

Annual Report 2009

Business Review



EDITA



*Edita's locations in Finland and Sweden.
Edita also has units in Ukraine in India.*

2009

Annual Report
Business Review

EDITA

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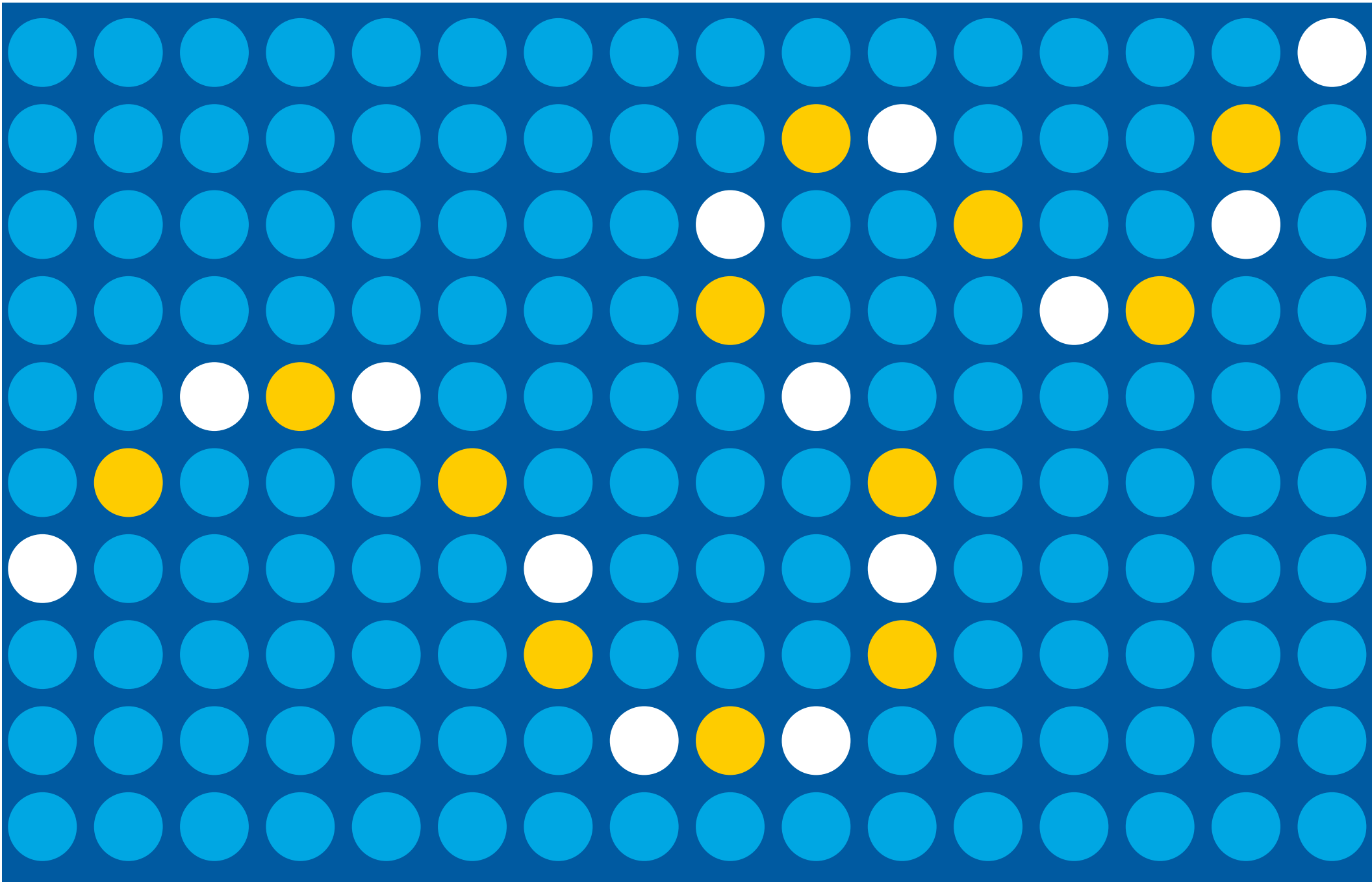
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Strategy

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Our vision is to hold an even stronger position and be known as the leading communications services provider in the Nordic countries, and expand our operations to new markets.

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STRATEGY

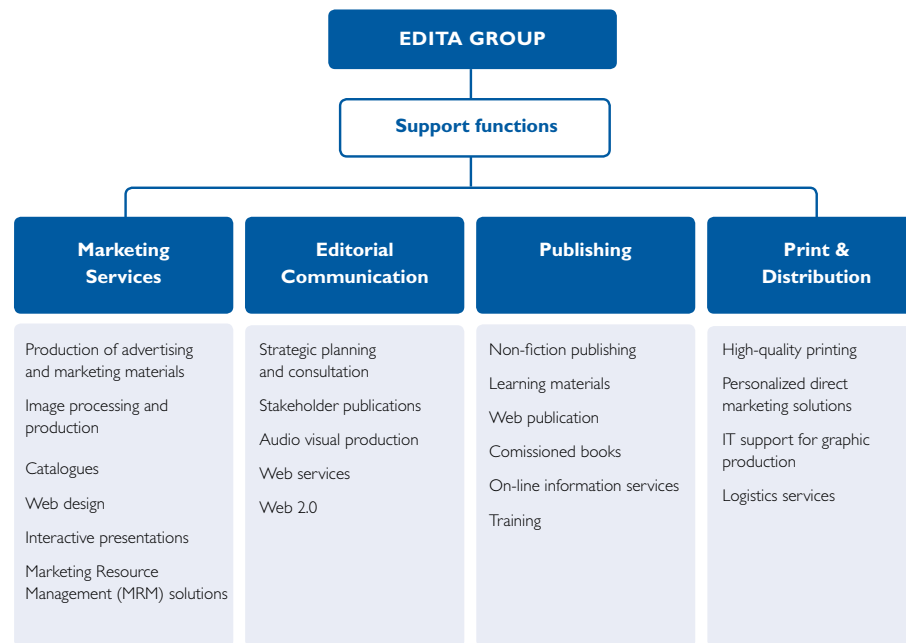
Edita Group's vision and strategy were updated during the autumn of 2009. Our earlier vision of being the leading in integrated communications services group in the Nordic region was realized in 2008 as a result of the Citat Group acquisition, which both widened Edita Group's communications services portfolio and strengthened its market position in the growing segments of communications in the Nordic region.

Edita Group has undergone a profound transformation in its strategy, service offering and market position over the past three years. After divesting a number of low value-added operations, a series of extensive measures have been carried out, transforming the Group's overall market profile into a service-oriented communications group with an integrated communications offering. The measures have covered acquisitions and divestment of businesses as well as continuous structural arrangements within the Group.

According to the updated vision, Edita Group is to further strengthen its position as the leading communications services provider in the Nordic countries, which means that we will continue profitable growth in the area. Our vision also includes expanding to new markets, which means that we are actively exploring the possibilities of starting to operate outside the Nordic region.

We are continuing to develop our communications services offering in order to help our customers meet their communications challenges and reach their goals more effectively and with less cost.

Edita Group is divided into four business areas: Marketing Services, Editorial Communication, Publishing and Print & Distribution. They comprise companies that hold a specific market position with a unique offering. Each of the subsidiaries shares the group-level goal of being the leading actor in its respective market segment in the Nordic countries. Edita Plc's role in relation to its subsidiaries is to be an active and innovative developer; and an attractive home for strategically interesting businesses and competences.



COMPANIES IN BUSINESS AREAS IN 2010:

Marketing Services

Citat AB, Mods Graphic Studio AB and an associated company Brand Systems AB in Sweden, Morning Digital Design Oy and Citat Finland Oy in Finland.

Editorial Communication

JG Communication AB in Sweden and Edita Press Oy in Finland.

Publishing

Edita Publishing Oy in Finland.

Print & Distribution

Edita Prima Oy in Finland, Edita Västra Aros AB and an associated company Edita Bobergs AB in Sweden.

WE MADE A GOOD RESULT IN CHALLENGING MARKET CONDITIONS

Shifting the focus of the Group's business towards multi-channel communications services has proven to be the right thing to do, especially in the rapidly changing market conditions of recent years. In 2009, we were able to meet our customers' needs and continue our positive profit development. The Group's operating profit grew and net revenue was at almost the same level as that of 2008.

The economic downturn has accelerated the structural change that has been taking place for a long time in the graphic industry. This change was particularly pronounced in 2009: sales of fine paper for printing purposes fell by over 20 percent in Finland. In Sweden the depreciation of the krona weakened this reduction to eight percent, which still is a sign of the significant decrease of printing production.

Over the past two years, the market conditions have been made more challenging by the fact that companies' and entities' investments in communications and marketing have fallen. Media advertising fell by about 15 percent in both Finland and Sweden in 2009. In 2008 there was still slight growth in media advertising; the growth was about two percent in Finland and about three percent in Sweden. The market conditions will continue to be challenging in 2010, but the demand for communications services is estimated to start recovering slightly.

As a result of the corporate restructuring carried out in 2008, the net revenue of the Marketing Services and Editorial Communication business areas grew in 2009. The net revenue of the Publishing and Print & Distribution business areas fell

from the level of the previous year. Operating profit remained at the same level, or improved from the previous year, in all four business areas. Correctly-timed downsizing activities in the Publishing and Print & Distribution business areas were especially decisive for the good result in 2009.

According to our vision, which was updated in 2009, our goal is to achieve an increasingly stronger position and reputation as the leading communications services group in the Nordic region. This means that we will continue to achieve profitable growth in the Nordic countries by developing our services and increasing our market share in the various areas of communications. We will also investigate the possibilities of expanding our operations into new markets.

I would like to express my thanks to our staff – top professionals in the communications, marketing, publishing and graphic sectors – as they deserve the most recognition for the fact that we are well afloat and making confident progress in the choppy seas. This is a good place to continue building up a Nordic, and in the future an increasingly international, communications group.

TIMO LEPISTÖ
CEO
Edita Plc



KEY EVENTS OF 2009

January–March

The Group's new Nordic organization launches its operations on January 1. This new organization has been enlarged from three to four business areas.

A direct marketing competence team is set up for the Print & Distribution business area in February.

The UN selects Edita Västra Aros AB as one of the Swedish role model companies in its climate model in March.

April–June

Edita Västra Aros AB signs up to the UN Global Compact *Caring for Climate* initiative in May.

Citat AB's campaign to market the Swedish daily newspaper Dagens Nyheter's online news service receives the 'newsmedia Oscar' at the International Newsmedia marketing Association (INMA) gala in May.

Edita Prima Oy's Hakuninmaa production plant's chain-of-custody management system for paper receives both PEFC and FSC certification in June.

July–September

Edita Kvaritto Oy is merged into Edita Prima Oy in August. The gaming product know-how transfers to Edita Prima and production continues as normal.

Edita celebrates its 150th birthday in September. Customers and personnel join the celebrations at Kaapelitehdas in Helsinki.

