

THE ILKKA-YHTYMÄ GROUP'S FINANCIAL STATEMENTS FOR 2007

Ilkka Yhtymä Group's consolidated net sales amounted to EUR 54,885 thousand (EUR 52,670 thousand in 2006), while operating profit increased to EUR 11,790 thousand (EUR 9,703 thousand) and the operating margin was 21.5 per cent (18.4 per cent). Profit before taxes came to EUR 17,388 thousand (EUR 19,535 thousand). Return on investment (ROI) was 26.7% (34.7%) and Return on equity (ROE) 22.0% (31.7%). Earnings per share were EUR 0.93 (EUR 1.17) and equity per share amounted to EUR 4.36 (EUR 4.14). The Board of Directors proposes a per share dividend of EUR 1.00, making dividend payments account for 107.1 per cent of the Group's profit. The payable dividend contains a basic dividend of EUR 0.80 and an additional dividend of EUR 0.20 from investment income.

MATTI KORKIATUPA, MANAGING DIRECTOR:

"Increased consumer purchasing power and moderate rises in costs had a positive impact on the media industry in 2007. The digitalisation of television broadcasting in the autumn confirmed the role of newspapers as the only media capable of simultaneously reaching the majority of the population. In addition, the continuing revival of commerce and services in our operating region created new opportunities for media sales.

Although regional newspapers and free sheets currently play a strong role, traditional papers must meet the challenges posed by changing consumer behaviour, new technologies and the new competitors whose market entry such new technologies are enabling. In response, we have invested in the development of our various paper groups and multi-channel contents.

During the autumn, our e-business was transferred to a new profit centre with the mission of developing and co-ordinating provincial online and mobile services in co-operation with our provincial papers. We introduced online facsimile editions of our local papers and, for our provincial papers, the new online services were launched early in 2008. In order to enhance the multi-channel competencies of staff in publishing companies, we established the Ilkka Academy, with advanced studies continuing during the current year.

In line with the roles assigned to our papers, we sharpened our free sheet strategy, began participating in national 'KaupunkiPlus' (CityPlus) sales co-operation and initiated earlier deliveries of subscription-based newspapers. Editorial co-operation was extended in the spring, as Väli-Suomen Media joined forces with Turun Sanomat and established a shared news and financial news department in Helsinki.

In terms of investment levels, the current year proved challenging. Subsequent to the favourable trends prevailing during the first two quarters, stock prices saw an intense downswing towards the end of the year. Despite share price trends, the Group's financial income developed positively, particularly due to shares in fixed assets.

During the current year, our development activities will focus on our multi-channel papers' contents destined for young readers, as well as online and mobile services. In addition to the provincial leisure time, entertainment and utility services we provide, we will dedicate special efforts to services provided by other parties. Content and marketing co-operation between the Group's various paper groups will be intensified and content sharing with newspapers external to the Group increased.

In order to secure the printing capacity needs of our provincial papers, I-print Oy is expanding its newspaper rotation, enabling the simultaneous printing of both Ilkka and Pohjalainen provincial papers in 48-page editions. Furthermore, a new printing press was commissioned for sheet printing in January.

The economic outlook for 2008 in our operating region remains strong, with a healthy employment situation in prospect and commerce continuing to revive both in Ostrobothnia and South Ostrobothnia. However, the market situation is threatened by weakening international economic trends and rising costs, particularly staff costs. For investment activities, the outlook also appears challenging."

BUSINESS ENVIRONMENT

The growth of Finland's GDP in 2007 was estimated to stand at four per cent, while in 2008, it is expected to slow down to approximately three per cent. In January–November, the value of exports grew by approximately seven per cent from the previous year.

According to estimates, private consumption grew by 3.5 per cent in 2007, and is expected to slow down in 2008. The consumer survey conducted by Statistics Finland in January reported that the consumer confidence indicator had dipped below the long-term average. Positive demographic and employment developments in 2007 in the provinces of South Ostrobothnia and Ostrobothnia had a favourable impact on Ilkka-Yhtymä's business. Furthermore, the economic trends prevailing in Ostrobothnia and South Ostrobothnia were considered positive in the beginning of 2008.

