

THE ILKKA-YHTYMÄ GROUP'S FINANCIAL STATEMENTS FOR 2010

FINANCIAL YEAR 2010

- Net sales: EUR 46.5 million (EUR 48.8 million), down 4.7%
- External net sales from publishing increased by EUR 1.6 million (4.0%) and external net sales from printing decreased by EUR 3.9 million (-42.3%)
- Operating profit: EUR 14.5 million (EUR 10.5 million), up 38.1%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 7.1 million (EUR 7.5 million), a drop of 4.3%
- Operating profit from the publishing business increased by EUR 1.2 million while that of the printing business decreased by EUR 1.4 million
- Operating profit totalled 31.1% of net sales; 15.3% excluding Alma Media and other associated companies (15.3%)
- Pre-tax profits: EUR 14.7 million (EUR 13.5 million), up 8.7%
- Earnings per share: EUR 0.50 (EUR 0.55)
- The Board of Directors proposes a per share dividend of EUR 0.50

Q4/2010

- Net sales: EUR 12.6 million (EUR 12.8 million), down 1.5%
- External net sales from publishing increased by EUR 0.6 million (5.7%) and external net sales from printing decreased by EUR 0.8 million (-33.2%)
- Operating profit: EUR 4.7 million (EUR 3.5 million), up 32.8%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 2.1 million (EUR 1.7 million), up 27.7%
- Operating profit from the publishing business increased by EUR 0.5 million while that of the printing business remained at the previous year's level
- Operating profit totalled 37.0% of net sales; 16.7% excluding Alma Media and other associated companies (12.9%)
- Pre-tax profits: EUR 4.7 million (EUR 3.5 million), up 33.0%
- Earnings per share: EUR 0.16 (EUR 0.12)

MATTI KORKIATUPA, MANAGING DIRECTOR:

"Due to the challenging business environment, our net sales contracted last year. Publishing operations increased as advertising recovered towards the year-end, but circulation volumes remained under pressure. Our printing operations contracted, with the conclusion of the printing contract with HSS-Media.

Our development programme, launched in 2009, aims to safeguard the competitiveness of our products and services. The programme will focus on organisational and management reforms, more efficient practices and the related supporting systems, network development and renewal, and ensuring that our staff are development-oriented and motivated.

I-Mediat Oy, the result of a merger between publishing companies, began operating at the turn of the year. I-print Oy, in turn, centralised its operations in Seinäjoki at the beginning of 2010. In our customer work, we underline our papers' and I-print's brands. For steering internal processes, the Group adopted a new, activity-based management system. Within this new structure, our activities include content design, marketing, printing and multi-channel distribution. Operating under the management of these activities is a shared editorial department for provincial papers, alongside joint customer service and marketing support, delivery, advertisement production and research operations.

A new editing system was adopted for all papers, and the modernisation of provincial papers' visual identities was finalised early in the summer. Later in the summer, a project was launched for the reform of our online services. This reform will lend support to our strategic policies for the expansion of our

multi-channel papers' online services.

In content design, we began using shared international news pages produced jointly by provincial papers. We also began editorial collaboration with the newspapers Kaleva and Keskipohjanmaa. Our collaboration with Arena-Partners, specialising in online and mobile business, was expanded through joint ventures with Alma Media. For our customers, this collaboration made Etuovi.com and Autotalli.com, the leading Finnish services in housing and car advertisements, available.

In order to ensure our readiness in the face of our changing media environment, we participate in the eReading project by Finnmedia (the Federation of the Finnish Media Industry). This project involves an evaluation of the suitability of e-reading devices as a delivery channel for newspapers, and of the related new earning opportunities. In response to the challenges of new operating and working practices, we have implemented an HR development programme and staff training conducted in Ilkka Academy.

By increasing our Alma Media holding through a share purchase towards the end of the year, we reduced our regional dependency and markedly reinforced the Group's profit-making potential. In spite of growth in borrowed capital, the Group's cash flow from operations developed positively and our equity ratio remained above 50%.

For 2011, we predict that both net sales and operating profit from our publishing and printing businesses will increase, in spite of the sector's challenging cost developments. The greatest cost pressures relate to developments in newsprint and delivery prices."

BUSINESS ENVIRONMENT

In its Economic Bulletin of 20 December 2010, the Ministry of Finance estimated GDP growth in Finland to have attained 3.2% in 2010, and forecast growth of 2.9% for 2011. According to Statistics Finland, the inflation rate was 2.9% in December and averaged 1.2% for 2010.

The January consumer survey by Statistics Finland reported consumer confidence as somewhat stronger than in the previous year and the long-term average. Considering the current economic cycle, household consumption has been robust. In 2010, private consumption is estimated to have grown 2.8%. In 2011, consumption growth is likely to remain at around 2%, due to a deceleration in real earnings growth.

According to a survey conducted by TNS Gallup Oy and commissioned by the Finnish Advertising Council, media advertising increased by 4.8% in 2010. Advertising in newspapers increased by 2.4%, while advertising in free sheets grew by 8.1%. Newspapers and free sheets accounted for 36.1% and 5.4% of media advertising, respectively. Web media advertising saw an increase of 14.7%, representing a 15.3% share of media advertising.

GROUP STRUCTURE

The Ilkka-Yhtymä Group is a media group that consists of the parent company Ilkka-Yhtymä Oy, the publishing company I-Mediat Oy as well as the printing company I-print Oy. The Group also includes two property companies, Kiinteistö Oy Seinäjoen Koulukatu 10 and Seinäjoen Kassatalo Osakeyhtiö, as well as Pohjalaismediat Oy. Our main products are the regional newspapers Ilkka and Pohjalainen, five local newspapers (Viiskunta, Komiat, Järvisetu, Suupohjan Sanomat and Jurvan Sanomat), two free sheets, Vaasan Ikkuna and Etelä-Pohjanmaa, as well as the online and mobile services of these papers, and the printing products and services of I-print Oy.

