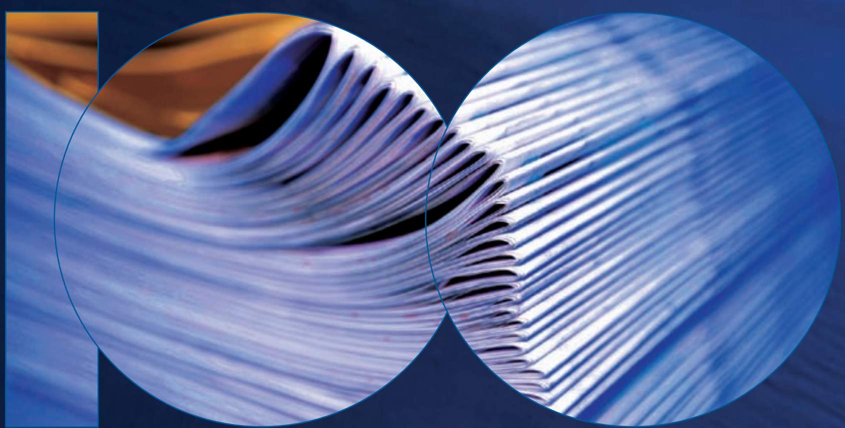
Ilkka-Yhtymä Oyj



2006
ANNUAL REPORT

Contents

Ilkka-Yhtymä's centenary Annual General Meeting was held on 20 April at Frami, the Seinäjoki Technology Centre, with a record number of participating shareholders across Finland.

Annual General Meeting

The Annual General Meeting of Ilkka-Yhtymä Oyj will be held on Monday, 16 April 2007 at 3 p.m. at Ilkka-Yhtymä Oyj. The address is Koulukatu 10, entrance D, FIN-60101 Seinäjoki.

Dividend Distribution

The Board of Directors proposes to the AGM that a per-share dividend of EUR 0.90 be paid for 2006. If this proposal is approved, the record date of dividend payment will be 19 April 2007, and the dividend will be paid on 26 April 2007.

Shareholders whose shares have not been entered in the book-entry system by the record date will be paid the dividend once their shares have been entered.

Share Register

Since Ilkka-Yhtymä Oyj shares were transferred to the book-entry system, the company's share information has been maintained by the Finnish Central Securities Depository Ltd., telephone +358 20 770 6000, fax +358 20 770 6654. Issues relating to shareholder information are handled by Ilkka-Yhtymä Oyj's Financial Service Department, located at Koulukatu 10, FIN-60100 Seinäjoki, telephone +358 6 418 6643.

Financial Information

In 2007, Ilkka-Yhtymä Oyj will publish interim reports as follows: for the period January-March on 2 May 2007, for the period January-June on 23 July 2007, and for the period January-September on 22 October 2007. These will be available both in Finnish and English on our website at www.ilkka-yhtyma.fi and can also be ordered from internet at www.ilkka-yhtyma.fi or from Ilkka-Yhtymä Oyj, Osakerekisteri, P.O.Box 60, FIN-60101 Seinäjoki, telephone +358 6 418 6643.

Stock exchange releases and statements published by Ilkka-Yhtymä Oyj in 2006 are available on the company's website at www.ilkka-yhtyma.fi.

IFRS Financial Statements

The consolidated financial statements presented in Ilkka-Yhtymä Oyj's annual report have been prepared in accordance with the International Financial Reporting Standards, IFRS. Before the adoption of IFRS, the Group's financial reporting was based on the Finnish Accounting Standards, FAS. The Group adopted IFRS on 1 January 2004. The financial statements of the parent company have been prepared in accordance with the Finnish Accounting Standards.

All the figures in the annual report are rounded, so the sum of separate figures may differ from that presented in the report.

Ilkka-Yhtymä Group in brief

The Ilkka-Yhtymä Group is a media group that consists of the parent company Ilkka-Yhtymä Oyj, the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy and Pohjanmaan Lähisanomat Oy, as well as the printing company I-print Oy. The Group also includes two property companies and Arena Partners Oy, Savon Mediat Oy, Väli-Suomen Media Oy and Yrittävä Suupohja Oy as associated companies. Ilkka-Yhtymä Oyj sold its 25.6 per cent holding in Savon Mediat Oy to Keskisuomalainen Oyj on 29 December 2006.

The Series I shares of Ilkka-Yhtymä Oyj have been listed on the Helsinki Stock Exchange since 1981. The Series II shares have been listed since their issue in 1988 and, on 10 June 2002, they were listed on the Main List of the Helsinki Stock Exchange. On 2 October 2006, the quotation of Series II shares was transferred to the OMX Nordic List, to the Nordic Mid Cap group and Consumer Discretionary sector, and that of Series I shares was moved to the Pre List.

The parent company is responsible for developing Group strategies together with the subsidiary companies. Ilkka-Yhtymä Oyj offers financing, investment, personnel, research, development, data management and property services to its subsidiaries.

The Year 2006

Ilkka-Yhtymä Group (IFRS)	2006	2005	Change -%
Net sales, MEUR	52.7	53.9	-2.3
Operating profit, MEUR	9.7	9.5	1.9
Profit before taxes, MEUR	19.5	12.5	56.6
Return on investment (ROI), %	36.0	28.9	
Earnings per share (EPS), EUR	1.17	0.66	77.3
Dividend per share, EUR	0.90 *)	0.53	60.0
Equity ratio, %	79.0	82.6	
Gross capital expenditure, MEUR	22.5	6.8	231.7
Personnel	399	410	-2.7

*) Board of Directors' proposal
Figures are adjusted for the bonus issue.

Managing Director's Review

The growth of the Finnish economy and consumer purchasing power had a positive effect on media sales. The favourable economic development in our operating region, South Ostrobothnia and Ostrobothnia, also stimulated new investments in commerce and services.

The market situation for media sales varied during the year. Newspapers' growth figures enjoyed during the first quarter became negative in the second quarter, but the third quarter saw a return to positive figures. Thus, annual media sales growth amounted to 2.5 per cent for newspapers, while overall media advertising grew by 3.7 per cent. Circulation income saw a moderate increase due to a rise in prices but a slight drop in circulation. Net sales for printing presses remained nearly unchanged as a result of tough competition.

Successful centenary

During our busy centenary, the Group and its newspapers gained significant amounts of positive exposure and achieved a record profit. Dozens of the centenary's public events, intended for our readers of different ages, proved to be successful and popular. The main events included the premiere of the folk opera, 'Lakeuksien Lukko', based on the novel by Ilkka's former Chief Editor Artturi Leinonen, at the Ilmajoki Music Festival and the qualifying finals of the Seinäjoki Tango Festival.

Our product development investments were targeted at the reinforcement of our papers' multi-channel products and services. We introduced new online and mobile services related to our provincial and local papers and free sheets providing online news, new Arena Services and other useful and entertainment services. Our mobile services, produced by Arena-Partners Oy, enabled news and advertising services including images accessible on the Web and mobile devices. The modernisation of the visual identities of our free sheets and local papers were positively welcomed.

The Group's net sales decreased by 2 per cent due to a decline in net sales from printing, caused by the divestment of unprofitable export sales. However, the profitability of our printing operations remained healthy, owing to measures taken to enhance production efficiency. Net sales from publishing increased by 2 per cent. Profitability was hampered during the first three quarters by non-recurring expenses related to the centenary, but the profitability of core operations improved, the operating margin edging up to 18.4 per cent.

In terms of investment levels, the financial year was favourable. Despite the growth in interest rates, share prices saw a positive development. At the end of the year, we divested our holding in Savon Mediat Oy and, during the year, increased our holding in Alma Media Oyj.

Role for our next centenary: challenger or defender?

The provincial newspaper company and its publications occupy a strong position in today's Finland. In the future, changes in consumers' behaviour, new technologies and competitors will, however, present challenges to traditional operating methods. Our strategy therefore consists of investments in the reforms of the products and services of our multi-channel newspapers, enabling them to offer the best regional media content to our customers.

During the current year, we will sharpen the roles of our various paper groups - provincial and local papers and free sheets - in the market and identify new operating methods both internal to the Group and within networking processes. As of the beginning of 2007, the free sheet, Etelä-Pohjanmaa, has been included in the business operations of Sanomalehti Ilkka Oy and we introduced the supplement, Periskooppi, distributed between our free sheets to over 94,000 households. The first online

Ilkka-Yhtymä's centenary was celebrated by 900 guests at the opera, 'Lakeuksien Lukko'.

facsimile edition of our newspapers will be issued during the spring and, in three phases, we will begin earlier deliveries in rural areas on weekdays.

We have committed to an international three-year project, SERV-net, administered by the Lappeenranta University of Technology. Benefiting from EU funding, the project is targeting the development of tools enabling the reinforcement of service businesses and their competitiveness. The objective of Ilkka-Yhtymä is to develop its products and services as well as the related processes and to ensure their continuous development, in order to meet customers' and consumers' current and future needs more effectively.

Our divestment of Savon Mediat Oy did not have a negative effect on the related newspapers' operative co-operation in central Finland. As a new form of co-operation, a shared news and financial news department of Väli-Suomen Media and Turun Sanomat based in Helsinki will begin operating at the beginning of April, providing new opportunities for deeper editorial networking in the field.

While the development of staff's expertise and working methods presents a key challenge to the successful, 100-year-old Ilkka-Yhtymä, I believe that our working culture, based on Ostrobothnian values, will meet this challenge.

Prospects for the beginning of the year are positive; consumer purchasing power will grow and rises in expenses will remain moderate. The re-establishment of commerce and services in our region as well as the parliamentary election will reinforce our media sales opportunities. Significant changes are not expected in customer relationships in printing based on annual agreements. At the beginning of the year, our financial income will enjoy a rise due to the increase in dividend income and capital gains from the sale of shares. The development of media sales towards the end of the year will most probably be influenced by the collective labour agreements agreed during the autumn, which will also cause an increase in expenses for the final quarter.

I would like to thank our customers and owners for their trust and our entire personnel for our successful centenary.

Matti Korkiatupa
Managing Director

The portraits of Kari Hokkanen (left), Veikko Heikkilä and Jaakko Aukia, painted by Fritz Jakobsson, were unveiled in December at the centenary's final celebration event.

Ilkka-Yhtymä: 100 years

From Ilkka to Ilkka-Yhtymä Group

1906	Ilkka established.
1962	Ilkka Oy moves from Vaasa to Seinäjoki.
1981	Ilkka's shares (current Series I shares) listed on the Broker's List of the Helsinki Stock Exchange.
1988	The new Series II shares listed on the Broker's List.
1992	Acquisition of Vaasa Oy:
	Papers Pohjalainen (established in 1903) and Etelä-Pohjanmaa.
1980-1990	Acquisition of local newspapers:
	Viiskunta, Härmät, Suupohjan Sanomat, Jurvan Sanomat and Järviseutu.
1995	Dismantling of Pro Lehdistö; Ilkka obtains 16.8% of Savon Mediat Oy.
1995	Local newspapers merged into Ilkka Oy.
1997	Introduction of I-print Oy's new print factory.
1997	Holding of 40% in Väli-Suomen Media Oy.
1999	Change of name from Ilkka Oyj to Ilkka-Yhtymä Oyj.
1999	Acquisition of HSS Media Ab's printing press in Vaasa.
2000	Transfer of assets from Ilkka-Yhtymä Oyj:
	- Sanomalehti Ilkka Oy (Ilkka)
	- Pohjanmaan Lähisanomat Oy (Etelä-Pohjanmaa, Viiskunta, Suupohjan Sanomat, Jurvan Sanomat, Härmät and Järviseutu.)
2000	Holding of 25.9% in Arena Partners Oy.
2001	Divestment of 5.6% from Savon Mediat Oy (11.2%).
2002	Ilkka-Yhtymä Oyj's Series II shares transferred to the Main List of the Helsinki Stock Exchange.
2004	Acquisition of 14.4 % in Savon Mediat Oy (25.6%).
2006	Divestment of holding from Savon Mediat Oy.

Strategy

Our mission

Ilkka-Yhtymä is a customer-oriented and profitable Ostrobothnian media Group which produces financial and cultural added value for its interest groups. The Group is networked, and participates actively in the development of its industry.

Vision

Ilkka-Yhtymä is in demand, successful and is a media company that operates in the spirit of the times.

The cornerstones of Ilkka-Yhtymä's strategy in 2006-2010

1. Ilkka-Yhtymä is a customer-oriented and cost efficient synergic and networked company.
2. We will focus on our core businesses, publishing and printing cross-media newspapers, and investigate opportunities for expansion into other areas of the media industry.
3. We will seek both organic growth, and growth through corporate acquisitions.
4. We will forecast changes in the needs and behaviour of our customers, and adjust the products and services we offer accordingly.
5. We will keep the brand names of our publications separate, but produce shared content and services while taking into consideration our internal needs, the needs of our customers and the network in which we operate.
6. We will invest in product development, and in the well-being and strategically important areas of expertise of our staff.
7. Using various centres of expertise, we will develop our business processes in order to improve our profitability and competitiveness.
8. We will focus our long-term holdings in strategically important targets, and place the greatest emphasis on areas where we can gain the highest expected earnings.
9. The Group has chosen to operate in a networked fashion, which will help to guarantee the profitability and competitiveness of our core businesses.

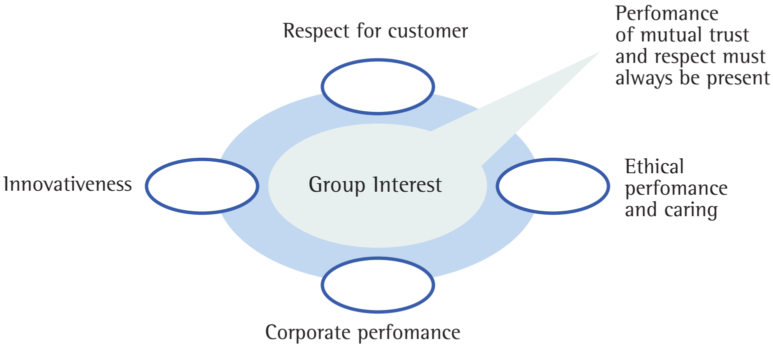
Growth and Profitability

The growth of operational net sales will be at least as great as growth in the purchasing power of domestic consumers. Operational EBITDA and ROI (return on investment) will exceed 20%, ROE (return on equity) 15% and equity ratio 65%.

Ownership and Dividend Policy

We will guarantee the satisfaction of our owners through a good financial result and profit distribution policy.

Ilkka-Yhtymä's values



Operating Environment

The General Economic Situation

General economic development in Finland was rapid in 2006 by international standards. The estimated annual GDP growth rate rose to slightly over five per cent, which was much more rapid than the eurozone average. This rise in GDP was in part due to the previous year's low level, which was largely influenced by production down-time in the forest industry. Chiefly, this growth was induced by export and domestic demand. Export grew by slightly over ten per cent and private consumption by four per cent.

In Finland, the rise in industry manufacturers' prices reached 5.5 per cent during the year. Import prices rose by 5.5 per cent and export prices by 4.5 per cent due, in particular, to rising prices for basic metals and electricity. Similarly, consumer price rises intensified during the year. The annual average rise of 1.6 per cent was chiefly influenced by the increased cost of living due to rises in interest rates, housing prices, electricity prices and rents. During the year, the European Central Bank increased its key interest rate several times, attaining 3.5 per cent at the end of the year. The unemployment rate was on a downward trend, falling to an average of 7.9 per cent. The employment trend stabilised in the industrial sector and continued its improvement in the service sectors.

Development of the operating region

Strong, favourable economic development continued during the financial year, both in South Ostrobothnia and the province of Ostrobothnia. In particular, industrial production and construction enjoyed rapid growth, although the end of the year levelled off expectations. Exports have thrived, but industry has faced problems in securing a sufficient supply of qualified staff. For SMEs, the economic trends have been the best in years, and service sector companies have also been able to exceed their normal performances.

In July, Ilkka-Yhtymä offered its readers a seat at the qualifying finals of the Seinäjoki Tango Festival.

Publishing

According to an estimate by Statistics Finland, net sales in publishing and printing grew by 2% year on year in 2006. In publishing, net sales for 2006 increased by an estimated two per cent year on year.

Development of advertising

Advertising volumes and their value continued to grow during the year. According to research commissioned by Mainonnan Neuvottelukunta and performed by TNS Gallup Oy, a total of EUR 1,233 million was spent on media advertising in Finland in 2006, an increase of 3.7% year on year. EUR 590 million was spent on newspaper advertising, an increase of 2.5% from 2005. Advertising in town and free papers grew by 2.0%. Of media marketing, 47.8% comprised newspaper marketing and 5.6% free sheets. Internet advertising grew by 25.7% and represented 3.8% of total media advertising.

Development of circulation and number of readers

In 2005, total newspaper circulations fell by 0.6 per cent, while those of papers issued 4 to 7 times a week declined by 0.4 per cent and, for newspapers issued 1 to 3 times a week, by 0.4 per cent. Total circulation volumes in 2005 amounted to 3.2 million.

The newspapers included in the National Readership Survey (KMT) have been on a slightly downward trend. The gross number of readers of Kärkimedia newspapers fell by 1.5 per cent according to data from the autumn 2005 / spring 2006 data in comparison to data from 2005. However, the gross number of readers remained high, at 4.2 million readers. During the last five years, the total number of readers of Kärkimedia newspapers has decreased by approximately six per cent. The greatest decline occurred among young people (aged 15 to 24). A slightly declining trend can also be observed among readers aged 25 to 44, whereas readers over 45 show loyalty.

During the last ten years, the newspapers' circulations and numbers of readers have undergone a decrease, although not a dramatic one. The Internet and the digital era have had the strongest impact on newspapers, causing a reduction in their role in news coverage. In the future, newspapers will continue to provide background information and reliable follow-ups on news. The strength of newspapers continues to lie in the local dimension and, as advertising media, newspapers are still the first option in Finland.

The Group's Publishing

Ilkka-Yhtymä's publishing segment is made up of the regional publishing companies Sanomalehti Ilkka Oy and Vaasa Oy, and the local publishing company Pohjanmaan Lähisanomat Oy. Its main products are the cross-media regional newspapers Ilkka and Pohjalainen, and the local newspapers Viiskunta, Härmät, Järviseutu, Suupohjan Sanomat and Jurvan Sanomat. The products also include two free sheets: Vaasan Ikkuna and Etelä-Pohjanmaa, with a combined circulation of around 94,000.

The segment's net sales for the financial year totalled EUR 42,614 thousand (EUR 41,664 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, decreased slightly.

Operating profit from publishing operations remained at the previous year's high level, totalling EUR 8,100 thousand (EUR 8,089 thousand).

The objective of Ilkka's future Chief Editor, Matti Kalliokoski, is to maintain the paper's originality and its status as a nationally renowned provincial paper.

Sanomalehti Ilkka Oy

Ilkka-Yhtymä Oyj's subsidiary, Sanomalehti Ilkka Oy, publishes the provincial paper, Ilkka, established in 1906. Ilkka's core circulation area is the province of South Ostrobothnia. Ilkka is the leading newspaper within its home region and a nationally renowned provincial paper. During its history, the paper's strength has lain in the strong loyalty of its readers. This can be seen in the number of continuous subscriptions, remarkable even by national standards: of a circulation of 55,277 papers, over 50,000 are continuous subscriptions.

The year 2006 was Ilkka's 100th year in publication. The centenary was marked by several events and activities. In celebrating the centenary, the main idea was to address and take account of the various reader groups. On 16 March 2006, a 100-page anniversary Ilkka was published. The most prominent events included a premiere of the folk opera, 'Lakeuksien lukko' at the Ilmajoki Music Festival in June, the qualifying finals of the Seinäjoki Tango Festival in July and the 'Farmari' agricultural fair in August. At the fair, Ilkka's stand and daily celebration cruises on a riverboat proved a great success. In September, Ilkka filled the club, Rytmikorjaamo, in Seinäjoki with a 'Puhalla nollat' concert, a celebration without alcohol intended for young people. Sportive young people were invited to Ilkka athletic competitions during the winter and summer. Ilkka's editorial staff covered each municipality of the circulation area in its article series, 'Ilkan tie' (Ilkka's route). The year ended with extensive media exposure: Matti Kalliokoski was appointed as Ilkka's new Chief Editor, Ilkka's centenary history book, 'Ilkan vuosisata,' was published and portraits of the Chief Editor and two chairmen of the Board were unveiled.

