

ITELLA CORPORATION STOCK EXCHANGE RELEASE JULY 28, 2010, AT 10:00 AM
Itella Interim Report for January–June 2010

January–June 2010

- The Itella Group's net sales in the first half of 2010 totaled EUR 904.6 million (EUR 916.2 million in January-June 2009). International operations accounted for 31% (30%) of net sales. Itella Information and Itella Logistics increased their net sales, while Itella Mail Communication saw its net sales decline.
- Operating profit was EUR 12.1 million (EUR 27.7 million), representing 1.3% (3.0%) of net sales. Financial performance was taxed by restructuring costs of EUR 13.8 million (EUR 6.1 million). Profitability weakened considerably in Itella Mail Communication and slightly in Itella Information. Itella Logistics was able to decrease its loss.
- Mail delivery volumes followed the trend seen in other industrialized countries. The volume of addressed mail decreased by 1% year-on-year. The delivery volumes of newspapers and magazines fell by 2% and 8%, respectively. Parcel delivery volumes dropped by 4%.
- The average personnel reduction compared with the corresponding period in 2009 was 1,050 in Finland and 650 in other countries.

April–June 2010

- The Itella Group recorded net sales of EUR 450.6 million in April-June (EUR 438.6 million).
- Operating profit was EUR -6.3 million (EUR 7.8 million), including EUR 14.5 million (EUR 4.4 million) of restructuring costs.

Key figures of Itella Group	1-6 / 2010	1-6 / 2009	2009
Net sales, MEUR	904.6	916.2	1,819.7
Operating profit (EBIT), MEUR	12.1	27.7	46.7
EBIT margin, %	1.3	3.0	2.6
Operating profit (EBIT), MEUR *)	25.9	33.8	86.3
EBIT margin, % *)	2.9	3.7	4.7
Profit before tax, MEUR	11.5	3.1	19.6
Return on equity (12 months), %	-0.2	-2.2	-0.7
Return on investment (12 months), %	4.7	9.4	5.8
Equity ratio, %	50.3	50.9	48.5
Gearing, %	21.8	19.7	19.7
Gross capital expenditure, MEUR	43.4	64.8	144.9
Personnel on average	28,982	30,683	30,217

* Excl. non-recurring items

Jukka Alho, President and CEO:

“Itella’s net sales do not yet suggest any clear changes in the economic conditions. Logistics are the most sensitive barometer in this respect; the result for the period indicates that the economic outlook is slowly improving. Recently the market has picked up in international freight and Russian warehouse logistics, for instance.

In Finland we are reaching a situation where the financial recession is leading to accelerated digitization of postal mail. Thus, we will have to adapt to decreasing delivery volumes in the next few years. This naturally involves a need for personnel reductions over a longer period of time.

The profitability of Finnish postal services has been continually declining and is no longer satisfactory. Despite this, regulatory supervision in Finland is further hampering the profitability of postal services. In other countries and other fields of business that face similar problems efforts are being made to improve the operating conditions. This is particularly the case when citizens’ core services are at stake. A more challenging operating environment will increase the pressure to reduce personnel, and it will be especially difficult to provide postal services for sparsely populated areas. ”

APPENDICES

Itella’s full Interim Report

FURTHER INFORMATION

Tuija Soanjärvi, CFO, tel. +358 20 45 20907, tuija.soanjarvi@itella.com

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Itella Group provides solutions for managing information and product flows. Itella operates in mail communication, information logistics and logistics in northern and central Europe, and in Russia. Net sales in 2009 amounted to EUR 1,820 million. Corporate services are delivered under the Itella brand, while the Posti brand is used for services targeted at consumers in Finland. More information is available online at www.itella.com/group.

Itella Corporation

Interim Report for January–June 2010

Market situation and business environment

Expectations regarding economic developments have become more optimistic during the reporting period. Among the business segments, Itella Logistics is the most susceptible to economic trends. Thus, the revival of international trade began to be seen in the demand for logistics services in Itella's operating areas. In Itella Information and Itella Mail Communication, demand varies depending on the product line and country.

Mail deliveries were not affected by the economic upturn; it is possible that the recession has accelerated digitization of communication. The new Postal Services Act will enter into force in 2011. This will probably affect the competitive arena and customers' decision-making in the near future.

