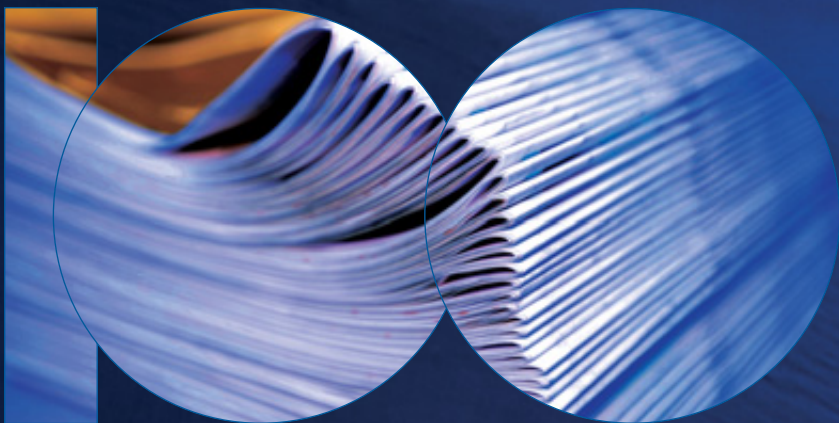




Ilkka - Yhtymä Oyj



2007

INTERIM REPORT
1 Jan. - 31 Mar.

Ilkka-Yhtymä Oyj's Interim Report | January – 31 March 2007

During the first quarter, the Group's consolidated net sales amounted to EUR 13.5 million (EUR 12.9 million), up by 4.4 per cent year-on-year. Consolidated operating profit grew by 50.6 per cent, attaining EUR 3.1 million (EUR 2.1 million). Pre-tax profits amounted to EUR 8.5 million (EUR 2.9 million). Earnings per share were EUR 0.47 (EUR 0.17) and shareholders' equity per share EUR 4.50 (EUR 3.40).

The Group's Interim Report has been prepared in compliance with the International Financial Reporting Standards (IFRS). The Group transferred to IFRS reporting on 1 January 2005 and prepared its first financial statements in line with IFRS for the financial year 2005.

Net Sales and Profit Performance

The Group's consolidated net sales increased during January–March by 4.4 per cent year-on-year, amounting to EUR 13.5 million (EUR 12.9 million in 2006). External net sales from publishing increased by 5.5 per cent and those from the printing business decreased by 1.3 per cent. The growth in net sales from publishing was influenced by advertising for the parliamentary election. Other operating income for January–March totalled EUR 0.1 million (EUR 0.1 million).

Operating expenses for January–March amounted to EUR 10.5 million (EUR 10.9 million), down by 4.0 per cent year-on-year. This decrease mainly occurred in other operating expenses which, in the comparison year 2006, included non-recurring centenary expenses. Depreciation included in the operating expenses for the period amounted to EUR 0.8 million (EUR 0.8 million).

Consolidated operating profit came to EUR 3.1 million (EUR 2.1 million), accounting for 23.1 per cent (16.0 per cent) of net sales. Operating profit from publishing increased by EUR 0.8 million due to the increase in net sales and decrease in expenses. Operating profit from printing also saw a slight increase. Net financial income for the first quarter came to EUR 5.3 million (EUR 0.6 million), of which financial assets at fair value through profit or loss contributed EUR 0.3 million (EUR 0.3 million) and available-for-sale assets EUR 4.9 million (EUR 0.3 million). The Group divested part of its holding in Alma Media Oyj in February, and the capital gains (EUR 3.2 million) are included in gains from available-for-sale financial assets. Dividends from available-for-sale financial assets amounted to EUR 1.6 million (EUR 0.3 million). The share of associ-

ated companies' profit totalled EUR 0.02 million (EUR 0.3 million). Pre-tax profits amounted to EUR 8.5 million (EUR 2.9 million). Tax totals EUR 1.5 million (EUR 0.5 million) and the profit for the report period EUR 6.9 million (EUR 2.5 million).

Balance Sheet and Financial Position

The consolidated balance sheet total was EUR 90.9 million (EUR 69.8 million) and shareholders' equity EUR 66.0 million (EUR 49.8 million). The fair value reserve has grown by EUR 2.4 million year-on-year. Since the beginning of 2007, the fair value reserve has diminished by EUR 1.8 million. Interest-bearing liabilities totalled EUR 6.1 million (EUR 4.2 million). Equity ratio stood at 78.0 per cent (78.6 per cent) and liquid assets were EUR 27.3 million (EUR 5.3 million).

Reported cash flow from business operations totalled EUR 1.6 million (EUR 2.1 million), while that from investments was EUR 11.1 million (EUR -8.2 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. On 2 October 2006, the quotation of Series II shares was transferred to the OMX Nordic List, to the Nordic Mid Cap group and Consumer Discretionary sector, and that of Series I shares was moved to the Pre List.

