

THE ILKKA-YHTYMÄ GROUP'S FINANCIAL STATEMENTS FOR 2005

Ilkka Yhtymä Group's consolidated net sales increased to EUR 53,932 thousand (EUR 53,890 thousand in 2004), while operating profit came to EUR 9,521 thousand (EUR 9,295 thousand) and operating margin was 17.7 per cent (17.2 per cent). Profit before taxes came to EUR 12,477 thousand (EUR 12,029 thousand). Return on investment (ROI) was 28.9 % (26.6%) and Return on equity (ROE) 21.3% (19.3%). Earnings per share were EUR 0.75 and equity per share amounted to EUR 3.61. The Board of Directors proposes a per-share dividend of EUR 0.60, making dividend payments account for 80.3 per cent of Group profit. In celebration of the firm's 100th anniversary year, the Board will propose a bonus issue to the AGM, based on which one new Series I share will be issued for eight existing Series I shares and one new Series II share for eight existing Series II shares.

OPERATING ENVIRONMENT

Preliminary information for 2005 indicates a 1.6 per cent increase in Finland's GDP and 3.5 per cent growth in consumer spending. The economy and employment in the provinces of Southern Ostrobothnia and Ostrobothnia developed favourably, which was reflected in Ilkka Yhtymä's business.

According to TNS Gallup Adex, media advertising increased by 3.3 per cent in 2005, with newspaper advertising up by 1.8 and job advertising by 13 per cent, while newspapers accounted for 48.4 and town papers for 5.7 per cent of total media advertising.

GROUP STRUCTURE

The Ilkka-Yhtymä Group comprises the parent company Ilkka-Yhtymä Oyj, 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 companies involved in the publishing business are the newspapers Ilkka and Pohjalainen. Other publications include the local newspapers Härmät, Jurvan Sanomat, Järvisetu, Suupohjan Sanomat, Viiskunta and the town papers Etelä-Pohjanmaa and Vaasan Ikkuna.

The consolidated financial statements include the results of the associated companies Savon Mediat Oy, Arena Partners Oy, Väli-Suomen Media Oy and Yrittävä Suupohja Oy.

GROUP FINANCIAL PERFORMANCE

Consolidated net sales amounted to EUR 53,932 thousand (EUR 53,890 thousand in 2004). Net sales from publishing operations increased by 1.5 per cent, but external net sales from the printing business declined by 4.2 per cent due to the divestment of barely profitable printing operations in order to safeguard profitability. Other operating income totalled EUR 377 thousand (EUR 575 thousand), including approximately EUR 43 thousand of capital gains from the sale of fixed-asset.

The Group's operating expenses for the period totalled EUR 44,788 thousand (EUR 45,171 thousand), decreasing by 0.8 per cent. The operating expenses of the printing business declined due to diminishing volumes. Operating expenses of the publishing operations were up due to subtle growth in net sales and higher cost levels. Personnel costs decreased by 0.6 per cent and other operating expenses decreased by 7.6 per cent year on year. Personnel expenses include staff's profit-sharing remuneration. Depreciation, included in operating expenses, amounted to EUR 3,361 thousand (EUR 3,334 thousand in 2004).

Consolidated operating profit totalled EUR 9,521 thousand (EUR 9,295 thousand), up by 2.4 per cent year-on-year. The operating margin was 17.7 per cent (17.2).

Net financial income came to EUR 1,909 thousand (EUR 2,157 thousand), with a EUR 1,047 thousand (EUR 577 thousand) share of associated companies' results. Pre-tax profit totalled EUR 12,477 thousand (EUR 12,029 thousand). Direct taxes amounted to EUR 2,738 thousand (EUR 2,113 thousand). The Group's net profit for the period totalled EUR 9,739 thousand, descending by 1.8 per cent year on year.

The consolidated balance sheet total was EUR 58,790 thousand (EUR 58,438 thousand).

Earnings per share amounted to EUR 0.75 (EUR 0.76) and equity per share was EUR 3.61 (EUR 3.41). The Board of Directors proposes a per-share dividend of EUR 0.60.