Following a population increase of nearly one thousand during the year, the Seinäjoki sub-region currently ranks as the sixth largest market region in Finland. The province of Ostrobothnia also saw its population increase, with the city of Vaasa's population nudging above 58,000 for the first time. Owing to successful performances in the metal and energy industries, the unemployment rate of 5.9 per cent is the second lowest in the country, following that of the province of Uusimaa.

According to TNS Gallup Oy, media advertising grew by 6.4 per cent in 2007. Advertising in newspapers increased by 5.1 per cent, while advertising in free sheets decreased by 1.2 per cent. Newspapers and free sheets accounted for 47.3 per cent and 5.2 per cent of advertising, respectively.

GROUP STRUCTURE

The Ilkka-Yhtymä Group comprises the parent company Ilkka-Yhtymä Oyj, and the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy and Pohjanmaan Lähisanomat Oy. The Group also includes the sheet and newspaper printing company I-print Oy, the real estate companies Kiinteistö Oy Seinäjoen Koulukatu 10 and Seinäjoen Kassatalo Osakeyhtiö, and I-Mediat Oy. The main products of the Group's publishing business companies are the newspapers Ilkka and Pohjalainen. Other publications include the local newspapers Härmät, Jurvan Sanomat, Järviseuutu, Suupohjan Sanomat, Viiskunta and the free sheets Etelä-Pohjanmaa and Vaasan Ikkuna.

The consolidated financial statements include the results of the associated companies Arena Partners Oy, Väli-Suomen Media Oy and Yrittävä Suupohja Oy. Ilkka-Yhtymä Oyj sold its 25.6 per cent holding in Savon Mediat Oy to Keski-suomalainen Oy on 29 December 2006.

GROUP FINANCIAL PERFORMANCE

Consolidated net sales amounted to EUR 54,885 thousand (EUR 52,670 thousand in 2006). External net sales from publishing operations increased by EUR 1,735 thousand (4.1 per cent) and external net sales from the printing business increased by EUR 481 thousand (4.7 per cent). Other operating income totalled EUR 560 thousand (EUR 448 thousand), including EUR 126 thousand in capital gains from the sale of fixed-assets.

The Group's operating expenses for the period totalled EUR 43,655 thousand (EUR 43,415 thousand), an increase of 0.6 per cent. Expenses for printing operations remained at the previous year's level, while those related to publishing grew slightly. Expenses incurred for materials and services increased by 4.3 per cent, due to earlier distribution schedules in particular. Personnel costs decreased by 0.4 per cent. Personnel expenses include staff profit-sharing remuneration. Other operating expenses decreased by 3.3 per cent year on year. Expenses in the previous year included non-recurring expenses arising from the Group's centenary celebration. Depreciation, included in operating expenses, amounted to EUR 3,141 thousand (EUR 3,265 thousand in 2006).

Consolidated operating profit totalled EUR 11,790 thousand (EUR 9,703 thousand), up by 21.5 per cent year-on-year. The operating margin was 21.5 per cent (18.4).

Net financial income came to EUR 5,570 thousand (EUR 8,002 thousand), financial assets at fair value through profit or loss accounting for EUR -254 thousand (EUR 314 thousand) and available-for-sale assets for EUR 5,040 thousand (EUR 336 thousand). Gains from available-for-sale financial assets in 2007 include EUR 3,224 thousand in capital gains from the sales of Alma Media Oyj's shares and EUR 1,738 thousand (EUR 336 thousand in 2006) in dividend income. Net financial income figures for 2006 included the Group's capital gains (EUR 7,412 thousand) from the sale of a holding in an associated company. The share of the associated companies' result was EUR 28 thousand (EUR 1,831 thousand). Pre-tax profit totalled EUR 17,388 thousand (EUR 19,535 thousand). Direct taxes amounted to EUR 3,689 thousand (EUR 2,431 thousand). The Group's net profit for the period totalled EUR 13,699 thousand (EUR 17,104 thousand).

The consolidated balance sheet total decreased to EUR 77,509 thousand (EUR 78,463 thousand) while shareholders' equity was EUR 63,907 thousand (EUR 60,768 thousand). Moreover, the fair value reserve grew by EUR 2,639 thousand over the year. The consolidated balance sheet does not contain interest-bearing liabilities (EUR 6,063 thousand in the 2006 Financial Statements).

