



ITELLA CORPORATION INTERIM REPORT, JANUARY–MARCH 2014
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Itella's result for January–March satisfactory considering the market situation

Itella Corporation Interim Report Q1/2014

- Itella Group's net sales in January–March decreased by 5.2% to EUR 470.0 (496.0) million. The decrease was due to lower volumes in mail delivery, the decline of the logistics market and intense competition as well as currency depreciation. At comparable exchange rates, the decline in net sales was 3.0%.
- Net sales decreased by 7.9% in Itella Logistics, by 1.9% in Itella Mail Communications, by 10.3% in Itella Russia, and by 3.9% in OpusCapita. Itella Russia's net sales grew by 7.3% measured in rubles.
- The operating result before non-recurring items improved and amounted to EUR 17.6 (12.4) million, or 3.7% (2.5%) of net sales.
- The operating result before non-recurring items for Itella Mail Communications amounted to EUR 20.5 (21.7) million. The operating result before non-recurring items improved to EUR -4.8 (-8.3) million in Itella Logistics, to EUR -2.2 (-2.3) million in Itella Russia, and to EUR 6.8 (6.4) million in OpusCapita.
- The first-quarter operating result decreased and amounted to EUR 4.3 (10.8) million, or 0.9% (2.2%) of net sales. Non-recurring items recognized during the period totaled EUR 13.3 (1.6) million, of which EUR 10.6 (1.6) million was related to personnel restructuring and EUR 2.7 (0.0) million to other items.
- Cash flow from operating activities increased and amounted to EUR 27.4 (23.4) million.
- The depreciation of the ruble slowed down the development of net sales, but political uncertainty did not have an effect on Itella Russia's result for January–March. The first quarter is typically the weakest of the year due to seasonal variation.
- In January, Itella started cooperation negotiations concerning basic delivery. The negotiations were concluded in March and led to the dismissal of 407 permanent employees.
- Itella's business in Russia was organized into its own business group as of the beginning of the year, and its result is now reported separately for the first time. From the beginning of 2014, there are four business groups: Itella Mail Communications, Itella Logistics, Itella Russia and OpusCapita.

Key figures for the Itella Group			
	1-3	1-3	1-12
	2014	2013	2013
Net sales, EUR million	470.0	496.0	1,976.8
Operating result (non-IFRS), EUR million*	17.6	12.4	50.5
Operating result (non-IFRS), %*	3.7	2.5	2.6
Operating result (EBIT), EUR million	4.3	10.8	9.9
Operating result (EBIT), %	0.9	2.2	0.5
Result before taxes, EUR million	2.1	7.7	-2.4
Result for the period, EUR million	4.0	4.7	7.7
Return on equity (12 months), %	1.0	1.0	1.1
Return on investment (12 months), %	0.7	3.5	1.3
Equity ratio, %	46.6	46.7	47.5
Gearing, %	18.7	21.7	21.1
Gross capital expenditure, EUR million	12.8	11.0	61.1
Average number of employees	25,066	27,561	27,253
Dividends, EUR million	-	-	-

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

Heikki Malinen, President and CEO

“Itella’s business environment remained very challenging in the first quarter due to a demanding market situation in logistics and the transformation of the postal industry. The non-IFRS operating result improved thanks to substantial efficiency improvement measures and, on the whole, the result can be considered satisfactory under the very difficult circumstances. The factors contributing to the decline in net sales included the lower volume of mail delivery, a decline in the demand for transport services, and the depreciation of currencies, the ruble in particular. The result was weakened primarily by significant non-recurring items related to personnel restructuring.

The net sales of Itella Mail Communications declined, but the result was nearly at the same level as in the corresponding period the previous year. The decline in the volumes of addressed letters, newspapers and magazines accelerated considerably in the first quarter. The result for Logistics still showed a loss, but the development was positive due to efficiency improvement measures. Itella Russia’s result was in line with plans, taking seasonal variation into account. Net sales decreased due to the depreciation of the ruble. OpusCapita recorded a good result. The strong growth of cloud services continues, with the annual growth estimated at approximately 150%. OpusCapita transmitted a total of 48 million electronic transactions in January–March. The share of electronic transactions of OpusCapita’s total volume of transactions is increasing and stood at 30%.

As of the beginning of the year, we organized our Russian business into its own separate business group and we are now reporting its result as a separate segment for the first time. This increases the transparency of our Russian business and the reporting of our results.

During the first quarter, we held negotiations with newspaper publishers regarding the renewal of delivery agreements for the early-morning delivery of newspapers, as early-morning delivery has not been profitable under the current operating model and pricing, and with the current development of circulation volumes. The negotiations resulted in the termination of five early-morning delivery agreements. With some negotiation parties, an agreement was reached on additional months. In addition, in the second quarter one new agreement was signed and negotiations have continued with several newspaper publishers.

Itella has sought to work with publishers to find new solutions to the problem of delivery profitability. We have proposed cooperation based on establishing joint ventures with media companies specializing in early-morning deliveries. We remain prepared to discuss cooperation on early-morning deliveries.

The drastic transformation of the industry is requiring us to continuously implement various adaptation measures. In January, we started cooperation negotiations for basic delivery operations in Itella Posti. The number of dismissals decreased significantly during the negotiations, from an original reduction need of 800 jobs to 407. The need for dismissals was successfully reduced by the implementation of the Uusi polku (New path) program, which offers not only financial support, but also training and support for job seeking, retraining or starting a business. To date, a total of 620 employees have applied for the program.

E-commerce is a very important focus area in our new strategy. I am very pleased that we are able to launch a EUR 10 million construction project related to e-commerce warehousing and dispatch operations at the Voutila warehouse in Vantaa. The project will offer online retailers access to a state-of-the-art warehousing and distribution system that allows consumers to take delivery of products bought online even on the day of purchase.”

APPENDICES

Itella's full Interim Report

FURTHER INFORMATION

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Itella is your first choice for postal, logistics and e-commerce services. We manage the flow of commerce and everyday life in 11 countries. Our net sales in 2013 amounted to EUR 1,977 million. We employ approximately 26,000 professionals. We deliver corporate services under the Itella brand, while the Posti brand is used for services targeted at consumers in Finland. www.itella.com.

Interim Report for January–March 2014

Market situation and business environment

The overall economic situation remained weak in Finland and weakened in Russia. The ruble depreciated by 22.7% year-on-year. The situation was also reflected in Itella's results, with net sales decreasing by 3% at comparable exchange rates in the first quarter. Taking the exchange rate effect into account, the decline in net sales exceeded 5%.