In addition to the centenary celebration activities, the provision of high-quality journalism and an efficient advertising medium was ensured to readers and advertisement users. Derived from strategy work, the leading concept consisted of multi-channel methods, reliability and a real-time basis. The most important ensuing reform was that of Ilkka's online services, renewed with more diversified, real-time content. The success of this reform can be seen in the growth of the number of visitors to the online paper.

Since a multi-channel approach requires new abilities and skills from its providers, last year's training focussed on the requirements which it sets for both editorial and marketing staff. Training has also aimed at enhancing interaction and management skills.

A significant part of the working hours of Ilkka's employees has been allocated to increasing the efficiency of co-operation, product development and processes. The work of all of our centres of expertise has been intensified, achieving a permanent foothold in the Group's internal interaction, process control and review of co-operation. The most prominent co-operation outcomes include shared content with our sister paper, Pohjalainen. In addition to a common radio and TV page, common financial pages have been piloted.

During the autumn, Ilkka-Yhtymä launched a broad-based risk management project. Sanomalehti Ilkka Oy is also participating in this, and this work will continue on an extensive basis in 2007. The results and summaries obtained from the project will serve as planning guidelines in the forthcoming years. Streamlining the Group's town paper strategy generated a supplement entitled, 'Periskooppi'. With a publication premiere in the beginning of 2007, it will be distributed between the pages of Vaasan Ikkuna and Etelä-Pohjanmaa. As of the beginning of January, publication rights to Etelä-Pohjanmaa will be transferred to Sanomalehti Ilkka Oy.

For Sanomalehti Ilkka, the year 2007 is forecast to continue along the lines of the year gone by in terms of volume. Its cost structure will become slightly lighter due to the cessation of expenses for the centenary.

Sanomalehti Ilkka Oy (FAS)	2006	2005
Net sales, EUR 1,000	23 511	22 976
Operating profit, EUR 1,000	5 411	5 601
Average no. of employees	90	89

In the national newspaper page contest, organised by the Finnish Newspaper Association, Pohjalainen won gold in both the front page and sports page categories.

Vaasa Oy

Ilkka-Yhtymä Oyj's subsidiary, Vaasa Oy, publishes the provincial Paper Pohjalainen, founded in 1903 and the town paper, Vaasan Ikkuna. Pohjalainen's core circulation area is the province of Ostrobothnia, with additional circulation clusters in the population centres of South and Central Ostrobothnia. Pohjalainen is the leading newspaper within its home region. It is also successful in national comparisons, reaching nearly 100,000 readers daily. The town paper, Vaasan Ikkuna, is distributed once a week to households in Vaasa and its neighbouring municipalities, with editions of 53,300 papers.

A thorough layout reform of Pohjalainen conducted in November 2005 was finalised during the course of 2006. The visual identity of the Saturday supplement, 'TOSI,' was adapted to the visual design of the parent paper in May. In addition, the Pohjalainen online newspaper underwent an in-depth reform. An improved visual identity was paired with faster loading times which received instant positive feedback from readers.

The contents and visual identity of Pohjalainen have been rapidly transformed and the staff's performance has been creditable. While the reforms of Pohjalainen and TOSI were large and interesting projects, positive feedback was immediately obtained, and in a national page contest in 2005, the visual identity of Pohjalainen won two out of three categories.

According to a reader survey completed in June, Pohjalainen has shown positive development in all areas when compared with reader survey data from 2004.

In late 2006, Pohjalainen focussed on the development of bidirectional citizen journalism, meaning a quicker and more systematic reaction to reader tips and requested articles. The column, 'Tekstaten,' saw growing popularity during the year. Based on this, editorial staff introduced the '13522 concept,' allowing readers to send multimedia and e-mail messages to a single address, in addition to text messages. The idea is to publish the best photos taken with a mobile phone at locations where news is unfolding.

Co-operation with Ilkka editorial staff intensified, while that between financial editorial staffs aims to improve quality and enhance cost-effectiveness. The sport editorial staffs of Pohjalainen and Ilkka agree upon common coverage of major events and the exchange of articles, while both papers will conserve their own emphases and visual page identities.

Sales of daily consumer goods in the Vaasa region enjoyed intensive growth, and Pohjalainen and Vaasan Ikkuna's media marketing offered suitable solutions in tandem with these increasing sales. Indeed, media sales exceeded the industry's national growth figures. The renewed front page of the paper attained broad popularity as an advertising spot. Furthermore, the supplement, 'Shopping Vaasa', published in four provincial papers and building on the ideas of Vaasa's retailers, proved a fruitful investment.

However, reader marketing did not quite achieve the targets set and, outside its core area, the paper's circulation fell. Changes in the way leisure time is spent, in particular amongst young people, present a challenge to subscription sales. Winning new subscribers will require more investment and continuous product development.

Our goal for the year 2007 comprises a moderate increase in sales. Consulting sales activities and customer-oriented product development are the prerequisites of success. Further investments will be made in the expertise of staff and management, well-being at work playing an essential role. Financial targets will find support in the excellent prospects of Vaasa region in terms of growth, development and employment. The company's cost structure will undergo no significant changes in comparison with 2006.

Vaasa Oy (FAS)	2006	2005
Net sales, EUR 1,000	15 398	14 884
Operating profit, EUR 1,000	2 028	1 660
Average no. of employees	104	103

The first sample issue of the 30-year-old Jurvan Sanomat, from 1976.

Pohjanmaan lähisanomat Oy

Pohjanmaan Lähisanomat Oy published five subscription-based newspapers and one free sheet in 2006. All papers published by the company are distributed within the circulation areas of the Group's daily provincial newspapers, Ilkka and Pohjalainen. Investments in customer relationship management have had a positive effect on the papers' success in a highly competitive market.

Turning our profit performance around, in spite of the slight fall in profit, is possible through customer-oriented operations and investments in staff well-being and expertise. Moreover, successful and efficient marketing together with an editorial content meeting subscribers' expectations, as well as the papers' new visual identities and developing online services, will create a basis for future success. Increasing co-operation between papers will further contribute to this goal.

Last year, the free sheet, Etelä-Pohjanmaa, celebrated its 80th anniversary and the local paper, Jurvan Sanomat, held its 30th anniversary. These anniversaries were celebrated not only through hard work, but both papers also published an anniversary issue and Jurvan Sanomat organised a soiree for various stakeholders.

In terms of festivities, 2007 will be far from quiet: another two of the company's papers will celebrate their anniversaries, and various events are being planned. The third oldest local newspaper, Suupohjan Sanomat, will celebrate its 110th anniversary and Järviseutu its 70th anniversary.

Local papers' current managements are also encountering changes. Until 31 October 2006, the Chief Editor of Härmät was Tuomas Koivuniemi, but after he moved on to other duties, the paper received a new Chief Editor, Heikki Risikko, on 1 January 2007. Until Mr Risikko's appointment, Hannu Siltala functioned as the paper's temporary Chief Editor, in addition to his own tasks as Chief Editor for Jurvan Sanomat.

Seppo Kuusinen, the long-term Chief Editor of the almost 110 year-old Suupohjan Sanomat, retired on 1 December 2006, and the recruitment process for a new Chief Editor is currently under way.

For all our papers, a priority area in future operations will be product development and the continuous ability to meet customers' needs and expectations. Interpaper co-operation will be increased, contents will be diversified and visual identities further developed. We will continue to enhance the versatility of our online services alongside the printed version of the newspaper. The newest product, reinforcing multi-channelism, will be an online facsimile edition of all of Pohjanmaan Lähisanomat Oy's papers during the year 2007.

From the beginning of 2007, publication of the paper, Etelä-Pohjanmaa, was transferred to Sanomalehti Ilkka Oy and, in parallel, a joint supplement of Etelä-Pohjanmaa and Vaasan Ikkuna entitled 'Periskooppi' was founded. Periskooppi will be distributed on Wednesdays together with these town papers, to over 94,000 households in the areas of Vaasa and Seinäjoki and the surrounding municipalities.

Pohjanmaan lähisanomat (FAS)	2006	2005
Net sales, EUR 1,000	3 740	3 831
Operating profit, EUR 1,000	305	474
Average no. of employees	37	38

Product development of newspapers

The underlying aim of our newspapers' product development has been to produce content, through multiple channels, tailored to the reader-customer's different life situations and needs. Our provincial papers' websites were renewed in May and local papers' websites at the beginning of 2007. The goal was to render the online papers quick and easy to use and to add to the interest they generate.

Multi-channelism has been realised through the use of mobile services, for example, in the context of events and reader contests. A mobile channel has been opened for reader journalism. Mobile phone photos, opinions and news tips can be submitted to the papers using a phone. URA-Arena service, which has rapidly become Finland's largest online job directory, was developed in co-operation with Arena Partners Oy and its owner papers.

The Group's media offerings extended at the beginning of 2007 with the paper, Periskooppi, distributed as a supplement to the town papers Vaasan Ikkuna and Etelä-Pohjanmaa to households in two provinces. Periskooppi was introduced to the market as a response to media customers' needs.

The weekly supplement of Pohjalainen, TOSI, was renewed to correspond to the new visual identity of the main paper. Modernisation of visual identities has also been undertaken with respect to local papers. These makeovers aim at rendering the papers more reader friendly.

Furthermore, Ilkka-Yhtymä Oyj has committed to the SERV-net project, with the goal of developing the organisation, processes and tools of service operations within a three year period.

	No. of issues		No. of pages		Audited circulation	
	2006	2005	2006	2005	2006	2005
Ilkka	354	353	10 514	10 316	55 277	55 356
Pohjalainen	354	353	9 720	9 240	29 565	30 816
Vaasan Ikkuna	51	47	1 268	1 180	53 800*)	53 000
Etelä-Pohjanmaa	52	52	1 460	1 408	41 500*)	41 500
Härmät	52	52	776	804 **)	3 920	3 996
Jurvan Sanomat	52	52	648	624	2 372	2 391
Järviseutu	52	52	800	856	6 046	6 198
Suupohjan Sanomat	100	99	964	1 011	4 465	4 617
Viiskunta	101	102	1 502	1 592	6 667	6 731

*) distribution **) format changed, tabloid as of 1 April 2005

Printing

Graphics Industry in Finland

In 2006, net sales generated by the printing sector and related companies were approximately 2% higher than in the previous year. According to preliminary data, production volume was higher than in 2005, but export orders failed to meet expectations. Net sales grew slightly, but sale prices remained at a low level. Raw material prices saw a moderate rise.

The export value of printed material saw a rise of just under two per cent,.whereas the export volume in tons decreased by three per cent. Growth was achieved chiefly in the export of printed advertising products and books, while the export of papers declined. Fixed investments in the sector decreased slightly in comparison to 2005.

Group's printing business

I-print Oy

The printing segment of Ilkka-Yhtymä comprises the printing house, I-print Oy. The company's main products consist of coldset and printing house products. Its product and service range is supplemented by page-making and design services as well as digital printing and large image products. I-print operates from Seinäjoki and Vaasa.

The overcapacity in the graphics sector showed minor signs of unravelling in 2006 both in Finland and in Scandinavia. However, the future, actual consequences of this trend will only be seen in the forthcoming years. Competition in newspaper printing continued to be extremely intense in 2006, and demand in the Finnish market did not show significant increases. Due to notable, new customer relationships, I-print Oy's situation remained positive, although production capacity needed to be adapted to prevailing demand during the operational year. Net sales fell only slightly and profitability remained solid.

Fierce competition in Scandinavia and, particularly, in Sweden led to a sharp downturn in exports' share of net sales. In Sweden, significant amounts of new capacity have been introduced in commercial newspaper-type printing, causing extremely tough competition for market share between Swedish printing presses and, simultaneously, excluding presswork importers from competition. This competitive situation is also true of other Scandinavian countries,.where increasing supply from Germany and Poland is an additional factor increasing competition.

Positive developments continued in I-print's sheet printing business although competition in this graphics sector was also intense due to its large overall capacity. Investments in service concepts corresponding to customer needs and production technology have clearly produced added value for customers of I-print Oy.

As in previous years, investments focussed on maintenance, quality improvement and enhancing efficiency. The greatest investments were made in CTP equipment, i.e. plate printing. After these investments, all I-print Oy's plates will be printed using CTP technology. The Prepress operations have begun using new software both in terms of layout and the preparation of advertisements.

The market situation in 2007 will remain fierce in all graphic industry areas. The tempo of the expected unravelling of overcapacity remains to be seen. I-print Oy's net sales are expected to remain stable and its comparative profitability should continue to be healthy.

I-print Oy (FAS)	2006	2005
Net sales, EUR 1,000	20 569	22 725
Operating profit, EUR 1,000	2 782	2 442
Average no. of employees	135	147

Personnel

The success of Ilkka-Yhtymä Group is based on the expertise of individuals and the organisation as a whole. The Group's human resources concept is as follows, "A skilled employee will also succeed in the future". Areas of know-how derived from the strategy are reinforced annually. During the year under review, the professional skills focus was on contract law and supervisory work. Our jointly prepared external and internal strategic intent defines our shared direction and enhances the smoothness of internal co-operation. The role of centres of expertise in co-operation, expertise management and sharing best practices was emphasised.

Along the lines of previous years, team building will continue by arranging common training and recreational days for our entire staff. The theme for the year 2006 was the improvement of co-operation and interaction.

An equality plan was under preparation in the equality working group. In addition to the Finnish Act on Equality between Women and Men, Ilkka-Yhtymä Group's equality plan takes account of the need perceived by staff to promote equality across the Group's companies, departments and staff groups. To support the working group, a report was drawn up on the realisation of equality within the Group. The majority of staff consider that equality is being realised in their working community. A remaining development target lies in equality between Group companies. The equality report included an account of salaries between genders, analysing women's and men's salaries based on the competence classification of tasks. Women account for 50 per cent of staff and men for 50 per cent.

As part of a holistic risk management project, the mapping of staff risks was begun as well as the implementation of the related management measures.

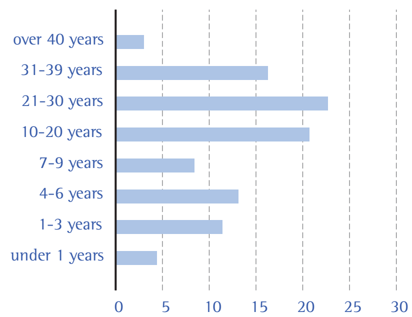
The average number of staff diminished during the financial year due to decreases in production, chiefly in I-print Oy. Ensuing from discussions based on the Act on Joint Discussions conducted in I-print Oy, employment contracts were terminated for eight employees. At Group level, the number of fixed-term employments declined.

Full-time equivalents in 2006 totalled an average of 399, and came to 379 at the end of the year.

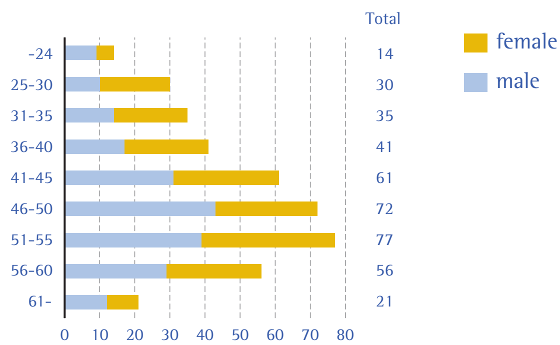
An incentive scheme covering the entire staff of Ilkka-Yhtymä has been in use since 2000. Incentive bonuses are based on the Group's gross margin and company-specific scorecard functional standards. Bonuses emphasise overall performance in incentive and management systems, and their objective is to drive the realisation of annual targets derived from strategy.

Employee representation in the Group's administration is realised by the inclusion of two employee representatives on the Supervisory Board.

Distribution of years of employment
% of personnel



Age distribution 31 Jul 2006



Financial Statements for 2006

Board of Directors' Report

Group Structure

The Ilkka-Yhtymä Group comprises the parent company Ilkka-Yhtymä Oyj, and the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy and Pohjanmaan Lähisanomat Oy. The Group also includes the sheet and newspaper printing company I-print Oy, the real estate companies Kiinteistö Oy Seinäjoen Koulukatu 10 and Seinäjoen Kassatalo Osakeyhtiö, and I-Mediat Oy. The main products of the Group's companies involved in the publishing business are the newspapers Ilkka and Pohjalainen. Other publications include the local newspapers Härmät, Jurvan Sanomat, Järviseutu, Suupohjan Sanomat, Viiskunta and the free sheets 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. Ilkka-Yhtymä Oyj sold its 25.6 per cent holding in Savon Mediat Oy to Keskisuomalainen Oyj on 29 December 2006.

Group Financial Performance

Consolidated net sales amounted to EUR 52,670 thousand (EUR 53,932 thousand in 2005). External net sales from publishing operations increased by EUR 971 thousand (2.3 per cent), but external net sales from the printing business declined by EUR 2,228 thousand (18.0 per cent) due to fiercer competition in export markets. Other operating income totalled EUR 488 thousand (EUR 377 thousand), including approximately EUR 60 thousand in capital gains from the sale of fixed-assets.

The Group's operating expenses for the period totalled EUR 43,415 thousand (EUR 44,788 thousand), a decrease of 3.1 per cent. The operating expenses of the printing business declined due to diminishing volumes. Operating expenses of the publishing business were up due to slight growth in net sales, non-recurring centenary expenses and higher cost levels. Personnel costs decreased by 0.4 per cent. Personnel expenses include staff profit-sharing remuneration. Other operating expenses increased by 4.9 per cent year on year chiefly due to the above-mentioned centenary expenses. Depreciation, included in operating expenses, amounted to EUR 3,265 thousand (EUR 3,361 thousand in 2005).

Consolidated operating profit totalled EUR 9,703 thousand (EUR 9,521 thousand), up by 1.9 per cent year-on-year. The operating margin was 18.4 per cent (17.7).

Net financial income came to EUR 8,002 thousand (EUR 1,909 thousand), including the Group's capital gains (EUR 7,412 thousand) from the sale of a holding in an associated company. The share of the associated companies' result was EUR 1,831 thousand (EUR 1,047 thousand). Pre-tax profit totalled EUR 19,535 thousand (EUR 12,477 thousand). Direct taxes amounted to EUR 2,431 thousand (EUR 2,738 thousand). The Group's net profit for the period totalled EUR 17,104 thousand, showing growth of 75.6 per cent from the previous year.

The consolidated balance sheet total increased to EUR 78,463 thousand (EUR 58,438 thousand) while shareholders' equity was EUR 60,768 thousand (EUR 47,003 thousand). The fair value reserve grew by EUR 4,483 thousand over the year. Interest-bearing liabilities totalled EUR 6,063 thousand (EUR 189 thousand).

Earnings per share amounted to EUR 1.17 (EUR 0.66) and equity per share was EUR 4.14 (EUR 3.20).

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 42,614 thousand (EUR 41,664 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, decreased slightly.

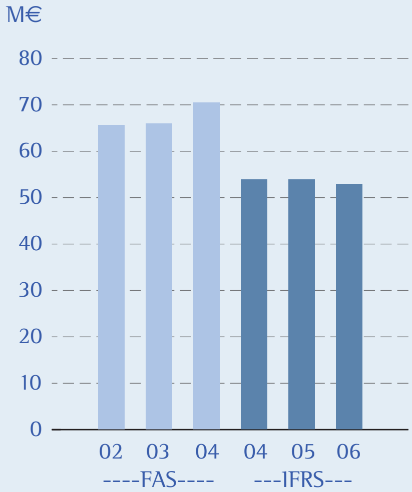
Operating profit from publishing operations remained at the previous year's high level, totalling EUR 8,100 thousand (EUR 8,089 thousand).

