



Itella Corporation  
Interim Report for January–June 2009

### Market overview

The global economic downturn has significantly decreased the demand for Itella's services. In Finland, the logistic and mail volumes saw a sharp decline in the first half-year compared with the same period in 2008. Customer business volumes and the number of transactions also decreased in other operating countries, thereby affecting the demand for Itella's services. Competition for the declining volumes is becoming fiercer, which has an impact on the parcel delivery business, for example.

In the next few years, the European postal industry will face a major structural change, as competition in the industry will be promoted through a Directive reform. In addition to legislative changes, the increase of electronic communication has an impact on the business.

### Net sales and profit performance

Itella Group's consolidated net sales fell to EUR 916.2 million in the first half of 2009 (EUR 923.5 million in January–June 2008), down by 0.8%. Acquisitions excluded, net sales decreased by 9.4%. Decrease in organic net sales escalated in the second quarter. Itella Information increased its net sales, while Itella Mail Communication and Itella Logistics experienced a drop in net sales. Net sales fell by 1.5% in Finland and increased by 1.0% in other countries. International operations accounted for 30% (29%) of net sales.

Consolidated EBIT decreased by 36.9% to EUR 27.7 million (EUR 43.9 million), representing 3.0% (4.8%) of net sales. EBIT improved in Itella Information but shrank in Itella Mail Communication and Itella Logistics. The result for the first half-year was burdened by restructuring charges of EUR 6.1 million. All Group companies and units took measures to lower external costs more efficiently.

The Group's net financing cost was EUR -24.6 million (EUR +0.1 million). The consolidated income statement included EUR 15.3 million net in exchange rate losses due in particular to the weakening of the Russian ruble, of which EUR 8.2 million are realized losses. Consolidated profit after financial items was EUR 3.1 million (EUR 44.0 million). Income tax totaled EUR 5.9 million (EUR 13.0 million) and the Group recorded a net loss of EUR 2.8 million (net profit of EUR 31.0 million).

Itella's Key Figures	Q1-Q2/ 2009	Q1-Q2 /2008	2008
Net sales, MEUR	916,2	923,5	1,952.9
Operating profit (EBIT), MEUR	27,7	43,9	95.1 *)
EBIT margin, %	3,0	4,8	4.9 *)
Profit before income tax, MEUR	3,1	44,0	46,6
Return on equity, %, 12 months	-2,2	8,2	2,6
Return on investment, %, 12 months	9,4	12,5	12,4
Equity ratio, %	50,9	64,5	51,1
Gearing, %	19,7	-20,9	14,8
Personnel on average	30,683	25,920	28,163
Gross capital expenditure, MEUR	64,8	61,2	351,5

\*) excl. non-recurring item

### Itella Mail Communication

Itella Mail Communication recorded net sales of EUR 448.5 million in January-March (EUR 454.7 million), showing a decrease of 1.4%.

In January–June 2009, business volumes developed as follows compared with the corresponding period in 2008:

- First-class letter volume fell by 9%.
- Second-class letter volume increased by 2%.
- Addressed direct mail volumes decreased by 16%.
- Subscription newspaper and magazine delivery volumes fell by 4%.
- Unaddressed direct mail delivery volumes increased.

Overall delivery volumes decreased on the previous year. In January–June 2009, there were 3 working days less than in January–June 2008. Proportioned to the number of working days, overall volumes increased slightly because of the increase in unaddressed direct mail deliveries.

Itella Mail Communication posted EBIT of EUR 33.5 million (EUR 43.4 million), representing 7.5% (9.5%) of net sales. The profitability weakened due to the decrease in net sales, particularly in important major products. On the other hand, productivity was improved through the implementation of a new salary and working hours model, which has checked the rise in personnel costs.

The mail sorting and delivery modernization project continued to move ahead as planned, and about half of the planned mail sorting network investments have now been carried out in Finland.

### Itella Information

Itella Information's net sales increased to EUR 126.6 million (EUR 122.7 million), up by 3.2%. The acquisitions made last year accounted for 7.7 percentage points of the growth. Excluding the effect of acquisitions, net sales fell by 4.5%. Net sales picked up in all product lines and operating countries,

with the exceptions of Sweden and Germany. Net sales in Sweden decreased because of the divestment of contact center business.