The associated companies included in our consolidated financial statements are Alma Media Corporation, Arena Partners Oy, Väli-Suomen Media Oy and Yrittävä Suupohja Oy.

CONSOLIDATED NET SALES AND PROFIT PERFORMANCE

Consolidated net sales decreased by 4.7%, amounting to EUR 46,530 thousand (EUR 48,811 thousand in 2009). External net sales from publishing operations increased by 4.0%. Advertising revenues grew by 6.9%, and circulation revenues grew by 0.6%. External net sales from the printing business decreased by 42.3%, partly due to the termination of HSS Media Oy's printing contract on 31 December 2009 and the fall in printing prices. Circulation income accounted for 41% of consolidated net sales, while advertising income and printing income represented 47% and 11%, respectively. Other operating income totalled EUR 429 thousand (EUR 369 thousand).

The Group operating expenses for the financial year amounted to EUR 39,813 thousand (EUR 41,707 thousand), down by 4.5% year on year. Expenses from materials and services decreased due to the decline in printing volumes and the falling prices of printing materials. As a result of co-determination negotiations conducted in Ilkka-Yhtymä Group in March 2009, arrangements concerning holiday pay were negotiated with the staff. This resulted in cost savings of approximately EUR 1 million in personnel costs for 2009. With respect to Q1/2010, the arrangement reduced personnel costs by approximately EUR 0.1 million.

The share of the associated companies' result was EUR 7,337 thousand (EUR 3,019 thousand). Consolidated operating profit amounted to EUR 14,479 thousand (EUR 10,482 thousand), up by 38.1% year-on-year. The Group's operating margin was 31.1% (21.5%). Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 7,142 thousand (EUR 7,463 thousand), representing 15.3% (15.3%) of net sales. Operating profit from publishing grew by EUR 1,204 thousand. Operating profit from printing decreased by EUR 1,437 thousand, due to a reduction in volumes and the transfer of advertisement production to the publishing segment, as well as the costs of closing down the operations of the Vaasa printing unit during Q1.

Net financial income came to EUR 192 thousand (EUR 3,013 thousand), financial assets at fair value through profit or loss accounting for EUR 495 thousand (EUR 992 thousand). Net financial income figures for 2009 included EUR 2,316 thousand in dividend yields from Alma Media Corporation. Interest expenses amounted to EUR 1,062 thousand (EUR 964 thousand).

Pre-tax profits totalled EUR 14,670 thousand (EUR 13,495 thousand). Direct taxes amounted to EUR 1,779 thousand (EUR 1,995 thousand). The Group's net profit for the period totalled EUR 12,892 thousand (EUR 11,500 thousand), with earnings per share standing at EUR 0.50 (EUR 0.55).

Q4 NET SALES AND PROFIT PERFORMANCE

In Q4/2010, consolidated net sales totalled EUR 12,601 thousand (EUR 12,797 thousand), down by 1.5%. External net sales from publishing operations increased by 5.7%. Advertising revenues grew by 9.3% and circulation revenues grew by 1.1%. External net sales from the printing business decreased by 33.2%, partly due to the termination of HSS Media Oy's printing contract on 31 December 2009 and the fall in printing prices. Circulation income accounted for 38% of consolidated net sales in October-December, while advertising income and printing income represented 48% and 13%, respectively. Other operating income in October-December totalled EUR 109 thousand (EUR 84 thousand).

In Q4, the Group's expenses totalled EUR 10,593 thousand (EUR 11,225 thousand), down by 5.6%. The associated companies' impact on profit and loss totalled EUR 2,548 thousand (EUR 1,855 thousand). Q4 operating profit stood at EUR 4,657 thousand (EUR 3,506 thousand). Operating profit was up 32.8% year-on-year. The Group's operating margin was 37.0% (27.4%). Operating profit excluding Alma Media and the other associated companies amounted to EUR 2,108 thousand (EUR 1,651 thousand), representing 16.7% (12.9%) of net sales. In Q4, operating profit from publishing grew by EUR 541 thousand. Operating profit from printing business remained at the previous year's level.

Net financial income came to EUR -0 thousand (EUR -4 thousand), financial assets at fair value through profit or loss accounting for EUR 293 thousand (EUR 155 thousand). Interest expenses amounted to EUR 519 thousand (EUR 186 thousand).

Pre-tax profits in Q4 totalled EUR 4,656 thousand (EUR 3,502 thousand).

CONSOLIDATED BALANCE SHEET AND FINANCING

The consolidated balance sheet total came to EUR 197,035 thousand (EUR 147,060 thousand), with EUR 105,030 thousand (EUR 100,298 thousand) of equity. Following a share purchase on 10 August 2009, Ilkka-Yhtymä's holding in Alma Media changed, resulting in the latter becoming an associated company. Following this the valuation loss (EUR 31.5 million) on available-for-sale shares assigned in the fair value reserve under shareholders' equity was transferred to shares in associated companies, not recognised through profit or loss. Thereafter, shares in associated companies were reported at cost and shareholders' equity was increased by the amount transferred. In order to repay the temporary debt financing used for the purchase of shares in Alma Media Corporation and to strengthen the Company's capital structure, Ilkka-Yhtymä Oyj executed a share issue in September 2009, which raised approximately EUR 38.4 million, excluding the expenses entailed by the issue.

On 4 November 2010, Ilkka-Yhtymä Oyj purchased 7,250,000 shares in Alma Media Corporation from Oy Herttaässä Ab. The purchase price of EUR 50.0 million was paid in cash and with new, freely negotiable convertible bonds issued by Ilkka-Yhtymä Oyj. The bonds issue decision taken by Ilkka-Yhtymä's Board of Directors is based on the authorisation granted to it by the AGM on 19 April 2010.

