

ITELLA CORPORATION STOCK EXCHANGE RELEASE MAY 3, 2012, AT 1:00 P.M. (EET)

Itella Corporation's Interim Report January–March 2012

- Itella Group's net sales in January–March amounted to EUR 485.3 million (EUR 462.9 million). Net sales increased by 4.8%, driven by growth in all business groups.
- Performance improved clearly: operating result before non-recurring items amounted to EUR 22.8 million (EUR 0.6 million), representing 4.7% (0.1%) of net sales.
- Operating result before non-recurring items increased to EUR 25.3 (5.5) million in Itella Mail Communications and to EUR -1.7 (-5.1) million in Itella Logistics, and declined to EUR 3.2 (4.7) million in Itella Information.
- Operating result in the first quarter increased from the previous year, amounting to EUR 21.0 (0.6) million, or 4.3% (0.1%) of net sales. The period's performance was affected by non-recurring items to the amount of EUR 1.8 (-) million.
- The efforts to increase efficiency started last year had a positive impact on performance trends.

Key figures of Itella Group	1-3/2012	1-3/2011	2011
Net sales, MEUR	485.3	462.9	1,900.1
Operating result (non-IFRS), MEUR *)	22.8	0.6	30.5
Operating result (non-IFRS), % *)	4.7	0.1	1.6
Operating result, MEUR	21.0	0.6	-5.9
Operating result, %	4.3	0.1	-0.3
Result before taxes, MEUR	19.3	-2.4	-16.4
Operating result for the period, MEUR	11.6	-5.6	-30.7
Return on equity, %, 12 months	-1.9	-0.6	-4.5
Return on investment, %, 12 months	1.9	2.6	-0.2
Equity ratio, %	46.8	48.8	46.1
Gearing, %	20.5	21.6	22.1
Gross capital expenditure, MEUR	22.0	11.1	102.9
Employees on average	27,202	28,290	28,493

*) Non-IFRS = excluding non-recurring items

The return on equity and investment are shown as a rolling figure of the preceding 12 months.

Jukka Alho, President and CEO:

"The year got off to an auspicious start. While there are clear differences between the sales trends of our business groups, sales increased in all three of them and, in this respect, we can be reasonably satisfied with the development.

The effects of our cost-cutting and efficiency measures commenced last August are visible in our performance. Profitability improved markedly in comparison to last year. On the other hand, the changes related to letter mail and the print media continued, meaning that we should be prepared for further measures aiming to increase efficiency on this front.

The decree concerning postal outlets and the decision concerning a competing license for postal operations were approved at the beginning of March. The decree's approach to the postal network is to view it as a broad entity, so that Itella can exploit its various forms of service and retain the most popular ones as close to customers as possible in a cost-effective way.

In March, the working party of the Ministry of Transport and Communications published its report on the funding issues concerning universal postal service. Since the report's essential starting point is that Itella should secure funding itself with the profit included in the prices subject to the postal operations license, it is Itella's view that the report cannot serve as a basis for plans pertaining to the maintenance of universal service in the years to come. Funding is a big question if letter volumes decline steeply due to the influence of the Internet. The report is presently in circulation for comments and the ultimate solution is difficult to predict.

Itella Bank commenced operations as a deposit bank at the beginning of January, but its intense development of services continues. We believe that solutions that support postal operations and distance selling will make our services increasingly competitive. We now have a unique capacity and service offering for the production and development of the services of the new generation too.”

APPENDICES

Itella's Interim Report in full

FURTHER INFORMATION

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FINANCIAL CALENDER 2012

Interim Report Q2/2012 July 25

Interim Report Q3/2012 October 31

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Itella Group provides solutions for managing information and product flows. Itella operates in the fields of mail communications, logistics, and financial management in Europe and Russia. Net sales in 2011 amounted to EUR 1,900 million. The number of staff is approximately 27,500. Corporate services are delivered under the Itella brand, while the Posti brand is used for services targeted at consumers in Finland. For further information, go to www.itella.com/group.

Interim Report for January–March 2012

Market situation and business environment

Although the market situation remained challenging during the first quarter, the height of the uncertainty subsided. The growth in online commerce continued, and the broader forthcoming development in the trade and commerce sector is also generating more long-term growth prospects for many of Itella's areas of operation (parcel delivery, direct marketing, payments, and financial management).

