

# YLE 03

## Yleisradio Oy

Yleisradio Oy (YLE) is a media company engaged in public full service television and radio broadcasting, whose tasks, operation and financing are defined by law. YLE makes programmes in Finnish and Swedish and in, e.g., Sámi, Romany and sign language.

YLE is mainly state-owned, and its operation is principally financed through television fee revenue.

YLE's objective is to guarantee Finns equal opportunities to obtain information, have experiences, be entertained and to educate and advance themselves.

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**Annex:** Report of the Board of Directors and Financial Statements 2003

## YLE in 2003

YLE's annual reporting consists of the Annual, Personnel and Audience Reports.

**The Annual Report** describes YLE's programme operation and contains the Report of the Board of Directors and Financial Statements.

**The Audience Report** provides a picture of trends in YLE's audience relationship.

**The Personnel Report** outlines the objectives and key figures of YLE's personnel operation.

All the reports are published in Finnish and Swedish, Annual Report also in English. The Annual and the Audience Reports also on-line at [www.yle.fi/fbc/annual](http://www.yle.fi/fbc/annual).

## Key figures (EUR millions)

	2003	2002	2001	2000	1999
<b>EXTENT OF OPERATION</b>					
Turnover	330.0	340.5	350.9	332.2	318.4
% change	-3.1	-3.0	5.6	4.3	-4.9
Other business revenue	11.2	10.3	13.6	13.7	12.6
% change	8.7	-24.3	-0.7	8.7	-14.9
Balance sheet total	457.6	482.1	545.5	526.5	544.1
Gross investments	27.1	24.8	25.7	35.4	86.6
% of income	8.2	7.3	7.3	10.7	27.2
Personnel	4 066	4 245	4 291	4 387	4 356
<b>PROFITABILITY</b>					
Profit/loss	-71.1	-81.6	-124.1	-31.9	-35.9
Profit/loss before extraordinary items	-59.8	-84.3	-117.0	-23.9	-27.8
Profit/loss for financial year	52.8	-84.3	-4.4	-23.9	36.9
<b>SOURCES OF FUNDS AND FINANCIAL POSITION</b>					
Quick ratio	0.8	0.5	0.9	0.5	0.6
Equity/Assets ratio %	55.3	41.6	52.2	54.9	57.5
Borrowed capital with interest	72.0	146.0	117.8	100.4	101.2

Personnel= The number of employees on time-wages during the financial year in man-years.

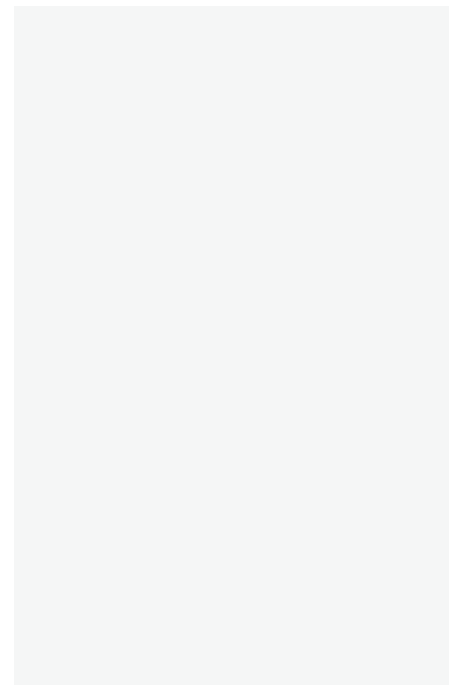
Quick ratio=  $\frac{\text{Financial assets}}{\text{Current liabilities}}$

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





“We are firmly involved in what’s going on in the world, even though we do not strive for the highest possible viewing figures by all conceivable means. This is something we can be proud of.”



# Reforms and something new on the horizon

It's snowing heavily on the roof on the sixth floor at YLE head office. The snow is coming right up to the threshold of the building, but not inside. Is that how YLE in 2003 could be described?

"We've had a tight year behind us", is Director General **Arne Wessberg's** observation. In May, the proposal for an increase in the television fee secured the company's revenue. This news was not discussed in the media, albeit editorials expressed some bitter views about the increase. The audience was touched most by the radio reform.

"Creating something new, changes, are always an uphill struggle. Many things have fallen into place. The reform has brought new audiences to radio, and radio is important for its audiences."

Television has a good rapport with audiences and YLE has remained true to itself. By this, Wessberg means that the company has managed its public service task well. "We are firmly involved in what's going on in the world, even though we do not strive for the highest possible viewing figures by all conceivable means. This is something we can be proud of."

The Director General is not going to start reeling off the actual high points of 2003. "A high point for us is that our basic output is good in Finnish daily life and leisure." Yet Wessberg does get a little emotional about the success of the company's own orchestra, the FRSO. After all, The New York Times has devoted four columns to extolling the virtuosity of the orchestra and its conductor! The audience is spellbound and the work is by a modern Finnish composer! "These are solid arguments in favour of the FRSO. I hope that it will be given a decent instrument." In other words, the Concert Hall proposed for Helsinki.

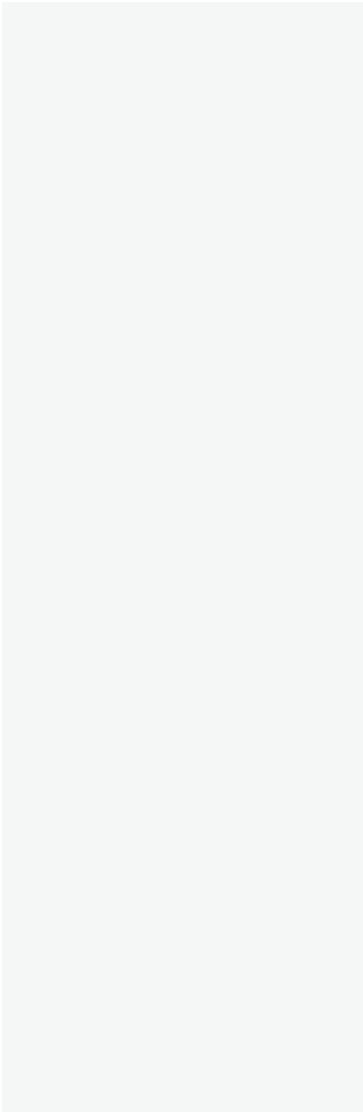
News and current affairs also dealt deftly with the challenges of the year.

After all, the spring and summer were pretty hectic: from the elections to the formation of a government and then the Prime Minister's agony and resignation. "I studied theory when trustworthiness was more important than speed, and I don't stop sounding our success against this theory. There is always a need for analysis and deliberation as well. It is a sign of healthy self-esteem to consider when it is time to speak out or release names. These are the great challenges for today's journalism."

Besides the busy spring on the home front, the war in Iraq, the busiest media war in history, was also being waged. "We had good coverage and made a decent effort to help Finns understand what it was all about."

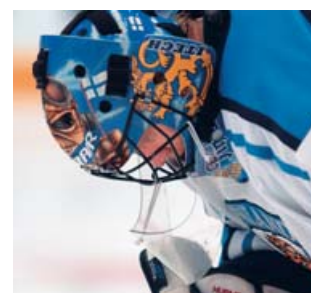
The end of the year brought some good news for the company, such as the proposal by the parliamentary working group that the analogue television network be closed down in August 2007. "We can now see that the switch to the digital age is taking place on the market's terms. "Prices of adapters have fallen and Finland's decision has been influenced by similar decisions elsewhere in Europe. "No one is talking any more about whether we launched digital broadcasts too soon. Our careful preparation means that we are in a perfect position to handle the transition period well ", Arne Wessberg believes.

Things have turned out a lot easier than expected.



# YLE in brief

The beloved anchorman Arvi Lind from Television News read his final news on 15th October 2003. | Kotikatu and The Heaven-Sent were among the year's domestic drama fare. | YLE carried the World Ice Hockey Championships from Finland to some 500 million viewers world-wide.



## Programme output

In 2003, YLE's television output increased by 560 hours, radio output by 20 670 hours. In ten years, YLE's television output has almost trebled and radio output doubled.

>> YLE output according to channel starts on page 18

## Audiences

The Finnish audience esteems YLE programme output. The programmes also reach audiences well.

In 2003, 96% of Finns over the age of fifteen watched or listened to YLE television or radio channels for a minimum of two hours a week. And as many as 66% of Finns both watch television and listen to the radio for at least those two hours a week.

Esteem for public service programming is studied every year. Esteem for YLE's tasks has hardly altered from previous years and Finns are quite unanimous about the kinds of programmes they expect from YLE. In programme output, it is not only programmes for mass audiences but also, to a surprising extent, programmes targeted at special audiences that enjoy broad support.

>> Daily radio listening and television viewing by channel p. 18 and 20

>> YLE Audience Report 2003

## Programming areas

YLE's entire programme output on television and radio and the costs of output can be examined by programme area.

**News and current affairs** programming guarantees comprehensive news and current affairs coverage on the various media.

>> Interview with Leena Pakkanen, Producer of YLE Radio 1's current affairs' programme Ykkösaamu, p. 7

**Factual programming** offers useful information on different fields and also a host of discussion and service programmes. Educational and science programmes and a large share of documentary production are included within factual programming.

>> Interview with Aram Aflatuni, producer of Basaari and Toista maata p. 9 and with Ritva Leino, producer of YLE Science and Educational Programmes p. 11.

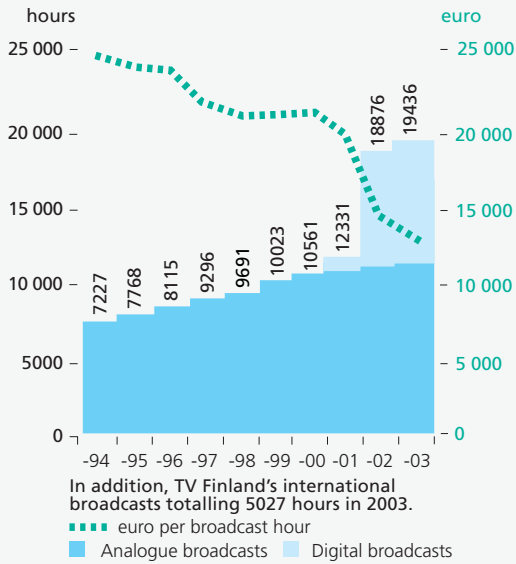
**Cultural programming** comprises drama, i.e., films, series and radio plays, classical music, all cultural programmes and also children's programmes.

>> Interview with Stefan Brunow, producer of YLE Radio Vega's cultural programmes p. 13

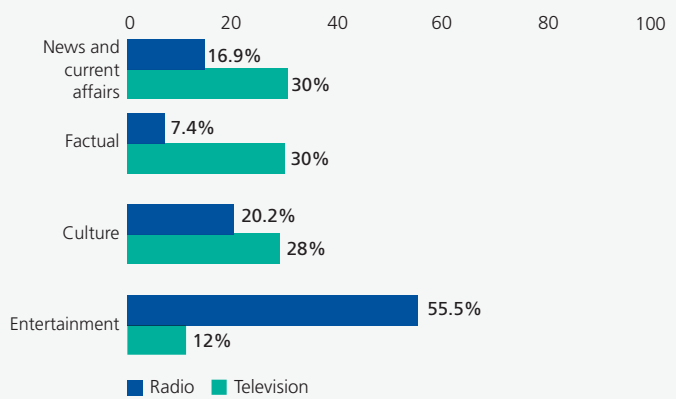
**Entertainment programming** consists of daily and events sport, popular culture, various entertainment programmes and young people's programmes.

>> Interview with Pekka Laine, producer of YLE Radio's Popular Music department p. 15 ja and with Marja Mäki-Reinikka, producer of YLE TV2's youth programme Zulu p. 17.

