ILKKA-YHTYMÄ

Interim Report

1 Jan. – 30 Sep. 2009

Ilkka-Yhtymä Oyj's Interim Report for Q3/2009

JANUARY-SEPTEMBER 2009

- Net sales: EUR 36.0 million (EUR 40.9 million), down 12.0%
- Operating profit: EUR 6.9 million (EUR 8.1 million), down 14.5%
- Operating profit excluding Alma Media: EUR 5.8 million (EUR 8.1 million), down 28.4%
- Operating profit 19.3% of net sales; 16,1% when excluding Alma Media (19.8%)
- Pre-tax profit: EUR 10.0 million (EUR 14.1 million), down 29.2%
- Earnings per share: EUR 0.43 (EUR 0.64)

JULY-SEPTEMBER 2009

- Net sales: EUR 11.4 million (EUR 13.3 million), down 14.4%
- Operating profit: EUR 2.8 million (EUR 2.7 million), up 1.2%
- Operating profit excluding Alma Media: EUR 1.6 million (EUR 2.7 million), down 40.0%
- Operating profit 24.3% of net sales; 14.4% when excluding Alma Media (20.6 %)
- Pre-tax profit: EUR 2.9 million (EUR 2.1 million), up 37.6%
- Earnings per share: EUR 0.13 (EUR 0.08)

At its meeting of 9 November 2009, the Ilkka-Yhtymä Oyj Board of Directors decided that it would not exercise its authorisation to pay additional dividends for the financial year 2008.

On 10 August 2009, Ilkka-Yhtymä Oyj purchased a total of 7,500,000 shares in Alma Media Corporation at a per-share price of EUR 4.75. Following the purchase, Ilkka-Yhtymä Oyj's holding in Alma Media Corporation increased to 20.4% and Alma Media Corporation thus became an associated company of Ilkka-Yhtymä Oyj. The purchase of shares in Alma Media was financed on a temporary basis through a debt-financing-type short-term loan arrangement. In order to repay the temporary financing and to strengthen the Company's capital structure, Ilkka-Yhtymä Oyj carried out a share issue which raised approximately EUR 38.5 million, excluding the expenses entailed by the issue. In the Group income statement, Ilkka-Yhtymä Oyj's share of Alma Media Corporation's profit is included in the Group's operating profit.

NET SALES AND PROFIT PERFORMANCE

The Group's consolidated net sales for January–September showed a 12.0% decline. Net sales came to EUR 36.0 million (EUR 40.9 million in the corresponding period of the previous year). External net sales from the publishing business fell by 11.7%. Advertising revenues fell 20.9%, while circulation revenues grew by 2.0%. External net sales from the printing business fell by 13.5%. Circulation income accounted for 40% of consolidated net sales, while advertising income and printing income represented 41% and 19%, respectively.

For Q3, net sales fell by 14.4% and totalled EUR 11.4 million (EUR 13.3 million). External net sales from the publishing business fell by 13.0%, and advertising revenues fell by 24.2%. Circulation revenues, by contrast, grew by 1.5%. External net sales from the printing business fell by 20.3%. Circulation income accounted for 42% of consolidated net sales in July-September, while advertising income and printing income represented 39% and 18%, respectively.

Other operating income in January–September totalled EUR 0.3 million (EUR 0.5 million) and in July-September EUR 0.1 million (EUR 0.1 million).

Operating expenses for January–September amounted to EUR 30.5 million (EUR 33.3 million), down by 8.6% year on year. For July-September, operating expenses amounted to EUR 9,8 million (EUR 10.7 million), down 7.8%. Not counting depreciation included in the operating expenses, all other expenses were reduced during the reporting period and in the third quarter. As a result of co-determination negotiations conducted in Ilkka-Yhtymä Group in March, arrangements concerning holiday pay were negotiated with the staff. These arrangements are expected to yield cost savings of approximately EUR 1 million and, with EUR 0.9 million of these recorded by the end of the period under review. Expenses from materials and services and other operating costs decreased as a result of a reduction in volumes, and measures taken to enhance business efficiency.