Printing

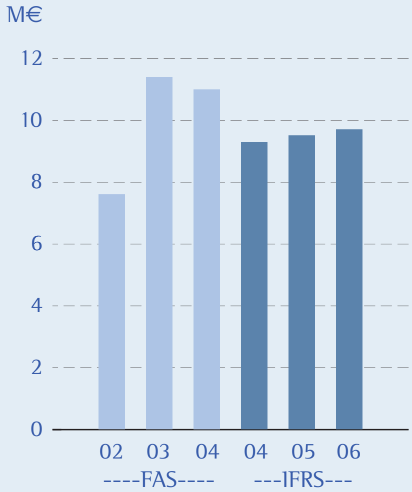
The printing segment comprises the printing house I-print Oy. The segment's net sales fell to EUR 20,569 thousand (EUR 22,725 thousand), due to fiercer competition in export sales.

Operating profit from printing increased by 13.1 per cent year-on-year, totalling EUR 2,819 thousand (EUR 2,492 thousand).

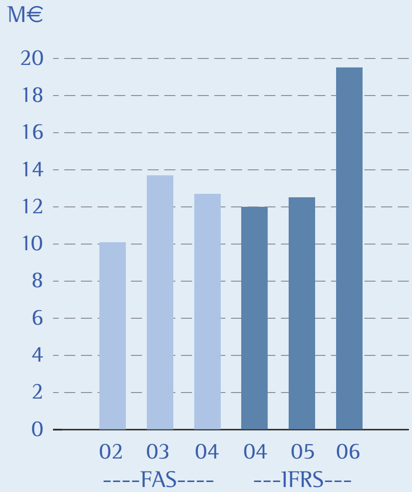
Net sales



Operating profit



Profit before taxes



Financial Position and Capital Expenditure

Reported capital expenditure totalled EUR 22,529 thousand, with printing accounting for EUR 1,601 thousand, and publishing for EUR 333 thousand. In 2006, EUR 20,409 thousand was spent on available-for-sale assets.

The Group's liquidity remained solid throughout the year. The current ratio was 2.80 (1.81) at the end of the financial period. Based on the consolidated balance sheet, equity ratio was 79.0 (82.6) per cent. Liquid assets were EUR 14,626 thousand (EUR 7,331 thousand). Reported cash flow from business operations totalled EUR 10,797 thousand (EUR 15,529 thousand). Cash flow from investments was EUR -1,612 thousand (EUR -2,246 thousand), mainly comprising an investment in Alma Media shares and the sale of a holding in an associated company.

Ilkka-Yhtymä Oyj

Net sales for the parent company Ilkka-Yhtymä Oyj for the financial period came to EUR 18,148 thousand (EUR 23,985 thousand in 2005). Net sales from trading in securities amounted to EUR 16,038 thousand (EUR 21,941 thousand) during the financial year. Other operating income totalled EUR 1,138 thousand (EUR 1,019 thousand), including approximately EUR 20 thousand in capital gains from the sale of fixed-assets.

In the IFRS consolidated financial statements, securities trading is presented as net of financial income and expenses, but in the parent company financial statements the same is presented as gross of net sales and purchases.

The parent company's operating expenses totalled EUR 19,264 thousand (EUR 24,515 thousand). These lower expenses were mainly due to a reduction of volumes in securities trading. Depreciation, included in operating expenses, amounted to EUR 427 thousand (EUR 466 thousand), while operating profit for the period came to EUR 21 thousand (EUR 489 thousand). Net financial income came to EUR 13,593 thousand (EUR 5,206 thousand), including capital gains (EUR 9,569 thousand) from the sale of a holding in an associated company.

Profit before extraordinary items totalled EUR 13,614 thousand (EUR 5,694 thousand). The parent company's extraordinary items, consisting of Group contributions received, amounted to EUR 10,300 thousand (EUR 9,350 thousand). The decrease in depreciation difference amounted to EUR 55 thousand. Taxes of EUR 2,381 thousand were reported for the parent company, and the net profit was EUR 21,588 thousand (EUR 12,711 thousand).

The balance sheet total increased from EUR 38,195 thousand to EUR 58,161 thousand.

Corporate Governance

Ilkka-Yhtymä Oyj complies with the recommendations on corporate governance of HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers which entered into force on 1 July 2004. The company's corporate governance is described in more detail and updated on the company's website www.ilkka-yhtyma.fi.

Annual General Meeting, Supervisory Board and Board of Directors

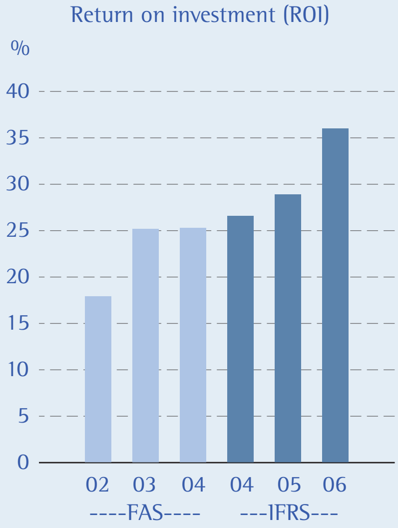
The Annual General Meeting (AGM) of 20 April 2006 approved the financial statements, discharged the members of the Supervisory Board and the Board of Directors as well as the CEO of any liability, and decided to distribute a dividend of EUR 0.53 per share (adjusted for the bonus issue).

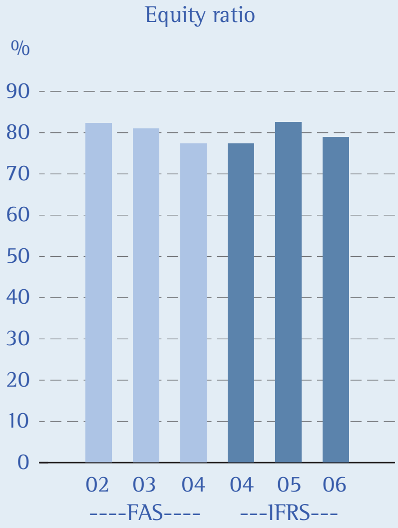
The AGM authorised the Board of Directors to decide, within twelve months from the date of the meeting, on increasing share capital as opposed to the shareholders' subscription privileges, if required, by a maximum of EUR 651,793 and/or issuing convertible bonds and/or stock options.

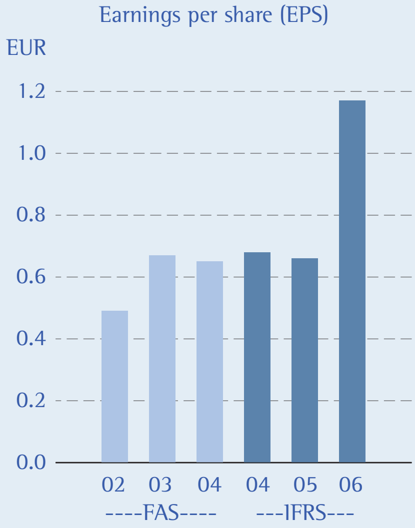
The AGM decided to increase the company's share capital by means of a bonus issue of shares from EUR 3,259,074 to EUR 3,666,458.25 by transferring the sum of EUR 165,583.05 from the share premium fund and EUR 241,801.20 from the reserve fund to the share capital.

Under the bonus issue, one (1) new Series I share was 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 share total is 14,665,833 (4,304,061 Series I shares and 10,361,772 Series II shares).

The share capital increase was entered in the Trade Register on 25 April 2006. The new shares have been traded in the Helsinki Stock Exchange together with the old shares since 26 April 2006.







Of the members of the Supervisory Board whose term of service had come to an end, the AGM re-elected the following: Jari Eklund Helsinki, Ossi Jäkärä Vaasa, Yrjö Kopra Helsinki, Juha Mikkilä Kurikka and Sari Mutka Helsinki. Kari Aukia Vaasa, Mari Kiviniemi Helsinki and Sakari Kivisaari Helsinki 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 20 May 2006, the Supervisory Board of Ilkka-Yhtymä Oyj re-elected Lasse Hautala to the Board of Directors of Ilkka-Yhtymä Oyj. At its membership meeting, the Board of Directors re-elected Veikko Heikkilä as its Chairman. Other members of the Board in 2006 were Jaakko Aukia (Vice Chairman), Seppo Paatelainen and Tapio Savola. Jaakko Rintala will continue as the Chairman of the Supervisory Board.

Dividend

Based on a decision by the AGM, Ilkka-Yhtymä Oyj distributed a per-share dividend of EUR 0.53 for the year 2005 (adjusted for the bonus issue). In addition, the AGM decided to increase the company's share capital based on the bonus issue, executed by issuing one bonus share for each eight existing shares.

The Board of Directors proposes to the AGM of 16 April 2007 that a per share dividend of EUR 0.60 be distributed for 2006, together with an additional payment of EUR 0.30 per share due to capital gains from the sale of Savon Mediat Oy's shares, i.e. a dividend payment of EUR 13,199,249.70. The Group distributes 77.2 per cent of its profit in dividends.

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.

Authorisation of the Board of Directors

The Annual General Meeting authorised the Board of Directors to decide, within a period of one year of the date of the meeting (if necessary, in deviation from the shareholders' subscription privilege) upon the following issues:

– increasing the share capital by one or more rights issues, and/or
– purchasing convertible bonds and/or issuing stock options, and
– all terms pertaining to the subscription of shares as well as the terms of loans, and the conversion and/or subscription of shares, insofar as such terms were not defined by the authorisation.

The maximum total number of Series II shares issued in connection with one or more rights issues, subscribed on the basis of stock options or transferred as consideration for convertible bonds, shall amount to no more than 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.

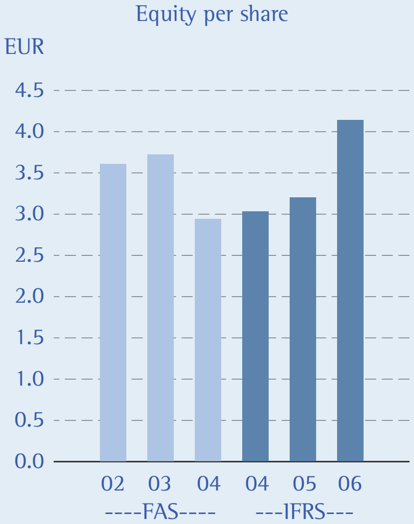
Shares and/or stock options and/or convertible bonds can also be subscribed against a non-cash contribution, or under other specific terms.

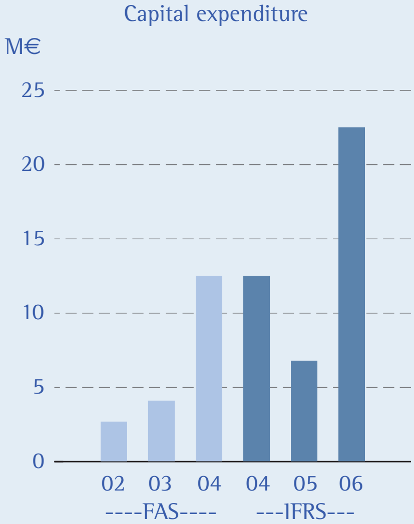
The company has not issued stock options or convertible bonds.

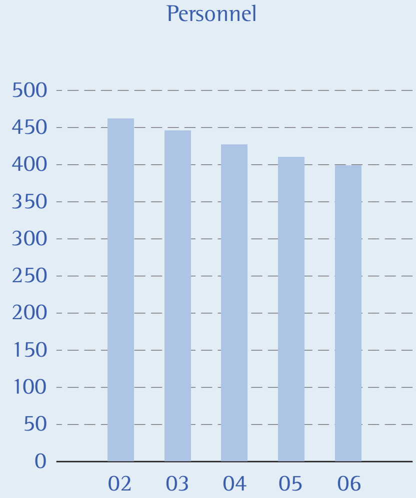
The Board of Directors does not have the authority to buy or transfer the company's own shares.

Shares

At the end of 2006, the company's share capital totalled EUR 3,666,458. The number of shares was 14,665,833, of which 4,304,061 were Series I shares (20 votes per







share) and 10,361,772 were Series II shares (1 vote per share). Shares of both series entitle the holders to the same dividend. The nominal value of the company share is EUR 0.25.

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

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

Personnel

The Group had an average of 452 employees during the period, the corresponding figure for the parent company being 37.

Average number of personnel translated into full-time employment

	2006	2005	2004
Group	399	410	427
Ilkka-Yhtymä Oyj	33	34	34

Salaries and fees, thousands of euros

	2006	2005	2004
Group	14 156	14 208	14 349
Ilkka-Yhtymä Oyj	1 512	1 453	1 443

On 31 December 2006, the Group had 379 full-time employees, whereas the parent company had 33.

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

Quality and Environment

As with the whole graphics industry, Ilkka-Yhtymä Group has a minor impact on the environment. The operating system of the Group's printing company I-print Oy is based on the ISO 9000:2000 standard, and its environmental system on the ISO 4001 standard, but these have not been certified. CTP technology allows for faster turnaround times in production, and better opportunities for maintaining technical quality. At the same time, CTP simplifies and shortens the traditional prepress process, and significantly decreases substances and materials released into the environment.

The company plans the classification, utilisation and handling of side products and waste created during business operations. The aim is to reduce material use, and safely dispose of waste products. Waste paper created during the printing process and printing blocks are recycled. Printing ink waste, plate developing agent waste, solvent waste, and other waste products created during the printing process which are harmful to the environment are delivered to a facility for their treatment. In accordance with legislation on waste products, the company's responsibility for the use of packaging is handled through the packaging industry's environmental register Pakkausalan Ympäristörekisteri PYR Oy. Responsibility for the recycling of waste paper and imported paper is handled through the paper recycling organisation Paperinkeräys Oy.

I-print Oy pays continual attention to reducing its production process's impact on the environment through technical systems and staff incentives.

Assessment of Operational Risks and Uncertainties

The Media Industry

The last decade has been a period of accelerating change in the media industry. The digitalisation of content, new distribution channels for content, and fragmentation have brought new challenges.

More choice is available to consumers and advertisers. To succeed amongst intensifying competition the company must be aware of the media use and behaviour of consumers and advertisers. Our content offering must be in demand, and our products and services must be original and of high quality.

The Group does not believe there are any particular operational risks affecting its core business; the risks it faces are those normal within the industry, mainly related to trends in media advertising and consumption, and intense competition.

Against intensifying competition, regional and local newspapers benefit from the highlighting of local and community content in their products. A strong bond with readers and high circulation coverage create a competitive advertising medium.

Publishing

In the long term, population trends and the development of the regional economy have an effect on the circulation and advertising revenue of regional and local newspapers. Meanwhile, the diminishing size of households is helping to maintain circulation volumes. A good circulation coverage percentage and a strong bond with readers strengthen a newspaper's ability to compete in advertising markets.

Regular economic cycles have no fundamental effect on the circulation income of regional and local newspapers. Rather, economic cycles and the industry-specific competitive situations and future outlook of advertisers are reflected in the volume of media advertising.

Kärkimedia, jointly owned by a newspaper group, has created a national advertising market which strengthens newspapers' competitive ability across various media. Regional newspapers are less dependent on regional advertisers when they belong to a national advertising chain.

In Southern Finland, newspapers face competition from town and free papers. Regional advertising volumes and other competitive factors have an effect on the entry of new players into the market. Most newspaper Groups, including Ilkka-Yhtymä Group, have decades of experience with their own free sheets, and can leverage this to respond to increased competition created by new players.

As a result of new technology, some classified advertising such as car, home and job advertising, has migrated to the Internet. Ilkka and Pohjalainen are prepared for this change through their Arena services, which have been integrated with the joint newspaper advertising of the Group's regional newspapers. New players in the markets include national and regional search engine companies.

Graphics Industry

Price competition in the printing industry continues to be intense in Finland. Circulation numbers and advertising volumes have an effect on the number of pages in newspapers, while general economic trends help to determine the use of other advertising material. Exports to the Nordic countries are determined by the current situation in the market. Labour shortages are greater in the metropolitan area than in other parts of the country. Improvements in staff skills and motivation are increasing the quality and productivity of their work, and strengthening the bond between employee and employer.

The company's ability to compete in the future is being improved by increased productivity and high quality. Proof of this is furnished by I-print Oy's four successive victories in the Four Colour competition between newspapers.

The supply of newsprint has been good, and the price trend has been moderate due to overcapacity in the paper industry. Nevertheless, pressure on prices has increased due to modest increases in profitability. We at I-print have prepared for both supply problems and price risks by dividing our purchasing between different suppliers.

Newspaper delivery has been outsourced to Finland Post Group and Suomen Suorajakelu Oy. The risks for delivery operations include price development and the availability of deliverers in the future.

The management of the company's financial risks is illustrated in section 23 of the notes.

Ilkka-Yhtymä is currently implementing a broad-based and holistic risk management project for mapping the most important risks. Efforts are being made to minimise risks by preparing separate action plans in advance.

The key figures describing our financial development are presented on page 41.

Events after the Financial Year

Väli-Suomen Media and TS-Yhtymä will launch a shared news and financial news department in Helsinki on 1 April 2007.

Prospects for 2007

Media advertising is expected to show moderate growth in Finland due to increasing consumer spending, while printing volumes are likely to remain almost unchanged and competition will remain tough.

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

Operating profit and operating profit as a percentage of net sales are expected to remain at the healthy levels of 2006. The profit for the entire financial year will presumably fall, since the financial income of the comparison year 2006 includes significant non-recurring capital gains from the sale of an associated company and the proportion of the sold associated company's result entered in the books for that year. Profit is affected by securities trading volumes and the price performance of securities investments as well as dividends from available-for-sale assets and potential sales gains or losses on available-for-sale assets.

CONSOLIDATED INCOME STATEMENT, IFRS

(EUR 1,000)	NOTE	1.1.-31.12.2006	1.1.-31.12.2005
NET SALES	1	52 670	53 932
Change in inventories of finished and unfinished products		2	-43
Other operating income	2	448	377
Materials and services	3	-15 834	-17 317
Employee benefits	4	-17 494	-17 558
Depreciation	5	-3 265	-3 361
Other operating costs	6	-6 825	-6 509
OPERATING PROFIT		9 703	9 521
Financial income and expenses	7	8 002	1 909
Share of associated companies' results	12	1 831	1 047
PROFIT BEFORE TAXES		19 535	12 477
Income tax	8	-2 431	-2 738
PROFIT FOR THE FINANCIAL PERIOD		17 104	9 739

Earnings per share:

Earnings per share, undiluted (EUR) *)		1.17	0.66
Average number of shares: -undiluted *)		14 665 833	14 665 833

*) There are no factors diluting the figure.

