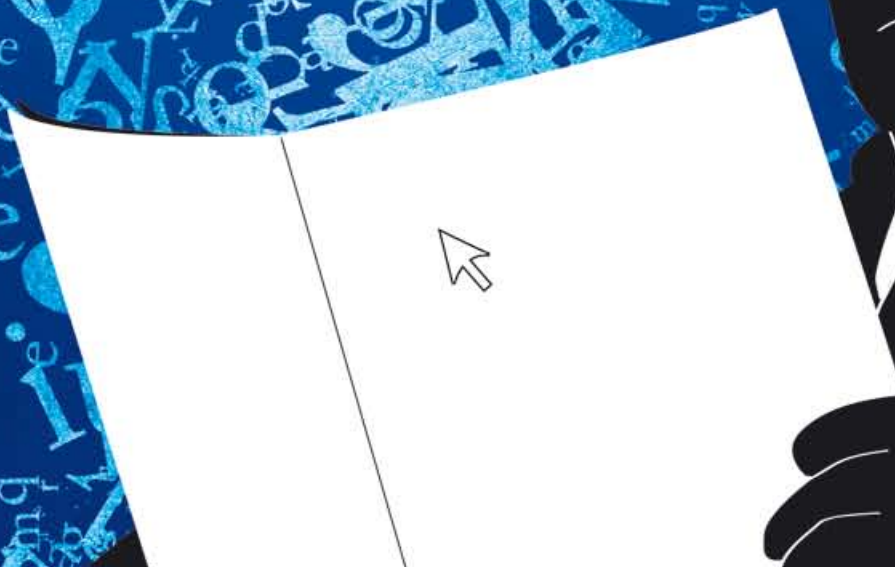




Ilkka - Yhtymä Oy

INTERIM REPORT
1 Jan. - 31 Mar.

008



Ilkka-Yhtymä Oyj's Interim Report for Q1/2008

The Group's consolidated net sales totalled EUR 13.4 million (EUR 13.5 million) for the period under review. Net sales remained at the level of the previous year's first quarter figures. The figures for the reference quarter in 2007 include advertising for parliamentary elections, affecting the comparability of the figures. The Group's consolidated operating profit came to EUR 2.8 million (EUR 3.1 million). Pre-tax profits grew by 12.3 per cent, to EUR 9.5 million (EUR 8.5 million). Earnings per share were EUR 0.61 (EUR 0.47) and shareholders' equity per share EUR 4.21 (EUR 4.50).

Ilkka-Yhtymä Group's interim report has been prepared in compliance with the recognition and measurement principles of IFRS but not in compliance with all IAS 34 requirements. In preparing this interim report, the same standards have been used as when preparing the previous financial statements.

NET SALES AND PROFIT PERFORMANCE

In January–March, the Group's net sales remained at the previous year's level, amounting to EUR 13.4 million (EUR 13.5 million in the reference period in 2007). External net sales from publishing increased by 0.4 per cent, while those from the printing business decreased by 3.0 per cent. Other operating income for January–March totalled EUR 0.3 million (EUR 0.1 million).

Operating expenses for January–March amounted to EUR 11.0 million (EUR 10.5 million), up by 4.5 per cent year-on-year. This growth was mainly due to personnel expenses (9.7 per cent), but materials and services as well as other operating costs showed a slight increase. Higher personnel expenses were partly due to investment in e-business and the Vaasa Housing Fair. Depreciation included in the operating expenses for the period amounted to EUR 0.7 million (EUR 0.8 million).

Consolidated operating profit came to EUR 2.8 million (EUR 3.1 million), accounting for 20.6 per cent (23.1 per cent) of net sales. Operating profit from publishing increased moderately, while that from printing decreased, due in part to transferring the layout of Ilkka and Etelä-Pohjanmaa newspapers from printing to publishing operations.

In March, Ilkka-Yhtymä Oyj purchased a total of 5,255,200 shares in Alma Media Oyj, for EUR 51.8 million. Following the purchase, Ilkka-Yhtymä Oyj's holding in Alma Media Oyj increased from 3.3 per cent to 10.3 per cent. Ilkka-Yhtymä Oyj's objective is to function as a long-term owner in Alma Media and to participate in the development of its future operations.

