

Report of the Board of Directors

1. Summary

- The control and planning of YLE's operation have been based on three-year strategies on the focuses of programming and principles for developing procedures. Policy-making affecting the company as a whole and examination by programme area now complement the company's organisation and financial planning according to sector.
- YLE's internal procedures have been developed in particular by efficient and comprehensive use of new technology in all production processes. Large projects designed to reform planning and production systems have been launched during the year, and decisions on these will be taken in 2005.
- YLE's operating culture was assessed using a value navigation carried out for the first time. According to the results, production independence, quality, common spirit and co-operation could be seen in the work and operating culture as management hoped would be the case. On the other hand, for example, the discipline of the operation, development of personnel, incentives and investments in welfare failed to meet objectives.
- YLE's financial management is based on a plan approved by the company's Administrative Council, in accordance with which company finances are to be balanced by 2008. The plan is based on an annual increase in the television fee and on sale of Digita Oy shares. At the end of the year, the Administrative Council made a decision to exercise the option of selling the 10% holding in Digita Oy. All the shares bar one were sold in January 2005.
- In March, the Government decided that Finland would go over to digital television broadcasts on 31st August 2007. At the end of 2004, 94% of the population lived within range of the digital distribution network. In the course of 2005, YLE broadcasts will be available in the whole of Finland either through the terrestrial network or satellite broadcasts supplementing it.

2. The operating environment

The report on Public Service Television and Radio in 2010 by a working group set up by the Ministry of Transport and Communications was completed in October 2004. The Parliamentary Working Group was headed by Seppo Niemelä, and it proposed that YLE's operation continue to be funded by television fees. The Working Group proposed that the television fee be increased until 2010 in line with the increase in the level of costs plus one percentage point. The operating licence fee paid by the commercial companies will be scrapped when the transfer to digital broadcasting is made. In addition, Niemelä's Working Group proposed that YLE's administrative model be altered in such a way that an outside board of directors would be appointed to the company. The division of labour between the company's Board of Directors and Administrative Council is to be rendered more precise. Certain revisions to YLE's public service tasks were also proposed.

In its own statement, YLE held the report on Public Service Television and Radio in 2010 to be quite thorough and that its proposals had been considered and argued expertly.

The Government decided to increase the television fee by 3.9% from the start of 2005. The decision was based on an earlier agreement on annual rises starting from the beginning of 2005.

Operating licences granted for analogue television were extended until the end of August 2007, when Finland switches to entirely digital broadcasts. At the end of the year, applications were also invited for regional programming licences.

In December 2004, the Working Group from the Ministry of Transport and Communications that looked into the operating prerequisites and development options for commercial radio for the next round of operating licences presented its proposal for developing the operating licence system. In the event of a change in power of decision, new applications would be invited

for an operating licence. In addition, the Working Group made proposals concerning the division of labour between semi-national special radio channels and local radio channels on the advertising market.

In December 2004, the Government made a decision in principle on the national broadband strategy. Rapid, trouble-free and affordable data transfer links for all are the objective. The follow-up report on broadband strategy proposed that, by the end of 2007, the commonest connection speed would be a minimum of 8 Mbit/s and that 90% of internet connections would be broadband.

Television advertising revenue earned by commercial operators has an impact on YLE's operating licence income. Television advertising grew by 9.5% in 2004, i.e., clearly more than in the preceding year. This compensated partly for the decline in operating licence fees, which was due to the advance of digital penetration.

According to Finnpanel Oy, at the turn of November-December 2004, there were digital adapters in 513,000 Finnish households, i.e., 22% of Finnish homes were digital television households. 493,000 households had adapters designed for reception of terrestrial programmes. Since the November of the preceding year, the number of these adapters had more than doubled.

3. Company development

3.1 Programme operations

YLE programme operation assessment, planning and reporting to the owners is being developed continuously.

The entire company's news and current affairs, factual, cultural, and entertainment programming were assessed with the programming model introduced in the preceding year. In the assessment, a key role is played by the programming working groups. The members of each programming team represented the various programme areas (genres) of their programming area. In addition, a researcher from YLE Audience Research is on each team, each of which were piloted by the directors of the divisions.