The number of Series I shares of Ilkka-Yhtymä Oyj traded in January-March was 12,168, which is 0.3 per cent of series share stock. The trading value of shares was EUR 0.2 million. The number of Series II shares traded totalled 715,525, which equals 6.9 per cent of the series share stock. Their trading value was EUR 8.4 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 11.51 and the highest EUR 13.00, while the lowest quotation for a Series II share was EUR 11.00 and the highest EUR 12.29. At the period-end closing price, the share capital market value was EUR 179.4 million.

Events after the Report Period

The Annual General Meeting (AGM) of 16 April 2007 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 divi-

dend of EUR 0.60 for 2006, together with an additional payment of EUR 0.30 per share due to capital gains from the sale of Savon Mediat Oy's shares, i.e. a total dividend payment of EUR 0.90 per share.

The AGM authorised the Board of Directors to decide upon a share issue and/or granting stock options and/or other special rights and upon their conditions.

The maximum number of Series II shares issued is 4,300,000, corresponding to 29.32 per cent of the company's current shares.

The authorisation includes the right to issue shares and/or stock options and/or other special rights as distinct from the shareholders' pre-emptive rights, under conditions prescribed by law, and the right to decide upon a free issue to the company itself.

The authorisation is valid for three years from the date of the decision of the AGM.

Of the members of the Supervisory Board whose term of service had come to an end, the AGM re-elected the following, for the term ending in 2011: Timo Aukia, Tampere; Mauri Hietala, Seinäjoki; Mikko Koskinen, Seinäjoki; Heikki Kuoppamäki, Ähtäri; Perttu Rinta, Helsinki; Ari Rinta-Jouppi, Vähäkylä; Jaakko Rintala, Lapua; Raija Tikka, Tampere.

Additionally, Petri Latva-Rasku, Tampere, was elected as a new member for the term ending in 2009.

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.

Ilkka-Yhtymä Oyj published a stock exchange release on 24 April 2007, according to which Ilkka-Yhtymä Oyj will make a tender offer for the shares of Vaasan Läänin Puhelin Oy (VLP). The offer price amounts to a minimum of EUR 1,000 per share. The tender offer period will begin on Tuesday 15 May 2007, after VLP's Annual General Meeting and will expire on Friday 25 May 2007. The objective of the tender offer is to develop co-operation between the companies and to strengthen the position of Ilkka-Yhtymä Oyj as an Ostrobothnian public limited company publishing multi-channel newspapers. Since the significance of online distribution channels will increase in the future, Ilkka-Yhtymä Oyj considers it important that the main shareholder of Vaasan Läänin Puhelin Oy remain in the province.

Group income statement

(EUR 1000)	1-3/2007	1-3/2006	Change	1-12/2006
Net sales	13 456	12 894	4 %	52 670
Change in inventories of finished and unfinished products	8	7	14 %	2
Other operating income	127	87	45 %	448
Materials and services	-3 932	-3 933	0 %	-15 834
Employee benefits	-4 248	-4 323	-2 %	-17 494
Depreciation	-807	-814	-1 %	-3 265
Other operating costs	-1 503	-1 859	-19 %	-6 825
Operating profit	3 102	2 060	51 %	9 703
Financial income and expenses	5 341	583	816 %	8 002
Share of associated companies' results	15	302	-95 %	1 831
Profit before taxes	8 458	2 945	187 %	19 535
Income tax	-1 508	-465	224 %	-2 431
Profit for the period under review	6 950	2 480	180 %	17 104

Segment information

Group net sales (EUR 1000)	1-3/2007	1-3/2006	Change	1-12/2006
Publishing	10 968	10 394	6 %	42 614
Printing	5 138	5 207	-1 %	20 569
Non-allocated	543	516	5 %	2 072
Net sales between segments	-3 193	-3 223	-1 %	-12 586
Total	13 456	12 894	4 %	52 670

Group operating profit (EUR 1000)	1-3/2007	1-3/2006	Change	1-12/2006
Publishing	2 400	1 600	50 %	8 100
Printing	864	795	9 %	2 819
Non-allocated	-162	-334	-51 %	-1 215
Operating profit between segments				-1
Total	3 102	2 060	51 %	9 703