The decree concerning postal outlets and the decision concerning a competing license for postal operations were finalized at the beginning of March. The decree's approach to the postal network is to view it as a comprehensive entity, so that Itella can make use of its various forms of service. Thus the decree secures Itella's ability to keep all of the most popular services as close to customers as possible, in a cost-effective way.

At the beginning of March, the Finnish Government also made a decision on the first local postal operation license pursuant to the new Postal Act, and issued the license to the Lahti-based Esan Kirjapaino Oy.

Itella Bank commenced its operations as a deposit bank at the beginning of January.

Profit performance and net sales

Itella Group's net sales in January–March amounted to EUR 485.3 million (EUR 462.9 million), representing growth of 4.8%. In local currencies, the increase in net sales was 4.6%. Acquisitions did not have a significant impact on net sales performance. The Group's net sales increased in all business groups. The increase was 5.6% in Finland and 3.3% in other countries. International operations accounted for 32% (33%) of net sales.

The Group's operating result before non-recurring items amounted to EUR 22.8 million (EUR 0.6 million), or 4.7% (0.1%) of net sales. Operating result before non-recurring items increased in Itella Mail Communications and decreased in Itella Information. The operating loss of Itella Logistics decreased from the previous year.

Performance was affected by non-recurring items to the amount of EUR 1.8 (-) million. EUR 1.6 million of restructuring costs were allocated to personnel and EUR 0.2 million to other items. The Group posted an operating result of EUR 21.0 million (EUR 0.6 million), representing 4.3% (0.1%) of net sales. Itella Mail Communications and Itella Logistics increased their operating result, while Itella Information saw its operating result decrease. The Group's net financing costs came to EUR 1.7 (3.0) million.

The cost-cutting and efficiency enhancement program announced by Itella in August 2011, aiming to improve profitability, is progressing in a systematic way, in line with the program's objectives. Various measures that increase efficiency and improve profitability have been initiated in the business groups and the Group's centralized operations.

The Group's performance after financial items showed a profit of EUR 19.3 million (a loss of EUR 2.4 million). Income tax totaled EUR 7.7 (3.3) million.

The Group recorded a net profit of EUR 11.6 million (net loss of EUR 5.6 million) for the period.

Return on equity (rolling 12 months) was -1.9% (-0.6%).

Itella Mail Communications

Itella Mail Communication's net sales grew by 4.9%, and totaled EUR 296.2 million (EUR 282.5 million) in January–March. Net sales increased due to the increase in the volumes of unaddressed direct marketing and parcel services as well as one additional working day in comparison to last year. The volumes of addressed letter and magazine deliveries continued to decline. The possibility for electronic substitution is evident in the decline of the total volume of addressed letters and the strong increase in the volume of electronic letters.

Operating result improved significantly, totaling EUR 25.3 million (5.5 million), which represents 8.5% (1.9%) of net sales. The results of the period do not include non-recurring items. Performance improved as a result of favorable price development and the increased efficiency in operations. The restructuring measures initiated last year have generated the clear cost savings that were their objective.

The share of operations that fall under the universal service obligation represented 10.5% of net sales.

During the first quarter of 2012, the delivery volumes of mail items developed as follows in comparison to the corresponding period in 2011:

- Total volume of addressed letters -3%
- Unaddressed direct marketing +15%
- Newspapers -7%
- Magazines -2%
- Parcel services +8%
- Electronic letters +43%

In terms of unaddressed deliveries and the parcel business, we were able to gain market share, despite the persistently tough competitive situation. The effects of the nine percent value-added tax imposed on newspapers and magazines as of the beginning of 2012 will be visible by the end of the current year. The competition in addressed deliveries has yet to commence. Contrary to this, Itella's market share in newspaper deliveries has decreased. In March, Esan Kirjapaino Oy was issued a license for localized letter deliveries.

In January, we decided to increase the number of our various kinds of service outlets by some 500 (the current number of outlets being 1,000) by 2016. In addition to Posti shops with a full range of services, the 1,500 service outlets would comprise, for instance, Posti's pickup locations and automated parcel terminals.

The investments of Itella Mail Communications totaled EUR 9.3 million (2.1 million), of which the most significant replacement investments concerned the delivery fleet and the modernization of the payment terminals in the network of postal outlets.