Itella Information posted EBIT of EUR 8.4 million (EUR 6.6 million), representing 6.6% of net sales (5.4%). In June 2008, the result was weakened by non-recurring items due to establishing of a joint venture in Norway. Excluding the effect of these items, comparable EBIT for January–June 2009 was at the previous year's level. Itella Information adjusted its costs in all operating countries to reflect the decrease in transaction volumes caused by the general market conditions. This way it was possible to keep the operational result at last year's level. On the other hand, new sales developed favorably, because in economically tough times customers can attain cost savings by using Itella Information's products and services.

### Itella Logistics

In the first half of 2009, Itella Logistics recorded net sales of EUR 359.9 million (EUR 360.7 million). Net sales fell by 0.2%. Excluding the effect of acquisitions, net sales fell by 19.7%. Net sales decreased in all product lines except Contract Logistics and in all operating countries except Russia.

Itella Logistics' EBIT was EUR 10.3 million negative (EUR 7.5 million positive), representing -2.9% (+2.1%) of net sales. The negative earnings trend is due to a major decrease in volumes in all operating countries. Compared with 2008, negative volume development escalated each month through the first half of the year. In Finland, parcel delivery volumes dropped by 10%.

## Key Figures of Business Groups, MEUR

	1-6/2009	1-6/2008	Change
Itella Mail Communication			
Net sales	448,5	454,7	-1,4 %
Operating profit (EBIT)	33,5	43,4	-22,8 %
EBIT margin,%	7,5 %	9,5 %	
Itella Information			
Net sales	126,6	122,7	3,2 %
Operating profit (EBIT)	8,4	6,6	27,3 %
EBIT margin,%	6,6 %	5,4 %	
Itella Logistics			
Net sales	359,9	360,7	-0,2 %
Operating profit/loss (EBIT)	-10,3	7,5	..
EBIT margin,%	-2,9 %	2,1 %	
Other activities			
Net sales	8,6	8,7	-1,1 %
Operating profit/loss (EBIT)	-3,9	-13,6	..
EBIT margin,%	-45,3 %	-156,3 %	
Intra-Group sales	-27,4	-23,3	..
Itella Group			
Net sales	916,2	923,5	-0,8 %
Operating profit (EBIT)	27,7	43,9	-36,9 %
EBIT margin,%	3,0 %	4,8 %	

Compared with the financial results reported for the segments in 2008, Itella Mail Communication and Itella Logistics improved their operating profits as a result of relocation of premises that were previously located within other Group operations. Here the figures has been converted and are comparable.

## Financial position and capital expenditure

Consolidated net cash flow from operating activities totaled EUR 39.9 million (EUR -12.0 million) before investing activities. Net cash flow from operating activities improved from last year as a result of a change in the payment of employee pension insurance contributions, which are payable quarterly this year instead of being paid as an advance payment in the first quarter.

Capital expenditure amounted to EUR 64.8 million (EUR 61.2 million). No acquisitions were made in the first half-year, while acquisitions amounted to EUR 24.8 million in the first half of 2008.

A TyEL loan of EUR 100 million was drawn in the first quarter. In the end of the second quarter, EUR 46 million was spent to repay dollar loans of the Group's Russian subsidiaries, in addition to the EUR 51 million spent in the first quarter.

At the end of June, liquid assets stood at EUR 95.0 million (EUR 187.7 million), and undrawn committed credit facilities totaled EUR 175 million (EUR 200 million). Commercial papers issued amounted to EUR 76.7 million. The Group's interest-bearing liabilities were EUR 227.2 million (EUR 35.6 million). Equity ratio stood at 50.9% (64.5%) and gearing was 19.7% (-20.9%).

## Personnel

In January–June, the Itella Group employed an average of 30,683 (25,920) people. At the end of the period, the number of personnel was 31,627 (27,975) with 24,607 (25,894) employees based in Finland.