Net financial income for January–March came to EUR 6.7 million (EUR 5.3 million), of which financial assets at fair value through profit or loss accounted for EUR -0.3 million (EUR 0.3 million) and available-for-sale assets for EUR 6.9 million (EUR 4.9 million). Gains from available-for-sale financial assets include EUR 6.9 million (EUR 1.6 million) in dividend income from Alma Media Oyj. The corresponding item in

the first quarter of 2007 included capital gains (EUR 3.2 million) from the sale of Alma Media Oyj's shares.

The share of associated companies' profit totalled EUR 0.01 million (EUR 0.02 million). Pre-tax profits amounted to EUR 9.5 million (EUR 8.5 million). Tax totalled EUR 0.6 million (EUR 1.5 million) and the profit for the report period EUR 8.9 million (EUR 6.9 million).

BALANCE SHEET AND FINANCIAL POSITION

The consolidated balance sheet total was EUR 119.0 million (EUR 90.9 million) and shareholders' equity EUR 61.7 million (EUR 66.0 million). The fair value reserve has diminished by EUR 6.7 million in a year and EUR 11.1 million since the beginning of 2008. Interest-bearing liabilities totalled EUR 41.7 million (EUR 6.1 million). Equity ratio was 54.8 per cent (78.0 per cent) and liquid assets were EUR 11.9 million (EUR 27.3 million).

Reported cash flow from business operations totalled EUR 4.2 million (EUR 1.6 million), while that from investments was EUR -46.3 million (EUR 11.1 million).

SHARE PERFORMANCE

The Series I shares of Ilkka-Yhtymä Oyj have been listed on the Helsinki Stock Exchange since 1981. The Series II shares have been listed since their issue in 1988 and, on 10 June 2002, they were listed on the Main List of the Helsinki Stock Exchange. As of 2 October 2006, the Series II shares have been listed on the OMX Nordic Exchange, Consumer Discretionary sector, the company's market value being classified as Mid Cap. The Series I shares are listed on the Pre List.

The number of Series I shares of Ilkka-Yhtymä Oyj traded in January–March was 13,081, which represents 0.3 per cent of series share stock. The trading value of the shares was EUR 0.2 million. The number of Series II shares traded totalled 227,486, which equals 2.7 per cent of the series share stock. Their trading value was EUR 3.1 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 10.75 and the highest EUR 13.30, while the lowest quotation for a Series II share was EUR 9.99 and the highest EUR 11.99. At the period-end closing price, the share capital market value was EUR 175.0 million.

RISKS AND RISK MANAGEMENT

No major near-term risks are foreseen in the Group's publishing and printing operations, provided that a satisfying agreement is reached for the period beginning on 1 October 2008 in the journalists' collective labour agreement negotiations. More details on operating risks can be found in the Annual Report 2007.

Ilkka-Yhtymä Oyj's interest-bearing debt totals EUR 41.7 million, related to the purchase of Alma Media Oyj's shares. Renegotiations are underway for short-term debt included in current liabilities and it will be transferred under non-current liabilities.

The market value of publicly traded available-for-sale financial assets came to EUR 67.1 million in 31 March 2008. A 5 per cent change in value would result in a EUR 2.5 million change in shareholders' equity.

EVENTS AFTER THE REPORT PERIOD

The Annual General Meeting (AGM) of 14 April 2008 approved the financial statements, discharged the members of the Supervisory Board and the Board of Directors as well as the CEO of any liability, and decided to distribute a per share dividend of EUR 1.00 for 2007.

The AGM confirmed the membership of the Supervisory Board at 28 for 2008. In order to replace Supervisory Board members retiring during their terms of office, the following new members were elected: Anne Katajamäki, Seinäjoki (term ending in 2011); Sami Talso, Mustasaari (2010); Sami Eerola, Nurmo (2010); Johanna Kankaanpää,

Ähtäri (2010). The following Supervisory Board members, whose term of office had come to an end, were re-elected, for the term ending in 2012: Vesa-Pekka Kangaskorpi, Jyväskylä; Jarmo Rinta-Jouppi, Seinäjoki; Matti Ritamäki, Lapua; Kimmo Simberg, Seinäjoki; Jyrki Viitala, Seinäjoki.