Consolidated operating profit for the period under review came to EUR 6.9 million (EUR 8.1 million), accounting for 19.3 per cent (19.8 per cent) of net sales. Operating profit from publishing totalled EUR 4.1 million (EUR 6.7 million), declining by 39.2%, while operating profit from printing attained EUR 2.1 million (EUR 2.1 million), growing by 1.3%. Group operating profit for the period, non-allocated to segments, includes EUR 1.1 million representing the share of the associated company Alma Media Corporation's profit. Operating profit excluding Alma Media came to EUR 5.8 million (EUR 8.1 million). Group operating profit in July–September totalled EUR 2.8 million (EUR 2.7 million), representing 24.3% (20.6%) of net sales. During Q3, operating profit from publishing amounted to EUR 1.1 million (EUR 2.1 million), down 46.2%, while operating profit from printing came to EUR 0.7 million (EUR 0.7 million), down 6.1%. Group operating profit for July-September, non-allocated to segments, includes EUR 1.1 million representing the share of the associated company Alma Media Corporation's profit. Operating profit excluding Alma Media totals EUR 1.6 million (EUR 2.7 million).

Net financial income for January–September amounted to EUR 3.0 million (EUR 5.9 million), with financial assets at fair value through profit or loss accounting for EUR 0.8 million (a negative EUR 0.5 million). Financial income for the period includes EUR 2.3 million (EUR 6.9 million) in dividend income from Alma Media Corporation. Interest expenses totalled EUR 0.8 million (EUR 1.1 million). Net financial income for July–September amounted to EUR 0.2 million (EUR 0.6 million to the negative), financial assets at fair value through profit or loss accounting for EUR 0.4 million of this (EUR 0.1 million of the loss). Interest expenses for July–September amounted to EUR 0.3 million (EUR 0.5 million).

The share of other associated companies' profit for January-September totalled EUR 0.03 million (EUR 0.07 million). Pre-tax profits totalled EUR 10.0 million (EUR 14.1 million). Direct taxes amounted to EUR 1.6 million (EUR 1.7 million), and the Group's net profit for the period totalled EUR 8.4 million (EUR 12.4 million). The Group's net profit for July–September totalled EUR 2.5 million (EUR 1.6 million).

BALANCE SHEET AND FINANCING

The consolidated balance sheet total came to EUR 151.0 million (EUR 105.4 million), with EUR 97.2 million (EUR 48.1 million) of equity. The equity ratio was 66.2 per cent (47.5 per cent). During Q3, Ilkka-Yhtymä Oyj carried out a share issue which raised approximately EUR 38.5 million, excluding the expenses entailed by the issue. Since Ilkka-Yhtymä's holding in Alma Media changed and resulted in the latter becoming an associated company on 10 August 2009, the valuation loss (EUR 31.5 million) on available-for-sale shares assigned in the fair value reserve under shareholders' equity was transferred to shares in associated companies, not recognised through profit or loss. Following this, shares in associated companies are reported at cost and shareholders' equity was increased by the amount transferred. On the reporting date of 30 September 2009, the market value of the holding in Alma Media Corporation exceeded its purchase price.

The purchase of shares in Alma Media was financed on a temporary basis through a debt-financing-type short-term loan arrangement. This temporary financing was repaid at the end of September. Interest-bearing liabilities at the end of the period totalled EUR 40.0 million (EUR 43.5 million). Cash and cash equivalents amounted to EUR 8.5 million (EUR 3.3 million). Cash flow from operations for the period came to EUR 11.3 million (EUR 10.0 million). Cash flow from investments totalled EUR –34.3 million (EUR –48.2 million).

CAPITAL EXPENDITURE

Ilkka-Yhtymä Group's capital expenditure during January-September amounted to EUR 36.7 million (EUR 55.7 million). The acquisition of Alma Media Corporation's shares accounted for the majority of capital expenditure in 2009 and in 2008. The purchase price for Alma Media Corporation's shares was approximately EUR 35.6 million (EUR 51.8 million).

ACQUISITION OF ALMA MEDIA CORPORATION'S SHARES AND SHARE ISSUE

On 1 July 2009, Ilkka-Yhtymä signed a conditional agreement with Skandinaviska Enskilda Banken AB (publ)'s Helsinki branch ("SEB") regarding the purchase of an aggregate of 7,500,000 shares in Alma Media Corporation at a per share price of EUR 4.75. The purchase was conditional upon the approval by the Ilkka-Yhtymä Extraordinary General Meeting (EGM) held on 10 August 2009 of an authorisation to issue new shares in the company for refinancing the share purchase, as well as certain technical amendments to the Company's Articles of Association. The EGM's decisions observed the proposals made by the Board of Directors and the share purchase between Ilkka-Yhtymä and SEB was executed as planned through the OMX Nordic Exchange Helsinki, on the same day of 10 August 2009. Following the purchase, Ilkka-Yhtymä Oyj's holding in Alma Media Corporation increased to 20.4% of shares and voting rights, and Alma Media Corporation thus became an associated company of Ilkka-Yhtymä Oyj. The purchase of shares in Alma Media was financed on a temporary basis through a debt-financing-type short-term loan arrangement.