CONSOLIDATED BALANCE SHEET, IFRS

(EUR 1,000)	NOTE	31.12.2006	31.12.2005
ASSETS			
NON-CURRENT ASSETS			
Intangible rights	9	500	346
Investment properties	11	749	852
Property, plant and equipment	10	19 706	21 171
Shares in associated companies	12	458	10 046
Available-for-sale financial assets	13	35 558	10 521
Non-current trade and other receivables	14	39	39
Other tangible assets		214	227
NON-CURRENT ASSETS		57 224	43 202
CURRENT ASSETS			
Inventories	15	890	827
Trade and other receivables	16	3 602	3 856
Income tax assets		435	571
Financial assets at fair value through profit or loss	17	1 687	2 650
Cash and cash equivalents	18	14 626	7 331
CURRENT ASSETS		21 240	15 236
ASSETS		78 463	58 438
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	19		
Share capital		3 666	3 259
Share premium fund			166
Fair value reserve and other reserves		18 402	14 161
Retained earnings		38 700	29 418
SHAREHOLDERS' EQUITY		60 768	47 003
NON-CURRENT LIABILITIES			
Deferred tax liability	20	4 101	2 971
Non-current interest-bearing liabilities	21	6 000	63
NON-CURRENT LIABILITIES		10 101	3 034
CURRENT LIABILITIES			
Current interest-bearing liabilities	21	63	126
Accounts payable and Other payables	22	7 528	7 484
Income tax liability		2	791
CURRENT LIABILITIES		7 594	8 401
SHAREHOLDERS' EQUITY AND LIABILITIES		78 463	58 438

IFRS=International Financial Reporting Standards

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	2006	2005
Cash flow from operations		
Profit for the financial period	17 104	9 739
Adjustments	-4 174	3 104
Change in working capital	132	770
Cash flow from operations before financial items and taxes	**13 062**	**13 613**
Financial income and expenses	1 263	3 980
Direct taxes paid	-3 528	-2 064
Cash flow from operations	**10 797**	**15 529**
Cash flow from investments		
Investments in tangible and intangible assets, net	-1 795	-1 144
Sold and acquired associated companies	18 198	
Other investments, net	-18 983	-3 136
Repayments of loans receivable		1 277
Dividends received from investments	968	757
Cash flow from investments	**-1 612**	**-2 246**
Cash flow before financing items	**9 185**	**13 283**
Cash flow from financing		
Change in current loans		-2 000
Change in non-current loans	5 874	-126
Dividends paid and other profit distribution	-7 764	-7 734
Cash flow from financing	**-1 890**	**-9 860**
Increase (+) or decrease (-) in financial assets	**7 295**	**3 423**
Liquid assets at the beginning of the financial period	7 331	3 908
Liquid assets at the end of the financial period	14 626	7 331

Notes to the consolidated cash flow statement

	2006	2005
Adjustments to profit for the period		
Depreciation and impairment	3 265	3 361
Sales gains (-) and losses (+) on non-current assets	-7 471	-609
Share of profit (-) or loss (+) of associated companies	-1 831	-1 047
Unrealised exchange rate gains (-) or losses (+)	-122	-476
Other income and expense, non-cash	22	
Financial income and expenses	-468	-863
Income taxes	2 431	2 738
Adjustments to profit for the period total	**-4 174**	**3 104**
Change in working capital		
Increase (-)/decrease (+) in inventories	-63	96
Increase (-)/decrease (+) in current interest-free operating receivables	258	405
Increase (+)/decrease (-) in current interest-free liabilities	-62	269
Change in working capital total	**132**	**770**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(EUR 1,000)

Change in shareholders' equity 1 – 12 / 2005	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1 JAN 2005	3 259	166	385	13 103	27 500	44 413
Available-for-sale financial assets						
Gain/loss on fair valuation			1 328			1 328
Amount transferred to income statement			-419			-419
Share of deferred taxes			-236			-236
Net gains and losses recognised in equity			672			672
Profit for the period					9 739	9 739
Total gains and losses			672		9 739	10 411
Dividend distribution					-7 822	-7 822
TOTAL SHAREHOLDERS' EQUITY 31 DEC 2005	3 259	166	1 057	13 103	29 418	47 003

Change in shareholders' equity 1 – 12 / 2006	Share capital	Share issue premium	Fair value reserve	Other reserves	Retained earnings	Total
SHAREHOLDERS' EQUITY 1 JAN 2006	3 259	166	1 057	13 103	29 418	47 003
Available-for-sale financial assets						
Gain/loss on fair valuation			6 058			6 058
Share of deferred taxes			-1 575			-1 575
Transfers between items	407	-166		-242		
Net gains and losses recognised in equity	407	-166	4 483	-242		4 483
Profit for the period					17 104	17 104
Total gains and losses	407	-166	4 483	-242	17 104	21 587
Dividend distribution					-7 822	-7 822
TOTAL SHAREHOLDERS' EQUITY 31 DEC 2006	3 666		5 540	12 862	38 700	60 768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Key Facts on the Company

Ilkka-Yhtymä Group is a media group which publishes the regional newspapers Ilkka and Pohjalainen, and several local newspapers and two free sheets. In addition, the Group has a printing business. The Group comprises the parent company Ilkka-Yhtymä Oyj and the subsidiaries Sanomalehti Ilkka Oy, Vaasa Oy, Pohjanmaan Lähisanomat Oy, I-print Oy, I-Mediat Oy, Kiinteistö Oy Seinäjoen Koulukatu 10 and Seinäjoen Kassatalo Osakeyhtiö.

The Group's parent company Ilkka-Yhtymä Oyj is a Finnish public limited company domiciled in Seinäjoki, and its registered address is Koulukatu 10, 60100 Seinäjoki. Ilkka-Yhtymä Oyj's shares are listed on the Helsinki Stock Exchange.

A copy of the consolidated financial statements is available from the website www.ilkka-yhtyma.fi or from the head office of the Group's parent company.

Accounting Principles used in the Financial Statements

Accounting Policy

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), and in drafting them the company has complied with the IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2006, accepted as applicable in the EU.

The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sales financial assets at fair value and financial assets stated at fair value through profit or loss. The financial statements are presented in thousands of euros.

As of 1 January 2006, the Group has applied the interpretation, IFRIC 4, Determining Whether an Arrangement Contains a Lease. This interpretation has no effect on the consolidated financial statements.

IASB has published the following new standards:
- IFRS 7 Financial Instruments: Disclosures, to be adopted for the financial year 2007. This adoption will have some effects on the notes to the financial statement concerning financial instruments.
- IFRS 8 Operating Segments, to be adopted for the financial year 2009. According to preliminary estimates, the adoption will have no significant effects on the notes to the financial statement.
- The new interpretations, IFRIC 7-12, will have no effect on the consolidated financial statements.

Accounting Policies: the Consolidated Financial Statements

Subsidiaries

Subsidiaries refer to companies in which the Group holds a controlling interest. Said controlling interest arises from the Group owning over half of the subsidiary's votes, or exercising power in some other fashion. The controlling interest implies that the Group has power to govern the entity's financial and operating policies for the purpose of profiting from its operations.

Mutual shareholding between Group companies has been eliminated using the acquisition cost method. In accordance with the exemption in IFRS 1, corporate acquisitions prior to 1 January 2004 have not been adjusted to comply with IFRS, but have been stated using values in compliance with the Finnish Accounting Standards. All Intra-Group transactions, receivables, liabilities, margins and distribution of profit have been eliminated in the preparation of the consolidated financial statements.

Associated Companies

Associated companies are companies over which the Group exercises significant influence. Significant influence originates when the Group owns over 20% of the associated company's votes, or the Group has a significant degree of influence over the company through other means, but has no controlling interest. Associated companies are consolidated in the financial statements using the equity method. If the Group's share of the losses of the associated company exceeds the carrying amount, they will not be consolidated unless the Group has made a commitment to fulfil the liabilities of the associated company in question. An investment in an associated company contains the goodwill generated by the acquisition.

Foreign currency items

The consolidated financial statements are presented in euros, which is the parent company's operating and reporting currency.

Monetary items denominated in foreign currencies (financial assets and liabilities) were translated into euros using the European Central Bank's average rate quoted on the balance sheet date. Non-monetary items and transactions in foreign currencies were translated into euros using the exchange rate in effect on the date of the transaction. Any gains or losses resulting from transactions in foreign currencies, and from the translation of monetary items, are recognised in the income statement. Foreign exchange gains or losses associated with actual business operations are treated as adjusting entries for sales or purchases. Exchange rate gains and losses on foreign-currency investments and cash and cash equivalents are included in financial income and expenses.

Intangible Assets

Research and Development Expenses

The Group does not carry out a significant amount of research and development. Research and development expenses are charged to expenses in the income statement. On the balance sheet date, the Group's balance sheet did not include development expenses that could be capitalised.

Other Intangible Assets

Other intangible assets in the Group's balance sheet comprise software licenses, which are measured at cost and amortised on a straight-line basis over their expected economic lives. The period of amortisation is 3-7 years. The Group has no intangible assets with unlimited economic life.

Property, Plant and Equipment

Property, plant and equipment (PPE) are measured at cost less depreciation and any impairment losses.

When one part of PPE is treated as a separate asset, expenses associated with its renovation are capitalised. In other cases, major renovations are included in the assets' carrying amount only if it is probable that the Group will derive additional future economic benefits and that the carrying amount can be measured reliably. Other repair and maintenance expenses are charged to expenses as incurred.

The assets are depreciated over their expected economic life using the straight-line depreciation method. Land is not depreciated. The expected economic lives are as follows:

Buildings	20-40 years
Structures	20 years
Machinery and equipment	3-15 years

The residual value and economic life of an asset are reviewed for each set of financial statements and, if necessary, adjusted to reflect changes in expected financial rewards.

Investment Property

Investment property refers to property which the Group holds for rental yields or capital appreciation. Investment property is initially measured at cost (IAS 40) and its fair value is presented in the notes to the financial statements. The fair value is based on an evaluation by an external professional property valuer, and corresponds to market prices paid for properties in the active market. The fair value measurement is performed on an annual basis.

Inventories

Inventories are measured at the lower of cost or net realisable value. The cost is determined using the FIFO method. The cost of finished or unfinished goods is made up of raw materials, direct labour costs, other direct costs, as well as an appropriate portion of variable production overheads and part of fixed production overheads based on normal capacity. The net realisable value is the estimated sale price obtained in regular business, less the estimated costs of completing the good and selling costs.

Leases

Group as lessee
Leases, in which the risks and rewards associated to the ownership of leased assets remain with the lessor, are classified as operating leases. Payments based on operating leases are recognised as expenses evenly over the lease term.

Group as lessor
Assets leased under operating leases are included in property, plant and equipment. They are depreciated over their economic lives in the same way as the property, plan and equipment used by the Group. Lease income is recognised in the income statement evenly over the lease term.

The Group does not have leases classified as finance leases under IAS 17.

Impairment

At each balance sheet date, the Group assesses whether there is any indication of an impaired asset. Should any such indication exist, the asset's recoverable amount must be calculated.

The impairment loss is recognised in the income statement if the carrying amount of the asset or the cash-generating unit exceeds the recoverable amount. The recoverable amount represents the net selling price of the asset, or a higher, cash-flow-based value in use. In determining the value in use, the net present values of future cash flows are discounted using discount rates which describe the Group's average pre-tax capital cost. The impairment loss is reversed if circumstances change and the recoverable amount of the asset has changed from the date when the impairment loss was recognised. The impairment loss is not be reversed beyond the value that the carrying amount of the asset would have been, had there been no impairment loss. The impairment loss of goodwill is not reversible.

In addition, the recoverable amount of goodwill is assessed on an annual basis, regardless of whether there are indications of impairment. During the reported periods, the Group has had only goodwill contained in an investment in an associated company. Because the goodwill contained in the carrying value of an investment in an associated company has not been recognised separately, the total carrying value of the investment is tested for impairment by comparing it with the amount recoverable from the asset. The recoverable amount contains the estimated cash flows from the business activity of the asset, and income from the final disposal of the asset. The investment in an associated company containing goodwill was sold on 29 December 2006.

Employee Benefits

Pensions

The Group's major pension plan is the statutory pension insurance under the Finnish Employees' Pension Act (TEL), which is managed by pension insurance companies. This TEL pension security is classified as a defined contribution plan. In addition, the Group has some supplementary pension schemes with pension insurance companies. Contributions into the defined contribution plan are recognised as expenses for the period during which the contributions are made.

Income Taxes

Tax expense in the income statement includes current tax (taxes based on the taxable profit for the financial year) and deferred tax. The tax based on the taxable profit is calculated using the tax rate currently in force. The amount of the tax for the period is adjusted by any taxes for earlier financial years.

Deferred tax assets and liabilities are calculated on all temporary differences between the carrying amount and taxable value. The greatest temporary differences result from appropriations and the fair value of financial instruments. Deferred taxes are calculated using the tax rates set by the balance sheet date.

Deferred tax assets are recognised to the extent that it appears probable that future taxable profit will be available against which the temporary difference can be utilised.

Revenue Recognition Principles

Goods and Services

Revenue from the sale of goods is recognised when major risks and benefits related to the ownership of goods have been transferred to the buyer. Revenue from services is recognised when the service has been rendered.

Dividends

Dividends are recognised as revenue when shareholders have the right to receive a dividend payment.

Financial Assets and Liabilities

The Group's financial assets are classified as financial assets recognised at fair value through profit or loss, loans and receivables, available-for-sale financial assets, and held-to-maturity investments. Classifying a financial asset is determined by the purpose for which the asset is purchased at time of its purchase. In the case of assets not recognised at their fair value through profit or loss, transaction costs are included in the original carrying value of the financial assets. All purchases and sales of financial assets are recognised on the date of their transaction.

Financial assets at fair value through profit or loss include held-for-trading assets. Assets within this category are measured at fair value, and any fair-value gains or losses are recognised under financial income and expenses in the income statement. Any realised and unrealised gains or losses due to changes in fair value are recognised in the income statement for the period during which they occur. Financial assets held for trading include publicly traded shares.

Held-to-maturity investments are non-derivative financial assets with fixed and determinable payments and fixed maturity, and which the Group has the positive intent and ability to hold to maturity. They are measured at amortised cost. The company held no such investments during the financial year.

Loans and receivables are non-derivative assets with fixed and determinable payments, which are not publicly traded in the active market and which the company does not hold for trading. This category includes the Group's financial assets created by providing money, goods or services directly to the debtor. Initially recognised at cost and subsequently measured at amortised cost, they are included in current and non-current financial assets.

Available-for-sale financial assets are non-derivative assets which specifically belong to this category, or which are not classified under other financial asset categories. Assets within this category are carried at fair value subsequent to their initial recognition, and any changes in their fair value are recognised in the fair value reserve under shareholders' equity. Available-for-sale financial assets consist primarily of listed and unlisted shares. Changes in fair value are transferred from equity to the income statement when the asset is disposed of or it has lost its value to the extent that an impairment loss must be recognised for the asset. Unlisted shares are measured at cost because their fair values are not reliably available.

Cash and cash equivalents comprise cash and bank receivables and other highly liquid investments with short maturity. Cash and cash equivalents include assets with a maximum maturity of three months from the date of purchase. Credit limits are included under current interest-bearing liabilities.

The Group's financial liabilities comprise loans from financial institutions. Financial liabilities are initially measured at fair value, based on the payment received. Financial liabilities include non-current and current liabilities, and can be either interest-bearing or non-interest-bearing in nature.

Management Judgement in Applying the Most Significant Accounting Policies and Other Key Assumptions about Future Risks and Uncertainties

Preparing the financial statements under IFRS requires the company's management to make certain accounting estimates and assumptions, which have an effect on the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses, as well as notes to the financial statements. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The key assumptions about future risks and uncertainties concerning key estimates, made on the balance sheet date, entailing a significant risk of essential changes during the next financial year in book values of assets and liabilities in the Group are as follows:

Impairment of tangible and intangible assets

The Group annually estimates any indications on the impairment of tangible and intangible assets as per the previously stated accounting principles.

1. Segment information

The Group's business segments form the primary reporting format, based on the Group's internal organisation and internal financial reporting, while geographical segments form the Group's secondary reporting format. Net sales by geographical region are presented according to the location of customers, and assets are presented according to their location.

Intersegment services are accounted for at current market prices.

Segment assets and liabilities include business items which the segment uses in its operations or which can be allocated to the segment on a reasonable basis. Items not allocable to any of the Group's segments include parent company operations, securities trading, tax and financial items and Group items. Investments consist of additions to property, plant and equipment and intangible assets used during more than one financial year.

Business segments:

The Group's business segments consist of cross-media publishing and printing. The publishing segment comprises the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy and Pohjanmaan Lähisanomat Oy. The Group publishes the provincial papers, Ilkka and Pohjalainen, five local papers (Härmät, Jurvan Sanomat, Järviseutu, Suupohjan Sanomat and Viiskunta) and two free sheets, Etelä-Pohjanmaa and Vaasan Ikkuna.

The printing segment comprises the sheet and newspaper printing company I-print Oy. The company's net sales are primarily made up of newspaper printing. In addition, its services include various printed materials, page-making and design, and digital printing and large image products. The company has operations in Seinäjoki and Vaasa.

Geographical segments:
Finland
Other Nordic countries

A. Business segments

2006 (EUR 1,000)	Publishing	Printing	Eliminations	Unallocated	Group total
INCOME STATEMENT FIGURES					
External net sales	42 482	10 182		5	52 670
Internal net sales	132	10 387	-12 586	2 067	
Net sales	**42 614**	**20 569**	**-12 586**	**2 072**	**52 670**
Operating profit by segment	8 100	2 819	-1	-1 215	9 703
Operating profit					**9 703**
Financial income and expenses				8 002	8 002
Share of associated companies' results	21			1 810	1 831
Income tax				-2 431	-2 431
Profit for the period					**17 104**
BALANCE SHEET FIGURES					
Assets by segment	8 703	15 708	-700		23 711
Shares in associated companies	458				458
Unallocated assets				54 294	54 294
Assets total	**9 161**	**15 708**	**-700**	**54 294**	**78 463**
Liabilities by segment	4 939	1 797	-719		6 017
Unallocated liabilities				11 678	11 678
Liabilities total	**4 939**	**1 797**	**-719**	**11 678**	**17 695**
OTHER FIGURES					
Net sales, supplies	18 087	10 182			28 269
Net sales, services	24 395			5	24 401
Investments	333	1 601		20 595	22 529
Depreciation	-632	-2 297	-1	-335	-3 265

2005 (EUR 1,000)	Publishing	Printing	Eliminations	Unallocated	Group total
INCOME STATEMENT FIGURES					
External net sales	41 511	12 410		11	53 932
Internal net sales	153	10 315	-12 459	1 991	
Net sales	**41 664**	**22 725**	**-12 459**	**2 002**	**53 932**
Operating profit by segment	8 089	2 492	-1	-1 058	9 521
Operating profit					**9 521**
Financial income and expenses				1 909	1 909
Share of associated companies' results	29			1 018	1 047
Income tax				-2 738	-2 738
Profit for the period					**9 739**
BALANCE SHEET FIGURES					
Assets by segment	8 917	17 122	-749		25 290
Shares in associated companies	465			9 581	10 046
Unallocated assets				23 102	23 102
Assets total	**9 382**	**17 122**	**-749**	**32 683**	**58 438**
Liabilities by segment	4 793	1 779	-769		5 802
Unallocated liabilities				5 633	5 633
Liabilities total	**4 793**	**1 779**	**-769**	**5 633**	**11 435**
OTHER FIGURES					
Net sales, supplies	17 861	12 410			30 271
Net sales, services	23 650			11	23 661
Investments	315	616		5 853	6 784
Depreciation	-674	-2 335	-1	-351	-3 361

B. Geographical segments

Net sales	2006	2005
Finland	52 449	50 222
Other Nordic countries	220	3 711
Total	52 670	53 932
Assets		
Finland	78 463	58 438
Capital expenditure		
Finland	22 529	6 784

2. Other operating income

	2006	2005
Rent income from investment properties	208	191
Other rent income	95	89
Sales gains on property, plant and equipment	60	43
Other operating income	85	54
Total	448	377

3.Materials and services

	2006	2005
Purchases during the financial period	7 591	9 244
Increase or decrease of stocks	-61	52
Materials and supplies	7 530	9 297
External charges	8 304	8 021
Materials and services	15 834	17 317

4. Employee benefits

	2006	2005
Salaries and fees	14 156	14 208
Pension costs, defined contribution plans	2 373	2 360
Other personnel costs	965	990
Employee benefits	17 494	17 558
Personnel on average		
Publishing	231	230
Printing	135	147
Unallocated	33	34
Total	399	410

Information on employee benefits covering Group management is presented in section 25.