The cash share of the purchase price totalled EUR 30.0 million. The convertible bonds' aggregate value is EUR 20 million, the interest rate is 12-month euribor + 2% and the maturity six years. The bonds are convertible into a maximum of 2,835,000 new Series II shares of Ilkka-Yhtymä or shares in the possession of the company, so that half of the bonds can be converted as of 2 January 2012 into 1,417,500 shares and the other half as of 1 November 2014 into 1,417,500 shares. The conversion price per share, rounded up, is EUR 7.05. The conversion price of shares will be recorded in the company's invested unrestricted equity fund. Dividends paid and other distribution of funds by Ilkka-Yhtymä prior to bond conversion will be compensated by lowering the conversion price. If the aggregate conversion price of a convertible bond is below its face value due to a lowered conversion price, at its own discretion the company will pay for the difference either in cash or in shares.

If, in the conversion of bonds, the company decides to issue new shares, the number of the company's shares may increase by a maximum of 2,835,000 Series II shares. Any new shares of Ilkka-Yhtymä issued in conversion will represent a maximum of 9.9% of the company's shares and 2.6% of votes following conversion.

In Alma Media, following the conducted share purchase Ilkka-Yhtymä holds a total of 22,489,186 shares, representing 29.96% of Alma Media's shares. This share purchase is a further step in the implementation of Ilkka-Yhtymä's growth strategy. Ilkka-Yhtymä's objective is to be a long-term owner of Alma Media,

while participating in the development of the company's future operations.

On the reporting date of 31 December 2010, the balance sheet value of the holding in the associated company, Alma Media Corporation, was EUR 160.8 million and the market value of the shares was EUR 186.2 million.

At the end of the financial year, interest-bearing liabilities totalled EUR 83,011 thousand (EUR 37,749 thousand on 31 December 2009). In November 2010, in order to finance the purchase of Alma Media shares on 4 November 2010, the company raised EUR 50 million in loans, of which EUR 20 million were in the form of convertible bonds. Loan maturities of the company's interest-bearing liabilities, including a EUR 15.5 million bullet loan to be renewed in 2013, range from 2 to 10 years. In order to hedge against interest rate risk, in late 2010 the company transformed some of its floating-rate liabilities to a fixed rate, by means of interest rate swaps. While 8% of the company's interest-bearing liabilities had been tied to a fixed rate, some 39% of floating-rate interest-bearing liabilities were transformed to a fixed rate through interest rate hedges. Presently, some 45% of the loans in the company's total loan portfolio have a fixed rate and some 55% a floating rate. These hedging measures included, the average interest rate for interest-bearing liabilities on 31 December 2010 came to 2.91%. At EUR 30 million, the loan providers have the opportunity to adjust the loan margin from five years after raising the loans. As at 31 December 2010, the impact of floating-rate interest-bearing liabilities on profit before taxes would have amounted to -/+ EUR 460 thousand over the next 12 months, had the interest level increased or decreased by one percentage point.

Of interest-bearing liabilities existing during the 12 months following the financial year, a total of EUR 4,545 thousand will fall due for payment.

With regard to liquidity, the year-end current ratio stood at 0.88 (1.06). Group gearing was at 72.9% (28.5%) at the end of the financial period. Equity ratio was at 53.8% (69.0%) and shareholders' equity per share stood at EUR 4.09 (EUR 3.91). Cash and cash equivalents amounted to EUR 3,047 thousand (EUR 6,648 thousand). Cash flow from operations totalled EUR 12,652 thousand (EUR 11,081 thousand). Cash flow from investments EUR -32,607 thousand (EUR -34,945 thousand) includes investments in Alma Media Oyj's shares. During the financial year, a significant event not affecting the cash flow involved the issue of convertible bonds. The aggregate value of these bonds was EUR 20 million, which forms part of the cost of Alma Media's shares.

PUBLISHING

The Group's publishing segment comprises the publishing company I-Mediat Oy. During the year, net sales from publishing totalled EUR 41,386 thousand (EUR 39,826 thousand). Net sales from the publishing business grew by 4.0%. Advertising revenues grew by 6.9% and circulation revenues grew by 0.6%. Net sales for both provincial papers belonging to the publishing segment, Ilkka and Pohjalainen, and for free sheets increased. Aggregate net sales for local newspapers remained at the previous year's level. Operating profit from publishing increased by 21.6% year on year, to EUR 6,786 thousand (EUR 5,582 thousand).

There is no easy way of estimating the slow global recovery's impact on media revenue in Finland in 2011. While media advertising is expected to grow slightly, circulation income from newspapers should remain at the previous year's level, due to consumer caution and media competition.

Some growth is expected in the net sales of Ilkka-Yhtymä's publishing business.

PRINTING

The printing segment comprises the printing house I-print Oy. The segment's net sales amounted to EUR 13,052 thousand (EUR 18,032 thousand). Net sales were down by 27.6% year-on-year. External net sales from the printing business decreased by EUR 3,875 thousand (42.3%,) partly due to the termination of HSS Media Oy's printing contract on 31 December 2009 and the fall in printing prices. Operating profit from printing decreased by EUR 1,437 thousand year-on-year, to EUR 1,177 thousand (EUR 2,615 thousand), due to a reduction in volumes and the transfer of advertisement production to the publishing segment, as well as the costs of closing down the operations of the Vaasa printing unit during Q1.

Within the printing business, the 2011 market situation is expected to remain extremely difficult. While the upward trend in the economy will probably continue, corporate customers' investments in media will be characterised by uncertainty. Finland still has overcapacity in printing and the related operations. With raw material and energy prices rising simultaneously, this will pose considerable operational challenges. However, I-print Oy's net sales are expected to show a modest increase year-on-year as a result of new customer relationships.

ASSOCIATED COMPANIES

In 2010, the share of the associated companies' result was EUR 7,337 thousand (EUR 3,019 thousand). As a result of a share purchase on 10 August 2009, Ilkka-Yhtymä's holding in Alma Media Corporation became a holding in an associated company. Dividend income of EUR 2,316 thousand from Alma Media Corporation during 2009 is included in financial income. The share of the associated company's result has been consolidated since the transaction date.