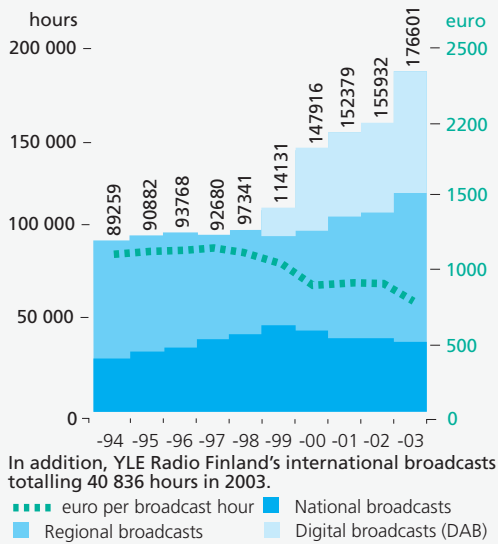
YLE television broadcasts and costs per programme hour (1994-2003)



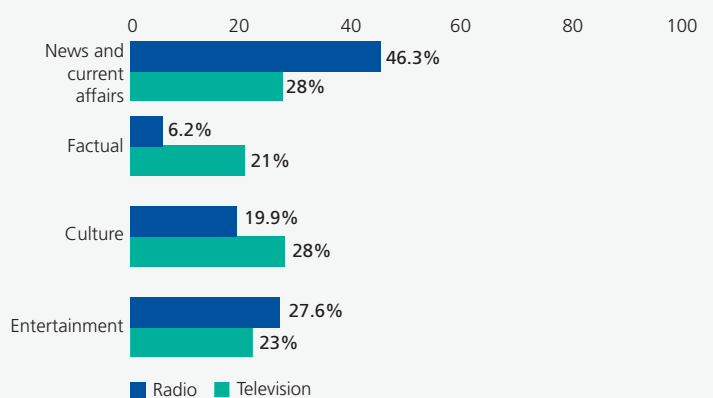
The shares of programming areas (%) out of YLE television and radio broadcast hours in 2003



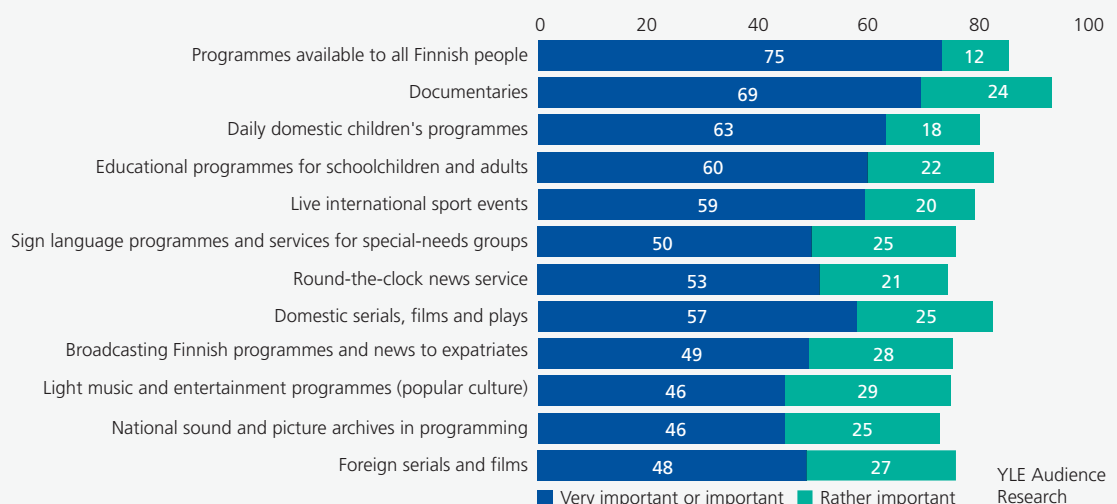
YLE radio broadcasts and costs per programme hour (1994-2003)



Costs of programming areas (%) out of YLE television and radio broadcast hours in 2003



The most esteemed public service functions (%) in 2003





## NEWS JOURNALISM

### CANNOT BE BEATEN

Television is growing in significance as a news medium. In 2003, in a survey of the most important sources of news, people ranked YLE news at half-past-eight almost as high as newspapers, traditionally first among news media. YLE is also the most trusted. In an assessment of the most trusted sources of news, 55% of respondents regard YLE Television News as highly trustworthy.



Lauantaiseura – one of YLE24's live current affairs programmes. | Anneli Jäätteenmäki and the moment of victory in the Parliamentary Elections. The pictures of Jäätteenmäki - who resigned as Prime Minister in June - made the history of news pictures in 2003.



# In the deep waters of news flow

## REAL NEWS FOR CHILDREN

The children's news programme Uutisjuttu received the State Prize for Dissemination of Information in May 2003. Uutisjuttu tackles stories without fighting shy of tough subjects, from a schoolchild's angle. Internet pages create effective interaction between makers and viewers. X-tra is YLE's news in Swedish for children.

## MORE CURRENT AFFAIRS THAN THE COMPETITORS

If there were no current affairs programmes on YLE.... Current affairs output has long traditions and established audiences. The programmes play such a key role in the supply of information that it is hard even to imagine Finnish society without them. The comprehensive regional network ensures that the whole of Finland is seen and heard on YLE channels.

The war in Iraq, Finnish Parliamentary Elections, government crisis and the resignation of the Finnish Prime Minister, Sweden's EMU referendum and the death of Foreign Minister Lindh... YLE's news and current affairs programmes have covered the phases of a dramatic year as the most trusted and popular sources of news in Finland. "Journalistically alert and fascinating stories are a challenge, what we should always be aiming for, from one day to the next", says **Leena Pakkanen**, producer of Radio YLE 1's Ykkösaamu programme, with thirty years in current affairs journalism to her credit.

Ykkösaamu is a current affairs programme launched in the wake of YLE's radio reform. It gives the background to the news and, after gaining a slightly later slot in response to listener feedback, suddenly established itself in the daily lives of Finns. With some 200,000 listeners, it is occasionally one of the most popular programmes on its channel, with high satisfaction figures.

Ykkösaamu is thus made to meet a clear need. The more frequent news provision becomes, the greater the need for questions about causes and effects. "The news have to be interpreted. New, non-mainstream viewpoints must be consciously sought out, whether the subject is wars or terrorism, interim reports and stock prices, or co-operation talks and dismissals. Questions about reasons and consequences are the basic work of a reporter, and call for curiosity, persistence and humility as well as continuous observation of events through the eyes of a news journalist", Pakkanen says.

The Ykkösaamu team is part of radio news, and so it can draw on the assistance and expertise of a big department and its special reporters. Speed is the great asset of news on the hour, whereas programming that goes deeper and gives background provides tools for analysis. "I personally think that precisely this programming, which educates and adds to understanding, is a very important part of YLE's public service."

The radio reform brought its own challenges and pressures to work in 2003. A year is a short period for a reform and a new programme, but Leena Pakkanen has faith in radio. "Radio is a medium for the ear, close to listeners, almost cheek to cheek. It is talk and listening, concentrating on the matter. And whenever one gets close to a person, what one says is significant."



**"New, non-mainstream viewpoints must be consciously sought out. Questions about reasons and consequences are the basic work of a reporter."**

- Leena Pakkanen



Voimala | Environment in focus: Pallo  
hallussa | Ben Furman | Pilot Guides |  
Pohjantähden alla is a series of report  
documentaries on Finland and the Finns.



# Because people are different

## FACTS FOR DIFFERENT NEEDS

As media output becomes more entertainment-oriented, esteem for facts is growing. Public service channels make programmes to meet the needs of audiences – citizens and consumers – rather than for commercial reasons. And so various service programmes even for smaller audiences are part of YLE programming.

## FOREST RADIO AND OTHER EVERGREENS

The primitive force of thought, natural good breeding and frank talk. These are how a number of YLE's sure-fire quality radio programmes such as Hannu Taanila's Sävelradio, Eeva Luotonen's Viisasten kerho, Kansanradio, Alivaltiosihteeri and many others could be described.

Freelance-producer **Aram Aflatuni** believes that public service television has a lot of important tasks to accomplish. "One of these is to question everyday thinking and to render cultural diversity visible", says Aflatuni, now seven years with YLE. Diversity is one of YLE's values, for the simple reason that everyone's different.

Aflatuni makes the award-winning Basaari and Toista maata debate programme. In summer debates, the thoughts of immigrants to Finland, who speak a variety of languages, gained audiences of over 500,000. And the biographies of immigrants were heard for the first time at prime time. "What I thought was particularly interesting was the fact that Finnish culture was continuously being set alongside other cultures. Without examining things in this way, Finnish culture is impossible to comprehend."

Aflatuni is of the view that there is a need for programmes and stories that broaden the world, since immigration still appears in the media either in the form of problems or something exotic. "It is uncivilised to treat immigration only as a new phenomenon. There has always been migration. It is the basic raw material of culture and civilisation – in Finland as well."

Toista maata was praised for intensity and its good, nice mood. "The point of departure was to bring out a wealth of empirical information for viewers to evaluate", Aflatuni explains. He defines daring presence, creativity and inspiration as elements of a reporter's professional skill. Surprising turns are also part of good projects, not fear of making mistakes. "Striving to minimise errors may lead to the worst mistake: the stifling of creativity and presence."

Aflatuni is also inspired by television's capacity to feed curiosity and interaction. "The call of Kabul, shown in UN Week, and its web pages provided an opportunity for discussions with ordinary Kabul folk. The audience came up with hundreds of considered and perceptive questions about life and post-war reconstruction in Afghanistan, Finnish artists were also enlisted to engage in email and video correspondence with colleagues in Kabul."

Aram Aflatuni perceives that the challenge for YLE lies in programmes that create genuine interaction. "We've seen text message gimmickry. What we need are programmes that create dialogue between groups of people that are strangers to each other. Understanding is born out of dialogue!"



**"What we need are programmes that create dialogue between groups of people that are strangers to each other. Understanding is born out of dialogue!"**

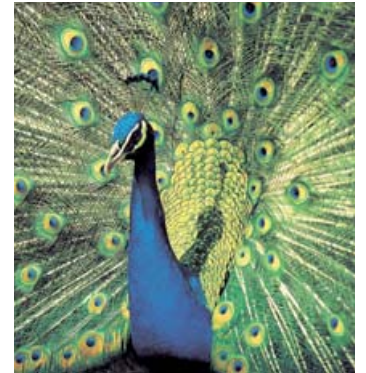
- Aram Aflatuni



THE MOST IMPORTANT THEATRE  
FOR DOCUMENTARIES

The domestic documentary film extolled abroad rarely finds its way into cinemas, but wins big audiences in prime slots on YLE channels. YLE is also a significant part-producer of documentaries, usually financing a half or a third of Finnish productions.

The Schoolboys Life | Prisma has three components: Prisma Studio is a current affairs programme about science, Prisma jr offers science for children and Prisma Documentaries is a series on science. | The television series Kesäheinä introduced viewers to the uses of willow and other natural materials.





# Satisfying the great Finnish thirst for information

## HELPING PEOPLE TO COPE

Being a parent is a great delight but surely not easy. Where do the limits of responsibility between home and school lie, and how are the endeavours of educators co-ordinated? Yhteiset lapsemme, Puheenvuoroja kasvatuksesta, Arjen sankarit and Livslära are all programmes that offer their support to parents, teachers and other educators. School television, now already forty, is also involved in the daily routines of schools and children.

Tales that have not been told. Viewpoints that cast a new light on events. Interpretations that have not been made.

For producer **Ritva Leino** Finnishness is a vast cornucopia of themes. "Finnishness will never be ready or defined, and so it must be examined again and again and from new viewpoints. It is essential for national self-understanding and the future of the nation", Leino believes. She has made YLE Open University series on, e.g., Finnish daily life, visual arts and mythology.

Subjects that probe the nation's history, culture and present reality are a self-evident feature of YLE programmes. "We have been keen to invest in these programmes and been able to make them carefully, in collaboration with the talented people that this company has at its disposal." Leino believes that YLE has a "sound" all of its own. "I think that it is a result of the fact that people are highly committed to their work and to the company, because they regard its task as significant in so many ways."

Yet Leino believes it essential for viewers and listeners to feel that the programmes are significant and important. "A good programme touches and feels personally important. The experience of meaningfulness may also include surprises and new insights. A programme may give the viewer something that he or she is unable to expect."

This maker of science and educational programmes is familiar with the thirst for knowledge and esteem for education displayed by Finnish audiences.

"Thirst for knowledge is a good thing, it needs to be fed! A programme can likewise arouse curiosity as well as the courage to question existing knowledge." Interest in the programmes is evidenced by feedback. "People contact us and also ask for repeats of programmes. Yet today's big challenge is to bring about a new kind of dialogue with the audience."

Even though YLE Open University productions are made in collaboration with the universities, they are targeted at larger audiences. "The programmes must serve broadly and meet the needs of people curious for knowledge other than just students." And given that Finns have an enormous desire to learn and educate themselves, Ritva Leino believes that YLE will be kept more than busy.



**"A television programme can likewise arouse curiosity as well as the courage to question existing knowledge."**

- Ritva Leino

## CHILDREN'S HOUR IS POP

When, in the summer of 2003, 4-9-year-old Finnish children were asked to name their favourite television programmes, the TOP50 contained 48 programmes from YLE TV2! Parents also repeatedly say that YLE children's programmes are excellent, respectful of children, and safe. YLE is the only company in Finland to show domestic children's programmes daily, and definitely the only one with radio programmes and output in Swedish.



Minun pikku elefantini won the domestic category at the 2003 Tampere Film Festival. | Sakari Oramo took up his post as FRSO Chief Conductor in August 2003. | Drama series Kirje isältä | Drama series Tie Eedeniin | Vasikantanssi, a highly commended drama series for children.





# Lightheartedly serious

## SUSTAINED CULTURAL WORK

The television series on the Finnish authors was also awarded the State Prize for Dissemination of Information in 2003. The makers were praised for a high-calibre programme, which is also a significant and sustained Finnish cultural endeavour. The year's programming has also included other superb series from the realm of literature alone. Peter von Bagh's production *Sininen laulu* – the story of the Finnish arts and culture – is also a unique viewing experience.

