mika Lintilä Liisa Jaakonsaari Toimi Kankaanniemi Pia Viitanen
Velipekka Nummikoski Seppo Niemelä Jyri Häkämies Maria Kaisa Aula Pirjo Antvuori
Irina Krohn Margareta Pietikäinen

YLEISRADIO OY

00024 Yleisradio

Radiokatu 5, Helsinki

tel. +358 09 14801, fax. +358 09 1480 3215

www.yle.fi/fbc

e-mail: fbc@yle.fi

personal e-mail: forename.surname@yle.fi

YLE Corporate Finance

YLE Corporate Communications

Layout: Tähtikuviot Oy

Printed by Erweko Painotuote Oy