Interim Report 1 Jan.–30 Jun.

2012

ILKKA-YHTYMÄ

Ilkka-Yhtymä Oyj's Interim Report for Q2/2012

JANUARY–JUNE 2012

- Net sales: EUR 23.5 million (EUR 25.3 million), down 7.2%
- Operating profit: EUR 6.0 million (EUR 9.1 million), down 34.9%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 2.9 million (EUR 4.5 million), down 36.2%
- Operating profit totalled 25.3% of net sales, or 12.3% excluding Alma Media and other associated companies (17.9%)
- Pre-tax profits: EUR 4.5 million (EUR 8.8 million), down 48.8%
- Earnings per share: EUR 0.17 (EUR 0.31)
- Equity ratio remained good (55.2%); accelerated repayment of loans by EUR 4.1 million

APRIL–JUNE 2012

- Net sales: EUR 11.7 million (EUR 13.2 million), down 11.0%
- Operating profit: EUR 2.6 million (EUR 5.0 million), down 48.4%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 1.3 million (EUR 2.4 million), down 44.8%
- Operating profit totalled 21.9% of net sales, or 11.3% excluding Alma Media and other associated companies (18.2%)
- Pre-tax profits: EUR 1.9 million (EUR 4.6 million), down 59.4%
- Earnings per share: EUR 0.07 (EUR 0.17)

BUSINESS ENVIRONMENT

In its Economic Bulletin of 19 June 2012, the Ministry of Finance forecast GDP growth of 1.0% for 2012.

In media monitored by TNS Media Intelligence, advertising decreased by 4.9% in June and 3.1% in January–June compared to the corresponding period last year. In January–June, advertising in traditional newspapers fell by 7.7%.

NET SALES AND PROFIT PERFORMANCE

The Group's consolidated net sales for January–June showed a 7.2% decline. Net sales came to EUR 23.5 million (EUR 25.3 million in the corresponding period of the previous year). External net sales from the publishing business fell by 5.8%. Advertising revenues fell by 10% and circulation revenues fell by 0.5%. The decrease in net sales from the publishing business was caused by a weaker advertising market and the income from parliamentary election advertisements included in the comparative figure for 2011. External net sales from the printing business fell by 15.9% due to the decline in volumes. Circulation income accounted for 41% of consolidated net sales, while advertising income and printing income represented 46% and 13%, respectively.

For Q2, net sales decreased by 11% and totalled EUR 11.7 million (EUR 13.2 million). External net sales from the publishing business fell by 10.2%. Advertising revenues fell by 16.2%, and circulation revenues fell by 2.7%. External net sales from the printing business decreased by 15.9%. Circulation income accounted for 40% of consolidated net sales in April–June, while advertising income and printing income represented 46% and 13%, respectively.

Other operating income in January–June totalled EUR 0.2 million (EUR 0.2 million) and in April–June EUR 0.1 million (EUR 0.1 million).

Operating expenses for January–June amounted to EUR 20.8 million (EUR 21.0 million), down by 0.9% year on year. For April–June, operating expenses amounted to EUR 10.5 million (EUR 10.9 million), down 3.5%. For January–June, expenses arising from materials and services decreased by 5.7%. Personnel expenses increased by 2.5% and other operating costs increased by 1.8%. Depreciation contracted by 2.6%.

The share of the associated companies' result for January–June was EUR 3.1 million (EUR 4.6 million). This share was affected by non-recurring expense items recorded in Alma Media's results (EUR 5.3 million) as well as changes in the fair value of a conditional purchase price provision arising from the corporate restructuring of Arena Partners Oy. Consolidated operating profit amounted to EUR 6.0 million (EUR 9.1 million), down by 34.9 per cent year-on-year. The Group's operating margin was 25.3 per cent (36.1%). Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 2.9 million (EUR 4.5 million), representing 12.3% (17.9%) of net sales. Operating profit from publishing fell by EUR 1.4 million, and operating profit from printing fell by EUR 0.3 million.

For April-June, the share of the associated companies' result was EUR 1.2 million (EUR 2.6 million). Consolidated operating profit amounted to EUR 2.6 million (EUR 5.0 million). Operating profit decreased 48.4% from the corresponding period. The Group's operating margin was 21.9% (37.7%) in April-June. Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 1.3 million (EUR 2.4 million), representing 11.3% (18.2%) of net sales. For the second quarter, operating profit from publishing fell by EUR 1.1 million, and operating profit from printing fell by EUR 0.1 million.

