

Itella Corporation Financial performance in 2007

15 February 2008



Itella in brief

- Services for information and goods flow management

**Itella Mail
Communication**
letter and direct mail
delivery and press
distribution services

**Itella
Information**
information
logistics services

**Itella
Logistics**
service logistics
solutions

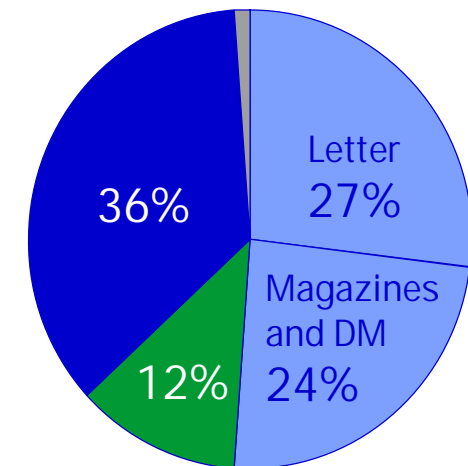
- Poland to be the 10th country in the spring of 2008
- Itella for businesses, Posti for consumers in Finland



Itella's financial performance in 2007

	2007	2006	Change
Net sales, EUR million	1,688.3	1,550.6	+ 9%
Operating profit (EBIT), EUR million	101.8	89.0	+ 14%
EBIT margin	6.0%	5.7%	

- Net sales grew by 9%
 - acquisitions by 3%
 - organic growth of 6%
- Strongest growth in Itella Information (+ 17%) and Itella Logistics (+ 17%)
- International operations 25% of net sales
- Dividend proposed by the Board of Directors €39 million



Net sales

- Itella Mail Communication 51% (53% in 2006)
- Itella Information 12% (12%)
- Itella Logistics 36% (34%)

Itella Mail Communication in 2007

	2007	2006
Net sales, EUR million	893.8	869.7
Operating profit (EBIT), EUR million	88.9	73.6
EBIT margin	9.9%	8.5%

- Total volume of letter mail increased slightly
 - volume of 1st class letters rose by approx. 2%
 - volume of 2nd class letters fell somewhat
- Unaddressed direct mail grew by 14%
- Growth in magazines 2%
- Newspaper delivery volumes remained unchanged
 - newspapers accounted for 8% of consolidated net sales

Itella Mail Communication in 2008

Operations in Finland to be strengthened

- Development programme for the sorting and delivery network in 2007 - 2011
 - investments in excess of €150 million
 - introduction of the latest production technology
 - flexible solutions for multi-channel mail communication
 - address and delivery channel chosen by recipients
- Growth expectations in customer relationship marketing
- Focus on productivity improvement
- Gearing up for the impacts of the new EU's Postal Directive



Itella Information in 2007

	2007	2006
Net sales, EUR million	201.1	171.3
Operating profit (EBIT), EUR million	5.4	-5.3
EBIT margin	2.7%	-3.1%

- Net sales grew by 17%
 - acquisitions 7%
 - organic growth 10%
- iPost service growing rapidly in Sweden and Finland
- Performance improved by
 - document management services
 - digital services (e.g. eInvoice and EDI)
- Itella chosen to digitise State Treasury's invoices in Finland

Itella Information in 2008

Growth in digital services



- Operations to be launched in Poland
 - Itella acquired BusinessPoint S.A in January 2008
 - provides document management and printing services
- Growth areas
 - outsourcing deals for financial management processes
 - expansion of iPost service to Denmark, Norway and Germany
 - electronic services for the public sector
- Streamlining to continue due to tough competitive situation



Itella Logistics in 2007

	2007	2006
Net sales, EUR million	619.8	530.0
Operating profit (EBIT), EUR million	22.2	36.7
EBIT margin	3.6%	6.9%

- Net sales grew by 17%
 - acquisitions 8%
 - organic growth 9%
- Good development in market share and volumes despite aggressive competition
- Moscow Logistics Centre opened in April
- New logistics centres to Oslo and Kaunas
- Acquisitions
 - SHW Logistiikka Oy; furniture logistics
 - PS Logistics AB; international freight and contract logistics