Earnings per share amounted to EUR 0.93 (EUR 1.17) and equity per share was EUR 4.36 (EUR 4.14).

PUBLISHING

The Group's publishing operations segment comprises the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy, and Pohjanmaan Lähisanomat Oy. Net sales from publishing rose to EUR 44,428 thousand (EUR 42,614 thousand), mainly due to brisk increases in advertising volumes. Net sales of the provincial newspaper companies Sanomalehti Ilkka Oy and Vaasa Oy showed an increase, while those of Pohjanmaan Lähisanomat Oy, a local newspaper company, decreased, due to the transfer of publication of the free sheet, Etelä-Pohjanmaa, to Sanomalehti Ilkka Oy as of 1 January 2007. Comparable net sales remained at the previous year's level.

Operating profit from publishing increased by 17.4 per cent, year on year, to EUR 9,507 thousand (EUR 8,100 thousand).

PRINTING

The printing segment comprises the printing house I-print Oy. The segment's net sales amounted to EUR 21,169 thousand (EUR 20,569 thousand). External net sales from printing increased by EUR 481 thousand (4.7 per cent).

Operating profit from printing increased by 23.3 per cent year-on-year, totalling EUR 3,475 thousand (EUR 2,819 thousand).

Q4/2007 NET SALES AND OPERATING RESULTS

Net sales for October to December 2007 came to EUR 14,827 thousand (EUR 13,933 thousand), both publishing and printing recording growth.

Q4 expenses totalled EUR 12,179 thousand (EUR 11,522 thousand). Operating profit totalled EUR 2,781 thousand (EUR 2,586 thousand).

Net financial income was EUR -494 thousand (EUR 7,531 thousand). Net financial income reported in the fourth quarter of 2006 included the Group's capital gains (EUR 7,412 thousand) from the sale of a holding in an associated company. The share of profit generated by the associated companies was EUR -29 thousand (EUR 384 thousand).

Q4 pre-tax profit totalled EUR 2,258 thousand (EUR 10,501 thousand).

FINANCIAL POSITION AND CAPITAL EXPENDITURE

Reported capital expenditure totalled EUR 5,283 thousand, with printing accounting for EUR 2,264 thousand, and publishing for EUR 788 thousand. In 2007, EUR 2,434 thousand was spent on available-for-sale assets.

The Group's liquidity remained solid throughout the year. The current ratio was 2.41 (2.80) at the end of the financial period. Based on the consolidated balance sheet, equity ratio was 84.2 (79.0) per cent. Liquid assets were EUR 12,396 thousand (EUR 14,626 thousand). Reported cash flow from business operations totalled EUR 10,242 thousand (EUR 10,797 thousand). Cash flow from investments came to EUR 6,813 thousand, chiefly consisting of capital gains from the sales of Alma Media Oyj's shares. The 2006 cash flow from investments (EUR -1,612 thousand) included an investment in the company's holding in Alma Media Oyj and the sale of a holding in an associated company.

ANNUAL GENERAL MEETING, SUPERVISORY BOARD AND BOARD OF DIRECTORS

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 dividend 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, Vähäkyrö; Jaakko Rintala, Lapua; Raija Tikkala, Jurva. 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 Wingvist-Ilkka, Authorised Public Accountant, were elected as deputy auditors.

In its meeting of 21 May 2007, the Supervisory Board elected two new members to the Board of Directors of Ilkka-Yhtymä Oyj. The new members are Sari Mutka, Financial Administration employee, and Timo Aukia, Managing Director, M.Sc.(Econ.). Both Seppo Paatelainen, Vuorineuvos (Finnish honorary title), and Tapio Savola, Master of Laws trained on the bench, were re-elected to the Board of Directors before the expiry of their terms of office.

Under the article concerning age in the Articles of Association, both Ilkka-Yhtymä Oyj's Chairman Veikko Heikkilä, a member of the Board of Directors since 1986, and Vice Chairman Jaakko Aukia, a member since 1985, left the Board.