Net financial expenses for January–June amounted to EUR 1.4 million (EUR 0.3 million). Net gain/loss on shares held for trading was EUR -0.3 million (EUR -0.4 million). Interest expenses excluding the fair value change in derivatives hedging them totalled EUR 1.2 million (EUR 1.3 million). In order to hedge against interest rate risk, in 2010 the company transformed some of its floating-rate liabilities into fixed-rate liabilities, by means of interest rate swaps. Given that the Group does not apply hedge accounting, unrealised changes in the market value of the interest rate swaps are recognised through profit or loss. In January–June 2012, the market value of these interest rate swaps fell by EUR 0.6 million (in January–June 2011, the market value grew by EUR 0.3 million).

Net financial expenses for April-June amounted to EUR 0.7 million (EUR 0.4 million). Net gain/loss on shares held for trading was EUR -0.4 million (EUR -0.3 million). For Q2, interest expenses excluding the fair value change in derivatives hedging them totalled EUR 0.5 million (EUR 0.6 million). In April–June 2012, the market value of interest rate swaps fell by EUR 0.3 million (in April–June 2011, the market value fell by EUR 0.4 million).

Pre-tax profits for January-June totalled EUR 4.5 million (EUR 8.8 million). Direct taxes amounted to EUR 0.2 million (EUR 0.9 million), and the Group's net profit for the period totalled EUR 4.3 million (EUR 7.9 million). The Group's net profit for the second quarter totalled EUR 1.9 million (EUR 4.2 million).

BALANCE SHEET AND FINANCING

The consolidated balance sheet total came to EUR 183.6 million (EUR 193.7 million), with EUR 98.6 million (EUR 100.0 million) of equity. On the reporting date of 30 June 2012, the balance sheet value of the holding in the associated company Alma Media Corporation was EUR 146.9 million and the market value of the shares was EUR 115.8 million. According to the management's estimate, write-down in this holding is unnecessary.

Interest-bearing liabilities totalled EUR 71.3 million (EUR 80.8 million). The equity ratio was 55.2 per cent (52.9%), and shareholders' equity per share stood at EUR 3.84 (EUR 3.89). The decrease in financial assets for the period totalled EUR 8.9 million (in January–June 2011, the increase in financial assets EUR 4.2 million), with liquid assets at the end of the period totalling EUR 2.0 million (EUR 7.2 million). During the period under review, accelerated repayments of interest-bearing loans amounted to EUR 4.1 million, of which EUR 2.0 million were repayments of the TyEL loan for 2013–2015 (TyEL = the Employees' Pensions Act).

Cash flow from operations for the period came to EUR 6.4 million (EUR 22.1 million). This includes EUR -2.6 million (EUR 6.4 million) from the Group's own operations as well as EUR 9.0 million (EUR 15.7 million) of dividend income from Alma Media Corporation. Due to VAT changes, subscription fees for the Group's regional newspapers for 2012 were exceptionally invoiced in December 2011. Consequently, cash flow from the Group's own operations fell in January–June 2012 compared to the same period in 2011. Cash flow from investments totalled EUR 0.1 million (EUR -3.0 million).

SHARE PERFORMANCE

The Series I shares of Ilkka-Yhtymä Oyj were listed on the Helsinki Stock Exchange in 1981 and have remained listed ever since. The Series II shares have been listed since their issue in 1988, and on 10 June 2002 they were transferred from the I List of the Helsinki Stock Exchange to the Main List. At present, the Series II shares of Ilkka-Yhtymä Oyj are listed on the NASDAQ OMX Helsinki List, in the Consumer Services sector, the company's market value being classified as Mid Cap. The Series I shares are listed on the Pre List.

In January–June, 17,163 series-I shares of Ilkka-Yhtymä Oyj were traded, accounting for 0.4 per cent of the total number of series-I shares. The total value of the shares traded was EUR 0.1 million. In total, 465,443 series-II shares were traded, corresponding to 2.2 per cent of the total number of series II shares. The total value of the shares traded was EUR 3.1 million. The lowest price at which series-I shares of Ilkka-Yhtymä Oyj were traded during the period under review was EUR 7.40, and the highest per-share price was EUR 11.29. The lowest price at which series-II shares were traded was EUR 5.50 and the highest EUR 7.67. The market value of the share capital at the closing rate for the reporting period was EUR 159.5 million.