October–December

The Citat AB model of marketing communications production is introduced in Finland in Citat Finland Oy at the beginning of October.

Edita Västra Aros AB wins the Swedish Graphic Award in the "Best environmental contribution" series in October 2009. The award recognizes the company's active and results-oriented environmental work.

Novair's customer magazine, *Stopover*, produced by Citat Journalistgruppen AB, is named best customer magazine at the Swedish Design Awards.

The environmental management system at Edita Prima Oy's Vilppula production plant is certified in accordance with the ISO 14000 standard and the plant is given the right to use the PEFC label on its printed products to guarantee that the paper has come from a responsible source.

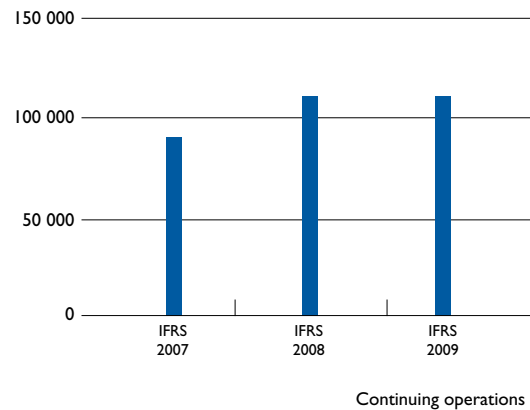
Citat Journalistgruppen AB is renamed JG Communication AB in November. This new name better reflects the company's business concept and new vision.

Metsävaltio – Metsähallitus ja Suomi 1859–2009 (The forest state – the Finnish Forest and Park Service and Finland 1859–2009), published by Edita Publishing Oy, is shortlisted for the 2009 Tieto-Finlandia Prize in November.

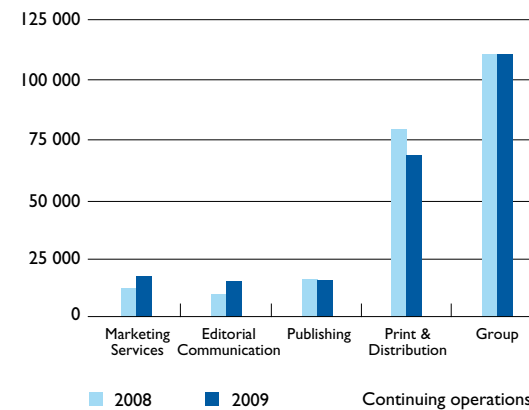
The Group updates its vision and strategy.

KEY FIGURES OF 2009

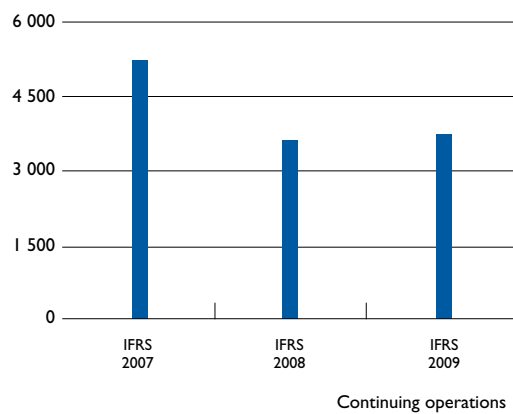
Edita Group's net revenue 2007–2009
(IFRS) (EUR 1000)



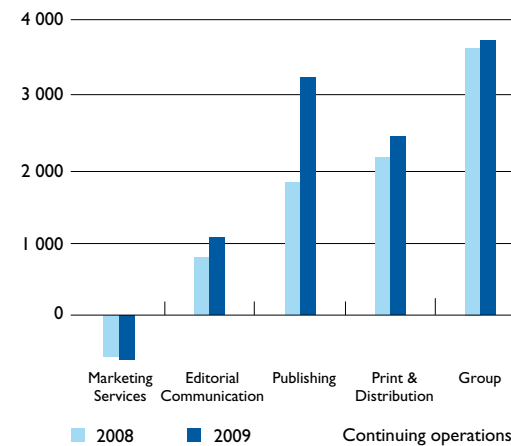
Net revenue by business area
(IFRS) (EUR 1000)

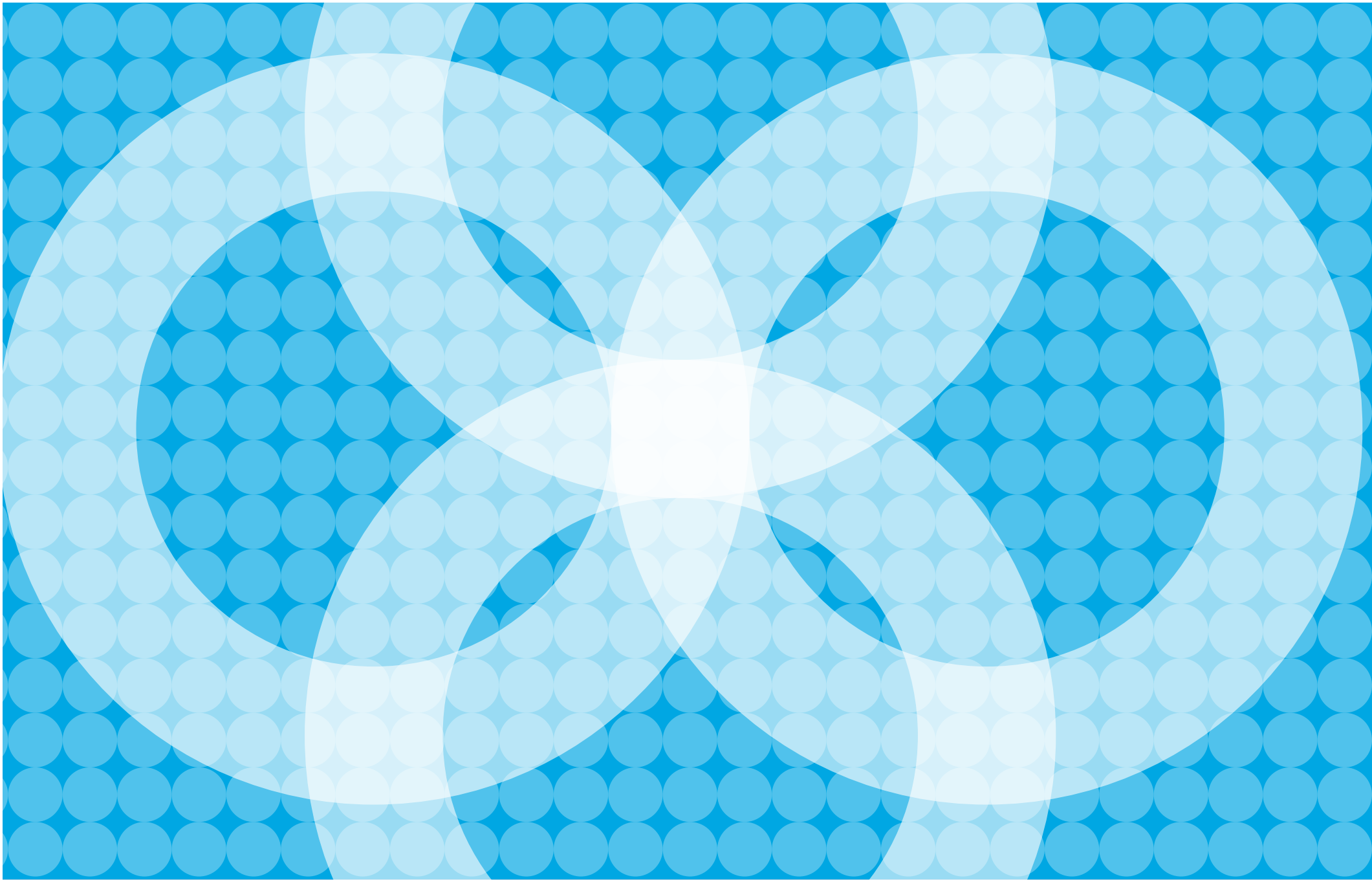


Edita Group's operating profit 2007–2009
(IFRS) (EUR 1000)



Operating profit by business area
(IFRS) (EUR 1000)





Business

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Our creative solutions make our clients' communications more relevant, efficient and easier to manage.

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MARKETING SERVICES

In 2009, the Marketing Services business area comprised Citat AB and Mods Graphic Studio AB in Sweden, Morning Digital Design Oy and Citat Finland Oy in Finland.

The Marketing Services business area's net revenue was EUR 17.1 million, an increase of EUR 4.9 million on 2008 (EUR 12.2 million). The increase was a result of the acquisition of the Swedish company Citat Group AB in July 2008, which was included in the net revenue of 2008 for only six months. The comparable net revenue decreased both in Sweden and in Finland. Operating profit was EUR -0.6 million, the same

as in 2008. Operating profit increased in Finland, while in Sweden it decreased because of a difficult market situation and restructuring costs.

In 2009, several trends emerged among customers, particularly because of the economic downturn – the media market alone decreased by over 16 percent in Sweden and 15 percent in Finland. The trends included: a general reallocation of resources from print to digital channels; consolidation of marketing departments and agency structures; and a general focus on core business, efficiency and cost pressures. This has speeded up the development in the agency industry, with increased specialization, and a subsequent decoupling of the supply chain.

Business in Sweden

CITAT is one of Sweden's largest advertising and production agencies. The company's guiding principle is to always work closely with its customers at both the tactical and the production level.

Citat has extensive knowledge of the particular challenges and needs of major global companies, as well as organizations

and authorities, and knows how they work. Many of Citat's customers have a variety of product brands with different target groups and strategies. Citat's principal task is to ensure that the customers' brand investment is profitable.

"Our mission is to make our customers' daily work run smoothly," says **Peter Stopp**, Managing Director of Citat. "Many of our customers regard us as an extension of their marketing department."

The agency serves companies in different business areas and its consultants specialize in various areas. Citat's biggest customers include Unilever, Sida, Apollo, Dagens Nyheter, Svenska Bostäder and Nobel Biocare.

"We are involved in the whole marketing communication process for many of our clients," Stopp says. "We take the client's marketing communication strategies through creative ideas to campaigns and effective production, regardless of communication channel. For some customers, we are purely a production partner."

"In addition to traditional agency services, we offer expert knowledge of catalogue production, market adaptations and advanced image retouching, as well as several support systems to make the marketing processes more effective."

In 2009, Citat attracted many major companies, such as Bankgirocentralen, DeLaval and AstraZeneca. The contract

KEY FIGURES	2009	2008
Net revenue (T€)	17 129	12 221
Operating loss (T€)	-624	-583
Employees (average)	154	119

Trend towards consolidation of marketing communications strengthens

“Major companies’ willingness to consolidate their marketing communications is affecting their internal organizations as well as partners and service providers in many ways,” says Lars Lundström, Business Development Director at Citat.

with AstraZeneca for example covers tactical marketing communication and the production of marketing material for all the Nordic markets. Citat will also deliver processes and system support. “We have previously helped our other customers to develop a holistic approach in Nordic markets.”