Itella Logistics

The net sales of Itella Logistics grew by 4.3%, and totaled EUR 181.7 million (EUR 174.2 million) in January–March. Operating loss before non-recurring items decreased from the year before to 67.4%, totaling EUR -1.7 (EUR -5.1 million), which represents -0.9% (-2.9%) of net sales.

Net sales developed positively in all of Contract Logistics' countries of operation, particularly Russia and Finland. In addition to the Moscow warehouses, the warehouse fill rate of St. Petersburg is high. The net sales of the Freight & Forwarding business also grew, whereas the sales of the Air & Sea business declined due to a challenging market situation and general economic trends.

The most significant improvement in performance was achieved in Russia, where the profitability of Contract Logistics improved as net sales and the efficiency of operations increased. The determination of the final purchase price of the Russian NLC Group has been postponed until the second quarter. In addition, the development of operating results was on the right track, especially in Sweden.

At the end of February, Itella Logistics in Sweden and Denmark commenced a restructuring program due to which the number of personnel will be reduced by approximately 70 employees. Steps such as increasing the efficiency of processes and the sales and marketing organization as well as cutting costs related to operating locations also aim to generate savings. Further measures included the decision to shut down the Klaipeda terminal in Lithuania.

Due to the measures related to increased efficiency, a non-recurring item of EUR 1.3 million affected operating performance. EUR 1.1 million of the non-recurring item concerned personnel restructuring costs and EUR 0.2 million other items.

The operating loss of Itella Logistics decreased to EUR 2.9 (5.1) million.

The business group's investments amounted to EUR 11.3 (5.7) million. The most significant investment target was the construction of a new service warehouse in Pennala, Orimattila, commenced the year before. The total value of the investment, set for completion in June 2013, is more than EUR 60 million. The renewal of Logistics' strategic system platforms is under way in all countries of operation and is progressing swiftly.

Itella Information

Itella Information's net sales grew by 5.4%, totaling EUR 74.5 million (EUR 70.7 million) in January–March. Even though the result was in line with plans, it decreased to EUR 3.2 million (4.7) before non-recurring items.

Net sales increased in financial management outsourcing services and electronic services, and as a result of the corporate acquisition (OpusCapita) concluded last summer. The first quarter saw healthy growth in the sales of new invoicing solutions and the outsourcing projects of financial management, and an important opening in the sales of liquidity management solutions. The Outbound business has done well in the markets and the volumes of domestic iBilling solutions, in particular, have increased thanks to new customer accounts.

Operating results fell in comparison to last year – a development influenced particularly by the integration phase of OpusCapita and the quiet phase following the boom in SEPA related consulting in the autumn as well as measures concerning operations in Germany. German operations are still in need of a considerable boost in performance and the measures initiated to correct the situation are advancing.

OpusCapita, which is a part of Itella Information, commenced an operational integration and cost-cutting program in March. Due to this, operating results include non-recurring items to the amount of EUR 0.5 million (-), related to personnel adaptation measures.

The business group posted an operating result of EUR 2.8 (4.7) million, but profit decreased in comparison to the year before. The operating result represented 3.7% (6.7%) of net sales.

Itella Information's investments amounted to EUR 0.7 (2.2) million.

The payroll services of Itella Group will transfer from Silta Oy to Itella Information.

Key figures of business groups, MEUR	1-3/2012	1-3/2011	Change
Net sales			
Itella Mail Communications	296.2	282.5	4.9%
Itella Logistics	181.7	174.2	4.3%
Itella Information	74.5	70.7	5.4%
Other activities	15.5	14.9	3.8%
Intra-Group sales	-82.5	-79.3	4.0%
Itella Group	485.3	462.9	4.8%

Operating result (non-IFRS) *)			
Itella Mail Communications	25.3	5.5	360.4%
Itella Logistics	-1.7	-5.1	67.4%
Itella Information	3.2	4.7	-31.9%
Other activities	-4.1	-4.5	10.1%
Itella Group	22.8	0.6	..
Operating result			
Itella Mail Communications	25.3	5.5	360.4%
Itella Logistics	-2.9	-5.1	42.1%
Itella Information	2.8	4.7	-42.0%
Other activities	-4.1	-4.5	10.1%
Itella Group	21.0	0.6	..
Operating result (non-IFRS), % *)			
Itella Mail Communications	8.5%	1.9%	
Itella Logistics	-0.9%	-2.9%	
Itella Information	4.3%	6.7%	
Itella Group	4.7%	0.1%	
Operating result, %			
Itella Mail Communications	8.5%	1.9%	
Itella Logistics	-1.6%	-2.9%	
Itella Information	3.7%	6.7%	
Itella Group	4.3%	0.1%	

*) Non-IFRS = excluding non-recurring items

Financial position and capital expenditure

Consolidated cash flow from operating activities before capital expenditure was EUR 20.3 million (EUR -9.4 million).