## LIFE THEN AND NOW

Both past and present are alive in YLE drama. *Kirje isältä* brought the war years in Finland to life for an audience of around a million viewers. *Renovation and The Heaven-sent* brought today's phenomena and people to the television screen. Drama programming still includes the old familiar *Kotikatu* and *Kantolan perhe*.

Culture helps one to understand oneself, human nature and phenomena. "That's why culture is the most important thing in life, but it mustn't be taken too seriously", says **Stefan Brunow**, producer of cultural programmes at YLE Swedish-language Radio and Television. Art is a serious business, but it's also play. That's why Brunow believes that it is good for programmes on the subject to include a dash of silliness and playfulness. "It is in the field of culture that one hears the most criticism of today's market-driven thinking. Otherwise it's pretty quiet."

YLE Radio Vega and Extrem offer cultural news, magazine and essay programmes. "This kind of output would not be made in Swedish elsewhere in Finland, culture is always public service. I am proud of public service, YLE and the independence that goes with its values. It is not self-evident in Swedish-language culture in Finland, in which the newspapers are owned by foundations with links to, for example, the theatres. In the programmes, I want in particular to preserve independence, which also brings a sense of responsibility in relation to the listeners. The audience trusts us for precisely that reason."

Brunow thinks that the role of Swedish-language Radio and Television including acting as a kind of bridge-builder among the Swedish-speaking population living in different parts of Finland. "It's about language and identity, cultural wealth. Swedish-language YLE also builds a bridge from Finland to the rest of the Nordic countries. One form of this is free programme exchange with Swedish radio."

Brunow's opinion is that radio is an excellent medium for culture, since listening creates space for concentrating. He is particularly interested in increasing the use of the radio archives. "It's great that they can be opened up to the audiences. The archive is the family album of the whole people", says Brunow. He also perceives radio otherwise as a visual medium; talk creates images just as, for example, reading a book does. "And if one wants to praise radio still further, one can say that is a man's best friend. Or like the air we breathe, free for all."



**"Swedish-language YLE also builds a bridge from Finland to the rest of the Nordic countries. One form of this is free programme exchange with Swedish radio."**

-Stefan Brunow



Klubb eXtrem and Rumaklubi, live from the Tavastia Club. | The cream of domestic pop and rock in 19 concert recordings: Raumanmeri 2003. | Talk show for across the language barrier: Bettina S.





# Happy days and hard day's nights

## ENTERTAINMENT ACROSS THE LANGUAGE BARRIER

Bettina S. is YLE Swedish-language Television's refreshing talk-show, with Finnish speakers accounting for up to a quarter of its viewers. It's no wonder, either. Bettina not only demolishes Finland's language barriers, but also has a bold approach to her guests and makes her viewers feel involved. That well-made entertainment is clever was also the judgement of the 2003 Venla jury, which rated Bettina S. number one in the genre.

## BRITISH HUMOUR

European fare has pride of place in YLE's acquisition programming, and British humour also tickles the Finns. The Office, One Foot in the Grave, Smack the Pony and repeats of the legendary Absolutely Fabulous entertained viewers in 2003.

From morning until evening. At work and at play. Music accompanies and lives in memories. Music is an essential part of the programming of each radio channel, in accordance with its individual profile. "It is a cultural-policy challenge to bring out the numerous dimensions of popular music and to examine all the ways in which music is interwoven into people's lives. That's something YLE channels are in a position to do", says **Pekka Laine**, producer of popular music programmes on radio.

On public-service channels, music and journalistic skill are interconnected. "The commercial channels are less often able to provide audiences with that kind of added value. Quality is made with skill, which is timeless. For example, in the light-music programme Onnen päivät (Happy days). When you have the right maker in the right place, the result is a superb mix of presence and trustworthiness."

Music touches the emotions and produces sensations. In Laine's view, that is why a music producer must also be a "fan", in order to be able to make good programmes. "Understanding the experiential level, how people experience music, and why, is essential. Experiences that transcend specifically disposable consumption create permanent listener relationships, those experiences 'that I couldn't do without this programme'". A certain kind of community spirit also grows up around the programmes. "Because they have made music their hobby, listeners are often a mine of information."

Music plays on the channels not only in the programmes but, e.g., in accordance with the play lists as part of the broadcast flow. Each week, the play list on YLEX features new domestic bands and other interesting new songs chosen by the channel's music professionals.

The channel reform of YLE's Finnish-language radio concentrated expertise from different fields. This means that popular music producers nowadays make programmes for all the channels instead of one. "They are no longer committed to a single channel but make programmes that fit into different broadcast settings. This new subscriber-producer model still needs to be polished up, but the concentrated unit has more than enough combined skill and creativity to offer. It is interesting to imagine what the objectives and output of the company as a whole will be in this field of culture", is Pekka Laine's assessment.



**"When you have the right maker in the right place, the result is a superb mix of presence and trustworthiness."**

- Pekka Laine

## QUALITY STANDS THE TEST OF TIME

When the sketch series Velipuolikuu was repeated and put on DVD in the autumn of 2003, it was described as a cultural act. An ingenious programme becomes a classic and the charm of age gilds it with a cult reputation. If a programme is made well, it has a long life and can win new generations as its audience.



The Umpimähkä quiz show gets parents answering questions put by children. | The World Ice Hockey Championships were the most watched sport on YLE in 2003. The Finland-Sweden match on 7th May was followed by 1.6 million viewers. | Entertainment on YLE TV1: Velipuolikuu



# A break from trends and brands

## QUALITY QUIZZES

When the Venla awards for the best television programmes of 2003 were being given out, one prize was also awarded for the first time to game and quiz shows. The top three chosen by the jury were all YLE programmes: Maaailman ympäri, Suuri Kupla and Umpimähkä. Quiz shows can thus be respectful, genuinely informative, skilfully and stylishly produced, and fun as well! The inimitable Simo Frangén, with some 200 Maaailman ympäri broadcasts under his belt, took the Game-show Venla.

## SPORTS FOR ALL

Major events with unique professionalism and Finland's broadest coverage make YLE unbeatable for sports fans. The range of events will also remain broad in future; digital YLE24 is showing a growing selection of sports events live.

Young people are a significant consumer group today and one of the audiences that media output competes the most for. It is easy to question the ethics of commercial brand awareness, but how else is output with something to say to young people to be produced?

"Interesting subjects, good young presenters and an easy-going approach do help", says **Marja Mäki-Reinikka**, producer of the Zulu programme. She believes that public-service YLE must present alternatives to the commercially produced programmes. "Compared to the programming offered by the commercial television channels, alternative production is easy to defend. Young people also deserve journalistically produced programmes. And even though young people do watch all kinds of output, they are still interested in social issues and debates just as much as stories close to their own lives."

It is true that the world of young people is consumer-centred. "Product marks have become concepts, standard language. Lifestyles and products are sold in the same package. A public-service channel can also and ought to examine these phenomena, but with their own view, without making a fuss about trends. There must also be room for young people's own criticism."

Launched in the autumn of 2003, Zulu was to be positioned specifically in prime time on Sunday evenings. But it was not to be made into a programme branded for young people. "Because young people pick what they want from programming, influencing them is pointless. Content interests them or it doesn't, the same applies to the makers. Skilled and fresh new television faces were found to present the programme."

Mäki-Reinikka stresses the ambition, journalistic skill and background work of her entire team. "It is a challenge to make a 45-minute talkshow on a single theme, and to get it to carry. Viewpoints and themes have got to be under control. Then you can release your grip", says Marja Mäki-Reinikka. She believes that able and enthusiastic people make for the best quality.



**"Alternative production is easy to defend. Young people also deserve journalistically produced programmes"**

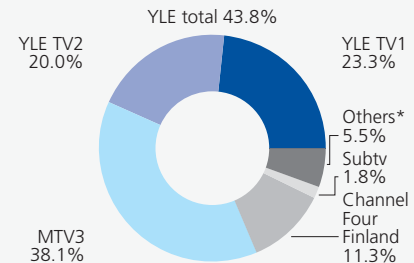
**-Marja Mäki-Reinikka**

# YLE television

Profiles and key figures for TV channels 2003

**Reach** refers to the number of people who watch television per day (for a minimum of one minute).  
**Daily viewing** is the amount of viewing on average per day (among the over-10s).

Share of daily viewing (%) in 2003



\* In 2003 Others incl. viewing of YLE digital channels.

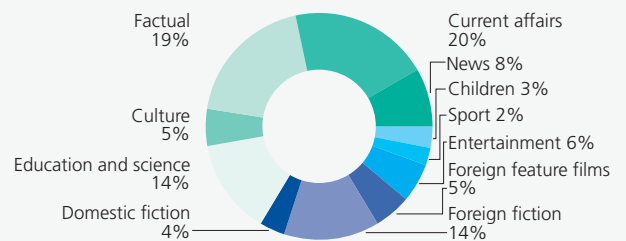
## YLE TV1

- The news, current affairs and factual journalism channel that also offers drama, cultural, educational and documentary programmes, not to mention satire. The emphasis in acquisition programming is on quality cinema and British production.  
 - YLE TV1 is also broadcast in digital format.

		Change from 2002
Broadcast hours per year*)	5 466	-2.7%
Broadcast hours per day	15.0	-2.7%
Total costs EUR million	68.0	-13.3%
Average price of broadcast hour EUR	12 500	-10.1%
Daily reach	57.1%	-2.5% -points
Daily viewing	39 min	-

\*) in addition 49 hours of parallel news broadcasts in Sámi (31 hours in 2002).

YLE TV1 programme output in 2003



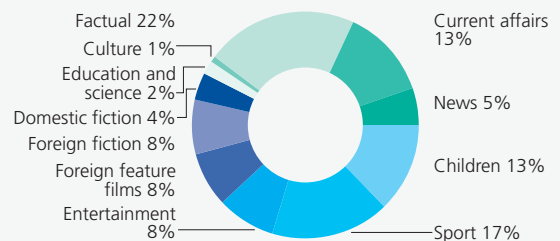
## YLE TV2

- The main channel for children, teenagers and sport, also offering drama and entertainment. The stress in current affairs output is on weekly features, background, Finnish content, regional items and citizens' journalism. Factual programmes also focus on service programming.  
 - YLE TV2 is also broadcast in digital format.

		Change from 2002
Broadcast hours per year *)	4 388	+6.0%
Broadcast hours per day	12.0	+6.0%
Total costs EUR million	75.8	-2.4%
Average price of broadcast hour EUR	17 300	-8.0%
Daily reach	51.8%	-2.1% -points
Daily viewing	33 min	-8.3%

\*) in addition 157 hours of parallel regional tv news broadcasts (81 hours in 2002).

YLE TV2 programme output in 2003



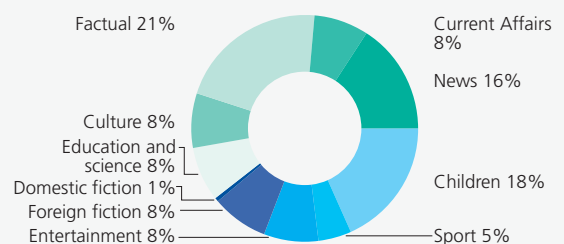
## YLE FST (on YLE TV1 and YLE TV2)

- Output of the Swedish-language YLE FST is shown on analogue channels with Finnish subtitles.

		Change from 2002
Broadcast hours per year	961	+2.2%
Broadcast hours per day	2.63	+2.2%
Total costs EUR million	23.7	+7.9%
Average price of broadcast hour EUR	24 600	+5.6%
Daily reach*)	19.2%	+1.6% -points
Daily viewing	3 min	+6.7%

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

YLE FST programme output in 2003



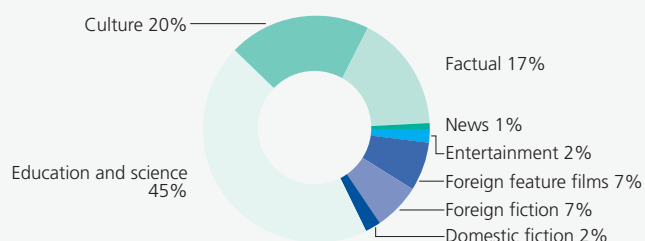


## YLE Teema

- The digital channel specialising in culture, science and learning. Programming comprises recordings of the performing arts, classical music, science and history documentaries, films and theme broadcasts.

		Change from 2002
Broadcast hours per year	2 527	+ 5.4%
Broadcast hours per day	6.9	+ 5.4%
Total costs EUR million	10.0	+16.3%
Average price of broadcast hour EUR	4 000	+11.1%

## YLE Teema programme output in 2003



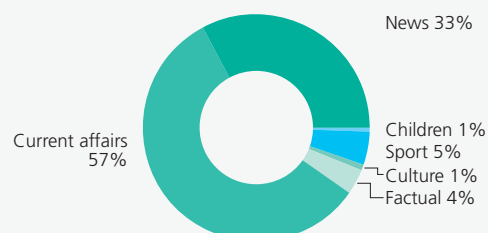
## YLE24

- The digital television channel for news, current affairs and events coverage and for live sports broadcasts, which brings news in real time and round the clock to television and also to, e.g., the internet and mobile receivers.