Under the EGM's authorisation granted on 10 August 2009, the Board of Directors of Ilkka-Yhtymä Oyj decided on 28 August 2009 upon a new share issue, conducted during 7-25 September 2009. In the share issue, a total of 10,999,375 new series-II shares were issued and directed primarily at the company's shareholders. These shares were first offered to Ilkka-Yhtymä's shareholders, in accordance with Article 2 of the Articles of Association, granting the current holders of Ilkka-Yhtymä's series-I or series-II shares a preemptive right to subscribe for the new shares issued.

As part of the share issue, Ilkka-Yhtymä's staff was also reserved, subject to certain conditions, a right to subscribe for a maximum of 100,000 newly issued shares if any were left unsubscribed due to subscription rights. In accordance with the share issue's conditions, other shareholders and other investors also had the possibility, in a secondary share issue, to subscribe for issued shares which were still unsubscribed.

The per-share subscription price was EUR 3.63, and since all shares offered for subscription in the issue were subscribed for, Ilkka-Yhtymä raised a gross total of EUR 39.9 million through the share issue. Net capital gains generated from the share issue (approximately EUR 38.5 million) were used by Ilkka-Yhtymä to repay the temporary debt financing used for the purchase of shares in Alma Media Corporation and to strengthen the Company's capital structure.

The 10,999,375 new series-II shares of Ilkka-Yhtymä Oyj subscribed for in the share issue were registered in the Finnish Trade Register on 6 October 2009. Following this registration, the total number of Ilkka-Yhtymä's shares amounts to 25,665,208. The number of series-I shares listed on NASDAQ OMX Helsinki Ltd's Pre List is 4,304,061, while the series-II shares listed on NASDAQ OMX Helsinki Ltd's List number 21,361,147. Following the registration of new shares, Ilkka-Yhtymä's share capital totals EUR 6,416,302. Regarding the recognition of gains raised with the share issue, the portion corresponding to share nominal value, i.e. EUR 0.25, is recorded in share capital and the portion exceeding nominal value, i.e. EUR 3.38, is reported under invested unrestricted equity fund. As of the date of registration 6 October 2009, the holders of new shares are entitled to a dividend or share of other funds distributed by the company and will benefit from other shareholders' rights.

Trading in provisional shares corresponding to shares subscribed for based on subscription rights was initiated in their own class in 28 September 2009. These provisional shares were consolidated in Ilkka-Yhtymä Oyj's series-II shares on 6 October 2009 when the shares subscribed for in the share issue were registered in the Finnish Trade Register. Trading in the new registered series-II shares began on NASDAQ OMX Helsinki Ltd's List, together with Ilkka-Yhtymä's old series-II shares, on 7 October 2009.

TRADING IN SHARES

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

During January-September, a total of 53,591 of Ilkka-Yhtymä Oyj's series-I shares were traded, their value totalling EUR 0.5 million. The number of series-II shares traded was 1,580,876, representing EUR 11.6 million in value.

Regarding Ilkka-Yhtymä's share issue, trading in provisional shares corresponding to shares subscribed for based on subscription rights began in their own class on 28 September 2009. A total of 56,125 of these provisional series-II shares, accounting for EUR 0.3 million, were traded.

The lowest quotation for Ilkka-Yhtymä Oyj's series-I share during the period was EUR 5.60 and the highest EUR 10.00. For the series-II share, the lowest quotation was EUR 5.03 and the highest EUR 8.75. The provisional series-II share attained a low of EUR 5.80 and the high of EUR 6.00. Ilkka Yhtymä's shares registered on 30 September 2009 totalled 14,665,833. Due to the share issue, Ilkka-Yhtymä Oyj's share total grew to 25,665,208. The 10,999,375 new Series II shares subscribed in the share issue were entered in the trade register on 6 October 2009.

PERSONNEL

During the period under review, the Group employed approximately 371 (398) persons.

