EDITA

Interim Report August 24, 2010

EDITA GROUP INTERIM REPORT JANUARY 1 to JUNE 30, 2010

The Group's net revenue increased and its operating profit remained at a good level.

The Edita Group's net revenue increased by one percent between January and June to EUR 57.9 million (EUR 57.4 million), but remained at a good level in spite of the very challenging current market situation. The increase in sales by the Marketing Services business area in Sweden was the primary reason for this rise. 54% of the Group's net revenue accumulated in Finland and 46% in Sweden. The Group's operating profit was EUR 2.0 million (EUR 2.4 million). The decrease was mainly due to the weakened profitability of the Print & Distribution business area and lump sum costs of adjustment measures implemented in the Editorial Communication business area.

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EDITA GROUP KEY FIGURES		Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Continuing operations				
Net revenue	EUR 1 000	57 938	57 391	110 895
Operating profit	EUR 1 000	1 951	2 408	3 719
Profit for the period	EUR 1 000	918	1 172	3 267
Earnings per share, continuing operations	EUR	0.15	0.19	0.54
Average number of personnel, continuing operations		829	920	890
Gross investment	EUR 1 000	1 704	1 970	6 838
Balance sheet	EUR 1 000	89 480	91 887	91 413
Equity-to-assets-ratio, %	%	38.0%	33.3%	37.3%
Gearing, %	%	59.0%	82.3%	65.0%
Interest bearing liabilities	EUR 1 000	29 613	34 501	31 809
Cash and cash equivalent	EUR 1 000	9 938	9 792	10 443
Net debt	EUR 1 000	19 675	24 708	21 366

Timo Lepistö, CEO:

"A moderate growth in operating net revenue and retention of a reasonably good level of profitability show that we have succeeded in responding to our customers' communication needs. As was the case last year, the first half of the year remained challenging as the economy's downward trend continued to speed up a decline in demand for print communication and, at the same time, curbed growth in demand for digital communication services. Recovery in demand for communications services was modest in both countries, although the markets picked up slightly more in Sweden than in Finland. Growth in demand is expected to remain weak during the last half of 2010. Competition is very high and the sector is continuing to undergo a structural change. This emphasises the significance of skilled personnel and good customer relationships."

Group Structure

The Edita Group is comprised of four business areas: Marketing Services, Editorial Communication, Publishing and Print & Distribution. All business areas, with the exception of Publishing, operate in both Finland and Sweden.

In January, the Edita Group acquired ownership of Swedish Kampanjfabriken AB's entire capital stock. The acquisition will strengthen the Group's expertise in personalized direct marketing. In June, the Group increased its share of ownership in Ukrainian Belinski LLC by 20 percent, and now owns 90 percent of the company. In January, Finnish Käpylä Print Oy was merged with Edita Prima Oy.

Net revenue and profit

The Group's net revenue was EUR 57.9 million (EUR 57.2 million), of which EUR 31.1 million (EUR 33.7 million) accumulated in Finland and EUR 26.8 million (EUR 23.9 million) in Sweden. The Group's consolidated operating profit was EUR 2.0 million (EUR 2.4 million).

The **Marketing Services business area's** net revenue was EUR 10.3 million (EUR 8.3 million) and its operating profit was EUR 0.2 million (EUR -0.2 million). The increase in net revenue and operating profit were for the greater part accumulated in Sweden. The Group's Swedish companies succeeded in expanding existing customer contracts and acquiring new business. The Group's Finnish companies experienced lesser growth and due to the cost of rationalisation measures their profit was lower than in 2009.

The **Editorial Communication business area's** net revenue was EUR 8.1 million (EUR 7.8 million) and its operating losses were EUR -0.4 million (EUR 0.4 million). The increase in net revenue was largely due to the strengthening of the Swedish krona. Due to the cost of rationalisation measures implemented in Sweden the result was weakened. Without these costs the result was positive, but slightly lower than that of the previous year.

The **Print & Distribution business area's** net revenue was EUR 34.0 million (EUR 36.2 million) and its operating profit was EUR 0.8 million (EUR 1.7 million). Net revenue decreased in both Finland and Sweden as a result of tighter price competition and a drop in demand for print products. In addition, the downsizing of production and a low price level were contributing factors for the decline in the business area's result in both Finland and Sweden.

The **Publishing business area's** net revenue was EUR 7.9 million (EUR 8.2 million) and its operating profit was EUR 1.9 million (EUR 1.5 million). The decline in operating profit was primarily due to a decrease in demand for textbooks and non-fiction and tighter competition in the publishing sector. However, the business area's profitability clearly improved due to rationalisation measures implemented in 2009.