In March 2010, Ilkka-Yhtymä announced that Arena Partners Oy, an associated company in which Ilkka-Yhtymä Oy has a 38% stake, will begin comprehensive cooperation with Alma Media Corporation in the national classified advertising business. On 26 August 2010, Arena Partners and Alma Media closed the deals related to the cooperation arrangement approved by the Finnish Competition Authority (FCA) on 14 July 2010. The FCA's decision included no conditions.

Arena Partners purchased a 35% share of Alma Mediapartners Oy, Alma Media's home sales, vehicle and consumer advertising marketplace operation. On the same occasion, Alma Media purchased a 35% share of Arena Interactive, Arena Partners' subsidiary specialising in the development of mobile solutions. These share purchases were conducted on 1 September 2010. The arrangement included no personnel implications for the target companies.

The cooperation between Arena Partners Oy and Alma Mediapartners Oy is a strategic element in the customer-oriented development of Ilkka-Yhtymä's online and mobile services. The goal of this ownership-based cooperation is to improve the service offering provided for regional customers of Ilkka-Yhtymä's provincial newspapers (Ilkka and Pohjalainen) and to venture into the national classified advertisement business. With this new arrangement, customer responsibilities will become mainly regional. The joint venture company will have centralised responsibility for product development, technology, brands and national sales. The joint venture involves Alma Media's Etuovi.com, Vuokraovi.com, Autotalli.com and Mikko.fi. Total net sales of these services came to EUR 16.9 million in 2009. Arena Interactive Oy's net sales in 2009 totalled EUR 1 million.

Arena Interactive Oy, jointly owned by Arena Partners Ltd and Alma Media Corporation, will continue operating as an independent developer of mobile solutions and a service provider in the media sector.

The new cooperation will have only a minor short-term effect on Ilkka-Yhtymä's

key financial figures.

RESEARCH AND DEVELOPMENT EXPENSES

Within the Group's publishing business, our R&D has been customer-oriented, generating local and national services related to news reporting, transactions, communities and leisure time. With regard to the Group's printing business, development activities continued to focus on the development of value-added web-based services and products. Additional human resources were allocated to the development of commercial content design.

CAPITAL EXPENDITURE

Reported capital expenditure for the year totalled EUR 53,522 thousand, with printing accounting for EUR 719 thousand and publishing for EUR 567 thousand. In 2010, a total of EUR 52,024 thousand was invested in available-for-sale and associated company shares. On 4 November 2010, Ilkka-Yhtymä Oyj purchased a total of 7,250,000 shares in Alma Media Corporation. The purchase price of these shares was paid in cash and with new, freely negotiable convertible bonds issued by Ilkka-Yhtymä Oyj. The cash share of the purchase price totalled EUR 30.0 million. In addition, Ilkka-Yhtymä decided to issue convertible bonds with a value of EUR 20 million to the seller. Following the purchase, Ilkka-Yhtymä Oyj's holding in Alma Media Corporation increased from 20.3% to 29.96%.

CORPORATE GOVERNANCE AND SHAREHOLDERS' MEETING

On 19 April 2010, the Annual General Meeting of Ilkka-Yhtymä Oyj approved the financial statements, discharged the members of the Supervisory Board and the Board of Directors and the Managing Director from liability, and decided that a per share dividend of EUR 0.35 be paid for 2009.

The number of members on the Supervisory Board for 2010 was confirmed as 26. Of the Supervisory Board members whose term had come to an end, the following were re-elected for the term ending in 2014: Kari Aukia, Vaasa, Sami Eerola, Nurmo, Jari Eklund, Helsinki, Johanna Kankaanpää, Ähtäri, Yrjö Kopra, Helsinki, Juha Mikkilä, Kurikka and Sami Talso, Mustasaari. Lasse Hautala, Kauhajoki, was elected to replace a Supervisory Board member whose term was expiring under Article 5 of the Articles of Association (68 years in 2010), until the end of the term in question (ending in 2011). Lasse Hautala left Ilkka-Yhtymä's Board of Directors on 19 April 2010. Satu Heikkilä, Helsinki, was elected to replace a Supervisory Board member who resigned during the term of office, until the end of the term in question (ending in 2011).

At the Annual General Meeting, the decision was taken to maintain the payments made to the Chairman of the Supervisory Board and the board members at their current level: the Chairman will receive a retainer of EUR 1,000 per month and a fee of EUR 350 per meeting, and the board members will be paid a fee of EUR 350 per meeting attended. The board members' travel expenses are reimbursed in accordance with the current maximum level specified by the tax authorities.

Ernst & Young Oy, Authorised Public Accountants, was elected the auditor, with Authorised Public Accountants Tomi Englund and Marja Huhtala as the main auditors. Authorised Public Accountants Päivi Virtanen and Johanna Winqvist-Ilkka were elected deputy auditors. It was decided that the auditors would be reimbursed as per the invoice.

The AGM approved the Board of Directors' proposal on amending the Articles of Association. According to the proposal certain changes resulting from amendments to the Limited Liability Companies Act, as well as some other, primarily technical, changes were made to the Articles of Association. The current sections 2, 4, 6, 10, 11, 14, 16 and 17 of the Articles of Association were

amended and section 13 was removed, resulting in some changes to section numbers.

The amendments included the following:

- The relinquishment of the minimum and maximum amounts of share capital and shares, and relinquishment of the nominal value of share (section 2).
- The first paragraph of section 11, concerning the time of the summons to the General Meeting, was amended as follows: "The summons to a General Meeting must be delivered to shareholders no more than three (3) months and no less than three (3) weeks prior to the General Meeting, through the publication of a notice in a newspaper published by the company or its subsidiary, and on the corporate website. The summons to a General Meeting must, however, be published a minimum of nine (9) days prior to the matching date of the General Meeting."
- The current section 14 on a single shareholder's number of votes was amended as follows: "At a General Meeting, a single shareholder may not use more than one twentieth (1/20) of the entire number of votes represented in a meeting."
- The number of auditors was reduced to one (current section 17).

