

THE ILKKA-YHTYMÄ GROUP'S FINANCIAL STATEMENTS FOR 2004

The Ilkka-Yhtymä Group's consolidated net sales for the report period totalled MEUR 70.5 (MEUR 66.0), with a growth of 6.7 per cent year on year. Operating profit amounted to EUR 11.0 million (EUR 11.4 million) and the operating margin was 15.6 per cent (17.3). Profit before taxes came to EUR 12.7 million (EUR 13.7 million). Earnings per share were EUR 0.73 and equity per share amounted to EUR 3.31. The Board of Directors proposes a per-share dividend of EUR 0,60, making dividend payments account for 82,5 per cent of Group profit.

OPERATING ENVIRONMENT

Economy in Finland grew over 3 per cent along with private consumption and investments. The growth in export industry slowed down as a result of weakening competition due to strong euro, public investments remained low. In the provinces of Ostrobothnia and southern Ostrobothnia economy, employment and population developed positively affecting favourably to the business activity in Ilkka-Yhtymä Oyj.

The growth in the value of media advertising began in 2003 continued. The local elections in autumn also raised the common growth in newspaper advertising. According to advance information, net sales in publishing business increased 6 per cent. It was the third sequential year when net sales in printing business and in related companies serving the sector descended. In 2004 net sales in printing business reduced by 2 per cent due to intensifying price competition.

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 DEVELOPMENTS

GROUP FINANCIAL PERFORMANCE

Consolidated net sales grew year on year 6.7 per cent. Net sales amounted to EUR 70,493 thousand (EUR 66,036 thousand in 2003). The growth was due to securities trading and publishing business. Consolidated net sales, excluding trade in securities, increased by 0.9 per cent. Net sales from publishing operations increased by 4.6 per cent, but external net sales from the printing business declined by 10.4 per cent owing to competition remaining fierce. Net sales from trade in securities soared by EUR 3,985 thousand. Other operating income totalled EUR 637 thousand (EUR 2,815 thousand), including approximately EUR 300 thousand of capital gains from the sale of fixed-asset.

The Group's operating expenses for the period totalled EUR 60,082 thousand (EUR 57,458 thousand), increasing by 4.6 per cent. The operating expenses of the printing business decreased due to diminishing volumes but, correspondingly, the

operating expenses of securities trading and the publishing business rose as net sales grew. Personnel costs decreased by 0.6 per cent and other operating expenses decreased by 0.6 per cent year on year. Personnel expenses include staff's profit-sharing remuneration. Depreciation, included in operating expenses, amounted to EUR 3,162 thousand (EUR 3,108 thousand in 2003).

Consolidated operating profit was EUR 11,015 thousand (EUR 11,425 thousand), a decrease of 3.6 per cent year on year. The operating margin was 15.6 per cent (17.3). Capital gains from the sale of fixed-asset shares improved the operating profit and operating margin for previous financial period by approximately EUR 2,300 thousand.

Operating profit of the Group's core businesses, publishing and printing, grew by 14.6 per cent and relative operating profit was 17.1 per cent (15.1 per cent in 2003).

Net financial income amounted to EUR 1,688 thousand (EUR 2,314 thousand). Pre-tax profit totalled EUR 12,703 thousand (EUR 13,739 thousand). Direct taxes amounted to EUR 3,223 thousand. The Group's net profit for the period totalled EUR 9,480 thousand, descending by 3.1 per cent year on year.

The consolidated balance sheet total was EUR 57,147 thousand (EUR 68,626 thousand).

Earnings per share amounted to EUR 0.73 (EUR 0.75) and equity per share was EUR 3.31 (EUR 4.18). The Board of Directors proposes a per-share dividend of EUR 0,60.

#### ILKKA-YHTYMÄ OYJ

Ilkka-Yhtymä Oyj's net sales for the financial period rose to EUR 18,595 thousand (EUR 14,456 thousand in 2003) due to securities trading, which generated net sales of EUR 16,603 thousand (EUR 12,618 thousand). Other operating income totalled EUR 1,023 thousand (EUR 3,429 thousand).