The number of Group personnel grew from the corresponding period in 2008 as a result of Itella Logistics' and Itella Information's acquisitions. At the end of the period, the Group employed personnel by segment as follows: Itella Mail Communication 20,061, Itella Information 1,890, Itella Logistics 9,638 and other Group functions 38.

In February, Itella initiated statutory labor negotiations in Finland affecting 325 people in administrative and support functions. The negotiations resulted in 70 jobs being made redundant: of these, 53 employees were offered relocation and 17 employees opted for a pension solution.

In the first quarter, Itella Logistics conducted statutory labor negotiations concerning lay-offs at its Vantaa logistics center near Helsinki. The negotiations concerned about 460 employees. The maximum need for lay-offs is 60 days per person. The lay-offs have been planned to take effect in stages between April 2009 and April 2010.

Statutory labor negotiations were conducted in Finland in the second quarter affecting about 2,200 employees in administrative and production functions. As a result of the negotiations, altogether 231 jobs will be made redundant and, in addition, 29 employees have opted for a pension solution. These figures include 44 jobs made redundant in Savonlinna, where the operations of the customer center will be discontinued. The negotiations concerning Northern Finland (Rovaniemi and Kajaani) will continue until August.

In January–June, the Itella Group hired about 300 new permanent employees in Finland. In addition, Itella is a major provider of seasonal jobs.

In operations outside Finland, Itella took various adjustment measures that resulted in a personnel reduction of approximately 1,100 employees.

## Changes in corporate structure

Itella sold its holding in Oy Confidea Business Consulting Ab, part of Itella Logistics. Prior to the sale, Itella held a 69.9% share in the company. The sale will not have a material impact on Itella's figures.

Itella Information transferred its Swedish contact center business to a joint venture in which Itella is a minority shareholder. The eFlow business related to invoice automation solutions, part of Itella Information's Norwegian company, was sold. As a result of these sales, the number of personnel at Itella Information has decreased by about 70 employees from the beginning of the year. The arrangements do not have a material effect on the business group's result.

In June, the Financial Supervisory Authority (FIN-FSA) granted Itella's subsidiary Itella IPS Oy authorization as a payment institution. Itella IPS Oy has also been accepted as a member of the Federation of Finnish Financial Services.

#### Short-term business risks and uncertainties

Group level risk management based on Enterprise Risk Management (ERM) principles is part of Itella Group's management and strategy processes. Itella's risk management policy and business-related risks are described in the Annual Report and Financial Statements for 2008.

The general economic climate in Itella's operating area has increased business risks and uncertainties. The continuing recession hampers net sales and makes sales development difficult to predict. This has complicated decision-making concerning sizing of Itella's own production resources. Adjustment of costs and management of working capital items are emphasized.

The economic climate in Russia and the behavior of the Russian ruble have a material impact on Itella's financial result and balance sheet. Equity instruments related to business operations in Russia amounted to EUR 36.4 million, and in accordance with the Group's financing risk policy they were not hedged. The Russian companies' unhedged dollar loans were repaid almost in full at the end of the period, which increased the Group's ruble debt instruments. Debt instruments amounted to EUR 124.6 million with a hedge rate of 56%. Capital structures of the Russian companies will be reorganized in the second half of the year, which will probably change the ratio between the Group's ruble equity and debt instruments. Changes in the value of the Russian ruble in relation to the euro affect either the Group's financial expenses or exchange differences arising on the translation of the net investment.

#### Seasonal fluctuation

Seasonal fluctuation is characteristic of the Group's business operations. Net sales and earnings in the business segments are not accrued evenly over the year. The first and fourth quarters are typically strong, while the second and third quarters are weaker. Due to the timing of Easter this year, the difference between the first and the second quarter is more distinct than last year.

#### Outlook for the rest of the year

The economic recession is clearly affecting the demand for Itella's services. Moreover, the economic recession may rapidly accelerate the digital substitution and electronic communications, which have a considerable effect on changes in long-term demand for Itella's services. In some business areas, market overcapacity may lead to more aggressive price competition. On the other hand, Itella sees the downturn as an opportunity for offering extensive integrated solutions to customers.

