Interim Report 1 Jan.–30 Jun.

2011

ILKKA-YHTYMÄ

Ilkka-Yhtymä Oyj's Interim Report for Q2/2011

JANUARY-JUNE 2011

- Net sales: EUR 25.3 million (EUR 23.0 million), up 10.3%
- Operating profit: EUR 9.1 million (EUR 6.0 million), up 52.4%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 4.5 million (EUR 3.2 million), up 44.1%
- Operating profit totalled 36.1% of net sales, or 17.9% excluding Alma Media and other associated companies (13.7%)
- Pre-tax profits: EUR 8.8 million (EUR 6.2 million), up 42.9%
- Earnings per share: EUR 0.31 (EUR 0.21)

APRIL-JUNE 2011

- Net sales: EUR 13.2 million (EUR 11.9 million), up 11.1%
- Operating profit: EUR 5.0 million (EUR 3.5 million), up 42.8%
- Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 2.4 million (EUR 1.9 million), up 27.2%
- Operating profit totalled 37.7% of net sales, or 18.2% excluding Alma Media and other associated companies (15.9%)
- Pre-tax profits: EUR 4.6 million (EUR 3.6 million), up 28.7%
- Earnings per share: EUR 0.17 (EUR 0.12)

NET SALES AND PROFIT PERFORMANCE

The Group's consolidated net sales for January–June showed a 10.3% increase. Net sales came to EUR 25.3 million (EUR 23.0 million in the corresponding period of the previous year). External net sales from the publishing business grew by 7.3%. Advertising revenues grew by 10.2% and circulation revenues grew by 1.5%. External net sales from the printing business grew by 32.7%. The higher net sales from publishing resulted from a recovery in advertising volumes, due to, for example, election advertising early in the year. The growth in net sales for the printing business was caused by new customers, recovering volumes and price increases due to printing materials. Circulation income accounted for 38% of consolidated net sales, while advertising income and printing income represented 46% and 14%, respectively.

For Q2, net sales grew by 11.1% and totalled EUR 13.2 million (EUR 11.9 million). External net sales from the publishing business grew by 9.0%. Advertising revenues grew by 13.3%, and circulation revenues grew by 1.4%. External net sales from the printing business grew by 27.2%. Circulation income accounted for 37% of consolidated net sales in April–June, while advertising income and printing income represented 48% and 14%, 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 21.0 million (EUR 20.0 million), up by 5.0% year on year. For April–June, operating expenses amounted to EUR 10.9 million (EUR 10.1 million), up 8.3%. For January–June, expenses arising from materials and services increased by 15.0%, particularly due to growth in printing volumes as well as a rise in the prices of printing materials and distribution. Personnel expenses for January–June increased by 1.6%. The increases agreed in the industry's collective agreements for 2011 will only come into full effect in the personnel expenses for the entire year.

The share of the associated companies' result for January–June was EUR 4.6 million (EUR 2.9 million). Consolidated operating profit amounted to EUR 9.1 million (EUR 6.0 million), up by 52.4% year-on-year. The Group's operating margin was 36.1% (26.1%). Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 4.5 million (EUR 3.2 million), representing 17.9% (13.7%) of net sales. Operating profit from publishing grew by EUR 0.9 million, and operating profit from printing grew by EUR 0.5 million. The considerable rise in operating profit from printing was due to higher volumes, a modest rise in costs early in the year and the fact that the first quarter last year included costs for ceasing operation of the Vaasa printing unit.

For April–June, the share of the associated companies' result was EUR 2.6 million (EUR 1.6 million). Consolidated operating profit amounted to EUR 5.0 million (EUR 3.5 million). Operating profit increased 42.8% from the corresponding period. The Group's operating margin was 37.7% (29.4%) in April–June. Operating profit excluding Alma Media Corporation and the other associated companies amounted to EUR 2.4 million (EUR 1.9 million), representing 18.2% (15.9%) of net sales. For the second quarter, operating profit from publishing grew by EUR 0.6 million. Operating profit from printing remained at the previous year's level.

Net financial income for January–June amounted to EUR -0.3 million (EUR 0.2 million). Net gain/loss on shares held for trading was EUR -0.4 million (EUR 0.0 million). Interest expenses excluding the fair value change in derivatives hedging them totalled EUR 1.3 million (EUR 0.4 million). In order to hedge against interest rate risk, on 21 December 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, changes in the market value of the interest rate swap are recognised through profit or loss. In January–June, the change in the interest rate swap's market value was EUR 0.3 million to the positive.