Citat has operations in four countries: Sweden, Denmark, Finland and Ukraine, and is based in three cities in Sweden: Stockholm, Gothenburg and Helsingborg. In 2009, Citat employed an average of 115 people.

MODS GRAPHIC STUDIO provides top-level know-how in pre-press and image retouching. Pictures handled by Mods feature in major international fashion magazines. Hennes & Mauritz is one of Mods’ major customers. In 2009, the company employed an average of 15 people.

Business in Finland

MORNING DIGITAL DESIGN specializes in digital communications design. “We spent 2009, as all of this millennium so far, designing and implementing challenging digital marketing and communications projects,” says Unit Director **Kimmo Timonen**. “Morning is known for its design of wide-scope web services, effective planning of digital marketing, and concept work for digital presentations that sell well.”

“Right now, we’re seeing major companies restructuring their marketing communications. Brand platforms, key messages, plans and activities are being consolidated. The aim is to achieve more unified communications and marketing, and greater efficiency. Another driving force for rapid change is the need to increase competence about, and a presence in, the digital channels. This affects internal marketing departments,” Lundström says.

The number of partners is decreasing

The changes are not just taking place internally; they also concern on how to co-operate with partners.

“Many large companies that have had an abundance of agencies to provide its communication are now changing to a few, selected ones who take full responsibility within each area,” Lundström says.

“The trend is that bigger companies are choosing a partner within different segments who are given a broad responsibility

– a strategic agency, a PR agency, a media agency and an agency for tactics and production,” Lundström says. “At the same time, customers are placing greater demands on the various agencies to cooperate in the customers’ interests.”

Tactical communication is outsourced

There is also an ongoing trend toward focusing on core business. One type of business model that has resulted from the consolidation process and companies’ focus is that in-house agencies and web teams are being outsourced to partners, especially at the tactical and production level.

“Customers want specialized partners who can help them increase the effect of their investments in communication, and who can combine business understanding and creativity with efficiency,” Lundström says. “These are partners who make their daily work simple and smooth, and who become a natural extension of their own marketing departments.”



“There were new opportunities in 2009 in the extensive field of digital services, in areas such as social media and sustainable development. Some of the sizeable web-service updating projects we completed won prizes, such as those for Metso and Varma, among other clients.”

Morning also strengthened its position as a creator of web campaigns and a promoter of sales in both the internet and the mobile communications environments.

Timonen says that 2010 looks promising. “As customers gain experience, their desire to utilize the new opportunities of digital media in their businesses will increase,” he says. “We’re on the verge of some exciting developments in the use of social media.” The company employed an average of 18 employees in 2009.

CITAT FINLAND launched its operations on October 1, 2009. The company applies to the business idea of the Swedish company Citat, which is to offer creative and cost-effective solutions for marketing communications design and production. The number of employees in Citat Finland was 11 at the end of 2009.

Social responsibility is a subject for debate in social media

“Through social media companies can engage in dialogue, often on difficult subjects, with their customers and partners,” says Unit Director Kimmo Timonen from Morning Digital Design.

Responsible operations by companies trigger reactions and opinions. Active discussions on the subject take place in Facebook groups and blogging communities, which people visit to put the world to rights and find new things to think about.

The message goes far and wide

Kimmo Timonen encourages companies to incorporate social media into their communications strategy, to understand its manifold possibilities and to participate in the dialogue.

“But this requires commitment and a methodical approach. People participate in discussions when and where the issue is being discussed, not when it might suit you,” explains Timonen.

“You must also be prepared for severe criticism. Social media is in that way merciless as, eloquence has no impact and dishonesty is exposed straight away. Negative feedback spreads quickly and the mistake proliferates. On the other hand, praise gets heard a long way off and a good reputation in social media is a valuable asset for a rainy day. At its most successful, dialogue strengthens the relationship between a company and an individual.”

Timonen believes that the criticism can even be good for a company. “When it is taken seriously it can help to perfect

a company’s communications, and emotional outbursts are great conversation starters – emotional reactions and the need to make an impact already demonstrate a certain kind of commitment to a company or brand.”

Becoming a better company through dialogue

Development of responsibility in a company often starts with environmental matters and continues with the defining of economic and social responsibility.

“We end up in a challenging situation when issues associated with human rights have to be solved. Taken to the furthest extent, responsibility is an inextricable part of a company’s operations and provides a competitive advantage. Responsibility is becoming increasingly fundamental in customers’ purchase decisions,” says Timonen.

Modern communications technology allows us to communicate in an incredibly efficient way.

“Communications projects that are carried out in social media introduce the transparency that consumers value today. Companies define their own limits for responsibility even in social media, but also expose them to questioning by a community. Through this, real dialogue and opportunities for interaction are created.”



EDITORIAL COMMUNICATION

In 2009, the Editorial Communication business area comprised JG Communication AB in Sweden and Edita Press Oy in Finland.

Net revenue for the area was EUR 15.2 million, an increase of EUR 5.8 million on 2008 (EUR 9.4 million). The increase was a result of the acquisition in July 2008 of the Swedish company Citat Group AB, which was included in the net revenue of 2008 for only six months. The comparable net revenue decreased both in Sweden and in Finland. Operating profit for the business area was EUR 1.0 million, an increase of EUR 0.2 million on 2008

KEY FIGURES	2009	2008
Net revenue (T€)	15 194	9 353
Operating profit (T€)	1 038	765
Employees (average)	131	76

(EUR 0.8 million). Operating profit increased in Sweden, but decreased in Finland as a result of a difficult market situation and restructuring costs.

In 2009, suppliers and customers within the communications field began to take social media seriously, realizing its importance to the way people communicate, and took steps to adapt.

It was a mixed year for magazines. The circulation of many newspapers fell, and the challenge now is how to transfer these into online publications and still make money from them. On the other hand, the number of new commercial titles in Sweden rose in 2009, and a Sifo survey showed that customer magazines significantly affect the purchasing behavior of target groups.

In Finland, a 2009 Itella survey showed similar results. An overwhelming majority of interviewees considered customer magazines to be the best channel for information. The internet was rated the second best source. Even interviewees under the age of 35 preferred print publications to internet-based information. The survey also showed that 70 percent of those who read customer magazines also look at the company's website or visit the store.

Business in Sweden

JG COMMUNICATION reached its targets in 2009 despite a very challenging market situation.

Henrik Johansson, Managing Director of JG Communication, says: "One of our goals in 2009 was to get recognition of our skills by winning awards – and we succeeded. Our successes include the Swedish Association of Custom Publishers' award for Best Re-design of a Magazine, Svenska Publishing's award for Best Company Magazine, a Swedish Design Award (Svenska Designpriset) in the Customer Magazine class, and the bronze medal in the 2009 international Ozzie Awards for Best Use of Illustration, Custom."

The most important strategic move in 2009 was to change the company's name and visual identity, as well as to update the vision and business idea. In November, the change was announced to customers and the media: Citat Journalistgruppen became JG Communication.

The business idea of JG Communication is to create relevant conversation using words, sounds and images. "Shouting a message in today's enormous flow of information isn't good enough," Johansson says. "People ignore everything that doesn't concern them. We want to help our customers create relevant dialogue with the individuals who are important to them: their employees, customers and other stakeholders. We want to help them create the conditions for open conversation. That makes

Stakeholder magazines prove their point

“A good stakeholder magazine serves two masters, the reader and the publisher – in that order,” says Managing Editor Mikko Taivainen of Edita Press.

Every company and organization wants to know how to get the attention of its target groups. And, of course, how to find ways of selling more products and services to these target groups – or to simply justify their own existence.

“The solution to this is still the same: create an excellent stakeholder magazine,” Taivainen says.

A few basic principles will take you a long way.

“A good stakeholder magazine serves two masters, the reader and the publisher,” says Taivainen.

“And specifically in that order of priority, ‘For whoever exalts himself will be humbled.’ This doesn’t work the other way round, because if you humble yourself too much, people will just let you wallow in your own self-pity.

“It is possible to win the hearts of your readers by offering interesting and useful content, presented in a visually appealing way, without harming your own interests. Publishing unfavorable information should be left to journalists who are better at it,” Taivainen says.

If the publishers of a magazine wish to forge permanent relationships with their readers, they need to be in tune with their readers’ wishes.

“A magazine is made for the individual, not for a segment or a group,” Taivainen says.

According to Taivainen, when you are creating the concept for a magazine, you should have a picture in your mind

of the typical reader. Let’s call that typical reader Jane (or Joe).

“This makes it easier to think about how to reach the average reader,” Taivainen says.

When you ask Jane (Joe) what she likes to read about in a magazine, the answer is: “I find people really interesting. My own interests are also very important. If an article is useful to me, I will read it. Familiar things interest me but on the other hand, so does new information. I’m a bit fickle aren’t I?”

The answer is honest and very typical of human beings.

According to Jane (Joe), a stakeholder magazine should feel like a magazine, but it should also be real. This Jane (Joe) never reads the editorial, but it should be put at the beginning of the magazine regardless. Regular columns should clearly stand out from the rest of the content. The magazine’s pages, however, may be constructed with some creative elements too.

At the end of the day, appealing to Jane (Joe) is quite simple:

“We design a concept for the magazine, and a look and content structure that supports that. Then we just come up with creative and disciplined layout solutions and interesting articles and stories,” Taivainen explains.

Once the magazine drops through Jane’s letterbox and she enjoys reading it, it will benefit the magazine’s publisher, too – in the form of cash or goodwill.

people more receptive to new messages and ideas. Our vision is ‘Opening People’s Minds.’”

“Together with our customers we define what should be communicated and then define the means and tools for creating the conversation,” Johansson says. “A combination of strategies often leads to the best results, and films, the web, magazines, audio, newsletters and social media are among the channels we can use.”

It has been a good year overall for JG Communication, especially in new media. In 2009, the web offering added about 20 new customers, some of them as a result of collaborating with other Edita Group companies. Six new customers also used the film and webcasting services offered by the sound and vision team.

In 2009, JG Communication employed an average of 123 employees.

Business in Finland

In 2009, EDITA PRESS OY produced annual reports and customer, staff and other stakeholder magazines for about 30 organizations. Customers included listed companies, international and Finnish-owned private companies, and government departments. Some of the publications are produced by Nordic teams.

Managing Director **Rita Jussila** says: “Our core expertise is editorial communication, graphic design and layout, and managing publication projects. We also produce communication for both traditional and digital channels.”

“Communications consultancy expertise is becoming increasingly important,” she says. “As a content producer, we play



a key role in helping our customers choose the communications channels that best allow them to meet their objectives. The solutions must be innovative, cost-effective and based on in-depth understanding of the customer's business operations."

In autumn 2009, Edita Press started a partnership with the Finnish-Swedish Chamber of Commerce, designing and producing a new publication intended for the Finnish stakeholders. Edita Press also produced several digital publications in 2009. Many customers decided to produce their publications in both print and digipaper form, or abandoned the print version altogether. Some of the content was also used in newsletters.

At the end of the year, Edita Press decided to end the publication of Navigator, a marine industry periodical.