Technically, the Group's net sales for 2009 will be boosted by the previous year's acquisitions, which were not included in the consolidated accounts for the entire fiscal year of 2008. The downward trend in volumes and in the number of transactions will have a strong effect on net sales. Net sales for the full

year are expected to remain below last year's level. Exchange rate fluctuations have a greater impact on Itella's figures than in previous years.

Measures and projects aiming to improve productivity are a key priority, particularly in Itella Mail Communication. The entire Group has taken measures to lower costs, with particular emphasis on cutting overhead. Management and control of discretionary costs have been enhanced. Savings achieved by adjusting the number of employees will not yet show in 2009. The full-year earnings before non-recurring items will fall clearly short of the previous year's figures.

The timing and volume of acquisitions and other investments will be considered carefully. However, the level of capital expenditure will remain above the long-term average, due to the ongoing projects of Itella Mail Communication in Finland.

Helsinki, July 22, 2009

Itella Corporation  
Board of Directors

The figures in this Interim Report are unaudited.

**APPENDICES:**

Accounting principles  
Comprehensive consolidated income statement  
Consolidated balance sheet  
Consolidated cash flow statement  
Statement of changes in shareholders' equity  
Consolidated key indicators  
Segment information  
Consolidated contingent liabilities

**Itella Corporation**  
**Interim Report Q2/2009**

**Accounting principles, Note 1**

The interim report was prepared in accordance with IFRS-based recognition and measurement principles. As of January 1, 2009 the Group applies the following new and revised standards: IFRS 8 Operating segments and IAS 1 Presentation of financial statements. In other respects, the accounting policies applied in the preparation of financial statements for 2008 have been applied here.

Compared with the financial results reported for the segments in 2008, Itella Mail Communication and Itella Logistics improved their operating profits as a result of relocation of premises that were previously located within other Group operations. The operating profits for 2008 have been converted into comparable figures in the tables for 2009.

**Key Figures, Note 2**

	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
Net sales, MEUR	438.6	470.6	916.2	923.5	1 952.9
Operating profit (EBIT), MEUR	7.8	10.6	27.7	43.9	95.1*
EBIT margin, %	1.8	2.3	3.0	4.8	4,9 *
Profit before income tax, MEUR	11.2	8.7	3.1	44.0	46.6
Return on equity, %, 12 months			-2.2	8.2	2.6
Return on investments, %, 12 months			9,4	12.5	12.4
Equity ratio, %			50.9	64.5	51.1
Gearing, %			19.7	-20.9	14.8
Gross capital expenditure, MEUR	28.9	30,5	64.8	61.2	351.5
Personnel on average	30,994	26,610	30,683	25,920	28,163

\* excl. non-recurring item



**Itella Corporation**  
**Interim Report Q2/2009**

<b>Comprehensive Income Statement, Note 3</b>	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
<b>EUR million</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
<b>Net sales</b>	<b>438.6</b>	<b>470.6</b>	<b>916.2</b>	<b>923.5</b>	<b>1,952.9</b>
Other operating income	5.6	1.8	8.6	3.0	13.9
Share of associated companies' results	0.0	0.0	0.0	0.1	0.2
Materials and services	117.6	153.6	243.1	282.5	594.1
Employee benefits	218.7	213.3	450.1	424.5	873.8
Depreciation, amortis.and impairm.loss	19.2	15.2	38.1	29.6	100.3
Other operating expenses	80.9	79.7	165.8	146.1	329.8
<b>Operating profit (EBIT)</b>	<b>7.8</b>	<b>10.6</b>	<b>27.7</b>	<b>43.9</b>	<b>69.0</b>
% of net sales	1.8 %	2.3 %	3.0 %	4.8 %	3.5 %
Financial income and expenses	3.4	-1.9	-24.6	0.1	-22.4
<b>Profit before income tax</b>	<b>11.2</b>	<b>8.7</b>	<b>3.1</b>	<b>44.0</b>	<b>46.6</b>
% of net sales	2.6 %	1.8 %	0.3 %	4.8 %	2.4 %
Income tax	-3.2	-3.0	-5.9	-13.0	-27.9
<b>Profit for the financial period</b>	<b>8.0</b>	<b>5.7</b>	<b>-2.8</b>	<b>31.0</b>	<b>18.6</b>
% of net sales	1.8 %	1.2 %	-0.3 %	3.4 %	1.0 %
<b>Other items of comprehensive income</b>					
Available-for-sale financial assets	-0.4	0.0	-0.4	0.0	-1.0
Translation differences	-1.2	0.3	-8.9	-0.1	-16.4
<b>Comprehensive income, total</b>	<b>6.4</b>	<b>6.0</b>	<b>-12.1</b>	<b>30.9</b>	<b>1.2</b>
<b>Profit for the financial period attributable to</b>					
Parent company shareholders	7.7	5.6	-2.6	30.8	19.7
Minority interest	0.3	0.1	-0.2	0.2	-1.1
<b>Comprehensive income attributable to</b>					
Parent company shareholders	6.1	5.9	-11.9	30.7	2.3
Minority interest	0.3	0.1	-0.2	0.2	-1.1