The programming teams investigated how the audience relationship of the programming area had developed, how objectives had been met and whether programming was diverse in content. In addition, proposals on applying the company's values in practical programme work were elaborated. The task was also to chart possible new services in different programming areas and to present views on prioritisation of new services.

Policy-making on YLE news and current affairs, factual, and cultural and entertainment programming has been based on the work of the programming teams. The following development projects will be implemented mainly in the course of

2005–2007:

- YLE's entire news department will be provided with common basic structures and a plan for switching to the digital operating environment. This will affect the division of labour and allocation of resources in the various media and distribution methods.
- Content-oriented producer competence will be developed in factual and entertainment programming. Journalistic competence will be developed and the company's factual programming competence will be the focus of attention. Television for young people will be developed.
- YLE's factual and cultural programming output is to be profiled and streamlined.

3.2 Research and development

YLE Audience Research investigated YLE's position in Finnish society – from the audience's viewpoint in particular. Another central focus of the year consisted of changes in media use as digital and broadband households increase and mobile services expand. Studies relating to programming areas responded to the needs at company level and in the departments to develop YLE content.

YLE Programme Development carried out eighty-or-so programme development projects relating to projects for television, radio or new services. Approx. 20% of capacity was employed for company-level "strategic" projects and approx. 80% for projects directly relating to programmes or programme services. The special theme of the year was factual entertainment, which was examined with the help of experts from YLE and outside the company.

3.3 Technology and investments

The main policies for the company's Technology Strategy were created in the course of 2004.

YLE Technology personnel were active in drafting large-scale projects to reform the departments' planning and production systems (RYHTi and NASTA). The structural change necessary for adapting to changes in technology and pension wastage was examined in planning and upkeep tasks. The operation of the joint venture TEBIT has become established in its second year of operation, though deeper partnership and forms of collaboration with YLE are still being sought.

The biggest investment project in 2004 was the renewal of the television switching centres, and their integration into the JASI distribution and transmission centre. The satellite vehicle fleet was also renewed and expanded. Production of the Our Street soap opera was moved to Pasila and outmoded production apparatus was replaced. Regional television was launched in Ostrobothnia. A project to upgrade the emergency power

plant system commenced. The application used to make the company's internet pages was upgraded and harmonised. Some 14.2 million euros were spent on investments as a whole.

3.4 Support operations

The company's support operations continued to be rendered more effective. The aim is for a maximum of 20% of the company's costs to be allocated to support operations, a large share of which are produced with outside partners. During the year, the operating models and control of these partnerships were streamlined and normalised. At the end of 2004, 21.7% of the company's permanent staff were employed in support operations, compared to 29% at the start of 2000.

3.5 Company structure

No changes were made to company structure in 2004. YLE owned 10% of Digita Oy, but at the end of the year the Administrative Council decided to exercise the option of selling YLE's holding. The price of the remaining shares is the same as the price per share of earlier sales plus annual interest of 6%. The sale was implemented in January 2005 and the shares were sold to TDF Nordic Oy with the exception of one share safeguarding a place on the Board of Directors.

4. Radio

In 2004, Radio reached as many listeners each week as it did in the preceding year. 3 hours and 22 minutes were spent listening to the radio, i.e., only four minutes less than in the preceding year.

YLE reached an average of 67% of Finns in a week, the same percentage as in the preceding year. YLE's 50% share of daily listening also corresponds to the level for the preceding year. YleX increased the popularity of YLE radio among the young audience.

In February, an assessment of the impact of the strategic updating of YLE radio on the audience relationship, programming contents and internal procedures was completed. According to the report, the updating did not have any marked effect on the programming structures or audience relationship of the national channels. On the other hand, the assessment led at the start of April to a reform of the programming of YleQ, which is broadcast in Greater Helsinki. The report also served as the basis for a project to develop procedures in all channels and competence centres. The order system and associated feedback system were developed in particular. The project established a comprehensive planning and order system for the sector.