The rate of digitization in postal services doubled. The volume of addressed letters in January–March decreased by -10% from the previous year, while the decrease from 2012 to 2013 had been -5%. The decline was particularly strong in first-class letters at -13%. Newspaper and magazine volumes continued to decline as well. Newspaper delivery volumes were down 8%, and magazine delivery volumes 10%, compared to the corresponding period last year.

The growth in Itella's parcel services slowed down to 1% from the 4% rate recorded a year earlier. The overall market for parcels is on the decline in Finland due to weakening GDP. The situation is expected to continue.

The market situation in logistics and retail is challenging. This was reflected in lower transport volumes in groupage logistics. The volume of heavy traffic has continued to decrease for 22 consecutive months in Finland. The market situation is weak in Finland and has remained challenging in Scandinavia, although the volume of heavy traffic has resumed growth in Scandinavia. In Russia, the market situation in logistics has thus far remained stable, although political uncertainty and the threat of sanctions have led to downward adjustments to growth forecasts. The Central Bank of Russia forecasts growth of less than 1% for 2014, and the Ministry of Finance has adjusted its growth forecast from 2.5% to 0.5%.

In OpusCapita, the strong growth of cloud services, which began in summer 2012, is continuing, with the annual growth estimated at approximately 150%. The outsourcing market for financial and payroll management is growing, which offers good growth prospects for OpusCapita's outsourcing service business for 2014 and further.

The postal licenses that have been granted allow for competition in addressed deliveries, but competition has not yet impacted Itella or its result. The Finnish Government issued a postal delivery license to one of Itella's competitors on 30 January 2014. Itella considers increased competition in the postal market to be a positive development. However, in the view of Itella, the decision to issue the postal license reduces its opportunities to profitably provide services that fall under the universal service obligation in accordance with the Finnish Postal Act. For this reason, the decision increases the need for efficiency measures.

Profit performance and net sales

The Itella Group's net sales in January–March amounted to EUR 470.0 (496.0) million. Net sales decreased by 5.2%. At comparable exchange rates, the decline in net sales was 3.0%. The Group's net sales declined across all business groups. Net sales declined by 3.1% in Finland and by 11.9% in other countries. International operations accounted for 27% (29%) of net sales.

The operating result before non-recurring items improved to EUR 17.6 (12.4) million, or 3.7% (2.5%) of net sales. The operating result before non-recurring items decreased in Itella Mail Communications and improved in Itella Logistics, Itella Russia and OpusCapita.

The result for January–March was burdened by EUR 13.3 (1.6) million in non-recurring items, of which EUR 10.6 (1.6) million was related to personnel restructuring and EUR 2.7 (0.0) million to other items.

The Group's operating result was EUR 4.3 (10.8) million, or 0.9% (2.2%) of net sales. The operating result decreased in Itella Mail Communications, increased in Itella Logistics and Itella Russia, and stayed in OpusCapita on the previous year's level.

The Group's net financing costs amounted to EUR 2.3 (3.2) million.

The Group's operating result after financing items was EUR 2.1 (7.7) million.

Income tax totaled EUR 1.9 (-3.0) million.

The Group's operating result for the period was EUR 4.0 (4.7) million.

Return on equity (rolling 12 months) was 1.0% (1.0%).

Performance improvement program

In April 2013, Itella launched a performance improvement program for 2013–2014, aiming for more than EUR 100 million in cost savings. The program has progressed in the business groups as well as in the Group's centralized operations. As of the end of March 2014, the program has produced more than EUR 70 million in operational savings.

As part of the program, Itella has enhanced operational efficiency at Itella Mail Communications and Itella Logistics, carried out cooperation negotiations in the administration department and basic delivery, started national cooperation negotiations in line haul production, improved the efficiency of its sourcing process, reformed its ICT operating model, signed an extensive partnership agreement, outsourced its ICT operations and sold Itella Bank to the Savings Banks.

Itella Mail Communications

The net sales of Itella Mail Communications business group fell slightly in January–March and amounted to EUR 286.4 (291.8) million.

Non-recurring personnel restructuring items recognized during the period totaled EUR 10.4 (0.8) million. The business group's operating result before non-recurring items declined slightly and stood at EUR 20.5 (21.7) million. The result was weakened by a substantial decline in the volume of addressed mail. However, the result was boosted by improvements in operational efficiency and the increases in postage fees that took effect at the beginning of 2014. The business group's operating result amounted to EUR 10.2 (20.9) million. The percentage of operating result was 3.5% (7.2%).

Operations under the universal service obligation amounted to EUR 31.4 (32.1) million, or 11.0% (10.7%) of the net sales of Mail Communications.

In January–March, delivery volumes of postal items developed as follows compared with the corresponding period in 2013:

- Total volume of addressed letters, -10% (-5%)
- Unaddressed direct marketing, -23% (+21%)
- Newspapers, -8% (-5%)
- Magazines, -10% (-6%)

- Parcel services, +1% (+4%)
- Electronic letters, +3% (+18%)

The rate of digitization in postal services accelerated substantially in the first quarter. The decline in volumes is accelerated by developments including the digitization of invoicing; one out of two invoices are now transmitted electronically via online banking services, Netposti or e-mail. The volume of addressed letters fell by 10% in the first quarter, compared to a decrease of 5% in the corresponding period of the previous year. The volume of first-class letters declined in particular. The volume of first-class letters fell by 13%, while that of second-class letters decreased by 9%. The decline in the volumes of newspapers and magazines also accelerated. Newspaper delivery volumes were down 8%, and magazine delivery volumes 10%, compared to the corresponding period last year.

Parcel services continued to grow, but the rate of growth was slower than in the corresponding period in 2013. The slowing down of growth is due to a decrease in GDP, and the related contraction in the business-to-business market, weaker consumer purchasing power and the increasing popularity of foreign online retailers among Finnish consumers. Itella delivered a total of 7.9 million parcels in January–March. Itella’s share of parcel traffic has increased to nearly 50% from 43% in 2010.

The number of Netposti users climbed to 547,000 at the end of March, increasing by 18% from 2013. The number of users stood at 463,000 at the same time last year.

Posti had 1,342 service points at the end of March. After 42 new parcel terminals was taken into use in January–March, their number totaled 349 at the end of the quarter. The use of parcel terminals increased during the first quarter, with the number of parcels growing by 150% year-on-year. The goal is to increase the number of the various service points to 1,700 by 2020.

In January, Itella Posti began cooperation negotiations concerning basic delivery personnel. According to the initial estimate, the reduction need was 1,200 jobs at most. The negotiations were concluded in March and led to the dismissal of 407 permanent employees.