**Itella Corporation**  
**Interim Report Q2/2009**

**Consolidated Balance sheet, Note 4**

EUR million

	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>31 Dec 2008</b>
<b>Assets</b>			
Goodwill	172.9	161.0	174.9
Other intangible assets	78.8	46.8	85.2
Investment property	4.5	2.1	4.7
Property, plant and equipment	670.6	379.1	655.3
Investments in associated companies	1.4	2.0	0.6
Other non-current investments	0.6	0.2	0.6
Non-current receivables	6.3	4.6	7.4
Deferred tax assets	14.9	5.2	7.4
Total non-current assets	950.0	601.0	936.1
Inventories	6.7	6.4	7.1
Current receivables	262.1	328.5	285.4
Current tax assets	14.1	5.9	8.7
Financial assets available-for-sale	2.5	5.1	3.8
Cash and cash equivalents	95.0	187.7	129.4
Total current assets	380.4	533.6	434.4
<b>Total assets</b>	<b>1,330.4</b>	<b>1,134.6</b>	<b>1,370.5</b>
Equity attributable to equity holders of the parent company			
Share capital	70.0	70.0	70.0
Other reserves	142.6	143.9	143.0
Retained earnings	460.3	509.3	481.8
Minority interest	1.4	3.6	1.5
<b>Total equity</b>	<b>674.3</b>	<b>726.8</b>	<b>696.3</b>
Deferred tax liabilities	46.7	17.5	50.5
Non-current interest-bearing liabilities	113.3	19.4	85.9
Other non-current liabilities	34.9	3.3	35.5
Non-current provisions	0.3	0.0	0.0
Defined benefit pension plan obligations	7.1	8.0	7.4
Total non-current liabilities	202.3	48.2	179.3
Current interest-bearing liabilities	113.9	16.2	146.4
Trade payables and other liabilities	329.4	338.3	347.3
Current tax liabilities	4.2	3.9	0.2
Current provisions	6.3	1.2	1.0
Total current liabilities	453.8	359.6	494.9
<b>Total liabilities</b>	<b>656.1</b>	<b>407.8</b>	<b>674.2</b>
<b>Total equity and liabilities</b>	<b>1,330.4</b>	<b>1,134.6</b>	<b>1,370.5</b>
<b>Interest-bearing liabilities</b>	<b>227.2</b>	<b>35.6</b>	<b>232.3</b>