This means the company has now, in accordance with its business strategy, moved away from publishing and will focus its resources on designing and implementing customer communications processes.

In financial terms, 2009 was challenging for the company. Net revenue and profit fell short of the targets.

"Some of our customers reduced communications costs by issuing publications less frequently or by relying more on their own resources to produce material and new customers also postponed purchasing decisions until 2010," Jussila says. Profit also decreased because of non-recurring personnel costs and the decision to move the production of marketing material to Citat Finland in October 2009. This decision was in accordance with our business strategy."

In 2009, Edita Press employed an average of eight people.

Social media affects corporate structure

The growing use of social media is having more of an effect on the corporate world, not only introducing new ways of communicating but altering company structures.

There's a lot of hype about social media. But basically it just allows people to connect on the web. JG Communication's Operating Manager **Colm O'Callaghan** says it is a positive change since it means there's a lot of talk about communication and that's something you always need more of.

"Long live all the hype," O'Callaghan says. "We're used to communicating in meetings, at lunch, talking to our neighbors and now we can do it online too. The web's early years were all about information but now it goes two ways. Today, you can't just publish on the web, you have to listen and respond too. The conversation is king."

This development has potentially far-reaching consequences for companies in general, he says. If every individual in a company now expects to be listened to and expects to be able to participate, then the old organizational structures have to be revisited.

He defines three areas companies need to think about in light of the developments on the web: control, collaboration and empowerment.

"Companies do not have the same control over information as they used to", O'Callaghan says. "The tools are

now there for everyone to be able to participate in the questions that matter to them. Keeping control in the old hierarchical structures will only ensure a slower-moving and more inflexible organization. Better decisions will often be made if those affected by them are a part of the process.

"Collaboration and tapping into the collective knowledge of a company's entire workforce will be key not just to staying ahead but to keeping that workforce involved and interested," O'Callaghan says.

He says that companies need to empower individuals in order to get the positive effects of social media. They need to have a bottom-up approach to utilize the collective talent. The individual that is reluctant to share their ideas for fear of being wrong is working in a company culture that has to change if you want to cultivate innovation and creativity.

"Social media may be hyped a lot, but faster and more open global communications is worth a fair bit of hype," O'Callaghan says. "But it doesn't come without changes. Your company may never be the same again."



PUBLISHING

Edita Publishing Oy operated in the Publishing business area in Finland in 2009.

The net revenue of the Publishing business area was EUR 15.4 million (EUR 15.7 million), which is EUR 0.3 million less than in the previous year. Operating profit was EUR 3.2 million (EUR 1.8 million). Efficiency improvements and the discarding of unprofitable publishing programs enhanced good results.

In 2009, ever-increasing digitalization and organizational adjustment strongly affected the operating environment. Together these two factors significantly increased the use of the internet as a channel for both information distribution and retrieval in 2009.

"For many of our public sector customers, 2009 was a year of large cost-cutting measures. The number of magistrates' courts was cut in half, and schools began to increase efforts to re-circulate educational material," says the Managing Director of Edita Publishing Oy, **Jarmo Rosenberg**.

"Even though our net revenue fell, we made a better result than in the previous year. Key factors contributing to this were the professional skill of our employees and our good cooperation relationships. Success in difficult times is a display of our customers' trust in us."

Edita Publishing publishes high-quality non-fiction to improve the competence and competitiveness of professionals and students. "We are passionate about information. We are a service house for creating, selecting, developing, editing and delivering information. We want to earn the trust of our customers in everything we do," Rosenberg says.

Edita Publishing has foreseen the effect of digitalization on business structures, and it has responded by developing multi-channel publishing. Rosenberg says the biggest challenge facing web publishing is profitability. "If the illegal copying of information content proliferates, the profitability of the content production goes down. At the same time the quality of the content decreases and supply will diminish. Production of digital material demands just as much professional skill and resources from authors, graphic artists, and publishers as the production of printed material."

"In 2010, the decrease in the total demand for publishing services is likely to continue. Still, the promising results of late 2009 give us reason to face the future with confidence. What if the need for information that was postponed last year due to cost-saving measures resurfaces as increasing demand?" Rosenberg says.

In middle and high schools, Edita Publishing will continue focusing on selected subjects in which it has a good status and sound knowledge. "Edita's book series on religion and history for high schools are the forefront of the market. Our sturdy know-how in both content and education helps us produce materials that meet the needs of the customers, that are learner-centered, and provide the teacher with reliable support," Rosenberg states.

The customer support for Edita's educational material has been shown by research (2007) to be the best among publishers. "We are developing our customer management and customer service to ensure that the customers get information on exactly those options that they need at the right time," Rosenberg clarifies.

In the business and technology publishing programs, Edita will focus on producing material for the key subjects taught at vocational schools. Edita Publishing is the market leader in bookkeeping, communication and marketing, to name a few subjects.

The material dealing with the social and health sector contains both textbooks and basic vocational works, which even more than before will focus on the needs of the working life and building a professional identity. Many textbooks can be used by both young students and by adult professionals in further education. Vocational information material is produced in electronic format whenever that is best suited to serve the customers' needs.

Edita produces a wide array of legal information for legal professionals and others who need legal information in their work. "Up-to-date professional information is offered in all the central fields of law, and in various formats that best serve the

KEY FIGURES	2009	2008
Net revenue (T€)	15 380	15 749
Operating profit (T€)	3 212	1 795
Employees (average)	74	83

customers: in printed compilations of laws and commentaries, in the form of effective training events, and as Edilex, the most comprehensive legal information service in Finland, which has many diverse types of material and databases. We also produce tools and useful services for practicing lawyers as well as professionals in the financial, human resource and social and health sectors, and professionals working on environmental issues, and in public tendering," Rosenberg says.

Edita Publishing publishes high-quality non-fiction books on important subjects in the social or historical sense as well as on well-being, psychology, travel, and hiking.

In the area of commissioned publications, Edita also publishes interesting non-fiction in cooperation with customer organizations. A book commissioned by the Finnish Forest and Park Service was shortlisted for the 2009 Tieto-Finlandia Prize competition.

The future of commissioned publications looks varied. "Content subjects may be focused on in many ways according to the needs of the partner, and the opportunities of multi-channel delivery can be flexibly utilized," Rosenberg says. "We place the publishing house's strong know-how on managing the total process, and the services of the Group's business areas in the hands of the customer."

In addition to tens of thousands of book readers and users of electronic services, dozens of notable organizations have chosen Edita as their partner. Edita produces various publications and services for the Ministry of Justice, Ministry of Employment and the Economy, the Tax Administration, the Environmental Administration, the National Board of Patents and Registration of Finland, and the Finnish Parliament.

Educational materials undergoing change

"In the future, the same tools will be used to study at school and at home," says Hanna Sokratous, Publishing Manager at Edita Publishing.

Changes in the educational materials market reflect the wider changes in society. Today's children and young people have been using mobile phones, computers and the Internet from a very early age. They study in classrooms with video projectors and interactive whiteboards and work in electronic learning environments.

"The educational materials of the future will be even closer to everyday life. Soon the same tools that are used at home during free time will be used to study and communicate at schools," Sokratous says.

What will this change require from educational materials and their publishers?

Electronic educational materials become more widespread

The National Board of Education in Finland has issued a policy according to which, by 2015, the majority of educational materials should be electronic, and information and communication technology should be used in all educational situations. Edita Publishing has already published electronic educational materials, mainly supplementary materials related to books. As the technical equipment at educational institutes is modernized and the ability of teachers to utilize new technology in teaching improves, demand for electronic educational materials will grow.

According to Sokratous, the challenges facing the pro-

duction of electronic educational materials are not necessarily technical.

"It is important to manage the sales and distribution of electronic materials in a way that protects the valuable content and copyrights but also makes the materials easy to use in teaching. Educational institutes also have differing and limited resources for procuring new technology and educational materials," she says.

Good textbooks still needed

Printed educational materials will still be needed in the future.

"Information can be presented as a coherent unit in a textbook. It provides a solid framework around which other illustrative material can be compiled," Sokratous says.

During the past decade, pedagogic properties have been emphasized in Edita Publishing's textbooks. Information and its clear presentation remain crucial, but a lot of attention is paid to solutions that support learning. Theoretical matters are also brought closer to the student's everyday experiences. Tasks take into account students of different levels and various learning methods, so that everybody has the chance to succeed. The books have a colorful and attractive appearance and lots of images.

"Good educational material, be it printed or electronic, helps students learn and supports the work of teachers."



PRINT & DISTRIBUTION

In 2009, the Print & Distribution business area comprised Edita Prima Oy, Edita Kvaritto Oy and Käpylä Print Oy in Finland, and Edita Västra Aros AB and an associated company Edita Bobergs AB in Sweden.

The net revenue of the Print & Distribution business area was EUR 68.4 million (EUR 79.2 million), down by EUR 10.8 million from the previous year. A substantial contraction in the printing market and tighter price competition in Finland and Sweden lowered net revenue. The operating profit was EUR 2.4 million (EUR 2.1 million). The Finnish operating result improved and was clearly profitable due to the correct timing of business adjustment measures, whereas the Swedish operating result, while still profitable, was weakened by adjustment costs.

KEY FIGURES	2009	2008
Net revenue (T€)	68 413	79 223
Operating profit (T€)	2 414	2 135
Employees (average)	481	574

The year 2009 was exceptionally challenging for the graphic industry in both Finland and Sweden. The demand for printed products plummeted, with sales of fine paper in Finland dropping by as much as 20 percent from the level of the previous year. The depreciation of the Swedish krona mitigated the slump in demand to some extent, and paper sales declined by about eight per cent. Decreased demand led to cutthroat price competition and a further weakening in profitability.

Business in Finland

EDITA PRIMA reacted to the market situation by focusing on customer service to an even greater extent than before, and by accelerating structural changes in the business. The company's operating profit improved due to the correct timing of business adjustment measures.

The digitalization of communications has shaped Edita Prima's strategic planning for some time now. The events of 2009 only accelerated this process, forcing difficult decisions to be taken.

"The recession sped up the digitalization of communications, a trend that has long affected the graphic industry. Last year was hard, because we had to make personnel reductions in order to maintain our competitiveness redundant. But change always brings opportunities, too," says **Kim Grundman**, Managing Director of Edita Prima.

"Our key asset and our competitive edge is service – not individual printed products. For example, customers can use our Gate service to outsource the production of all their graphic and digital marketing communications," Grundman says.

Edita Prima's business idea is to cost-effectively integrate printed and digital marketing communications production in innovative ways so that they complement each other. "An area of key strategic importance for us is personalized marketing, and this is where we want to be the industry leader," says Grundman.

Measured by ecological indicators, the Edita Group's printing houses are among the best in the Nordic countries. "Our print production causes absolutely no landfill waste, and in the spring of 2010 our Finnish production plants will also be climate-neutral," Grundman says.

EDITA KVARTTO was acquired in 1992 to increase Edita's expertise in gaming products. The company was merged with Edita Prima on August 31, 2009.

