FINANCIAL STATEMENTS BULLETIN

February 15, 2012

EDITA GROUP’S FINANCIAL STATEMENTS BULLETIN 2011

Edita Group’s net revenue was EUR 105.8 million (EUR 110.3 million). The net revenue in Finland was EUR 49.2 million (EUR 55.6 million). The net revenue in other EU countries was EUR 55.5 million (EUR 54.1 million) and exports outside the EU totaled EUR 1.1 million (EUR 0.7 million). The net revenue of Finnish companies was 48% (52%) of the Group net revenue and that of Swedish companies 52% (48%) of the Group net revenue. The Group’s consolidated operating profit for 2011 was EUR 2.2 million (EUR 2.7 million), which is EUR 0.5 million down from the previous year. The cash flow from operating activities was excellent: EUR 8.2 million (EUR 5.8 million).

Edita Plc

EDITA GROUP'S KEY FIGURES		**1-12/2011**	**1-12/2010**
Net revenue	T€	105 844	110 349
Operating profit	T€	2 185	2 727
Profit for the financial year	T€	1 519	1 560
Earnings per share (EPS)	€	0.25	0.26
Average number of employees		747	820
Gross capital expenditure	T€	5 017	3 312
Total assets	T€	85 385	88 685
Equity-to-assets ratio (%)	%	42.7	40.2
Net indebtedness (%)	%	48.5	58.5
Interest-bearing liabilities	T€	23 451	27 530
Cash and cash equivalents	T€	6 229	7 038
Net indebtedness	T€	17 222	20 492

Outlook for 2012

Instability will continue in the market. Demand for communications services is expected to grow very modestly in Finland and Sweden. The growth in demand for digital communications will continue to be strong.)*

Edita continues to develop its operations in order to respond to the change in the market situation and to customer needs. Edita holds a good position as a provider of communications services in the Nordic countries. The company’s aim is to strengthen its position by acquiring companies that support the Group strategy. Thanks to measures carried out in 2011, Edita will be able to respond to the challenging market conditions in 2012. Edita’s result is expected to improve. However, if the decline in printing operations proceeds faster than estimated and demand for communications services grows more weakly than anticipated, this could slow down positive development.

*) The Finnish Association of Marketing Communication Agencies (MTL), MTL-Barometer (Q4/2011); Institute for Advertising and Media Statistics (IRM), Sweden, Revised advertising and media forecast, December 2011.

Market Review

In 2011, demand for communications services grew moderately. Advertising sales grew in Finland by about 4%)* and in Sweden by about 5%)**. Both in Finland and in Sweden, most of this growth occurred during the first half of the year. Towards the end of the year, the growth slowed down. Throughout the year, demand for traditional printed material declined and, as a result, the market for the printing industry decreased both in Finland and Sweden in 2011.

The Edita Group and Changes in Group Structure

The Edita Group comprises four business areas: Marketing Services, Editorial Communication, Publishing, and Print & Distribution.

In February, the Edita Group acquired ownership of Gospel Communications Oy's entire capital stock. This company owned Paperjam Oy, a digital communications agency, which was also transferred to Edita in the acquisition. The acquired companies were merged into Morning Digital Design Oy, which changed its name to Citat Oy in April. In addition, the business operations of Citat Finland Oy were brought into the new company.

The streamlining of the Group's structure continued in the merging and dissolution of small companies.

Net Revenue

In 2011, the consolidated net revenue was EUR 105.8 million (EUR 110.3 million). The net revenue in Finland was EUR 49.2 million (EUR 55.6 million). The net revenue in other EU countries was EUR 55.5 million (EUR 54.1 million) and exports outside the EU totaled EUR 1.1 million (EUR 0.7 million). The net revenue of Finnish companies was 48% (52%) of the Group net revenue and that of Swedish companies 52% (48%) of the Group net revenue.