Bar the reform of YleQ, few changes were made to programming on the channels. YLE Radio 1's music fare was

enriched and the repeats practice for talk programmes was updated. The development of YleX focused on weekend programming. Current affairs on YLE Radio Suomi were strengthened with new magazines on mornings and afternoons. Regional television news were launched in the spring in Ostrobothnia. Regional television news on the provincial radio channels now covers the whole of Finland.

A project to harmonise radio production systems was launched, in order to implement a multimedia planning and production system independent of organisation and labour costs. The system must support production of different radio formats and be compatible with the future digital television production system.

5. Television

Total television viewing declined in 2004. On a daily basis, people watched television for 2 hours 47 minutes, or six minutes less than in the preceding year.

Viewing of YLE channels nevertheless increased. In 2004, YLE accounted for 45.2% of television viewing by the population over the age of four. In the summer, viewing was raised in particular by the European Football Championships and the Summer Olympic Games in Athens. YLE also continued to be better than the commercial television companies at reaching viewers. The daily reach of YLE television channels averaged 3.7 million viewers. Audience satisfaction with YLE television programming was high, three out of four were at least fairly satisfied with YLE television.

The weekly reach of the digital YLE24 and YLE Teema rose at the end of 2004 to over a quarter of a million viewers. In addition, the interest attracted by YLE Teema rose significantly during the autumn.

The level of both domestic and European programming in YLE television output increased by two percentage points from the preceding year. The domestic content level of programming was 62% and the European content level 88%. The output of domestic first broadcasts remained at just under 5,400 hours, 17% of which comprised programmes from independent producers.

As part of the defining of strategic objectives (YLE Television Strategy 2008), it was decided to reform the competence centre structure and strengthen content management. The number of competence centres will be cut and the channels' directors of programmes will also be responsible for developing programme areas (genres). The reform is designed to increase innovativeness and flexible use of competence, and will not affect the profiles of the channels. The changes in the organisation entered into effect on 1st March 2005.

6. Swedish-language Radio and Television

YLE's Swedish-language Radio and Television was reformed into a bimedral commissioner-producer organisation starting from 2004. The reform is designed to create a sustainable foundation for solid Swedish-language public service on both radio and television – in spite of straitened circumstances.

Svenska YLE's six competence centres serve both radio and television. The operation aims for clearly defined audience objectives, channel commissions and emphases in the different programme areas. The structural reform is designed to create a more flexible organisation – just as in the company as a whole.

The reform has focused single-mindedly on the young audience. The young people's channel YLE Radio Extrem was re-profiled and publishing on the internet was strengthened. YLE Radio Vega remains the basic channel for Swedish-speakers. The quantities of programming on both channels are at the level for previous years, and profiling has eliminated overlapping.

The organisational reform has also involved a project to reform Swedish-language news and current affairs, and radio and television news are due to merge in 2005.

Since the autumn of 2004, YLE FST broadcasting has been transferred increasingly to digital FST in such a way that more programmes have been broadcast in digital format alone. During the year, FST broadcast over 2,000 hours of programmes. Some 900 hours of YLE FST programmes were shown on the analogue channels YLE TV1 and YLE TV2. The number of domestic first broadcasts shown on FST rose to some 690 hours.

7. New services

New YLE services relate closely to public service programme activity. The point of departure is for output to be available to audiences on different distribution channels.

The Internet is growing in significance from one year to the next. This is evident from the steady increase in use of pages and, for example, in crisis situations. The need to obtain information on the Asian disaster attracted almost 900,000 visitors to YLE's pages in the final week of 2004. Community sites were one new feature in YLE Internet services in 2004. In the years to come, the proliferation of broadband will mean even more diverse and better quality audio and video contents.

YLE's mobile output mainly consists of news services and sport. In 2004, it was the first in Finland to produce news broadcasts in the form of 3G services. YLE also offered the first mobile solutions in education and culture, such as the service for an exhibition on Finnish artist Albert Edelfelt.

2004 saw the launch on digital television of what are termed plus services. FST's quiz game Enigma is YLE's first pro-

gramme to make full use of the interactivity of digital television. Digital Teletext continued to be developed at the same time as analogue YLE Teletext maintained its position as the most popular Teletext channel in Finland.