5. Depreciation

	2006	2005
Intangible rights	161	179
Buildings and constructions	635	643
Investment properties	103	108
Machinery and equipment	2 367	2 431
Depreciation according to plan	3 265	3 361

6. Other operating costs

	2006	2005
Rents	200	207
Costs for premises	1 194	950
Sales and marketing costs	1 761	1 789
Management costs for investment property	60	65
Other costs	3 609	3 498
Other operating costs total	6 825	6 509

7. Financial income and expenses

Financial income	2006	2005
Dividend yields	1 103	1 289
Non-current interest income from associated companies		39
Current interest income	137	151
Sales gains on holding in an associated company	7 412	
Sales gains on assets available for sale		604
Sales gains on assets recognised at fair value through profit or loss	166	402
Other financial income	63	46
Unrealised gains on fair valuation	133	478
Financial income total	9 013	3 009
Financial expenses		
Interest expenses	-259	-48
Sales losses on assets available for sale		-34
Sales losses on assets recognised at fair value through profit or loss	-712	-1 011
Other financial expenses	-29	-5
Unrealised losses on fair valuation	-11	-2
Financial expenses total	-1 012	-1 100
Financial income and expenses total	8 002	1 909

8. Income taxes

	2006	2005
Income taxes on operations	2 870	3 031
Taxes on previous financial periods	6	11
Change in deferred tax liabilities and assets	-445	-304
Income taxes	2 431	2 738
Reconciliation		
Profit/loss before taxes	19 535	12 477
Tax calculated at parent company's tax rate	5 079	3 244
Tax expenses in income statement	-2 431	-2 738
Difference	**2 648**	**506**
Difference analysis (net)		
Non-deductible expenses	-26	-25
Tax-exempt income	2 690	607
Taxes on previous financial periods	-6	-11
Other adjustments	-10	-65
Difference analysis (net) total	**2 648**	**506**

9. Intangible assets

Intangible assets 2006	Intangible rights	Other intangible assets	Advances paid	Total
Acquisition cost 1.1.	4 224	2	44	4 270
Increase	79		313	392
Decrease	-141			-141
Transfers between items	265		-342	-77
Acquisition cost 31.12	4 427	2	15	4 444
Accumulated depreciation 1.1.	-3 924			-3 924
Accumulated depreciation of decrease and transfers	141			141
Depreciation for the financial period	-161			-161
Accumulated depreciation 31.12	-3 944			-3 944
Book value 31.12.2006	**483**	**2**	**15**	**500**

Intangible assets 2005	Intangible rights	Other intangible assets	Advances paid	Total
Acquisition cost 1.1.	4 175	2		4 178
Increase	48		44	93
Acquisition cost 31.12	4 224	2	44	4 270
Accumulated depreciation 1.1.	-3 745			-3 745
Depreciation for the financial period	-179			-179
Accumulated depreciation 31.12	-3 924			-3 924
Book value 31.12.2005	**300**	**2**	**44**	**346**

10. Property, plant and equipment

Tangible assets 2006	Land and water areas	Buildings and constructions	Machinery and equipment	Advances paid and work in progress	Total
Acquisition cost 1.1.	935	18 516	38 321	134	57 907
Increase		241	591	859	1 691
Decrease	-1		-164	-230	-396
Transfers between items		17	816	-756	77
Acquisition cost 31.12	934	18 774	39 565	6	59 279
Accumulated depreciation 1.1.		-9 143	-27 592		-36 735
Accumulated depreciation of decrease and transfers			164		164
Depreciation for the financial period		-635	-2 367		-3 001
Accumulated depreciation 31.12		-9 778	-29 795		-39 573
Book value 31.12.2006	**934**	**8 996**	**9 770**	**6**	**19 706**

Tangible assets 2005	Land and water areas	Buildings and constructions	Machinery and equipment	Advances paid and work in progress	Total
Acquisition cost 1.1.	935	18 497	38 031		57 464
Increase		15	554	544	1 114
Decrease			-464		-464
Transfers between items		4	200	-410	-207
Acquisition cost 31.12	935	18 516	38 321	134	57 907
Accumulated depreciation 1.1.		-8 500	-25 603		-34 103
Accumulated depreciation of decrease and transfers			441		441
Depreciation for the financial period		-643	-2 431		-3 074
Accumulated depreciation 31.12		-9 143	-27 592		-36 735
Book value 31.12.2005	**935**	**9 373**	**10 729**	**134**	**21 171**

The outstanding undepreciated share of the original costs of machinery and equipment belonging to the Group's property, plant and equipment was EUR 9,190 thousand on 31 Dec 2006 (EUR 10,169 thousand on 31 Dec 2005).

11. Investment properties

Investment properties	2006	2005
Acquisition cost 1.1.	1 968	1 762
Transfers between items		207
Acquisition cost 31.12	1 968	1 968
Accumulated depreciation 1.1	-1 116	-1 008
Depreciation for the financial period	-103	-108
Accumulated depreciation 31.12.	-1 219	-1 116
Book value 31.12.	**749**	**852**

The fair value of investment properties was EUR 1.7 million in 2006 (EUR 1.5 million in 2005).

12. Shares in associated companies

Shares in associated companies	2006	2005
At the beginning of the financial period	10 046	9 588
Increase	29	
Decrease *)	-8 658	
Group adjustment related to a divestment *)	-2 157	
Share of associate profits	1 831	1 047
Dividends received during the financial period	-632	-590
At the end of the financial period	**458**	**10 046**

Information on the Group's associated companies and their total assets, liabilities, net sales and profit/loss:

2005	Domicile	Assets	Liabilities	Net sales	Profit/ loss	Group ownership %	Unrecognised part of accumulated losses
Arena Partners Oy	Kuopio	1 835	264	1 351	117	24.06	
Savon Mediat Oy **)	Kuopio	45 074	22 027	37 543	3 808	25.64	
Väli-Suomen Media Oy	Jyväskylä	251	173	859	2	40.00	
Yrittävä Suupohja Oy	Kauhajoki	63	32	367	7	38.46	-3
Total		47 222	22 496	40 120	3 933		-3

**) Assets and liabilities 30 September 2005, net sales and profit 1 Jan to 30 Sep 2005.

2006	Domicile	Assets	Liabilities	Net sales	Profit/ loss	Group ownership %	Unrecognised part of accumulated losses
Arena Partners Oy	Kuopio	1 865	235	1 400	56	25.91	
Väli-Suomen Media Oy	Jyväskylä	241	157	853	6	40.00	
Yrittävä Suupohja Oy	Kauhajoki	87	36	410	20	38.46	
Total		2 192	428	2 663	82		

*) Ilkka-Yhtymä Oyj sold its holding in Savon Mediat Oy to Keskisuomalainen Oyj on 29 December 2006. The preliminary sale price of the 25.6 per cent holding amounted to approximately EUR 18.2 million, and the final price will be determined after the approval of Savon Mediat Oy's financial statements for the financial year ending on 31 December 2006. Tax-exempt capital gains for Ilkka-Yhtymä Group amounted to approximately EUR 7.4 million. In addition, the resulting share of Savon Mediat Oy's profit for 2006 remains in the income statement under the share of associated companies' profit/loss.

13. Available-for-sale financial assets

Available-for-sale financial assets include listed and unlisted shares. Listed shares are measured at market value and any resulting gains or losses are recognised in the fair value reserve under shareholders' equity. Changes in market value are transferred from shareholders' equity to the income statement when the asset is disposed of or when it has lost its value to the extent that an impairment loss must be recognised for the asset. Unlisted shares are measured at cost because their fair values are not reliably available.

	2006	2005
Publicly listed shares	31 915	7 134
Unlisted shares	3 643	3 387
Available-for-sale financial assets total	35 558	10 521
Unlisted shares divested during the period		
Book value		34
Recognised gain/loss		-34

14. Non-current trade and other receivables

Non-current receivables from associated companies	2006	2005
Non-current loan receivables from associated companies	39	39
Non-current trade and other receivables total	**39**	**39**

Loan receivables from associated companies include a subordinated loan (EUR 39 thousand). The subordinated loan is measured at carrying value in the balance sheet.

15. Inventories

	2006	2005
Materials and supplies	872	810
Work in progress	19	17
Inventories	890	827

16. Trade and other receivables

	2006	2005
Current receivables from associated companies	15	36
Trade receivables (from others)	3 336	3 383
Other receivables (from others)	35	81
Current accrued income and deferred expenses (from others)	216	357
Trade and other receivables	3 602	3 856
Substantial accrued income items		
Accruals of personnel expenses	84	97
Other items	131	261
Total	216	357

17. Financial assets at fair value through profit or loss

	2006	2005
Shares and holdings (held for trading)	1 687	2 650
Financial assets at fair value through profit or loss	1 687	2 650

Financial assets recognised at fair value through profit or loss include investments held for trading, which are listed shares.

18. Cash and cash equivalents

Liquid assets in consolidated balance sheet and cash flow statement	**2006**	**2005**
Cash and cash equivalents	1 626	7 331
Current money market investments	13 000	
Cash and bank deposits	14 626	7 331

19. Notes covering shareholder's equity

Series I	Number of shares	Share capital
31.12.2004/ 31.12.2005	3 825 832	956 458
Bonus issue	478 229	119 557
31.12.2006	4 304 061	1 076 015

Series II	Number of shares	Share capital
31.12.2004/ 31.12.2005	9 210 464	2 302 616
Bonus issue	1 151 308	287 827
31.12.2006	10 361 772	2 590 443

Series I and II total	Number of shares	Share capital	Issue premium fund	Contingency reserve	Total
31.12.2004/ 31.12.2005	13 036 296	3 259 074	165 583	13 079 156	16 503 813
Bonus issue *)	1 629 537	407 384	-165 583	-241 801	
31.12.2006	14 665 833	3 666 458		12 837 355	16 503 813

*) The company's share capital was 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.

One Series I share entitles its holder to twenty (20) votes at the shareholders' meeting, while one Series II share one (1) vote. Other information on equity is presented in Shares and Shareholders on page 53.

Fair Value Reserve and Other Reserves

Fair value reserve
The fair value reserve contains changes in the fair values of available-for-sale financial assets.

Contingency reserve
The contingency reserve mainly contains share premiums received before 1997.

Loan repayment reserve
The loan repayment reserve consists of the equity reserve of a real estate company that belongs to the Group.

Dividends
Following the balance sheet date, the Board of Directors proposed that a dividend of EUR 0.90 per share be distributed.

20. Deferred tax liabilities

Deferred tax liabilities 2006

Itemisation of deferred tax liabilities	1.1.2006	Recognised through profit and loss	Recognised in equity	31.12.2006
Depreciation difference and voluntary provisions	2 392	-284		2 108
Other accrual differences	207	-161		47
Available-for-sale financial assets	372		1 575	1 947
Total	**2 971**	**-445**	**1 575**	**4 101**

Deferred tax liabilities 2005

Itemisation of deferred tax liabilities	1.1.2006	Recognised through profit and loss	Recognised in equity	31.12.2005
Depreciation difference and voluntary provisions	2 688	-296		2 392
Other accrual differences	215	-8		207
Available-for-sale financial assets	135		236	372
Total	**3 038**	**-304**	**236**	**2 971**

The Group has EUR 126 thousand in impairment losses, for which it has not recognised deferred tax assets because it is not probable that these impairment losses can be utilised in taxation in the future.

21. Interest-bearing liabilities

Non-current interest-bearing liabilities	**2 006**	**2 005**
Loans from financial institutions	6 000	63
Non-current interest-bearing liabilities	6 000	63

Current interest-bearing liabilities		
Loans from financial institutions	63	126
Current interest-bearing liabilities	63	126

All the interest-bearing liabilities are loans from financial institutions, and their interest expenses are recognised on an accrual basis in the financial statements.

Interest-bearing liabilities have the following maturities:

2007	63
2009	6 000 *)
Total	6 063

*) Bullet loan with the possibility of earlier repayment; the next possible repayment date is April 2007.

Unused bank credit limits were EUR 7,000 thousand on 31 December 2006.

22. Accounts payable and other payables

	2006	2005
Advances received	1 586	1 547
Accounts payable	1 400	1 620
Payables to associated companies	6	8
Accrued expenses and deferred income	2 661	2 602
Other payables	1 876	1 707
Accounts payable and other payables	7 528	7 484
Substantial accrued expenses and deferred income items		
Accruals of personnel expenses	2 562	2 566
Other items	99	35
Total	2 661	2 602

23. Financial risk management

The Board of Directors determines financial risk management principles, and the parent company's finance department is in charge of all the Group's risk management operations on a centralised basis. The Group is not exposed to any significant financial risks because of its high equity ratio, negative net debt and healthy liquidity.

Currency risk
The Group is not exposed to any significant currency risk because its transactions are mainly denominated in euros.

Interest rate risk
The Group's interest rate risk is low since it does not include significant amounts of interest-bearing liabilities. The interest on the bullet loan of EUR 6 million is tied to 1-year Euribor.

Market risk of investment activities
Investments are made through well-known partners with high credit rating. In relation to its operations, the Group is subject to price risks for listed shares due to fluctuations in market prices. The Group's Board of Directors reviews the risk assessment of its investments in shares once a month. The most significant risk concentration relates to Alma Media Corporation shares.

Credit risk
The company receives its subscription payments in advance. Receivables from advertising and printing sales are spread among a wide group of domestic customers. The company keeps customer balances under constant surveillance and reacts to outstanding accounts immediately. If necessary, the company makes provisions for credit risks from foreign customers using credit insurance.

Liquidity risk
The company maintains sufficient liquid assets by using Group accounts and unused bank credit limits, among other things. It invests any extra liquid assets in low-risk, short-term financial instruments such as bank certificates of deposit, and the commercial papers of companies with good credit ratings.

24. Contingent liabilities

Collateral pledged for own commitments	**2 006**	**2 005**
Loans secured with mortgages on company assets		
Loans from financial institutions	6 063	189
Mortgages on real estate	4 017	2 017
Mortgages on company assets	168	168
Mortgages total	4 185	2 185
Collateral pledged on behalf of others		
Guarantees	16	16
Minimum rents payable under non-cancellable leases:		
Due within one year	107	117
Due within more than one but no more than five years	214	321
Total	321	438

25. Related party transactions

Ilkka-Yhtymä Group's related parties include associated companies, members of the Board of Directors, members of the Supervisory Board, the Managing Director and the Group Executive Team.

Group holdings in parent company and subsidiaries are as follows:

Company	Domicile	Shareholding	Proportion of votes
The parent company Ilkka-Yhtymä Oyj	Seinäjoki		
I-print Oy	Seinäjoki	100%	100%
Pohjanmaan Lähisanomat Oy	Seinäjoki	100%	100%
Sanomalehti Ilkka Oy	Seinäjoki	100%	100%
Vaasa Oy	Seinäjoki	100%	100%
I-Mediat Oy	Seinäjoki	100%	100%
Kiinteistö Oy Seinäjoen Koulukatu 10	Seinäjoki	100%	100%
Seinäjoen Kassatalo Osakeyhtiö	Seinäjoki	100%	100%

Information on associated companies can be found in section 12.

The following related party transactions were carried out in 2006:

	2006	2005
Sales of goods and services		
To associated companies	181	177
To other related parties	894	890
Purchases of goods and services		
From associated companies	540	496
From other related parties	61	63
Trade receivables		
From other related parties	56	53

Transactions with related parties are conducted at fair market prices.

Receivables and debts, financial income and expenses from associated companies are described in notes 7, 14, 16 and 22.

Employee benefits to management	**2006**	**2005**
Salaries and other short-term employee benefits	749	706

Management comprises the Board of Directors, Supervisory Board, Managing Director and Group Executive Team. The stated figures based on the cash method do not differ significantly from those based on the accrual method.

The retirement age of the Managing Director is in line with the current retirement pension scheme. The Managing Director's period of notice from the company is 6 months, and the company will also pay severance pay equalling 12 months' salary. The Managing Director must give six months' notice.

Salaries and fees	**2006**	**2005**
Managing Director and Board Members	368	349
Members of the Supervisory Board	36	29

26. Events after the balance sheet date

The Board of Directors is not aware of any significant events after the balance sheet date that would have had an effect on the calculations in the financial statements.

Ilkka-Yhtymä Group 2002-2006

Key figures indicating the financial development

	--------- IFRS ---------			---------- FAS ---------		
Ilkka-Yhtymä Group	2006	2005	2004	2004	2003	2002
Net sales, MEUR	52.7	53.9	53.9	70.5	66.0	65.7
- change %	-2.3	0.1	0.9	6.7	0.5	24.9
Operating profit, MEUR	9.7	9.5	9.3	11.0	11.4	7.6
- % of net sales	18.4	17.7	17.2	15.6	17.3	11.6
Profit before taxes, MEUR	19.5	12.5	12.0	12.7	13.7	10.1
- % of net sales	37.1	23.1	22.3	18.0	20.8	15.4
Result of the financial period, MEUR	17.1	9.7	9.9	9.5	9.8	7.2
- % of net sales	32.5	18.1	18.4	13.4	14.8	10.9
Return on equity (ROE), %	31.7	21.3	19.3	19.4	18.2	12.9
Return on investment (ROI), %	36.0	28.9	26.6	25.3	25.2	17.9
Equity ratio, %	79.0	82.6	77.4	77.4	81.0	82.3
Gearing, % *)	-16.9	-20.8	-15.8	-11.6		
Gross capital expenditure, MEUR **)	22.5	6.8	12.5	12.5	4.1	2.7
- % of net sales	42.8	12.6	23.3	17.8	6.2	4.1
Balance sheet total, MEUR	78.5	58.4	58.8	57.1	68.6	65.7
Current ratio	2.80	1.81	1.54	1.57	3.66	3.80
Average no. of employees	399	410	427	427	446	462

*) principle of calculation changed FAS 2004
**) Includes investments in tangible and intangible assets and available-for-sale financial assets (shares).

Per-share ratios

Ilkka-Yhtymä Group	IFRS 2006	IFRS 2005	IFRS 2004	FAS 2004	FAS 2003	FAS 2002
Earnings per share (EPS), EUR	1.17	0.66	0.68	0.65	0.67	0.49
Shareholders' equity per share, EUR	4.14	3.20	3.03	2.94	3.72	3.61
Dividend per share (Series I), EUR	0.90	0.53	0.53	0.53	1.42	0.56
Dividend per share (Series II), EUR	0.90	0.53	0.53	0.53	1.42	0.56
Nominal dividend EUR/share (Series I and Series II)	0.90 *)	0.53	0.53	0.53	1.42 **)	0.56
Dividend per earnings (Series I), %	77.2	80.3	78.9	82.5	213.2	113.4
Dividend per earnings (Series II), %	77.2	80.3	78.9	82.5	213.2	113.4
Effective dividend yield (Series I), %	7.5	4.8	7.9	7.9	23.2	11.6
Effective dividend yield (Series II), %	8.0	5.5	8.0	8.0	21.8	11.1
Price per earnings (P/E) (Series I)	10.3	16.8	10.0	10.5	9.2	9.8
Price per earnings (P/E) (Series II)	9.7	14.7	9.8	10.3	9.8	10.2
Adjusted price development of shares						
average price (Series I), EUR	11.83	9.55	7.17	7.17	6.08	5.45
average price (Series II), EUR	10.54	8.48	6.83	6.83	5.95	5.02
lowest price (Series I), EUR	9.78	7.24	5.78	5.78	4.89	4.78
lowest price (Series II), EUR	8.70	6.67	5.34	5.34	4.69	4.33
highest price (Series I), EUR	14.13	12.18	8.40	8.40	7.26	6.33
highest price (Series II), EUR	12.17	10.04	7.81	7.81	6.88	5.89
price at the end of period (Series I), EUR	12.00	11.18	6.76	6.76	6.12	4.78
price at the end of period (Series II), EUR	11.26	9.73	6.65	6.65	6.53	5.00
Market capitalisation, MEUR	168.3	148.4	98.0	98.0	94.0	72.4
Shares traded (Series I), number of shares	68 841	84 797	358 477	358 477	45 086	901 206
- % of total number of shares	1.6	2.0	8.3	8.3	1.0	20.9
Shares traded (Series II), number of shares	3 037 245	1 999 686	7 301 157	7 301 157	1 764 585	3 377 871
- % of total number of shares	29.3	19.3	70.5	70.5	17.0	32.6
Weighted average of adjusted number of shares during the financial period	14 665 833	14 665 833	14 665 833	14 665 833	14 665 833	14 665 833
Adjusted number of shares at the end of the financial period	14 665 833	14 665 833	14 665 833	14 665 833	14 665 833	14 665 833

*) Proposal of the Board of Directors
**) Decision of the AGM on 26 April 2004, per share dividend of EUR 0.89
Decision of the Extraordinary General Meeting on 10 December 2004, per share dividend of EUR 0.53

The figures are bonus issue- and split-adjusted.