At its membership meeting, the Board of Directors elected Seppo Paatelainen as its Chairman and Timo Aukia as its Vice Chairman. Ilkka-Yhtymä Oyj's Board of Directors comprises Seppo Paatelainen, Chairman, Timo Aukia, Vice Chairman, Lasse Hautala, Sari Mutka and Tapio Savola.

Jaakko Rintala will continue as Chairman of the Supervisory Board, while Perttu Rinta, Managing Director, was elected as its Vice Chairman.

TENDER OFFER FOR THE SHARES OF VAASAN LÄÄNIN PUHELIN OY

Ilkka-Yhtymä Oyj published a stock exchange release on 24 April 2007, according to which Ilkka-Yhtymä Oyj made a tender offer for the shares of Vaasan Läänin Puhelin Oy (VLP). The tender offer period was 15-25 May 2007, and the tender offer price per share amounted to EUR 1,450.

The objective of the tender offer was 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.

The ca. 1,000 shares acquired by Ilkka Yhtymä during the tender offer period do not have a significant impact on Ilkka Yhtymä's results or VLP's operations.

SHARE PERFORMANCE

At the end of 2007, the company's share capital totalled EUR 3,666,458. The number of shares was 14,665,833, of which 4,304,061 were Series I shares (20 votes per share) and 10,361,772 were Series II shares (1 vote per share). Shares of both series entitle the holders to the same dividend. The nominal value of the company share is EUR 0.25.

According to the Articles of Association, no-one at a General Meeting may use, on behalf of him/herself or by proxy, a total number of votes exceeding one-twentieth (1/20) of the number of votes presented at the meeting.

The transfer of Series I shares is restricted by an approval clause. According to this clause, Series I shares cannot be transferred to another holder without the approval of the Board of Directors.

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 quoted on the OMX Nordic Exchange, Consumer Discretionary sector, the company's market value being classified as Mid Cap. The Series I shares are quoted on the Pre List.

The number of Series I shares of Ilkka-Yhtymä Oyj traded in 2007 was 62,919, which is 1.5 per cent of series share stock. The trading value of shares was EUR 0.8 million. The number of Series II shares traded totalled 2,476,619, which equals 23.9 per cent of the series share stock. Their trading value was EUR 28.0 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 10.37 and the highest EUR 13.07, while the lowest quotation for a Series II share was EUR 10.16 and the highest EUR 12.29. At the period-end closing price, the share capital market value was EUR 165.6 million.

The Board of Directors has an effective authorisation to decide upon a share issue and/or granting stock options and/or other special rights and upon their conditions. This effective authorisation has not been exercised. The Board of Directors is not authorised to acquire or sell company's own shares.

FLAGGING ANNOUNCEMENTS

Due to a share purchase completed on 7 May 2007, Thominvest Oy's holding in Ilkka-Yhtymä Oyj's share capital fell below 5 per cent to 4.59 per cent of the share capital and 0.699 per cent of voting rights.

PERSONNEL

The Group had an average of 437 employees during the period (452 in 2006), while the average number of personnel translated into full-time employment was 388 (399).

On 31 December 2007, the Group had 377 full-time employees (379).

Since 2000, Ilkka-Yhtymä Group's entire personnel has been covered by an incentive scheme.

The Articles of Association provide for two employee representatives to serve on the Supervisory Board of Ilkka-Yhtymä Oyj.

ESTIMATED OPERATING RISKS AND UNCERTAINTIES

The Risk Management Policy of Ilkka-Yhtymä Group is approved by the Board of Directors and is part of the Group's management system, also approved by the Board. The Risk Management Policy includes a written document and descriptions of key risks and the related management measures defined in separate risk databases. For identified key risks, risk management responsibilities have been defined by profit centre, by subsidiary and at Group level, and those assigned as being responsible have the capabilities required for risk management tasks. The Group's risk management procedures are consistent and known by the staff participating in holistic risk management.

Communications industry

According to the company's estimates, the Group's core business does not involve special business risks, but only risks normally associated with the industry. Such industry risks are mainly associated with the development of media advertising and media consumption, since more and more alternatives are being offered to consumers and advertisers. Competition in the industry is being affected by the digitalisation of content and the appearance of new distribution channels, as well as the new operating methods and actors these are enabling.