		Change from 2002
Broadcast hours per year*)	4 131	+12.5%
Broadcast hours per day	11.3	+12.5%
Total costs EUR million	23.3	+33.2%
Average price of broadcast hour EUR	5 600	+16.7%

\*) incl. 1333 hours of simulcast broadcasts (992 hours in 2002).

## YLE24 programme output in 2003



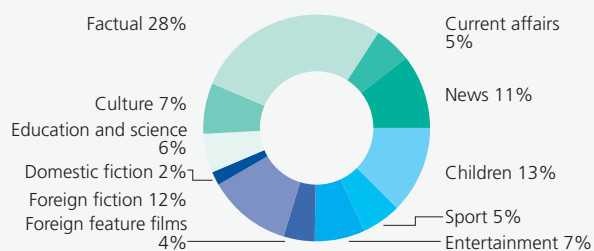
## YLE FST-D

- The digital, Swedish-language full-service channel broadcasting news, factual and children's programmes as well as entertainment. The emphasis in acquisition programming is on Nordic films, series and serials and co-productions.

		Change from 2002
Broadcast hours per year*)	1 962	-6.7%
Broadcast hours per day	5.4	-6.7%
Total costs EUR million	10	-17.8%
Average price of broadcast hour EUR	10 600	-10.1%

\*) incl. 1015 hours of simulcast broadcasts.

## YLE FST-D programme output in 2003



## YLE Teletext

- News, sport and programme information round the clock on both analogue and digital television. Also theme pages on, e.g., the weather, transport and traffic, work, leisure as well as subtitling for the hard-of-hearing.

## TV Finland

- The digital satellite channel showing a selection of YLE and MTV3 programmes in Europe.

## Total hours of analogue and digital television broadcasts

		Change from 2002
Broadcast hours per year	19 436	+2.9%
(incl. 2348 hours of simulcast broadcasts)		
New domestic broadcast hours	5 414	+2.7%
Level of domestic content	60%	-2% -points
Level of European content	87%	+1% -point
Share of independent programme producers*)	18%	+1% -point

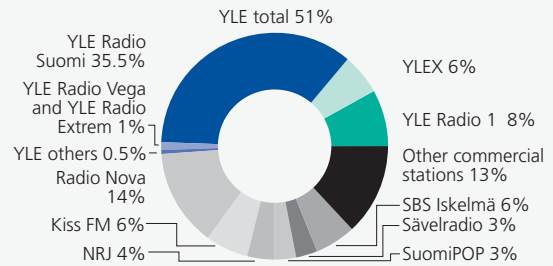
\*) new domestic programmes, excl. news and sport.

# YLE radio

Profiles and key figures for radio channels 2003

**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 week. **Daily listening time** refers to the average listening time of the reached audience.

## Share of daily listening (%) in 2003

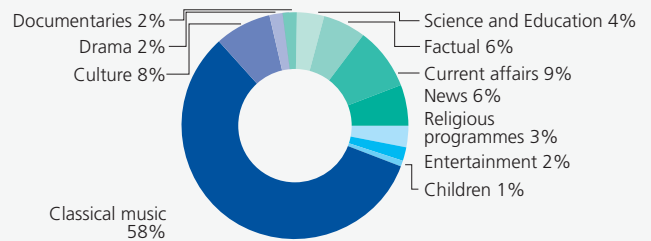


## YLE Radio 1

- Culture, in-depth current affairs and other talk programmes. Musical fare ranging from classical and ecclesiastical to jazz and world music. The channel carries the concerts of the Finnish Radio Symphony Orchestra.

	2003	Change from 2002
Share of music	56%	-4% -points
-domestic	20%	+1% -point
Channel costs EUR million	29.9	6.5%
Price of broadcast hour EUR	3 419	6.5%
Reach	12%	+1% -point
Average number of listeners per day	512 000	+4.7%
Daily listening time	2 h 22 min	+4.4%

## YLE Radio 1 programme output in 2003

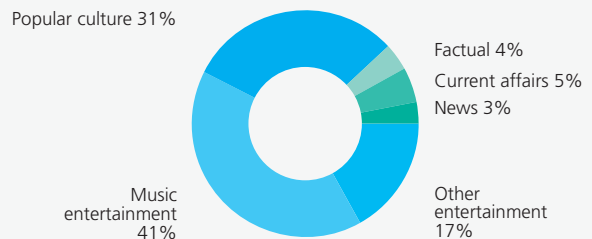


## YLEX

- New domestic and foreign pop and rock, popular culture and special music programmes. A multimedia channel with fast-paced programme flow and radio personalities.

	2003	Change from 2002
Channel loans per day	6 h	
Share of music	63%	-6% -points
-domestic	38%	+9% -points
Channels costs EUR million	12.3	-11.9%
Price of broadcast hour EUR	1 399	-11.9%
Reach	9%	-
Average number of listeners per day	396 000	-1.7%
Daily listening time	2 h 18 min	-

## YLEX programme output in 2003

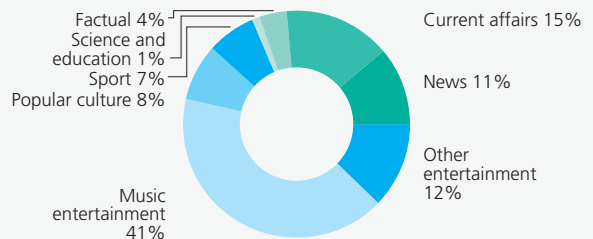


## YLE Radio Suomi

- The national and regional news, service and contact channel whose programming also includes sport and entertainment. Musical fare comprises domestic and foreign hits, adult and nostalgic pop.

	2003	Change from 2002
National total	6 379 h	-4.9%
Regional total (20 regional stations)	50 612 h	13.7%
Share of music	48%	+5% -points
-domestic	54%	-8% -points
Channel costs EUR million	47.6	-3.7%
Price of broadcast hour EUR	835	-13.4%
Reach	32%	-2% -points
Average number of listeners per day	1 433 000	-5.0%
Daily listening time	3 h 44 min	-4.7%

## YLE Radio Suomi programme output in 2003

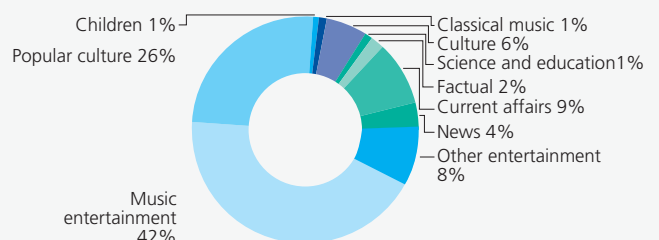


## YLEQ

- Everyday issues, popular culture and politics for young adults. Musical fare comprising new and fairly new pop and rock.  
- Reception area in analogue format Greater Helsinki and environs, in digital format the South of Finland, the channel is also broadcast on digital television.

	2003	Change from 2002
Channel loans per day	7.5 h	
Share of music	63%	-1% -point
-domestic	22%	+12% -points
Channels costs EUR million	5.5	+54%
Price of broadcast hour EUR	623	+54%
Reach	2%	+1% -point
Average number of listeners per day	18 000	+12%
Daily listening time	2 h 27 min	+20%

## YLEQ programme output in 2003

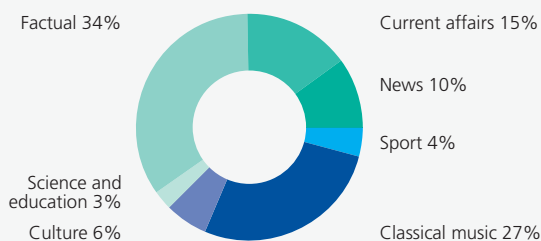


### YLE Radio Peili

- The digital news and current affairs channel, which presents talk programmes from YLE's other radio and television channels, and classical jazz. YLE Parliament is available as a supplementary service.
- YLE Radio Peili is also broadcast on digital television.

		Change from 2002
Share of music	25%	+1% -point
-domestic	0.2	
Channel costs EUR million	1.1	-42%
Price of broadcast hour EUR	122	-42%

### YLE Radio Peili programme output in 2003

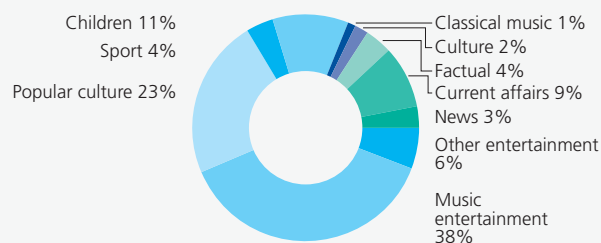


### YLE Radio Extrem

- The Swedish-language channel for current debate and popular culture, broadcasting news, children's programmes and sport. New pop and rock and special music programmes

		Change from 2002
Channel loans per day	6 h	+2
Share of music	61%	-
-domestic	12%	+3% -points
Channel costs EUR million	7.8	-10%
Price of broadcast hour EUR	892	-10%
Reach (of Swedish-language population)	19%	-
Average number of listeners per day	38 000	-3%
Daily listening time	49 min	-11%

### YLE Radio Extrem programme output in 2003

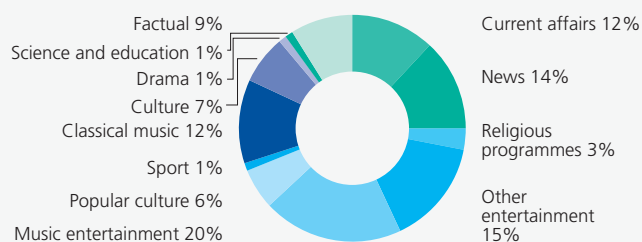


### YLE Radio Vega

- The Swedish-language news and current affairs channel, also offering culture and regional programmes. The channel plays adult pop, jazz and classical music.

		Change from 2002
Channel loans per day	6 h	+1
Share of music	41%	-2% -points
-domestic	21%	+2% -points
Channel costs EUR million	15.5	-1%
Price of broadcast hour EUR	1 260	-3%
Reach (of Swedish-language population)	41	-1% -point
Average number of listeners per day	84 000	-
Daily listening time	2 h 34 min	+3%

### YLE Radio Vega programme output in 2003



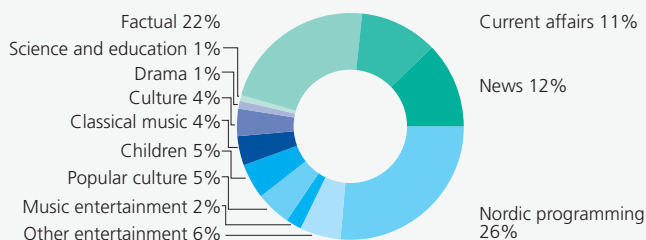
### YLE FSR+

- Digital supplementary service\*) offers talk programmes from YLE Radio Vega and YLE Radio Extrem and Nordic news, current affairs and cultural programmes.
- The service is also broadcast on digital television.

Channel loans per day	6 h
Share of music	18%
-domestic	5%
Channel costs EUR million	149 000
Price of broadcast hour EUR	17

\*) Supplementary service broadcasts (24 hours per day) started in January 2003.

### YLE FSR+ programme output in 2003



### Other programming

	Broadcast hours per day	Costs EUR million	Costs per hour EUR
Sámi radio	2 096	1.7	821
Educational channels	10 990	0.8	81
External service	40 836	5.2	128
Capital FM	8 760	incl. in external service's costs	
YLE World (DAB)	8 760	incl. in external service's costs	
YLE Mondo (DAB)	8 760	incl. in external service's costs	
YLE Classic (DAB)	8 760	0.1	9
YLE Parliament (digital suppl. service)	70	incl. in Radio Peili's costs	



# YLE regional broadcasts and new services

Web sites provided extra content on e.g. series on the Finnish architecture. |

Regional tv and mobile news are the latest news service from YLE. | YLE Multifoorumi, the fruit of the multi-channel co-operation.



## YLE regional broadcasts

In 2003 YLE regional television news was launched in March in Häme and Uusimaa provinces and, at the beginning of November, in both Eastern and South-eastern Finland. At the end of the year, there were seven local ten-minute television news broadcasts. In Lapland, YLE makes television news in Sámi together with the Swedish and Norwegian broadcasting companies. When the Ostrobothnia news start in the spring of 2004, regional television news will cover the whole of Finland.

Regional programme time on radio has been increased. In connection with the radio reform, YLE Radio Suomi's regional radio channels took on greater responsibility for day-time broadcasts. YLE Sámi Radio in Lapland broadcasts programmes in the Northern, Inari and Koltta dialects of Sámi.

As a consequence of television work, the production methods of the regional radio channels have been reformed to be partly multimedia-based. The objective in news work in the regions is for the same material to be used on radio, tv, the internet and mobile services.