Net revenue (EUR 1,000)	**2011**	**2010**	**Change 2011-2010**
Marketing Services	20 316	20 446	-0.6%
Editorial Communication	15 474	15 581	-0.7%
Print & Distribution	59 314	64 137	-7.5%
Publishing	14 221	14 825	-4.1%
Internal transactions and other operations	-3 481	-4 641	25.0%
Group	**105 844**	**110 349**	**-4.1%**

The **Marketing Services** business area's net revenue was EUR 20.3 million (EUR 20.4 million). The acquisition of Paperjam Oy increased the net revenue of Finnish operations. In Sweden, net revenue declined as customers invested less in marketing communications, in digital communications in particular, towards the end of the year.

The **Editorial Communication** business area's net revenue was at the level of the previous year, EUR 15.5 million (EUR 15.6 million). The strengthening of the Swedish krona boosted net revenue in euros.

*) The Finnish Advertising Council (MNK) / TNS Gallup, The media advertising sales 2011.
**) Institute for Advertising and Media Statistics (IRM), Sweden, Revised advertising and media forecast, December 2011.

The **Publishing** business area's net revenue was EUR 14.2 million (EUR 14.8 million), which is EUR 0.6 million down from the previous year. Net revenue was undermined by austerity measures in the public sector and the postponement of syllabus changes. In information services and customer publishing, net revenue developed favorably. In addition, the transfer of Edita Press Oy's business operations to Edita Publishing Oy increased net revenue. Electronic products of the company retained a healthy market position.

The **Print & Distribution** business area's net revenue was EUR 59.3 million (EUR 64.1 million), which is EUR 4.8 million down from the previous year. The decline of the printing markets and the continuation of the fierce competition on price brought net revenue down in Finland. Net revenue improved in Sweden, owing to the strengthening of the Swedish krona. If the strengthening of the krona is disregarded, the net revenue was at the level of the previous year.

Consolidated Operating Profit

The Group's consolidated operating profit for 2011 was EUR 2.2 million (EUR 2.7 million), which is EUR 0.5 million down from the previous year. In addition to the low demand for communications services and the tougher price competition, the Group's operating profit was weakened by the broad adjustment measures carried out in the Print & Distribution and Marketing Services business areas, in which business operations were revised to respond better to the increasing demand for digital communications services. Total costs for those measures were approximately EUR 1.6 million (EUR 2.4 million).

Operating profit/loss (EUR 1,000)	**2011**	**2010**	**Change 2011-2010**
Marketing Services	-368	516	-171.4%
Editorial Communication	487	-111	539.4%
Print & Distribution	1 523	291	423.8%
Publishing	2 973	3 571	-16.7%
Other operations	-2 429	-1 540	-57.8%
Group	**2 185**	**2 727**	**-19.9%**
Operating profit %	**2.1%**	**2.5%**	

The **Marketing Services** business area's operating loss was EUR 0.4 million (profit: EUR 0.5 million). Both Swedish and Finnish operations reported a loss. In Sweden, the result was undermined by the decrease in customers' investments in marketing communications. In both countries, the result was weakened by adjustment measures, as a result of which the profitability of Finnish operations improved in the latter part of the year. In Finland, demand for services grew towards the end of the year.

The **Editorial Communication** business area's operating profit was EUR 0.5 million (loss: 0.1 million), which is EUR 0.6 million up on the previous year. The result of the comparison year included the costs of the adjustment measures. Excluding one-time expenses, the result remained at the level of the previous year.

The **Publishing** business area's operating profit was EUR 3.0 million (EUR 3.6 million), which is EUR 0.6 million down from the previous year. The result was weakened by the declining net revenue in learning materials. In addition, profitability was undermined by major investments in product development of electronic publications and new growth areas within the business, such as communications services.

The **Print & Distribution** business area's operating profit was EUR 1.5 million (EUR 0.3 million), which is EUR 1.2 million up on the previous year. Business was developed by offering new electronic services and by increasing the digital direct marketing offering. Even though the result was weakened by the costs of the adjustment measures, both Finland and Sweden achieved a positive result. In Finland, the result was improved by one-time sales gains from the restructuring of business operations.

Other Operations include group administration, the costs of which were EUR 2.4 million (EUR 1.5 million). In 2010, Other Operations also included one-time profits from concluded operations.