The expenditure in investments totaled EUR 14.9 million (EUR 10.5 million).

At the end of March, liquid assets amounted to EUR 182.5 (151.9) million, and undrawn committed credit facilities totaled EUR 120.0 (120.0) million. No commercial papers were in circulation at the end of the period (EUR 73.0 million). The Group's interest-bearing liabilities were EUR 324.3 (302.2) million. The equity ratio stood at 46.8% (48.8%) and gearing was 20.5% (21.6%).

The issue of Itella Corporation's domestic bond was carried out on November 30, 2011 and the bond was listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Oy on January 16, 2012.

Human Resources

In January–March, Itella Group employed an average of 27,202 (28,290) people. At the end of the review period, the number of personnel was 27,263 (28,397), with 20,912 (21,759) employees based in Finland.

At the end of the review period, the Group's personnel by business group was as follows:

- Itella Mail Communications 17,699 (18,553)

- Itella Logistics 6,857 (7,491)
- Itella Information 2,305 (1,989)
- Other Group activities 402 (364)

The Group's personnel costs decreased by EUR 4.6 million (increased by 6.0 million) during the period, down 2.0% in comparison to last year.

Decisions of the Annual General Meeting

Itella Corporation's Annual General Meeting was held in Helsinki on March 14, 2012. The Annual General Meeting adopted the 2011 financial statements and formally approved the actions of the Supervisory Board, the Board of Directors, and the President and CEO.

The number of members on Itella's Board of Directors was set at eight. Economist Arto Hiltunen will continue to chair the Board, and Päivi Pesola (Vice President) will continue as Vice Chairperson. Ilpo Nuutinen (Government Counsellor) was elected new Board member. Nuutinen works in the Ownership Steering Department of the Prime Minister's Office. The following Board members were re-elected: Hele-Hannele Aminoff (Managing Director), Jussi Kuutsa (Country Manager), Timo Löyttyniemi (Managing Director), Riitta Savonlahti (Executive Vice President), and Maarit Toivanen-Koivisto (President and CEO).

Itella's Supervisory Board consists of twelve members. The following were elected as new members of the Supervisory Board: Ritva Elomaa, MP (the Finns), Lars-Erik Gästgivars, MP (the Swedish People's Party), Mauri Pekkarinen, MP (Centre Party), Raimo Piirainen, MP (Social Democratic Party), Tuomo Puumala, MP (Centre Party), Teuvo V. Riikonen, Principal (Christian Democrats), and Kimmo Sasi, MP (National Coalition Party). MP Mauri Pekkarinen was elected Chairperson and MP Johanna Karimäki Vice Chairperson of the Supervisory Board. The following members were re-elected: Johanna Karimäki, MP (Green League), Susanna Huovinen, MP (Social Democratic Party), Sari Moisanen, Deputy MP (Left Alliance), Outi Mäkelä, MP (National Coalition Party), and Reijo Ojennus, entrepreneur (the Finns).

The Annual General Meeting approved the Board of Directors' proposal on the distribution of dividend. Dividend will not be paid and the profit for the period will be transferred to deductions from retained earnings.

The authorized public accountants firm PricewaterhouseCoopers Oy was elected as Itella Corporation's auditor, with Authorized Public Accountant Merja Lindh acting as principal auditor.

The members of the Board of Directors will be paid monthly remuneration and meeting fees. The members of the Supervisory Board will be paid meeting fees.

Short-term business risks and uncertainties

The business risks were described in the 2011 financial statements. The risks have not undergone any changes during the first quarter of the year which would have an impact on near-term outlooks.

Seasonal fluctuation

The Group's business is characterized by seasonal fluctuation. Net sales and operating result in the business groups are not accrued evenly over the year. The first and fourth quarters, in particular, are typically strong, while the second and third quarters are weaker.

Events after the reporting period

The working party of the Ministry of Transport and Communications published its report on the funding issues concerning universal postal service at the beginning of April. The working party proposes that, if necessary,

universal service be secured with a fee collected from postal operators and based on the sales price of services. The working party does not deem it appropriate to finance postal operations with government subsidies or as public procurement. The report is currently in circulation for comments and the ultimate solution is difficult to predict.