Solvency and financial position

The Edita Group's equity ratio was 38.0% (33.3%) and its cash and cash equivalents amounted to EUR 9.9 million (EUR 9.8 million). The Group had EUR 29.6 million (EUR 34.5 million) in interest-bearing debts.

Capital Expenditure

The Edita Group's gross capital expenditure during the review period was EUR 1.7 million (EUR 2.0 million). The Group's most significant strategic investment was the acquisition of Kampanjfabriken AB's entire capital stock. Operating investments consisted primarily of replacement investments, of which the most significant was a digital printing press purchased for Edita Prima Oy.

Risks and risk management

The Group's principle risks are related to the economic downturn, the weakening of the Swedish krona and the maintaining and developing the expertise of its staff. The Group assesses risks at regular intervals in risk surveys.

Due to the declining economic situation, the Group already initiated adjustment of its business operations in the autumn of 2008 in both Finland and Sweden and in all four business areas. During the spring of 2010, measures were carried out primarily in the Editorial Communication business area in Sweden and in the Marketing Services business area in Finland.

The Group's foreign exchange risk is related to the development of the value of the Swedish krona. At the beginning of the year, Edita's Board of Directors approved the Group's foreign exchange risk policy, according to which the foreign exchange risk will be monitored regularly. If necessary, the foreign exchange risk will be hedged. No exchange rates were hedged during this review period. As regards exchange rate risks, Edita has hedged a portion of its present interest bearing debt during previous years.

The Group paid special attention to the management of credit loss risks and the efficient turnover of sales receivables. Collection of outstanding debts, as well as monitoring the solvency and creditworthiness of customers, was enhanced. No significant credit losses were incurred during the review period.

The personnel's expertise plays a crucial role in strengthening the Group's competitiveness. The strong digitisation of communication has added pressure to develop expertise. The key factors which will contribute to the Group's success include development of intellectual capital and success in gaining commitment from and recruiting key personnel. The Group is investing in these factors by developing an incentive scheme, amongst other measures.

Board of Directors

The Annual General Meeting on April 30, 2010, decided that the Edita Plc Board of Directors would retain its current membership. Lauri Ratia (Chairman), Jarmo Väisänen (Vice Chairman), Carina Brorman, Liisa Jauri, Riitta Laitasalo, Timo Löyttyniemi and Eva Persson were all re-elected as board members.

Staff

The Edita Group had an average of 829 members of staff (920) during the review period and 835 members of staff (899) at the end of this period. The Print and Distribution business area had an average of 68 fewer staff members than in the corresponding period during the previous year. The number of staff also declined in the Publishing and Editorial Communication business, areas as well as in the parent company, which had 31 members of staff (36) on average and 30 members of staff (37) at the end of this period.

Outlook for the remainder of 2010

Structural change is expected to continue in the communications sector and the graphics industry. The slow recovery of media advertising, led by Internet advertising, is expected to continue both in Finland and Sweden. The markets have picked up slightly more in Sweden than in Finland. Despite this, the total demand of communications services is expected to remain low in both countries. The Group's performance will be affected during 2010 by low demand for print services, as well as a faster than expected rise in paper prices and other cost factors. In order to secure profitability, the Group is prepared to continue implementing measures of adjustment if necessary.

This interim report has not been audited.

Edita Plc

Timo Lepistö
CEO

Attachment: Financial statement and notes to the financial statement

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Distribution: The State's Ownership Steering Department, media

ATTACHMENT: Financial statement and notes to the financial statement

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CONSOLIDATED INCOME STATEMENT (IFRS) (EUR 1,000)	1-6/2010	1-6/2009	1-12/2009
Net Revenue	**57 938**	**57 391**	**110 895**
Other operating income	215	667	690
Change in inventories of finished and unfinished goods	-502	-115	-53
Work performed for company use	148	133	268
Materials and services	15 489	14 435	30 276
Expenses arising from employee benefits	26 365	26 271	50 140
Depreciation	3 282	3 108	6 388
Other operating expenses	10 823	11 920	21 347
Share of profit in associated companies	110	67	70
Operating profit/-loss	**1 951**	**2 408**	**3 719**
Financial income	70	121	242
Financial expenses	-782	-990	-1 858
Profit before taxes	**1 239**	**1 539**	**2 103**
Income taxes	-321	-367	1 164
Profit/-loss for the period	**918**	**1 172**	**3 267**
Profit for the period attributable to			
Parent company's shareholders	917	1 169	3 252
Non-controlling intrest	1	3	15
Earnings per share calculated on the proft attributable to shareholders of the parent company	0,15	0,19	0,54