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 7,700,000, corresponding to around 30% of the company's total shares and 36.05% of Series II shares at present. This authorisation includes the right to issue shares and/or stock options, and/or other special rights, as distinct from the shareholders' preemptive rights, under conditions prescribed by law, and the right to decide upon a free issue to the company itself. The authorisation is valid for five years from the date of the AGM's decision.

The AGM authorised the Board of Directors to decide in 2010 upon a donation, totalling a maximum of EUR 100,000, to be made towards charitable or similar causes, and authorised the Board of Directors to decide upon the recipients, purposes of use and other terms of these donations. At the end of 2010, Ilkka-Yhtymä Oyj donated a total of EUR 100,000 in support of university education and research projects in its own operating area. Donations were made to the University of Vaasa (EUR 50,000) and Etelä-Pohjanmaan korkeakoulusäätiö (University Foundation of South Ostrobothnia, EUR 50,000).

The proposal by Osakesäästäjien Keskusliitto ry (Shareholders Association) to wind up the Supervisory Board was not approved in the AGM.

In its meeting of 24 May 2010, the Supervisory Board elected Professor Riitta Viitala as new member to the Board of Directors of Ilkka-Yhtymä Oyj. Lasse Hautala was elected Chairman of the Supervisory Board while Perttu Rinta will continue as its Vice Chairman. At its membership meeting, the Board of Directors re-elected Seppo Paatelainen as its Chairman, while Timo Aukia will continue as Vice Chairman.

SHARE PERFORMANCE

At the end of 2010, the company's share capital totalled EUR 6,416,302. The number of shares was 25,665,208, of which 4,304,061 were Series I shares (20 votes per share) and 21,361,147 were Series II shares (1 vote per share). Shares of both series entitle the holders to the same dividend.

According to the Articles of Association, a single shareholder at a General Meeting may not use more than one twentieth (1/20) of the entire number of votes represented in a 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 were listed on the Helsinki Stock Exchange in 1981 and have been listed ever since. 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. At present, the series-II shares of Ilkka-Yhtymä Oyj are listed on the NASDAQ OMX Helsinki List, in the 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 2010 was 54,719, which represents 1.3% of series share stock. The trading value of shares was EUR 0.5 million. The number of Series II shares traded totalled 4,486,320, which equals 21.0% of the series share stock. Their trading value was EUR 30.3 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 7.50 and the highest EUR 10.89, while the lowest quotation for a Series II share was EUR 6.05 and the highest EUR 9.24. At the period-end closing price, the share capital market value was EUR 217.6 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. On 4 November 2010, Ilkka-Yhtymä Oyj purchased 7,250,000 shares in Alma Media Corporation from Oy Herttaässä Ab. From the share purchase price, EUR 30 million was paid in cash. In addition, Ilkka-Yhtymä decided to issue freely negotiable convertible bonds, with a value of EUR 20.0 million, to the seller. The principal terms of the convertible bonds have been described above, under Consolidated balance sheet and financing. The bonds issue decision taken by Ilkka-Yhtymä's Board of Directors is based on the authorisation granted to it by the AGM on 19 April 2010.

In addition to this, the company has not issued any option rights or other special rights.

The Board of Directors is not authorised to acquire or sell company's own shares.

FLAGGING ANNOUNCEMENTS

As a result of a share purchase completed on 19 April 2010, Pohjois-Karjalan Kirjapaino Oyj's holding in Ilkka-Yhtymä Oyj's share capital increased to 5.9524% of the share capital and 1.4236% of the voting rights.

On 5 November 2010, Ilkka-Yhtymä received a disclosure notification stating that, in the case of the realisation of an arrangement, Oy Herttaässä Ab's holding in Ilkka-Yhtymä Oyj's share capital would exceed the 5% notification threshold. The trigger for the disclosure notification is as follows: an arrangement which, when effected, will result in exceeding the notification threshold of 5% calculated from the total number of shares, as referred to in Chapter 2(9) of the Securities Markets Act.

On 11 November 2010, Ilkka-Yhtymä received a disclosure notification stating that, in the case of the realisation of an arrangement, Oy Herttaässä Ab's holding in Ilkka-Yhtymä Oyj's share capital would exceed the 10% notification threshold. The trigger for the disclosure notification is as follows: an arrangement which, when effected, will result in exceeding the notification threshold of 10% calculated from the total number of shares, as referred to in Chapter 2(9) of the Securities Markets Act.

PERSONNEL

The Group had an average of 388 employees during the period (414 in 2009), while the average number of personnel expressed as full-time equivalents was 343

(366).

On 31 December 2010, the Group had 333 full-time employees (354).

Since 2000, Ilkka-Yhtymä Group's entire personnel has been covered by an incentive scheme, with the exception of 2009 when the scheme was not in use.

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

Ilkka-Yhtymä Group's publishing company I-Mediat Oy held cooperation negotiations mainly concerning I-Mediat Oy's technical production and information management personnel working in the editorial offices of provincial papers. These negotiations began on 17 May 2010 and ended on 7 June 2010.

The subject of the negotiations was the changes taking place in the editorial process related to newspapers and the increase in internal and external cooperation. As a result of these negotiations, staff numbers will be reduced by eight. These personnel effects should materialise in full during 2011.

ESTIMATED OPERATING RISKS AND UNCERTAINTIES

Ilkka-Yhtymä's most significant short-term risks are related to the development of media advertising and printing volumes, applying to the entire sector. Through its holding in Alma Media stock, the company will also be exposed to risks related to Alma Media's profit-making capacity, dividend policy and the price development of its share, as well as risks resulting from the development of Alma Media's ownership structure. A long-term risk in the sector lies in the potential decrease in circulation volumes, if consumers transfer to using electronic devices for reading newspapers.

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. The recession's prolongation and the slow recovery may have a negative impact on the consumption of media products and services. Competition in the industry is being affected by the digitalisation of content, the emergence of new distribution channels, growth in freely available content, changes in media use and ways of spending time, 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 with readers, high circulation coverage and competitive contact prices form the basis of a competitive advertising media.