YLE and Gramex ry's disputes over copyrights led to distribution of YLE's music radio channels on the internet being blocked. This is a serious obstacle to developing radio internet activity.

8. Personnel

Average man-years declined by approx. 1.5 % in 2004, specifically in the use of manpower on fixed-term contracts, since the number of permanent personnel rose slightly (14 individuals). At the end of the year, the company had 3,600 employees on an employment contract in force until further notice.

The current state of the company has been assessed and future critical need for competence has been identified in personnel work. The current YLE operating culture was analysed with a Value navigation study. Competence requirements were analysed and defined more systematically and precisely.

Following the reform of pension legislation, future discussions were held with all 620 employees aged 58 or over. The discussions investigated initially their intentions regarding retirement, potential for working part-time and issues relating to personal development. Future debates help to define the future competence requirement. From 2005, the future debate is being linked into the development discussion.

A separate Personnel Report describes YLE personnel in greater detail.

9. Investments and Finance

9.1 Turnover and other business revenue

Turnover totalled EUR 359.0 million, 8.8%, i.e., EUR 29.0 million more than in the preceding year. The rise in turnover was due to the increase in the television fees at the start of 2004. At the end of the year, there were 2,005,185 television fees, 11,568 fewer than a year earlier.

The operating licence fees paid by the commercial companies were EUR 1.0 million lower than in the preceding year.

Other business revenue decreased by EUR 1.7 million euros.

9.2 Operating profit and expenditure

Company costs and depreciation for the financial period totalled EUR 428.9 million, approx. 4%, i.e., EUR 16.6 million more than in the preceding year.

Personnel costs rose by 5%, i.e., EUR 9.5 million euros. The contributions paid to YLE's Pension Fund were EUR 7.8 million higher than in the preceding year. The contributions in the period that has ended totalled approx. 20% of TEL salaries,

compared to approx. 15% in 2003, an exceptionally good year for the Pension Fund.

Planned depreciation was at the preceding year's level, i.e., EUR 24.2 million. In the preceding year, write-offs totalling EUR 2.3 million were also recorded.

Performance fees totalled EUR 79.2 million. The increase of EUR 7.8 million was due in part to the performance fees for the Athens Olympic Games.

Other business expenses came to EUR 124.8, an increase from the preceding year of EUR 1.8 million (approx. 1.5%).

The company's posted a loss of EUR 60.5 million, or EUR 10.6 million less than in 2003.

9.3 Result for the financial year

The company's loss for the financial year came to EUR 50.8 million. In 2003, it made a profit of EUR 52.8 million, due to profit from the sale of subsidiary shares entered in extraordinary items.

9.4 Investments

In 2004, a total of EUR 14.2 million was invested in fixed assets, EUR 12.9 million less than in the preceding year.

9.5 Financing

The company's liquid assets at the end of the year totalled EUR 100.4 million, the same level as at the end of the preceding year.

10. Future prospects

The Government decision to postpone the switch to digital television broadcasting combined with the report by Seppo Niemelä's Working Group on Public Service Television and Radio in 2010 clarified the outlook for YLE for the years to come. The proposals in Niemelä's report on the company's mission and funding express the owner's will and permit long-term planning of the operation. The Working Group's proposal to alter YLE's administrative model will also have an effect on internal management.

YLE programming output will not increase in the next few years. Programming and services will be developed so that the public service task can be implemented using known financial resources. The closure of the analogue distribution networks calls for demanding planning both to develop programme output as a whole and secure technology.

Introduction of new technology renders planning and production processes more effective in radio and television. In support operations, technology is harnessed to expand the self-service culture. New distribution channels and changes in Finnish media and consumer behaviour are now more clearly a part of operational planning. Distribution strategy must ensure that YLE programming and services are available to audiences even

though the means and forms of distribution multiply.