The parent company's operating expenses totalled EUR 19,389 thousand (EUR 15,195 thousand). The increase in expenses was mainly due to securities trading. Depreciation, included in operating expenses, amounted to EUR 404 thousand (EUR 352 thousand), while operating profit for the period came to EUR 229 thousand (EUR 2,690 thousand). Operating profit for the previous financial period was improved by capital gains of approximately EUR 2,300 thousand from the sale of fixed-asset shares. Net financial income was EUR 4,010 thousand (EUR 9,396 thousand).

Profit before extraordinary items totalled EUR 4,239 thousand (EUR 12,086 thousand). Parent company's extraordinary items, consisting of Group contributions received, amounted to EUR 8,400 thousand (EUR 5,400 thousand). The decrease in depreciation difference amounted to EUR 23 thousand. Taxes of EUR 3,675 thousand were reported for the parent company, and the net profit was EUR 8,987 thousand (EUR 12,546 thousand).

The balance sheet total decreased from EUR 49,456 thousand to EUR 38,438 thousand.

#### SUBSIDIARIES

Sanomalehti Ilkka Oy publishes the newspaper Ilkka. The company's reported net sales for the financial period reached EUR 22,554 thousand, which is 4.6 per cent higher than in the previous year. Other operating income totalled EUR 100 thousand. The company's operating expenses increased by 2.8 per cent, to EUR 17,074 thousand. Depreciation, included in operating expenses, reported for the period totalled EUR 183 thousand. Operating profit for the period totalled EUR 5,581 thousand and operating margin reached 24.7 per cent.

In addition to Pohjalainen, Vaasa Oy published a town paper, Vaasan Ikkuna. The company's reported net sales reached EUR 14,711 thousand, which is 5.8 per cent higher than in the previous year. Other operating income totalled EUR 103 thousand. The company's operating expenses increased by 0.6 per cent, to EUR 13,045 thousand. Depreciation reported for the period totalled EUR 203 thousand. Operating profit for the financial year was EUR 1,769 thousand and operating margin was 12.0 per cent.

Pohjanmaan Lähisanomat Oy is a publisher of five local newspapers and one town paper. The company's reported net sales reached EUR 3,826 thousand, up by 4.5 per cent on a year earlier. Other operating income totalled EUR 20 thousand. Operating expenses decreased by 1.3 per cent, to EUR 3,375 thousand. Depreciation reported for the period totalled EUR 46 thousand. Operating profit for the financial year was EUR 472 thousand and operating margin was 12.3 per cent.

The reported net sales of I-print Oy, the sheet and newspaper printing company, totalled EUR 23,025 thousand, which is 6.3 per cent less than in the previous year. Other operating income totalled EUR 230 thousand. The company's operating expenses decreased by 7.5 per cent, to EUR 20,813 thousand. Depreciation reported for the period totalled EUR 2,380 thousand. Operating profit for the financial year was EUR 2,410 thousand and operating margin was 10.5 per cent.

The subsidiaries Kiinteistö Oy Seinäjoen Koulukatu 10 and Seinäjoen Kassatalo Osakeyhtiö are property companies. I-Mediat Oy is not engaged in business operations. The combined net sales of these companies totalled EUR 569 thousand.

#### CAPITAL EXPENDITURE

Reported capital expenditure amounted to EUR 12,528 thousand. The main investments were the purchase of Savon Mediat Oy shares for EUR 7,342 thousand, office facilities built for Vaasa Oy (EUR 2,493 thousand), and other purchases of fixed asset shares (EUR 960 thousand). Replacement investments in machinery and equipment for printing business came to EUR 753 thousand. Other investments consisted of software purchases and replacement investments in machinery and equipment for other operations.

#### FINANCIAL POSITION

The Group's liquidity remained solid throughout the year. Current ratio was 1.57 (3.66) at the end of the financial period. Based on the consolidated balance sheet, equity ratio was 77.4 (81.0) per cent.

#### ANNUAL GENERAL MEETING, SUPERVISORY BOARD AND BOARD OF DIRECTORS

The Annual General Meeting (AGM) of 26 April 2004 approved the financial statements, discharged the members of the Supervisory Board and the Board of Directors as well as the Managing Director of any liability, and decided to distribute a dividend of EUR 4.00 per share (split-adjusted EUR 1.00 per share).