Profit performance and net sales in April–June 2010

The Itella Group recorded net sales of EUR 450.6 million in April–June (EUR 438.6 million). Operating profit before non-recurring items amounted to EUR 8.3 million (EUR 12.2 million), representing 1.8% (2.8%) of net sales. The Group's operating profit including non-recurring items was EUR -6.3 million (EUR 7.8 million), or -1.4% (1.8%) of net sales. Operating profit was taxed by restructuring costs of EUR 14.5 million (EUR 4.4 million). Profit before taxes was EUR -5.6 million (EUR 11.2 million).

Profit performance and net sales in January–June 2010

The Itella Group's net sales in the first half of 2010 totaled EUR 904.6 million (EUR 916.2 million in January–June 2009), down by 1.3%. In local currencies, the decline in net sales was 2.9%. Acquisitions had no impact on net sales performance. Itella Information and Itella Logistics increased their net sales, while Itella Mail Communication saw its net sales decline. In Finland, net sales were down by 3.1%. In other countries of operation, total net sales increased, mainly because of exchange rate effects. International operations accounted for 31% (30%) of net sales.

In January–June, consolidated operating profit before non-recurring items decreased by 23.6% to EUR 25.9 million (EUR 33.8 million), representing 2.9% (3.7%) of net sales. Operating profit including non-recurring items fell by 56.5% to EUR 12.1 million (EUR 27.7 million), representing 1.3% (3.0%) of net sales. Operating profit decreased considerably in Itella Mail Communication and slightly in Itella Information. Itella Logistics was able to clearly decrease its operating loss from the previous year. In other operations, operating profit decreased, because expenses common to the businesses are now allocated more evenly across the calendar year than in 2009. Financial performance was taxed by restructuring costs of EUR 13.8 million (EUR 6.1 million).

The Group's net financing costs were EUR 0.6 million (EUR 24.6 million). In 2009, net financing costs were increased by hedging costs of ruble receivables, as well as the considerable exchange rate losses generated by the weakening of the Russian ruble. Consolidated profit after financial items was EUR 11.5 million (EUR 3.1 million). Income tax totaled EUR 10.7 million (EUR 5.9 million). The Group's effective tax rate, which was affected by losses from international operations, was 97.0% (190.3%). The Group recorded a net profit of EUR 0.8 million for the period (net loss of EUR 2.8 million).

Return on equity (rolling 12 months) was -0.2% (-2.2%).

Itella Mail Communication

Itella Mail Communication recorded net sales of EUR 565.9 million in January-June (EUR 587.0 million), showing a decrease of 3.6%.

In January-June, business volumes developed as follows compared with the corresponding period in 2009:

- Deliveries of both first- and second-class letters fell slightly. Addressed direct marketing volumes decreased by 2%. In total, addressed letter deliveries fell by 1 percent.
- Newspaper delivery volumes dropped by 2% and magazine delivery volumes by 8%.
- Non-addressed direct marketing volumes continued to grow.
- Parcel delivery volumes fell by 4%.

Itella Mail Communication posted an operating profit of EUR 22.0 million (EUR 42.6 million), representing 3.9% (7.3%) of net sales. The result included EUR 13.6 million (EUR 4.0 million) of restructuring costs. Moreover, profitability weakened because of the decreased net sales, particularly in important key products. The positive productivity development could not fully compensate for the fall.

The mail sorting and delivery modernization moved ahead as planned with about 90% of investments completed. All real estate investments have been completed, and nearly all sorting systems and other equipment have been implemented; the elements to improve automation and, consequently, productivity in service production are in place. Continuing decrease of delivery volumes will require further efficiency enhancement measures, which will reduce the need for personnel.

Itella Information

Itella Information's net sales rose to EUR 131.7 million (EUR 126.6 million), up by 4.0%. Net sales increased in all product lines and countries of operation, except Germany, Estonia and Lithuania.

The business group posted an operating profit of EUR 7.4 million (EUR 8.4 million), representing 5.6% of net sales (6.6%). The efficiency of product lines and companies has been enhanced using various measures to compensate for the effects of price erosion and volume reductions on profitability. Further measures to improve efficiency will still be necessary, particularly outside the Nordic countries.