In the face of intensifying competition, the strength of provincial and local papers lies in their emphasis on local issues and community spirit. A close relationship to the readers and high circulation coverage creates a competitive advertising media.

Publishing

In long term, regional demographic and economic developments will have an impact on provincial and local newspapers' circulation and advertising income. On the other hand, the current reduction in household size will maintain circulation figures. A healthy circulation coverage percentage and strong relationships with readers are enhancing the newspapers' competitiveness in the advertising market.

In general, ordinary economic cycles have not had a major impact on local or provincial newspapers' circulation income. On the other hand, media advertising volumes reflect changes in economic cycles, competitive situations and the outlook of advertisers' own industries.

In Southern Finland, free sheets have been challenging subscription-based newspapers. The new actors' entry into the market depends on the regional volume of the advertising market and the competitive environment. Since most newspaper groups, such as Ilkka-Yhtymä Group, have decades' of experience with respect to their free sheets, they can prepare for this changing competitive environment by focusing on high quality, and local customer relationships.

In order to face the challenges posed by changing reading habits among young people and growing volumes of content available free of charge on the Internet, Ilkka-Yhtymä Group is providing its provincial newspapers' premium online services for the benefit of the region's consumers. Our objective is to be the first to report on events in the province, while providing more information on the same issues later. In news reporting, the combination of a printed newspaper and provincial online and mobile services is unbeatable. In addition to providing news content, we will develop our websites into forums where people in Ostrobothnia and South Ostrobothnia can find local and national e-transaction services as well as leisure time services. In line with the allied Arena Partners' strategy, our online services aim at becoming the leading place for electronic news, services, transactions and commerce for the consumers, communities and companies in our operating provinces.

For the moment, the top three media advertiser industries - the retail trade, motor vehicles and food - have remained unchanged. Since these industries account for nearly half of media sales volumes, even minor changes occurring in their use of media will affect the financial performance of publishing companies. In particular, their increasing use of the Internet may reshape the use of advertising channels in the long term.

As a result of new technology, some classified advertisements, such as car, housing and job advertisements, have shifted online. In response to this development, Ilkka and Pohjalainen provide Arena services, integrated with their provincial newspapers' common newspaper advertising. New players in the markets include national and regional search engine companies.

Graphics

The aggressive price competition in the printing sector is continuing. Developments in circulation and advertising volumes are reflected in the numbers of pages in newspapers, while general economic trends are affecting the use of other advertising material. Exports to Nordic countries are dependent on the market situation prevailing at any given time.

The availability of newsprint supply has been good and price developments have been moderate due to an overcapacity in the paper industry. Pricing pressures will most probably increase, since the paper industry is cutting its capacity in order to safeguard future profitability. I-print Oy has prepared for both supply and price risks by dividing its purchasing between several suppliers.

Newspaper delivery has been outsourced to Itella Oyj and Suomen Suorajakelu Oy. Risks in delivery operations include price developments and the availability of deliverers in the future.

PROPOSAL BY THE BOARD OF DIRECTORS ON PROFIT DISTRIBUTION

On 31 December 2007, the parent company's distributable funds totalled EUR 26,240,954.19.

The Board of Directors proposes to the Annual General Meeting of 14 April 2008 that a per share dividend of EUR 1.00 be paid for the financial year 2007, representing a total dividend payment of EUR 14,665,833.00. The Group distributes 107.1 per cent of its profit in dividends.

For 2006, based on a decision by the AGM, Ilkka-Yhtymä Oyj distributed a per share dividend of EUR 0.60 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 dividend payment of EUR 0.90 per share.

Ilkka-Yhtymä Oyj practices an active dividend policy and aims to distribute at least half of its consolidated annual income as dividend payments, taking into consideration the financing required for profitable growth and the company's future outlook.

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. The profit for the entire financial year is affected by securities trading volumes and the price performance of securities investments as well as dividends from available-for-sale assets and potential sales gains or losses on available-for-sale assets. The profit for 2007 included capital gains of EUR 3.2 million from the sale of shares in Alma Media Oyj reported under financial income.