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) (EUR 1,000)	1-6/2010	1-6/2009	1-12/2009
Profit for the period	**918**	**1 172**	**3 267**
Other comprehensive income			
Net investment hedging	0	20	-164
Available-for-sale financial assets	-2	11	27
Translation differences	1 341	100	1 016
Taxes relating to components of other comprehensive income	1	-3	-4
Other comprehensive income after taxes	1 339	128	876
Total comprehensive income for the period	**2 257**	**1 300**	**4 143**
Total comprehensive income attributable to			
Parent company's shareholders	2 254	1 297	4 128
Non-controlling intrest	4	3	15

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

ASSETS	**6/2010**	**6/2009**	**12/2009**
NON-CURRENT ASSETS			
Tangible fixed assets	29 486	32 137	30 613
Goodwill	19 441	18 387	18 777
Other intangible assets	2 257	2 198	2 052
Interests in associated companies	2 481	2 262	2 337
Other financial assets	432	432	432
Deferred tax assets	379	285	822
	54 475	55 699	55 032
CURRENT ASSETS			
Inventories	8 003	8 009	7 513
Sales receivables and other receivables	16 648	18 357	18 405
Tax receivables based on taxable income for the period	416	30	20
Other current financial assets at fair value	67	62	82
Cash and cash equivalents	9 871	9 731	10 361
	35 005	36 188	36 380
Total assets	**89 480**	**91 887**	**91 413**

EQUITY AND LIABILITIES	**6/2010**	**6/2009**	**12/2009**
EQUITY			
Share capital	6 000	6 000	6 000
Premium reserve	25 870	25 870	25 870
Translation differences	-1 275	-3 345	-2 613
Fair value reserve	36	22	37
Retained earnings	2 724	1 454	3 546
Equity attributable to shareholders of the parent company	33 354	30 001	32 841
Non-controlling intrest	7	6	18
Shareholder's equity, total	33 362	30 007	32 858
LIABILITIES			
Non-current liabilities			
Pension obligations	2 031	1 728	1 860
Interest-bearing non-current liabilities	22 649	27 471	24 604
Non-current provisions	1 431	2 039	1 777
Deferred tax liabilities	1 471	1 818	1 540
	27 583	33 057	29 780
Current liabilities			
Installments on interest-bearing non-current liabilities	4 932	5 301	5 346
Advances received	1 796	1 864	3 216
Accounts payable and other current liabilities	21 808	21 199	19 685
Tax liabilities based on taxable income for the period	0	460	528
	28 536	28 823	28 775
Total equity and liabilities	**89 480**	**91 887**	**91 413**

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CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) (EUR 1,000)

	1-6/2010	1-6/2009	1-12/2010
Cash flow from operating activities			
Profit for the financial year	918	1 172	3 267
Adjustments	4 125	3 039	5 313
Changes in working capital	1 209	-1 666	-383
Interest paid	-797	-990	-1 726
Interest received	47	118	238
Taxes paid	-398	78	-123
Net cash flow from operating activities	**5 103**	**1 751**	**6 586**
Net cash flow from investing activities	**-1 787**	**-1 310**	**-4 010**
Net cash flow from financing activities	**-3 937**	**-2 136**	**-3 735**
Change in cash and cash equivalents	**-620**	**-1 694**	**-1 159**
Cash and cash equivalents at start of the period	10 443	11 468	11 468
Effect of changes in exchange rates	117	10	110
Effect of changes in fair value investments	-1	8	23
Cash and cash equivalents at end of the period	**9 938**	**9 792**	**10 443**

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

Shareholders' equity attributable to parent company shareholders

	Share capital	Share premium fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling intrest	Share-holders' equity total
Shareholders' equity 1.1.2009	6 000	25 870	-3 465	14	294	28 712	0	28 712
Increase of non-controlling intrest							3	3
Accumulated comprehensive income for the financial year			120	8	1 169	1297	3	1300
Shareholders' equity 30.06.2009	6 000	25 870	-3 345	22	1 454	30 001	6	30 007
Shareholders' equity 1.1.2010	6 000	25 870	-2 613	37	3 546	32 841	18	32 858
Dividend distribution					-1740	-1740		-1740
Acquisition of non-controlling intrest							-14	-14
Accumulated comprehensive income for the financial year			1 338	-1	917	2 254	4	2 257
Shareholders' equity 30.06.2010	6 000	25 870	-1 275	36	2 724	33 354	7	33 362