Arno Ahosniemi, who had assumed the duties of Chief Editor of the newspaper Pohjalainen in the beginning of June, was invited as Chief News Editor and Deputy Editor-in-Chief in Kauppalehti as of 1 September 2009. For Pohjalainen, Kalle Heiskanen was selected as its new Editor-in-Chief. He is currently functioning as third chief editor in Turun Sanomat and is also heading the shared editorial department of Turun Sanomat, Väli-Suomen Media and Kaleva located in Helsinki. Kalle Heiskanen will take up his duties as Pohjalainen's Editor-in-Chief in early 2010.

As a result of cooperation negotiations conducted in Ilkka-Yhtymä in March, arrangements concerning holiday bonuses were agreed together with the personnel. These arrangements are expected to yield cost savings of approximately EUR 1 million, with EUR 0.9 million of these recorded by the end of the period under review. In addition to this, in Ilkka-Yhtymä Group's production company I-print Oy, the negotiations entailed the dismissal of 6 employees on production-related grounds.

In the spring of 2009, Ilkka-Yhtymä launched a Group-wide development programme for 2010-2011 in order to prepare for the weakening market conditions caused by the prolonged recession.

In May, Ilkka-Yhtymä Oyj's Board of Directors decided to consolidate the Group's publishing operations, currently being carried out in three different companies, into one company whose principal offices will continue to remain in Vaasa and Seinäjoki, as of the beginning of 2010. Local newspapers will continue their operations in their respective circulation areas.

The long-term printing contract between Ilkka-Yhtymä's printing house I-print Oy and HSS Media Ab will expire on 31 December 2009. Consequently, I-print Oy initiated cooperation negotiations on 31 August 2009 with the purpose of closing down the operations of the Vaasa printing unit responsible for printing HSS Media Ab's papers (e.g. Vasabladet) and in order to centralise printing operations in Seinäjoki by early 2010. The cooperation negotiations ended on 22 October 2009, affecting 18 employees in I-print Oy's printing and maintenance team in Vaasa. As a result of these negotiations, three employees will retire and seven will be dismissed.

At this stage in the term of the contract, HSS Media's newspapers have annually accounted for around 10% of I-print Oy's net sales. During the last two years, their share of I-print Oy's net sales has been around 15% and some 5% of Ilkka-Yhtymä Group's net sales.

CORPORATE GOVERNANCE AND SHAREHOLDERS' MEETINGS

On 27 April 2009, the Annual General Meeting of Ilkka-Yhtymä Oyj approved the financial statements, discharged the managing director and the members of the Supervisory Board and Board of Directors from liability, and decided that a per share dividend of EUR 0.30 shall be paid for the 2008 financial year.

In accordance with Chapter 13, section 6, subsection 2 of the Finnish Limited Liability Companies Act, the Annual General Meeting authorised the Board to decide upon the distribution of additional dividends of a maximum of EUR 0.20 per share. The total dividend for the 2008 financial year under this authorisation may be no more than EUR 0.50 per share. The authorisation includes the right of the Board of Directors to decide upon all other conditions pertaining to the distribution of dividends. The authorisation will be valid until the next ordinary annual general meeting of shareholders. At its meeting of 9 November 2009, the Ilkka-Yhtymä Oyj Board of Directors decided that it would not exercise its authorisation to pay additional dividends for the financial year 2008.

The number of members of the Supervisory Board for 2009 was confirmed to be 27. Of the Supervisory Board members whose term had come to an end, the following were re-elected for the term ending in 2013: Markku Akonniemi of Töysä, Alpo Joensuu of Kuortane, Heikki Järvi-Laturi of Teuva, Petri Latva-Rasku from Tampere, and Marja Vettenranta of Laihia. Ylivieska's Juhani Hautamäki and employee representatives Petri Taipale and Seija Peitso (both of Seinäjoki) were elected as new members of the Supervisory Board.

At the Annual General Meeting, the decision was taken to maintain the payments made to the chairman and other members of the Supervisory Board at their current level: the chairman will receive a retainer of EUR 1,000 per month and a fee of EUR 350 per meeting, and the other members will be paid a fee of EUR 350 per meeting attended. 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 accountants Tomi Englund and Marja Huhtala as the chief auditors. Authorised public accountants Päivi Virtanen and Johanna Winqvist-Ilkka were elected as deputy auditors. It was decided that the auditors would be reimbursed per their invoice.