During the first quarter, Itella Posti held negotiations with newspaper publishers regarding the renewal of delivery agreements for the early-morning delivery of newspapers, as early-morning delivery has not been profitable under the current implementation and pricing, and with the current development of circulation volumes. The negotiations resulted in the termination of five early-morning delivery agreements. With some negotiation parties, an agreement was reached on additional months. In addition, in the second quarter one new agreement was signed and negotiations have continued with several newspaper publishers. Due to changes related to early-morning delivery, Itella Posti began cooperation negotiations in March for early-morning delivery in Central Ostrobothnia, in parts of northern Finland and in Kainuu and Kemi-Tornio. The target group of the negotiations comprises 281 employees.

Itella Mail Communications’ investments amounted to of EUR 7.0 (4.0) million in the first quarter. The majority of the investments were related to the transport fleet and parcel terminals.

Itella Logistics

Itella Logistics’ net sales declined in January–March by 7.9% and amounted to EUR 147.3 (160.0) million. The decrease in net sales was due to the weak market for road, air and sea freight services and the tight competitive situation. This was reflected in weaker sales in Finland as well as Scandinavia. Net sales developed positively in the Baltic countries in the first quarter.

Non-recurring items in the review period totaled EUR 0.2 (0.8) million. The business group's operating result before non-recurring items improved to EUR -4.8 (-8.3) million. The improvement in the result was supported by a better sales margin due to improved production efficiency. The result was also boosted by a reduction in fixed costs related to premises and personnel, as well as lower depreciation. The profitability of warehousing operations in Finland has improved primarily as a result of warehouse consolidation. Nevertheless, the result was still weakened by the low profitability in domestic cargo and the weak situation in the Nordic Region. The operating result improved to EUR -4.9 (-9.1) million.

Itella Logistics' investments amounted to EUR 1.5 (3.4) million in January–March. The investments were related to terminal improvement projects.

Itella Russia

Measured in local currency, the net sales of the Itella Russia business group grew by 7.3% in January–March. However, due to the depreciation of the ruble, growth measured in euros was negative at -10.3%, EUR 41.4 (46.3) million.

Among the business group's operations, the strongest growth was seen in road freight as well as air and sea freight, both of which grew by more than 20%. Contract logistics also grew in January–March. The growth in contract logistics was due to improved fill rates in warehouses outside Moscow and, in particular, the Shushary warehouse, which has been recommissioned after a warehouse accident that occurred in 2012 and saw an increase in fill rate from the previous year's level of zero to nearly 50%. The fill rates of terminals in the Moscow region, which had previously accounted for the majority of growth, have decreased slightly from the previous year, while the fill rates for warehouses in other regions have increased faster than before.

Non-recurring items recorded in the review period totaled EUR 0.1 (0.0) million. The business group's operating result before non-recurring items was EUR -2.2 (-2.3) million.

As the Russian logistics business involves substantial seasonal variation, net sales and the operating profit do not accrue evenly over the year. The result for January–March is weak due to low volumes, with the second half of the year having a more significant role in shaping the result. The operating result was EUR -2.2 (-2.3) million. The situation in Ukraine has thus far not had a local effect on Itella Russia's result.

Itella Russia's investments amounted to EUR 0.3 (1.7) million in January–March.

A large part of the shelving system in Itella's Shushary warehouse in St. Petersburg collapsed in July 2012. Measures to minimize the environmental impact of the collapse were initiated immediately in accordance with instructions issued by the authorities. In January 2014, Itella's management in Russia were acquitted of charges relating to the inappropriate handling of environmentally hazardous material. The processing of the insurance compensation has progressed, but the amount has not yet been confirmed in full. For this reason, the ultimate effects of the accident are yet to be determined. The indemnity is recognized in other receivables on the balance sheet, and a short-term provision for costs is recognized in liabilities.

OpusCapita

The comparable net sales of the OpusCapita business group remained at the previous year's level. Net sales in January–March decreased by 3.9% and amounted to EUR 67.1 (69.9) million. The decrease in net sales was due to the sale of the printing services in Poland carried out in 2013, as well as the depreciation of the Norwegian and Swedish currencies.

OpusCapita recorded a good result. The business group's operating result before non-recurring items improved to EUR 6.8 (6.4) million. Non-recurring items recorded in the review period totaled EUR 0.5 (0.0) million. The operating result amounted to EUR 6.4 (6.4) million.

Continuous service business operations make up 95% of OpusCapita's net sales, or approximately EUR 64 million. This includes multichannel invoicing and invoice management solutions for paper and electronic invoices, as well as software maintenance fees, and regularly invoiced outsourcing services. OpusCapita transmitted a total of 48 million electronic transactions in January–March. The share of electronic transactions of the total volume of transactions is increasing and stood at 30%. Growth was strongest in the e-invoice business at 13%.

OpusCapita's software solutions are used in 54 countries on all continents. The strong growth of cloud services (SaaS), which began in summer 2012, is continuing, with the annual growth estimated at approximately 150%. In January–March, the rate of growth was substantially higher than this due to a number of significant transactions. The growth in cloud services has been boosted particularly by automation solutions for accounts payable and receivable and payment traffic services launched in late 2013.

The outsourcing market for financial and payroll management is growing, which offers good growth prospects for OpusCapita's outsourcing service business for 2014 and further.

OpusCapita's investments amounted to EUR 1.3 (0.4) million. The investments were related to capitalized development projects.

Key Figures for Business Groups (EUR million)	1-3/2014	1-3/2013	Change	1-12/2013
Net sales				
Mail Communications	286.4	291.8	-1.9%	1,155.5
Logistics	147.3	160.0	-7.9%	641.8
Russia	41.5	46.3	-10.3%	205.6
OpusCapita	67.1	69.9	-3.9%	263.4
Other operations	11.0	13.7	-19.8%	54.4
Intra-Group sales	-83.3	-85.7		-343.8
Itella Group	470.0	496.0	-5.2%	1,976.8
Operating result (non-IFRS)*				
Mail Communications	20.5	21.7	-5.4%	66.6
Logistics	-4.8	-8.3	neg	-24.5
Russia	-2.2	-2.3	neg	5.3
OpusCapita	6.8	6.4	6.2%	22.5
Other operations	-2.8	-5.1	neg	-19.4
Itella Group	17.6	12.4	41.7%	50.5