RISKS AND RISK MANAGEMENT

In the current economic climate, major uncertainties are associated with the predictability of both net sales and operating profit. Ilkka-Yhtymä's most significant short-term risks are related to the development of media advertising as well as circulation and printing volumes, which apply to the entire sector. Other business risks are discussed in more detail in the 2011 Annual Report.

The Group's major financial risks include credit risk, the risk associated with the price of shares held for trading, liquidity risk and the risk of changes in market interest rates applied to the loan portfolio. In order to hedge against interest rate risk, on 21 December 2010 the company transformed some of its floating-rate liabilities to a fixed rate, by means of interest rate swaps. Given that the Group does not apply hedge accounting, changes in the market value of the interest rate swap are recognised through profit and loss. Other financial risks are discussed in more detail in the 2011 Annual Report.

CHIEF EDITOR OF PROVINCIAL PAPER ILKKA

On 1 August 2012, Satu Takala (Master of Arts) assumed her position as Chief Editor of provincial paper Ilkka, which is published by I-Mediat Oy, an Ilkka-Yhtymä Group company. The former Chief Editor Matti Kalliokoski transferred to Helsingin Sanomat.

Takala was previously Managing Editor of the shared editorial unit of Ilkka and Pohjalainen. Prior to this position, she was Managing Director of Väli-Suomen Media Oy and Producer at Sunnuntaisuomalainen in Jyväskylä as well as a journalist for Ilkka.

NEWSPAPER DISTRIBUTION

I-Mediat Oy has signed a three-year follow-up agreement with Itella Posti Oy for the deliveries of subscription newspapers and the development of distribution.

CORPORATE GOVERNANCE AND THE ANNUAL GENERAL MEETING

On 19 April 2012, the Annual General Meeting (AGM) of Ilkka-Yhtymä Oyj approved the financial statements, discharged the members of the Supervisory Board and the Board of Directors and the Managing Director from liability and decided that a per-share dividend of EUR 0.40 be paid for the year 2011.

The number of members on the Supervisory Board for 2012 was confirmed to be 25. Of the Supervisory Board members whose term had come to an end, the following were re-elected for the term ending in 2016: Vesa-Pekka Kangaskorpi (Jyväskylä), Jarmo Rinta-Jouppi (Seinäjoki), Kimmo Simberg (Seinäjoki) and Jyrki Viitala (Seinäjoki). Timo Mäkinen (Seinäjoki) was elected to the Supervisory Board to replace an employee representative who resigned from her position during the term of office. Mäkinen's term will end in 2013.

At the Annual General Meeting it was decided to maintain the payments made to the Chairman of the Supervisory Board and the board members at their current level: the Chairman will receive a retainer of EUR 1,500 per month and a fee of EUR 400 per meeting, and the board members will be paid a fee of EUR 400 per meeting attended. The board members' travel expenses are reimbursed in accordance with the current maximum level specified by the tax authorities.

Ernst & Young Oy, Authorised Public Accountants, was elected as the auditor, with Authorised Public Accountant Tomi Englund as the principal auditor. It was decided that the auditors would be reimbursed per the invoice.

The AGM authorised the Board of Directors to decide upon a donation to be put toward charitable causes or similar, totalling, at maximum, EUR 50,000, as well as to decide upon the recipients, purposes of use, schedules and other terms of these donations.

On 7 May 2012, the Supervisory Board re-elected Timo Aukia, whose term had come to an end, to the Board of Directors of Ilkka-Yhtymä Oyj. Lasse Hautala will continue as chairman of the Supervisory Board, while Perttu Rinta will continue as vice-chairman. At its membership meeting, the Board of Directors re-elected Seppo Paatelainen as its chairman, while Timo Aukia will continue as vice-chairman.

OUTLOOK FOR 2012

In the current economic climate, major uncertainties are associated with the predictability of both net sales and operating profit. Media advertising is forecast to contract in Finland. Due to consumer caution, VAT on circulation revenues and media competition, newspapers' circulation revenues are predicted to decrease. Printing business volumes have declined permanently in Finland and the prospects for growth in the sector are weak.