### Broadcasts and regular repeats of regional television news (total of 7 areas)

	2003
New broadcast hours in the regions (YLE TV2)	203 h/year
Repeat broadcasts (YLE24)	222 h/year
Compendium of the week's domestic regional news (YLE TV2)	3 h/year

### Finnish-language regional radio stations (total 20 stations)

		Change from 2002
Average broadcast hours/year	2 381	+16%
Share of music	60%	+7% -points
-domestic	60%	-6% -points

### Swedish-language regional programmes (total 5 stations)

		Change from 2002
Average broadcast hours/year	881	+6%
Share of music	43%	-1% -point
-domestic	13%	+2% points

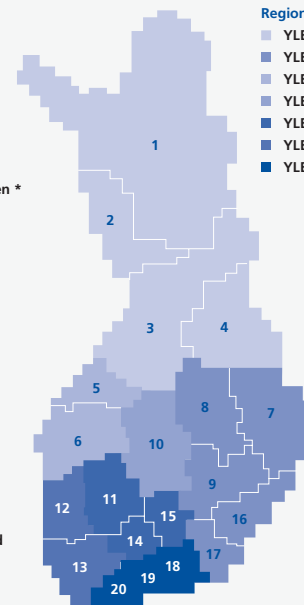
## YLE regional broadcasts

### Regional radio stations

- 1 YLE Lapin Radio
  - 1 YLE Sámi Radio
  - 2 YLE Radio Perämeri
  - 3 YLE Oulu Radio
  - 4 YLE Kainuun Radio
  - 5 YLE Radio Keski-Pohjanmaa
  - 6 YLE Radio Pohjanmaa
  - (5, 6) YLE Radio Vega Österbotten \*
  - 7 YLE Pohjois-Karjalan Radio
  - 8 YLE Radio Savo
  - 9 YLE Etelä-Savon Radio
  - 10 YLE Radio Keski-Suomi
  - 11 YLE Tampereen Radio
  - 12 YLE Satakunnan Radio
  - 13 YLE Turun Radio
  - 13 YLE Radio Vega Åboland
  - 14 YLE Radio Häme
  - 15 YLE Lahden Radio
  - 16 YLE Etelä-Karjalan Radio
  - 17 YLE Kymenlaakson Radio
  - 18 YLE Radio Itä-Uusimaa
  - 18 YLE Radio Vega Östnyland
  - 19 YLE Ylen aikainen
  - 19 YLE Radio Vega Mellannyländ
  - 20 YLE Ylen läntinen
  - 20 YLE Radio Vega Västnyland
- \*(5, 6) deviate from the map

### Regional television news

- YLE Pohjois-Suomen uutiset
- YLE Itä-Suomen uutiset
- YLE Kaakkois-Suomen uutiset
- YLE Keski-Suomen uutiset
- YLE Hämeen uutiset
- YLE Lounais-Suomen uutiset
- YLE Uudenmaan uutiset





## YLE's new services

YLE produces additional and supplementary services relating to television and radio programming. It seeks to guarantee the audience an opportunity to receive programmes in different ways, and so content output is carried not only on the radio and television networks but also on the internet and telecommunications networks.

### The internet

The internet is an increasingly important public service channel for YLE. The net provides an opportunity for participation and interaction: net discussions and the audience's ideas, questions and feedback are already an essential part of many television and radio programmes. The internet is also important because it allows YLE programmes and other information to be received regardless of time and place.

In 2003, YLE's internet services were accessed monthly by 1 009 000 visitors, in 2002 the number of visitors per month was approx. 634 000.

### Mobile devices and services

Output for mobile devices is growing. YLE's mobile services bring,

e.g., the news to the audience in Finland and abroad.

The top stories are sent to subscribers in real time in the form of SMS messages and picture message reviews. Message services are available in Finnish and Swedish and partly in English or, e.g., by region. There are separate services devoted to sport.

The services operate in the subscriptions of all domestic operators. They can also be accessed on WAP telephones from net pages adapted for mobile devices.

### Supplementary digital television services

Digital television's supplementary services complement YLE programme output.

Digital teletext launched in November 2003 is the focal point of the services, containing various content entities according to both programme area and channel.

Supplementary service applications have also been produced for different programmes.

YLE's digital television supplementary services operate on all the MHP receivers on the market.

[www.yle.fi](http://www.yle.fi)

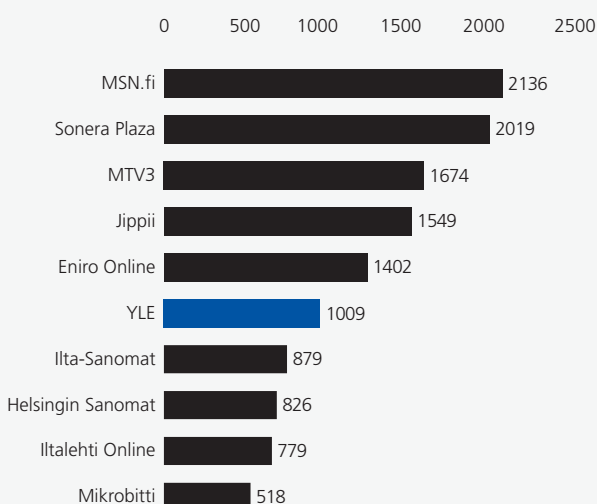
[svenska.yle.fi](http://svenska.yle.fi)

- Comprehensive news, sports and weather services, and portal entities on different themes.
- From the main page to, e.g., radio and television news broadcasts, programme information and access to all YLE net services.

[www.yle.fi/mobiiliuutiset](http://www.yle.fi/mobiiliuutiset)

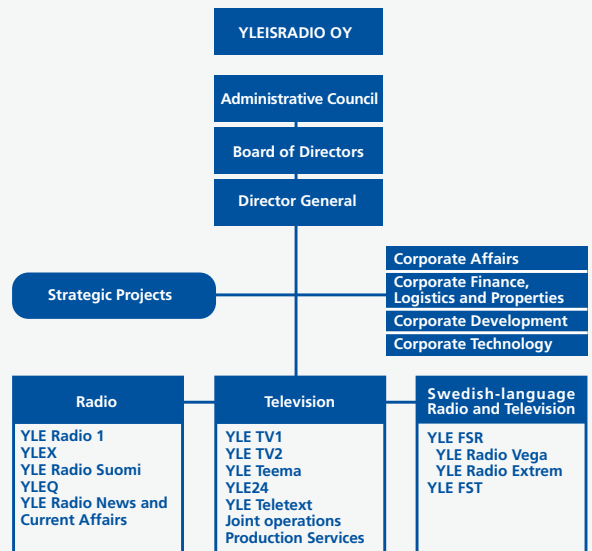
[www.yle.fi/mobil](http://www.yle.fi/mobil)

Visitors to the media companies' websites (1,000s) per month in 2003



Source: RedSheriff, TSN Gallup

# YLE administration



Yleisradio Oy's administrative organs are, in accordance with the Act on Yleisradio Oy, the Administrative Council, the 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;
- 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 YLE 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 the Exercise of Freedom of Expression in Mass Media.

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

## Members of the Administrative Council 1.1.-31.3.2003

Mr Markku Laukkanen, MP (Centre Party), Chairman | Mr Antti Kalliomäki, MP (Social Democratic Party), Deputy Chairman | Mr Claes Andersson, Psychiatrist (Left Alliance) | Ms Pirjo-Riitta Antvuori, MP (National Coalition Party) | 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 (Christian Democrats) | 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 Administrative Council from 1.4.2003

Mr Markku Laukkanen, MP (Centre Party), Chairman | Mr Jouni Backman, MP (Social Democratic Party), Deputy Chairman | Mr Mikko Alatalo, MP (Centre Party) | Ms Maria Kaisa Aula, Lic.Pol. Sc. (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 (Christian Democrats) | Ms Marjukka Karttunen, MP (National Coalition Party) | Mr Jyrki Katainen, MP (National Coalition Party) | Ms Irina Krohn, MP (Green League) | Ms Annika Lapintie, MP (Left Alliance) | Mr Mika Lintilä, MP (Centre Party) | Ms Riikka Moilanen-Savolainen, MP (Centre Party) | Mr Reino Ojala, MP (Social Democratic Party) | Mr Kalevi Olin, MP (Social Democratic Party) | Ms Mirja Ryyänen, M.A. (Centre Party) | Mr Kimmo Sasi, MP (National Coalition Party) | Mr Berth Sundström, Party Secretary (Swedish People's Party) | Mr Esko-Juhani Tennilä, MP (Left Alliance) | Ms Marja Tiura, MP (National Coalition Party) | Ms Pia Viitanen, MP (Social Democratic 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 Heinen, Director of Television | Ms Ann Sandelin, Director of Swedish-language Radio and Television | Personnel Representative Ms Eeva Vuortama, Producer

## Other Management

**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 **Radio** | Mr Seppo Härkönen, Director of Radio, Deputy Director General | Mr Heikki Peltonen, Director of Programming | Mr Olli Alho, Director of Programmes YLE Radio 1 | Mr Ville Vilén, Director of Programmes YLEX | Mr Reijo Perälä, Director of Programmes YLE Radio Suomi | Ms Hanna Lähteenmäki, Director of Programmes YLEQ | Mr Kari Mänty, Director of Programmes YLE Radio News and Current Affairs **Television** | Mr Olli-Pekka Heinonen, Director of Television | Mr Heikki Seppälä, Director of Programming | Mr Ismo Silvo, Director of Programmes YLE TV1 and YLE Teema | Ms Päivi Kärkkäinen, Director of Programmes YLE TV2 | Mr Ari Järvinen, Director of Programmes, YLE24, TV News and Current Affairs | Mr Jorma Hatakko, Director of TV Production **Swedish-language Radio (FSR) and Television (FST)** | Ms Ann Sandelin, Director of Swedish-language Radio and Television | Ms Annikka Nyberg Frankenhaeuser, Director of Programmes FSR | Ms Gunilla Ohls, Director of Programmes FST

## 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

# International awards 2003

The Screaming Men



## Barents TV Festival, Tromsø

### Mothers of Life

Best Documentary Film

Direction Markku Lehmuskallio  
and Anastasia Lapsui

Production Giron Filmi, YLE TV2

## Berlin International Film Festival

### Elina

Crystal Bear (youth jury's prize  
for the best feature film),

Special Mention

Direction Klaus Härö

Production Kinoproduction,

Filmlance International/Sweden, YLE FST

## Carrousel International du Film de Rimouski, Québec, Canada

### One Way Ticket to Mombasa

Best Full-length Film, Best Screenplay,

Prix Humanitas, Best Actor's Prize,

Special Mention, CIFEJ Prize

Direction Hannu Tuomainen

Production Cinemaker,

Egmont Entertainment, YLE TV2

## Ecomove Filmfestival, Berlin

### Before the Flood

Ecomove Award

Direction Mika Ronkainen

Production Magic Path Entertainment,

Filmpool Nord, YLE TV1

## Golden Chest TV Festival, Plovdiv, Bulgaria

### Nowhere at Home — The Story of A Child Evacuee

Best Children's and Youth Film,

Youth Jury's Special Prize,

Best Child Actor's Prize

Direction Kirsti Tulonen-Seppänen

Production YLE Teema

## International Documentary Film Festival, Gelendzhik, Russian Federation

### Prague 21.8.1968

First Prize, EPICA Prize

Direction Reijo Nikkilä

Production YLE TV1

## International Education and Multimedia Festival, Karlsruhe-Basel

### Open Story

City of Basel Prize

Direction Tuula Rajavaara,

production YLE Teema

## International Festival of Films for Children, Poznan, Poland

### One Way Ticket to Mombasa

Best Actor's Prize

Direction Hannu Tuomainen

Production Cinemaker,

Egmont Entertainment, YLE TV2

## Elina

Best Cinematography, Best staging,

CIFEJ Prize

Direction Klaus Härö

Production Kinoproduction,

Filmlance International/Sweden, YLE FST

## Ismailia Film Festival, Egypt Invasion

Best Documentary Film

Direction Nizar Hassan

Production Beesan Productions/Palestine,

YLE TV2

## Japan Wildlife Festival, Toyama Village of the Sleeping Beauty

First Prize

Direction Petteri Saario

Production Taiga Films, YLE TV 1

## Laon International Children's Film Festival, France One Way Ticket to Mombasa

Grand Prix, Youth Jury Prize

Direction Hannu Tuomainen

Production Cinemaker, Egmont

Entertainment, YLE TV2

## Marseille International Documentary Film Festival The Screaming Men

Special Mention

Direction Mika Ronkainen

Production Klaffituotannot,

Zentropa Real/Denmark, YLE TV1



## Montreal International Children's Film Festival

**Elina**

First Prize

Direction Klaus Härö

Production Kinoproduction,

Filmlance International/Sweden, YLE FST

## Nordisk Barne-TV Festival, Ebeltoft, Denmark

**Laura**

Child Jury Prize

Direction Kaija Juurikkala

Production Jarowski Draama,

YLE TV1

## Oppåner Å Hitådit

Best Magazine Programme (aged 3-7)

Direction Ann-Catrin Virkama

Production YLE FST

## BUU-Klubben: Christmas Calendar 2002

Website Prize

Design Mårten Seiplax et al.