The AGM 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.

The AGM decided to alter Article 2 of the Articles of Association. The AGM decided also that, in order to increase the number of company shares (split shares), the nominal value of the share, EUR 1.00, will be divided by four, resulting in a new nominal value of EUR 0.25 per share, the number of shares totalling 13,036,296. The number of Series I and II shares after the split is fourfold in both series compared to the figure before.

On the members of the supervisory Board whose terms of service had come to an end, the AGM re-elected the following members: Vesa-Pekka Kangaskorpi, Aarno

Puumala, Matti Ritamäki and Jyrki Viitala. Jarmo Rinta-Jouppi and Kimmo Simberg were elected as new members of the Supervisory Board.

Ernst & Young Oy, Authorised Public Accountants with Tomi Englund, Authorised Public Accountant, M.Sc.(Econ.), LL.M. and Pekka Kiljunen, Authorised Public Accountant, were elected as regular auditors. Päivi Virtanen, Authorised Public Accountant, and Johanna Winqvist-Ilkka, Authorised Public Accountant were elected as deputy auditors.

At its meeting on 24 May 2004, The Supervisory Board of Ilkka-Yhtymä Oy re-elected Jaakko Aukia to the board of Directors of Ilkka-Yhtymä Oy. Veikko Heikkilä continues as the Chairman of the Board of Directors. Jaakko Rintala will continue as the Chairman of the Supervisory Board.

The Extraordinary General Meeting of 10 December 2004 decided, in addition to dividend of EUR 1.00 per share decided in the AGM of 26 April 2004, to distribute an additional dividend of EUR 0.60 per share based on year 2003 confirmed balance sheet.

#### FLAGGING ANNOUNCEMENTS

On 12 November 2004, Arnedo Oy's (subsidiary of SanomaWSOY) holding in Ilkka-Yhtymä Oy decreased to less than 15 per cent. Arnedo Oy no more owns Ilkka-Yhtymä Oy shares.

On 15 November 2004, Thominvest Oy's holding in Ilkka-Yhtymä Oy increased to more than 5 per cent, totalling 5.75 per cent of the shares and 0.875 per cent of the votes.

#### SHARE PERFORMANCE

The Series II shares of Ilkka-Yhtymä Oy are listed on the main list of the Helsinki Exchanges as of 10 June 2002. The company's Series I shares are listed on the I listing of the Helsinki Exchanges. The Series I and II shares of Ilkka-Yhtymä Oy have been traded splitted as of 13 May 2004. The number of shares after the split is fourfold in both series compared to the figure before.

The number of Series I shares of Ilkka-Yhtymä Oy traded on the Investors' List in 2004 was 318,646 (without split-adjustment 279,115), which is 8 per cent of series share stock. Their trading value was EUR 2.6 million. The number of Series II shares traded on the main list was 6,489,917 (without split-adjustment 4,218,968), which equals to 70 per cent on series share stock. Their trading value was EUR 49.8 million. During the period under review, the lowest quotation for a Series I share of Ilkka-Yhtymä Oy was EUR 6.5 and the highest EUR 9.45 (without split-adjustment EUR 37.8). The lowest quotation for a Series II share was EUR 6.01 and the highest EUR 8.79 (without split-adjustment EUR 35.16). At the end of the review period the share capital had a market value of EUR 98.1 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 Oy 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.

#### IAS/IFRS REPORTING

Started in 2002, the IFRS transition project has progressed as planned. In 2004, the training of accountancy staff continued, and reporting system was renewed to comply with the requirements of two accounting practices.

On 1 January 2005, Ilkka-Yhtymä Oyj will adopt IFRS-compliant accounting standards. The company will prepare the IFRS opening balance sheet for 1 January 2004 - the date of transition to IFRS - and will publish it before the first Interim Report for 2005. Interim Reports for 2005 will apply IFRS principles.

Factors affecting shareholders' equity in the opening IFRS balance include, for example, the evaluation of fixed assets at the fair value for the sum exceeding the acquisition cost, and the evaluation of other shares at the fair value. Various balance sheet items will also be re-categorised on the opening balance sheet and there will be changes to imputed tax.