The net sales of Ilkka-Yhtymä Group are estimated to decrease from the 2011 level.

Group operating profit from Ilkka-Yhtymä's own operations, and operating profit as a percentage of net sales, excluding the share of Alma Media's and other associated companies' results, are estimated to decrease from the 2011 level mainly due to decline in net sales. In addition, the year's results will depend on interest-rate trends and the price performance of securities investments.

The associated company Alma Media Corporation (Group ownership 29.79%) will have a significant impact on Group operating profit and profit.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

DRAFTING PRINCIPLES

This interim report, issued by Ilkka-Yhtymä Group, was prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting standard.

The interim report has been prepared according to the same principles as the 2011 financial statements. New or revised IFRS standards and IFRIC interpretations that become effective in 2012 have also been complied with, as specified in the 2011 financial statements. These changes have not affected the reported figures. The principles and formulae for the calculation of the indicators, presented on page 61 of the 2011 annual report, remain unchanged.

The figures in the interim report have been presented unaudited.

CONSOLIDATED INCOME STATEMENT

EUR 1000	4-6/2012	4-6/2011	Change	1-6/2012	1-6/2011	Change	1-12/2011
NET SALES	**11 734**	13 180	-11 %	**23 496**	25 323	-7 %	49 952
Change in inventories of finished and unfinished products	**14**	2	744 %	**24**	9	167 %	12
Other operating income	**100**	120	-17 %	**209**	232	-10 %	435
Materials and services	**-3 522**	-3 853	-9 %	**-7 098**	-7 530	-6 %	-14 830
Employee benefits	**-4 588**	-4 609	0 %	**-9 158**	-8 932	3 %	-17 275
Depreciation	**-749**	-775	-3 %	**-1 507**	-1 547	-3 %	-3 098
Other operating costs	**-1 660**	-1 661	0 %	**-3 068**	-3 014	2 %	-6 265
Share of associated companies' profit	**1 239**	2 569	-52 %	**3 052**	4 604	-34 %	8 659
OPERATING PROFIT	**2 566**	4 972	-48 %	**5 951**	9 147	-35 %	17 590
Financial income and expenses	**-711**	-397	79 %	**-1 440**	-331	335 %	-3 817
PROFIT BEFORE TAXES	**1 856**	4 575	-59 %	**4 511**	8 815	-49 %	13 773
Income tax	**-4**	-328	-99 %	**-210**	-895	-76 %	-1 098
PROFIT FOR THE PERIOD UNDER REVIEW	**1 852**	4 247	-56 %	**4 300**	7 920	-46 %	12 675
Earnings per share, undiluted (EUR) *)	**0.07**	0.17	-56 %	**0.17**	0.31	-46 %	0.49
The undiluted share average, adjusted for the share issue (to the nearest thousand) *)	**25 665**	25 665		**25 665**	25 665		25 665

*) There are no factor diluting the figure.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	4-6/2012	4-6/2011	Change	1-6/2012	1-6/2011	Change	1-12/2011
PROFIT FOR THE PERIOD UNDER REVIEW	**1 852**	4 247	-56 %	**4 300**	7 920	-46 %	12 675
Other comprehensive income:							
Available-for-sale assets	**-1**	-11	92 %	**-1**	-58	98 %	-517
Share of associated companies' other comprehensive income	**-31**	-97	68 %	**128**	-119	207 %	-53
Income tax related to components of other comprehensive income		3	-92 %		15	-98 %	138
Other comprehensive income, net of tax	**-31**	-105	70 %	**127**	-162	178 %	-432
Total comprehensive income for the period	**1 820**	4 141	-56 %	**4 427**	7 758	-43 %	12 243