Itella Logistics

In the first half of 2010, Itella Logistics recorded net sales of EUR 322.8 million (EUR 319.3 million). Net sales increased by 1.1%. As regards product lines, net sales in international road freight fell but increased in international sea & air freight and service warehousing. In the countries of operation, net sales improved in Russia, the Baltic countries, and Norway and declined in Finland and Denmark. In Sweden, net sales remained stable.

Itella Logistics recorded a loss of EUR 8.6 million (EUR -17.9 million), representing -2.7% (-5.6%) of net sales. Thanks to the many measures to enhance efficiency, operating profit improved in all product lines and countries except Sweden.

Logistics volumes remained low in all eight countries, despite a more promising economic outlook. In the second quarter, however, positive signs could be seen, and Itella's logistics volumes began to grow, particularly in sea and air freight. In contract logistics, Itella signed customer agreements that will affect the

result in the second half of the year. Once economic growth picks up in the countries of operation, increased demand by corporate customers and consumers will be crucial for Itella Logistics' performance.

Financial position and capital expenditure

Consolidated net cash flow from operating activities before investment activities totaled EUR 19.8 million (EUR 39.9 million). Net cash flow declined by EUR 22.1 million from the previous year, because the personnel in Finland received their vacation pay in June, which is a month earlier than 2009.

Capital expenditure amounted to EUR 43.4 million (EUR 64.8 million). No acquisitions were made in the first half of the year.

At the end of June, liquid assets stood at EUR 144.0 million (EUR 94.5 million), and undrawn committed credit facilities totaled EUR 200.0 million (EUR 175.0 million). Commercial papers issued amounted to EUR 38.0 million. The Group's interest-bearing liabilities were EUR 300.3 million (EUR 227.2 million). The equity ratio stood at 50.3% (50.9%) and gearing was 21.8% (19.7%).

Personnel

In January–June, the Itella Group employed an average of 28,982 (30,683) people. At the end of the period, the number of personnel was 30,585 (31,627) with 23,911 (24,607) employees based in Finland. The average personnel reduction compared with the corresponding period in 2009 was 1,050 in Finland and 650 in other countries.

At the end of the period, the Group employed personnel by segment as follows: Itella Mail Communication 20,671, Itella Information 1,926, Itella Logistics 7,946 and other Group functions 42.

The Group's personnel costs decreased by EUR 2.4 million during the period, down by 0.5% year-on-year. Excluding the cost provision for restructuring arrangements, personnel expenses fell by EUR 10.1 million, equaling to 2.3%.

Changes in corporate structure

Itella's legal structure did not change during the period.

Preparations to renew the legal structure of Finnish operations continued as planned. The operational structure was already renewed at the beginning of the second quarter. This involved transferring parcel services from Itella Logistics and domestic sales operations, postal outlets and customer service from Group functions to Itella Mail Communication. The change affected the content of reported segments. In this interim report, the realized and reference figures have been converted to correspond to the new structure.

Short-term business risks and uncertainties

Itella's risk management policy and business-related risks are described in more detail in the Annual Report and Financial Statements for 2009 and on Itella's website (www.itella.fi/corporategovernance). These risks have not changed substantially this year.

The general economic climate in Itella's operating area further increases business risks and uncertainties. Country- and sector-specific differences in economic recovery can be seen in the demand for Itella's services and, consequently, the predictability of net sales. This complicates decision-making concerning the size of

Itella's own production resources. In order to ensure profitability, adjustment of costs and management of working capital items are still emphasized.

The economic conditions have contributed to the difficulties in estimating the effects of increased electronic communication on mail delivery volumes. Because of the universal service obligation, costs of the postal network decrease more slowly than delivery volumes. Lower volumes reduce the need for personnel, which may cause significant restructuring costs that will burden the result and cash flow.

From Itella's point of view, regulatory supervision of postal services involves risk-augmenting features, because the regulatory supervision of cost accounting and product profitability is not swift enough in responding to changes in business.

The effects of the new Postal Services Act on the competitive situation may be seen in the decisions of Itella's customers in the latter half of the year.