Outlook for the rest of the year

Net sales developed positively during the first quarter. The conditions necessary for moderate growth throughout the rest of the year exist. However, an increase in economic uncertainty, acceleration in electronic substitution, tougher competition, and the commencement of competition in the delivery of letters may have adverse effects on the positive trend.

Profitability has improved according to plans, although the seasonal nature of the first quarter must be taken into account. Continuous measures are furthermore necessary to support the positive development. The whole year's performance is expected to improve in comparison to the previous year. To secure profitability in the long term, the Group will continue to implement measures which may have non-recurring effects on the Group's financial performance.

Investments are expected to remain on the level of the previous year.

Helsinki, April 26, 2012

Itella Corporation
Board of Directors

ATTACHMENTS

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Itella Corporation

Interim Report for January-March 2012

Key figures of Itella Group

	1-3 2012	1-3 2011	1-12 2011
Net sales, MEUR	485.3	462.9	1,900.1
Operating result (Non-IFRS), MEUR *)	22.8	0.6	30.5
EBIT margin (Non-IFRS), % *)	4.7	0.1	1.6
Operating result (EBIT), MEUR	21.0	0.6	-5.9
EBIT margin, %	4.3	0.1	-0.3
Result before income tax	19.3	-2.4	-16.4
Result for the financial period, MEUR	11.6	-5.6	-30.7
Return on equity (12 months), %	-1.9	-0.6	-4.5
Return on investment (12 months), %	1.9	2.6	-0.2
Equity ratio, %	46.8	48.8	46.1
Gearing, %	20.5	21.6	22.1
Gross capital expenditure, MEUR	22.0	11.1	102.9
Personnel on average	27,202	28,290	28,493

*) Non-IFRS = excluding non-recurring items, see notes 2.

Comprehensive Consolidated Income Statement

EUR million	1-3 2012	1-3 2011	1-12 2011
Net sales	485.3	462.9	1,900.1
Other operating income	4.3	3.8	25.5
Share of associated companies' results	0.0	0.0	0.1
Materials and services	130.6	126.8	549.2
Employee benefits	220.4	225.0	910.7
Depreciation and amortisation	21.8	21.3	88.7
Impairment losses	-	0.7	18.3
Other operating expenses	95.8	92.4	364.7
Operating result (EBIT)	21.0	0.6	-5.9
% of net sales	4.3 %	0.1 %	-0.3 %
Financial income and expenses	-1.7	-3.0	-10.6
Result before income tax	19.3	-2.4	-16.4
% of net sales	4.0 %	-0.5 %	-0.9 %
Income tax	-7.7	-3.3	-14.2
Result for the financial period	11.6	-5.6	-30.7
% of net sales	2.4 %	-1.2 %	-1.6 %
Result for the financial period attributable to			
Parent company shareholders	11.6	-5.6	-30.7
Non-controlling interest	0.0	0.0	0.0
	11.6	-5.6	-30.7
Comprehensive Consolidated Income Statement			
Result for the financial period	11.6	-5.6	-30.7
Other items of comprehensive income			
Available-for-sale financial assets	-0.1	0.0	0.1
Translation differences	15.1	1.8	-3.4
Comprehensive income for the financial period	26.7	-3.8	-34.0
Comprehensive income attributable to			
Parent company shareholders	26.7	-3.8	-34.0
Non-controlling interest	0.0	0.0	0.0
	26.7	-3.8	-34.0