Net financial income for April-June amounted to EUR -0.4 million (EUR 0.1 million). Net gain/loss on shares held for trading was EUR -0.3 million (EUR -0.1 million). For Q2, interest expenses excluding the fair value change in derivatives hedging them totalled EUR 0.6 million (EUR 0.2 million). In April–June, the change in the interest rate swap's market value was EUR 0.4 million to the negative.

Pre-tax profits for January-June totalled EUR 8.8 million (EUR 6.2 million). Direct taxes amounted to EUR 0.9 million (EUR 0.7 million), and the Group's net profit for the period totalled EUR 7.9 million (EUR 5.4 million). The Group's net profit for the second quarter totalled EUR 4.2 million (EUR 3.1 million).

BALANCE SHEET AND FINANCING

The consolidated balance sheet total came to EUR 193.7 million (EUR 144.5 million), with EUR 100.0 million (EUR 96.9 million) of equity. On the reporting date of 30 June 2011, the balance sheet value of the holding in the associated company Alma Media Corporation was EUR 149.4 million and the market value of the shares was EUR 151.6 million.

Interest-bearing liabilities totalled EUR 80.8 million (EUR 35.5 million). The equity ratio was 52.9% (69.3%), and shareholders' equity per share stood at EUR 3.89 (EUR 3.77). The increase in financial assets for the period totalled EUR 4.2 million (decrease EUR 1.8 million), with liquid assets at the end of the period totalling EUR 7.2 million (EUR 4.8 million). After the review period, EUR 3.6 million in interest-bearing loans were repaid in July on an accelerated basis. EUR 2.4 million of said amount was for loan repayments originally scheduled for 2012. In order to safeguard long-term financing, Ilkka-Yhtymä has agreed on the refinancing of the EUR 15.5 million bullet loan originally maturing in 2013 until 2018.

Cash flow from operations for the period came to EUR 22.1 million (EUR 10.1 million). Cash flow from operations includes EUR 15.7 million (EUR 6.1 million) in dividend income from Alma Media Corporation. Cash flow from investments totalled EUR -3.0 million (EUR -0.8 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 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.

In January–June, 39,736 series-I shares of Ilkka-Yhtymä Oyj were traded, accounting for 0.9% of the total number of series-I shares. The total value of the shares exchanged was EUR 0.4 million. In total, 892,657 series-II shares were traded, corresponding to 4.2% of the total number of series-II shares. The total value of the shares traded was EUR 7.4 million. The lowest price at which series-I shares of Ilkka-Yhtymä Oyj were traded during the period under review was EUR 9.56, and the highest per-share price was EUR 10.99. The lowest price at which series-II shares were traded was EUR 6.46 and the highest EUR 8.99. The market value of the share capital at the closing rate for the reporting period was EUR 194.6 million.

RISKS AND RISK MANAGEMENT

It remains difficult to estimate the impacts of both the recovery of the Finnish economy and the growing uncertainty in the international economy on media advertising as well as circulation and printing volumes in 2011. Ilkka-Yhtymä's most significant short-term risks are related to the development of media advertising as well as circulation and printing volumes, which affect the industry in general. It is a challenge to forecast how the 9% VAT the new government imposed on newspaper subscription fees in its government programme will affect circulation volumes. Other business risks are discussed in more detail in the 2010 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 2010 Annual Report.

CORPORATE GOVERNANCE AND THE ANNUAL GENERAL MEETING

On 14 April 2011, 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 0.50 be paid for the year 2010.

The number of members on the Supervisory Board for 2011 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 2015: Lasse Hautala (Kauhajoki), Perttu Rinta (Mikkeli), Satu Heikkilä (Helsinki), Ari Rinta-Jouppi (Vähäkyrö) and Raija Tikkala (Jurva). Minna Sillanpää of Seinäjoki and Jorma Vierula of Seinäjoki were elected as new members of the Supervisory Board for the term ending in 2015.

The AGM decided to raise the remuneration of the Chairman and members of the Supervisory Board. The Chairman of the Supervisory Board will be paid a monthly fee of EUR 1,500 and a meeting fee of EUR 400, while other members will be paid EUR 400 per meeting. 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 approved the Board of Directors' proposal on amending the Articles of Association. The amendments include the following:
(i) that Section 5(2), concerning the retirement age of a Supervisory Board member, be removed;
(ii) that Section 8(1) be amended by removing the regulations concerning the retirement age of a member of the Board of Directors and by increasing the maximum number of Board members to six (6), and Section 8(3), concerning the quorum for the Board of Directors, be removed; and
(iii) that Section 11(2), concerning shareholders' initiatives to the General Meeting, be removed.