GROUP INCOME STATEMENT (EUR 1,000)	10-12/ 2007	10-12/ 2006	Change	1-12/ 2007	1-12/ 2006	Change
NET SALES	14 827	13 933	6 %	54 885	52 670	4 %
Change in inventories of finished and unfinished products	-7	-9	-21 %	12	2	607 %
Other operating income	133	175	-24 %	560	448	25 %
Materials and services	-4 538	-4 096	11 %	-16 514	-15 834	4 %

Employee benefits	-4 925	-4 763	3 %	-17 415	-17 494	0 %
Depreciation	-759	-814	-7 %	-3 141	-3 265	-4 %
Other operating costs	-1 949	-1 839	6 %	-6 597	-6 825	-3 %
OPERATING PROFIT	2 781	2 586	8 %	11 790	9 703	22 %
Financial income and expenses	-494	7 531	-107 %	5 570	8 002	-30 %
Share of associated companies' profit	-29	384	-108 %	28	1 831	-98 %
PROFIT BEFORE TAXES	2 258	10 501	-78 %	17 388	19 535	-11 %
Income tax	-600	-709	-15 %	-3 689	-2 431	52 %
PROFIT FOR THE PERIOD UNDER REVIEW	1 658	9 792	-83 %	13 699	17 104	-20 %

SEGMENT INFORMATION

Group net sales (EUR 1,000)	10-12/ 2007	10-12/ 2006	Change	1-12/ 2007	1-12/ 2006	Change
Publishing	11 797	11 264	5 %	44 428	42 614	4 %
Printing	5 799	5 311	9 %	21 169	20 569	3 %
Non-allocated	530	516	3 %	2 150	2 072	4 %
Net sales between segments	-3 299	-3 157	4 %	-12 862	-12 586	2 %
Total	14 827	13 933	6 %	54 885	52 670	4 %

Group operating profit (EUR 1,000)	10-12/ 2007	10-12/ 2006	Change	1-12/ 2007	1-12/ 2006	Change
Publishing	2 456	2 359	4 %	9 507	8 100	17 %
Printing	783	547	43 %	3 475	2 819	23 %
Non-allocated	-457	-320	43 %	-1 190	-1 215	-2 %
Operating profit between segments				-1	-1	0 %
Total	2 781	2 586	8 %	11 790	9 703	22 %

GROUP BALANCE SHEET (EUR 1,000)

12/2007 12/2006 Change

ASSETS

NON-CURRENT ASSETS

Intangible rights	439	500	-12 %
Investment property	646	749	-14 %
Property, plant and equipment	19 537	19 706	-1 %
Shares in associated companies	486	458	6 %
Available-for-sale assets	34 666	35 558	-3 %
Non-current trade and other receivables	39	39	
Other tangible assets	214	214	

TOTAL NON-CURRENT ASSETS	56 027	57 224	-2 %
CURRENT ASSETS			
Inventories	714	890	-20 %
Trade and other receivables	3 997	3 602	11 %
Income tax assets	31	435	-93 %
Financial assets at fair value through profit or loss	4 345	1 687	158 %
Cash and cash equivalents	12 396	14 626	-15 %
TOTAL CURRENT ASSETS	21 482	21 240	1 %
TOTAL ASSETS	77 509	78 463	-1 %
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY			
Share capital	3 666	3 666	
Fair value reserve and other reserves	21 041	18 402	14 %
Retained earnings	39 199	38 700	1 %
SHAREHOLDER'S EQUITY	63 907	60 768	5 %
NON-CURRENT LIABILITIES			
Deferred tax liability	4 692	4 101	14 %
Non-current interest-bearing liabilities		6 000	-100 %
NON-CURRENT LIABILITIES	4 692	10 101	-54 %
CURRENT LIABILITIES			
Current interest-bearing liabilities		63	-100 %
Accounts payable and other payables	7 903	7 528	5 %
Income tax liability	1 008	2	43093 %
CURRENT LIABILITIES	8 911	7 594	17 %
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	77 509	78 463	-1 %

GROUP CASH FLOW STATEMENT (EUR 1,000)