Calculation principles of key figures and ratios

The following formulas are used to calculate the Group's financial performance:

Return on equity (%) (ROE)
$$= \frac{\text{Net profit}}{\text{Shareholders' equity (average)}} \times 100$$

Return on investment (%) (ROI)
$$= \frac{\text{Profit before taxes+ interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities (average)}} \times 100$$

Equity ratio (%)
$$= \frac{\text{Shareholders' equity}}{\text{Balance sheet total - Advances received}} \times 100$$

Gearing (%)
$$= \frac{\text{Interest-bearing liabilities - cash and cash equivalents - financial assets measured at fair value through profit or loss}}{\text{Shareholders' equity}} \times 100$$

Current ratio
$$= \frac{\text{Current assets}}{\text{Current liabilities}}$$

The following formulas are used to calculate per-share ratios:

Earnings per share (EPS)
$$= \frac{\text{Net profit}}{\text{Adjusted average number of shares during the period}}$$

Shareholders' equity per share
$$= \frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on the balance sheet date}}$$

Dividend per share
$$= \frac{\text{Dividend per share for the period}}{\text{Adjustment factor for share issues taking place after the end of the period}}$$

Dividend per earnings (%)
$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield (%)
$$= \frac{\text{Dividend per share}}{\text{Adjusted closing share price}} \times 100$$

Price/Earnings ratio (P/E)
$$= \frac{\text{Adjusted closing share price}}{\text{Earnings per share}}$$

Adjusted average share price
$$= \frac{\text{Total turnover of shares, EUR}}{\text{Adjusted number of shares traded}}$$

Market capitalisation = Number of shares x the share's closing price

PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET, FAS

Parent company income statement, FAS (EUR 1,000)	NOTE	1.1.-31.12.2006	1.1.-31.12.2005
NET SALES	1	18 148	23 985
Other operating income	2	1 138	1 019
Material and services	3	-15 105	-20 710
Personnel costs	4	-1 960	-1 884
Depreciation and write-downs	5	-427	-466
Other operating costs	6	-1 773	-1 455
OPERATING PROFIT		21	489
Financial income and expenses	7	13 593	5 206
PROFIT BEFORE EXTRAORDINARY ITEMS		13 614	5 694
Extraordinary items	8	10 300	9 350
PROFIT AFTER EXTRAORDINARY ITEMS		23 914	15 044
Appropriations		55	107
Income taxes	9	-2 381	-2 439
PROFIT FOR THE FINANCIAL PERIOD		21 588	12 711

Parent Company Balance Sheet, FAS (EUR 1,000)		31.12.2006	31.12.2005
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	10	279	139
Tangible assets	10	5 581	5 830
Invetsments	11	36 736	26 528
NON-CURRENT ASSETS		42 596	32 497
CURRENT ASSETS			
Inventories	12	1 508	1 853
Non-current receivables	13	11	11
Current receivables	13	13 496	545
Cash and bank deposits		551	3 290
CURRENT ASSETS		15 566	5 699
ASSETS		58 161	38 195
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	14		
Share capital		3 666	3 259
Issue premium fund			166
Other reserves		12 837	13 079
Retained earnings		6 891	2 001
Profit for the financial period		21 588	12 711
SHAREHOLDERS' EQUITY		44 983	31 216
ACCUMULATED APPROPRIATIONS	15	1 235	1 290
LIABILITIES	16		
Non-current interest-bearing liabilities		6 000	
Current interest-bearing liabilities		4 437	3 244
Current interest-free liabilities		1 506	2 444
LIABILITIES		11 943	5 689
SHAREHOLDERS' EQUITY AND LIABILITIES		58 161	38 195

FAS=Finnish Accounting Standards

PARENT COMPANY CASH FLOW STATEMENT, FAS

(EUR 1,000)	2006	2005
Cash flow from operations		
Profit for the period under review	21 588	12 711
Adjustments	-21 906	-12 878
Change in working capital	84	2 839
Cash flow from operations before financial items and taxes	**-233**	**2 673**
Financial income and expenses	306	1 087
Direct taxes paid	-3 212	-1 519
Cash flow from operations	**-3 140**	**2 241**
Cash flow from investments		
Investments in tangible and intangible assets, net	-302	-79
Sold and acquired associated companies	18 198	
Other investments, net	-18 855	-3 136
Loans granted		-246
Repayment of loans receivable	96	1 277
Dividends received from investments	4 535	4 660
Cash flow from investments	**3 672**	**2 475**
Cash flow before financing items	**532**	**4 716**
Cash flow from financing		
Change in current loans	1 193	-4 331
Change in non-current loans	6 000	
Group contributions received and paid	10 300	9 350
Dividends paid and other profit distribution	-7 764	-7 778
Cash flow from financing	**9 729**	**-2 759**
Increase (+) or decrease (-) in financial assets	**10 261**	**1 957**
Liquid assets at the beginning of the financial period	3 290	1 333
Liquid assets at the end of the financial period	13 551	3 290

Notes to the cash flow statement:

	2006	2005
Adjustments to profit for the period		
Depreciation and impairment	427	466
Sales gains (-) and losses (+) on non-current assets	-9 589	-604
Other income and expense, non-cash	22	
Financial income and expenses	-4 791	-5 723
Income taxes	2 381	2 439
Other adjustments	-10 355	-9 457
Adjustments to profit for the period total	**-21 906**	**-12 878**
Change in working capital		
Increase (-)/ decrease (+) in inventories	345	2 541
Increase (-)/ decrease (+) in current interest-free operating receivables	13	-45
Increase (+)/ decrease (-) in current interest-free liabilities	-273	344
Change in working capital total	**84**	**2 839**

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

Ilkka-Yhtymä Oyj's financial statements were prepared in accordance with the Finnish Accounting Standards and other rules and regulations governing the preparation of financial statements (FAS).

Comparability of data

The figures for 2005 are comparable with those of 2004.

Inventories

Inventories were valued either at acquisition cost or probable sales value, whichever was the lowest. Marketable securities were valued at their direct acquisition cost, average closing price or probable sales price, whichever was the lowest.

Fixed Assets and Depreciation

Revaluations included in balance sheet values of buildings and land were reversed in 2003. Other fixed assets were valued at the original acquisition cost less depreciation according to plan. Depreciation according to plan was calculated as straight-line depreciation from the original acquisition price of fixed assets on the basis of the economic life of the assets.

The depreciation periods for different assets are as follows:

Intangible rights and other long-term assets	3-10 years
Buildings	20-40 years
Structures	20 years
Machinery and equipment	3-15 years

Periodisation of Pension Expenses

Employee pension schemes are arranged through insurance companies.

Items in Foreign Currencies

Receivables and debts in foreign currencies were converted to euros according to the average exchange rate of the European Central Bank on the closing date of the financial statements.

Extraordinary items

Group contributions are entered in extraordinary items.

Notes to the Income Statement and the Balance Sheet (EUR 1,000)

1. Net sales

	2006	2005
Net sales by operating sector		
Other operations	2 110	2 045
Securities trading	16 038	21 941
Total	18 148	23 985

2. Other operating income

	2006	2005
Sales gains on fixed assets	20	
Rent income	1 050	1 018
Other	67	
Total	1 138	1 019

3. Materials and services

	2006	2005
Purchases during the financial period	14 731	18 165
Increase or decrease of stocks	345	2 541
Materials and supplies total	15 076	20 705
External charges	29	5
Materials and services total	15 105	20 710

4. Personnel costs

	2006	2005
Salaries and fees	1 512	1 453
Pension expenses	335	318
Other personnel costs	113	113
Total	1 960	1 884

Management's salaries and fees

	2006	2005
Managing Director	184	165
Members of the Board of Directors		
Heikkilä Veikko	23	22
Aukia Jaakko	13	12
Hautala Lasse	7	6
Paatelainen Seppo	6	5
Savola Tapio	7	6
Members of the Supervisory Board		
Jaakko Rintala, Chairman	16	15
Other members		

The members receive EUR 300 for each meeting. The Supervisory Board convened three times during 2006 and twice during 2005.

	2006	2005
Personnel on average during the financial period		
Corporate services	33	34

5. Depreciation according to plan

	2006	2005
Intangible rights	55	68
Other long-term expenses	1	17
Buildings and constructions	273	273
Machinery and equipment	98	108
Total	427	466

6. Other operating expenses

	2006	2005
Costs for premises	753	642
Other cost items	1 020	813
Total	1 773	1 455

7. Financial income and expenses

Financial income

	2006	2005
Dividend yields		
From Group companies	3 579	3 915
From associated companies	632	590
From others	324	156
Total	4 535	4 660
Interest income from investments in non-current assets		
Interest income from associated companies		39
Total		39
Other interest and financial income		
From Group companies	10	6
From others	9 646 *)	690
Total	9 657	696
Financial income total	14 191	5 395

*) includes capital gains (EUR 9,569 thousand) from the sale of a holding in an associated company.

Financial expenses

	2006	2005
Other interest and financial expenses		
To group companies	345	151
To others	253	38
Total	598	190
Financial expenses total	598	190
Financial income and expenses total	13 593	5 206
Interest income total	25	85
Interest expenses total	598	190

8. Extraordinary items

	2006	2005
Extraordinary income	10 300	9 350

Extraordinary items consist of Group contributions received.

9. Income taxes

	2006	2005
Income tax on extraordinary items	2 678	2 431
Income tax on ordinary operations	-297	8
Total	2 381	2 439

10. Intangible and tangible assets

Intangible assets	Intangible rights	Other longterm assets	Advances paid	Total
Acquisition cost 1.1.2006	884	1 914	2	2 800
Increase	14		174	188
Transfers between items	169		-161	8
Acquisition cost 31.12.2006	1 067	1 914	15	2 996
Accumulated depreciation and impairment				
1.1.2006	761	1 900		2 661
Depreciation for the financial period	55	1		56
Accumulated depreciation 31.12.2006	816	1 901		2 717
Book value 31.12.2006	251	13	15	279
Book value 31.12.2005	124	14	2	139

Tangible assets	Land areas	Buildings and constructions	Machinery and equipment	Advances paid	Total
Acquisition cost 1.1.2006	496	7 733	5 782	6	14 016
Increase			123	9	132
Decrease	-1		-48		-49
Transfers between items				-8	-8
Acquisition cost 31.12.2006	495	7 733	5 857	6	14 090
Accumulated depreciation and impairment					
1.1.2006		2 583	5 603		8 186
Accumulated depreciation of decrease and transfers			-48		-48
Depreciation for the financial period		273	98		371
Accumulated depreciation 31.12.2006		2 856	5 653		8 509
Book value 31.12.2006	495	4 877	203	6	5 581
Book value 31.12.2005	496	5 150	178	6	5 830
Balance sheet value of production machinery abd equipment 31.12.2006			122		
Balance sheet value of production machinery abd equipment 31.12.2005			104		

11. Investments

	Shares in Group companies	Shares in associated companies	Other shares and holdings	Other investments	Total
Book value 1.1.2006	8 144	9 089	9 111	184	26 528
Increase		29	20 281	8	20 318
Decrease		-8 658	-1 430	-22	-10 110
Book value 31.12.2006	8 144	459	27 962	170	36 736

Difference in market value and book value of publicly quoted securities

	2006	2005
Publicly quoted securities entered under investments		
Market value	31 915	7 134
Book value	24 428	5 705
Difference	7 487	1 429

Companies owned by the parent company

Group Companies

	ownership %
I-Mediat Oy, Seinäjoki	100.0
I-print Oy, Seinäjoki	100.0
Kiinteistö Oy Seinäjoen Koulukatu 10, Seinäjoki	100.0
Seinäjoen Kassatalo Osakeyhtiö, Seinäjoki	100.0
Vaasa Oy, Vaasa	100.0
Sanomalehti Ilkka Oy, Seinäjoki	100.0
Pohjanmaan Lähisanomat Oy, Seinäjoki	100.0

Associated companies

	ownership %
Arena Partners Oy, Kuopio	25.9
Väli-Suomen Media Oy, Jyväskylä	20.0
Yrittävä Suupohja Oy, Kauhajoki	38.5

Ilkka-Yhtymä Oyj sold its holding in Savon Mediat Oy to Keskisuomalainen Oyj on 29 December 2006. The preliminary sale price of the 25.6 per cent holding amounted to approximately EUR 18.2 million, and the final price will be determined after the approval of Savon Mediat Oy's financial statements for the financial year ending on 31 December 2006. Tax-exempt capital gains for Ilkka-Yhtymä Oyj amounted to approximately EUR 9.6 million.

12. Inventories

	2006	2005
Inventories	1 508	1 853
Total	1 508	1 853

Difference in market value and book value of publicly quoted securities

Marketable securities	2006	2005
Market value	1 687	2 650
Book value	1 508	1 853
Difference	179	798

13. Receivables

Non-current receivables

Receivables from associated companies	2006	2005
Loan receivables	11	11
Total	11	11
Non-current receivables total	11	11

Subordinate loans
Non-current loan receivables include EUR 11 thousand of subordinate loans to associated companies (EUR 11 thousand in 2005).

Current receivables

	2006	2005
Other receivables	13 092	14
Accrued income (from others)	108	150
Receivables from Group companies		
Trade receivables	81	27
Loan receivables	214	309
Other receivables	1	33
Total	296	370

	2006	2005
Receivables from associated companies		
Trade receivables	1	11
Total	1	11
Current receivables total	13 496	545
Substantial accrued income items		
Tax receivables	60	
Other	48	150
Total	108	150

14. Shareholders' equity

Share capital 1.1.	3 259	3 259
Transfers between items	407	
Share capital 31.12.	3 666	3 259
Issue premium fund 1.1.	166	166
Transfers between items	-166	
Issue premium fund 31.12.		166
Reserve fund 1.1.	13 079	13 079
Transfers between items	-242	
Reserve fund 31.12.	12 837	13 079
Retained earnings 1.1.	14 712	9 823
Dividend distribution	-7 822	-7 822
Retained earnings 31.12.	6 891	2 001
Profit for the financial period	21 588	12 711
Shareholders' equity total	44 983	31 216
Statement of distributable funds 31.12.		
Retained earnings	6 891	2 001
Profit for the financial period	21 588	12 711
Total	28 479	14 712
Breakdown of the Parent Company's share capital by share type:		
Series I (20 votes/share), nominal value EUR 0.25/share	1 076	956
Series II (1 vote/share), nominal value EUR 0.25/share	2 590	2 303
Total	3 666	3 259

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

15. Accumulated appropriations

Accumulated appropriations in Ilkka-Yhtymä Oyj consist of accumulated depreciation difference.

	2006	2005

16. Liabilities

Non-current liabilities

	2006	2005
Loans from financial institutions	6 000	

Interest-bearing liabilities have the following maturities:
2009 6 000 *)

*) Bullet loan with the possibility of earlier repayment; the next possible repayment date is April 2007.

Current liabilities

	2006	2005
Accounts payable	136	417
Other payables	1 025	956
Accrued expenses and deferred income	343	1 069
Payables to Group companies		
Accounts payable	2	2
Other payables	4 437	3 244
Accrued expenses and deferred income		1
Total	4 439	3 247
Current liabilities total	5 943	5 689
Substantial accrued expenses and deferred income items		
Accruals of personnel expenses	268	271
Accruals of income taxes		772
Other	75	27
Total	343	1 069
Interest-free liabilities	1 506	2 444

17. Guarantees and contingent liabilities

Collateral pledged for own commitments

	2006	2005
Loans secured with mortgages on company assets		
Loans from financial institutions	6 000	
Mortgages on company assets	2 000	
Contingent liabilities on behalf of others		
Guarantees	16	16

SHARES AND SHAREHOLDERS

The share capital of Ilkka-Yhtymä Oyj entered in the trade register was EUR 3,666,458 on 31 December 2006. The share capital is divided into 14,665,833 shares, each with a nominal value of EUR 0.25. The shares are divided into two series. Series I shares and Series II shares differ in such a way that each Series I share entitles the holder to twenty (20) votes at the AGM, while a Series II share entitles the holder to one (1) vote. Shares of both series entitle the holders to the same dividend.

In accordance with the Articles of Association, the minimum share capital shall be no less than EUR 3 million and the maximum no more than EUR 12 million, within which limits the share capital may be increased or decreased without altering the Articles of Association. The maximum number of shares is 48 million. Company shares are divided into Series I and II shares in such a way that the number of Series I shares shall be no less than 3,800,000 and no more than 13,440,000, and the number of Series II shares shall be no less than 8,200,000 and no more than 34,560,000.

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

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

Share capital 31 Dec 2006

	Share capital EUR	Number of shares	% of share capital	% of votes
Series I	1 076 015	4 304 061	29.3	89.3
Series II	2 590 443	10 361 772	70.7	10.7
Total	3 666 458	14 665 833	100.00	100.00

Increases of share capital 1995 - 2006

Subscription period	Terms of subscription	Series I number of shares	Series II number of shares	Increase of share capital EUR	New share capital EUR	Divident right
29 Dec 1995	Private placing, merger contribution 1)					
	directed at shareholders of Järviseudun Lehti-Osakeyhtiö, ratio 1:198 Series II		47 718			
	directed at shareholders of Kristiinan Sanomalehti Oy, ratio 1:234 Series II		16 848			
	directed at shareholders of Osakeyhtiö Seinäjoki, ratio 7:9 Series II		33 084			
	Total		97 650	18 248	1 827 235	1/1 1995
13 May-14 June 1996	Right issue with two shares of Series I or II one share of series II á EUR 4.20		4 888 008	913 449	2 740 684	1/1 1996
14 May1999	Increase of share capital by means of a bonus issue by increasing nominal share value			518 390	3 259 074	
25 April 2006	Increase of share capital by means of a bonus issue of shares, ratio 8:1	478 229	1 151 308	407 384	3 666 458	

1) The distribution of merger contribution began in January 1996.

Quotation and Trading in Shares

The Series I shares of Ilkka-Yhtymä Oyj have been listed on the Helsinki Stock Exchange since 1981. The Series II shares have been listed since their issue in 1988 and, on 10 June 2002, they were listed on the Main List of the Helsinki Stock Exchange. On 2 October 2006, the quotation of Series II shares was transferred to the OMX Nordic List, to the Nordic Mid Cap group and Consumer Discretionary sector, and that of Series I shares was moved to the Pre List.

The number of Series I shares of Ilkka-Yhtymä Oyj traded in 2006 was 68,841 (not adjusted for the bonus issue: 66,205), 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 totalled 3,037,245 (not adjusted for the bonus issue: 2,848,292), which equals 29 per cent of the series share stock. Their trading value was EUR 32.0 million. During the report period, the lowest quotation for Ilkka-Yhtymä Oyj's Series I share was EUR 9.78 and the highest EUR 14.13, while the lowest quotation for a Series II share was EUR 8.70 and the highest EUR 12.17. At the period-end closing price, the share capital market value was EUR 168.3 million.