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.

The proposal by Osakesäästäjien Keskusliitto ry (Shareholders' Association) and Kari Karpoff to eliminate the Supervisory Board was not approved.

On 2 May 2011, the Supervisory Board re-elected Seppo Paatelainen and Tapio Savola, 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.

FLAGGING ANNOUNCEMENTS

As a result of a share purchase completed on 10 June 2011, Pohjois-Karjalan Kirjapaino Oyj's holding in Ilkka-Yhtymä Oyj's share capital exceeded 10%. Holding increased to 10.0039% of the share capital and 2.3914% of the voting rights.

EVENTS AFTER THE REPORT PERIOD

After the review period, EUR 3.6 million in interest-bearing loans were repaid in July on an accelerated basis. EUR 2.4 million of said amount was for loan repayments originally scheduled for 2012. In order to safeguard long-term financing, Ilkka-Yhtymä has agreed on the refinancing of the EUR 15.5 million bullet loan originally maturing in 2013 until 2018.

OUTLOOK FOR 2011

Due to the growing uncertainty in the international economy, it is challenging to forecast media advertising as well as circulation and printing volumes in 2011. Media advertising is expected to see further growth in Finland during the rest of the year. Due to consumer caution and media competition, newspapers' circulation income is predicted to remain at the previous year's level. Printing business volumes have decreased permanently in Finland, but there are tentative signs of growth in the sector.

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

Group operating profit from Ilkka-Yhtymä's own operations, and operating profit as a percentage of net sales, excluding the share of Alma Media and other associated companies, is estimated to grow significantly compared with 2010 in spite of the rising trend in costs during the rest of the year. In addition, the year's results will be influenced by upward trends in interest rates, changes in the market value of interest rate swaps, any trading in securities and the price performance of securities investments.

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

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

SUMMARY OF 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.

Since 1 January 2011, the Group has complied with the following new or updated standards and interpretations:

- IAS 24 Related Party Disclosures – the revised standard. This revision clarifies and simplifies the definition of a related party, in particular with regard to the parties' significant influence and joint control. The revision has no impact on the interim report.
- IFRS 32 Financial instruments: Presentation – Classification of Rights Issues. The amendment concerns the classification of share issues, options and subscription rights denominated in foreign currencies. In the future, share issues, options and subscription rights may, under certain conditions, be classified as equity rather than derivative instruments, as previously. This amendment has no impact on the interim report.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation addresses certain situations (sometimes referred to as 'debt for equity swaps') where an entity renegotiates the terms of a financial liability and issues an equity instrument to a creditor of the entity to extinguish all or part of the financial liability. Such swaps are primarily considered as repayment of debt. The fair value of the financial liability's carrying amount and of the equity instrument is recognised in profit or loss. This interpretation has no impact on the interim report.
- Annual improvements to IFRS and IFRIC (5/2010). These improvements will chiefly enter into force in 2011. Several minor changes made have no bearing 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 the calculation of the indicators, presented on page 53 of the 2010 annual report, remain unchanged.

The figures in the interim report have been presented unaudited.

CONSOLIDATED INCOME STATEMENT

EUR 1000	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
NET SALES	**13 180**	11 859	11 %	**25 323**	22 959	10 %	46 530
Change in inventories of finished and unfinished products	**2**	-4	140 %	**9**	-5	271 %	-5
Other operating income	**120**	97	23 %	**232**	220	6 %	429
Materials and services	**-3 853**	-3 242	19 %	**-7 530**	-6 549	15 %	-13 108
Employee benefits	**-4 609**	-4 418	4 %	**-8 932**	-8 794	2 %	-17 183
Depreciation	**-775**	-804	-4 %	**-1 547**	-1 581	-2 %	-3 182
Other operating costs	**-1 661**	-1 598	4 %	**-3 014**	-3 096	-3 %	-6 341
Share of associated companies' profit	**2 569**	1 593	61 %	**4 604**	2 850	62 %	7 337
OPERATING PROFIT	**4 972**	3 482	43 %	**9 147**	6 004	52 %	14 479
Financial income and expenses	**-397**	72	-655 %	**-331**	163	-303 %	192
PROFIT BEFORE TAXES	**4 575**	3 554	29 %	**8 815**	6 167	43 %	14 670
Income tax	**-328**	-420	-22 %	**-895**	-736	22 %	-1 779
PROFIT FOR THE PERIOD UNDER REVIEW	**4 247**	3 134	36 %	**7 920**	5 431	46 %	12 892
Earnings per share, undiluted (EUR) *)	**0.17**	0.12	36 %	**0.31**	0.21	46 %	0.50
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	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
PROFIT FOR THE PERIOD UNDER REVIEW	**4 247**	3 134	36 %	**7 920**	5 431	46 %	12 892
Other comprehensive income:							
Available-for-sale assets	**-11**			**-58**			682
Share of associated companies' other comprehensive income	**-97**	78	-225 %	**-119**	125	-195 %	344
Income tax related to components of other comprehensive income	**3**			**15**			-203
Other comprehensive income, net of tax	**-105**	78	-236 %	**-162**	125	-229 %	824
Total comprehensive income for the period	**4 141**	3 212	29 %	**7 758**	5 556	40 %	13 715