Operating result (EBIT)				
Mail Communications	10.2	20.9	-51.3%	64.0
Logistics	-4.9	-9.1	neg	-50.1
Russia	-2.2	-2.3	neg	4.3
OpusCapita	6.4	6.4	-1.1%	17.0
Other operations	-5.0	-5.1	neg	-25.3
Itella Group	4.3	10.8	-60.1%	9.9
Operating result (non-IFRS), %*				
Mail Communications	7.2%	7.4%		5.8%
Logistics	-3.2%	-5.2%		-3.8%
Russia	-5.2%	-4.9%		2.6%
OpusCapita	10.2%	9.2%		8.5%
Itella Group	3.7%	2.5%		2.6%
Operating result (EBIT), %				
Mail Communications	3.5%	7.2%		5.5%
Logistics	-3.4%	-5.7%		-7.8%
Russia	-5.3%	-4.9%		2.1%
OpusCapita	9.5%	9.2%		6.4%
Itella Group	0.9%	2.2%		0.5%

*) Non-IFRS = excluding non-recurring items

Financial position and investments

The consolidated cash flow from operating activities before capital expenditure was EUR 27.4 (23.4) million.

Capital expenditure amounted to EUR 10.5 (10.1) million. More details on investments are provided in the sections on each business group.

At the end of March, liquid assets totaled EUR 176.6 (147.8) million, and undrawn committed credit facilities amounted to EUR 120.0 (120.0) million. The Group's interest-bearing liabilities were EUR 297.1 (310.9) million. Equity ratio stood at 46.6% (46.7%), and gearing was 18.7% (21.7%).

Employees

At the end of March, Itella Corporation employed 24,789 (27,655) people, of whom 19,225 (21,607) worked in Finland. The Group's average number of personnel was 25,066 (27,561).

Personnel distribution was as follows:

Itella Mail Communications	15,653 (17,512)
Itella Logistics	3,154 (3,624)
Itella Russia	3,301 (3,586)
OpusCapita	2,118 (2,257)
Group and other functions	563 (676)

The Group's personnel expenses decreased by EUR 9.3 million, or by approximately 4.1 percent in comparison to the previous year. Personnel expenses included EUR 10.6 (1.6) million in restructuring costs. Excluding restructuring costs, personnel expenses declined by 8% year-on-year.

In January, Itella launched the Uusi polku (New path) program, which offers not only financial support, but also training and support for job seeking, retraining or starting a business. As of the end of April, 620 employees have applied for the program.

Decisions adopted by the Annual General Meeting

Itella Corporation's Annual General Meeting was held in Helsinki on March 25, 2014. The Annual General Meeting adopted the 2013 financial statements and discharged the members of the Supervisory Board and the Board of Directors and President and CEO from liability.

It also decided that the Board of Directors be composed of eight members. The Annual General Meeting re-elected the following members of the Board of Directors: M.Sc. (Econ.) Arto Hiltunen, Country Director Jussi Kuutsa, CFO Päivi Pesola, Executive Vice President Riitta Savonlahti and Managing Director Suvi-Anne Siimes.

The Annual General Meeting elected Mölnlycke Health Care's Global Supply Chain Planning Director Petri Järvinen, Google Deutschland GmbH's Director, Retail Petri Kokko and Senior Financial Specialist Marja Pokela from the Government Ownership Steering as new members of the Board of Directors.

Arto Hiltunen will continue as the Chairman and Päivi Pesola as the Vice Chairperson.

Itella's Supervisory Board consists of twelve members. The Annual General Meeting re-elected MP Ritva Elomaa (True Finns), MP Lars-Erik Gästgivars (Swedish People's Party), MP Maria Guzenina-Richardson (Social Democratic Party), student Sari Moisanen (Left Alliance), MP Outi Mäkelä (National Coalition Party), entrepreneur Reijo Ojennus (True Finns), MP Mauri Pekkarinen (Centre Party), MP Raimo Piirainen (Social Democratic Party), MP Tuomo Puumala (Centre Party), Executive Manager Teuvo V. Riikonen (Christian Democrats) and MP Kimmo Sasi (National Coalition Party) as members of the Supervisory Board.

MP Satu Haapanen (the Greens of Finland) was elected as a new member of the Supervisory Board.

Mauri Pekkarinen will continue as the Chairman of the Supervisory Board. Satu Haapanen was elected as the Vice Chairperson.

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

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

Members of the Board of Directors receive a monthly remuneration and a meeting fee. Members of the Supervisory Board receive a meeting fee.

Key short-term business risks and uncertainty factors

The business risks are described in the Group's 2013 Financial Statements. Risks that have been emphasized after the turn of the year include the currency risk of the Russian ruble and the Russian country risk due to the prevailing political situation, as well as trade policy measures that could potentially be associated with the situation.

Key strategic risks were related to the decline in postal delivery volumes, which progressed more rapidly than expected, as well as the economic recession and other changes related to markets or the business environment that were unexpected or more extensive than anticipated. Other strategic risks were related to Itella's competitive ability and regulation by the authorities. Operative risks were primarily related to profitability, the reform of ICT operations, and business interruptions and other disruptions.

The postal licenses that have been granted allow for competition in addressed deliveries, but the competition has not yet impacted Itella or its result. The Finnish Government issued a postal delivery license to one of Itella's competitors on 30 January 2014. Itella considers increased competition in the postal market to be a positive development. However, in the view of Itella, the decision to issue the postal license reduces its opportunities to profitably provide services that fall under the universal service obligation in accordance with the Finnish Postal Act. For this reason, the decision increases the need for efficiency measures.

Significant market risks include the digitization of postal services at a more rapid rate than expected and other unanticipated changes in this area, such as an unexpectedly strong decline in the volumes of letters, magazines, and newspapers. Due to the drastic transformation in the postal industry, Itella is required to adjust its delivery and sorting capacity and substantially enhance the efficiency of its operations in the coming years. This may involve risks that can cause disturbances to postal deliveries and processes.

During the first quarter, Itella Posti held negotiations with newspaper publishers regarding the renewal of delivery agreements for the early-morning delivery of newspapers, as early-morning delivery has not been profitable under the current implementation and pricing, and with the current development of circulation volumes. The negotiations resulted in the termination of five early-morning delivery agreements. With some negotiation parties, an agreement was reached on additional months. In addition, in the second quarter one new agreement was signed and negotiations have continued with several newspaper publishers. This may cause non-recurring items in the short term if the capacity and general costs must be reduced.

In logistics, unexpected changes related to increasing international competition and the ensuing decline in volumes in the Nordic countries are also seen as risks.