Itella Logistics in 2008

Building of a Northern European logistics provider to continue

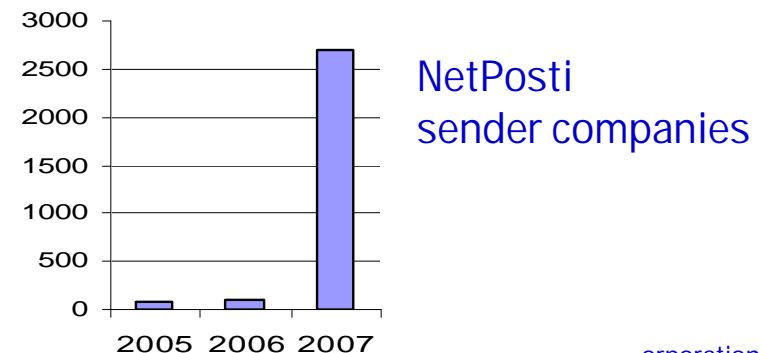
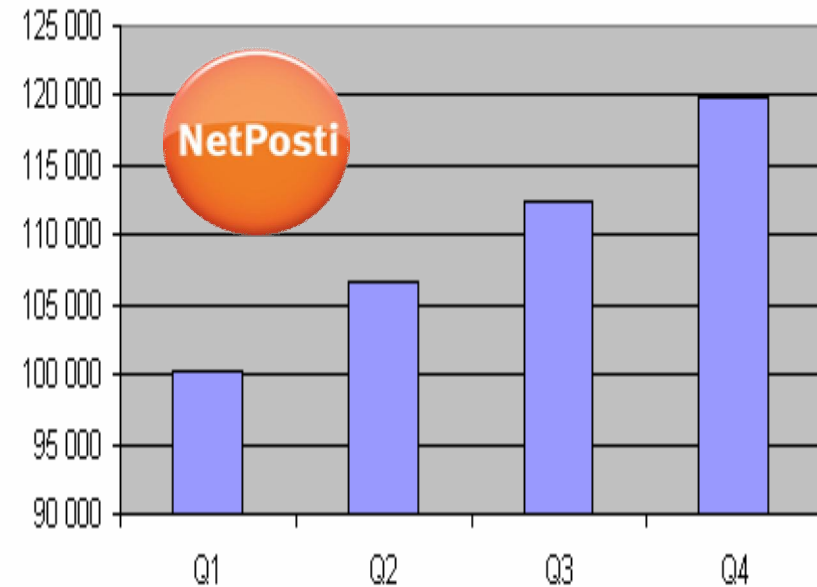
- Improvement of profitability
- Growth through acquisitions
 - Acquisition of Kauko Group and Hansar Logistics, specialising in international freight services
- Investments in Russia and the Baltic countries
- Development of consistent business models and information systems
- Improvement of quality and environmental performance



Posti for consumers

- Posti reaches everyone in Finland
- Even broader range of services for everyday mailing needs, special occasions and various transactions
- Three service channels: nearly 1,200 outlets, Call Centre, www.posti.fi
- Electronic NetPosti service growing rapidly
 - 2,000 sender companies
 - 115,000 recipients
 - over a million messages in 2007
 - 1,000 forms
- Positive trend in customer satisfaction

Consumers registered with NetPosti in 2007



Major investments in personnel

- 25,000 employees, of whom 8% outside of Finland
 - second largest private sector employer in Finland
- Major investments in the development of well-being at work bear fruit
 - downward trend in sick leave rate
 - clear drop in occupational accidents
 - premature disability pensions down by 25%
- Unique Foundation for Well-being at Work developed by Itella
- All employees in all countries to be included in the profit-sharing starting 2008
- Good employee satisfaction rate



What's new in 2008

- Mail delivery investment programme to be continued in Finland
- International expansion to continue
 - Poland, Russia
- Clarification of service strategy for consumer customers
- Controlling the rise in costs a challenge
- Environmental issues to be integrated into strategy





Thank you!