Ernst & Young Oy, Authorised Public Accountants, with Tomi Englund, Authorised Public Accountant and Pekka Kiljunen, Authorised Public Accountant, were elected as principal auditors. Päivi Virtanen, Authorised Public Accountant, and Johanna Winqvist-Ilkka, Authorised Public Accountant, were elected as deputy auditors.

The AGM decided to amend Sections 5(1), 7 and 9(1) of the Articles of Association. In Section 5(1), the minimum number of Supervisory Board members was modified to 20 and its maximum number to 30. Sections 7 and 9(1) were amended to comply with the new Limited Liability Companies Act, requiring that the Board of Directors elect the Managing Director.

On 17 April 2008, Keski-suomalainen Oyj purchased Ilkka-Yhtymä Oyj's Series II shares, accounting for 4.6 per cent of share capital and approximately 0.7 per cent of votes. The seller was Thominvest Oy.

GROUP INCOME STATEMENT

(EUR 1000)	1-3/2008	1-3/2007	Change	1-12/2007
NET SALES	13 423	13 456	0 %	54 885
Change in inventories of finished and unfinished products	3	8	-64 %	12
Other operating income	294	127	132 %	560
Materials and services	-4 015	-3 932	2 %	-16 514
Employee benefits	-4 660	-4 248	10 %	-17 415
Depreciation	-705	-807	-13 %	-3 141
Other operating costs	-1 582	-1 503	5 %	-6 597
OPERATING PROFIT	2 759	3 102	-11 %	11 790
Financial income and expenses	6 730	5 341	26 %	5 570
Share of associated companies' results	9	15	-39 %	28
PROFIT BEFORE TAXES	9 499	8 458	12 %	17 388
Income tax	-622	-1 508	-59 %	-3 689
PROFIT FOR THE PERIOD UNDER REVIEW	8 877	6 950	28 %	13 699
Earnings per share, undiluted (EUR) *)	0.61	0.47		0.93

*) There are no factors diluting the figure.

SEGMENT INFORMATION

(EUR 1000)	1-3/2008	1-3/2007	Change	1-12/2007
GROUP NET SALES				
Publishing	11 020	10 968	0 %	44 428
Printing	4 697	5 138	-9 %	21 169
Non-allocated	688	543	27 %	2 150
Net sales between segments	-2 981	-3 193	-7 %	-12 862
Total	13 423	13 456	0 %	54 885

(EUR 1000)	1-3/2008	1-3/2007	Change	1-12/2007
GROUP OPERATING PROFIT				
Publishing	2 429	2 400	1 %	9 507
Printing	607	864	-30 %	3 475
Non-allocated	-277	-162	71 %	-1 190
Operating profit between segments				-1
Total	2 759	3 102	-11 %	11 790

GROUP BALANCE SHEET

(EUR 1000)	3/2008	3/2007	Change	12/2007
ASSETS				
NON-CURRENT ASSETS				
Intangible rights	463	466	-1 %	439
Investment properties	621	723	-14 %	646
Property, plant and equipment	20 304	19 159	6 %	19 537
Shares in associated companies	495	473	5 %	486
Available-for-sale financial assets	71 681	26 777	168 %	34 666
Non-current trade and other receivables	39	39		39
Other tangible assets	214	214		214
Deferred tax asset	1 019			
Non-current assets	94 836	47 851	98 %	56 027
CURRENT ASSETS				
Inventories	718	875	-18 %	714
Trade and other receivables	6 952	11 897	-42 %	3 997
Income tax assets	786	3	28663 %	31
Financial assets at fair value through profit or loss	3 767	2 977	27 %	4 345
Cash and cash equivalents	11 942	27 332	-56 %	12 396
Current assets	24 165	43 084	-44 %	21 482
ASSETS	119 000	90 935	31 %	77 509

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY				
Share capital	3 666	3 666		3 666
Fair value reserve and other reserves	9 962	16 646	-40 %	21 041
Retained earnings	48 076	45 650	5 %	39 199
Shareholders' equity	61 705	65 962	-6 %	63 907
NON-CURRENT LIABILITIES				
Deferred tax liability	1 771	3 404	-48 %	4 692
Non-current interest-bearing liabilities		6 000	-100 %	
Non-current liabilities	1 771	9 404	-81 %	4 692
CURRENT LIABILITIES				
Current interest-bearing liabilities	41 700	63	66016 %	
Accounts payable and other payables	12 109	14 676	-17 %	7 903
Income tax liability	1 715	829	107 %	1 008
Current liabilities	55 525	15 569	257 %	8 911
SHAREHOLDERS' EQUITY AND LIABILITIES	119 000	90 935	31 %	77 509