Seasonal fluctuation

Seasonal fluctuation is characteristic of the Group's business operations. Net sales and operating profit in the business segments are not accrued evenly over the year. The first and fourth quarters are typically strong, while the second and third quarters are weaker.

Events after the reporting period

Itella Corporation acquired the parcel business of SmartPOST OÜ, based in Estonia. It is now part of Itella Mail Communication. The acquisition will not have a material impact on Itella's financial figures.

In July, Itella Corporation signed a EUR 120 million syndicated credit facility with a bank group consisting of four Nordic banks. The credit facility is intended for general financing purposes. Its duration is five years and it replaces a former credit facility signed in 2006.

Outlook for the rest of the year

It is predicted that economic conditions will improve. Revival of economic growth is particularly critical for Itella Logistics' net sales and profitability. In Itella Mail Communication, a change in the economic climate may not have a similar effect on mail delivery services, as electronic substitution may be accelerating as a result of the recession. On the other hand, efficiency-improvement demands may support customers' interest in Itella's outsourcing solutions. Changes in the competitive environment are expected after the introduction of the new postal legislation.

The dissimilar views of Itella and the Finnish Communications Regulatory Agency concerning the definition of universal postal service products and the allocation of costs of the shared delivery network to product prices has some impact on the development of Itella's net sales and profitability.

Enhancement of productivity and efficiency will continue in order to ensure profitability while mail volumes are declining. Fixed personnel expenses constitute a major item in Itella's business. As the volumes are declining, personnel reductions can sometimes considerably burden the result and cash flow.

Capital expenditure in 2010 will be lower than in previous years. The timing and volume of new investments will be considered carefully.

APPENDICES

Key figures of Itella Group

Comprehensive consolidated income statement

Consolidated balance sheet

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- Changes in property, plant and equipment
- The Group's contingent liabilities
- Related party transactions

Key figures of Itella Group

	4-6	4-6	1-6	1-6	1-12
	2010	2009	2010	2009	2009
Net sales, MEUR	450.6	438.6	904.6	916.2	1,819.7
Operating profit (EBIT), MEUR	-6.3	7.8	12.1	27.7	46.7
EBIT margin, %	-1.4	1.8	1.3	3.0	2.6
<i>Operating profit (EBIT), MEUR *)</i>	<i>8.3</i>	<i>12.2</i>	<i>25.9</i>	<i>33.8</i>	<i>86.3</i>
<i>EBIT margin, % *)</i>	<i>1.8</i>	<i>2.8</i>	<i>2.9</i>	<i>3.7</i>	<i>4.7</i>
Profit before tax, MEUR	-5.6	11.2	11.5	3.1	19.6
Return on equity (12 months), %			-0.2	-2.2	-0.7
Return on investment (12 months), %			4.7	9.4	5.8
Equity ratio, %			50.3	50.9	48.5
Gearing, %			21.8	19.7	19.7
Gross capital expenditure, MEUR	24.6	28.9	43.4	64.8	144.9
Personnel on average	29,154	30,994	28,982	30,683	30,217

**) Excl. non-recurring items, see notes 2*

Comprehensive Consolidated Income Statement

EUR million	4-6 2010	4-6 2009	1-6 2010	1-6 2009	1-12 2009
Net sales	450.6	438.6	904.6	916.2	1,819.7
Other operating income	2.5	5.6	6.8	8.6	14.3
Share of associated companies' results	0.0	0.0	0.0	0.0	0.1
Materials and services	120.7	117.6	238.8	243.1	474.9
Employee benefits	229.3	218.7	447.7	450.1	888.0
Depreciation and amortisation	21.6	19.2	42.6	38.1	77.8
Impairment losses					13.5
Other operating expenses	87.9	80.9	170.3	165.8	333.2
Operating profit (EBIT)	-6.3	7.8	12.1	27.7	46.7
% of net sales	-1.4 %	1.8 %	1.3 %	3.0 %	2.6 %
Financial income and expenses	0.6	3.4	-0.6	-24.6	-27.1
Profit/loss before income tax	-5.6	11.2	11.5	3.1	19.6
% of net sales	-1.2 %	2.6 %	1.3 %	0.3 %	1.1 %
Income tax	-1.9	-3.2	-10.7	-5.9	-24.2
Profit/loss for the financial period	-7.5	8.0	0.8	-2.8	-4.6
% of net sales	-1.7 %	1.8 %	0.1 %	-0.3 %	-0.3 %
Other items of comprehensive income					
Available-for-sale financial assets	0.1	-0.4	0.1	-0.4	-0.3
Translation differences	13.0	-1.2	38.3	-8.9	-4.3
Comprehensive income, total	5.6	6.4	39.2	-12.1	-9.2
Profit for the financial period attributable to					
Parent company shareholders	-7.6	7.7	0.7	-2.6	-4.6
Non-controlling interest	0.1	0.3	0.1	-0.2	0.0
Comprehensive income attributable to					
Parent company shareholders	5.5	6.1	39.1	-11.9	-9.2
Non-controlling interest	0.1	0.3	0.1	-0.2	0.0