CONSOLIDATED BALANCE SHEET

EUR 1000	6/2012	6/2011	Change	12/2011
ASSETS				
NON-CURRENT ASSETS				
Intangible rights	**1 062**	1 262	-16 %	1 120
Goodwill	**314**	314		314
Investment properties	**258**	343	-25 %	295
Property, plant and equipment	**12 551**	14 287	-12 %	13 481
Shares in associated companies	**148 268**	149 977	-1 %	154 097
Available-for-sale financial assets	**10 762**	10 969	-2 %	10 714
Other tangible assets	**214**	214		214
Non-current assets	**173 429**	177 365	-2 %	180 236
CURRENT ASSETS				
Inventories	**661**	638	4 %	602
Trade and other receivables	**4 770**	5 043	-5 %	3 079
Income tax assets	**1 148**	942	22 %	254
Financial assets at fair value through profit or loss	**1 542**	2 445	-37 %	1 902
Cash and cash equivalents	**2 041**	7 224	-72 %	10 926
Current assets	**10 162**	16 292	-38 %	16 762
ASSETS	**183 590**	193 657	-5 %	196 998
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	**6 416**	6 416		6 416
Invested unrestricted equity fund and other reserves	**48 622**	48 959	-1 %	48 623
Retained earnings	**43 563**	44 581	-2 %	49 401
Shareholders' equity	**98 601**	99 956	-1 %	104 440
NON-CURRENT LIABILITIES				
Deferred tax liability	**233**	1 328	-82 %	532
Non-current interest-bearing liabilities	**70 567**	76 101	-7 %	72 438
Non-current interest-free liabilities	**115**			115
Non-current liabilities	**70 916**	77 429	-8 %	73 085
CURRENT LIABILITIES				
Current interest-bearing liabilities	**703**	4 657	-85 %	4 029
Accounts payable and other payables	**12 682**	10 416	22 %	15 383
Income tax liability	**688**	1 199	-43 %	61
Current liabilities	**14 073**	16 272	-14 %	19 473
SHAREHOLDERS' EQUITY AND LIABILITIES	**183 590**	193 657	-5 %	196 998

CONSOLIDATED CASH FLOW STATEMENT

EUR 1000	1-6/ 2012	1-6/ 2011	1-12/ 2011
CASH FLOW FROM OPERATIONS			
Profit for the period under review	**4 300**	7 920	12 675
Adjustments	**90**	-2 040	-683
Change in working capital	**-5 498**	1 479	7 395
Cash flow from operations before finance and taxes	**-1 108**	7 360	19 387
Interest paid	**-782**	-909	-2 491
Interest received	**21**	61	102
Dividends received	**9 107**	15 935	15 955
Other financial items	**-29**	470	322
Direct taxes paid	**-775**	-778	-2 104
Cash flow from operations	**6 435**	22 139	31 171
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	**-400**	-478	-785
Other investments, net	**-49**	-3 273	-3 477
Dividends received from investments	**511**	789	628
Cash flow from investments	**62**	-2 962	-3 633
Cash flow before financing items	**6 497**	19 177	27 538
CASH FLOW FROM FINANCING			
Change in current loans	**-3 238**	-2 273	-6 930
Change in non-current loans	**-1 964**		
Dividends paid and other profit distribution	**-10 179**	-12 727	-12 728
Cash flow from financing	**-15 382**	-14 999	-19 658
Increase(+) or decrease (-) in financial assets	**-8 885**	4 177	7 879
LIQUID ASSETS AT THE BEGINNING OF THE FINANCIAL PERIOD	**10 926**	3 047	3 047
LIQUID ASSETS AT THE END OF THE FINANCIAL PERIOD	**2 041**	7 224	10 926

GROUP KEY FIGURES

	6/2012	6/2011	12/2011
Earnings/share (EUR)	**0.17**	0.31	0.49
Shareholders' equity/share (EUR)	**3.84**	3.89	4.07
Average number of personnel	**335**	339	341
Investments (EUR 1,000) *)	**531**	3 902	4 414
Interest-bearing debt (EUR 1,000)	**71 270**	80 758	76 467
Equity ratio, %	**55.2**	52.9	55.5
Adjusted average number of shares during the period	**25 665 208**	25 665 208	25 665 208
Adjusted number of shares on the balance sheet date	**25 665 208**	25 665 208	25 665 208

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

Taxes included in the income statement are taxes corresponding to the result for the period under review.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

EUR 1000	Share capital	Fair value reserve	Invested unrestricted equity fund	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1-6/2011						
Shareholders' equity 1.1.	6 416	480	48 498	24	49 612	105 030
Comprehensive income for the period		-43			7 801	7 758
Dividend distribution					-12 833	-12 833
SHAREHOLDERS' EQUITY TOTAL 06/2011	**6 416**	**437**	**48 498**	**24**	**44 581**	**99 956**