GROUP CASH FLOW STATEMENT

(EUR 1000)	1-3/2008	1-3/2007	1-12/2007
CASH FLOW FROM OPERATIONS			
Profit for the period under review	8 877	6 950	13 699
Adjustments	-5 621	-3 041	1 109
Change in working capital	2 026	4 315	257
Cash flow from operations before finance and taxes	5 282	8 223	15 065
Financial income and expenses	-415	-6 301	-2 206
Direct taxes paid	-717	-330	-2 617
Cash flow from operations	4 151	1 593	10 242
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	-1 264	-200	-2 685
Other investments, net	-51 985	9 715	7 759
Dividends received from investments	6 948	1 602	1 738
Cash flow from investments	-46 300	11 118	6 813
Cash flow before financing items	-42 149	12 710	17 055
CASH FLOW FROM FINANCING			
Change in current loans	41 700		-63
Change in non-current loans			-6 000
Dividends paid and other profit distribution	-4	-4	-13 221
Cash flow from financing	41 696	-4	-19 285
Increase(+) or decrease (-) in financial assets	-454	12 706	-2 230
LIQUID ASSETS AT THE BEGINNING OF THE FINANCIAL PERIOD	12 396	14 626	14 626
LIQUID ASSETS AT THE END OF THE FINANCIAL PERIOD	11 942	27 332	12 396

GROUP KEY FIGURES

	3/2008	3/2007	12/2007
Earnings/share (EUR)	0.61	0.47	0.93
Shareholders' equity/share (EUR)	4.21	4.50	4.36
Average number of personnel	376	373	388
Investments (EUR 1 000) *)	53 530	652	5 283
Interest-bearing debt (EUR 1 000)	41 700	6 063	-
Equity ratio, %	54.8	78.0	84.2

*) Investment in tangible and intangible assets and available-for-sale assets (shares).

Taxes included in the income statement are taxes corresponding to the result for the period under review.

GROUP CONTINGENT LIABILITIES

(EUR 1000)	3/2008	3/2007	12/2007
COLLATERAL PLEDGED FOR OWN COMMITMENTS			
Mortgages on company assets		168	168
Mortgages on real estate	4 017	4 017	4 017
Pledged shares	44 669		
ON BEHALF OF OTHERS			
Guarantees	16	16	16

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1000)	Share capital	Fair value reserve	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1-3/2007					
SHAREHOLDERS' EQUITY 1.1.	3 666	5 540	12 862	38 700	60 768
Available-for-sale financial assets					
Gain/loss on fair valuation		21			21
Amount transferred to income statement		-2 394			-2 394
Share of deferred taxes		617			617
Net gains and losses recognised in equity		-1 756			-1 756
Profit for the period				6 950	6 950
SHAREHOLDERS' EQUITY TOTAL 03/2007	3 666	3 784	12 862	45 650	65 962

(EUR 1000)	Share capital	Fair value reserve	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1-3/2008					
SHAREHOLDERS' EQUITY 1.1.	3 666	8 179	12 862	39 199	63 907
Available-for-sale financial assets					
Gain/loss on fair valuation		-14 971			-14 971
Share of deferred taxes		3 893			3 893
Net gains and losses recognised in equity		-11 079			-11 079
Profit for the period				8 877	8 877
SHAREHOLDERS' EQUITY TOTAL 03/2008	3 666	-2 900	12 862	48 076	61 705

The figures have not been audited.

PROSPECTS FOR 2008

Media advertising is expected to show moderate growth in Finland due to increasing consumer spending, while printing volumes are likely to remain almost unchanged and competition will remain tough.

Ilkka-Yhtymä Group expects slight growth in its consolidated net sales as net sales of publishing improve.

Operating profit and operating profit as a percentage of net sales are anticipated to remain at the healthy levels of 2007, unless major changes occur in external circumstances later in 2008.

Profit for the entire year will be affected by securities trading volumes, the price performance of shares invested in, as well as dividends obtained from available-for-sale financial assets.

Seinäjoki, 28 April 2008

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director