Itella's investments in Russia are anticipated to grow. In Russia, the development of the economic, social, legislative and other areas of the business environment may pose a strategic market risk for Itella. The fluctuation and weakening of the ruble affect shareholders' equity through changes in the value of capital employed in Russia. In accordance with Itella's financial policy, transaction risk is hedged against fluctuations in the ruble exchange rate, but equity investments, i.e. translation risk, are not hedged.

A large part of the shelving system in Itella's Shushary warehouse in St. Petersburg collapsed in July 2012. Measures to minimize the environmental impact of the collapse were initiated immediately in accordance with instructions issued by the authorities. In January 2014, Itella's management in Russia were acquitted of charges relating to the inappropriate handling of environmentally hazardous material. The processing of the insurance compensation has progressed, but the amount

has not yet been confirmed in full. For this reason, the ultimate effects of the accident are yet to be determined. The indemnity is recognized in other receivables on the balance sheet, and a short-term provision for costs is recognized in liabilities.

Changes in corporate structure

In March 2014, Itella sold its entire share capital in its associated company Porlogis Transitos e Logistica Lda. Itella's share in the company was 35%. The transaction did not have a material impact on the Group's result.

Events after the review period

Itella Posti's negotiations on early-morning newspaper delivery in Savonia were concluded on April 1, 2014. Itella's early-morning delivery will be terminated at the end of September 2014, and its weekend delivery of newspapers will be terminated at the end of June 2014.

Due to the termination of the early-morning newspaper delivery agreement, Itella started cooperation negotiations concerning early-morning delivery in the Vaasa, Närpes and Pietarsaari areas. The target group of the negotiations comprises 60 employees.

Itella started national cooperation negotiations concerning line haul production on April 14, 2014. The negotiations concern a total of 420 drivers of road trains. The reduction need is 85 permanent employees at most. The negotiations may also entail changes to the current duties of at most 10 persons and relocation of at most 40 persons.

On April 17, 2014, Itella announced the launch of a EUR 10 million construction project related to e-commerce warehousing and dispatch operations at the Voutila warehouse in Vantaa. The first phase of the project involves building an automated warehouse, which is scheduled for completion in 2015. The second phase will involve an expansion of the current Voutila warehouse by 2018.

The Tampere service centre of OpusCapita's Finance and Accounting Services business unit started cooperation negotiations on April 24, 2014. The negotiations concern all of the unit's personnel, 43 employees, and the estimated reduction need is 43 employees at most.

At a meeting held on April 29, 2014, Itella's Board of Directors approved a plan for the merger of Itella Logistics Oy with Itella Posti Oy. The new company structure is expected to take effect on January 1, 2015. The change is part of Itella's new vision and strategy. The change will have no effect on OpusCapita, which will continue as a subgroup of Itella and one of Itella Group's business groups.

Outlook for the rest of the year

The Group's business is characterized by seasonality. Net sales and operating profit in the business groups are not accrued evenly over the year. In Mail Communications, the first and fourth quarters are typically strong, while the second and third quarters are weaker. In Logistics, the second half of the year is stronger.

Comparable net sales in euros for 2014 is expected to decrease compared to 2013. The factors contributing to this expected decrease include lower postal volumes in Itella Mail Communications, the weaker-than-expected market situation in Logistics, and exchange rate fluctuations. The Group's operating result before non-recurring items for 2014 is expected to improve significantly from 2013. However, the operating result may continue to be burdened by significant non-recurring items.

The political and market uncertainty related to Russia, and the depreciation of the ruble, can have a negative effect on the growth of Itella's net sales and, should the situation persist, on the Group's operating result.

Investments are expected to increase from 2013.

Helsinki, April 29, 2014

Itella Corporation
Board of Directors

APPENDICES

Key figures of Itella Group

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated cash flow statement

Consolidated statement of changes in equity

Notes to the Interim Report

Itella Corporation

Interim Report for January-March 2014

Key figures of Itella Group

	1-3 2014	1-3 2013	1-12 2013
Net sales, MEUR	470,0	496,0	1 976,8
Operating result (non-IFRS), MEUR *)	17,6	12,4	50,5
Operating result (non-IFRS), % *)	3,7	2,5	2,6
Operating result (EBIT), MEUR	4,3	10,8	9,9
Operating result (EBIT), %	0,9	2,2	0,5
Result before taxes, MEUR	2,1	7,7	-2,4
Result for the period, MEUR	4,0	4,7	7,7
Return on equity, %, 12 months	1,0	1,0	1,1
Return on invested capital (12 months), %	0,7	3,5	1,3
Equity ratio, %	46,6	46,7	47,5
Gearing, %	18,7	21,7	21,1
Gross capital expenditure, MEUR	12,8	11,0	61,1
Employees on average	25 066,0	27 561,0	27 253
Dividends, MEUR			

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

Consolidated Income Statement

	1-3 2014	1-3 2013	1-12 2013
EUR million			
Net sales	470,0	496,0	1 976,8
Other operating income	2,7	3,5	18,2
Share of associated companies' results	0,0	0,0	0,0
Materials and services	128,8	137,4	572,2
Employee benefits	221,1	230,4	885,4
Depreciation and amortisation	21,4	23,5	92,1
Impairment losses	0,0	-	24,3
Other operating expenses	97,1	97,3	411,1
Operating result (EBIT)	4,3	10,8	9,9
% of net sales	0,9 %	2,2 %	0,5 %
Financial income and expenses	-2,3	-3,2	-12,3
Result before income tax	2,1	7,7	-2,4
% of net sales	0,4 %	1,5 %	-0,1 %
Income tax	1,9	-3,0	10,1
Result for the financial period	4,0	4,7	7,7
% of net sales	0,8 %	0,9 %	0,4 %

Consolidated Statement of Comprehensive Income

Result for the financial period	4,0	4,7	7,7
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Available-for-sale financial assets	0,5	0,5	-0,3
Translation differences	-14,3	4,4	10,9
Tax effect	-0,1	-	-
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses	-1,2 -		-2,9
Tax effect	0,2 -		0,7
Comprehensive income for the financial period	-10,9	9,6	16,1