	1-12/ 2007	1-12/ 2006	
CASH FLOW FROM OPERATIONS			
Profit for the period under review	13 699	17 104	
Adjustments	1 109	-4 174	
Change in working capital	257	132	
CASH FLOW FROM OPERATIONS BEFORE FINANCE AND TAXES	15 065	13 062	
Financial income and expenses	-2 206	1 263	
Direct taxes paid	-2 617	-3 528	
CASH FLOW FROM OPERATIONS	10 242	10 797	
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	-2 685	-1 795	

Sold and acquired associated companies		18 198
Other investments, net	7 759	-18 983
Dividends received from investments	1 738	968
CASH FLOW FROM INVESTMENTS	6 813	-1 612
CASH FLOW BEFORE FINANCING ITEMS	17 055	9 185
CASH FLOW FROM FINANCING		
Change in current loans	-63	
Change in non-current loans	-6 000	5 874
Dividends paid and other profit distribution	-13 221	-7 764
CASH FLOW FROM FINANCING	-19 285	-1 890
INCREASE (+) OR DECREASE (-) IN FINANCIAL ASSETS	-2 230	7 295
Liquid assets at the beginning of the financial period	14 626	7 331
Liquid assets at the end of the financial period	12 396	14 626

GROUP KEY FIGURES 2006-2007

Key figures indicating financial development

	2007	2006
Net sales, Meur	54.9	52.7
- change %	4.2	-2.3
Operating profit, Meur	11.8	9.7
- % of net sales	21.5	18.4
Profit before taxes, Meur	17.4	19.5
- % of net sales	31.7	37.1
Result for the financial period, Meur	13.7	17.1
- % of net sales	25.0	32.5
Return on equity (ROE), %	22.0	31.7
Return on investment (ROI), %	26.7	34.7
Equity ratio, %	84.2	79.0
Gearing, %	-26.2	-16.9
Gross capital expenditure, Meur *)	5.3	22.5
- % of net sales	9.6	42.8
Balance sheet total, Meur	77.5	78.5
Current ratio	2.41	2.80
Average no. of employees	388	399

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

Per-share ratios	2007	2006
Earnings per share (EPS), eur	0.93	1.17
Cash flow from operations per share, eur	0.70	0.74

Shareholders' equity per share, eur	4.36	4.14
Dividend per share (Series I), eur	1.00	0.90
Dividend per share (Series II), eur	1.00	0.90
Nominal dividend eur/share (Series I and Series II)	1.00 *)	0.90
Dividend per earnings (Series I), %	107.1	77.2
Dividend per earnings (Series II), %	107.1	77.2
Effective dividend yield (Series I), %	8.1	7.5
Effective dividend yield (Series II), %	9.2	8.0
Price per earnings (P/E) (Series I)	13.2	10.3
Price per earnings (P/E) (Series II)	11.6	9.7
Adjusted price development of shares		
average price (Series I), eur	12.09	11.83
average price (Series II), eur	11.30	10.54
lowest price (Series I), eur	10.37	9.78
lowest price (Series II), eur	10.16	8.70
highest price (Series I), eur	13.07	14.13
highest price (Series II), eur	12.29	12.17
price at end of period (Series I), eur	12.35	12.00
price at end of period (Series II), eur	10.85	11.26
Market capitalisation, Meur	165.6	168.3
Shares traded (Series I), number of shares	62 919	68 841
- % of total number of shares	1.5	1.6
Shares traded (Series II), number of shares	2 476 619	3 037 245
- % of total number of shares	23.9	29.3
Weighted average of adjusted numbers of shares during the financial period	14 665 833	14 665 833
Adjusted number of shares at the end of the financial period	14 665 833	14 665 833

*) Proposal of the Board of Directors

The figures have been adjusted to take account of the bonus issue.