Financial Position

The net cash flow from the Group's operating activities was EUR 8.2 million (EUR 5.8 million). Investments totaled EUR 4.2 million (EUR 3.2 million). Loan installments and repayments of leasing liabilities accounted for EUR 4.9 million (EUR 5.4 million). The Group's cash and cash equivalents at the end of the year totaled EUR 6.2 million (EUR 7.0 million). The Group's equity ratio was 42.7% (40.2%).

	2011	**2010**
Return on equity (ROE) %	4.3%	4.6%
Equity-to-assets ratio %	42.7%	40.2%

Investments

The Group's gross capital expenditure was EUR 5.0 million (EUR 3.3 million). The Parent Company's capital expenditure was EUR 2.7 million (EUR 0.3 million). The most significant investments were the acquisition of Gospel Communications Oy's entire capital stock and investments in property development, energy efficiency and noise reduction made at the Hakuninmaa premises. In printing operations, investments were made in the post-processing of digital production.

Personnel

During the financial year, the Group employed an average of 747 (820) persons (full-time equivalents). The Parent Company employed an average of 30 (31) persons (FTE).

The number of employees fell in the Print & Distribution business area by 74 persons, in the Editorial Communication business area by 4 persons and in the Marketing Services business area by 3 persons. In the Publishing business area, the number of employees grew by 8 persons. In Other Operations, the number of employees remained at the level of the previous year.

Of the Group's employees, 50% worked in Finland and 50% in other countries, mainly in Sweden.

Risk Management

The Edita Group's primary risks come from economic instability in the market, significant structural changes in the printing market and the weakening of the Swedish krona. Risks are assessed regularly.

Instability in the European economy influences the Group's customers' investments in marketing communications – the largest projects are being postponed or cancelled or their scope is being curtailed. Edita works closely with its customers in order to be able to anticipate any development needs for its operations well in advance and to meet customer requirements.

The shift of focus in communications towards digital channels will continue. In the future, it will remain challenging for the Group to develop its operations to reflect the change in demand. This change will be strongest in the Print & Distribution business area and will also affect the Marketing Services business area to some extent. In 2011, business operations were adjusted in both of these business areas. Profitable management of the transformation taking place in communications will be a key challenge for the Group.

The consolidated statement of financial position includes consolidated goodwill amounting to EUR 20.5 million. If the general economic conditions weaken and develop into a long-term recession, this could result in the partial depreciation of goodwill, in particular in the Marketing Services and the Print & Distribution business areas.

The expertise of Edita's personnel plays a crucial role in strengthening the Group's competitiveness. The strong digitalization of communication creates continuous pressure to develop expertise. The key factors which will contribute to Edita's success include development of intellectual capital and success in gaining commitment from and recruiting key personnel. In 2011, assessments of key personnel continued, and these personnel were provided with opportunities for competence development and training. Towards the end of the year, Edita decided to invest in the development of strategic HR and to strengthen the Group's HR services by employing a new HR Director as of January 1, 2012.

The Group's foreign exchange risk depends on developments in the value of the Swedish krona. According to Edita's foreign exchange risk policy, the foreign exchange risk is monitored regularly. If necessary, the foreign exchange risk will be hedged. No exchange contracts were hedged during this financial year.

Financial risks have been taken into account by hedging part of Edita's current interest-bearing liability. The hedges are valid until the end of the loan period.

Special attention was paid to the speed of invoicing and the efficient turnover of sales receivables and inventories.

Environment

The Nordic environment program set up in 2008, Green Edita, progressed in all of the program's key areas, which are: ecologically sustainable purchases, minimization of waste products, carbon neutrality and energy efficiency.

The most significant accomplishments in 2011 were Edita Publishing's certification as a climate-neutral enterprise, the WWF's Green Office certificate granted to Edita's headquarters, and several investments and measures for improving energy efficiency that were carried out in Finland and Sweden.

Currently, nearly 98% of the Group's net revenue is derived from climate-neutral companies. The Group's carbon footprint is more than 30% smaller than in 2008.

In 2011, Edita's production plants in Helsinki and Västerås invested in improvements to the lighting systems on the factory floor. Electricity consumption is expected to decrease by more than 1,000 MWh as a result. At the Helsinki production plant, the waste paper collection system was improved as well. The new collection system is located entirely indoors, which enables the heat generated by the system to be used in the heating of the premises.