Publishing

In the 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 underway in the average number of individuals in households will maintain circulation figures. A healthy circulation coverage percentage, a competitive contact price and strong relationships with readers are enhancing newspapers' competitiveness in the advertising market. Provincial papers' overall reach has increased as a result of steep growth in the number of online media visitors.

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. The exceptionally steep downturn in the general economy has reduced newspapers' media sales by a fifth. Media sales took an upward turn in the autumn of 2010. They are expected to continue growing modestly in 2011.

The market entry and exit of new media, such as new free sheets, depends on economic cycles, regional volumes of the advertisement 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, local customer relationships.

Due to the consumer behaviour enabled by new technology, some classified advertisements, such as car, housing and job advertisements, have shifted online. In response to this development, Ilkka and Pohjalainen are engaged in collaboration with Arena Partners. Arena Partners Oy has acquired a 35% holding in Etuovi.com and Autotalli.com services displaying housing and car advertisements. This will enable us to provide the sector's best services to customers. New players in the markets include international search engine companies.

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. In line with the allied Arena Partners' strategy, our online services aim at becoming the leading site for electronic news, services, transactions and commerce for consumers, communities and companies in our operating provinces.

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 media. Exports to the Nordic countries are dependent not only on market conditions, but also on the development of exchange rates.

In recent years, the availability of newsprint has been good and price developments have been moderate or even downward, in spite of the paper industry's downsizing its capacity in order to safeguard future profitability. Such capacity cuts are expected to increase pricing pressures. I-print Oy has prepared for both supply and price risks, by attempting to divide its purchasing between several suppliers.

Newspaper delivery has been outsourced to Itella Oyj and Suomen Suorajakelu Oy. Risks in delivery operations concern price developments. The price risk depends on the availability of deliverers, competition between delivery companies and the reform of the Postal Services Act.

Financial risks

The Group is exposed to interest-rate risk, risk associated with share prices and a risk related to the refinancing of the bullet loan maturing in 2013.

The Group's interest-rate risk consists of changes in market interest rates applied in the loan portfolio. The company follows an interest-rate management policy confirmed by the Board of Directors. With respect to interest-rate risk management, the goal is to reduce the volatility of interest expenses in order to keep interest expenses, and the associated risk that they will grow, at an

acceptable level. Interest-rate risk is managed by selecting both fixed and floating interest rates in loans, and using interest-rate fixing periods. If necessary, in order to hedge against interest-rate risk, the company can rely on interest rate swaps, interest rate options and their combinations. The Group's loan arrangements and hedging against interest-rate risk has been described in further detail above, under Consolidated balance sheet and financing. The company's loan arrangements involve ordinary collaterals and no special covenants.

In its operations, the Group is exposed to price risks arising from the volatility of market prices of quoted shares. In order to ensure the availability and flexibility of financing, the Group has available credit limits. On 31 December 2010, unused credit limits totalled EUR 13 million (On 31 December 2009, EUR 13 million).

THE BOARD'S PROPOSAL ON PROFIT SHARING

The Board of Directors proposes to the Annual General Meeting of 14 April 2011 that a per-share dividend of EUR 0.50 be paid for the financial year 2010, representing a total dividend payment of EUR 12,832,604.00. The Group distributes 99.5% of its profit in dividends. Dividends will be distributed to those who are listed on the matching day, 19 April 2011, as shareholders in the Ilkka-Yhtymä Group's list of shareholders, maintained at Euroclear Finland Oy. Dividend payments are issued on 28 April 2011. On 31 December 2010, the parent company's free capital amounted to EUR 85,194,522.78.

No substantial changes have taken place in the company's financial position after the end of the financial year. In the view of the Board of Directors, the proposed dividends do not jeopardise the company's liquidity.

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 2011

It is difficult to predict how the slow recovery of the global economy will affect media advertising, as well as circulation and printing volumes, in 2011. Media advertising is forecast to grow slightly in Finland. Due to consumer caution and media competition, newspapers' circulation income is predicted to remain at the previous year's level. Printing business volumes have reduced permanently in Finland, but there are cautiously positive signs of growth in the sector.

Some growth is forecast for the net sales of Ilkka-Yhtymä's printing and publishing business.

Group operating profit from Ilkka-Yhtymä's own operations, and operating profit as a percentage of net sales, excluding the share of Alma Media's and other associated companies' results, are expected to increase from the 2010 level. In addition, the year's results will depend on interest-rate trends, any trading in securities and the price performance of securities investments.

The associated company Alma Media Corporation (29.96%) will have a significant impact on Group operating profit and profit.

In the current economic climate, several uncertainty factors remain, related to the predictability of both net sales and operating profit.

SUMMARY OF AND NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/ 2010	10-12/ 2009	Change %	1-12/ 2010	1-12/ 2009	Change %
NET SALES	12 601	12 797	-2	46 530	48 811	-5
Change in inventories of finished and unfinished products	-9	-5	80	-5	-10	53
Other operating income	109	84	29	429	369	16
Materials and services	-3 416	-3 611	-5	-13 108	-15 211	-14
Employee benefits	-4 546	-4 739	-4	-17 183	-16 940	1
Depreciation	-797	-1 023	-22	-3 182	-3 411	-7
Other operating costs	-1 834	-1 852	-1	-6 341	-6 145	3
Share of associated companies' profit	2 548	1 855	37	7 337	3 019	143
OPERATING PROFIT	4 657	3 506	33	14 479	10 482	38
Financial income and expenses	0	-4	-93	192	3 013	-94
PROFIT BEFORE TAXES	4 656	3 502	33	14 670	13 495	9
Income tax	-545	-428	27	-1 779	-1 995	-11
PROFIT FOR THE PERIOD UNDER REVIEW	4 111	3 074	34	12 892	11 500	12
Earnings per share, undiluted (EUR)*)	0.16	0.12	34	0.50	0.55	-8
The undiluted share average, adjusted for the share issue (to the nearest thousand)*)	25 665	25 665		25 665	20 997	