PUBLISHING

The Group's publishing operations segment comprises the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy, and Pohjanmaan Lähisanomat Oy. The segment's net sales for the financial year totalled EUR 41,664 thousand (EUR 41,065 thousand), boosted by growth in both subscriptions and advertising net sales. 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, remained at the previous year's levels. Advertising sales of the town papers Vaasan Ikkuna and Etelä-Pohjanmaa showed the most favourable development within publishing operations.

Operating profit from publishing operations remained at the previous year's good level, totalling EUR 8,089 thousand (EUR 8,092 thousand).

PRINTING

The printing segment comprises the printing house I-print Oy. The segment's net sales fell to EUR 22,725 thousand (EUR 23,025 thousand), due to persistently fierce competition both in the domestic market and in exports.

Operating profit from printing remained healthy, too, totalling EUR 2,492 thousand (EUR 2,448 thousand).

Q4/2005 NET SALES AND OPERATING RESULTS

Net sales for October to December 2005 came to EUR 13,733 thousand (EUR 15,217 thousand), the decline mainly being due to printing operations. During the final quarter, new newspaper printing capacity was introduced in Sweden, which affected exports, something which could not be rectified overnight. In addition, net sales in publishing fell slightly, due to 2004's inclusion of election campaign advertisements

Q4 expenses totalled EUR 11,602 thousand (EUR 12,633 thousand), this fall being mainly due to shrinking printing volumes. Operating profit totalled EUR 2,238 thousand (EUR 2,672 thousand).

Net financial income was EUR 90 thousand (EUR 625 thousand). The previous year's figure includes unrealised gains on items at fair value through profit or loss. Share of associated companies' profit was EUR 310 thousand.

Q4 pre-tax profit totalled EUR 2,639 thousand (EUR 3,641 thousand).

FINANCIAL POSITION AND CAPITAL EXPENDITURE

Reported capital expenditure totalled EUR 6,784 thousand, with printing accounting for EUR 616 thousand, and publishing for EUR 315 thousand. In 2005,

EUR 207 thousand were spent on real property renovations, and EUR 5,577 thousand on available-for-sale assets.

The Group's liquidity remained solid throughout the year. Current ratio was 1.81 (1.54) at the end of the financial period. Based on the consolidated balance sheet, equity ratio was 82.6 (77.4) per cent.

ANNUAL GENERAL MEETING, SUPERVISORY BOARD AND BOARD OF DIRECTORS

The Annual General Meeting (AGM) of 11 April 2005 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 dividend of EUR 0.60 per share.

The AGM cancelled the authorisation given on 26 April 2004 and authorised the Board of Directors to decide, within twelve months from the date of the meeting, on increasing share capital as opposed to the shareholders' subscription privileges, if required, by a maximum of EUR 651,793 and/or issuing convertible bonds and/or stock options.

Of the members of the Supervisory Board whose term of service had come to an end, the AGM re-elected the following: Markku Akonniemi, Alpo Joensuu, Heikki Järvi-Laturi, Martti Koski, Esa Latva-Rasku, Juho Tunkkari and Marja Vettenranta. The employee representatives Tarja Järvi and Juha Aho-Pynttäre were elected as new members of the Supervisory Board.

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.

At its meeting on 23 May 2005, the Supervisory Board of Ilkka-Yhtymä Oyj re-elected Veikko Heikkilä to the Board of Directors of Ilkka-Yhtymä Oyj. He continues as the Chairman of the Board of Directors. Other members of the Board in 2005 were Jaakko Aukia (Vice Chairman), Lasse Hautala, Seppo Paatelainen and Tapio Savola. Jaakko Rintala will continue as the Chairman of the Supervisory Board.

SHARE PERFORMANCE

The Series II shares of Ilkka-Yhtymä Oyj have been listed on the Main list of the Helsinki Stock Exchange since 10 June 2002, while the company's Series I shares are listed on the I-list.