The Annual General Meeting decided that the Group's 31 December 2008 reserve fund would be reduced by EUR 12,837,354.95. The amount of the reduction will be transferred to the invested non-restricted equity fund. After the reduction, the reserve fund's value will amount to zero. The reduction of the reserve fund requires a notice and registration procedure as per Chapter 14, sections 3–5 of the Finnish Limited Liability Companies Act. Under the authorisation granted by the National Board of Patents and Registration of Finland, the decision on reserve fund reduction was implemented in September.

On 25 May 2009, the Supervisory Board re-elected Sari Mutka, whose term had come to an end, to the Board of Directors of Ilkka-Yhtymä Oyj. Heikki Kuoppamäki 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.

On 1 July 2009, Ilkka-Yhtymä signed a conditional agreement with Skandinaviska Enskilda Banken AB (publ)'s Helsinki branch ("SEB") regarding the purchase of an aggregate of 7,500,000 shares in Alma Media Corporation. The purchase of Alma Media shares agreed on was conditional upon approval by the Ilkka-Yhtymä Extraordinary General Meeting (EGM), held on 10 August 2009, of an authorisation in line with the Board's proposals to issue new shares in the company for refinancing the share purchase, as well as certain technical amendments to the Company's Articles of Association.

Ilkka-Yhtymä Oyj's EGM of 10 August 2009 decided to authorise the Board of Directors to decide upon one rights issue, as proposed by the Board.

In accordance with the proposal by the Board of Directors, the EGM decided to amend Article 2 of the Articles of Association to modify the regulation on minimum and maximum amounts of shares belonging to different series of shares. In addition, pursuant to the Board's proposal, the EGM decided that the regulation concerning the minimum period of invitation to a general meeting, included in paragraph 1 of Article 11 of the Articles of Association, would be amended due to the amendment of the Limited Liability Companies Act.

Based on the EGM's decisions of 10 August 2009, the purchase of shares in Alma Media Corporation was conducted through the OMX Nordic Exchange Helsinki on the same day.

RISKS AND RISK MANAGEMENT

The general economic uncertainty and recession continue to affect volumes in the media advertising and printing business to a greater extent than in 2008. Apart from the actual decline in media advertising, no other significant risks are predicted in the near future for the publishing and printing business. Other business risks are discussed in more detail in the 2008 Annual Report.

The Group has EUR 40.0 million in interest-bearing loans, EUR 37.7 million of which are long-term. The interest rate risk is controlled by taking out both fixed-rate and floating-rate loans. On 30 September 2009, the interest on 26% of the loans was fixed-rate and floating-rate on 74% of them. The loans' maturity ranges from four to six years. A change of one percentage point in the interest rate would affect the Group's financial expenses by EUR 0.3 million.

Ilkka-Yhtymä's holding in Alma Media shares exposes it to risks associated with, for instance, Alma Media's profit performance, its dividend policy and share performance and any risks arising from changes in Alma Media's ownership structure, as well as the risk associated with the holding's impact on Ilkka-Yhtymä's own profit performance and share performance. Any impairment of Ilkka-Yhtymä's holding in Alma Media Corporation is regularly monitored.

FLAGGING ANNOUNCEMENTS

As a result of a share purchase completed on 14 July 2009, Keskisuomalainen Oyj's holding in Ilkka-Yhtymä Oyj's share capital increased to 5.4378 per cent of share capital and 0.8269 per cent of voting rights.

On 28 August 2009, Ilkka-Yhtymä received flagging announcements from Nordea Bank AB, Tapiola General Mutual Insurance Company and Ilmarinen Mutual Pension Insurance Company. Pursuant to the underwriting guarantee agreement associated with

Ilkka-Yhtymä Oyj's share issue signed on 28 August 2009, Nordea Bank Finland Plc, Ilmarinen Mutual Pension Insurance Company and Tapiola General Mutual Insurance Company committed to subscribing for any shares issued that were not subscribed for upon the actualisation of the share issue, in accordance with normal terms. In their flagging announcements, each of the above-mentioned parties guaranteeing underwriting reported the holding accruing to it in the case of the full actualisation of the underwriting guarantee it had granted for the share issue.

On 6 October 2009, Ilkka-Yhtymä declared that it had received flagging announcements from each of the above-mentioned parties providing underwriting guarantees. Since Ilkka-Yhtymä's share issue was oversubscribed, the underwriting guarantee associated with the issue provided by Nordea Bank Finland Plc, Ilmarinen Mutual Pension Insurance Company and Tapiola General Mutual Insurance Company was not used.