In the IFRS-based income statement, trading in securities will be presented as a net sum in financial income and expenses, which will reduce total net sales in comparison with the current format. Overall performance for the financial year will be affected, among other things, by the evaluation of fixed-asset securities at the current share value in excess of the acquisition cost, and imputed taxes related to evaluation differences.

#### EVENTS AFTER THE FINANCIAL PERIOD

Following the end of the period reported, operations continued as usual.

#### PROSPECTS FOR 2005

While private consumption in Finland should improve in 2005, media advertising should grow by 4 per cent. Graphics business volumes will probably remain unchanged, with profitability hampered by growing expenditure on raw materials and personnel. Financial performance in graphics sector is threatened by a difficult labour market vis-à-vis journalists and the paper industry. The outlook for securities trading is insecure.

Moderate growth is forecast for Ilkka-Yhtymä Group's core business, publishing and printing but consolidated net sales should decline, due to reduced securities trading volumes.

Operating profit as a percentage of net sales is predicted to remain at 2004's healthy levels, with overall financial performance matching that of 2004, despite the downturn in securities trading.

#### GROUP NET SALES BY OPERATING SECTOR (1000 EUR)

|                    | 1-12/2004 | 1-12/2003 | Change |
|--------------------|-----------|-----------|--------|
| Publishing         | 41,091    | 39,125    | 5 %    |
| Graphics sector    | 23,025    | 24,577    | -6 %   |
| Other sales        | 2,561     | 2,135     | 20 %   |
| Securities trading | 16,603    | 12,618    | 32 %   |
| Internal sales     | -12,786   | -12,419   | 3 %    |
| Total              | 70,493    | 66,036    | 7 %    |

#### GROUP NET SALES BY MARKET AREA (1000 EUR)

|         | 1-12/2004 | 1-12/2003 | Change |
|---------|-----------|-----------|--------|
| Finland | 68,365    | 63,803    | 7 %    |

|                        |        |        |      |
|------------------------|--------|--------|------|
| Other Nordic countries | 2,128  | 2,233  | -5 % |
| Total                  | 70,493 | 66,036 | 7 %  |

GROUP OPERATING PROFIT BY OPERATING SECTOR (1000 EUR)

|                    | 1-12/2004 | 1-12/2003 | Change |
|--------------------|-----------|-----------|--------|
| Publishing         | 7,821     | 6,318     | 24 %   |
| Graphics sector    | 2,410     | 2,159     | 12 %   |
| Other sales        | -949      | 1,648     | -158 % |
| Securities trading | 1,595     | 1,194     | 34 %   |
| Internal sales     | 138       | 107       | 29 %   |
| Total              | 11,015    | 11,425    | -4 %   |

GROUP INCOME STATEMENT (1000 EUR)

|   | 1-12/2004 | 1-12/2003 | Change |
|---|-----------|-----------|--------|
| NET SALES   | 70,493    | 66,036    | 7 %    |
| Increase (+) or decrease (-)<br>in stocks of finished<br>products | -32       | 32        | -200 % |
| Other operating income  | 637       | 2,815     | -77 %  |
| Materials and services  | 32,099    | 29,386    | 9 %    |
| Personnel costs   | 17,671    | 17,773    | -1 %   |
| Depreciation  | 3,162     | 3,108     | 2 %    |
| Other operating costs   | 7,150     | 7,192     | -1 %   |
| Expenses total  | 60,082    | 57,458    | 5 %    |
| OPERATING PROFIT  | 11,015    | 11,425    | -4 %   |
| Financial income and expenses                                     | 1,688     | 2,314     | -27 %  |
| PROFIT BEFORE TAXES   | 12,703    | 13,739    | -8 %   |
| Taxes   | -3,223    | -3,956    | -19 %  |
| PROFIT FOR THE PERIOD UNDER<br>REVIEW                             | 9,480     | 9,783     | -3 %   |