*) There are no factor diluting the figure.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	10-12/ 2010	10-12/ 2009	Change %	1-12/ 2010	1-12/ 2009	Change %
PROFIT FOR THE PERIOD UNDER REVIEW	4 111	3 074	34	12 892	11 500	12
OTHER COMPREHENSIVE INCOME:						
Available-for-sale assets	682			682		
Share of associated companies' other comprehensive income	103	43	141	344	195	76
Income tax related to components of other comprehensive income	-203			-203		
Other comprehensive	583	43	1261	824	195	322

income, net of tax						
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4 694	3 117	51	13 715	11 695	17

CONSOLIDATED BALANCE SHEET

(EUR 1,000) 12/2010 12/2009 Change %

ASSETS

NON-CURRENT ASSETS

Intangible rights	1 284	1 198	7
Goodwill	314	314	
Investment property	390	496	-21
Property, plant and equipment	15 150	17 218	-12
Shares in associated companies	161 248	109 167	48
Available-for-sale assets	7 754	5 566	39
Non-current trade and other receivables	0	58	-100
Other tangible assets	214	214	
TOTAL NON-CURRENT ASSETS	186 354	134 232	39

CURRENT ASSETS

Inventories	757	622	22
Trade and other receivables	3 322	2 862	16
Income tax assets	144	224	-36
Financial assets at fair value through profit or loss	3 412	2 472	38
Cash and cash equivalents	3 047	6 648	-54
TOTAL CURRENT ASSETS	10 681	12 828	-17

TOTAL ASSETS	197 035	147 060	34
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SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDER'S EQUITY

Share capital	6 416	6 416	
Fair value reserve and other reserves	49 002	48 522	1
Retained earnings	49 612	45 359	9
SHAREHOLDER'S EQUITY	105 030	100 298	5

NON-CURRENT LIABILITIES

Deferred tax liability	1 443	1 505	-4
Non-current interest-bearing liabilities	78 465	33 204	136
NON-CURRENT LIABILITIES	79 909	34 709	130

CURRENT LIABILITIES

Current interest-bearing liabilities	4 545	4 545	0
Accounts payable and other payables	7 368	7 160	3
Income tax liability	183	347	-47

CURRENT LIABILITIES	12 096	12 053	0
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	197 035	147 060	34

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/ 2010	1-12/ 2009	
CASH FLOW FROM OPERATIONS			
Profit for the period under review	12 892	11 500	
Adjustments	-2 586	-634	
Change in working capital	-364	571	
CASH FLOW FROM OPERATIONS BEFORE FINANCE AND TAXES	9 942	11 438	
Interest paid	-844	-969	
Interest received	63	79	
Dividends received	6 368	156	
Other financial items	-750	619	
Direct taxes paid	-2 128	-242	
CASH FLOW FROM OPERATIONS	12 652	11 081	
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	-916	-1 470	
Acquisition of shares in associated companies	-30 487	-35 701	
Other investments, net	-1 509	-459	
Granted loans		-19	
Repayments of loan receivables	58		
Dividends received from investments	247	2 704	
CASH FLOW FROM INVESTMENTS	-32 607	-34 945	
CASH FLOW BEFORE FINANCING ITEMS	-19 955	-23 865	
CASH FLOW FROM FINANCING			
Share issue		38 410	
Change in current loans		-1 313	
Change in non-current loans	25 261	-4 545	
Dividends paid and other profit distribution	-8 908	-4 360	
CASH FLOW FROM FINANCING	16 353	28 193	
INCREASE (+) OR DECREASE (-) IN FINANCIAL ASSETS	-3 602	4 328	
Liquid assets at the beginning of the financial period	6 648	2 321	
Liquid assets at the end of the financial period	3 047	6 648	

KEY FIGURES

	2010	2009
Net sales, Meur	46.5	48.8
change %	-4.7	-11.9
Operating profit, Meur	14.5	10.5
% of net sales	31.1	21.5
Profit before taxes, Meur	14.7	13.5
% of net sales	31.5	27.6
Result for the financial period, Meur	12.9	11.5
% of net sales	27.7	23.6
Return on equity (ROE), %	12.6	18.6
Return on investment (ROI), %	9.6	14.1
Equity ratio, %	53.8	69.0
Gearing, %	72.9	28.5
Gross capital expenditure, Meur *)	53.5	37.4
% of net sales	115.0	76.7
Balance sheet total, Meur	197.0	147.1
Current ratio	0.88	1.06
Average no. of employees	343	366
Earnings per share (EPS), eur	0.50	0.55
Cash flow from operations per share, eur	0.49	0.53
Shareholders' equity per share, eur	4.09	3.91
Dividend per share (Series I), eur **)	0.50	0.35
Dividend per share (Series II), eur **)	0.50	0.35
Dividend per earnings (Series I), %	99.5	63.9
Dividend per earnings (Series II), %	99.5	63.9
Effective dividend yield (Series I), %	5.1	3.9
Effective dividend yield (Series II), %	6.1	5.7
Price per earnings (P/E) (Series I)	19.7	16.4
Price per earnings (P/E) (Series II)	16.3	11.2
Market capitalisation, Meur	217.6	170.1
Weighted average of adjusted number of shares during the financial period	25 665 208	20 997 391
Adjusted number of shares at the end on the financial period	25 665 208	25 665 208

*) Includes investments in tangible and intangible assets and shares in associated companies and in available-for-sale financial assets (shares).