Consolidated Balance Sheet

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Non-current assets			
Goodwill	167.0	172.9	165.2
Other intangible assets	77.6	78.8	80.1
Investment property	4.2	4.5	4.4
Property, plant and equipment	724.9	670.6	688.3
Investments in associated companies	0.6	1.4	0.6
Other non-current investments	1.9	0.6	2.4
Non-current receivables	7.5	6.3	8.4
Deferred tax assets	15.4	14.9	12.7
Total non-current assets	999.2	950.0	962.1
Current assets			
Inventories	6.1	6.7	6.5
Trade and other receivables	284.1	262.6	271.9
Current tax assets	9.5	14.1	4.0
Financial assets available-for-sale	2.5	2.5	2.4
Financial assets at fair value through profit or loss *)	62.8	45.4	78.9
Cash and cash equivalents *)	81.2	49.1	82.3
Total current assets	446.3	380.4	446.0
Total assets	1,445.5	1,330.4	1,408.1
Equity			
Share capital	70.0	70.0	70.0
Contingency reserve	142.7	142.7	142.7
Fair value reserve	0.1	-0.1	0.0
Translation differences	17.6	-25.3	-20.7
Retained earnings	484.4	485.6	483.6
Equity attributable to equity holders of the parent comp	714.7	672.9	675.6
Non-controlling interest	1.8	1.4	1.6
Total equity	716.6	674.3	677.2
Non-current liabilities			
Deferred tax liabilities	51.3	46.7	48.3
Non-current interest-bearing liabilities	229.3	113.3	246.1
Other non-current liabilities	15.7	34.9	15.1
Non-current provisions	15.8	0.3	9.2
Defined benefit pension plan obligations	6.5	7.1	6.5
Total non-current liabilities	318.5	202.3	325.2
Current liabilities			
Current interest-bearing liabilities	71.1	113.9	48.0
Trade payables and other liabilities	321.3	329.4	335.1
Current tax liabilities	4.0	4.2	9.0
Current provisions	14.1	6.3	13.6
Total current liabilities	410.4	453.8	405.7
Total liabilities	728.9	656.1	730.9
Total equity and liabilities	1,445.5	1,330.4	1,408.1
Interest-bearing liabilities	300.3	227.2	294.1

*) Items classified under the Group's cash and cash equivalents have a maximum maturity of three months from the time of acquisition. Data for the comparison year have been adjusted to match this definition.

Consolidated Cash Flow Statement

EUR million	1-6 2010	1-6 2009	1-12 2009
Result before tax	11.5	3.1	19.6
Total adjustments	42.7	63.4	120.2
Change in net working capital	-10.4	4.1	16.8
Cash flow before financial items and income tax	43.8	70.6	156.6
Financial items (net)	0.8	-15.3	-29.0
Tax paid	-24.8	-15.4	-16.9
Cash flow from operating activities (net)	19.8	39.9	110.7
Acquisition of subsidiaries less cash and cash equivalents	-0.1	0.0	-22.8
Purchase of intangible assets and property, plant and equipment	-43.4	-64.6	-121.7
Proceeds from sale of intangible and tangible assets	1.5	1.7	2.2
Proceeds from sale of subsidiaries and businesses	-	0.4	1.4
Change in financial assets at fair value through profit or loss *)	15.3	35.0	5.4
Cash flow from other investments	0.0	0.2	-2.2
Cash flow from investing activities (net)	-26.7	-27.3	-137.7
Change in loans (net)	11.2	-3.0	71.8
Finance lease principal payments	-4.1	-5.7	-9.9
Dividends paid	-	-10.0	-10.0
Cash flow from financing activities (net)	7.1	-18.7	51.9
Change in cash and cash equivalents	0.3	-6.1	24.9
Cash and cash equivalents at period-start *)	82.3	49.5	49.5
Effect of changes in exchange rates	-1.3	5.7	7.9
Cash and cash equivalents at period-end *)	81.2	49.1	82.3