The number of Series I shares of Ilkka-Yhtymä Oyj traded on the Investors' List in 2005 was 75,375, which is 2 per cent of series share stock. The trading value of shares was EUR 0.8 million. The number of Series II shares traded on the Main list totalled 1,777,499, which equals 19 per cent of the series share stock. Their trading value was EUR 17.0 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 8.15 and the highest EUR 13.70, while the lowest quotation for a Series II share was EUR 7.50 and the highest EUR 11.30. At period-end closing price, the share capital market value was EUR 149.0 million.

The company did not issue stock options or convertible bonds. The Board of Directors has an effective authorisation to increase share capital by a maximum of EUR 651,793 and/or to issue convertible bonds/stock options. The company is not authorised to buy back or transfer its own shares.

DIVIDEND POLICY

Ilkka-Yhtymä Oyj practices an active dividend policy and aims to distribute at least half of the consolidated annual income as dividend payments, taking into

consideration the financing required for a profitable growth and the company's future outlook.

IFRS REPORTING

Ilkka-Yhtymä Group adopted IFRS-compliant financial statements as of 1 January 2005, the date of transition to IFRS being 1 January 2004, for which the IFRS opening balance sheet was prepared. The IFRS opening balance sheet was published in a stock exchange release dated 15 April 2005, including information on the effects of the IFRS adoption.

EVENTS AFTER THE FINANCIAL YEAR

After the financial year, I-print Oy took charge of printing Talentum Oyj's newspaper-format trade journals published in Finland. Otherwise, operations have continued as usual.

PROSPECTS FOR 2006

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.

Both operating margin and overall financial performance are predicted to remain at 2005's healthy levels. However, securities trading volumes and the price performance of securities investments may affect results.

SEGMENT INFORMATION

Group net sales (1000 eur)	10-12/2005	10-12/2004	Change	1-12/2005	1-12/2004	Change
Publishing	10 942	11 138	-2 %	41 664	41 065	1 %
Printing	5 514	6 809	-19 %	22 725	23 025	-1 %
Non-allocated	508	475	7 %	2 002	1 956	2 %
Net sales between segments	-3 231	-3 203	1 %	-12 459	-12 155	2 %
Total	13 733	15 217	-10 %	53 932	53 890	0 %

Group operating profit (1000 eur)	10-12/2005	10-12/2004	Change	1-12/2005	1-12/2004	Change
Publishing	1 990	2 384	-17 %	8 089	8 092	0 %
Printing	576	704	-18 %	2 492	2 448	2 %
Non-allocated	-327	-458	-29 %	-1 058	-1 416	-25 %
Operating profit between segments		43	-101 %	-1	171	-101 %
Total	2 238	2 672	-16 %	9 521	9 295	2 %

GROUP NET SALES BY MARKET AREA (1000 EUR)

	1-12/2005	1-12/2004	Change
Finland	50 222	51 762	-3.0 %
Other Nordic countries	3 711	2 128	74.4 %
Total	53 932	53 890	0.1 %

GROUP INCOME STATEMENT (1000 EUR)	1-12/2005	1-12/2004	Change
NET SALES	53 932	53 890	0.1 %
Increase (+) or decrease (-) in stocks of finished products	-43	-32	34.6 %
Other operating income	377	575	-34.5 %
Materials and services	-17 317	-17 092	1.3 %
Employee benefits	-17 558	-17 671	-0.6 %
Depreciation	-3 361	-3 334	0.8 %
Other operating costs	-6 509	-7 042	-7.6 %
OPERATING PROFIT	9 521	9 295	2.4 %
Financial income and expenses	1 909	2 157	-11.5 %
Share of associated companies' profit/loss	1 047	577	81.3 %
PROFIT BEFORE TAXES	12 477	12 029	3.7 %
Taxes	-2 738	-2 113	29.6 %
PROFIT FOR THE PERIOD UNDER REVIEW	9 739	9 917	-1.8 %
GROUP BALANCE SHEET (1000 EUR)	12/2005	12/2004	Change
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	346	432	-20.0 %
Investment property	852	753	13.1 %
Tangible assets	21 171	23 361	-9.4 %
Shares in associated companies	10 046	9 588	4.8 %
Available-for-sale assets	10 521	5 906	78.1 %
Long-term trade receivables and other receivables	39	1 315	-97.1 %
Other tangible assets	227	227	0.0 %
TOTAL NON-CURRENT ASSETS	43 202	41 584	3.9 %
CURRENT ASSETS			
Inventories	827	923	-10.4 %
Trade and other receivables	3 856	4 284	-10.0 %
Income tax assets	571	2 651	-78.5 %
Other financial assets at fair value through profit or loss	2 650	5 438	-51.3 %
Cash and bank deposits	7 331	3 908	87.6 %
TOTAL CURRENT ASSETS	15 236	17 205	-11.4 %
TOTAL ASSETS	58 438	58 790	-0.6 %
SHAREHOLDERS' EQUITY AND LIABILITIES	12/2005	12/2004	Change
SHAREHOLDER'S EQUITY			
Shareholders' equity	3 259	3 259	0.0 %
Issue premium fund	166	166	0.0 %
Fair value reserve and other reserves	14 161	13 488	5.0 %
Retained earnings/loss	29 418	27 500	7.0 %
SHAREHOLDER'S EQUITY	47 003	44 413	5.8 %