CONSOLIDATED NET SALES AND PROFIT BY QUARTER (EUR 1,000)

	Q1/ 2007	Q2/ 2007	Q3/ 2007	Q4/ 2007
NET SALES	13 456	13 791	12 811	14 827
OPERATING PROFIT	3 102	2 861	3 046	2 781
PROFIT FOR THE PERIOD UNDER REVIEW	6 950	2 528	2 563	1 658
	Q1/ 2006	Q2/ 2006	Q3/ 2006	Q4/ 2006
NET SALES	12 894	13 407	12 434	13 933
OPERATING PROFIT	2 060	2 447	2 610	2 586
PROFIT FOR THE PERIOD UNDER REVIEW	2 480	1 868	2 964	9 792

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR 1,000)

Change in shareholders' equity 1-12/2006	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.2006	3 259	166	1 057	13 103	29 418	47 003
Available-for-sale financial assets:						
Gain/loss on fair valuation			6 058			6 058
Share of deferred taxes			-1 575			-1 575
Transfers between items	407	-166		-242		
Net fair value gains added to shareholders' equity	407	-166	4 483	-242		4 483
Net profit/loss					17 104	17 104
Total profits and losses	407	-166	4 483	-242	17 104	21 587
Dividend distribution					-7 822	-7 822
SHAREHOLDERS' EQUITY TOTAL 12/2006	3 666		5 540	12 862	38 700	60 768

Change in shareholders' equity 1-12/2007	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.2007	3 666		5 540	12 862	38 700	60 768
Available-for-sale financial assets:						
Gain/loss on fair valuation			5 960			5 960
Amount transferred to income statement			-2 394			-2 394
Share of deferred taxes			-927			-927
Net fair value gains added to shareholders' equity			2 639			2 639
Net profit/loss					13 699	13 699
Total profits and losses			2 639		13 699	16 338
Dividend distribution					-13 199	-13 199
SHAREHOLDERS' EQUITY TOTAL 12/2007	3 666		8 179	12 862	39 199	63 907

GROUP CONTINGENT LIABILITIES (EUR 1,000)	12/2007	12/2006
Collateral pledged for own commitments		
Mortgages on company assets	168	168
Mortgages on real estate	4 017	4 017
On behalf of others		
Guarantees	16	16
Official circulation volumes of newspapers		
Ilkka	55 018	
Pohjalainen	28 540	
Härmät	3 896	
Jurvan Sanomat	2 346	
Järviseu tu	5 875	
Suupohjan Sanomat	4 360	
Viiskunta	6 520	
Vaasan Ikkuna (delivery)	52 300	
Etelä-Pohjanmaa (delivery)	43 200	

This financial statements bulletin, issued by Ilkka-Yhtymä Group, was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS), excluding some requirements of IAS 34.

The consolidated financial statements were prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS), to comply with the IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2007.

As of 1 January 2007, the Group has applied the following new IFRS standards and interpretations: IFRS 7 Financial Instruments: Disclosures; the Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The adopted standards and interpretations have only had an effect on the Notes to the Financial Statements.

The above accounts are unaudited.

PROPOSALS TO THE ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting of 14 April 2008 that a per share dividend of EUR 1.00 be distributed for the financial year 2007.

Proposed amendments to Sections 5(1), 7 and 9(1) of the Articles of Association

It is proposed that Section 5 (1) read as follows:

Section 5 The company and the enterprises of the company are supervised by the Supervisory Board which includes a minimum of twenty (20) and a maximum of thirty (30) members, of which two shall be representatives of the personnel of the company or the company's enterprises. The members of the Supervisory Board

shall be elected at the Annual General Meeting for a term of four (4) years which shall begin following the election. Annually, the number of retiring members shall constitute less than 25 per cent of the members.

It is proposed that Section 7 read as follows:

Section 7 In addition to the above, the Supervisory Board's duties comprise:

1. Electing and dismissing the members of the Board of Directors and determining their emoluments,
2. Convening the General Meetings,
3. Providing statements on issues on the General Meeting's agenda.

It is proposed that Section 9 (1) read as follows:

Section 9 The Board of Directors' duties comprise being in charge of the company administration and the appropriate organisation of company operations and:

1. Appointing and dismissing the company's Managing Director and the Managing Director's direct subordinates,
2. Seeing to the implementation of the decisions of the General Meetings and Supervisory Board's meetings,
3. Being responsible for the due organisation of the supervision of the company's accounting and financial administration
4. Granting and cancelling powers of procuration.

Seinäjäki, 18 February 2008

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director

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