Production YLE FST

## Nordisk Panorama — 5 Cities Film Festival, Malmö The Screaming Men

The Nordic Documentary Award (divided)

Direction Mika Ronkainen

Production Klaffituotannot,

Zentropa Real/Denmark, YLE TV1

## Family Files

The Nordic Documentary Award (divided)

Direction Mari Soppela

Production Kinoproduction, YLE TV2

## Scattered in the Wind

The Nordic Short Film Award

Direction Raimo O Niemi

Production Mandart Entertainment,

YLE TV2

## Promax & BDA Europe, Cologne

**Screenwriter**

Best Drama Promo

Direction Antti Leino

Production YLE Marketing

## Pärnu Film Festival, Estonia

**Now You're Hamlet**

Grand Prix (The Best Film of the Festival)

Direction Ulrika Bengts

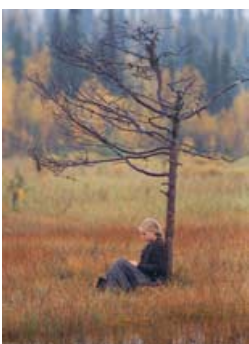
Production Talking Heads, YLE FST

## The Schoolboys Life

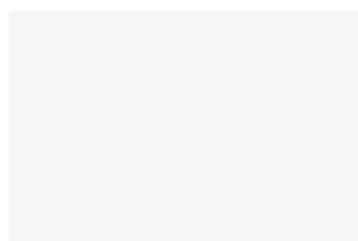
The Best Film for Children

Direction Lasse Naukkarinen

Production Ilokuva, YLE TV1



Elina | Laura



# YLE television

Series of report documentaries Pohjantähden alla | Drama series Pakanamaan kartta |  
Wildlife documentaries: Suuri valkoinen uhka | Drama series Renovation



## YLE TV1

- The news, current affairs and factual journalism channel that also offers drama, cultural, educational and documentary programmes, not to mention satire. The emphasis in acquisition programming is on quality cinema and British production.
- The channel is also broadcast in digital format.

## YLE TV2

- The main channel for children, teenagers and sport, also offering drama and entertainment. The stress in current affairs output is on weekly features, background, Finnish content, regional items and citizens' journalism. Factual programmes also focus on service programming.
- The channel is also broadcast in digital format.

## YLE FST

- The digital, Swedish-language full-service channel broadcasting news, factual and children's programmes as well as entertainment. The emphasis in acquisition programming is on Nordic films, series and serials and co-productions.
- Output in Swedish is shown in analogue format on YLE TV1 and YLE TV2, when the programmes are subtitled in Finnish.

## YLE24

- The digital television channel for news, current affairs and events coverage and for live sports broadcasts, which brings news in real time and round the clock to television and also to, e.g., the internet and mobile receivers.

## YLE Teema

- The digital channel specialising in culture, science and learning. Programming comprises recordings of the performing arts, classical music, science and history documentaries, films and theme broadcasts.

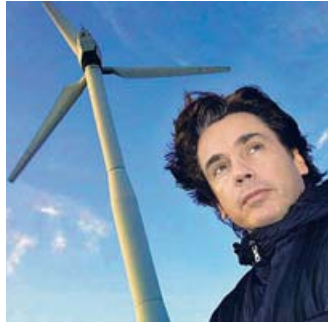
## YLE Teletext

- News, sport and programme information round the clock on both traditional and digital television. Also theme pages on, e.g., the weather, transport and traffic, work, leisure as well as subtitling for the hard-of-hearing.

## TV Finland

- The digital satellite channel of YLE and MTV3 programmes in Europe.





# YLE radio

YLE programmes: Prisma documentaries: Sään armoilla | Music entertainment: Sinun tähtesi - Jarre | Tosi tarina documentaries: Pilkkuja meren peilissä | Entertainment on YLE TV2: Jos sais kerran | Science documentary: Auringon armoilla | British humour: Smack the Pony



## YLE Radio 1

- Culture, in-depth current affairs and other talk programmes. Musical fare ranging from classical and ecclesiastical to jazz and world music. The channel carries the concerts of the Finnish Radio Symphony Orchestra.

## YLEX

- New domestic and foreign pop and rock, popular culture and special music programmes. A multimedia channel with fast-paced programme flow and radio personalities.

## YLE Radio Suomi

- The national and regional news, service and contact channel whose programming also includes sport and entertainment. Musical fare comprises domestic and foreign hits, adult and nostalgic pop.

## YLEQ

- Everyday issues, popular culture and politics for young adults. Musical fare comprising new and fairly new pop and rock.

- Reception area in analogue format Greater Helsinki and environs, in digital format the South of Finland, the channel is also broadcast on digital television.

## YLE Radio Vega

- The Swedish-language news and current affairs channel, also offering culture and regional programmes. The channel plays adult pop, jazz and classical music.

## YLE Radio Extrem

- The Swedish-language channel for current debate and popular culture, broadcasting news, children's programmes and sport. New pop and rock and special music programmes.

## YLE Radio Peili

- The digital news and current affairs channel, which presents talk programmes from YLE's other radio and television channels, and classical jazz. YLE Parliament is available as a supplementary service. YLE Radio Peili is also broadcast on digital television.

## YLE FSR+

- DAB supplementary service offers during the day talk programmes from YLE Radio Vega and YLE Radio Extrem and Nordic news, current affairs and cultural programmes. The service is also broadcast on digital television.

## Special services

**YLE Radio Finland** takes the channels' core output in Finnish and Swedish to the four corners of the globe.

**Capital FM** is the radio channel in world languages in Greater Helsinki.

**YLE World** and **YLE Mondo** are digital supplementary services in English and other principal languages.

**YLE Classic** is a round-the-clock digital supplementary service of classical music that is also broadcast on digital television.

**FSR Mixkanalen** can be heard outside Finland's Swedish-speaking areas and its programming is based mainly on YLE Radio Vega output and in the evenings on YLE Radio Extrem programmes.

**YLE Multifoorumi** is an internet and radio service featuring the distance upper secondary school and Mikaeli net radio.





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YLE Corporate Communications

March 2004

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# FINANCIAL STATEMENTS

# 03

One Word. A Thousand Stories.





# Report of the Board of Directors

## 1. Summary

- YLE continued the sustained development of its operation in 2003. Programming lies increasingly clearly at the core of planning and decision-making in the management of the company. It forms the basis for examining structures, production processes and the audience relationship.
- Planning and management challenges have grown as a consequence of the retirement of personnel. In the next couple of years, almost 350 employees will be retiring from YLE and, by 2009, up to 800. Recruitment will have to be able to secure competence that meets the objectives of the programme operation.
- YLE's financial management is based on a plan approved by the Administrative Council, in accordance with which company finances are to be balanced by 2008. The financial plan has included revenue from the sale of the subsidiary Digita Oy's shares and a proposed increase in the television fee. In July, Telediffusion de France (TDF) finally exercised its option and 41% of Digita Oy's shares were sold to TDF's subsidiary TDFNordic Oy. TDF now owns 90% of Digita. For its part, the Finnish Government decided to increase the television fee by 13%, from the beginning of 2004.
- At the end of 2003, a working group set up by the Ministry of Transport and Communications proposed that the analogue television channels be closed down at the end of August 2007. The decision on the date will clarify the programme operation and financial planning over the next few years. In recent years, YLE has developed its channel and service output and is amply prepared for switching to digital television broadcasts.
- The construction of the digital distribution network has

made progress. In 2003, new decisions on investments in enlarging the network were made. In August 2004, up to 94% of Finns will fall within the scope of digital broadcasts. In the summer of 2005, practically all Finns will be able to receive digital television output.

## 2. The operating environment

On 22nd May 2003, the Ministry of Transport and Communications set up a parliamentary working group headed by Seppo Niemelä. One of the tasks of the working group has been to speed up digital television broadcasting. Its interim report in December proposed that the analogue channels be closed on 31st August 2007. It is the Government that will decide on closure. Niemelä's working group is also considering YLE funding and the definition of public service in an operating environment evolving in the wake of digitalisation. It is also assessing whether YLE's administration model needs to be altered. The deadline for the working group is at the end of September 2004.

The second phase of the overall reform of media legislation entered into effect in July 2003. The amendments implemented new EU directives on the electronic media. Telecoms companies operating in the cable television network still have a must carry obligation, i.e., they have to carry YLE programming and peripheral and supplementary services free of charge. Another change directly affecting the company brought about by the law is an increase in reporting. Two new reports on YLE's operation are given annually for the purposes of assessing public service tasks. The Administrative Council gives Parliament a report on the content of the operation, and the company gives the Finnish Communications Regulatory Authority a report on the legality of public service. The Authority then gives its statement



on this report to the Government.

Other legal matters affecting YLE that were prepared during the year were the Act on the Exercise of Freedom of Expression in Mass Media and the reform of the EU Constitution. The new Act on the Exercise of the Freedom of Expression in Mass Media entered into force at the start of 2004. It regulates exercise of freedom of expression protected by the Constitution and replaces the Freedom of the Press Act and the Broadcasting Liability Act. The Act on the Exercise of Freedom of Expression in Mass Media applies to all mass media irrespective of the medium or technology and also covers web publications. The new Act imposed upon television, radio and web publications a duty to publish a reply or correction. As part of the reform of the EU Constitution, the Amsterdam Protocol on the position of public broadcasting was attached as such to the new Act.

In March 2003, four companies obtained digital television programming licences for specialist and regional channels. One of these was Canal+ Finland, which obtained licences for three pay film channels. In February, operating licences were granted for the five radio frequencies vacant in the South of Finland.

The commercial operators' television advertising revenue has an impact on YLE's operating licence fee revenue. Television advertising grew by 3%, almost the same as in 2002. Channel Four increased its advertising revenue, whilst MTV3's advertising fell slightly. The radio channels increased their advertising revenue by 8.3%, i.e., still clearly more effectively than the other media.

## 3. Company development

### 3.1 Programme operations

Planning and evaluation of programme operations and related reporting to the owner were developed. In 2003, work continued on the areas of responsibility of heads of department in line with Administrative Council strategies.

Public service programming is the purpose of YLE's existence and activity, and can be examined both externally (audience relationship) and internally (company procedures and structures). YLE's entire output can be divided into four areas:

- News and current affairs programming
- Factual programming
- Cultural programming
- Entertainment programming

These categories make it possible to examine meaningfully

the distribution of output and of programme time, and the allocation of resources. The division of programming into four categories is also followed in reporting.

The administrative reform of departmental [production] work has continued. In Television, most of the changes were carried out in 2001. In Radio, competence centres were adopted at the start of 2003, and the organisation in the Swedish-language department was reformed in the summer and autumn. Svenska YLE is the company's first entirely multimedia department, in operation since the beginning of 2004. Swedish-language Radio and Television has been integrated according to programme area: production in different media and also resources are treated as a single entity.

### 3.2 Research and development

Understanding and respect for audiences is one of the values steering the company's operation. Audience research studied YLE's audience relationship broadly, both quantitatively and qualitatively, focusing on the radio reform and digital television reception. The significance to the audience of news and current affairs programmes was examined in particular.

The new YLE Programme Development unit [department] started up at the beginning of May. The focus in the piloting of programmes was on developing interactivity, multimedia content and the audience's opportunities for participation.

### 3.3 Technology and investments

YLE's and TietoEnator's joint enterprise TEBIT (TietoEnator Broadcasting IT Oy) started up at the beginning of 2003. The development of new models both for mutual collaboration and for YLE's own IT activity has consumed resources during the first year. In 2003, YLE Technology also underwent an extensive internal reorganisation.

In Television, the biggest technical projects were the transfer of weekly production to production based on workstations and servers, and also the renewal of the switching centre. The digitalisation of radio production systems was completed and the harmonisation of the CAR systems commenced. Use of the grounds at Pasila continued to be rendered more effective and operations continued to be concentrated as planned with the refurbishment of the old Viihdetalo (nowadays Pikku Paja). A total of 27 million euros was spent on investments.

### 3.4 Support operations

Support operations continued to be rendered more effec-

tive. The objective is for a maximum of 20% of the company's resources to be tied up in support operations. The focuses of the year were on establishing the IT joint enterprise TEBIT, harmonising financial and personnel processes and on renewing administrative organisations. At the close of 2003, 22.6% of the company's permanent staff were in support operations, compared to 29% at the start of 2000.

### 3.5 Group structure

The YLE group structure was dissolved when TDF bought shares in YLE subsidiary Digita Oy so that TDF now owns 90% of Digita. YLE's Administrative Council can make a decision on selling the 10% share owned by YLE by January 2005, when the price of the remaining shares will be the same as the price per share in earlier sales plus annual interest at 6%.

## 4. Radio

In 2003, radio reached just as many listeners each week as it did in the previous year. Total listening time was three hours 26 minutes, a decline of eleven minutes. YLE reached in a week an average of 67% of Finns – one percentage point fewer than in the previous year. Its daily listening share remained at 51%.

The strategy update of YLE Radio was carried out in January 2003. The reform repositioned YLE radio's service entities confirmed by the Administrative Council in June 2002. The reform was aimed in particular at increasing the supply of current and in-depth information, and at developing regional presence and the service for young audiences.