Group balance sheet				
(EUR 1000)	3/2007	3/2006	Change	12/2006
Assets				
Non-current assets				
Intangible rights	466	394	18 %	500
Investment properties	723	821	-12 %	749
Property, plant and equipment	19 159	20 855	-8 %	19 706
Shares in associated companies	473	10 348	-95 %	458
Available-for-sale financial assets	26 777	18 858	42 %	35 558
Non-current trade and other receivables	39	39		39
Other tangible assets	214	227	-6 %	214
Non-current assets	47 851	51 541	-7 %	57 224
Current assets				
Inventories	875	760	15 %	890
Trade and other receivables	11 897	7 777	53 %	3 602
Income tax assets	3	866	-100 %	435
Financial assets at fair value through profit or loss	2 977	3 556	-16 %	1 687
Cash and cash equivalents	27 332	5 256	420 %	14 626
Current assets	43 084	18 215	137 %	21 240
Assets	90 935	69 756	30 %	78 463
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	3 666	3 259	13 %	3 666
Share premium fund		166	-100 %	
Fair value reserve and other reserves	16 646	14 472	15 %	18 402
Retained earnings	45 650	31 898	43 %	38 700
Shareholders' equity	65 962	49 795	32 %	60 768
Non-current liabilities				
Deferred tax liability	3 404	3 048	12 %	4 101
Non-current interest-bearing liabilities	6 000	63	9413 %	6 000
Non-current liabilities	9 404	3 111	202 %	10 101
Current liabilities				
Current interest-bearing liabilities	63	4 126	-98 %	63
Accounts payable and other payables	14 676	12 198	20 %	7 528
Income tax liability	829	526	58 %	2
Current liabilities	15 569	16 850	-8 %	7 594
Shareholders' equity and liabilities	90 935	69 756	30 %	78 463

Group cash flow statement			
(EUR 1000)	1-3/2007	1-3/2006	1-12/2006
Cash flow from operations			
Profit for the period under review	6 950	2 480	17 104
Adjustments	-3 041	394	-4 174
Change in working capital	4 315	3 992	132
Cash flow from operations before finance and taxes			
Financial income and expenses	-6 301	-3 679	1 263
Direct taxes paid	-330	-1 058	-3 528
Cash flow from operations	1 593	2 129	10 797
Cash flow from investments			
Investments in tangible and intangible assets, net	-200	-514	-1 795
Sold and acquired associated companies			18 198
Other investments, net	9 715	-7 916	-18 983
Dividends received from investments	1 602	228	968
Cash flow from investments	11 118	-8 202	-1 612
Cash flow before financing items			
	12 710	-6 072	9 185
Cash flow from financing			
Change in current loans		4 000	
Change in non-current loans			5 874
Dividends paid and other profit distribution	-4	-3	-7 764
Cash flow from financing	-4	3 997	-1 890
Increase(+) or decrease (-) in financial assets			
	12 706	-2 075	7 295
Liquid assets at the beginning of the financial period	14 626	7 331	7 331
Liquid assets at the end of the financial period	27 332	5 256	14 626
Group key figures			
	3/2007	3/2006	12/2006
Earnings/share (EUR)	0.47	0.17	1.17
Shareholders' equity/share (EUR)	4.50	3.40	4.14
Average number of personnel	373	386	399
Investments (EUR 1 000) *)	652	8 460	22 529
Interest-bearing debt (EUR 1 000)	6 063	4 189	6 063
Equity ratio, %	78.0	78.6	79.0

*) 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)	3/2007	3/2006	12/2006
Collateral pledged for own commitments			
Mortgages on company assets	168	168	168
Mortgages on real estate	4 017	2 017	4 017
On behalf of others			
Guarantees	16	16	16

Statement of changes in shareholders' equity (EUR 1000)

Change in shareholders' equity 1-3/2006	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.	3 259	166	1 057	13 103	29 418	47 003
Available-for-sale financial assets						
Net fair value gains and reclassified and reported in net profit			421			421
Share of deferred taxes			-109			109
Net fair value gains added to shareholders' equity			312			312
Net profit/ loss					2 480	2 480
SHAREHOLDERS' EQUITY TOTAL 03/2006	3 259	166	1 369	13 103	31 898	49 795
Change in shareholders' equity 1-3/2007	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.	3 666		5 540	12 862	38 700	60 768
Available-for-sale financial assets						
Net fair value gains and reclassified and reported in net profit			-2 373			-2 373
Share of deferred taxes			616			616
Net fair value gains added to shareholders' equity			-1 756			-1 756
Net profit/ loss					6 950	6 950
SHAREHOLDERS' EQUITY TOTAL 03/2007	3 666		3 784	12 862	45 650	65 962

The figures have not been audited.

Outlook for the Year-End

Growth in media advertising is expected to decelerate in Finland in comparison to the figures for the first quarter since, to a marked extent, these included election advertising. Printing business volumes are likely to remain almost unchanged and competition will remain tough throughout the year.

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

Operating profit and operating profit as a percentage of net sales are expected to increase from the

levels of 2006, regardless of the forthcoming growth of expenses in the last two quarters of 2007. The profit for the entire financial year will presumably fall, since the financial income of the comparison year 2006 includes significant non-recurring capital gains from the sale of an associated company and the proportion of the sold associated company's result entered in the books for that year. Profit for the remainder of the year will be affected by securities trading volumes and the price performance of securities investments as well as potential capital gains or losses from available-for-sale assets.

Seinäjäki, 2 May 2007

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director