CONSOLIDATED BALANCE SHEET

EUR 1000	6/2011	6/2010	Change	12/2010
ASSETS				
NON-CURRENT ASSETS				
Intangible rights	**1 262**	1 212	4 %	1 284
Goodwill	**314**	314		314
Investment properties	**343**	443	-23 %	390
Property, plant and equipment	**14 287**	16 281	-12 %	15 150
Shares in associated companies	**149 977**	106 192	41 %	161 248
Available-for-sale financial assets	**10 969**	5 926	85 %	7 754
Non-current trade and other receivables		30	-100 %	
Other tangible assets	**214**	214		214
Non-current assets	**177 365**	130 613	36 %	186 354
CURRENT ASSETS				
Inventories	**638**	547	17 %	757
Trade and other receivables	**5 043**	4 609	9 %	3 322
Income tax assets	**942**	1 174	-20 %	144
Financial assets at fair value through profit or loss	**2 445**	2 734	-11 %	3 412
Cash and cash equivalents	**7 224**	4 812	50 %	3 047
Current assets	**16 292**	13 876	17 %	10 681
ASSETS	**193 657**	144 489	34 %	197 035
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	**6 416**	6 416		6 416
Fair value reserve and other reserves	**48 959**	48 522	1 %	49 002
Retained earnings	**44 581**	41 932	6 %	49 612
Shareholders' equity	**99 956**	96 871	3 %	105 030
NON-CURRENT LIABILITIES				
Deferred tax liability	**1 328**	1 362	-3 %	1 443
Non-current interest-bearing liabilities	**76 101**	33 204	129 %	78 465
Non-current liabilities	**77 429**	34 566	124 %	79 909
CURRENT LIABILITIES				
Current interest-bearing liabilities	**4 657**	2 273	105 %	4 545
Accounts payable and other payables	**10 416**	9 865	6 %	7 368
Income tax liability	**1 199**	914	31 %	183
Current liabilities	**16 272**	13 052	25 %	12 096
SHAREHOLDERS' EQUITY AND LIABILITIES	**193 657**	144 489	34 %	197 035

CONSOLIDATED CASH FLOW STATEMENT

EUR 1000	1-6/2011	1-6/2010	1-12/2010
CASH FLOW FROM OPERATIONS			
Profit for the period under review	**7 920**	5 431	12 892
Adjustments	**-2 040**	-712	-2 586
Change in working capital	**1 479**	1 148	-364
Cash flow from operations before finance and taxes	**7 360**	5 866	9 942
Interest paid	**-909**	-359	-844
Interest received	**61**	31	63
Dividends received	**15 935**	6 339	6 368
Other financial items	**470**	-523	-750
Direct taxes paid	**-778**	-1 262	-2 128
Cash flow from operations	**22 139**	10 092	12 652
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets, net	**-478**	-529	-916
Acquisition of shares in associated companies		-137	-30 487
Other investments, net	**-3 273**	-360	-1 509
Repayments of loan receivables		28	58
Dividends received from investments	**789**	246	247
Cash flow from investments	**-2 962**	-752	-32 607
Cash flow before financing items	**19 177**	9 339	-19 955
CASH FLOW FROM FINANCING			
Change in current loans	**-2 273**	-2 273	
Change in non-current loans			25 261
Dividends paid and other profit distribution	**-12 727**	-8 903	-8 908
Cash flow from financing	**-14 999**	-11 176	16 353
Increase(+) or decrease (-) in financial assets	**4 177**	-1 837	-3 602
LIQUID ASSETS AT THE BEGINNING OF THE FINANCIAL PERIOD	**3 047**	6 648	6 648
LIQUID ASSETS AT THE END OF THE FINANCIAL PERIOD	**7 224**	4 812	3 047