KÄPYLÄ PRINT was acquired in 2008 to add to Edita's direct marketing expertise. The company was merged with Edita Prima on January 1, 2010.

Print & Distribution business area employed an average of 374 people in Finland in 2009.

Business in Sweden

EDITA VÄSTRA AROS had a difficult start to 2009. To secure profitability, personnel cuts were made during the spring.

Fast-moving targeted campaigns hit the mark

“Tomorrow’s effective campaigns can be initiated through a certain type of customer behavior or weather forecast, for example,” says Jaakko Siuko, Manager of Edita Prima’s Premedia unit.

However, by the end of the year the profitability had developed well and the result for 2009 was positive.

Edita Västra Aros aims to be the best full-service company in the graphics industry in Sweden. It has the biggest sheet-fed offset press today in the Nordic and Baltic region.

Lars-Göran Nyberg, Managing Director of Edita Västra Aros, says: “We want to be the first choice for those companies and organizations that need high-quality printed products and services. We are at the forefront in using environment-saving printing technologies.”

“We focus on modern and efficient printing techniques, education of employees, customer service, a 24-hour web service and cost effectiveness,” Nyberg says.

The production of Edita Västra Aros meets the highest environmental criteria in the graphics industry.

“We’re greatly committed to the environment,” Nyberg says. “Through Climate Neutral program we compensate all those carbon dioxide emissions that we cause.”

In 2009, Edita Västra Aros won Sweden’s Graphic Awards’ “Best Environmental Contribution” category, and was named as one of the UN’s “Caring for Climate” companies. It was also nominated for Swedish business magazine Veckans Affärer’s e-prize.

Edita Västra Aros operates in Västerås and employed an average of 107 people in 2009.

EDITA BOBERGS is an associated company that is specialized in direct marketing. The company operates in Falun and employed an average of 55 people in 2009.

Siuko’s unit produces effective customer relationship marketing for companies. The core of Premedia’s competence is made up of information and data management and assorted variable information solutions: direct marketing campaigns for various channels and publishing based on databases.

“Targeted and well-timed messages form the basis for all our work,” Siuko says.

‘Soft’ customer information is hard currency

According to Siuko, conventional CRM is rapidly transforming into Customer Managed Relationships (CMR): customer relationships are all the more often built on the customer’s terms.

“If customers feel that the marketing is beneficial then they will provide more information, not just about what they are interested in but also about when they are planning to buy,” Siuko says.

Information on hobbies and family relations, in particular, is worth its weight in gold for an advertiser, as an individual’s consumer behavior is largely built upon these factors.

“Knowing about customers’ values is also increasingly important. Why do customers want to buy things? What do customers talk about with various groups? What do they compare things with and recommend?”

The days of just the one campaign are over

Edita Prima offers companies expert services for profiling and building up target groups so they can launch a dialogue

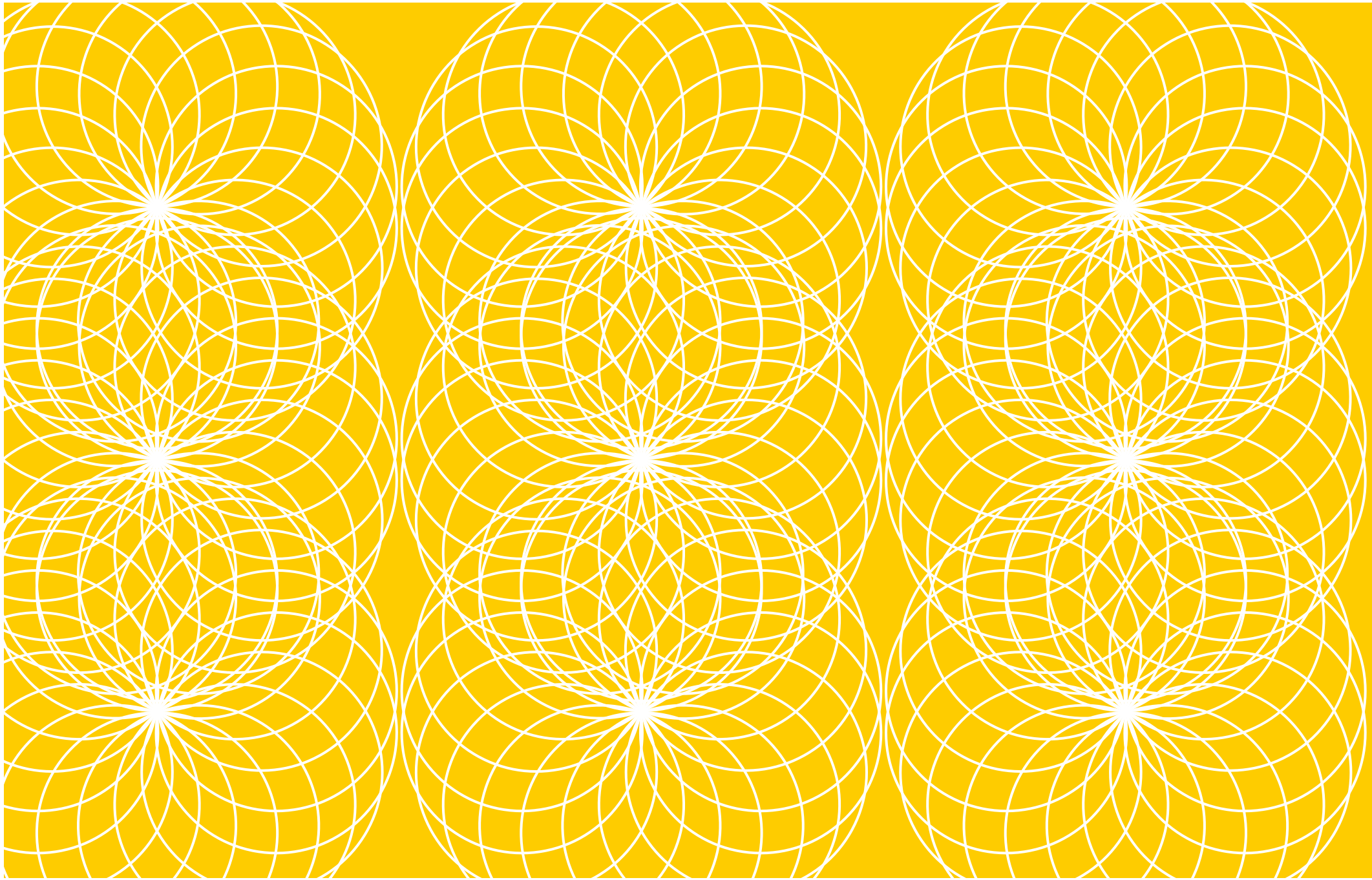
with customers. The Population Information System, the Vehicular and Driver Data Register and various B-to-B registers are used for this purpose. Skilled preparatory work has guaranteed the success of marketing campaigns carried out by a number of car importers, retail chains and bank and insurance companies.

“I believe that Finnish attitudes towards the use of customer information will become even more accepting. Ethics in advertising must be in order these days as competition is so tough.”

Siuko is expecting the increasing use of social media to provide plenty of benefits. Customers provide feedback through online communities, often complete with their contact details, which can be collected and used as a basis for the timing of a campaign. A customer who has provided feedback is receptive to being contacted again.

“Campaigns can currently be highly automated. If campaigns are launched with the click of a button today, tomorrow it may be possible to launch them with customer feedback provided on the internet. Or how about an online weather forecast predicting conditions that will increase the demand for a certain type of product. Campaigns will be targeted on an increasingly individualized level and the time that they are launched will form a continuum. The time of just the one campaign is really over,” Siuko says.





People

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Our employees' combined competence, commitment and well-being are vital success factors in our company.

”

HUMAN RESOURCES

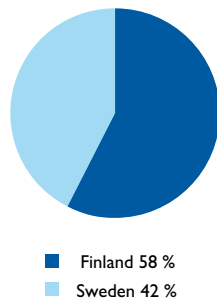
Our employees' combined competence, commitment and well-being are vital success factors in our company. The HR function's purpose is to contribute to building up a strong employer identity inside Edita Group, and to promote an attractive employer image to potential employees.

HR develops and supports management's leadership competence within the group. The major challenges in 2009 involved supporting the management in implementing business adjustment activities. Staff redundancies were necessary during the year in order to secure profitability in the tough market

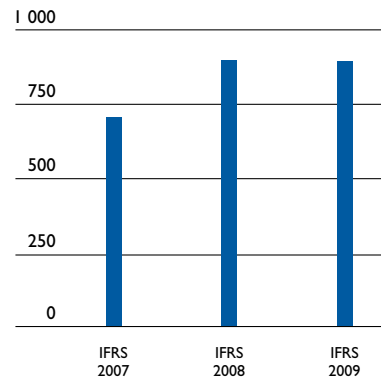
situation both in Finland and in Sweden.

However, new personnel were also recruited during 2009, both new employees and staff acquired in conjunction with outsourcing deals. In 2009, a group-wide web-based recruitment tool and common recruitment processes were

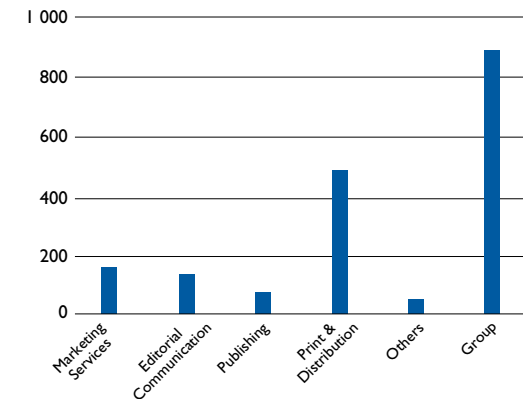
Employees in Finland and Sweden 2009



Number of employees over the period 2007–2009



Employees by business area (IFRS)



implemented. These have improved the handling of job applications, which makes the overall recruitment process work better. HR plays an active role in every stage of this process, from creating a job advertisement to participating in the selection procedure.

In Edita Group we have an HR forum, made up of HR professionals from group companies. Its task is to develop HR functions and create processes that serve all group companies and enable the sharing of information between companies.

The biggest challenge in the next few years is to work with and create processes to support employees' competence development to meet the changing requirements of the communications industry and customers' needs. For this we will focus on, for example, registering employees' competence, competence development and strategic recruitment. The internal networking within and between different vocational groups in the Nordic region is supported by a group-level intranet that will be launched in autumn 2010.

Challenging times

“We are facing major challenges within the communications industry,” says Annika Magnusson, head of HR at Edita Group. “Development is occurring at record speeds with technology shifts and new ways of communicating, and there is an uncertainty about what is coming next. This results in major challenges for HR departments, concerning everything from how to work with competence development and recruitment, to HR-support to managers and management training.”

Magnusson, who has also been a CEO at other companies, is quick to underline HR's importance as a business advantage within a company.

“If you're going to be competitive, you have to be at the forefront of developments and be fast, flexible and proactive,” she says. “You have to be one step ahead of your customers, knowing about things before the customer knows about them. This is also what our customers expect.”