YLE Radio 1 is the channel for culture and in-depth current affairs programmes, serving the adult population that is in tune with the times and broadly interested in topical phenomena. The main changes compared to Ylen Ykkönen were an increase in current affairs broadcasts and a slight reduction in classical music programming. YLEX is a multimedia youth channel with a broad mix of new music and popular culture. YLE Radio Suomi continues as the round-the-clock news and current affairs channel, with an emphasis on regionality, domestic light music and sport. Regional broadcast hours increased considerably on YLE Radio Suomi. The digital service for the young adult population, which is also broadcast in analogue format in Greater Helsinki, was reformed as channel YLEQ. Other YLE radio services were run in the same way as in 2002.

Procedures were also reformed in connection with the radio reform. Departments and competence centres serving

several channels are chiefly responsible for producing the programmes. The channels are responsible for developing the audience relationship and distribution in accordance with their mandates.

In the autumn of 2003, an assessment of the radio reform began, in order to determine how it had affected public service, the audience relationship and procedures. According to the outside assessment, the strategy update had had no significant impact on the audience relationship and programming structures. YLE's share of radio listening was established and the decline in reach had slowed down. According to the assessment, the new procedure needs to be developed.

Regional television news was extended in 2003. In the spring, news broadcasting was launched in Häme and Uusimaa, and, at the beginning of November, Finns in the East and South-East of Finland also got their own broadcasts. Regional television news has previously been broadcast in Southwest, Central and Northern Finland.

As part of the reform of Swedish-language Radio, YLE Radio Extrem is being given a younger profile and look. The channel is also responsible for all output in Swedish targeted at young people on radio, television and the internet.

## 5. Television

In 2003, YLE accounted for 43.8% of total television viewing, 1.5 percentage points less than in the previous year. The change is explained by the fact that there was less events sport output than in 2002. YLE still reaches Finnish television viewers well, an average of over three million viewers a day. Audience satisfaction with YLE television programming was also high. Almost 80% of the audience was at least fairly satisfied with YLE television output. Total television viewing continued to rise, by one per cent, and now averaged two hours 53 minutes a day.

In 2003, YLE broadcast television programming on five different channels. The basic channels in both analogue and digital format – YLE TV1 and YLE TV2 – provide wide-ranging public service programming. Of the digital channels, YLE24 focuses on a multimedia news and current affairs service and YLE Teema on education, culture and science. Swedish-speakers are provided not only with YLE TV1 and YLE TV2 but also with programming on their own digital YLE FST channel. In 2003, output on YLE24 grew the most, and YLE TV2 and YLE Teema also increased their output slightly.

Domestic programming accounted for 60% of YLE's total television output, and the level of European content

remained at 86%. The share of programming purchased by YLE from independent producers rose by one percentage point to 18% and output of domestic first broadcasts grew by 141 hours from 2002. Domestic programming accounted for 63% of YLE's television output in Swedish.

## 6. New services

New YLE services include internet and mobile services and supplementary services on digital television. Use of the internet continued to rise by more than 50% in 2003. The YLE site averaged 335,000 different visitors a week. Numbers peaked in March before the Parliamentary Elections, when use of the election machine took the number of weekly visitors to over 450,000

In 2003, YLE extended its range of mobile services. YLE24 news was supplied in stream video for mobile devices. In the spring, YLE's news message services became available to the customers of all the main domestic operators. New separate mobile services were developed for the World Ice Hockey Championships. In November 2003, an updated and more diverse digital teletext service was opened. YLE offers Parliamentary Facts, News Tickers and game services on digital television as supplementary services.

## 7. Personnel

At the end of 2003, YLE had a total of 3,586 permanent employees, i.e., 133 (3.6%) fewer than a year earlier. In addition, monthly or hourly paid employees on fixed-term contracts accounted for 782 man-years, a growth of approx. 8.8%. Total manpower fell by 4 %, when freelance contracts are also included in the analysis.

The focus in individual [personnel] management was on harmonising development discussion practices. The objective was for value- and competence-based development discussions to be held with each employee in 2003, but this was not quite achieved. The organisational reforms and, in places, excessively large number of direct subordinates meant that the number of development discussions which took place remained at approx. 80%.

For the first time, the company sought people interested in future managerial jobs through an open [a public] application procedure. Thirteen candidates were chosen from among the applicants to take the Specialist Qualification in Management.

A separate personnel report describes YLE's personnel structure in greater detail.

## 8. Investments and finance

### 8.1 Turnover and other business revenue

Turnover totalled EUR 330 million, 3.1% less than in the previous year. At the end of the year, there were 2,016,753 television fees, 5,447 more than in the previous year.

Operating licence fees were EUR 11.8 million lower than in the preceding year. This was due to the impact of the halving of operating licence fees implemented on 1st July 2002 being felt in full. Television advertising affecting operating licence fees rose by 3% from the previous year.

Other business revenue rose by EUR 0.9 million.

### 8.2 Operating profit and expenditure

The company posted a loss of EUR 71.1 million, or EUR 10.5 million less than in the previous year.

Costs for the financial period totalled EUR 412.3 million, a decline of EUR 20.1 million from the previous year. Costs included write-offs of fixed assets totalling EUR 2.3 million. EUR 15.1 million of the reductions were due to lower personnel costs. This latter was caused by a 4% drop in manpower use and a decline in Pension Fund contributions.

### 8.3. Extraordinary items

Extraordinary items comprised profit from the sale of Digita Oy shares when Télédiffusion de France exercised its option and purchased 41% of Digita's shares.

### 8.4 Result for the financial year

The company's profit for the financial year came to EUR 52.8 million.

### 8.5 Investments

During the 2003 financial year, a total of EUR 27.1 million was invested in fixed assets, EUR 2.4 million more than in the previous year.

### 8.6 Financing

The company's liquid assets at the end of the year totalled EUR 100.4 million, EUR 3.4 million less than in the previous year.

## 9. Future prospects

With the digitalisation of distribution, the quantity of programmings has grown and new peripheral and supplementary services have been developed. Yet the bulk of television viewing and radio listening in the next few years will still centre on the basic channels. We are enhancing



their programmings to complement each other better and to function within YLE output as a whole.

The quantity of YLE television programmes will probably not rise after the analogue channels are closed down. Planning in the years to come will thereby focus on programming and contents. Radio broadcasting will be planned on the basis of four national channels. No decisions on expansion of digital distribution are expected in the near future. Development based on an assessment of the radio strategy update will be carried out in the department in 2004.

YLE aims to continue to be able to provide its audiences with diverse and significant programmes. Technical advances mean that the opportunities for receiving programmes and services are diversifying. We are developing internal procedures in order to put the efficacy created by the new technology in production processes to broad use and harmonise the systems. We are improving production processes and procedures to meet the needs of programme work so that content expertise and production technology expertise are both taken into account.

We are also stepping up our efficacy in other respects, and creating new procedures, sometimes in collaboration with partners. By exploiting pension wastage in sup-

port operations, we will be able to renew personnel and competence structures and thereby meet the needs of the programme operation. We are continuing to streamline support operations and processes, and develop internally harmonious procedures.

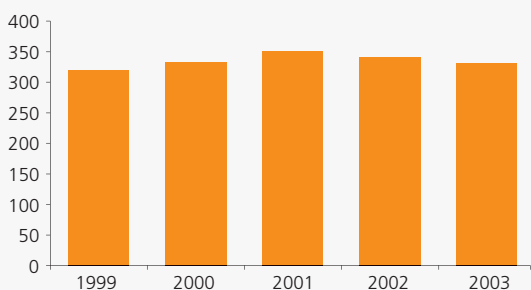
We are developing our operation so that we can also keep a tight rein on our finances when analogue broadcasting is completely superseded by digital broadcasting. This may entail separate decisions on the level of investment as part of annual planning.

## 10. YLE Board of Directors

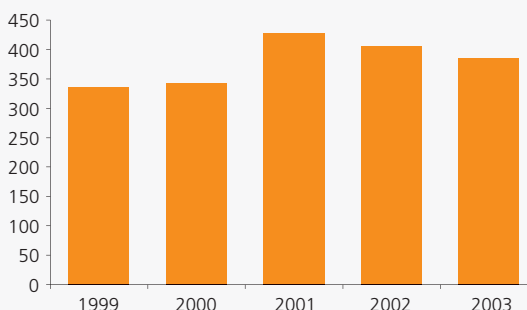
During the period, YLE Board of Directors has comprised Mr Arne Wessberg, Director General (Chairman), Mr Seppo Härkönen, Director of Radio, Mr Olli-Pekka Heinonen, Director of Television, Ms Ann Sandelin, Director of Swedish-language Radio and Television, and Ms Eeva Vuortama, representing personnel.

The Administrative Council appointed Mr Arne Wessberg, Mr Seppo Härkönen, Mr Olli-Pekka Heinonen and Ms Ann Sandelin to the company's Board of Directors for 2004. Mr Raino Hurme represents personnel on the Board of Directors.

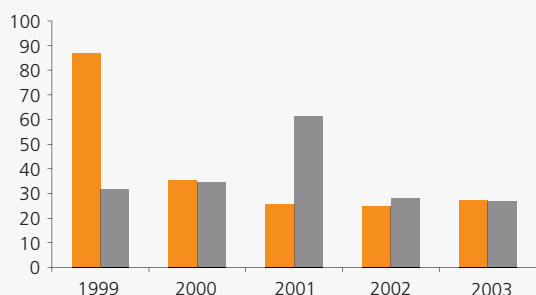
Turnover (EUR million)



Expenditure (EUR million)



Investments and depreciation (EUR million)



## KEY FIGURES (EUR million)

	2003	2002	2001	2000	1999
<b>EXTENT OF OPERATION</b>					
Turnover	330.0	340.5	350.9	332.2	318.4
% change	-3.1	-3.0	5.6	4.3	-4.9
Other business revenue	11.2	10.3	13.6	13.7	12.6
% change	8.7	-24.3	-0.7	8.7	-14.9
Balance sheet total	457.6	482.1	545.5	526.5	544.1
Gross investments	27.1	24.8	25.7	35.4	86.6
% of income	8.2	7.3	7.3	10.7	27.2
Personnel	4 066	4 245	4 291	4 387	4 356
<b>PROFITABILITY</b>					
Profit/loss	-71.1	-81.6	-124.1	-31.9	-35.9
Profit/loss before extraordinary items	-59.8	-84.3	-117.0	-23.9	-27.8
Profit/loss for financial year	52.8	-84.3	-4.4	-23.9	36.9
<b>SOURCES OF FUNDS AND FINANCIAL POSITION</b>					
Quick ratio	0.8	0.5	0.9	0.5	0.6
Equity/Assets ratio %	55.3	41.6	52.2	54.9	57.5
Borrowed capital with interest	72.0	146.0	117.8	100.4	101.2

Personnel= Number of employees on time-wages during the financial year in man-years.

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

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

## PROFIT AND LOSS ACCOUNT

	Note	1.1.-31.12.2003	1.1.-31.12.2002
		EUR 1000	EUR 1000
TURNOVER		330 017.1	340 523.8
Other business income		11 181.5	10 310.4
Personnel costs	(1)	191 145.5	206 278.2
Depreciations and reductions in value (write-offs)	(2)		
Planned depreciation		24 467.3	28 021.5
Reductions in value (write-offs)		2 286.0	0.0
Performance fees		71 405.1	76 928.7
Other business costs		122 972.6	121 204.1
<b>OPERATING PROFIT/LOSS</b>		<b>-71 077.9</b>	<b>-81 598.4</b>
Financial income and expenses	(3)	11 244.4	-2 731.3
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>		<b>-59 833.5</b>	<b>-84 329.7</b>
Extraordinary items	(4)	112 625.4	0.0
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>		<b>52 791.9</b>	<b>-84 329.7</b>

# BALANCE SHEET

	Note	1.1.-31.12.2003	1.1.-31.12.2002
ASSETS		EUR 1000	EUR 1000
<b>FIXED ASSETS</b>			
Intangible assets	(5)	9 553.8	8 160.8
Tangible assets	(6)	157 120.0	162 740.7
Investments			
Other stocks and shares	(7)	6 528.0	27 472.2
<b>FIXED ASSETS TOTAL</b>		<b>173 201.8</b>	<b>198 373.7</b>
<b>CURRENT ASSETS</b>			
Long-term receivables	(8)	95 773.3	120 856.3
Short-term receivables	(9)	88 234.3	59 033.4
Liquid assets securities	(10)	96 596.8	102 087.3
Cash at bank and in hand		3 765.4	1 707.5
<b>CURRENT ASSETS SUM TOTAL</b>		<b>284 369.8</b>	<b>283 684.5</b>
<b>ASSETS SUM TOTAL</b>		<b>457 571.6</b>	<b>482 058.2</b>
<b>LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY (11)</b>			
Share capital		8 000.0	8 000.0
Reserve fund		9 974.9	9 974.9
Other funds		12 747.7	12 747.7
Retained earnings		169 679.9	254 009.6
Profit/loss for the financial year		52 791.9	-84 329.7
<b>CAPITAL AND RESERVES SUM TOTAL</b>		<b>253 194.4</b>	<b>200 402.5</b>
<b>OBLIGATORY PROVISIONS (12)</b>		<b>7 124.5</b>	<b>7 414.4</b>
<b>CREDITORS</b>			
Non-current liabilities	(13)	71 984.4	71 984.4
Current liabilities	(14)	125 268.2	202 256.8
<b>CREDITORS SUM TOTAL</b>		<b>197 252.6</b>	<b>274 241.2</b>
<b>LIABILITIES SUM TOTAL</b>		<b>457 571.6</b>	<b>482 058.2</b>