GROUP KEY FIGURES

	6/2011	6/2010	12/2010
Earnings/share (EUR)	**0.31**	0.21	0.50
Shareholders' equity/share (EUR)	**3.89**	3.77	4.09
Average number of personnel	**339**	344	343
Investments (EUR 1 000) *)	**3 902**	1 507	53 522
Interest-bearing debt (EUR 1 000)	**80 758**	35 477	83 011
Equity ratio, %	**52.9**	69.3	53.8
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 1-6/2010						
Shareholders’ equity 1.1.	6 416		48 498	24	45 359	100 298
Comprehensive income for the period					5 556	5 556
Dividend distribution					-8 983	-8 983
SHAREHOLDERS’ EQUITY TOTAL 06/2010	**6 416**		**48 498**	**24**	**41 932**	**96 871**

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**

GROUP CONTINGENT LIABILITIES

EUR 1000	6/2011	6/2010	12/2010
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	**89 280**	33 633	109 679
CONTINGENT LIABILITIES ON BEHALF OF ASSOCIATED COMPANY			
Guarantees	**2 458**		2 458

SEGMENT INFORMATION

EUR 1000	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
NET SALES BY SEGMENT							
Publishing							
External	**11 381**	10 444	9 %	**21 751**	20 268	7 %	41 252
Inter-segments	**28**	30	-6 %	**55**	79	-31 %	134
Publishing total	**11 409**	10 474	9 %	**21 806**	20 348	7 %	41 386
Printing							
External	**1 799**	1 414	27 %	**3 571**	2 690	33 %	5 276
Inter-segments	**2 140**	1 891	13 %	**4 220**	3 777	12 %	7 776
Printing total	**3 939**	3 305	19 %	**7 791**	6 468	20 %	13 052
Non-allocated							
External	**1**	1	-23 %	**2**	1	39 %	2
Inter-segments	**501**	488	3 %	**1 003**	975	3 %	1 940
Non-allocated total	**502**	488	3 %	**1 004**	976	3 %	1 942
Elimination	**-2 670**	-2 409	11 %	**-5 278**	-4 832	9 %	-9 850
Group net sales total	**13 180**	11 859	11 %	**25 323**	22 959	10 %	46 530

EUR 1000	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
OPERATING PROFIT BY SEGMENT							
Publishing	**2 279**	1 669	37 %	**3 987**	3 039	31 %	6 786
Printing	**396**	404	-2 %	**946**	448	111 %	1 177
Associated companies	**2 569**	1 593	61 %	**4 604**	2 850	62 %	7 337
Non-allocated	**-272**	-184	-48 %	**-391**	-333	-17 %	-821
Group operating profit total	**4 972**	3 482	43 %	**9 147**	6 004	52 %	14 479

EUR 1000	1-6/2011	1-6/2010	Change	1-12/2010
ASSETS BY SEGMENT				
Publishing	**15 513**	15 050	3 %	10 318
Printing	**12 176**	13 522	-10 %	12 336
Non-allocated	**165 968**	115 917	43 %	174 381
Group assets total	**193 657**	144 489	34 %	197 035

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1000	1-6/2011	1-6/2010	Change	1-12/2010
Carrying amount at the beginning of the financial period	**15 150**	17 218	-12 %	17 218
Increase	**451**	830	-46 %	1 055
Decrease	**-14**	-404	-96 %	-405
Depreciation for the financial period	**-1 300**	-1 363	-5 %	-2 719
Carrying amount at the end of the financial period	**14 287**	16 281	-12 %	15 150

RELATED PARTY TRANSACTIONS

The following related party transactions were carried out:

EUR 1000	6/2011	6/2010	12/2010
SALES OF GOODS AND SERVICES			
To associated companies	**153**	115	322
To other related parties	**485**	393	909
PURCHASES OF GOODS AND SERVICES			
From associated companies	**263**	291	532
From other related parties	**54**	13	13
TRADE RECEIVABLES			
From associated companies	**23**	22	53
From other related parties	**60**	16	53
ACCOUNTS PAYABLE			
To associated companies	**10**	15	11

Transactions with related parties are conducted at fair market prices.

EUR 1000	6/2011	6/2010	12/2010
EMPLOYEE BENEFITS TO MANAGEMENT			
Salaries and other short-term employee benefits	**402**	377	744

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.

Seinäjoki, 1 August 2011

ILKKA-YHTYMÄ OYJ

Board of Directors

Matti Korkiatupa
Managing Director

ILKKA-YHTYMÄ

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