NON-CURRENT LIABILITIES			
Deferred tax liability	2 971	3 038	-2.2 %
Non-current interest-bearing liabilities	63	189	-66.7 %
NON-CURRENT LIABILITIES	3 034	3 228	-6.0 %
CURRENT LIABILITIES			
Current interest-bearing liabilities	126	2 126	-94.1 %
Accounts payable and other payables	7 484	7 129	5.0 %
Income tax liabilities	791	1 893	-58.2 %
CURRENT LIABILITIES	8 401	11 149	-24.6 %
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	58 438	58 790	-0.6 %

GROUP CASH FLOW STATEMENT (1000 eur)

	2005	2004	
CASH FLOW FROM OPERATIONS			
Profit for the period under review	9 739	9 917	
Adjustments	3 104	2 476	
Change in working capital	770	-414	
CASH FLOW FROM OPERATIONS			
BEFORE FINANCE AND TAXES	13 613	11 978	
Financial income and expenses	3 980	1 432	
Direct taxes paid	-2 064	-2 531	
CASH FLOW FROM OPERATIONS	15 529	10 879	
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	-1 144	-3 985	
Other investments, net	-3 136	-7 993	
Repayment of loan receivables (+)	1 277		
Dividends received from investments	757	635	
CASH FLOW FROM INVESTMENTS	-2 246	-11 344	
CASH FLOW BEFORE FINANCING ITEMS	13 283	-464	
CASH FLOW FROM FINANCING			
Change in current loans	-2 000	2 000	
Change in non-current loans	-126	-126	
Dividends paid and other profit distribution	-7 734	-20 523	
CASH FLOW FROM FINANCING	-9 860	-18 649	
INCREASE (+) OR DECREASE (-)			
IN FINANCIAL ASSETS	3 423	-19 113	
Liquid assets at the beginning of the financial period	3 908	23 022	
Liquid assets at the end of the financial period	7 331	3 908	

GROUP KEY FIGURES 2004-2005

Key figures indicating the financial development

	2005	2004
Net sales, Meur	53.9	53.9
- change %	0.1	0.9
Operating profit, Meur	9.5	9.3
- % of net sales	17.7	17.2
Profit before taxes, Meur	12.5	12.0
- % of net sales	23.1	22.3
Result of the financial period, Meur	9.7	9.9
- % of net sales	18.1	18.4
Return on equity (ROE), %	21.3	19.3
Return on investment (ROI), %	28.9	26.6
Equity ratio, %	82.6	77.4
Gearing, %	-20.8	-15.8
Gross capital expenditure, Meur *)	6.8	12.5
- % of net sales	12.6	23.3
Balance sheet total, Meur	58.4	58.8
Current ratio	1.81	1.54
Average no. of employees	410	427