Consolidated Statement of Financial Position

EUR million	31 Mar 2014	31 Mar 2013	31 Dec 2013
Non-current assets			
Goodwill	179,8	187,8	180,0
Other intangible assets	66,5	95,8	70,1
Investment property	12,3	3,0	12,4
Property, plant and equipment	606,8	670,0	625,5
Investments in associated companies	0,0	0,4	0,4
Other non-current investments	5,7	6,1	6,0
Non-current receivables	11,8	13,8	12,5
Deferred tax assets	24,2	16,3	20,6
Total non-current assets	907,0	993,1	927,4
Current assets			
Inventories	6,8	6,9	7,8
Trade and other receivables	318,3	337,3	311,0
Income tax receivables	5,5	4,5	1,8
Financial assets available-for-sale	0,7	5,5	0,7
Financial assets held to maturity	0,0	12,2	0,0
Financial assets at fair value through profit or loss	102,7	74,7	85,8
Cash and cash equivalents	74,2	70,1	81,0
Total current assets	508,2	511,3	488,2
Non-current assets classified as held for sale	0,0	10,5	0,0
Total assets	1 415,3	1 515,1	1 415,6
Equity			
Share capital	70,0	70,0	70,0
Contingency reserve	142,7	142,7	142,7
Fair value reserve	0,4	0,3	0,0
Translation differences	-35,5	11,2	-21,3
Retained earnings	467,3	472,1	464,4
Total equity	644,9	696,3	655,8
Non-current liabilities			
Deferred tax liabilities	39,8	53,6	43,7
Non-current interest-bearing loans	283,2	274,2	283,6
Other non-current liabilities	11,8	12,8	11,5
Non-current provisions	13,1	18,2	12,8
Defined benefit pension plan obligations	12,2	8,0	11,3
Total non-current liabilities	360,1	366,8	381,5
Current liabilities			
Current interest-bearing loans	13,9	36,6	21,5
Trade payables and other liabilities	375,2	376,8	357,8
Income tax payables	7,4	7,2	2,6
Current provisions	13,8	30,8	15,0
Total current liabilities	410,3	451,4	397,0
Liabilities associated with non-current assets classified as held for sale	0,0	0,5	0,0
Total liabilities	770,4	818,7	759,8
Total equity and liabilities	1 415,3	1 515,1	1 415,6

Consolidated Cash Flow Statement

EUR million	1-3 2014	1-3 2013	1-12 2013
Profit or loss for the financial period	4,0	4,7	7,7
Adjustments to cash flow	21,5	29,4	91,9
Change in net working capital	6,6	-6,8	-3,6
Cash flow before financial items and income tax	32,1	27,3	95,9
Financial items (net)	-0,7	-0,8	-12,2
Income tax paid	-4,0	-3,1	-2,4
Cash flow from operating activities (net)	27,4	23,4	81,4
Purchase of intangible assets	-2,1	-1,9	-6,2
Purchase of property, plant and equipment	-8,5	-8,2	-34,6
Proceeds from sale of intangible and tangible assets	0,0	0,2	6,9
Business acquisitions	-	-	0,0
Proceeds from sale of subsidiaries and business divestments less cash and cash equivalents	-	-	12,5
Financial assets at fair value through profit or loss	-16,7	-16,7	-29,8
Cash flow from other investments	4,4	-5,1	2,0
Cash flow from investing activities (net)	-22,8	-31,7	-49,2
Change in loans (net)	-7,9	-12,5	-25,1
Payments of finance lease liabilities	-2,3	-1,9	-7,4
Financial assets held to maturity	-	3,0	0,3
Dividends paid	-	-	-6,8
Cash flow from financing activities (net)	-10,2	-11,3	-39,0
Change in cash and cash equivalents	-5,6	-19,6	-6,8
Cash and cash equivalents at the beginning of the period	81,0	90,3	90,3
Effect of changes in exchange rates	-1,3	-0,6	-2,5
Cash and cash equivalents at the end of the period	74,2	70,1	81,0

Consolidated Statement of Changes in Equity

EUR million	Share capital	Contingency reserve	Fair value reserve	Translation differences	Retained earnings	Total equity
Equity 1 January 2013	70,0	142,7	-0,2	6,7	467,5	686,7
Comprehensive income						
Result for the financial period					7,7	7,7
Other items of Comprehensive income:						
Change in fair value reserve			0,1			0,1
Change in translation differences				-28,0		-28,0
Actuarial gains and losses					-4,0	-4,0
Comprehensive income for the financial period			0,1	-28,0	3,7	-24,1
Transactions with equity holders						
Dividends paid					-6,8	-6,8
Equity 31 December 2013	70,0	142,7	0,0	-21,3	464,4	655,8
Equity 1 January 2014	70,0	142,7	0,0	-21,3	464,4	655,8
Comprehensive income						
Result for the financial period					4,0	4,0
Other items of Comprehensive income:						
Change in fair value reserve			0,4			0,4
Change in translation differences				-14,3		-14,3
Actuarial gains and losses					-1,0	-1,0
Comprehensive income for the financial period			0,4	-14,3	3,0	-10,9
Equity 31 March 2014	70,0	142,7	0,4	-35,5	467,4	644,9

Notes

1. Accounting Principles

The financial statements review has been prepared in accordance with IAS 34 'Interim Financial Reporting' applying the same accounting principles as those used in Itella's financial statements for 2013 with the exception of the changes in segment reporting. 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 totals presented in the tables. The interim report is unaudited. The Group applies certain new or amendment IFRS standards from the 1 January 2014 as described in 2013 annual financial statements, however, these standards have not had a material impact on this interim report.

Changes in segment reporting

Itella's operations in Russia form an own business group as of 1 January 2014, and are reported as a separate segment. From the beginning of 2014 there are four reporting segments: Itella Mail Communications, Itella Logistics Nordic, Itella Logistics Russia and OpusCapita. Previously, Russian operations were almost fully included in Itella Logistics segment. Comparative financial information of the new segments for financial year 2013 is presented in note 8.

2. Segment Information

EUR million	1-3 2014	1-3 2013	1-12 2013
Net sales by business segment			
Itella Mail Communications	286,4	291,8	1 155,5
inter-segment sales	-16,7	-15,4	-59,4
Itella Logistics	147,3	160,0	641,8
inter-segment sales	-52,3	-52,5	-215,7
Itella Russia	41,5	46,3	205,6
inter-segment sales	-0,1	0,0	-0,2
OpusCapita	67,1	69,9	263,4
inter-segment sales	-3,3	-4,0	-14,2
Other operations	11,0	13,7	54,4
inter-segment sales	-11,0	-13,7	-54,3
Total eliminations (Interim sales)	-83,3	-85,7	-343,8
Total	470,0	496,0	1 976,8
Operating result by business segment (non-IFRS) *)			
Itella Mail Communications	20,5	21,7	66,6
Itella Logistics	-4,8	-8,3	-24,5
Itella Russia	-2,2	-2,3	5,3
OpusCapita	6,8	6,4	22,5
Other operations	-2,8	-5,1	-19,4
Total	17,6	12,4	50,5
Non-recurring items by business segment			
Itella Mail Communications	10,4	0,8	2,6
Itella Logistics	0,2	0,8	25,6
Itella Russia	0,1	0,0	0,9
OpusCapita	0,5	0,0	5,5
Other operations	2,2	0,0	5,9
Total	13,3	1,6	40,5