Consolidated Balance Sheet

EUR million	31 March 2012	31 March 2011	31 Dec 2011
Non-current assets			
Goodwill	172.1	170.9	171.7
Other intangible assets	77.2	71.4	77.5
Investment property	3.8	4.0	3.8
Property, plant and equipment	679.6	679.3	664.1
Investments in associated companies	0.9	0.8	0.8
Other non-current investments	6.3	1.4	6.4
Non-current receivables	12.7	7.8	12.1
Deferred tax assets	12.2	15.0	12.0
Total non-current assets	964.7	950.6	948.5
Current assets			
Inventories	5.4	8.3	5.8
Trade and other receivables	321.9	304.3	299.1
Current tax assets	10.6	10.9	7.3
Financial assets available-for-sale	1.4	2.1	1.5
Financial assets at fair value through profit or loss	88.1	51.5	58.7
Cash and cash equivalents	95.1	100.9	132.0
Total current assets	522.6	478.0	504.4
Non-current assets classified as held for sale	12.1	14.5	12.4
Total assets	1,499.4	1,443.2	1,465.3
Equity			
Share capital	70.0	70.0	70.0
Contingency reserve	142.7	142.7	142.7
Fair value reserve	0.0	0.0	0.1
Translation differences	10.9	1.0	-4.2
Retained earnings	468.1	481.1	456.3
Equity attributable to equity holders of the parent company	691.7	694.8	664.9
Equity attributable to equity holders of the non-controlling interest	0.0	0.0	0.0
Total equity	691.7	694.8	664.9
Non-current liabilities			
Deferred tax liabilities	53.7	51.5	53.1
Non-current interest-bearing liabilities	295.2	199.5	304.9
Other non-current liabilities	3.3	17.4	4.0
Non-current provisions	22.3	15.2	20.3
Defined benefit pension plan obligations	5.0	7.2	7.5
Total non-current liabilities	379.4	290.8	389.8
Current liabilities			
Current interest-bearing liabilities	29.1	102.7	30.5
Trade payables and other liabilities	383.9	350.5	372.1
Current tax liabilities	10.7	3.3	3.0
Current provisions	3.9	0.6	4.5
Total current liabilities	427.7	457.0	410.1
Liabilities associated with non-current assets classified as held for sale	0.5	0.6	0.5
Total liabilities	807.7	748.5	800.4
Total equity and liabilities	1,499.4	1,443.2	1,465.3

Consolidated Cash Flow Statement

EUR million	1-3 2012	1-3 2011	1-12 2011
Profit or loss for the financial period	11.6	-5.6	-30.7
Total adjustments	30.1	28.0	123.6
Change in net working capital	-16.5	-19.8	14.6
Cash flow before financial items and income tax	25.2	2.5	107.5
Financial items (net)	-0.6	-5.9	-10.1
Tax paid	-4.2	-6.0	-11.7
Cash flow from operating activities (net)	20.3	-9.4	85.7
Acquisition of subsidiaries less cash and cash equivalents	-	-	-23.7
Purchase of intangible assets and property, plant and equipment	-14.9	-10.5	-52.6
Proceeds from sale of intangible and tangible assets	2.3	0.7	6.5
Change in financial assets at fair value through profit or loss	-29.9	7.5	1.9
Cash flow from other investments	-1.5	0.1	1.1
Cash flow from investing activities (net)	-44.1	-2.2	-66.8
Change in loans (net)	-12.7	41.3	53.1
Finance lease principal payments	-1.6	-1.9	-7.1
Dividends paid	-	-4.4	-4.4
Cash flow from financing activities (net)	-14.2	35.0	41.6
Change in cash and cash equivalents	-38.0	23.4	60.4
Cash and cash equivalents at period-start	132.0	75.6	75.6
Effect of changes in exchange rates	1.0	1.9	-4.1
Change in fair value of cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at period-end	95.1	100.9	132.0

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 2011	70.0	142.7	0.0	-0.8	492.2	704.1	0.0	704.2
Dividends paid					-4.4	-4.4		-4.4
Result for the financial period					-5.6	-5.6		-5.6
Other changes					-1.1	-1.1		-1.1
Other items for the Comprehensive income								
Change in translation differences				1.8		1.8		1.8
Equity 31 March 2011	70.0	142.7	0.0	1.0	481.1	694.8	0.0	694.8
Equity 1 Jan 2012	70.0	142.7	0.1	-4.2	456.3	664.9	0.0	664.9
Non-controlling interest						0.0	0.0	0.0
Result for the financial period					11.6	11.6		11.6
Other items for the Comprehensive income								
Change in fair value reserve			-0.1			-0.1		-0.1
Change in translation differences				15.1		15.1		15.1
Equity 31 March 2012	70.0	142.7	0.0	10.9	468.1	691.7	0.0	691.7

Notes

1. Accounting Principles

The Financial statements review 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 2011. 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, 2012 the Group applies the following new and revised standards:

- IFRS 1 (Amendment)
- IFRS 7 (Amendment)
- IAS 12 (Amendment)

These new and revised standards have no material impact on financial statement bulletin. The information presented in this report is unadited.