In its announcement, Nordea Bank AB stated that its Finnish subsidiary Nordea Bank Finland Plc did not receive any of Ilkka-Yhtymä's series-II shares for subscription based on the underwriting guarantee referred to in the flagging announcement of 28 August 2009. According to the flagging announcement, Nordea Group did not own any of Ilkka-Yhtymä Oyj's shares.

Prior to the share issue, Ilmarinen Mutual Pension Insurance Company and Tapiola General Mutual Insurance Company each owned less than 1/20 of Ilkka-Yhtymä Oyj's shares and voting rights. Each of them had separately committed to participating in Ilkka-Yhtymä Corporation's share issue, providing both a subscription commitment and underwriting guarantee. On 6 October 2009, both Tapiola General Mutual Insurance Company and Ilmarinen Mutual Pension Insurance Company announced, respectively, that following the subscriptions carried out during the share issue their holdings in Ilkka-Yhtymä Oyj remained under 1/20, both in terms of shares and voting rights, since the underwriting guarantee had not been exercised.

OUTLOOK FOR 2009

In 2009, media advertising will decline in Finland as a result of the recession. In spite of consumer wariness, newspapers' circulation income is predicted to enjoy slight growth due to price increases. Printing volumes have fallen as reduced media advertising leads to reductions in numbers of pages. Declining printing volumes have entailed even tougher competition.

The net sales of Ilkka-Yhtymä Group will decrease as the recession cuts demand for publishing and printing services.

Group operating profit from Ilkka-Yhtymä's own operations and operating profit as a percentage of net sales, excluding the share of the associated company Alma Media's profit, are expected to decrease significantly in spite of the ongoing enhancement measures.

In addition, the year's results will depend on interest-rate trends, any trading in securities and the price performance of securities investments. The profit for the entire financial year will remain weaker than in 2008.

The associated company Alma Media Corporation has a significant impact on Group operating profit and profit.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

REPORTING

Ilkka-Yhtymä Group's interim report has been prepared in compliance with the recognition and measurement principles of IFRS but not in compliance with all IAS 34 requirements.

Operating profit

In the Group's financial reporting, the share of the associated company Alma Media Corporation's profit is included in operating profit.

The Group has since 1 January 2009 complied with the following new or updated standards:

- IFRS 8 Operating Segments. The Group's operating segments continue to be Publishing and Printing. From 1 January 2009, assets allocated to the segments and associated income were changed to correspond to internal reporting, in accordance with IFRS 8. Following this change, certain properties will no longer be allocated to operating segments; instead, they shall be assigned to the non-allocated group. The share of the associated company Alma Media Corporation's profit is also included under non-allocated. The 2008 reference data for segment information have been corrected to match the new accounting principles.
- IAS 1 Presentation of Financial Statements. The changes will have an impact on the way the income statement and the changes in shareholders' equity have been presented.
- IAS 23 Borrowing Costs. The change has no impact on the interim report.

In other respects, the interim report was compiled in compliance with the same accounting principles as the previous financial reports. The principles and formulae for calculation of the indicators, presented on page 63 of the 2008 annual report, remain unchanged.

The figures in the interim report have been presented unaudited.

CONSOLIDATED INCOME STATEMENT

(EUR 1000)	7-9/2009	7-9/2008	Change	1-9/2009	1-9/2008	Change	1-12/2008
NET SALES	**11 393**	13 309	-14 %	**36 014**	40 941	-12 %	55 384
Change in inventories of finished and unfinished products	**3**	10	-69 %	**-5**	9	-157 %	-1
Other operating income	**91**	95	-4 %	**285**	498	-43 %	626
Materials and services	**-3 791**	-4 146	-9 %	**-11 600**	-12 463	-7 %	-17 082
Employee benefits	**-3 868**	-4 099	-6 %	**-12 201**	-13 459	-9 %	-18 016
Depreciation	**-788**	-725	9 %	**-2 389**	-2 142	12 %	-2 961
Other operating costs	**-1 398**	-1 703	-18 %	**-4 292**	-5 268	-19 %	-7 221
Share of associated company's result	**1 130**			**1 130**			
OPERATING PROFIT	**2 773**	2 741	1 %	**6 942**	8 116	-14 %	10 728
Financial income and expenses	**162**	-626	126 %	**3 018**	5 928	-49 %	4 840
Share of associated companies' results	**10**	26	-62 %	**34**	68	-50 %	48
PROFIT BEFORE TAXES	**2 945**	2 141	38 %	**9 993**	14 112	-29 %	15 616
Income tax	**-465**	-570	-18 %	**-1 568**	-1 683	-7 %	-2 086
PROFIT FOR THE PERIOD UNDER REVIEW	**2 480**	1 571	58 %	**8 426**	12 429	-32 %	13 530
Earnings per share, undiluted (EUR) *)	**0.13**	0.08	55 %	**0.43**	0.64	-33 %	0.70
The undiluted share average, adjusted for the share issue (to the nearest thousand)*	19 653	19 308		19 424	19 308		19 308