GROUP BALANCE SHEET (1000 EUR)

|                                  | 12/2004 | 12/2003 | Change |
|----------------------------------|---------|---------|--------|
| ASSETS                           |         |         |        |
| FIXED AND OTHER LONG-TERM ASSETS |         |         |        |
| Intangible assets                | 549     | 486     | 13 %   |
| Tangible assets                  | 23,998  | 23,195  | 3 %    |
| Investments                      | 15,124  | 6,673   | 127 %  |
| CURRENT ASSETS                   |         |         |        |
| Inventories                      | 5,317   | 5,667   | -6 %   |

|                        |        |        |       |
|------------------------|--------|--------|-------|
| Receivables            | 9,250  | 28,042 | -67 % |
| Cash and bank deposits | 2,909  | 4,563  | -36 % |
| ASSETS TOTAL           | 57,147 | 68,626 | -17 % |

|                                      | 12/2004 | 12/2003 | Change |
|--------------------------------------|---------|---------|--------|
| LIABILITIES AND SHAREHOLDER'S EQUITY |         |         |        |
| Shareholders' equity                 | 43,121  | 54,499  | -21 %  |
| Group reserve                        |         | 172     | -100 % |
| Deferred tax liability               | 2,688   | 3,187   | -16 %  |
| Non-current liabilities              | 189     | 315     | -40 %  |
| Current liabilities                  | 11,149  | 10,452  | 7 %    |
| LIABILITIES TOTAL                    | 57,147  | 68,626  | -17 %  |

GROUP CASH FLOW STATEMENT (1000 EUR)

|  | 1-12/2004 | 1-12/2003 |
|--|-----------|-----------|
| CASH FLOW FROM OPERATIONS                          |           |           |
| Profit before extraordinary items                  | 12,703    | 13,739    |
| Adjustments  | -1,912    | -3,899    |
| Change in working capital                          | -126      | -323      |
| Financial income and expenses                      | 2,634     | 3,974     |
| Direct taxes paid                                  | -2,531    | -2,382    |
| CASH FLOW FROM OPERATIONS                          | 10,769    | 11,109    |
| CASH FLOW FROM INVESTMENTS                         |           |           |
| Investments in tangible and intangible assets, net | -3,985    | -2,546    |
| Other investments, net                             | -7,993    | 4,400     |
| Dividends received from investments                | 635       | 1,187     |
| CASH FLOW FROM INVESTMENTS                         | -11,344   | 3,042     |
| CASH FLOW BEFORE FINANCING ITEMS                   | -575      | 14,151    |
| CASH FLOW FROM FINANCING                           |           |           |
| Change in current loans                            | 2,000     |           |
| Change in non-current loans                        | -126      | -126      |
| Change in current receivables                      |           | 21        |
| Change in non-current receivables                  | 108       |           |
| Dividends paid and other profit distribution       | -20,523   | -8,038    |
| CASH FLOW FROM FINANCING                           | -18,541   | -8,143    |
| INCREASE (+) OR DECREASE (-) IN FINANCIAL ASSETS   | -19,115   | 6,008     |

|  |        |        |
|--|--------|--------|
| Liquid assets at the beginning of the financial period | 23,024 | 17,015 |
| Liquid assets at the end of the financial period       | 3,908  | 23,024 |

#### GROUP KEY FIGURES 2003-2004

##### Key figures indicating the financial development

| Ilkka-Yhtymä Group                      | 2004 | 2003 |
|---|------|------|
| Net sales, Meur                         | 70,5 | 66,0 |
| - change %                              | 6,7  | 0,5  |
| Operating profit, Meur                  | 11,0 | 11,4 |
| - % of net sales                        | 15,6 | 17,3 |
| Profit before extraordinary items, Meur | 12,7 | 13,7 |
| -% of net sales                         | 18,0 | 20,8 |
| Profit before taxes, Meur               | 12,7 | 13,7 |
| - % of net sales                        | 18,0 | 20,8 |
| Result of the financial period, Meur    | 9,5  | 9,8  |
| - % of net sales                        | 13,4 | 14,8 |
| Return on equity (ROE), %               | 19,4 | 18,2 |
| Return on investment (ROI), %           | 25,3 | 25,2 |
| Equity ratio, %                         | 77,4 | 81,0 |
| Gearing, %                              | -1,4 | -7,6 |
| Gross capital expenditure, Meur         | 12,5 | 4,1  |
| - % of net sales                        | 17,8 | 6,2  |
| Balance sheet total, Meur               | 57,1 | 68,6 |
| Current ratio                           | 1,57 | 3,66 |
| Average no. of employees                | 427  | 446  |

The deferred tax liability included in voluntary provisions and the depreciation difference have been taken into account in the calculation of the key figures.