EUR 1000	Share capital	Fair value reserve	Invested unrestricted equity fund	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1-6/2012						
Shareholders' equity 1.1.	6 416	101	48 498	24	49 401	104 440
Comprehensive income for the period		-1			4 428	4 427
Dividend distribution					-10 266	-10 266
SHAREHOLDERS' EQUITY TOTAL 06/2012	**6 416**	**100**	**48 498**	**24**	**43 563**	**98 601**

GROUP CONTINGENT LIABILITIES

EUR 1000	6/2012	6/2011	12/2011
COLLATERAL PLEDGED FOR OWN COMMITMENTS			
Mortgages on company assets	**1 245**	1 245	1 245
Mortgages on real estate	**8 801**	8 801	8 801
Pledged shares	**68 218**	89 280	81 332
CONTINGENT LIABILITIES ON BEHALF OF ASSOCIATED COMPANY			
Guarantees	**4 182**	2 458	2 767

SEGMENT INFORMATION

EUR 1000	4-6/2012	4-6/2011	Change	1-6/2012	1-6/2011	Change	1-12/2011
NET SALES BY SEGMENT							
Publishing							
External	**10 221**	11 381	-10 %	**20 495**	21 751	-6 %	43 217
Inter-segments	**34**	28	18 %	**64**	55	17 %	101
Publishing total	**10 255**	11 409	-10 %	**20 559**	21 806	-6 %	43 318
Printing							
External	**1 512**	1 799	-16 %	**3 002**	3 571	-16 %	6 734
Inter-segments	**1 967**	2 140	-8 %	**4 001**	4 220	-5 %	8 501
Printing total	**3 479**	3 939	-12 %	**7 003**	7 791	-10 %	15 235
Non-allocated							
External		1	-100 %		2	-100 %	2
Inter-segments	**534**	501	7 %	**1 068**	1 003	7 %	2 000
Non-allocated total	**534**	502	6 %	**1 068**	1 004	6 %	2 002
Elimination	**-2 535**	-2 670	-5 %	**-5 133**	-5 278	-3 %	-10 603
Group net sales total	**11 734**	13 180	-11 %	**23 496**	25 323	-7 %	49 952

EUR 1000	4-6/2012	4-6/2011	Change	1-6/2012	1-6/2011	Change	1-12/2011
OPERATING PROFIT BY SEGMENT							
Publishing	**1 207**	2 279	-47 %	**2 563**	3 987	-36 %	7 697
Printing	**312**	396	-21 %	**654**	946	-31 %	1 953
Associated companies	**1 239**	2 569	-52 %	**3 052**	4 604	-34 %	8 659
Non-allocated	**-192**	-272	29 %	**-318**	-391	19 %	-719
Group operating profit total	**2 566**	4 972	-48 %	**5 951**	9 147	-35 %	17 590

EUR 1000	6/2012	6/2011	Change	12/2011
ASSETS BY SEGMENT				
Publishing	**14 498**	15 513	-7 %	15 630
Printing	**10 857**	12 176	-11 %	10 912
Non-allocated	**158 236**	165 968	-5 %	170 456
Group assets total	**183 590**	193 657	-5 %	196 998

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-6/2012	1-6/2011	Change	1-12/2011
Carrying amount at the beginning of the financial period	**13 481**	15 150	-11 %	15 150
Increase	**339**	451	-25 %	1 042
Decrease		-14	-100 %	-128
Depreciation for the financial period	**-1 269**	-1 300	-2 %	-2 582
Carrying amount at the end of the financial period	**12 551**	14 287	-12 %	13 481

RELATED PARTY TRANSACTIONS

The following related party transactions were carried out:

EUR 1000	6/2012	6/2011	12/2011
SALES OF GOODS AND SERVICES			
To associated companies	**171**	153	322
To other related parties	**406**	485	935
PURCHASES OF GOODS AND SERVICES			
From associated companies	**279**	263	530
From other related parties	**2**	54	56
TRADE RECEIVABLES			
From associated companies	**22**	23	18
From other related parties	**48**	60	55
ACCOUNTS PAYABLE			
To associated companies	**45**	10	9

Transactions with related parties are conducted at fair market prices.

EUR 1000	6/2012	6/2011	12/2011
EMPLOYEE BENEFITS TO MANAGEMENT			
Salaries and other short-term employee benefits	**490**	402	831

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

GENERAL STATEMENT

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

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director

ILKKA-YHTYMÄ

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