*) There are no factor diluting the figure.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1000)	7-9/2009	7-9/2008	Change	1-9/2009	1-9/2008	Change	1-12/2008
PROFIT FOR THE PERIOD UNDER REVIEW	**2 480**	1 571	58 %	**8 426**	12 429	-32 %	13 530
Other comprehensive income:							
Available-for-sale assets	**695**	-4 190	-117 %		-18 376	-100 %	-42 562
Share of associated companies' other comprehensive income	**152**			**152**			
Income tax related to components of other comprehensive income		1 089	-100 %		4 778	-100 %	2 874
Other comprehensive income, net of tax	**847**	-3 101	-127 %	**152**	-13 599	-101 %	-39 688
Total comprehensive income for the period	**3 327**	-1 530	-317 %	**8 578**	-1 170	-833 %	-26 158

CONSOLIDATED BALANCE SHEET

(EUR 1000)	9/2009	9/2008	Change	12/2008
ASSETS				
NON-CURRENT ASSETS				
Intangible rights	**1 128**	727	55 %	723
Goodwill	**314**	314		314
Investment properties	**450**	561	-20 %	531
Property, plant and equipment	**17 879**	19 911	-10 %	19 805
Shares in associated companies	**107 267**	554	19262 %	533
Available-for-sale financial assets	**5 352**	68 814	-92 %	43 316
Non-current trade and other receivables	**58**	39	49 %	39
Other tangible assets	**214**	214		213
Deferred tax asset		1 904		
Non-current assets	**132 662**	93 038	43 %	65 476
CURRENT ASSETS				
Inventories	**606**	885	-32 %	930
Trade and other receivables	**5 292**	4 118	28 %	3 287
Income tax assets	**1 641**	2 523	-35 %	2 030
Financial assets at fair value through profit or loss	**2 335**	1 547	51 %	2 285
Cash and cash equivalents	**8 503**	3 314	157 %	2 321
Current assets	**18 376**	12 387	48 %	10 852
ASSETS	**151 038**	105 425	43 %	76 328
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	**3 666**	3 666		3 666
Share issue	**38 453**			
Fair value reserve and other reserves	**12 862**	7 442	73 %	-18 647
Retained earnings	**42 242**	36 963	14 %	38 064
Shareholders' equity	**97 223**	48 071	102 %	23 083
NON-CURRENT LIABILITIES				
Deferred tax liability	**1 590**	1 639	-3 %	1 758
Non-current interest-bearing liabilities	**37 749**	40 022	-6 %	37 749
Non-current liabilities	**39 340**	41 661	-6 %	39 508
CURRENT LIABILITIES				
Current interest-bearing liabilities	**2 273**	3 478	-35 %	5 858
Accounts payable and other payables	**10 696**	9 987	7 %	7 734
Income tax liability	**1 507**	2 228	-32 %	146
Current liabilities	**14 475**	15 692	-8 %	13 738
SHAREHOLDERS' EQUITY AND LIABILITIES	**151 038**	105 425	43 %	76 328