**) 2010: Proposal of the Board of Directors

CONSOLIDATED NET SALES AND PROFIT BY QUARTER

(EUR 1,000)	Q1/ 2010	Q2/ 2010	Q3/ 2010	Q4/ 20110
NET SALES	11 100	11 859	10 970	12 601
OPERATING PROFIT	2 521	3 482	3 819	4 657
PROFIT FOR THE PERIOD UNDER REVIEW	2 297	3 134	3 350	4 111

(EUR 1,000)	Q1/ 2009	Q2/ 2009	Q3/ 2009	Q4/ 2009
NET SALES	12 005	12 616	11 393	12 797
OPERATING PROFIT	1 810	2 382	2 783	3 506
PROFIT FOR THE PERIOD UNDER REVIEW	3 409	2 537	2 480	3 074

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

Change in shareholders' equity 1-12/2009	Share capital	Fair value reserve	Invested unrestricted equity fund	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.	3 666	-31 509		12 862	38 064	23 083
Transfers between items			12 837	-12 837		
Transfer to shares in associated companies		31 509				31 509
Comprehensive income for the period					11 695	11 695
Dividend distribution					-4 400	-4 400
Rights issue	2 750					2 750
Share premium			35 660			35 660
TOTAL SHAREHOLDERS' EQUITY 12/2009	6 416		48 498	24	45 359	100 298

Change in shareholders' equity 1-12/2010	Share capital	Fair value reserve	Invested unrestricted equity fund	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.1.	6 416		48 498	24	45 359	100 298
Comprehensive income for the period		480			13 236	13 715
Dividend distribution					-8 983	-8 983
TOTAL SHAREHOLDERS' EQUITY 12/2010	6 416	480	48 498	24	49 612	105 030

GROUP CONTINGENT LIABILITIES

(EUR 1,000)	12/2010	12/2009
Collateral pledged for own commitments		
Mortgages on company assets	1 245	1 245
Mortgages on real estate	8 801	8 801
Pledged shares	109 679	39 309

Contingent liabilities on behalf of
associated company

Guarantees 2 458

SEGMENT INFORMATION

Group net sales (EUR 1,000)	10-12/ 2010	10-12/ 2009	Change %	1-12/ 2010	1-12/ 2009	Change %
Publishing	11 051	10 469	6	41 386	39 826	4
Printing	3 654	4 638	-21	13 052	18 032	-28
Non-allocated	479	752	-36	1 942	3 016	-36
Net sales between segments	-2 582	-3 062	-16	-9 850	-12 064	-18
Group net sales total	12 601	12 797	-2	46 530	48 811	-5
Group operating profit (EUR 1,000)	10-12/ 2010	10-12/ 2009	Change %	1-12/ 2010	1-12/ 2009	Change %
Publishing	2 023	1 482	37	6 786	5 582	22
Printing	492	511	-4	1 177	2 615	-55
Associated companies	2 548	1 855	37	7 337	3 019	143
Non-allocated	-406	-342	-19	-821	-734	-12
Group operating profit total	4 657	3 506	33	14 479	10 482	38

AUDITED CIRCULATION OF NEWSPAPERS

Ilkka	53 768
Pohjalainen	25 517
Jurvan Sanomat	2 256
Järviseu tu	5 472
Komiat	6 696
Suupohjan Sanomat	4 174
Viiskunta	6 091
Vaasan Ikkuna (delivery)	52 338
Etelä-Pohjanmaa (delivery)	44 500

Drafting principles

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.

Since 1 January 2010, the Group has complied with the following new or updated standards and interpretations:

- IFRS 3 Business combinations and IAS 27 Consolidated and Separate Financial Statements. These changes will have an impact should the Group acquire controlling interests or make changes to its subsidiaries' interests (acquisitions or relinquishments). The change has no impact on the financial statements.

- Improvements on IFRS standards (April 2009). For the most part, these changes became effective in 2010. Several minor changes have no bearing on the financial statements.
- IFRIC 17 Distributions of Non-Cash Assets to Owners. The interpretation has no impact on the financial statements.

In Group reporting, the share of associated companies' results is included in operating profit, while dividend income is included in cash flow from operations in the cash flow statement. The associated companies are closely related to the Group's publishing business, and, acting in its role as the owner, the Group participates in the development of their operations. In the 2010 financial statements, associated companies are presented under their own segment. Comparative data from 2009 segment information has been adjusted according to the new presentation method.

As regards other parts and issues, the same drafting principles have been applied to the financial statements bulletin as used in the previous financial statements on 31 December 2009. Moreover, the calculation formulas and principles for indicators also remain unchanged.

The figures in the financial statements bulletin are unaudited.

PROPOSALS TO THE ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting of 14 April 2011 that a per-share dividend of EUR 0.50 be paid for the financial year 2010, representing a total dividend payment of EUR 12,832,604.00. The Group distributes 99.5% of its profit in dividends. Dividends will be distributed to those listed on the matching day, 19 April 2011, as shareholders in Ilkka-Yhtymä Group's list of shareholders, maintained at Euroclear Finland Oy. Dividend payments will be issued on 28 April 2011. On 31 December 2010, the parent company's free capital amounted to EUR 85,194,522.78.

THE BOARD'S PROPOSAL ON THE AMENDMENT OF THE ARTICLES OF ASSOCIATION

The Board of Directors proposes to the AGM that the Articles of Association be amended as follows:

- (i) Section 5(2) concerning the retirement age of a Supervisory Board member be removed
- (ii) Section 8(1) be amended by removing the regulations concerning the retirement age of a member of the Board of Directors and by increasing the maximum number of Board members to six (6), and Section 8(3) concerning the quorum for the Board of Directors be removed, and
- (iii) Section 11(2) concerning shareholders' initiatives to the General Meeting be removed.

AUTHORISATION TO DONATE

The Board of Directors proposes to the AGM that the Board of Directors be authorised to decide upon a donation, totalling a maximum of EUR 50,000, to be made towards charitable causes or similar, and that the Board of Directors be authorised to decide upon the recipients, purposes of use, schedules and other terms of these donations.

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they involve a certain amount of inherent risk and uncertainty. The estimates may change in the event of significant changes in general economic and business conditions.

Seinäjoki, 22 February 2011

ILKKA-YHTYMÄ OYJ

Board of Directors

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