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

Per-share ratios

	2005	2004
Earnings per share (EPS), eur	0.75	0.76
Shareholders' equity per share, eur	3.61	3.41
Dividend per share (Series I), eur	0.60	0.60
Dividend per share (Series II), eur	0.60	0.60
Nominal dividend EUR/share (Series I and Series II))	0.60 *)	0.60
Dividend per earnings (Series I), %	80.3	78.9
Dividend per earnings (Series II), %	80.3	78.9
Effective dividend yield (Series I), %	4.8	7.9
Effective dividend yield (Series II), %	5.5	8.0
Price per earnings (P/E) (Series I)	16.8	10.0
Price per earnings (P/E) (Series II)	14.7	9.8
Adjusted price development of shares		

average price (Series I), eur	10.74	8.07
average price (Series II), eur	9.54	7.68
lowest price (Series I), eur	8.15	6.50
lowest price (Series II), eur	7.50	6.01
highest price (Series I), eur	13.70	9.45
highest price (Series II), eur	11.30	8.79
price at end of period (Series I), eur	12.58	7.60
price at end of period (Series II), eur	10.89	7.48
Market capitalisation, Meur	148.4	98.0
Shares traded (Series I), number of shares	75 375	318 646
- % of total number of shares	2.0	8.3
Shares traded (Series II), number of shares	1 777 499	6 489 917
- % of total number of shares	19.3	70.5
Weighted average of adjusted numbers of shares during the financial period	13 036 296	13 036 296
Adjusted number of shares at the end of the financial period	13 036 296	13 036 296

*) Proposal of the Board of Directors

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

	Q1/ 2005	Q2/ 2005	Q3/ 2005	Q4/ 2005
NET SALES	13 323	14 294	12 582	13 733
OPERATING PROFIT	2 226	2 728	2 329	2 238
PROFIT FOR THE PERIOD UNDER REVIEW	2 868	2 580	2 264	2 026
	Q1/ 2004	Q2/ 2004	Q3/ 2004	Q4/ 2004
NET SALES	12 438	13 526	12 708	15 217
OPERATING PROFIT	2 003	2 452	2 167	2 672
PROFIT FOR THE PERIOD UNDER REVIEW	1 941	2 859	2 081	3 036

GROUP'S CONTINGENT LIABILITIES (1000 EUR)

	12/2005	12/2004
Collateral given for own debt		
Loans secured with mortgages		
Loans from financial institutions	189	2 315
Given mortgages on property	2 017	2 035
Given mortgages on company assets	168	505
Mortgages total	2 185	2 540

On behalf of others		
Guarantees	16	16
Minimum lease payments on the basis of other non-cancellable leases		
Not later than 1 year	117	127
Later than 1 year and not later than 5 years	321	127
Total	438	254

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

	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
Change in shareholders' equity 1-12/2004						
SHAREHOLDERS' EQUITY 31.12.2003	3 259	166		13 103	37 971	54 499
Effect of adoption of new standards			3 304		470	3 774
ADJUSTED SHAREHOLDERS' EQUITY 1.1.2004	3 259	166	3 304	13 103	38 442	58 274
Available-for-sale assets						
Net fair value gains			191			191
Other changes *)			-4 324			-4 324
Share of deferred taxes			1 214			1 214
Net fair value gains added to shareholders' equity			-2 919			-2 919
Net profit/loss					9 917	9 917
Total profits and losses			-2 919		9 917	6 998
Dividend payment					-20 858	-20 858
SHAREHOLDERS' EQUITY TOTAL 31.12.04	3 259	166	385	13 103	27 500	44 413

*) Changes are due to the transfer of available-for-sale assets to investments in associated companies.