## SOURCE AND APPLICATION OF FUNDS

	1.1.-31.12.2003	1.1.-31.12.2002
	EUR 1000	EUR 1000
<b>Business cash flow:</b>		
Payment from sales	330 672.9	344 678.2
Payments from other business revenue	11 208.9	11 602.9
Payments of business costs	-393 975.9	-409 720.1
Business cash flow before financial items	-52 094.2	-53 439.0
Interest paid	-4 768.0	-5 164.6
Interest from business operation	4 231.9	5 685.0
Cash flow before extraordinary items	-536.1	520.4
<b>Business cash flow (A)</b>	<b>-52 630.3</b>	<b>-52 918.6</b>
<b>Investment cash flow:</b>		
Investments in tangible and intangible assets	-27 108.6	-24 802.6
Income from disposal of tangible and intangible assets	5 208.3	59.0
Transfer income from other investments	3 363.8	0.0
Repayment of loans receivable	175.0	15.0
Subsidiary shares sold	133 312.6	0.0
Interest from investments	7 850.3	7 850.3
Dividend from investments	15.3	12.9
<b>Investment cash flow (B)</b>	<b>122 816.6</b>	<b>-16 865.4</b>
<b>Cash flow for financing:</b>		
Raising of short-term loans	0.0	28 197.9
Repayment of short-term loans	-74 057.4	0.0
<b>Cash flow for financing (C)</b>	<b>-74 057.4</b>	<b>28 197.9</b>
Change in cash flows (A+B+C) (increase +)/decrease (-)	-3 871.1	-41 586.1
Liquid assets at beginning of period	78 295.7	119 881.8
Liquid assets at end of period	74 424.6	78 295.7

# Notes to the financial statements

## The principles of the financial statements

Yleisradio Oy's group structure was dismantled when Yleisradio sold its subsidiary Digita Oy's shares to TDF. Following the sale, YLE owns 10% of Digita Oy.

## Fixed assets and depreciation

The Balance Sheet value of the fixed assets is the original acquisition price minus the planned cumulative depreciation. The depreciation of fixed assets according to the current plan 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 expenses	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 turnover comprises the income from the actual operation, which consists of television and operating licence fees and income obtained from the sale of 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 other business revenue.

## Pension arrangements

The pension cover of personnel has been arranged through YLE's Pension Fund. The Fund is a joint A-B pension fund which applies an equalising system, and which includes Yleisradio Oy, YLE's Pension Fund and until 31st December 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. Supplementary pension cover has been approved for some of the parent company's 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 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 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)

### 1. Personnel costs

	2003	2002
Wages and salaries	158 945.5	166 070.0
Pension costs	23 326.4	30 740.0
Other personnel costs	8 873.6	9 468.2
<b>Total</b>	<b>191 145.5</b>	<b>206 278.2</b>

Pension costs are lower than in the previous year, due e.g. to the better yield from the Pension Fund's investment operation and refunds of payments.

#### Salaries and fees paid to the Director General and members of the Board of Directors and Administrative Council

	2003	2002
Management salaries and fees	253.4	241.0

#### Number of monthly paid employees

	2003	2002
Radio	1 211	1 200
Television	1 881	1 905
Swedish-language Radio and Television	569	590
Other departments	567	702
<b>Total</b>	<b>4 228</b>	<b>4 397</b>

#### 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.

### 2. Depreciation and reductions in value

	2003	2002
<b>Planned depreciation</b>		
Other non-current costs	2 956.2	2 192.4
Buildings and structures	5 976.6	7 153.0
Machinery and equipment	15 518.1	18 659.7
Other tangible assets	16.4	16.4
<b>Total</b>	<b>24 467.3</b>	<b>28 021.5</b>

<b>Reductions in value</b>	<b>2 286.0</b>	<b>0.0</b>
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Total depreciation and reductions in value	26 753.3	28 021.5
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Write-offs of EUR 2 million were made on properties and of EUR 0.3 million on fixed asset shares.

### 3. Financial income and expenses

<b>Financial income</b>	<b>2003</b>	<b>2002</b>
Dividends	15.3	12.9
Other interest and financial income	12 004.9	13 268.2
<b>Total financial income</b>	<b>12 020.2</b>	<b>13 281.1</b>
<b>Write-offs</b>		
Write-offs of financial securities	- 804.6	- 11 047.7
Refunds of write-offs of financial securities	4 404.6	172.2
<b>Write-offs total</b>	<b>3 600.0</b>	<b>- 10 875.5</b>
<b>Financial expenditure</b>		
Total interest and other financial expenditure	- 4 375.8	- 5 136.9
<b>Total financial income and expenditure</b>	<b>11 244.4</b>	<b>-2 731.3</b>

### 4. Extraordinary items

Profit from the sale of subsidiary shares has been entered under extraordinary items.

### 5. Intangible assets

	<b>2003</b>	<b>2002</b>
Acquisition cost 1st Jan	20 453.9	16 280.5
Increases	4 592.5	4 234.1
Decreases	-1 456.2	-83.3
Transfers between items	7.1	22.6
Acquisition cost 31st Dec	23 597.3	20 453.9
Accrued depreciation 1st Jan	12 293.1	10 183.0
Accrued depreciation of decreases and transfers	-1 205.8	-82.3
Depreciation and write-offs for the financial year	2 956.2	2 192.4
Accrued depreciation 31st Dec	14 043.5	12 293.1
<b>Bookkeeping value 31st Dec</b>	<b>9 553.8</b>	<b>8 160.8</b>

### 6. Tangible assets

<b>Land</b>	<b>2003</b>	<b>2002</b>
Acquisition cost 1st Jan	517.4	504.1
Increases	0.0	13.3
Decreases	-142.6	0.0
Transfers between items	-13.3	0.0
Acquisition cost 31st Dec	361.4	517.4
<b>Bookkeeping value 31st Dec</b>	<b>361.4</b>	<b>517.4</b>



<b>Buildings and structures</b>	<b>2003</b>	<b>2002</b>
Acquisition cost 1st Jan	200 252.2	195 360.5
Increases	11 066.8	4 891.7
Transfers between items	98.2	0.0
Acquisition cost 31st Dec	211 417.2	200 252.2
Accrued depreciation 1st Jan	101 743.2	94 590.2
Accrued depreciation of decreases and transfers	30.7	0.0
Depreciation and write-offs for financial year	8 005.6	7 153.0
Accrued depreciation 31st Dec	109 779.5	101 743.2
<b>Bookkeeping value 31st Dec</b>	<b>101 637.7</b>	<b>98 509.0</b>
<b>Machinery and equipment</b>		
Acquisition cost 1st Jan	260 148.5	256 175.9
Increases	12 598.9	13 666.9
Decreases	-21 025.2	-9 671.7
Transfers between items	-92.0	-22.6
Acquisition cost 31st Dec	251 630.2	260 148.5
Accrued depreciation 1st Jan	204 716.7	195 724.5
Accrued depreciation of decreases and transfers	-16 627.6	-9 667.5
Depreciation and write-offs for financial year	15 518.0	18 659.7
Accrued depreciation 31st Dec	203 607.1	204 716.7
<b>Bookkeeping value 31st Dec</b>	<b>48 023.1</b>	<b>55 431.8</b>
<b>Other tangible assets</b>		
Acquisition cost 1st Jan	394.1	381.6
Increases	0.0	12.5
Acquisition cost 31st Dec	394.1	394.1
Accrued depreciation 1st Jan	50.8	34.4
Depreciation and write-offs for financial year	16.4	16.4
Accrued depreciation 31st Dec	67.2	50.8
<b>Bookkeeping value 31st Dec</b>	<b>326.9</b>	<b>343.3</b>
<b>Advance payments and acquisitions in progress</b>		
Acquisition cost 1st Jan	7 939.2	5 963.2
Decreases/increases	-1 168.3	1 976.0
Acquisition cost 31st Dec	6 770.9	7 939.2

## 7. Investments

Stocks and share	2003	2002
Acquisition cost 1st Jan	27 472.2	27 499.8
Increases	0.0	8.0
Decreases	-20 687.1	-35.6
Write-offs	-257.1	0.0
Acquisition cost 31st Dec	6 528.0	27 472.2
<b>Bookkeeping value 31st Dec</b>	<b>6 528.0</b>	<b>27 472.2</b>

Affiliated companies	Ownership share %	Shareholders' equity (1 000 EUR)	Result for the period (1 000 EUR)
Radio- and tv-tekniikan tutkimus Oy; Helsinki	20%	15.4	-0.1
Platco Oy; Helsinki	33.3%	445.6	176.1
TEBIT Oy, Espoo	20%	848.0	40.0

## 8. Non-current receivables

Loan receivables	95 773.3	120 856.3
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## 9. Current receivables

Advance payments	37 769.6	33 437.3
Receivables from the Television and Radio Fund	8 725.5	9 374.4
Trade receivables	1 542.2	1 355.7
Loan receivables	25 000.0	92.0
Other receivables	2 791.2	2 584.8
Transition items	12 405.8	12 189.2
<b>Total receivables</b>	<b>88 234.3</b>	<b>59 033.4</b>

The advances are performance rights for programmes that have not been shown. Transition items include a refund of EUR 7.5 million of a Pension Fund advance payment.

## 10. Financial securities

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

Reacquisition price	96 893.0	103 527.7
Bookkeeping value	96 596.8	102 087.3
<b>Difference</b>	<b>296.2</b>	<b>1 440.4</b>

## 11. Shareholders' equity

### Changes

Retained earnings 1st Jan	169 679.9	254 009.6
Profit/loss for financial year	52 791.9	-84 329.7
Profit 31st Dec	222 471.8	169 679.9

Calculation of assets distributable as dividend per 31st December	2003	2002
Non-restricted funds	12 747.7	12 747.7
Retained earnings	169 679.9	254 009.6
Profit/loss for financial year	52 791.9	-84 329.7
Total	235 219.5	182 427.6

## 12. Obligatory provisions

Contractual pensions	7 124.5	7 414.4
Change in obligatory provisions	-289.9	-680.9

## 13. Non-current liabilities

Pension Fund loan	71 984.4	71 984.4
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The Pension Fund loan will fall due for payment in over five years' time.

## 14. Current liabilities

Trade payables	9 101.0	9 927.9
Other debts	7 689.7	84 393.1
Accrued liabilities	108 477.5	107 935.8
Total current liabilities	125 268.2	202 256.8

### Itemisation of accrued liabilities

Periodised part of television fees	71 525.0	71 518.1
Periodisations of personnel costs	32 372.7	31 418.4
Other accrued liabilities	4 579.8	4 999.3
Total	108 477.5	107 935.8

## Securities and contingent liabilities

### Securities given on own behalf

Pledged securities	15 600	15 600
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### Leasing liabilities

To be paid in next financial year	3 114	3 087
To be paid later	2 883	4 102
Total	5 997	7 189

### Derivative agreements

#### Forward contracts denominated in foreign currency

Current value	-905	-535
Contract or notional value	9 931	10 131

## Board of Directors' recommendation for the use of profit

Company's profit for the period is EUR 52 791 918.94 and unrestricted equity at the end of the period EUR 235 219 544.76.

The Board of Directors recommends to the Annual General Meeting of Shareholders that the parent company's profit for period be added to the profit account.

Helsinki, 2nd March 2004

Arne Wessberg

Olli-Pekka Heinonen

Seppo Härkönen

Ann Sandelin

Raino Hurme

## 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, 10th March 2004

Erkki Mäki-Ranta

Eero Suomela

Jari Häkkinen

Chartered Public Finance Auditor, Chartered Public Accountant

Chartered Accountant

Authorised Public Accountant

## Statement by the Administrative Council to the Annual General Meeting

At the meeting held today, the Administrative Council of Yleiradio Oy has examined the financial statements and auditors' report for the 2003 financial year. The Administrative Council submits as its statement to the 2004 Annual General Meeting that the Profit and Loss Account and the Balance Sheet for the financial year from 1st January to 31st December 2003 be adopted and concurs with the Board of Director's recommendation on the application on the profit.

Helsinki, 16th March 2004

Markku Laukkanen

Marja Tiura

Pia Viitanen

Marjukka Karttunen

Jyrki Katainen

Jyri Häkämies

Kimmo Sasi

Toimi Kankaanniemi

Berth Sundström

Mikko Alatalo

Mika Lintilä

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