Major shareholders by share capital owned according to the register of owners (all shares)

31 Dec 2006	Series I	Series II	Shares in total	% of shares
Thominvest Oy		843 750	843 750	5.75 %
Laakkonen Mikko	315	515 250	515 565	3.52 %
Mutual Insurance Company Pension-Fennia		460 000	460 000	3.14 %
Aukia Jaakko	189 018	113 456	302 474	2.06 %
Ilmarinen Mutual Pension Insurance Company	101 880	180 000	281 880	1.92 %
Etelä-Pohjanmaan Lehtiseura ry	216 256	59 283	275 539	1.88 %
Kaleva Mutual Insurance Company		274 148	274 148	1.87 %
Keski-Pohjanmaan Kirjapaino Oyj	203 409	46 656	250 065	1.71 %
Sampo Life Insurance Company Limited	165 222		165 222	1.13 %
TS-Yhtymä	40 050	119 880	159 930	1.09 %
Ten major shareholders, total	916 150	2 612 423	3 528 573	24.06 %
Other owners	3 387 911	7 749 349	11 137 260	75.94 %
Total	4 304 061	10 361 772	14 665 833	100.00 %

Major shareholders by number of votes according to the shareholders' register (registered shares)

31 Dec 2006	Series I reg.	% of shares	Series II	% of shares	Shares in total	% of votes
Aukia Jaakko	188 388	4.38 %	113 456	1.09 %	301 844	4.02 %
Etelä-Pohjanmaan Lehtiseura ry	190 597	4.43 %	59 283	0.57 %	249 880	4.01 %
Keski-Pohjanmaan Kirjapaino Oyj	190 552	4.43 %	46 656	0.45 %	237 208	4.00 %
Ilmarinen Mutual Pension Insurance Company	101 880	2.37 %	180 000	1.74 %	281 880	2.30 %
Tapiola General Mutual Insurance Company	107 190	2.49 %			107 190	2.22 %
E-P:n Osuuskauppa	81 864	1.90 %	72	0.00 %	81 936	1.70 %
Etelä-Pohjanmaan Osuuspankki	73 251	1.70 %			73 251	1.52 %
Mutka Heikki	69 512	1.62 %	71 140	0.69 %	140 652	1.52 %
SV-Turkis Oy	63 694	1.48 %	4 500	0.04 %	68 194	1.33 %
Kyrönmaan Osuuspankki	55 134	1.28 %	900	0.01 %	56 034	1.14 %
Total	1 122 062	26.07 %	476 007	4.59 %	1 598 069	23.76 %

Major shareholders by share capital according to the shareholders' register (registered shares)

31 Dec 2006	Series I reg.	Series II	Shares in total	% of shares
Thominvest Oy		843 750	843 750	5.75 %
Laakkonen Mikko	315	515 250	515 565	3.52 %
Mutual Insurance Company Pension-Fennia		460 000	460 000	3.14 %
Aukia Jaakko	188 388	113 456	301 844	2.06 %
Ilmarinen Mutual Pension Insurance Company	101 880	180 000	281 880	1.92 %
Kaleva Mutual Insurance Company		274 147	274 147	1.87 %
Etelä-Pohjanmaan Lehtiseura ry	190 597	59 283	249 880	1.70 %
Keski-Pohjanmaan Kirjapaino Oyj	190 552	46 656	237 208	1.62 %
Mutka Heikki	69 512	71 140	140 652	0.96 %
Mandatum Finnish Small Cap Fund		140 000	140 000	0.95 %
Total	741 244	2 703 682	3 444 926	23.49 %

Book-entry System

As of 7 June 1995, Ilkka-Yhtymä Oyj shares have been registered in the book-entry system. The share-holders' register is maintained by the Finnish Central Securities Depository Ltd.

Management holdings

On 31 December 2006, the company's Supervisory Board, the Board of Directors and the Managing Director held a total of 955,880 shares, or 6.52 per cent of the entire share capital and 11.05 per cent of the votes.

Shareholders by number of shares held on 31 Dec 2006 *)

Number of shares, Series I	No. of holdings	% of holdings	No. of shares	% of shares
1 - 200	1 935	51.23	179 258	4.16
201 - 400	670	17.74	192 724	4.48
401 - 2 000	959	25.39	872 597	20.27
2 001 - 4 000	112	2.97	289 297	6.72
4 001 -	101	2.67	2 136 083	49.63
TOTAL	3 777	100.00	3 669 959	85.27
On waiting list			504 083	11.71
In joint account			130 019	3.02
SHARES ISSUED			4 304 061	100.00

Number of shares, Series II	No. of holdings	% of holdings	No. of shares	% of shares
1 - 200	2 262	33.38	213 374	2.06
201 - 400	1 214	17.92	353 149	3.41
401 - 2 000	2 553	37.68	2 238 421	21.60
2 001 - 4 000	446	6.58	1 222 091	11.79
4 001 -	301	4.44	6 219 980	60.03
TOTAL	6 776	100.00	10 247 015	98.89
In joint account			114 757	1.11
SHARES ISSUED			10 361 772	100.00

*) According to shareholders' register

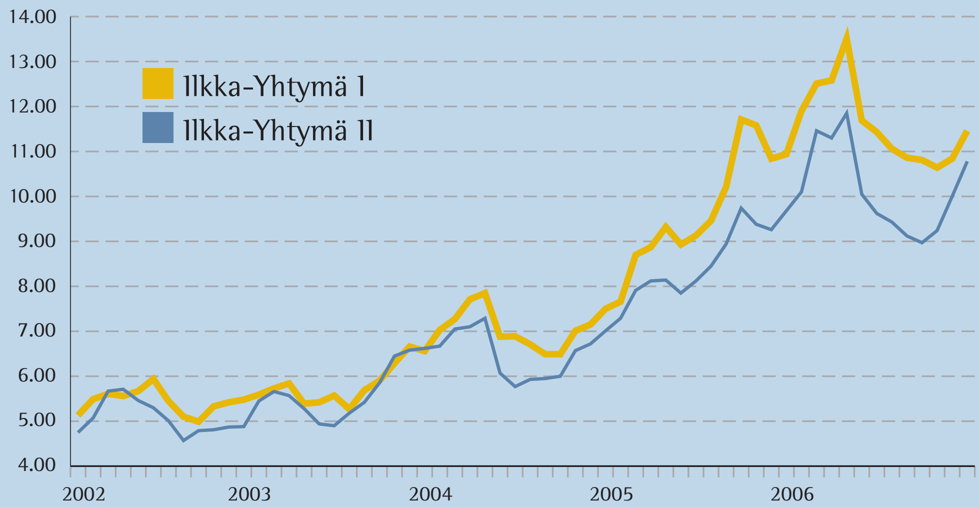
Shareholders by sector 31 Dec 2006 *)

Shareholder category, Series I	No. of holdings	% of holdings	No. of shares	% of shares
Private companies	55	1.46	447 927	10.41
Financial institutions and insurance companies	12	0.32	264 843	6.15
Public-sector organisations	2	0.05	145 332	3.38
Non-profit organisations	84	2.22	320 844	7.45
Households	3 622	95.90	2 490 518	57.86
Foreign owners	2	0.05	495	0.01
TOTAL	3 777	100.00	3 669 959	85.27
On waiting list total			504 083	11.71
In joint account			130 019	3.02
SHARES ISSUED			4 304 061	100.00

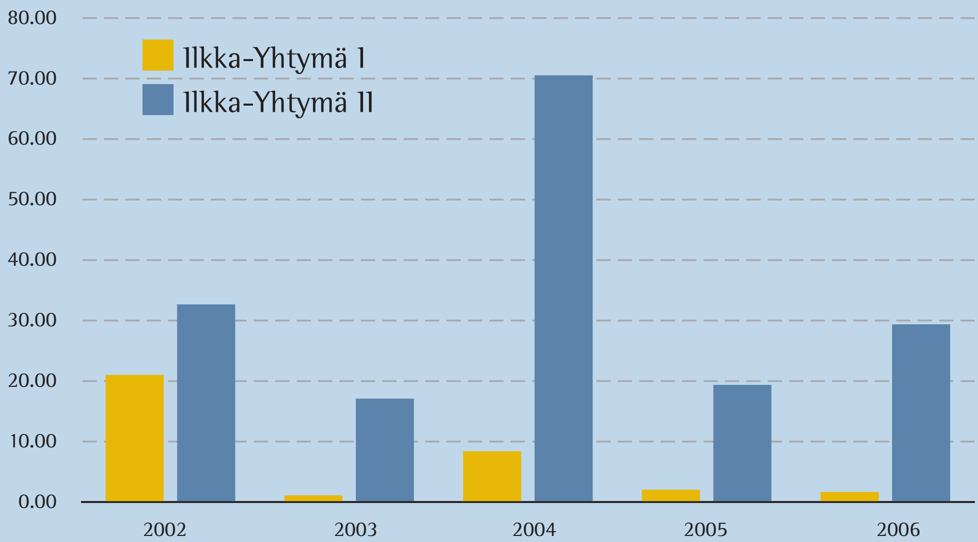
Shareholder category, Series II	No. of holdings	% of holdings	No. of shares	% of shares
Private companies	186	2.74	1 424 749	13.75
Financial institutions and insurance companies	18	0.27	790 437	7.63
Public-sector organisations	5	0.07	643 604	6.21
Non-profit organisations	122	1.80	379 684	3.66
Households	6 428	94.86	6 930 945	66.89
Foreign owners	11	0.16	10 917	0.11
Nominee-registered	6	0.09	66 679	0.64
TOTAL	6 776	100.00	10 247 015	98.89
In joint account			114 757	1.11
SHARES ISSUED			10 361 772	100.00

*) According to shareholders' register

Average share price of Ilkka-Yhtymä Oyj's shares (EUR), 1 Jan 2002 - 31 Dec 2006



Relative exchange of Ilkka-Yhtymä Oyj shares (%) 2002 - 2006



SIGNATURES OF THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Proposal by the Board of Directors on profit distribution

The parent company's distributable funds:

Undistributed funds from profits from earlier financial periods	EUR	6,890,596.90
The profit for the financial year	EUR	21,588,358.82
Total	EUR	28,478,955.72

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year be entered in retained earnings and that a per share dividend of EUR 0.60 be distributed, together with an additional payment of EUR 0.30 per share due to capital gains from the sale of Savon Mediat Oy's shares, i.e. a total dividend payment of EUR 13,199,249.70.

No significant changes have occurred in the company's financial situation after the end of the financial year. The company's liquidity is sound and, in the view of the Board of Directors, the proposed distribution of funds will not jeopardise the company's solvency.

Seinäjoki, 19 February 2007

BOARD OF DIRECTORS

Veikko Heikkilä

Jaakko Aukia

Seppo Paatelainen

Tapio Savola

Lasse Hautala

Matti Korkiatupa
Managing Director

The financial statements and the Board of Directors' report have been prepared in accordance with generally accepted accounting principles. We issued our report on the audit we conducted, on this day 12 March 2007.

Seinäjoki, 12 March 2007

Ernst & Young Oy
Authorised Public Accountants

Tomi Englund
Authorised Public Accountant

Pekka Kiljunen
Authorised Public Accountant

Auditors’ Report

To the Shareholders of Ilkka-Yhtymä Oyj

We have audited the accounting, financial statements, Board of Directors’ report and corporate governance of Ilkka-Yhtymä Oyj for the financial year 2006. The Board of Directors and the CEO have prepared the consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) approved for use in the EU and, as regards the Board of Directors’ report and the parent company financial statements - including the parent company income statement, balance sheet, cash flow statement and notes to the parent company financial statements - they have been prepared in compliance with the rules and regulations in force in Finland. Based on our audit, we can express our opinion on the consolidated financial statements and the parent company financial statements, Board of Directors’ report and corporate governance.

We conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit in order to obtain reasonable assurance of whether the financial statements and Board of Directors’ report are free of material misstatement. The purpose of our audit of corporate governance is to verify that the members of the Supervisory Board and the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

Consolidated financial statements

The consolidated financial statements, prepared in compliance with the International Financial Reporting Standards (IFRS) accepted for use in the EU, give a true and fair view, as defined in the Finnish Accounting Act, of the Group’s performance and financial position. The consolidated financial statements can be adopted.

Parent company financial statements, Board of Directors’ report and corporate governance

The parent company financial statements and the Board of Directors’ report are prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements and the Board of Directors’ report. The financial statements and the Board of Directors’ report give a true and fair view, as defined in the Accounting Act, of the parent company’s performance and financial position. The Board of Directors’ report is consistent with the financial statements.

The financial statements can be adopted and the members of the Supervisory Board and Board of Directors as well as the Managing Director can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding profit attributable to shareholders is in compliance with the Companies’ Act.

Seinäjoki, 12 March 2007

Ernst & Young Oy
Authorised Public Accountants

Tomi Englund
Authorised Public Accountant

Pekka Kiljunen
Authorised Public Accountant

Supervisory Board's Statement

Having examined the company's and the consolidated balance sheets and income statements for 2006, and after reviewing the auditor's report, the Supervisory Board has announced that it approves the report by the Board of Directors and the included proposal for the allocation of the distributable retained profit.

At the same time, the Supervisory Board notifies that the terms of office of the following members of the Supervisory Board are next in line to expire: Aukia Timo, Tampere, Hietala Mauri, Seinäjoki, Koskinen Mikko, Seinäjoki, Kuoppamäki Heikki, Ähtäri, Rinta Perttu, Helsinki, Rinta-Jouppi Ari, Vähäkyrö, Rintala Jaakko, Lapua and Tikkala Raija, Jurva.

Seinäjoki, 19 March 2007

Jaakko Rintala
Chairman of the Supervisory Board

Matti Korkiatupa
Managing Director

Administration

Corporate Governancce

Structure of the Ilkka-Yhtymä -Group

Ilkka-Yhtymä Group is a media group that consists of the parent company Ilkka-Yhtymä Oyj, the publishing companies Sanomalehti Ilkka Oy, Vaasa Oy and Pohjanmaan Lähisanomat Oy, as well as the printing company I-print Oy. The Group also includes two property companies and the associated companies Arena Partners Oy (ca. 25.9 %), Väli-Suomen Media Oy (40 %) and Yrittävä Suupohja Oy (38.5 %). Ilkka-Yhtymä Oyj sold its 25.6 per cent holding in Savon Mediat Oy to Keskisuomalainen Oyj on 29 December 2006.

Ilkka-Yhtymä Oyj is a limited company, which in terms of decision-making and administration, adheres to the Finnish Companies Act, other regulations concerning quoted companies and its Articles of Association.

Ilkka-Yhtymä Oyj complies with the recommendations on corporate governance of HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers which entered into force on 1 July 2004. The company's corporate governance principles, and divergences from the recommendations, are described and updated in more detail on our website at www.ilkka-yhtyma.fi.

The corporate governance of Ilkka-Yhtymä Oyj comprises: The Annual General Meeting which elects the members of the Supervisory Board, the Supervisory Board which elects the members of the Board of Directors, and the CEO who is elected by the Supervisory Board.

The Annual General Meeting

The Annual General Meeting is held yearly before the end of June. According to Ilkka-Yhtymä Oyj's Articles of Association, the Supervisory Board summons the AGM and prepares the issues presented at the meeting.

The following issues are discussed at the AGM:
1. the annual report, including the financial statements for the previous financial year, as well as the auditor's report
2. adoption of the financial statements
3. discharge the Supervisory Board, the Board of Directors and the CEO from liability
4. measures warranted by the profit or loss recorded on the adopted balance sheet
5. determining the remuneration of the members of the Supervisory Board and the auditors
6. electing members of the Supervisory Board replacing those whose terms as members are about to expire and electing the auditors
7. other issues mentioned in the invitation to the meeting. In addition, the AGM elects two regular and two deputy auditors for one-year terms.

Shareholders are invited to the Annual General Meeting by the Notice of Annual General Meeting, which is published in Ilkka and Pohjalainen no sooner than two (2) months and no later than seventeen (17) days before the AGM, usually on three occasions. The Notice of Annual General Meeting and the Proposals of the Supervisory Board to the Annual General Meeting are also published as a Stock Exchange Release and on the website of Ilkka-Yhtymä Oyj. The Annual Report is available from the company's financial services department at least one week before the Regular General Meeting. The Annual Report is also published on the Group's website.

The goal is that all members of the Board of Directors be present at the Annual General Meeting.

Supervisory Board

According to Ilkka-Yhtymä Oyj's Articles of Association, the Company has a Supervisory Board with a minimum of twenty-eight (28) and a maximum of forty (40) members, two of which must be employees of the Group.

The members of the Supervisory Board are elected at the AGM for a term of office of four (4) years at a time, beginning immediately after their election. Each year, the term of office of no more than one quarter of the Board members shall expire. The retirement age of a member of the Supervisory Board is sixty-eight (68). The terms of office of members of the Supervisory Board end, regardless of the length of the remaining period of office, at the AGM of the year during which the member in question turns sixty-eight (68).

The duties of the Supervisory Board include supervising the company's management and the way it conducts its business, electing and discharging the members of the company's Board of Directors, setting their remuneration, appointing and discharging the CEO of the company and Ilkka's Chief Editor, determining their salaries, calling meetings of the AGM, issuing a report on the financial statements and the auditor's report and other issues presented to the AGM, preparing issues to be discussed at the AGM, appointing a salary committee comprising four members: the Chairmen and Deputy Chairmen of the Supervisory Board and Boards of Directors of Ilkka-Yhtymä Oyj, and the Head of HR, who acts as secretary to the committee.

The Supervisory Board convened three times during the year 2006.

The AGM on 20 April 2006 determined Supervisory Board emoluments for 2006 as follows:
- Chairman's fee EUR 800/month plus the standard meeting fee of EUR 300/meeting.
- Meeting fee for members - EUR 300/meeting.

Board of Directors

According to the Articles of Association, the duties of the Supervisory Board of Ilkka-Yhtymä Oyj include electing and dismissing members of the company's Board of Directors and determining their remuneration. At the first meeting of the Supervisory Board following the AGM, members are elected to replace those whose membership of the Board is about to expire.

The Board of Directors comprises a minimum of four (4) and a maximum of five (5) members. Currently, the Board of Directors has five members. Board members are elected for a term of four (4) years. The retirement age of members of the Board of Directors is sixty-eight (68) and their terms of office end, regardless of the length of the remaining period of office, at the first meeting of the Supervisory Board after the AGM during the calendar year at which the member in question reaches sixty-eight (68).

According to the Articles of Association the tasks of the Board of Directors, in line with the instructions issued by the Supervisory Board, include supervising the company's management and the way it conducts its business, employing and discharging other staff required for the company and determining their salaries, ensuring that decisions of the AGM and the Supervisory Board are implemented, supervising the company's finances and accounting, drawing up the annual report, drawing up proposals to the Supervisory Board on the distribution of the annual profit, and granting and revoking procuration.

According to the standing order, the Board of Directors executes the following, inter alia:
- confirms its own standing order, which is reviewed annually
- considers and approves the group's strategy and ensures that it remains abreast of the latest developments
- confirms the basic structure of the group's organisation and the group's values
- on the basis of the strategy, approves corporate annual plans, budgets and the staff incentive scheme, and supervises their implementation
- goes through the main risks related to the companies' operations on an annual basis alongside its consideration of the corporate strategy
- considers and approves the interim reports, the annual report and the financial statements
- meets with the auditors once a year
- defines the company's dividend policy
- decides on exceptionally broad issues which do not form part of the everyday operative management of the company
- based on approval clause of §3 of the Articles of Association, approves the transfer of I series shares to the shareholder register
- considers any other issues the CEO and the Chairman of the Board of Directors believe warrant their attention.

In 2006, the Board of Directors had 14 regular meetings and 1 telephone conferences. The average participation rate of members of the Board of Directors was 93.3 per cent.

There are at least 12 meetings of the Board of Directors each year. Issues considered at meetings include the financial statements and interim reports, and the monthly reports of the group's subsidiaries. The Board of Directors convenes at least once a year for a strategy meeting, and confirms the plan of action and budget for the following year, at which time it also confirms investments for the coming year. Taking into consideration the size of the group and its field of business, it is fairly easy for members of the Board of Directors to develop an overall-view of the company's structure, business operations and markets.

The CEO functions as rapporteur at Board meetings and, if necessary, other members of the company's management can function as additional rapporteurs on the CEO's invitation, with regard to their expert tasks. The majority of the members of the subsidiary companies' Boards of Directors are members of the Board of Directors of the parent company.

The Supervisory Board decided at its meeting on 22 May 2006 on the Board of Directors of Ilkka-Yhtymä Oyj's emoluments for 2006 as follows:
- The Chairman's remuneration is EUR 1,600/month plus the standard fee of EUR 350/meeting.
- Vice Chairman's remuneration is EUR 800/month plus the standard fee of EUR 350/meeting.
- Remuneration for members is EUR 250/month plus the standard fee of EUR 350/meeting.

A total of EUR 91,970 (Group) was paid in monthly and meeting fees to the members of the Board of Directors of Ilkka-Yhtymä Oyj in 2006.

The Board's remuneration has never been paid in own shares, nor have the share-based incentive schemes used for rewarding the members of Board of Directors.

CEO

According to the Articles of Association, the Supervisory Board employs and discharges the company's CEO.

The CEO of Ilkka-Yhtymä Oyj is also the CEO of the group and is responsible for the operations of the entire group in line with the aims and instructions issued and approved by its Board of Directors. As the CEO of Ilkka-Yhtymä Oyj, the CEO of the group is in charge of the company's day-to-day administration and the achievement of its goals, as well as preparing issues in line with instructions issued by the Board of Directors. The CEO/Directors of subsidiaries, appointed unit managers, and chairmen of the centres of expertise report to the Group CEO. The CEO is assisted by the Group Executive Team, appointed by the group's Board of Directors based on a proposal from the CEO.