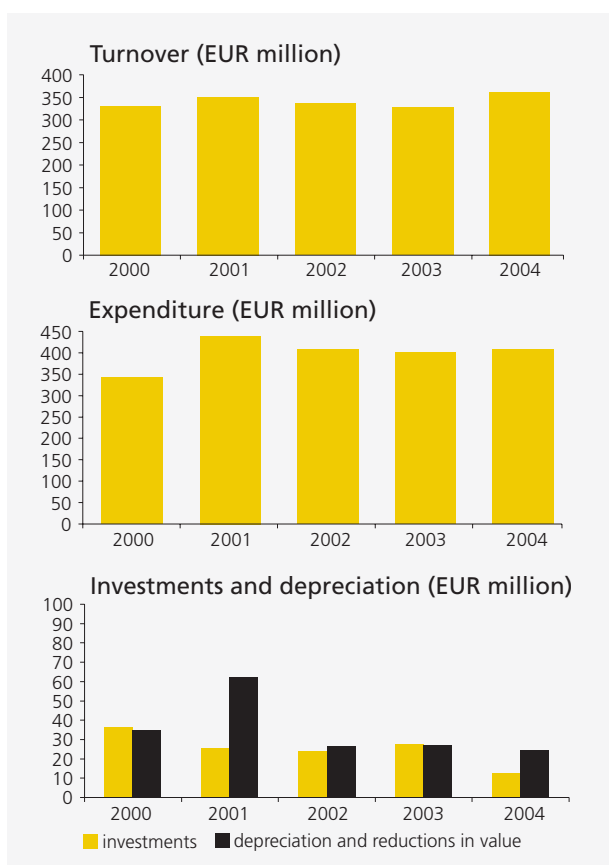
An appropriate and healthy personnel and employment structure is still under development – at the same time as the company adapts to rising levels of retirement in future. The focus is on creating an innovative work environment and operating culture.

YLE's operation can only be developed if the company's financial position remains under control. Even though long-term prospects are more stable following the proposals on public service television and radio, it is even more important to maintain people's willingness to pay the television fee. As the company switches to digital broadcasting and to an era of new distribution channels, it is essential to ensure the efficacy of the television fee system. If fundamental changes occur in YLE's financial position, decisions on adapting to these will be made in annual planning with regard primarily to investments.

11. 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 Mr Raino Hurme, representing personnel.

The Administrative Council appointed Mr Arne Wessberg, Mr Seppo Härkönen, Mr Olli-Pekka Heinonen and Ms Ann Sandelin to the Board of Directors for 2005. Mr Raino Hurme represents personnel on the Board of Directors.



Key figures (EUR million)

	2004	2003	2002	2001	2000
EXTENT OF OPERATION					
Turnover	359.0	330.0	340.5	350.9	332.2
%change	8.8	-3.1	-3.0	5.6	4.3
Other business revenue	9.4	11.2	10.3	13.6	13.7
%change	-15.7	8.7	-24.3	-0.7	8.7
Costs and depreciations	428.9	412.3	432.4	488.6	377.8
%change	4.0	-4.7	-11.5	29.3	3.0
Balance sheet total	409.2	457.6	482.1	545.5	526.5
Gross investments	14.2	27.1	24.8	25.7	35.4
% of income	3.9	8.2	7.3	7.3	10.7
Personnel	4 004	4 066	4 245	4 291	4 387
PROFITABILITY					
Profit/loss	-60.5	-71.1	-81.6	-124.1	-31.9
Profit/loss before extraordinary items	-50.8	-59.8	-84.3	-117.0	-23.9
Profit/loss for financial year	-50.8	52.8	-84.3	-4.4	-23.9
SOURCES OF FUNDS AND FINANCIAL POSITION					
Quick ratio	0.8	0.8	0.5	0.9	0.5
Equity/Assets ratio %	49.5	55.3	41.6	52.2	54.9
Borrowed capital with interest	72.0	72.0	146.0	117.8	100.4

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= $\frac{\text{Shareholders' equity}}{\text{Balance sheet total}} \times 100$