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1000)	1-9/2009	1-9/2008	1-12/2008
CASH FLOW FROM OPERATIONS			
Profit for the period under review	**8 426**	12 429	13 530
Adjustments	**-232**	-2 515	-181
Change in working capital	**2 828**	1 044	-126
Cash flow from operations before finance and taxes	**11 021**	10 958	13 223
Financial income and expenses	**248**	2 207	1 138
Direct taxes paid	**14**	-3 134	-5 006
Cash flow from operations	**11 283**	10 032	9 355
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	**-992**	-2 821	-3 242
Acquisition of shares in associated companies	**-35 699**		
Other investments, net	**-245**	-52 590	-52 593
Granted loans	**-19**		
Dividends received from investments	**2 687**	7 236	7 237
Cash flow from investments	**-34 268**	-48 175	-48 598
Cash flow before financing items	**-22 985**	-38 143	-39 243
CASH FLOW FROM FINANCING			
Share issue	**37 100**		
Change in current loans	**-3 585**	3 478	2 000
Change in non-current loans		40 022	41 607
Dividends paid and other profit distribution	**-4 348**	-14 439	-14 440
Cash flow from financing	**29 167**	29 061	29 167
Increase(+) or decrease (-) in financial assets	**6 182**	-9 082	-10 075
LIQUID ASSETS AT THE BEGINNING OF THE FINANCIAL PERIOD	**2 321**	12 396	12 396
LIQUID ASSETS AT THE END OF THE FINANCIAL PERIOD	**8 503**	3 314	2 321

GROUP KEY FIGURES

	9/2009	9/2008	12/2008
Earnings/share (EUR)	**0,43**	0.64	0.70
Shareholders' equity/share (EUR)	**3.79**	2.49	1.20
Average number of personnel	**371**	398	393
Investments (EUR 1 000) *)	**36 731**	55 697	56 348
Interest-bearing dept (EUR 1 000)	**40 022**	43 500	43 607
Equity ratio, %	**66.2**	47.5	30.9
Adjusted average number of shares during the period	**19 424 354**	19 307 920	19 307 920
Adjusted number of shares on the balance sheet date	**25 665 208**	19 307 920	19 307 920

*) Includes investments in tangible and intangible assets and shares in associated companies and in available-for-sale financial assets (shares).
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	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1 - 9 / 2008					
SHAREHOLDERS' EQUITY 1.1.	3 666	8 179	12 862	39 199	63 907
Comprehensive income for the period		-13 599		12 429	-1 170
Dividend distribution				-14 666	-14 666
SHAREHOLDERS' EQUITY TOTAL 09/2008	**3 666**	**-5 419**	**12 862**	**36 963**	**48 071**

(EUR 1000)	Share capital	Share issue	Fair value reserve	Invested unrestricted equity fund	Other reserves	Retained earnings	Total
CHANGE IN SHAREHOLDERS' EQUITY 1 - 9 / 2009							
SHAREHOLDERS' EQUITY 1.1.	3 666		-31 509		12 862	38 064	23 083
Transfers between items				12 837	-12 837		
Transfer to shares in associated companies			31 509				31 509
Comprehensive income for the period						8 578	8 578
Dividend distribution						-4 400	-4 400
Share issue		38 453					38 453
SHAREHOLDERS' EQUITY TOTAL 09/2009	**3 666**	**38 453**		**12 837**	**24**	**42 242**	**97 223**

GROUP CONTINGENT LIABILITIES

(EUR 1000)	9/2009	9/2008	12/2008
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	**38 258**	42 567	26 013

SEGMENT INFORMATION

(EUR 1000)	7-9/2009	7-9/2008	Change	1-9/2009	1-9/2008	Change	1-12/2008
GROUP NET SALES							
Publishing	**9 448**	10 833	-13 %	**29 357**	33 214	-12 %	44 648
Printing	**4 203**	4 830	-13 %	**13 394**	14 770	-9 %	20 181
Non-allocated	**754**	686	10 %	**2 264**	2 064	10 %	2 774
Net sales between segments	**-3 012**	-3 039	-1 %	**-9 001**	-9 107	-1 %	-12 219
Group net sales total	**11 393**	13 309	-14 %	**36 014**	40 941	-12 %	55 384

(EUR 1000)	7-9/2009	7-9/2008	Change	1-9/2009	1-9/2008	Change	1-12/2008
GROUP OPERATING PROFIT							
Publishing	**1 139**	2 118	-46 %	**4 100**	6 739	-39 %	8 976
Printing	**658**	700	-6 %	**2 103**	2 076	1 %	2 580
Non-allocated	**977**	-78	-1355 %	**738**	-698	-206 %	-827
Group operating profit total	**2 773**	2 741	1 %	**6 942**	8 116	-14 %	10 728

GENERAL STATEMENT

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

Seinäjoki, 9 November 2009

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director

ILKKA-YHTYMÄ

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