The recruitment process should help you define the right person for the job, both in terms of personality and competence. There are also new ways of recruiting staff; new opportunities are opening through Facebook and other forms of social media. It is still extremely important to be regarded as an attractive employer, both externally and internally, to attract competent employees.

“Getting the right mix of sexes, ages and cultures is also important because the communication of the future is based on networks, and you need to have an understanding of individuals' different needs and behavior to succeed,” Magnus-

son says. “One way is to work more closely with schools; this could involve going in as a lecturer or receiving trainees, but also learning how the new generation is communicating, and gain insight into how you can best attract younger generations.”

One of an employer's most important tasks is to provide competence development for its staff. But for this to be successful, companies must know which areas its staff need to develop.

“Within our industry, competence development isn't just about acquiring new knowledge; it's also about your attitude to how you're going to work with communication in the future, and changing your mindset,” Magnusson says. “It's also important to make better use of your employees' unique competence by becoming proficient at transferring knowledge. This must become a natural part of the internal routines, and preferably in a way that uses the methods that are at the forefront of the communications industry.”



CORPORATE GOVERNANCE PRINCIPLES

Edita Plc is a Finnish state-owned public limited company whose corporate governance system complies with the Finnish Limited Liability Companies' Act, Edita's Articles of Association, and, as applicable, the corporate governance recommendations concerning publicly listed companies in Finland.

The Edita Group is comprised of the parent company, Edita Plc, and its Finnish and Swedish subsidiaries.

Governing bodies

Responsibility for the Edita Group's governance and operations rests with Edita Plc's governing bodies, which consist of the General Meeting of Shareholders, the Board of Directors and the CEO.

General meeting of shareholders

Edita Plc's supreme decision-making body is the General Meeting of Shareholders, which convenes at least once a year. An Annual General Meeting is held by the end of May on a date set by the Board of Directors. The General Meeting makes decisions on the matters specified in the Limited Liability Companies' Act and the Articles of Association, such as the acceptance of the

financial statements, the distribution of dividends, the election of the Board of Directors and the Auditor, and the compensation payable to them.

Board of Directors

The Annual General Meeting elects from four to eight directors to the Board of Directors for a term of one year. Their term expires at the end of the Annual General Meeting that first follows their election. The Chairman of the Board and the Vice Chairman are elected by the General Meeting of Shareholders.

The Board of Directors is responsible for the company's management and for the appropriate organization and supervision of the company's assets and business operations. The Board makes all major decisions on operating policies, strategies, capital expenditure, organization and funding, and decides on all major transactions concerning properties, operations and companies. The Board approves the company's values and policies and oversees their application in practice.

The Board approves its own working procedure and meeting schedule. The Board's key functions are:

- approving the annual operating plan and budget
- accepting the financial statements and annual report
- approving the organization and compensation system
- appointing and compensating the CEO and Group Management Team
- appointing Committee members and approving their working procedures
- approving long-term objectives and strategies
- approving the Group's values, and the principles and policies of its control and risk management system
- supervising the appropriate arrangement of accounting and financial management

The Board of Directors has approved the corporate manual to be applied throughout the Group, the purpose of which is to guarantee appropriate procedures in all Group operations.

In year 2009, the Board of Directors consisted of **Lauri Ratia** (Chairman), **Jarmo Väisänen** (Deputy Chairman) and the members **Carina Brorman**, **Liisa Jauri**, **Riitta Laitasalo**, **Timo**

Löyttyniemi and Eva Persson. The Board annually evaluates its working practices. In 2009, the Board convened 10 times. The average attendance was 94 percent.

In the Board's assessment, all members are independent of the company, and all members except Jarmo Väisänen are independent of the company's owner, the State of Finland.

Board committees

The Board Committees assist the Board by preparing the business to be handled by the Board. The Board has two permanent committees: the Audit Committee, and the Structure and Compensation Committee.

The Audit Committee

The Audit Committee assists the Board by monitoring the financial situation and performing supervisory tasks, directing the reporting and internal audit functions, supervising risk management and overseeing auditing.

In 2009, the Audit Committee consisted of three members, namely Riitta Laitasalo (Chairman), Timo Löyttyniemi and Liisa

Jauri. The Committee convened five times, with an attendance rate of 100 percent.

The Structure and Compensation Committee

The Structure and Compensation Committee directs the development of the Group's structure and key business areas. The Committee also prepares matters relating to the salaries and other benefits of corporate executives, the compensation systems and executive appointments.

In 2009, the Structure and Compensation Committee consisted of three members, namely Lauri Ratia (Chairman), Timo Löyttyniemi and Jarmo Väisänen. The Committee convened six times, with an attendance rate of 100 percent.

CEO

The Board of Directors appoints the CEO, who is responsible for managing and developing the Group's operations in accordance with the provisions and guidelines laid down in the Limited Liability Companies' Act and the Articles of Association and as issued by the Board. The CEO is responsible for ensuring the

legality of accounting and the trustworthy management of assets. The CEO is directly responsible for the following functions: implementation of Group strategy, financial administration, general administration, the direction and supervision of the business areas, public and stakeholder relations, and the preparation of Board meetings. The CEO regularly informs the Board about the Group's operational performance and financial position.

Since August 8, 2005, the CEO of Edita Plc has been **Timo Lepistö**, LL.M., born 1959.

Group Management Team

The Group Management Team comprises the CEO and, as appointed by the Board on the basis of the CEO's proposal, the Chief Financial Officer, the Human Resources Director, the Communications Director and the Managing Directors of the business areas.

The Management Team is responsible for making action plans to implement Group strategy in the business units, examining annual business plans and budgets, monitoring profit performance and taking any measures needed to rectify poor performance,

coordinating and monitoring the implementation of investment plans, overseeing the implementation of business restructuring, supervising risk management, and monitoring major day-to-day operating actions and decisions.

None of the Group Management Team members nor those close to them has any significant business relationships with companies in the Edita Group.

The business areas and their management

Edita's business is divided into four business areas: Marketing Services, Editorial Communication, Publishing and Print & Distribution.

The Managing Directors of the business areas have appointed management teams, including personnel representatives, to assist them in their respective areas of responsibility.

Compensation

Compensation of board members

The Annual General Meeting annually decides on the compensation of Board members. As a matter of principle, no monthly

compensation for Board work is paid to members of the Board who are employed by Edita Plc or one of its subsidiaries.

The CEO's compensation and employment terms

The Board of Edita Plc decides on the CEO's salary, bonuses and other terms of employment.

The CEO's retirement age is 62. The period of notice for terminating the CEO's employment is six months when notice is served by the employer and four months when notice is served by the CEO. Upon termination of employment by the employer, the CEO will be entitled to compensation equivalent to six months' salary in addition to the salary paid for the period of notice.

Compensation of executives

The CEO is entitled to a performance-based bonus, which is no more than 40 percent of his/her annual taxable earnings.

The members of the Group Management Team are entitled to a performance-based bonus, which is no more than 30 percent of their annual taxable earnings. Every year the Board sets targets, based on the budget and operating plans that must be met for

the bonuses to be paid. The CEO and members of the Group Management Team are included in the long-term "bonus bank" incentive system established to increase long-term commitment during the period 2007–2011. According to a decision by the Board of Directors on February 9, 2010, the old incentive system was discontinued in 2009 and replaced with a new system for the years 2010–2012. The "bonus bank" system is used to reward the Group's key personnel for reaching the targets approved annually by the Board. Such targets may include the long-term profitable growth of the Group, the successful implementation of Group strategy, and personal targets. Under the system, the maximum annual bonus may not exceed 40 percent of the CEO's annual taxable earnings or 20–30 percent of the annual taxable earnings of other key personnel. The bonuses accumulated in the old system can be withdrawn in stages over a three-year period starting from 2010. The bonuses accumulated in the new system can be withdrawn in stages over a three-year period starting from 2013.

Furthermore, the business areas can apply bonus systems based on sales or production, or linked to the units' profit

margins or earnings to facilitate business success.

The company does not use incentive systems based on shares or share derivatives.

Financial reporting

The achievement of financial targets and balance sheet management are monitored through monthly Group-wide reporting. Interim financial statements are drawn up quarterly. A semi-annual review is drawn up together with the interim financial statements for the first half-year.

Risk management

The risk management policy approved by Edita's Board of Directors defines the risk management principles, objectives and divisions of responsibility in the Group. Risk management is based on an organization-wide approach for identifying, assessing, managing and monitoring material risks. The CEO and other executives ensure that risk management is a continuous, integral part of the Group's day-to-day operations. The management reports quarterly to the Board on risks by business area, unless

there is a need for separate reporting. The CEO and other executives identify and monitor risks, develop and coordinate risk management activities, and update the Group's risk profile. The Board of Directors deals with the most significant risks and evaluates risk management functioning at least once a year. The effectiveness of Edita's risk management is monitored through internal and external audits as part of the regular auditing program.

Auditing

The authorized public accounting firm elected by the Annual General Meeting to audit the parent company, Edita Plc, audits the entire Group, including the Swedish subsidiaries, and is responsible for auditing the accounting, financial statements and administration for the financial year.

Edita's auditor is KPMG Oy, the principally responsible auditor being **Minna Riihimäki**, APA.

Internal audit

The purpose of internal control and risk management is to ensure that the company's operations are efficient and profitable,

that the supply of information is reliable and that regulations and policies are observed. The internal audit is responsible for helping the Board and the CEO to assess the appropriateness and effectiveness of the Group processes and systems, the efficiency and adequacy of internal control, and the validity and adequacy of accounting and reporting.

In the Edita Group, the internal auditing goals are decided upon annually by the Board by means of risk assessments, etc. and practical implementation is entrusted to an independent external firm of authorized public accountants.

The internal audit reports are distributed to Edita Plc's Board of Directors, Audit Committee, Auditor, CEO and Group Management Team. The CEO, together with other operating management, is responsible for ensuring that any actions required on account of observations made by the internal audit are duly initiated.

Edita's internal audit is performed by Tuokko Tilintarkastus Oy, Authorized Public Accountants.