Profit and loss account

	Note	1.1. - 31.12.2004	1.1. - 31.12.2003
		EUR 1000	EUR 1000
TURNOVER		359 017.1	330 017.1
Other business income		9 441.7	11 181.5
Personnel costs	(1)	200 690.4	191 145.5
Depreciations and reductions in value (write-offs)	(2)		
Planned depreciation		24 232.0	24 467.3
Reductions in value (write-offs)		0.0	2 286.0
Performance fees		79 225.6	71 405.1
Other business costs		124 807.8	122 972.6
OPERATING PROFIT/LOSS		-60 497.0	-71 077.9
Financial income and expenses	(3)	9 706.9	11 244.4
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		-50 790.1	-59 833.5
Extraordinary items	(4)	0.0	112 625.4
PROFIT/LOSS FOR FINANCIAL YEAR		-50 790.1	52 791.9

Balance sheet

	Note	1.1.-31.12.2004	1.1.-31.12.2003
ASSETS		EUR 1000	EUR 1000
FIXED ASSETS			
Intangible assets	(5)	9 705.5	9 553.8
Tangible assets	(6)	146 850.1	157 120.0
Investments			
Other stocks and shares	(7)	6 528.0	6 528.0
FIXED ASSETS TOTAL		163 083.6	173 201.8
CURRENT ASSETS			
Long-term receivables	(8)	95 773.3	95 773.3
Short-term receivables	(9)	49 847.2	88 234.3
Liquid assets securities	(10)	99 624.5	96 596.8
Cash at bank and in hand		847.6	3 765.4
CURRENT ASSETS SUM TOTAL		246 092.6	284 369.8
ASSETS SUM TOTAL		409 176.2	457 571.6
LIABILITIES			
SHAREHOLDERS' EQUITY (11)			
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		222 471.8	169 679.9
Profit/loss for the financial year		-50 790.1	52 791.9
CAPITAL AND RESERVES SUM TOTAL		202 404.4	253 194.4
OBLIGATORY PROVISIONS (12)		6 169.0	7 124.5
CREDITORS			
Non-current liabilities	(13)	71 984.4	71 984.4
Current liabilities	(14)	128 618.4	125 268.2
CREDITORS SUM TOTAL		200 602.8	197 252.6
LIABILITIES SUM TOTAL		409 176.2	457 571.6

Source and application of funds

	1.1.-31.12.2004	1.1.-31.12.2003
	EUR 1000	EUR 1000
Business cash flow:		
Payments from turnover	369 323.7	330 672.9
Payments from other business revenue	9 845.5	11 208.9
Payments of business costs	-400 847.2	-393 975.9
Business cash flow before financial items	-21 678.1	-52 094.2
Interest paid	-3 016.0	-4 768.0
Interest from business operation	3 383.7	4 231.9
Business cash flow (A)	-21 310.4	-52 630.3
Investment cash flow:		
Investments in tangible and intangible assets	-14 160.7	-27 108.6
Income from disposal of tangible and intangible assets	93.7	5 208.3
Transfer income from other investments	0.0	3 363.8
Subsidiary shares sold	0.0	133 312.6
Dividend from investments	24.2	15.3
Investment cash flow (B)	-14 042.8	114 791.3
Cash flow for financing:		
Repayment of short-term loans	0.0	-74 057.4
Repayment of loan receivables	25 000.0	175.0
Interests	7 841.4	7 850.3
Cash flow for financing (C)	32 841.4	-66 032.2
Change in cash flows (A+B+C) (increase +)/decrease (-)	-2 511.8	-3871.1
Liquid assets at beginning of period	74 424.6	78 295.7
Liquid assets at end of period	71 912.7	74 424.6

Notes to the financial statements

The principles of the financial statements

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 asset	10 years

Expenses which accrue income over three or more years have been credited as non-current expenses and will be depreciated over 5-10 years.

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 which is an A-B pension fund, i.e., it manages both statutory and supplementary pension cover. The pension liability of YLE's Pension Fund is covered in full and B department (TEL) is within target solidity.