Edita also encourages environmental responsibility on the part of its customers by developing its own operations and by offering sustainable products and services. Edita maintains websites in Finland and Sweden informing people about sustainable publishing (ekojulkaisu.fi and miljoanpassadtrycksak.se). These sites provide guidance on how environmental considerations can be made at various planning and production stages of a printed publication.

Board of Directors

At Edita Plc's Annual General Meeting of April 8, 2011, Kaj Friman and Jussi Lystimäki were elected as new Board members. The AGM also decided that Lauri Ratia would continue as the Chairperson, Jarmo Väisänen as the Vice Chairperson, and Carina Brorman, Riitta Laitasalo and Eva Persson as other Board members. At the Extraordinary General Meeting of August 31, 2011, Petri Vihervuori was elected as a new Board member to replace Jarmo Väisänen, and Senior Adviser Kaj Friman was appointed Vice Chairperson of the Board.

Edita Plc

Timo Lepistö
CEO

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Attachment: Edita Group's income statement, comprehensive income statement, balance sheet, cash flow statement and consolidated statement of changes in shareholders' equity.

Edita Group's Financial Statements are published online at www.edita.fi

ATTACHMENT

Edita Group's income statement, comprehensive income statement, balance sheet, cash flow statement and consolidated statement of changes in shareholders' equity

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CONSOLIDATED INCOME STATEMENT (IFRS) (EUR 1,000)	Note	1.1. -31.12.2011	1.1. -31.12.2010
Net revenue	**2**	**105 844**	**110 349**
Other operating income	5	1 686	301
Change in inventories of finished and unfinished goods		-137	-469
Work performed for company use		195	258
Materials and services	6	-29 560	-30 133
Employee benefits expense	7	-48 798	-50 342
Depreciation	8	-6 183	-6 433
Impairment	8	0	-85
Other operating expenses	9	-20 944	-20 952
Share of profit in associates	16	81	232
Operating profit		**2 185**	**2 727**
Financial income	11	184	136
Financial expenses	12	-891	-1 059
Profit before taxes		**1 479**	**1 804**
Income taxes	13	40	-244
Profit for the financial year		**1 519**	**1 560**
Distribution			
Parent company's shareholders		1 521	1 555
Non-controlling interest		-2	5
Earnings per share calculated on the profit attributable to shareholders of the parent company:			
earnings per share, EUR		0,25	0,26

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) (EUR 1000)

	Note	1.1. -31.12.2011	1.1. -31.12.2010
Profit for the financial year		**1 519**	**1 560**
Other comprehensive income	**13**		
Available-for-sale financial assets		-1	8
Actuarial losses		-268	-203
Translation differences		117	2 533
Taxes relating to OCI items		71	51
Post-tax OCI items for the financial year		-80	2 389
Accumulated comprehensive income for the financial year		**1 438**	**3 949**
Distribution of comprehensive income			
Parent company’s shareholders		1 440	3 940
Non-controlling interest		-2	9

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) (EUR 1,000)

ASSETS	**Note**	**31.12.2011**	**31.12.2010**
NON-CURRENT ASSETS			
Tangible fixed assets	14	26 657	28 220
Goodwill	15	20 462	20 026
Other intangible assets	15	1 542	1 882
Interests in associated companies	16	2 651	2 720
Other financial assets	17	413	432
Deferred tax assets	18	487	628
		52 212	53 907
CURRENT ASSETS			
Inventories	19	4 276	4 761
Sales receivables and other receivables	20,21	22 554	21 662
Tax receivables based on taxable income for the financial year		38	767
Other current financial assets	17	76	77
Cash and cash equivalents	22	6 229	7 038
Assets held for sale	3	0	472
		33 173	34 777
Total assets		**85 385**	**88 685**