EDITA PLC'S BOARD OF DIRECTORS ON DECEMBER 31, 2009



Eva Persson

Timo Löyttyniemi

Riitta Laitasalo

Lauri Ratia

Carina Bromman

Jarmo Väisänen

Liisa Jauri

CHAIRMAN

Lauri Ratia (born 1946), MSc (Eng)
Chairman of the Board of Edita Plc since 2005

Main positions of trust:

Chairman of the Board of Medisize Oy since 2007
Chairman of the Board of Sponda Oyj since 2007
Chairman of the Board of VR Group Ltd (Finnish Railways) since 2008
Member of the Board of Inspecta Oy since 2007
Member of the Board of Olvi Oyj since 1999
Member of the Board of Samesor Oy since 2008
Member of the Board of YIT Corporation since 2009

Previous positions:

Senior Advisor at Europe Materials, CRH Plc
Managing Director of Lohja Rudus Oy
Development Director of KoneCranes
Partner at Euroventures Nordica
Managing Director of Nokia Robotics
Business Planning Director at Nokia Corporation
Managing Director of Nokia Inc (USA)

DEPUTY CHAIRMAN

Jarmo Väisänen (born 1951), Licentiate of Social Sciences
Senior Financial Counselor at the Ownership Steering Department of the Finnish Prime Minister's Office
Deputy Chairman of the Board of Edita Plc since 2006

Main positions of trust:

Member of the Ownership Steering Department's Management Group for State-owned Companies under the Prime Minister's Office in Helsinki, Finland since 2007
Member of the Board of Kemira Oyj since 2008

Previous positions:

Head of the Ownership Steering Unit of the Finnish Ministry of Finance
Head of the Market Stability Unit of the Finnish Ministry of Finance
Deputy Director of the Finnish Government Guarantee Fund
Investment Manager of the Industrialization Fund of Finland
Research Manager of the Industrialization Fund of Finland

MEMBERS

Carina Broorman (born 1958), MSc (Econ)
Vice President for Brand and Communications at E.ON Nordic
Member of the Board of Edita Plc since 2009

Main positions of trust:

Member of the Board of Directors of the Royal Dramatic Theater in Stockholm
Member of the Board of Directors of Swedbank, Malmö

Previous positions:

Managing Director of Swedish Television (SVT) South
Deputy Managing Director of Malmö Opera

Liisa Jauri (born 1961), LL.M.

Unit Head at Nordea, Securities Infrastructure
Member of the Board of Edita Plc since 2006

Main positions of trust:

Member of the Board of Alko Oy since 2007
Member of the Board of Solidium Oy since 2007
Member of the Finnish State Pension Fund's Investment Consultative Committee since 2000

Previous positions:

Managing Director of the Finnish Central Securities Depository Ltd
Deputy Director of the NCSD Group
Executive Vice President, Corporate Planning, of OMX AB (and of its predecessor HEX Plc)
Head of the Legal Department of HEX Plc
Deputy Managing Director of the Finnish Central Securities Depository Ltd

Riitta Laitasalo (born 1955), MSc (Econ)

Senior Vice President, Human Resources, Kesko Corporation
Member of the Board of Edita Plc since 2005

Main positions of trust:

Member of Kesko Corporation's Corporate Management Board since 2001
Member of the Board of Fintra, the Finnish Institute for International Trade, since 2005
Member of the Board of the JTO School of Management, Finland since 2005

Previous positions:

Senior Vice President, Administration at Kesko Corporation
Vice President, Finance and Administration at Kesko Corporation
Vice President, Accounting and Finance at Kesko Corporation

Timo Löyttyniemi (born 1961), PhD (Econ)

Managing Director of the Finnish State Pension Fund
Member of the Board of Edita Plc since 2004

Previous positions:

Head of Capital Markets, Mandatum & Co Ltd
Managing Director of Norvestia Plc
Director at Merita Corporate Finance

Eva Persson (born 1964)

Managing Director of Cloetta Sverige AB
Member of the Board of Edita Plc since 2009

Main positions of trust:

Member of the Board of LI (Livsmedelsindustrierna)

Previous positions:

Managing Director of Cloetta Fazer Sverige AB with responsibility for operations in Scandinavia
Commercial Director for Cloetta Fazer in Scandinavia
Marketing Director at Coca-Cola Drycker Sverige AB

In the Board's assessment, all members are independent of the company, and all members except Jarmo Väisänen are independent of the company's owner, the State of Finland.

EDITA PLC'S MANAGEMENT TEAM ON DECEMBER 31, 2009

FROM LEFT TO RIGHT

Peter Stopp (born 1964)
Vice President,
Marketing Services business area, Sweden
Managing Director, Citat AB
Employed by the company since 2008

Henrik Johansson (born 1970)
Vice President, Editorial Communication
business area, Sweden
Managing Director, Citat Journalistgruppen AB
MSc (Econ)
Employed by the company since 2008

Timo Lepistö (born 1959)
CEO of Edita Plc, LLM
Employed by the company since 1987

Main positions of trust:
Vice Chairman of Labour Market Committee of
the Federation of the Finnish Media Industry
Chairman of the Board of the Financial Research
Foundation for Communications since 2006
Member of the Board of the Finnish Book
Publishers Association since 1999

Previous positions:
Vice President of Edita's Content Division,
Managing Director of Edita Publishing Oy

Annika Linna (born 1967)
Vice President, Communications, Edita Plc
MSc
Employed by the company since 2009

Markku Kanerva (born 1962)
Vice President, Marketing Services and Editorial
Communication business areas, Finland
Employed by the company since 2008





FROM LEFT TO RIGHT

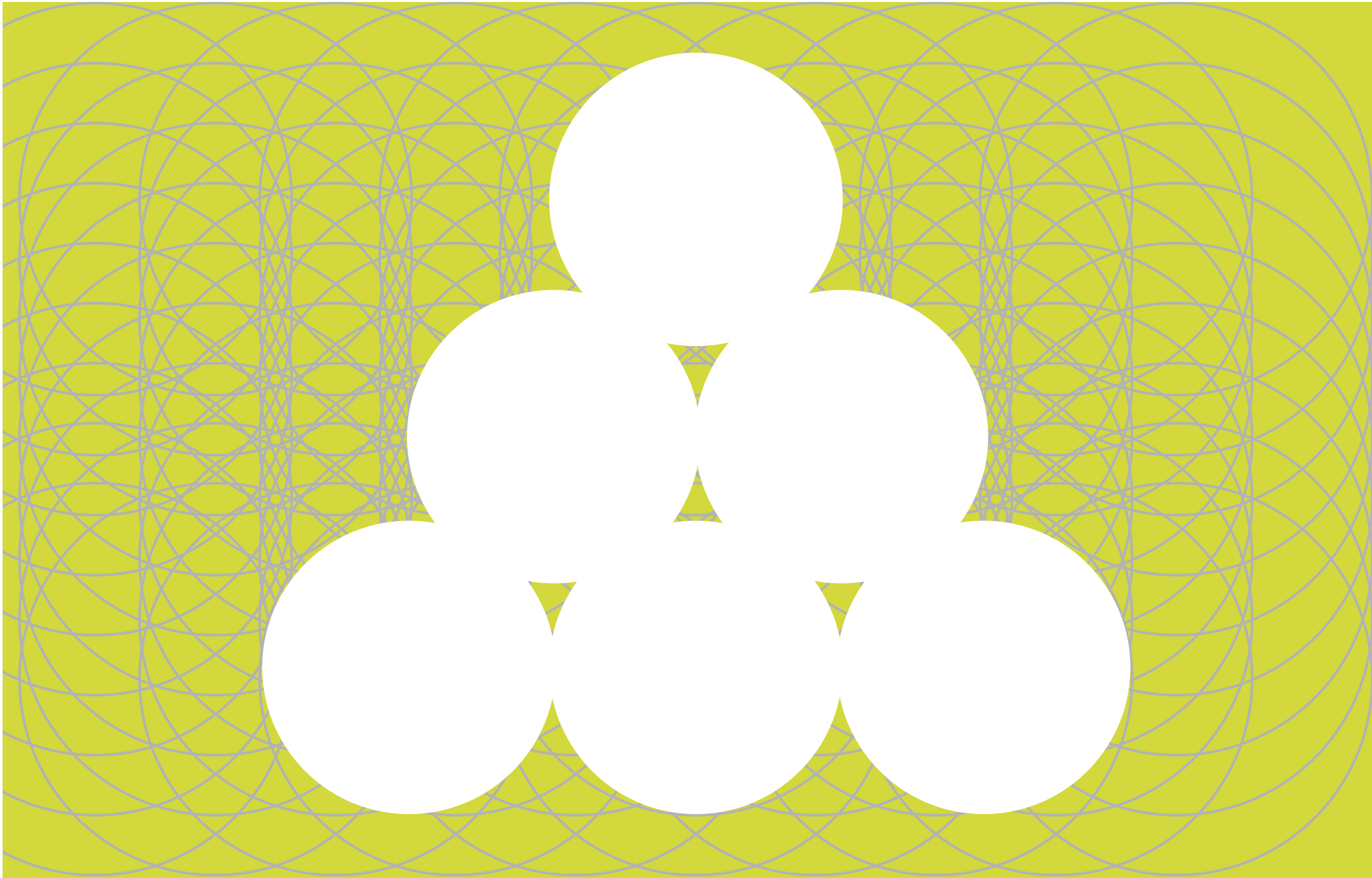
Jarmo Rosenberg (born 1961)
Vice President, Publishing business area
Managing Director, Edita Publishing Oy
LLM
Employed by the company since 2008

Annika Magnusson (born 1958)
Vice President, Human Resources, Edita Group
Employed by the company since 2008

Kim Grundman (born 1949)
Vice President, Print & Distribution business area
Managing Director, Edita Prima Oy
MSc (Eng)
Employed by the company since 1990

Kati Niemelä (born 1966)
CFO, Edita Plc
MSc (Econ)
Employed by the company since 1998

Ulf Dubois (born 1951)
Director, Business Development, Edita Group
Employed by the company since 2002



Environment

“

We want to be the most preferred partner for those customers who consider environmental values as a top priority in their operations.

”

ENVIRONMENT

In the printing industry, the Edita Group is a forerunner in environmental matters in the Nordic countries. We have engaged in systematic and long-term fact-based work since the beginning of the 1990s to form an extensive and comprehensive picture of the environmental impact of our activities.

We are actively trying to reduce the environmental impact of our operations. We also want to be the most preferred partner for those customers who consider environmental values as a top priority in their operations.

Public acclaim

Our Nordic environmental program, Green Edita, received public acclaim when Edita Västra Aros was given the Swedish Graphic Award for the best environmental contribution in 2009. The award is granted by the Swedish Graphic Companies' Federation and Grafiskt Forum.

Key environmental goals

Four key goals have been set for Edita's environmental work: ecologically sound procurement, minimizing waste, carbon neutrality and energy efficiency. We aim to improve our operations in all of these sub-areas.