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

	2004	2003
Wages and salaries	161 832.6	158 945.5
Pension costs	29 664.7	23 326.4
Other personnel costs	9 193.1	8 873.6
Total	200 690.4	191 145.5

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

Management salaries and fees	254.4	253.4
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Number of monthly paid employees (including employees on permanent and temporary contracts)

Radio	1 213	1 211
Television	1 883	1 881
Swedish-language Radio and Television	555	569
Other departments	546	567
Total	4 197	4 228

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

Planned depreciation

Other non-current costs	3 612.0	2 956.2
Buildings and structures	6 139.4	5 976.6
Machinery and equipment	14 464.1	15 518.0
Other tangible assets	16.4	16.4
Total	24 232.0	24 467.3

Reductions in value	0.0	2 286.0
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Total depreciation and reductions in value	24 232.0	26 753.3
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3. Financial income and expenses

	2004	2003
Financial income		
Dividends	24.2	15.3
Other interest and financial income	10 076.9	12 004.9
Total financial income	10 101.1	12 020.2
Write-offs		
Write-offs of financial securities	-416.3	-804.6
Refunds of write-offs of financial securities	3 149.7	4 404.6
Write-offs total	2 733.4	3 600.0
Financial expenditure		
Total interest and other financial expenditure	-3 127.6	-4 375.8
Total financial income and expenditure	9 706.9	11 244.4

4. Extraordinary items

	0.0	112 625.4
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Profit from the sale of subsidiary shares has been entered under extraordinary items.

Notes to the balance sheet (EUR 1000)

5. Intangible assets

	2004	2003
Acquisition cost 1st Jan	23 597.3	20 453.9
Increases	3 607.7	4 592.4
Decreases	-481.7	-1 456.2
Transfers between items	162.8	7.1
Acquisition cost 31st Dec	26 886.1	23 597.3
Accrued depreciation 1st Jan	14 043.5	12 293.1
Accrued depreciation of decreases and transfers	-469.6	-1 205.8
Depreciation and write-offs for the financial year	3 606.7	2 956.2
Accrued depreciation 31st Dec	17 180.6	14 043.5
Bookkeeping value 31st Dec	9 705.5	9 553.8

6. Tangible assets

Land		
Acquisition cost 1st Jan	361.4	517.4
Increases	0.0	0.0
Decreases	-1.3	-142.6
Transfers between items	0.0	- 13.3
Acquisition cost 31st Dec	360.2	361.4
Bookkeeping value 31st Dec	360.2	361.4

Buildings and structures	2004	2003
Acquisition cost 1st Jan	211 417.2	200 252.2
Increases	5 647.3	11 066.8
Decreases	-0.5	0.0
Transfers between items	-162.8	98.2
Acquisition cost 31st Dec	216 901.1	211 417.2
Accrued depreciation 1st Jan	109 779.6	101 743.2
Accrued depreciation of decreases and transfers	-7.3	30.7
Depreciation and write-offs for financial year	6 139.4	8 005.6
Accrued depreciation 31st Dec	115 911.7	109 779.6
Bookkeeping value 31st Dec	100 989.5	101 637.7
Machinery and equipment		
Acquisition cost 1st Jan	251 630.2	260 148.5
Increases	9 178.9	12 598.9
Decreases	-17 273.0	-21 025.2
Transfers between items	0.0	-92.0
Acquisition cost 31st Dec	243 536.2	251 630.2
Accrued depreciation 1st Jan	203 607.2	204 716.7
Accrued depreciation of decreases and transfers	-17 117.3	-16 627.6
Depreciation and write-offs for financial year	14 354.0	15 518.0
Accrued depreciation 31st Dec	200 843.9	203 607.2
Bookkeeping value 31st Dec	42 692.2	48 023.1
Other tangible assets		
Acquisition cost 1st Jan	394.1	394.1
Increases	1.3	0.0
Acquisition cost 31st Dec	395.4	394.1
Accrued depreciation 1st Jan	67.2	50.8
Depreciation and write-offs for financial year	16.4	16.4
Accrued depreciation 31st Dec	83.6	67.2
Bookkeeping value 31st Dec	311.8	326.9
Advance payments and acquisitions in progress		
Acquisition cost 1st Jan	6 770.9	7 939.2
Decreases	-4 274.5	-1 168.4
Acquisition cost 31st Dec	2 496.4	6 770.9