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EDITA GROUP KEY FIGURES		1-6/2010	1-6/2009	1-12/2009
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Gross capital expenditure	EUR 1 000	1 704	1 970	6 838
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Gearing (%)	%	59.0 %	82.3 %	65.0 %
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FORMULAE FOR CALCULATING KEY INDICATORS

Equity per share, EUR

$$\frac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Number of shares on closing date (adjusted for share issue)}}$$

Equity-to-assets ratio, %

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Total assets - advances received}}$$

Gearing, %

$$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity + minority share}}$$

Undiluted earnings per share, EUR

$$\frac{\text{Profit/loss for financial year attributable to parent company shareholders}}{\text{Average number of shares (adjusted for share issue)}}$$

Information by operating segments

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OPERATING SEGMENTS (EUR 1 000)

	Print& Distribution	Marketing Services	Editorial Comm.	Publishing	Other operations	Eliminations	Total
Financial period 1-6/2010							
External net revenue	32 021	9 994	7 732	7 912	279		57 938
Inter-segment net revenue	1 957	303	387	13	2 207	-4 867	0
Net revenue, total	**33 978**	**10 297**	**8 119**	**7 925**	**2 486**	**-4 867**	**57 938**
Operating profit/loss	**820**	**151**	**-409**	**1 899**	**-510**		**1 951**
Net financial income / expenses							-712
Taxes							-321
Profit for the financial year							**918**
Financial period 1-6/2009							
External net revenue	33 716	7 985	7 404	8 169	117		57 391
Inter-segment net revenue	2 464	326	377	26	1 988	-5 182	0
Net revenue, total	**36 180**	**8 311**	**7 781**	**8 195**	**2 106**	**-5 182**	**57 391**
Operating profit/loss	**1 733**	**-196**	**375**	**1 496**	**-1 000**		**2 408**
Net financial income / expenses							-869
Taxes							-367
Profit for the financial year							**1 172**
Financial period 1-12/2009							
External net revenue	64 396	16 438	14 513	15 345	203		110 895
Inter-segment net revenue	4 017	691	681	35	3 921	-9 345	0
Net revenue, total	**68 413**	**17 129**	**15 194**	**15 380**	**4 124**	**-9 345**	**110 895**
Operating profit/loss	**2 414**	**-624**	**1 038**	**3 212**	**-2 322**		**3 719**
Net financial income / expenses							-1 616
Taxes							1 164
Profit for the financial year							**3 267**

Guarantees and contingent liabilities

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COLLATER AND CONTINGENT LIABILITIES (EUR 1,000)	6/2010	6/2009	12/2009
Loans from financial institutions secured by mortgages and pledges			
Corporate mortgages given	2 638	2 992	2 451
Property mortgages given	2 018	2 018	2 018
Pledged machinery and equipment	3 753	3 925	3 746
Debts secured by shares			
Carrying amount of pledged shares	0	610	0
Other collateral given on behalf of shareholders			
Property mortgages given	0	88	33
Pledged deposits	20	20	20
Minimum leases payable on the basis of non-cancellable operating leases:			
Within one year	2 020	2 558	3 163
1-5 years	2 860	4 116	2 319
	4 880	6 674	5 482

Business acquisitions

On January 1, 2010, the Print and Distribution business area acquired Kampanjfabriken AB at a purchase price of EUR 300,000. Provisional calculations estimating the fair value resulting from the acquisition have been entered into intangible asset customer contracts.

Principal accounting policies (IFRS) for the interim report

The Edita Group’s interim report was prepared in accordance with the IAS 34 Interim Financial Reporting standard, and the preparation of the report was in compliance with the IFRS standards and interpretations approved for application in the EU and valid on June 30, 2010.

With the exception of the effects of implementing the standards described below, the accounting principles applied in preparing this interim report are the same as those described in the notes to the 2009 financial statements:

Revised IFRS3 Business combinations

Application of the IFRS3 Business combination standard will affect both the amount of goodwill posted for acquisitions and the sales performance of business operations. Costs related to acquisitions, such as expert fees, will in future be recognized as profit or loss. A conditional purchase price shall be assessed at a fair market value, and a later change shall be recognized as profit or loss. Shares owned by non-controlling owners shall be valued acquisition-specifically with regard to either fair value or a relative share of the company’s net assets.

Amended IAS 27 Consolidated and separate financial statements

The amendment to the IAS 27 standard establishes that any effects of a change in shareholding in a subsidiary shall be recognised as direct shareholders' equity for the parent company at such a time when the parent company retains a controlling interest in the subsidiary and no goodwill, profit or loss is established.