##### Per-share ratios

| Ilkka-Yhtymä Group                                   | 2004    | 2003     |
|--|---------|----------|
| Earnings per share (EPS), eur                        | 0,73    | 0,75     |
| Shareholders' equity per share, eur                  | 3,31    | 4,18     |
| Dividend per share (Series I), eur                   | 0,60    | 1,60     |
| Dividend per share (Series II), eur                  | 0,60    | 1,60     |
| Nominal dividend EUR/share (Series I and Series II)) | 0,60 *) | 1,60 **) |
| Dividend per earnings (Series I), %                  | 82,5    | 213,2    |

|  |            |            |
|--|------------|------------|
| Dividend per earnings (Series II), %                                       | 82,5       | 213,2      |
| Effective dividend yield (Series I), %                                     | 7,9        | 23,2       |
| Effective dividend yield (Series II), %                                    | 8,0        | 21,8       |
| Price per earnings (P/E) (Series I)  | 10,5       | 9,2        |
| Price per earnings (P/E) (Series II)                                       | 10,3       | 9,8        |
| Adjusted price development of shares                                       |            |            |
| average price (Series I), eur  | 8,07       | 6,84       |
| average price (Series II), eur   | 7,68       | 6,70       |
| lowest price (Series I), eur   | 6,50       | 5,50       |
| lowest price (Series II), eur  | 6,01       | 5,28       |
| highest price (Series I), eur  | 9,45       | 8,17       |
| highest price (Series II), eur   | 8,79       | 7,75       |
| price at end of period (Series I), eur                                     | 7,60       | 6,89       |
| price at end of period (Series II), eur                                    | 7,48       | 7,35       |
| Market capitalisation, Meur  | 98,0       | 94,0       |
| Shares traded (Series I), number of shares                                 | 318 646    | 40 076     |
| - % of total number of shares  | 8,3        | 1,0        |
| Shares traded (Series II), number of shares                                | 6 489 917  | 1 568 520  |
| - % of total number of shares  | 70,5       | 17,0       |
| 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

\*\*\*) Decision of the AGM on 26 April 2004, per-share dividend of EUR 1.00  
Decision of the Extraordinary General Meeting on 10 December 2004, per-share dividend of EUR 0.60

The deferred tax liability included in voluntary provisions and the depreciation difference have been taken into account in the calculation of indicators.

Figures are split-adjusted.

GROUP'S CONTINGENT LIABILITIES (1000 EUR)

|  | 12/2004 | 12/2003 |
|--|---------|---------|
| Loans secured with mortgages on company assets |         |         |
| Loans from financial institutions              | 2,315   | 441     |
| Given mortgages on company assets              | 505     | 1,245   |
| Given mortgages on property                    | 1,867   |         |
| Mortgages total                                | 2,371   | 1,245   |
| Other assets pledged                           |         |         |
| Given mortgages on property                    | 168     | 168     |

|                     |    |     |
|---------------------|----|-----|
| On behalf of others |    |     |
| Guarantees          | 16 | 145 |

Official circulation volumes of newspapers

|                            |        |
|----------------------------|--------|
| Ilkka                      | 55,363 |
| Pohjalainen                | 31,561 |
| Härmät                     | 3,996  |
| Jurvan Sanomat             | 2,418  |
| Järviseu tu                | 6,340  |
| Suupohjan Sanomat          | 4,608  |
| Viiskunta                  | 6,873  |
| Vaasan Ikkuna (delivery)   | 52,000 |
| Etelä-Pohjanmaa (delivery) | 41,500 |

PROPOSALS TO THE ANNUAL GENERAL MEETING

The Board of Directors will propose to the Annual General Meeting on 11 April 2005 that a dividend of EUR 0,60 per share be paid for 2004.

The Board of Directors will further propose that the Annual General Meeting would cancel the authorisation made on 26 April 2004 and 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, 23 February 2005

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa  
Managing Director