Matti Korkiatupa, CEO, received a total of EUR 183,768 in salaries, incentive pay and fringe benefits in 2006. The CEO falls within the scope of the group's general incentive scheme. Incentive bonuses are based on the target gross margin approved by the Board of Directors and company-specific scorecard objectives. The company does not apply an incentive scheme based upon management-held shares.

The retirement age of the CEO is in line with the retirement pension scheme in force. The CEO's period of notice from the company is 6 months, in addition to which the company will pay severance pay equalling 12 months' salary. The CEO must give 6 months' notice.

Group Executive Team

The Group Executive Team supports the CEO in steering and developing the group's business in pursuit of the strategic goals presented by the team and approved by the Board of Directors. The Group Executive Team consists of the CEO of the parent company (in the chair) and the Financial Director, as well as the CEO/Directors of the subsidiaries. The Executive Assistant functions as the secretary of the Group Executive Team. In addition to the aforementioned, the extended Group Executive Team consists of the Chief Editors of the provincial papers, the Marketing Director of the printing company, the Head of HR of the parent company and the Development and Data Administration Manager. The tasks of the Group Executive Team are defined in a directive approved by the Board of Directors.

The Group Executive Team falls under the Group's incentive scheme. Incentive bonuses are based on the target gross margin approved by the Board of Directors and company-specific Balanced Scorecard objectives. In addition, the Extended Group Executive Team may receive performance bonuses based on the profitable growth of the Group.

The subsidiaries have their own Executive Teams, meetings of which are attended by the CEO of the parent company.

Internal Control, Risk Management and Internal Auditors

The Board of Directors of Ilkka-Yhtymä Oyj confirms the corporate strategy, which takes account of business risks and their management. The Board also confirms the group's and subsidiaries' directives, which serve as risk management tools.

The group's planning and steering system includes among others the annual strategic process, the plans of action and their follow-up. The follow-up consists among others of a report on the financial results and other key figures, as well as forecasts carried out at least three times a year. The corporation's financial performance and risks are monitored on a monthly basis by the Board of Directors and the Group Executive Team.

Ilkka-Yhtymä Oyj does not employ internal auditors, but the Board of Directors has appointed an internal auditor from among its members, and the auditing plan takes the absence of an internal auditing procedure into consideration.

The appropriate insurance policies have been taken out against property, interruption and liability risks. The staff retirement plan is managed through a retirement pension insurance company.

The Board of Directors has confirmed the Group's risk management policy, and the holistic risk management project launched at the end of 2005 has progressed to a stage where a systematic method of operation has been developed. Group and company level key risks have been defined and the risk management measures have been integrated with everyday operations.

Insider Administration

Ilkka-Yhtymä Oyj complies with the Helsinki Stock Exchange Insider Guidelines agreed by the Helsinki Stock Exchange, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers. In addition, the Group's Board of Directors has ratified Ilkka-Yhtymä Oyj's insider information guidelines, which have been issued to all the company's insiders. Starting from 1 January 2006, the Board of Directors has set the duration of the so-called "closed window" at one (1) month, i.e. insiders may not trade in Ilkka-Yhtymä Oyj shares one month prior to the publication of the financial accounts and interim reports.

In accordance with Insider standard 5.3. regulations of the Securities Market Act, statutory insiders in Ilkka-Yhtymä Oyj include the members of the Board of Directors and the Supervisory Board, the CEO and the auditors. In addition to the above-mentioned statutory insiders, according to a decision by the Board of Directors, permanent public insiders include the members of the Group Executive Team and the members of the Extended Group Executive Team. The company-specific insiders of Ilkka-Yhtymä Oyj include members of the Executive Teams of subsidiaries, and persons from the financial department. When necessary, a project-specific insider register will be maintained concerning large or otherwise significant projects.

The company requires insiders to update the required information as necessary once per year. Insiders are also under obligation to provide notification of changes to information provided earlier within 7 days of the change. The company examines trading by insiders at least once a year using the SIRE system maintained by the Finnish Central Securities Depository Ltd. Information about the holdings of the public insiders of Ilkka-Yhtymä Oyj is available from the SIRE system of the Finnish Central Securities Depository. The address is Urho Kekkosen katu 5 C, Helsinki. The information is also available from the NetSire service of the Finnish Central Securities Depository. Ilkka-Yhtymä Oyj's website has a link to the NetSire service.

In 2006, the closed window periods were set at 20 January-20 February 2006 for the publication of the financial statements bulletin for 2005 and, for the interim reports for 2006, 2 April-2 May 2006, 24 June-24 July 2006 and 23 September-23 October 2006. The corresponding periods for 2007 are 19 January-19 February 2007 for the publication of the financial statements bulletin for 2006 and, for the interim reports for 2007, 2 April-2 May 2007, 23 June-23 July 2007 and 22 September-22 October 2007.

Auditing of the Accounts

In line with the Articles of Association, Ilkka-Yhtymä Oyj has two regular and two deputy auditors.

The 2006 AGM of Ilkka-Yhtymä Oyj elected Ernst & Young Oy, Authorised Public Accountants, as auditors, with Tomi Englund, Authorised Public Accountant and Pekka Kiljunen, Authorised Public Accountant, as regular auditors. Päivi Virtanen, Authorised Public Accountant, and Johanna Winqvist-Ilkka, Authorised Public Accountant were elected as deputy auditors. The supervisory audit was performed by Ernst & Young Oy, Authorised Public Accountants.

In 2006, Ernst & Young Oy received a total of EUR 24,783 for auditing the financial accounts of Ilkka-Yhtymä Group companies, and a total of EUR 38,860 for other auditing.

Supervisory Board

Supervisory Board convened three times during the year. The number of members of the Supervisory Board is 30, two of which are employee representatives.

	Member of the Supervisory Board since	Current term will expire in
Chairman Jaakko Rintala, Lapua, Farmer, Kunnallisneuvos (Finnish honorary title)	1995	2007
Vice Chairman Sari Mutka, Helsinki Financial Administration Assistant, Accountant, FIM Group	2002	2010
Regular Members		
Juha Aho-Pynttäri, Kuortane *) Journalist, Pohjanmaan Lähisanomat Oy	2005	2009
Markku Akonniemi, Töysä Farmer	1985	2009
Kari Aukia, Vaasa Entrepreneur, Kari Aukia Oy	2006	2010
Timo Aukia, Tampere Managing Director, Timo Aukia Oy	1999	2007
Jari Eklund, Helsinki Director, Tapiola General Mutual Insurance Company and Tapiola Mutual Life Assurance Company	1998	2010
Mauri Hietala, Seinäjoki Business Director, City of Seinäjoki	1991	2007
Alpo Joensuu, Kuortane Farmer	1994	2009
Ossi Jäkärä, Vaasa Managing Director, Mainostoimisto Interpolar Oy	1990	2010
Tarja Järvi, Ilmajoki *) Media Secretary, Sanomalehti Ilkka Oy	2005	2009
Heikki Järvi-Laturi, Teuva Farmer	2001	2009
Vesa-Pekka Kangaskorpi, Jyväskylä Counsellor of International Affairs, Parliament	2000	2008
Mari Kiviniemi, Helsinki Member of Parliament	2006	2010
Sakari Kivisaari, Helsinki Chief Financial Officer, Executive Vice President, Thominvest Oy	2006	2010
Yrjö Kopra, Helsinki Managing Director, Alexander Corporate Finance Oy	1998	2010

	Member of the Supervisory Board since	Current term will expire in
Martti Koski, Vaasa Managing Director, retired	2001	2009
Mikko Koskinen, Seinäjoki Sales Director, Pohjola-Yhtymä Oyj	1999	2007
Heikki Kuoppamäki, Ähtäri Farmer	1991	2007
Esa Latva-Rasku, Ilmajoki **) Province Director, Maakuntaneuvos (Finnish honorary title), Etelä-Pohjanmaan Liitto	2001	2009
Juha Mikkilä, Kurikka Business College Graduate, agricultural and forestry entrepreneur	1990	2010
Perttu Rinta, Helsinki Managing Director, Kymppivoima Oy and Kymppivoima Myynti Oy	1999	2007
Ari Rinta-Jouppi, Vähäkyrö Managing Director, Rauno Rinta-Jouppi Oy	1999	2007
Jarmo Rinta-Jouppi, Seinäjoki Managing Director, Jarmo Rinta-Jouppi Oy	2004	2008
Matti Ritamäki, Lapua Senior Juror	1994	2008
Kimmo Simberg, Seinäjoki Managing Director, Etelä-Pohjanmaan Osuuskauppa	2004	2008
Raija Tikkala, Jurva Office Director, Social Insurance Institution	1995	2007
Jukka Tunkkari, Veteli Field Manager, retired	2001	2009
Marja Vettenranta, Laihia Study Coordinator, University of Vaasa	1997	2009
Jyrki Viitala, Seinäjoki Managing Director, Seinäjoen Käyttöauto Oy	2000	2008

*) Employee representative. Employees are represented on the Supervisory Board of Ilkka-Yhtymä Oyj.

**) † 28 November 2006

Board of Directors

There are five members in the Board of Directors.

Veikko Heikkilä,

b. 1939, B.Agr., Kunnallisneuvos (Finnish honorary title), Alavus
Chairman of Ilkka-Yhtymä Oyj's Board of Directors since 1994.

Confidential Posts:
- Member of Ilkka-Yhtymä Oyj's Board of Directors since 1986, Vice Chairman 1986-1994
- Member of Vaasa Oy's Board of Directors since 1995.
- Chairman of the Board of Directors of Sanomalehti Ilkka Oy since 1999.
- Member of Pohjanmaan Lähisanomat Oy's Board of Directors since 1999.
- Chairman of I-print Oy's Board of Directors since 1994.
- Member of Keski-Pohjanmaan Kirjapaino Oyj's Board of Directors since 1997.

Shareholdings: 47,889 shares
Remunerations in 2006 (Group) EUR 31,870.

Jaakko Aukia,

b. 1939, M.Sc. (Econ.), Yrittäjäneuvos (Finnish honorary title), Kurikka
CEO of Jaakko Aukia Oy
Vice Chairman of Ilkka-Yhtymä Oyj's Board of Directors since 1994.

Confidential Posts:
- Member of Ilkka-Yhtymä Oyj's Board of Directors since1985.
- Vice Chairman of Vaasa Oy's Board of Directors since 1992. Chairman since 1994.
- Member of Sanomalehti Ilkka Oy's Board of Directors since 1999.
- Vice chairman of I-print Oy's Board of Directors since 1994.

Shareholdings: 302,474 shares
Remunerations in 2006 (Group) EUR 31,150.

Lasse Hautala,

b. 1963, B. Agr., MP, Kauhajoki
Member of Parliament
Member of Ilkka-Yhtymä Oyj's Board of Directors since 2002

Confidential Posts:
- Member of Sanomalehti Ilkka Oy's Board of Directors since 2002.
- Member of Ilkka-Yhtymä Oyj's Supervisory Board 2000 - 2003.
- Assistant to member of European Parliament 1996 - 2001.
- Member of Fortum Oyj's Supervisory Board since 2004.

Shareholdings: 1,993 shares
Remunerations in 2006 (Group) EUR 7,300

Seppo Paatelainen,

b. 1944, M. Sc. (Agr. & For.), Vuorineuvos (Finnish honorary title), Seinäjoki
Member of Ilkka-Yhtymä Oyj's Board of Directors since 1995-1998, 1999-

Confidential Posts:
- Member of Vaasa Oy's Board of Directors 1995-1998, re-elected in 2000.
- Member of Sanomalehti Ilkka Oy's Board of Directors since 1999.
- Vice Member of Savon Mediat Oy's Board of Directors since 2004.
- Member of Kesko Oyj's Board of Directors since 2006.

Shareholdings: 6,600 shares
Remunerations in 2006 (Group) EUR 7,450

Tapio Savola,

b. 1959, LL.M., Master of Laws trained on the bench, Lappajärvi
Lawyer at Lakiasiaintoimisto Savola & Savola
Member of Ilkka-Yhtymä Oyj's Board of Directors since 1991

Confidential Posts:
- Chairman of Pohjanmaan Lähisanomat Oy's Board of Directors since 1999.
- Member of Sanomalehti Ilkka Oy's Board of Directors since 1999.

Shareholdings: 1,152 shares
Remunerations in 2006 (Group) EUR 14,200

Auditors

Ernst & Young Oy
Authorised Public Accountants

Tomi Englund
Authorised Public Accountant

Pekka Kiljunen
Authorised Public Accountant

Managing Director

Matti Korkiatupa, b. 1955, M.Sc. (Agr. & For.), Seinäjoki
CEO of Ilkka-Yhtymä Oyj since 1999.

Confidential Posts:
Member of Arena Partners Oy's Board of Directors since 2000, Chairman during 2000-2004, Vice Chairman since 2006.
Member of the Board of Directors and Vice Chairman of the South Ostrobothnia Chamber of Commerce 2000-
Member of I-print Oy's Board of Directors since 1999.
Member of Keskipohjanmaan Viestintä Oy's Board of Directors since 1999.
Member of Finnish Newspapers Association's Board of Directors since 2000.
Member of Savon Mediat Oy's Board of Directors since 2003.
Member of Sofor Oy's Board of Directors since 2003.
Member of the Board of Directors of the Finnish Audit Bureau of Circulations 2005 -
Chairman of the circulation and distribution department of the Finnish Newspapers Association 2005 -
Member of the delegation of the Central Chamber of Commerce 2000-
Member of the regional Board of Directors of the Confederation of Finnish Industries 2005 -
Employed earlier as, among other things, Regional Manager at Tapiola Group 1992-1998.

	Member of the Board of Directors since	Current term will expire in
Veikko Heikkilä, Kunnallisneuvos (Finnish honorary title), Alavus, Chairman	1986	2007
Jaakko Aukia, Yrittäjäneuvos (Finnish honorary title), Kurikka, Vice Chairman	1985	2007
Lasse Hautala, Member of Parliament, Kauhajoki	2002	2006
Seppo Paatelainen, Vuorineuvos (Finnish honorary title), Seinäjoki	1999	2007
Tapio Savola, Master of Laws trained on the bench, Lappajärvi	1991	2007

Group Executive Team

The Group Executive Team met 6 times in 2006.

Matti Korkiatupa, Ilkka-Yhtymä Oyj, CEO since 1999
Born in 1955, M.Sc. (Agr. & For.)
Chairman of Executive Team
Shareholdings: 6,012 shares

Paula Anttila, Ilkka-Yhtymä Oyj, Financial Director since 1998
Born in 1952, M.Sc. (Econ.)
Confidential Posts:
Secretary of Ilkka-Yhtymä Oyj's Board of Directors
Finnish Newspapers Association: Member of the business development section
Shareholdings: 450 shares

Sauli Harjamäki, Pohjanmaan Lähisanomat Oy, Director since 1990
Born in 1958, B.Sc.(eng.), Bachelor of Business Administration
Confidential Posts:
Member of Yrittävä Suupohja Oy's Board of Directors
Member of the Board of Directors of Etelä-Pohjanmaan Uusyri-tyskeskus Neuvoa-Antava
Shareholdings: -

Seppo Lahti, I-print Oy, CEO since 2003
Born in 1963, M.Sc. (Eng.)
Confidential Posts:
Finnish Newspapers Association: member of the technology section
Finnish Newspapers Association: member of the printing and materials working group
Shareholdings: -

Päivi Sairo, Vaasa Oy, Director since 2001
Born in 1956, M.Sc. (Econ.)
Confidential Posts:
Finnish Newspapers Association: chairman of the advertising and marketing section
Member of Kärkimedia Oy's Board of Directors
Member of Executive Committee of the association, Vaasan Setlementtiyhdistys
Member of the Vaasa Regional Committee of the association, Liikesivistysrahaston kannatusyhdistys ry
Shareholdings: 2,125 shares

Hannu Uusihauta, Sanomalehti Ilkka Oy, Director since 2002
Born in 1956, Business College Graduate
Shareholdings: 90 shares

Extended Group Executive Team, in addition to the above

The Extended Group Executive Team met 5 times in 2006.

Kari Hokkanen, Sanomalehti Ilkka Oy, Chief Editor of Ilkka since 1980
Born in 1943, Professor (Finnish honorary title)
Confidential Posts:
Chairman of Päätoimittajayhdistys
Chairman of the University Association of South Ostrobothnia
Member of Väli-Suomen Media's Board of Directors
Chairman of the Board of Directors of Keskustan ja Maaseudun Arkistosäätiö
Member of the History Commission of the Centre Party of Finland
Member of Seinäjoki's town council
Chairman of the Centre Party group, the Seinäjoki City Council
Chairman of the County Council of the Regional Council of South Ostrobothnia
Shareholdings: 28,903 shares

Markku Mantila, Vaasa Oy, Chief Editor of Pohjalainen since 2002
Born in 1964, M.Sc. (Pol.)
Confidential Posts:
Member of Väli-Suomen Media Oy's Board of Directors
Finnish Newspapers Association: member of the editorial section
Shareholdings: -

Paula Mahlamäki, Ilkka-Yhtymä Oyj, Head of HR since 1991
Born in 1954, M.Sc. (Econ.)
Shareholdings: 900 shares

Ari Monni, Ilkka-Yhtymä Oyj, Data Administration and Development Manager since 1985
Born in 1958, B.Sc. (Eng.)
Confidential Posts:
Finnish Newspapers Association: member of the technology section
Finnish Newspapers Association: Chairman of the IT and Prepress working group
Finnish Newspapers Association: member of the electronic operations section
Member of the ICT committee of the South Ostrobothnia Chamber of Commerce
Shareholdings: 2,555 shares

Anna-Maija Uitto, I-print Oy, Marketing Manager since 2001
Born in 1952, Correspondent
Shareholdings: -

Ilkka-Yhtymä's Group Structure 1 January 2007

Ilkka-Yhtymä Oyj

Managing Director Matti Korkiatupa
• The Group's parent company

Sanomalehti Ilkka Oy

Managing Director Matti Korkiatupa
Responsible for business operations Hannu Uusihauta

Regional newspaper: Ilkka
Free sheet: Etelä-Pohjanmaa

Vaasa Oy

Managing Director Matti Korkiatupa
Responsible for business operations Päivi Sairo

Regional newspaper: Pohjalainen
Free sheet: Vaasan Ikkuna

Pohjanmaan Lähisanomat Oy

Managing Director Matti Korkiatupa
Responsible for business operations Sauli Harjamäki

Local newspapers:
Härmät, Jurvan Sanomat, Järviseutu,
Suupohjan Sanomat, Viiskunta

I-print Oy

Managing Director Seppo Lahti
• Newspaper printing
• Sheet and digital printing
• Page-making

Locations:
• Seinäjoki • Vaasa

Kiinteistö Oy Seinäjoen Koulukatu 10
Seinäjoen Kassatalo Osakeyhtiö
I-Mediat Oy

The parent company provides the subsidiaries with:
– Financial and investment services, Paula Anttila, Financial Director
– HR services, Paula Mahlamäki, Human Resources Manager
– Development and data management services, Ari Monni, Data Administration and Development Manager
– Real-estate services, Heikki Lehtola, Construction Engineer
– R&D services, Merja Paunikallio, Research Manager

Ilkka-Yhtymä Group Contact Information

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I-PRINT OY
Koulukatu 10, P.O.Box 21, FIN-60101 SEINÄJOKI
Tel. +358 6 418 6750

Email: firstname.lastname@iprint.fi
www.iprint.fi

Newspaper plant I-print
Teollisuustie 24, P.O.Box 21, FIN-60101 SEINÄJOKI
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Fax +358 6 418 6779
Fax +358 6 418 6766/management

I-print Premedia
Koulukatu 10, P.O.Box 21, FIN-60101 SEINÄJOKI
Tel. +358 6 418 6750
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Printing house I-print
Yrittäjäntie 17, P.O.Box 21, FIN-60101 SEINÄJOKI
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I-print Vaskiluoto
Teollisuuskatu 4, P.O.Box 45, FIN-65101 VAASA
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Mainostoimisto Art-Time
I-print Oy 2007