Operating result (EBIT) by business segment

Itella Mail Communications	10,2	20,9	64,0
Itella Logistics	-4,9	-9,1	-50,1
Itella Russia	-2,2	-2,3	4,3
OpusCapita	6,4	6,4	17,0
Other operations	-5,0	-5,1	-25,3
Total	4,3	10,8	9,9

Financial income and expenses	-2,3	-3,2	-12,3
Result for the financial period	4,0	4,7	7,7

EUR million	31 Mar 2014	31 Mar 2013	31 Dec 2013
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Assets

Itella Mail Communications	479,4	475,0	478,4
Itella Logistics	335,8	384,7	333,5
Itella Russia	240,4	306,9	258,8
OpusCapita	169,2	177,9	172,6
Other operations and unallocated	224,9	208,8	209,5
Eliminations	-34,5	-38,3	-37,3
Total	1 415,3	1 515,0	1 415,6

Liabilities

Itella Mail Communications	285,2	272,0	264,9
Itella Logistics	90,8	101,7	83,8
Itella Russia	35,4	50,4	37,2
OpusCapita	39,7	45,7	42,7
Other operations and unallocated	353,9	387,2	368,5
Eliminations	-34,5	-38,3	-37,3
Total	770,4	818,7	759,8

Personnel at end of the period

Itella Mail Communications	15 653	17 512	16 633
Itella Logistics	3 154	3 624	3 211
Itella Russia	3 301	3 586	3 341
OpusCapita	2 118	2 257	2 121
Other operations	563	676	571
Total	24 789	27 655	25 877

*) Non-IFRS = excluding non-recurring items

3. Acquired businesses and business divestments

Acquired businesses 2014

No business acquisitions has been carried out during the review period.

Business divestments in 2014

Porlogis Transitos e Logistica

Itella sold its share in the associated company Porlogis Transitos e Logistica Lda in March 2014. Itella's holding in the company was 35 %. The transaction did not have a material impact on the Group's profit.

4. Net Sales by Geographical Location

EUR million	1-3 2014	1-3 2013	1-12 2013
Finland	343,0	353,5	1 406,5
Scandinavia	55,8	62,5	235,9
Russia	41,6	46,2	205,5
Other countries	29,7	33,7	129,0
Total	470,0	496,0	1 976,8

5. Changes in Property, Plant and Equipment

EUR million	31 Mar 2014	31 Mar 2013	31 Dec 2013
Carrying amount on 1 January	625,5	675,4	675,4
Additions	10,8	9,1	54,9
Disposals and transfers between items	0,0	-0,2	-11,0
Depreciation and Impairment	-16,8	-17,5	-68,5
Translation differences	-12,7	3,2	-25,3
Carrying amount at the end of the period	606,8	670,0	625,5

6. Fair value hierarchy of financial assets and liabilities measured at fair value

EUR million	Total	Level 1	Level 2	Level 3
31 Mar 2014				
Financial assets measured at fair value				
Non-current receivables				
Derivative contracts				
Interest rate swaps, hedge accounting	4,7		4,7	
Trade and other receivables				
Derivative contracts				
Currency forward contracts, hedge accounting	0,5		0,5	
Financial assets at fair value through profit and loss				
Money market investments				
Bonds	93,8		93,8	
Bonds	49,7	38,8	10,9	
Derivative contracts				
Currency forward contracts, non-hedge accounting	0,2		0,2	
Electricity forward contracts, non-hedge accounting	0,0	0,0		
Available-for-sale financial assets				
Equity fund investments	0,7			0,7
Total	149,8	38,8	110,3	0,7
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Derivative contracts				
Currency forward contracts, non-hedge accounting	1,0	0,0	1,0	
Electricity forward contracts, non-hedge accounting	1,4	1,4	0,0	
Total	2,4	1,4	1,0	
Fair values at the end of the reporting period				
EUR million	Total	Level 1	Level 2	Level 3
31 Dec 2013				
Financial assets measured at fair value				
Non-current receivables				
Derivative contracts				
Interest rate swaps, hedge accounting	4,8		4,8	
Trade and other receivables				
Derivative contracts				
Currency forward contracts, hedge accounting	0,0		0,0	
Financial assets at fair value through profit and loss				
Money market investments				
Bonds	69,3		69,3	
Bonds	50,5	39,6	10,8	
Derivative contracts				
Currency forward contracts, non-hedge accounting	0,3		0,3	
Electricity forward contracts, non-hedge accounting				
Available-for-sale financial assets				
Equity fund investments	0,7			0,7
Total	125,6	39,6	85,2	0,7
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Derivative contracts				
Currency forward contracts, non-hedge accounting	0,5		0,5	
Currency forward contracts, hedge accounting	0,0		0,0	
Electricity forward contracts, non-hedge accounting	1,1	1,1		
Total	1,6	1,1	0,5	

No transfers between the fair value hierarchy levels has been made during the reporting periods. The Group identifies and recognizes transfers between different levels as the transaction is exercised or at the moment when the parameters change materially.

Hierarchy levels:

Level 1: Fair values are based on the quoted prices of identical asset groups or liabilities in active markets.

Level 2: Fair values are, to a significant degree, based on data other than quoted prices included in level 1, but on data that can be either directly or indirectly verified for the asset group or liability in question.

To determine the fair value of these instruments, the Group uses generally accepted valuation models that are, to a significant degree, based on verifiable market data.

Level 3: Fair values are based on data regarding the asset group or liability that is not based on verifiable market data.

Investments in money markets instruments are measured at fair value by employing the market interest rate curves on the reporting date. The fair values of investments in bonds are based on the quoted market prices on the reporting date (Level One) or a price based on observable market information (Level Two). The measurement of Equity funds relies on valuations delivered by external investment managers, based on the general valuation techniques used by Asset Managers. The fair value of currency forward contracts is calculated by measuring forward contracts against the forward rates on the reporting date. The fair values of interest rate swaps are calculated by discounting the forecast cash flows of the contracts with the market interest rate curves on the reporting date. The fair values of electricity derivatives are based on the quoted market price on the reporting date.