7. Investments

Stocks and share	2004	2003
Acquisition cost 1st Jan	6 528.0	27 472.2
Decreases	0.0	-20 687.1
Write-offs	0.0	-257.1
Acquisition cost 31st Dec	6 528.0	6 528.0
Bookkeeping value 31st Dec	6 528.0	6 528.0

Affiliated companies	Ownership share	Shareholders' equity EUR	Result for the period EUR
	%		
Radio- ja tv-tekniikan tutkimus Oy; Helsinki	20	16 579.49	1 228.27
Platco Oy; Helsinki	33.3	454 666.69	9 051.51
TEBIT Oy; Espoo	20	924 629.84	116 596.73

8. Non-current receivables

Loan receivables	95 773.3	95 773.3
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9. Current receivables

Advance payments	36 628.8	37 769.6
Receivables from the Television and Radio Fund	6 999.0	8 725.5
Trade receivables	947.0	1 542.2
Loan receivables	0.0	25 000.0
Other receivables	1 742.1	2 791.2
Transition items	3 530.2	12 405.9
Total receivables	49 847.2	88 234.3

The advances are performance rights for programmes that have not been shown.

10. Financial securities

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

Reacquisition price	100 068.0	96 893.0
Bookkeeping value	99 624.5	96 596.8
Difference	443.4	296.2

11. Shareholders' equity

Changes

Retained earnings 1st Jan	222 471.8	169 679.9
Profit/loss for financial year	-50 790.1	52 791.9
Profit 31st Dec	171 681.7	22 2471.8

Calculation of assets distributable as dividend per 31st December	2004	2003
Non-restricted funds	12 747.7	12 747.7
Retained earnings	22 2471.8	169 679.9
Profit/loss for financial year	-50 790.1	52 791.9
Total	184 429.5	235 219.5

12. Obligatory provisions

Contractual pensions	6 169.0	7 124.5
Change in obligatory provisions	-955.4	-290.0

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	6 637.1	9 101.0
Other debts	8 337.7	7 689.7
Accrued liabilities	11 3643.6	10 8477.5
Total current liabilities	12 8618.4	12 5268.2

Itemisation of accrued liabilities

Periodised part of television fees	80 105.1	71 525.0
Periodisations of personnel costs	30 093.6	32 372.7
Other accrued liabilities	3 444.9	4 579.8
Total	11 3643.6	10 8477.5

Securities and contingent liabilities (EUR 1000)

Securities given on own behalf	2004	2003
Pledged securities	15 600	15 600
Leasing liabilities		
To be paid in next financial year	1 990	3 114
To be paid later	1 989	2 883
Total	3 979	5 997

Derivative agreements

Forward contracts denominated in foreign currency

Current value	-392	-905
Contract or notional value	8 319	9 931

Board of Directors' recommendation for the use of profit

The company's loss for the period is EUR 50 790 074.92 and unrestricted equity at the end of the period EUR 184 429 469.84. The Board of Directors recommends to the Annual General Meeting of Shareholders that the company's loss for period be transferred as a deduction on the profit account.

Helsinki, 8th March 2005

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, 8th March 2005

Authorized Public Accountants

PricewaterhouseCoopers Oy

Eero Suomela

Osmo Valtonen

Jari Häkkinen

Chartered Public Accountant

Chartered Public Finance Auditor,

Chartered Public

Chartered Accountant

Accountant

Statement by the Administrative Council to the Annual General Meeting

At the meeting held today, the Administrative Council of Yleisradio Oy has examined the financial statements and auditors' report for the 2004 financial year. The Administrative Council submits as its statement to the 2005 Annual General Meeting that the Profit and Loss Account and the Balance Sheet for the financial year from 1st January to 31st December 2004 be adopted and concurs with the Board of Directors' recommendation on the application on the profit.

Helsinki, 15th March 2005

Mika Lintilä

Säde Tahvanainen

Maria Kaisa Aula

Jyrki Katainen

Esko-Juhani Tennilä

Mikko Alatalo

Toimi Kankaanniemi

Jyri Häkämies

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