*) Items classified under the Group's cash and cash equivalents have a maximum maturity of three months from the time of acquisition. Data for the comparison year have been adjusted to match this definition.

Statement of changes in shareholders' equity

EUR million	Equity attributable to equity holders of the parent company						Non-controlling interest	Total equity
	Share capital	Contingency reserve	Fair value reserve	Translation differences	Retained earnings	Total		
Equity 1 Jan 2009	70.0	142.7	0.3	-16.4	498.2	694.8	1.5	696.3
Dividends paid					-10.0	-10.0		-10.0
Other changes							0.1	0.1
Result for the financial period					-2.6	-2.6	-0.2	-2.8
Change in fair value reserve			-0.4			-0.4		-0.4
Change in translation differences				-8.9		-8.9		-8.9
Equity 30 June 2009	70.0	142.7	-0.1	-25.3	485.6	672.9	1.4	674.3
Equity 1 Jan 2010	70.0	142.7	0.0	-20.7	483.6	675.6	1.6	677.2
Dividends paid					-	-		-
Result for the financial period					0.7	0.7	0.1	0.8
Change in fair value reserve			0.1			0.1		0.1
Change in translation differences				38.3		38.3		38.3
Equity 30 June 2010	70.0	142.7	0.1	17.6	484.4	714.7	1.8	716.6

NOTES

1. Accounting principles

The interim report was prepared in accordance with IAS 34 'Interim Financial Reporting' and in line with the same accounting principles as those used in Itella's financial statements for 2009. Itella has applied the currently valid IFRS standards and interpretations in the preparation of this interim report. The figures shown have been rounded, which is why the sum total of individual figures may differ from that shown here.

New and revised IFRS standards

As of January 1, 2010 the Group applies the following revised standards:

- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

These new and revised standards have no material impact on the data disclosed in the financial statements bulletin.

Information in this interim report is unaudited.

2. Segment Information

The following changes in Itella Group's business operations took effect on April 1, 2010: Domestic sales operations, mail and customer service from Other operations and Itella Logistics' parcel services were transferred to Itella Mail Communication. This change will improve the financial transparency of operations in anticipation of the postal operations legislative reform at the beginning of next year.

In addition, following the reorganization of the parent company's legal structure to be implemented on January 1, 2011, the freight service transactions previously handled as internal cost allocation between business operations will now be recorded as net sales charged by one Group company to another. This change will result in an increase in intra-Group net sales and eliminations.

The Group's internal reporting has been changed to reflect the changes referred to above, and the segment division in external accounting will be presented in line with the revised structure.

In addition to the structural changes described above, a larger proportion of the Group's non-allocated assets and liabilities has been allocated to segments as of May 1, 2010, based on their actual use.

Itella Group's segment information is presented according to the new structure and the new allocation principles. The reorganization of the legal structure has also been proactively accounted for in the actual and comparison periods.

EUR million	4-6 2010	4-6 2009	1-6 2010	1-6 2009	1-12 2009
Net sales by business segment					
Itella Mail Communication	280.8	284.9	565.9	587.0	1,168.1
inter-segment sales	10.9	11.3	21.5	21.5	41.4
Itella Information	63.4	58.6	131.7	126.6	247.2
inter-segment sales	2.8	2.7	5.5	5.5	11.3
Itella Logistics	166.4	153.9	322.8	319.3	637.3
inter-segment sales	46.9	44.4	89.9	89.6	180.3
Other operations	3.1	0.9	5.6	2.4	6.2
inter-segment sales	2.4	1.3	4.3	2.4	6.2
Eliminations (Interim sales)	-63.1	-59.7	-121.3	-119.1	-239.1
Total	450.6	438.6	904.6	916.2	1,819.7