EQUITY AND LIABILITIES	**Note**	**31.12.2011**	**31.12.2010**
SHAREHOLDERS’ EQUITY			
Share capital		6 000	6 000
Share premium fund		25 870	25 870
Translation differences		34	-83
Fair value fund		43	43
Retained earnings		3 544	3 212
Shareholders’ equity attributable to parent company share	23	35 491	35 041
Non-controlling interest		9	11
Total shareholders’ equity		35 500	35 052
LIABILITIES			
Non-current liabilities			
Pension obligations	24	2 668	2 364
Interest-bearing non-current liabilities	26	16 349	20 482
Non-current provisions	25	738	1 910
Deferred tax liabilities	18	1 184	1 426
		20 939	26 182
Current liabilities			
Short-term interest-bearing liabilities	26	4 434	4 887
Accounts payable and other current liabilities	20,27	24 233	22 224
Tax liabilities based on taxable income for the financial year		280	340
		28 947	27 451
Total shareholders’ equity and liabilities		**85 385**	**88 685**

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	Note	1.1. - 31.12.2011	1.1. - 31.12.2010
Operating activities			
Profit for the financial year		1 519	1 560
Adjustments			
Non-cash transactions	30	5 048	6 957
Interest expenses and other financial expenses		891	1 059
Interest income		-180	-133
Dividend income		-4	-3
Taxes		-40	244
Changes in working capital:			
Change in sales receivables and other receivables		-621	-1 996
Change in inventories		605	296
Change in accounts payable and other liabilities		2 318	-507
Change in provisions		-1 172	133
Interest paid		-822	-868
Interest received		132	148
Taxes paid		488	-1 120
Cash flow from operating activities		**8 162**	**5 770**
Investing activities			
Income from divestment of business operations		0	800
Sale of tangible fixed assets		951	180
Acquisition of subsidiaries and business operations			
(net of cash and cash equivalents acquired)	4	-516	-707
Investments in tangible fixed assets		-3 469	-2 203
Investments in intangible assets		-249	-316
Dividends received		173	114
Cash flow used from investing activities		**-3 111**	**-2 131**
Financing activities			
Repayment of loans		-3 802	-4 582
Payment of finance lease liabilities		-1 070	-860
Dividends paid		-990	-1 740
Net cash flow from financing activities		**-5 862**	**-7 182**
Change in cash and cash equivalents		**-811**	**-3 543**
Cash and cash equivalents at 1 Jan		7 038	10 361
Changes in exchange rates		1	220
Cash and cash equivalents at 31 Dec.	**22**	**6 229**	**7 038**

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS) (EUR 1,000)

	Shareholders' equity attributable to parent company shareholders						Non-controlling interest	Total share-holders' equity
	Share capital	Share premium fund	Trans-lation differ-ences	Fair value fund	Retained earnings	Total		
Shareholders' equity, January 1, 2010	**6 000**	**25 870**	**-2 613**	**37**	**3 546**	**32 841**	**18**	**32 858**
Comprehensive income								
Profit for financial year					1 555	1 555	5	1 560
Other comprehensive income								
(adjusted with tax effect)								
Available-for-sale financial assets				6		6		6
Actuarial losses					-150	-150		-150
Translation differences			2 529			2 529	4	2 529
Accumulated comprehensive income for the financial year			**2529**	**6**	**1 405**	**3 940**	**9**	**3 949**
Transaction with owners								
Dividend distribution					-1 740	-1 740		-1 740
Changes in subsidiary holdings								
Change in non-controlling interests							-16	-16
Shareholders' equity, December 31, 2010	**6 000**	**25 870**	**-83**	**43**	**3 212**	**35 041**	**11**	**35 052**
Shareholders' equity, January 1, 2011	**6 000**	**25 870**	**-83**	**43**	**3 212**	**35 041**	**11**	**35 052**
Comprehensive income								
Profit for financial year					1 521	1 521	-2	1 519
Other comprehensive income								
(adjusted with tax effect)								
Available-for-sale financial assets				0		0		0
Actuarial losses					-199	-199		-199
Translation differences			117			117	0	117
Accumulated comprehensive income for the financial year			**117**	**0**	**1 322**	**1 440**	**-2**	**1 438**
Transaction with owners								
Dividend distribution					-990	-990		-990
Shareholders' equity, December 31, 2011	**6 000**	**25 870**	**34**	**43**	**3 544**	**35 491**	**9**	**35 500**