2. Segment Information

EUR million	1-3 2012	1-3 2011	1-12 2011
Net sales by business segment			
Itella Mail Communications	296.2	282.5	1,151.7
inter-segment sales	-13.4	-10.8	-44.2
Itella Logistics	181.7	174.2	731.6
inter-segment sales	-50.5	-50.7	-200.8
Itella Information	74.5	70.7	273.7
inter-segment sales	-3.2	-3.0	-12.1
Other operations	15.5	14.9	55.8
inter-segment sales	-15.4	-14.9	-55.5
Total eliminations (Interim sales)	-82.5	-79.3	-312.7
Total	485.3	462.9	1,900.1

EUR million	1-3 2012	1-3 2011	1-12 2011
Operating result (EBIT) by business segment (Non-IFRS) *)			
Itella Mail Communications	25.3	5.5	49.8
Itella Logistics	-1.7	-5.1	-6.4
Itella Information	3.2	4.7	3.2
Other operations	-4.1	-4.5	-16.1
Total	22.8	0.6	30.5
Non-recurring items by business segment			
Itella Mail Communications	-	-	18.4
Itella Logistics	1.3	-	9.3
Itella Information	0.5	-	7.3
Other operations	-	-	1.4
Total	1.8	0.0	36.4
Operating result (EBIT) by business segment			
Itella Mail Communications	25.3	5.5	31.4
Itella Logistics	-2.9	-5.1	-15.7
Itella Information	2.8	4.7	-4.1
Other operations	-4.1	-4.5	-17.5
Total	21.0	0.6	-5.9
Financial income and expenses	-1.7	-3.0	-10.6
Result for the financial period	11.6	-5.6	-30.7
EUR million	31 March 2012	31 March 2011	31 Dec 2011
Assets			
Itella Mail Communications	508.1	509.8	491.8
Itella Logistics	619.7	628.4	188.3
Itella Information	189.6	165.6	598.3
Other operations and unallocated	218.6	186.0	225.3
Eliminations	-36.6	-46.6	-38.5
Total	1,499.4	1,443.2	1,465.3
Liabilities			
Itella Mail Communications	272.9	275.3	276.7
Itella Logistics	112.6	110.8	107.5
Itella Information	51.5	39.5	49.6
Other operations and unallocated	407.2	366.2	405.0
Eliminations	-36.5	-43.3	-38.4
Total	807.7	748.5	800.4
Personnel at period-end			
Itella Mail Communications	17,699	18,553	17,883
Itella Logistics	6,857	7,491	7,088
Itella Information	2,305	1,989	2,259
Other operations	402	364	355
Total	27,263	28,397	27,585

3. Net Sales by Geographical Location

EUR million	1-3 2012	1-3 2011	1-12 2011
Finland	329.3	311.9	1,275.3
Scandinavia	68.7	67.4	276.7
Baltic countries and Russia	54.9	49.8	221.0
Other countries	32.4	33.8	127.2
Total	485.3	462.9	1,900.1

4. Changes in Property, Plant and Equipment

EUR million	31 March 2012	31 March 2011	31 Dec 2011
Carrying amount on 1 Jan	664.1	684.6	684.6
Additions	18.9	9.1	63.7
Disposals and transfers between items	-0.4	-0.7	-9.8
Depreciation and Impairment	-17.1	-16.7	-69.1
Translation differences	14.0	3.0	-5.3
Carrying amount at period-end	679.6	679.3	664.1

5. Consolidated Contingent Liabilities

EUR million	31 March 2012	31 March 2011	31 Dec 2011
Pledges for own behalf	19.4	18.9	19.4
Lease commitments	301.0	341.8	328.3

Itella contract customers have put in a claim to refund value added taxes about 56 million euro in the District Court of Helsinki. The decision made by the court in summer 2011 was positive for Itella. Court of Appeal of Helsinki however overturned this decision and returned the claim to the district court. When the decision of Court of Appeal given by 10 February 2012 is non-appealable the legal proceeding will be continued in District Court of Helsinki.

Derivative Contracts

EUR million	31 March 2012	31 March 2011	31 Dec 2011
Currency derivatives			
Currency forward contracts, non-hedge accounting			
Fair value	-0.3	0.0	1.3
Nominal value	111.6	111.5	126.8
Interest rate derivatives			
Interest rate swaps, hedge accounting			
Fair value	5.1	0.0	4.8
Nominal value	70.0	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 2011.