	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
Change in shareholders' equity 1-12/2005						
SHAREHOLDERS' EQUITY 1.1.2005	3 259	166	385	13 103	27 500	44 413
Available-for-sale assets						
Net fair value gains			1 328			1 328
Reclassified and reported in net profit			-419			-419
Share of deferred taxes			-236			-236

Net fair value gains added to shareholders' equity					672		672
Net profit/loss						9 739	9 739
Total profits and losses					672	9 739	10 411
Dividend payment						-7 822	-7 822
SHAREHOLDERS' EQUITY							
TOTAL 31.12.05	3 259	166	1 057	13 103		29 418	47 003

Official circulation volumes of newspapers

Ilkka	55 356
Pohjalainen	30 816
Härmät	3 996
Jurvan Sanomat	2 391
JärviseuTU	6 198
Suupohjan Sanomat	4 617
Viiskunta	6 731
Vaasan Ikkuna (delivery)	53 000
Etelä-Pohjanmaa (delivery)	41 500

The above accounts are unaudited.

PROPOSALS TO THE ANNUAL GENERAL MEETING

The Board of Directors will propose to the Annual General Meeting on 20 April 2006 that a dividend of EUR 0.60 per share be paid for 2005.

Raising the share capital through a bonus issue

In celebration of the firm's 100th anniversary year, The Board of Directors of Ilkka-Yhtymä Oyj proposes to the Annual General Meeting convened for April 20, 2006 that the company's share capital be increased by means of a bonus issue of shares from EUR 3,259,074 to EUR 3,666,458.25 by transferring the sum of EUR 165,583.05 from the share premium fund and EUR 241,801.20 from the reserve fund to the share capital.

Under the bonus issue, one (1) new Series I share will be issued for eight (8) existing Series I shares and one (1) new Series II share for eight (8) existing Series II shares, i.e. a total of 478,229 new Series I shares at a nominal value of 0.25 euros per share and 1,151,308 new Series II shares at a nominal value of 0.25 euros per share. After the bonus issue, the new total number of shares will be 14,665,833 (4,304,061 Series I-shares and 10,361,772 Series II shares).

Shareholders registered in the company's shareholder register on the record date, April 25, 2006, have the right to receive shares issued via the bonus issue.

The bonus issue will be implemented in the book-entry system, and does not require any action from shareholders. The new shares issued in the bonus issue will be entered in the shareholders' book-entry accounts on April 26, 2006, provided that the share capital increase has been entered in the Trade Register.

The number of shares to be entered in each shareholder's book-entry account will be the number of the shareholder's shares divided by the subscription ratio of the bonus issue (1:8). If this is not a whole number, the shareholder will be

paid a sum equivalent to the share fraction exceeding the whole number. This will be accomplished by combining the fractions into whole shares which the company will sell on behalf of those shareholders who hold title to these fractions. The sum of money equivalent to the share fraction and derived from the sale will be paid into the bank account related to the shareholder's book-entry account on a date to be announced.

The new shares will give entitlement to a full dividend for the financial year starting January 1, 2006. Other associated shareholder rights will come into force on the date on which the increase in share capital is registered.

Authorisation to make share issues

The Board of Directors will further propose that the Annual General Meeting would authorise the Board of Directors to decide, during a period of one year from the date of the Meeting, as distinct from the shareholders' subscription privilege, if required, on the issues of:

- increasing the Group's share capital through one or several rights issues and/or
- issuing convertible bonds/stock options, and
- all terms pertaining to share subscriptions as well as terms of loans, exchange and subscription to the extent that they have not been defined in the authorisation.

The maximum number of Series II shares issued through one or more rights issues, subscribed on the basis of stock options or given in exchange for convertible bonds, shall amount to 2,607,172, i.e. to a total maximum nominal value of EUR 651,793.

An exception to the shareholders' privilege to subscribe for shares, stock options and convertible bonds can be made only if the purpose is to improve the company's competitive position, enhance its strategic development potential, finance a corporate or a business acquisition, organise inter-company co-operation, or if there are other compelling financial reasons.

An exception to the shareholders' subscription privilege cannot be made for the benefit of a person or a corporation with an interest in the company.

As distinct from the shareholders' subscription privilege, a share issue may apply to a maximum of one-fifth of the company's share capital and combined voting rights registered at the time when the Annual General Meeting granted the authorisation and when the Board of Directors decided on the increase of share capital.

Shares and/or stock options and/or convertible bonds can also be subscribed against a non-cash contribution, or under other specific terms.

Seinäjoki, 20 February 2006

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director