EUR million	4-6 2010	4-6 2009	1-6 2010	1-6 2009	1-12 2009
Operating profit/loss (EBIT) by business segment					
Itella Mail Communication	-1.3	12.9	22.0	42.6	86.0
Itella Information	1.7	3.2	7.4	8.4	15.3
Itella Logistics	-2.0	-9.9	-8.6	-17.9	-35.2
Other operations	-4.7	1.6	-8.7	-5.3	-19.4
Total	-6.3	7.8	12.1	27.7	46.7
Non-recurring items by business segment					
Itella Mail Communication	13.7	3.5	13.6	4.0	21.1
Itella Information	0.0	0.0	0.0	0.6	1.5
Itella Logistics	0.1	0.7	0.1	1.1	16.8 *)
Other operations	0.7	0.2	0.1	0.4	0.2
Total	14.5	4.4	13.8	6.1	39.6
Operating profit/loss (EBIT) by business segment excluding non-recurring items					
Itella Mail Communication	12.4	16.4	35.5	46.6	107.1
Itella Information	1.7	3.2	7.4	9.0	16.8
Itella Logistics	-1.9	-9.2	-8.5	-16.8	-18.4
Other operations	-4.0	1.8	-8.6	-4.9	-19.2
Total	8.3	12.2	25.9	33.8	86.3
Financial income and expenses	0.6	3.4	-0.6	-24.6	-27.1
Result before income tax	-5.6	11.2	11.5	3.1	19.6
EUR million					
			30 June 2010	31 Dec 2009	
Assets					
Itella Mail Communication			456.4	450.0	
Itella Information			163.7	157.8	
Itella Logistics			648.7	624.4	
Other operations and unallocated			184.3	183.3	
Eliminations			-7.7	-7.4	
Total			1,445.5	1,408.1	
Liabilities					
Itella Mail Communication			221.7	227.9	
Itella Information			38.1	36.5	
Itella Logistics			104.7	106.3	
Other operations and unallocated			372.3	367.5	
Eliminations			-7.9	-7.4	
Total			728.9	730.9	
Personnel at period-end					
Itella Mail Communication			20,671	19,100	
Itella Information			1,926	1,926	
Itella Logistics			7,946	8,503	
Other operations			42	39	
Total			30,585	29,568	

*) The result for Itella Logistics 2009 includes EUR 6.2 million of restructuring costs and EUR 10.6 million of goodwill impairment.

3. Net sales by geographical location

	4-6	4-6	1-6	1-6	1-12
EUR million	2010	2009	2010	2009	2009
Finland	310.6	309.9	623.4	643.6	1,275.7
Scandinavia	64.5	62.4	128.9	122.1	263.4
Baltic countries and Russia	45.7	37.8	90.1	81.5	170.6
Other countries	29.9	28.5	62.2	69.0	110.0
Total	450.6	438.6	904.6	916.2	1,819.7

4. Changes in property, plant and equipment

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Carrying amount on 1 Jan	688.4	655.3	655.3
Additions	39.9	64.8	107.7
Disposals and transfers between items	-1.0	-7.9	-2.2
Amortisation and Impairment for the financial period	-32.0	-28.3	-61.4
Translation differences	29.6	-13.3	-11.0
Carrying amount at period-end	724.9	670.6	688.4

5. The Group's contingent liabilities

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Pledges for own behalf	18.1	7.6	14.6
Lease commitments	361.4	218.1	365.7

Derivative contracts

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Currency forward contracts			
Fair value	3.2	-1.9	-0.7
Nominal value	110.6	144.4	85.9
Interest rate swaps			
Fair value	3.4	-	0.2
Nominal value	70.0	-	70.0

Derivative contracts were used to hedge against currency and interest rate risks. Currency forward contracts were measured at fair value by using the market prices on the closing day, and the fair values of interest rate swaps are the present values of forecast future cash flows.

6. Related party transactions

Related party transactions were insignificant and there have been no material changes since the financial year 2009.