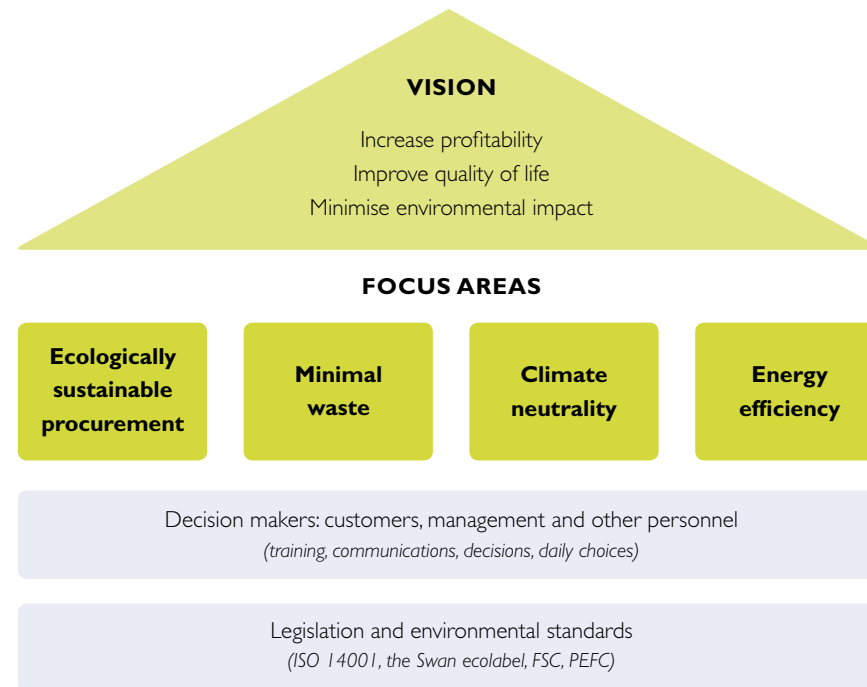
Environmental systems form the basis of operations

Edita bases its environmental work on environmental systems. Each of the production plants has an environmental management system, certified in accordance with the international ISO 14001

standard, under which operations are monitored, measured and improved. The latest system to be certified was the environmental management system of the production unit at Vilppula, Finland in autumn 2009. Our production plants also have the right to use the Nordic Swan ecolabel for their entire production operation.

We distribute information

We also aim to contribute to increasing the environmental awareness of our stakeholders. We distribute information to staff, customers and partners that helps them to reduce environmental impacts both at work and at home.



Dealing with ecological footprint of communication needs planning

“Being able to use a message for a long time makes it more environmentally friendly. However, this is problematic as messages currently have a very short shelf life,” explains Mika Ruuskanen, Controller and Head of the Nordic Green Edita programme.

In 2008, an extensive environmental training program for staff was launched at the Edita Group. The goal is for as many Edita employees as possible to get an ‘environmental driving license’ by the end of 2010. By the end of 2009, 440 Edita employees had already obtained an environmental driving license.

In 2009, Edita produced the 240-page EcoDesign exhibition catalogue. The catalogue was produced as ecologically as possible. The ecological footprint of the catalogue was calculated and depicted on its pages. A corresponding calculation of the environmental impacts of Edita’s 150-year-anniversary publication was also carried out.

Sustainable purchasing

Products with the lowest environmental impact are those which are created using the appropriate materials and production methods. All of Edita’s production plants are licensed to use the Swan ecolabel. In practice, this means that the materials and supplies they use are approved by the Swan standard. Edita also has a certified chain-of-custody management system for paper at three of its production plants. The system ensures that the wood fiber used for printed products is sourced from forests that are well-managed from an ecological, social and economic point of view. Edita is licensed to offer its customers printed products with the FSC and PEFC labels.

No landfill waste

Edita has extensive experience in waste sorting and collection.

All types of communications have an impact on the environment. The environmental friendliness of communications can be assessed from the perspectives of production, final product or the entire life cycle.

According to Ruuskanen, the content of messages has been less important in these assessments. Bad books are not bought just as a badly targeted campaign messages are not received. This creates waste which no one takes responsibility.

“We are getting closer to Edita’s service promise. The more effectively a message is targeted and the higher the quality of its content, the more the sender and recipient will benefit from the message and the less impact it will have on the environment,” Ruuskanen says.

Shifting the focus closer to our own operations

Printed and electronic communications both have an impact on the environment, in different ways. The greatest environmental impact of printing production comes from the use of the forest, paper manufacturing and logistics. Electronic communications consume energy and are created on equipment with a short lifespan.

“The image of printing becomes worse as its environmental impacts are known. Few people consider the fact that by sending an e-mail they have just increased CO₂ emissions,” he says.

We first became aware of the environmental issues within four walls. During the last decade environmental efforts

went global. Now Ruuskanen believes that we should again take a look at our immediate surroundings.

“Changes come about by influencing individuals’ actions and an organization’s internal processes. The most important thing is to promote the acceptance of new information,” Ruuskanen says.

Calculating the impact is only the beginning

Progressive projects are underway at Edita. These projects allow us to assess the ecological footprint of individual printed products, to map the environmental impacts of creative planning, and to achieve carbon neutrality for Edita also in Finland. This has already been achieved in Sweden.

Ruuskanen mentions Edita’s environmental knowledge, thus highlighting the importance of consulting. Edita provides its customers with advice on making green choices and this will take place more intensively in the future.

“Measurement, analysis and certification of the effects are a good start. However, making changes in the way we operate and narrowing down targets will require far-reaching action,” he says.

Ruuskanen reminds us that when a product’s entire life cycle is examined, the period in question could be up to 100 years. An ecological footprint must be assessed beforehand, even if it would be easier to do this afterwards. Quite some challenges in the fast-changing world of communications.



Regular measurement of waste volume was started in the early 2000s. Since then, the number of waste components that can be separated and sorted has increased and recyclability of waste has improved. While 75 percent of Edita's total waste volume was recyclable in 2002, the figure is currently over 90 percent.

First carbon neutral companies

In autumn 2008, we started a survey of the CO₂ emissions caused by our activities. Our aim is to become carbon neutral, which means that CO₂ emissions must be reduced and compensated for by funding projects that increase the use of renewable sources of energy. In Sweden Edita Västra Aros Ab and Edita Bobergs Ab have already achieved carbon-neutral status. Both have reduced the CO₂ emissions resulting from their operations and compensated the remaining emissions by funding the UN's Sri Kalyani CDM project in India, which generates power for local use from agricultural waste. In Finland Edita Prima will achieve carbon neutrality in spring 2010.

Energy consumption

As of the beginning of 2009, all Edita production plants have used green power generated with renewable sources of energy. Edita Västra Aros has been particularly successful in improving its energy efficiency; its energy consumption has halved compared with that of 2003, while production has increased.

Waste volumes at Edita's production plants in 2009

Ton	Helsinki	Vilppula	Västerås	Falun
Recycling	2056	702	946	564
Paper	1953	683	886	549
Printing plates	45	5	48	2
Cardboard	51	14	6	10
Plastic	7	0	6	3
Recoverable waste	120	120	35	9
Combustible	79	79	34	9
Wood	41	41	2	0
Hazardous	112	14	41	5
Total	2288	836	1023	578

CO₂ emissions from Edita's production plants in 2009

CO ₂ ton	Västerås		Falun		Helsinki and Vilppula	
	2008	2009	2008	2009	2008	2009
Own sources of emission						
eg. company cars	13	13	76	148	87	81
Procured energy	129	186	0	0	2320	400
Business trips	17	16	8	2	175	124
Commuting	101	82	56	53	516	420
Shipping	85	92	35	53	210	321
Total emissions	345	389	175	236	3308	1346
Emissions/person	3,6	3,6	3,1	4,4	7,3	3,7

Energy efficiency of Edita's production plants

MWh	2005	2006	2007	2008	2009
Helsinki	13919	15219	15064	14737	14667
Vilppula	1544	1529	1639	1959	2604
Västerås	2813	2672	1939	1884	2174
Falun	2716	2930	2881	3142	3114

Environmental systems at Edita's production plants in 2009

Edita Prima Oy, Helsinki	ISO 14001	Swan ecolabel	PEFC and FSC	-
Edita Prima Oy, Vilppula	ISO 14001	Swan ecolabel	PEFC	-
Edita Västra Aros Ab, Västerås	ISO 14001	Swan ecolabel	FSC	Carbon neutral
Edita Bobergs Ab, Falun	ISO 14001	Swan ecolabel	-	Carbon neutral

Energy consumption at Edita's production plants per paper tonne used

MWh/ton	2005	2006	2007	2008	2009
Helsinki	1,304	1,365	1,410	1,486	1,611
Vilppula	0,448	0,441	0,433	0,596	0,652
Västerås	0,654	0,55	0,368	0,344	0,292
Falun	1,546	1,509	1,547	1,329	1,123



THE ECOLOGICAL FOOTPRINT OF EDITA'S BUSINESS REVIEW 2009

The Business Review publication of Edita Annual Report 2009 was produced with great ecological consideration. Environmentally friendly and yet suitable materials and methods were selected in every stage of its making. Nevertheless, the catalogue left its print on the environment: making it required energy and raw materials and produced waste and emissions.

PURPOSE: Publication that will be used for relatively long time

PAGES: 40 pages and covers

DIMENSIONS: 297 × 210 mm

DISTRIBUTION: Finnish 900 pcs, Swedish 610 pcs and English 425 pcs

OPTIMALLY SIZED PRINTING SHEETS: Only 10% of the surface-area of the printing sheets was wasted as shearings.

PAPERS: The chosen paper material is a PEFC certified, Nordic Swan Ecolabelled Galerie Art Gloss 150 g/m² that is produced in Finland. The timber used for the publication was sourced from sustainable forests from an ecological, social and economic point of view. Chlorine gas was not used to bleach the paper. Paper Factory is ISO 14001 certified and FSC certified.

Environmental impact document Paper Profile and carbon profile are available of the paper.

CHEMICALS: Only chemicals approved for the Nordic Swan ecolabel were used in producing the paper material, in prepress, in printing and in binding. Printed with vegetable oil based inks.

PRINTING HOUSE: Printed at Edita Prima Oy, Helsinki, Finland. The printing house uses green electricity, it is ISO 14001 certified and entitled to use the Nordic Swan ecolabel as well as the FSC and PEFC indications of origin.

USE: The publication is easy to use and has a small ecological footprint. No appliance or energy is needed to read it. The publication can be used innumerable times and it is very easy to carry around.

TO MAKE ONE BUSINESS REVIEW WAS USED:

WOOD: 1,0 dm³

WATER: 1,6 liters

ENERGY: 1,1 kWh

TO MAKE ONE BUSINESS REVIEW PRODUCED:

WASTE: 360 g, of which recyclable waste 350 g (310g paper, 38 g aluminium, 2 g cardboard and 0,5 g plastic), combustible waste 3 g, hazardous waste 5 g. No landfill waste was produced.

COD EMISSIONS TO WATER, 5 g (in paper manufacturing).

CARBON FOOTPRINT OF THE BUSINESS REVIEW:

CO₂ emissions to air 130 g, of which transporting the tree from forest to the mill 18 g, making the paper 75 g, transporting the paper to the press 3 g, printing 32 g. Emission quantities are estimates. Total amount equals to approximately 0,7 kilometers drive by car:

WE COMPENSATE 94 g of the emissions per publication. We used Map Finland's paper that promotes climate protection. We compensated the emissions caused by production of the paper and transportations by financing the Plan Vivo organisation's project Mosambic that concentrates on planting trees.

However this Business Review, like in the case of any publication, it is the content of this publication that may have the greatest environmental impact. If it will inspire its readers to recycle more of their waste, drive less, lower the temperature in their homes, switch to green power, or to design more ecological publications, its environmental impact could then be considered positive.

Dear reader, when you no longer need this publication, please recycle it. Wood fibre can be reused roughly six times.

The research for the ecological footprint was made by Mika Ruuskanen, who is in charge of the Nordic Green Edita program.

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