Reconciliation of financial assets measured at fair value in accordance with level 3

EUR million	Available-for-sale equity fund investments
<u>2014</u>	
Carrying amount on 1 January	0,7
Total profits and losses	
In income statement	
Available-for-sale financial assets	
In other comprehensive income	
Available-for-sale financial assets	0,0
Acquisitions	
Exercises	
Carrying amount on 31 March	<u>0,7</u>

Total profits and losses recorded on assets held at the end of the reporting period

In financial income and expenses	0,0
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7. Contingent Liabilities

EUR million	31 Mar 2014	31 Mar 2013	31 Dec 2013
Pledges for own behalf	14,6	16,9	13,2
Lease commitments	275,4	329,2	288,1

Itella has received claims from its contract customers to refund the value added taxes they have paid amounting to a total of EUR 94 million. The ruling by the Helsinki District Court in summer 2011 was positive to Itella. The decision was however nullified by the Helsinki Court of Appeal and returned to the district court where the proceedings began in 2012. Itella considers the customers' claims to be unfounded in their entirety.

Derivative Contracts

EUR million	31 Mar 2014	31 Mar 2013	31 Dec 2013
Currency derivatives			
Currency forward contracts, non-hedge accounting			
Fair value	-0,7	0,7	-0,2
Nominal value	74,5	124,6	95,6
Currency forward contracts, hedge accounting			
Fair value	0,5	-	0,0
Nominal value	7,6	-	9,8
Interest rate derivatives			
Interest rate swaps, hedge accounting			
Fair value	4,7	6,1	4,8
Nominal value	70,0	70,0	70,0
Electricity derivatives			
Electricity forwards, non-hedge accounting			
Fair value	-1,4	-0,3	-1,0
Nominal value	5,7	7,3	0,0

8. Comparative information in accordance with the revised segment structure for 2013

Key Figures of Business Groups, MEUR	1-3/2013	1-6/2013	1-9/2013	1-12/2013	Q2/2013	Q3/2013	Q4/2013
Net sales							
Itella Mail Communications	291,8	574,1	829,9	1 155,5	282,2	255,8	325,6
Itella Logistics	160,0	327,4	485,8	641,8	167,4	158,4	156,0
Itella Russia	46,3	97,1	150,0	205,6	50,8	52,9	55,6
OpusCapita	69,9	136,7	198,0	263,4	66,8	61,3	65,4
Other operations	13,7	27,5	41,3	54,4	13,7	13,8	13,1
Intra-Group sales	-85,7	-171,7	-256,9	-343,8	-85,9	-85,3	-86,9
Itella Group	496,0	991,1	1 448,0	1 976,8	495,1	457,0	528,8
Operating result (non-IFRS) *)							
Itella Mail Communications	21,7	30,4	32,8	66,6	8,7	2,4	33,8
Itella Logistics	-8,3	-12,9	-15,6	-24,5	-4,6	-2,7	-8,9
Itella Russia	-2,3	-0,2	2,8	5,3	2,1	3,0	2,4
OpusCapita	6,4	10,9	18,1	22,5	4,5	7,2	4,3
Other operations	-5,1	-12,2	-14,1	-19,4	-7,0	-2,0	-5,3
Itella Group	12,4	16,2	24,1	50,5	3,7	8,0	26,3
Operating result (EBIT)							
Itella Mail Communications	20,9	26,2	28,7	64,0	5,3	2,5	35,3
Itella Logistics	-9,1	-20,5	-30,8	-50,1	-11,4	-10,3	-19,3
Itella Russia	-2,3	-0,2	2,6	4,3	2,1	2,8	1,7
OpusCapita	6,4	9,0	14,9	17,0	2,6	5,8	2,1
Other operations	-5,1	-13,8	-17,8	-25,3	-8,7	-4,0	-7,5
Itella Group	10,8	0,7	-2,4	9,9	-10,1	-3,1	12,3
Operating result (non-IFRS), % *)							
Itella Mail Communications	-4,9 %	-0,2 %	1,9 %	2,6 %	4,1 %	5,7 %	4,4 %
Itella Logistics	-5,2 %	-3,9 %	-3,2 %	-3,8 %	-2,7 %	-1,7 %	-5,7 %
Itella Russia	-4,9 %	-0,2 %	1,9 %	2,6 %	4,1 %	5,7 %	4,4 %
OpusCapita	9,2 %	8,0 %	9,2 %	8,5 %	6,7 %	11,8 %	6,6 %
Itella Group	2,5 %	1,6 %	1,7 %	2,6 %	0,8 %	1,7 %	5,0 %
Operating result (EBIT), %							
Itella Mail Communications	7,2 %	4,6 %	3,5 %	5,5 %	1,9 %	1,0 %	10,9 %
Itella Logistics	-5,7 %	-6,3 %	-6,3 %	-7,8 %	-6,8 %	-6,5 %	-12,4 %
Itella Russia	-4,9 %	-0,2 %	1,8 %	2,1 %	4,1 %	5,3 %	3,0 %
OpusCapita	9,2 %	6,6 %	7,5 %	6,4 %	3,9 %	9,5 %	3,2 %
Itella Group	2,2 %	0,1 %	-0,2 %	0,5 %	-2,0 %	-0,7 %	2,3 %

*) Non-IFRS = excluding non-recurring items

Segments' assets and liabilities

MEUR	31 Mar 2013	30 Jun 2013	30 Sept 2013	31 Dec 2013
Assets				
Itella Mail Communications	475,0	470,5	481,7	478,4
Itella Logistics	384,7	369,8	350,9	333,5
Itella Russia	306,9	278,6	275,1	258,8
OpusCapita	177,9	176,3	170,8	172,6
Other operations and unallocated	208,8	193,5	161,2	209,5
Eliminations	-38,3	-40,0	-35,1	-37,3
Total	1 515,1	1 448,7	1 404,3	1 415,6
Liabilities				
Itella Mail Communications	272,0	261,8	249,9	264,9
Itella Logistics	101,7	99,8	83,2	83,8
Itella Russia	50,4	39,9	39,7	37,2

OpusCapita	45,7	43,6	36,9	42,7
Other operations and unallocated	387,2	382,7	379,2	368,5
Eliminations	-38,3	-40,0	-35,1	-37,3
Total	818,7	787,8	753,8	759,8

Personnel at end of the period

Itella Mail Communications	17 512	19 008	16 700	16 633
Itella Logistics	3 624	3 727	3 387	3 211
Itella Russia	3 586	3 495	3 345	3 341
OpusCapita	2 257	2 208	2 103	2 121
Other operations and unallocated	676	648	614	571
Total	27 655	29 086	26 149	25 877