**Itella Corporation**  
**Interim Report Q2/2009**

<b>Consolidated Cash Flow Statement, Note 5</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
<b>EUR million</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
<b>Profit before tax</b>	<b>3.1</b>	<b>44.0</b>	<b>46.6</b>
Total adjustments	63.4	29.6	117.7
Change in net working capital	4.1	-73.7	2.9
<b>Cash flow before financial items and income tax</b>	<b>70.6</b>	<b>-0.1</b>	<b>167.2</b>
Financial items (net)	-15.3	5.8	-1.0
Tax paid	-15.4	-17.7	-35.4
<b>Cash flow from operating activities (net)</b>	<b>39.9</b>	<b>-12.0</b>	<b>130.8</b>
Acquisition of subsidiaries less cash and cash equivalents	0.0	-24.8	-228.9
Purchase of intangible assets and property, plant and eq.	-64.6	-36.1	-109.7
Proceeds from sale of intangible and tangible assets	1.7	0.2	1.4
Proceeds from sale of subsidiaries and businesses	0.4	0.6	0.8
Proceeds from sale of investments	0.1	0.2	6.8
Repayment of non-current loan receivables	0.0	0.0	2.5
Repayments of available-for-sale financial assets	0.1	0.0	0.9
<b>Cash flow from investing activities (net)</b>	<b>-62.3</b>	<b>-59.9</b>	<b>-326.3</b>
Minority capital investment	0.0	2.3	2.3
Change in current loans (net)	-31.8	5.2	93.1
Change in non-current loans (net)	28.8	0.2	-16.4
Finance lease principal payments	-5.7	-4.3	-9.4
Dividends paid	-10.0	-39.0	-39.0
<b>Cash flow from financing activities (net)</b>	<b>-18.7</b>	<b>-35.6</b>	<b>30.6</b>
<b>Change in cash and cash equivalents</b>	<b>-41.1</b>	<b>-107.5</b>	<b>-164.9</b>
<b>Cash and cash equivalents at period-start</b>	<b>129.4</b>	<b>297.6</b>	<b>297.6</b>
Effect of changes in exchange rates	5.7	0.1	2.3
Change in fair value of cash and cash equivalents	1.0	-2.5	-5.6
<b>Cash and cash equivalents at period-end</b>	<b>95.0</b>	<b>187.7</b>	<b>129.4</b>

**Changes in Equity, Note 6**

<b>EUR million</b>	<b>Equity attributable to equity holders of the parent company</b>							
	<b>Share capital</b>	<b>Other reserves</b>	<b>Fair value reserve</b>	<b>Translation difference</b>	<b>Retained earnings</b>	<b>Minority interest</b>	<b>Total equity</b>	
<b>Equity 1 Jan 2008</b>	<b>70.0</b>	<b>142.7</b>	<b>1.3</b>	<b>0.0</b>	<b>517.5</b>	<b>731.5</b>	<b>0.9</b>	<b>732.4</b>
Dividends paid					-39.0	-39.0		-39.0
Disposal of subsidiaries							2.5	2.5
Comprehensive income of period			-0.1		30.8	30.7	0.2	30.9
<b>Equity 30 June 2008</b>	<b>70.0</b>	<b>142.7</b>	<b>1.2</b>	<b>0.0</b>	<b>509.3</b>	<b>723.2</b>	<b>3.6</b>	<b>726.8</b>
<b>Equity 1 Jan 2009</b>	<b>70.0</b>	<b>142.7</b>	<b>0.3</b>	<b>-16.4</b>	<b>498.2</b>	<b>694.8</b>	<b>1.5</b>	<b>696.3</b>
Dividends paid					-10.0	-10.0		-10.0
Comprehensive income of period			-0.4	-8.9	-2.6	-11.9	-0.2	-12.1
<b>Equity 30 June 2009</b>	<b>70.0</b>	<b>142.7</b>	<b>-0.1</b>	<b>-25.3</b>	<b>485.6</b>	<b>672.9</b>	<b>1.4</b>	<b>674.3</b>

**Itella Corporation**  
**Interim Report Q2/2009**

**Segment Information, Note 7**

EUR million

	4-6 2009	4-6 2008	1-6 2009	1-6 2008	1-12 2 008
--	-------------	-------------	-------------	-------------	---------------

**Net sales by business segment**

Itella Mail Communication	216.8	222.0	448.5	454.7	918.1
Itella Information	58.6	60.6	126.6	122.7	247.1
Itella Logistics	173.2	194.9	359.9	360.7	813.2
Other operations	4.5	4.4	8.6	8.7	20.5
- eliminations	-14.5	-11.3	-27.4	-23.3	-46.0
<b>Total</b>	<b>438.6</b>	<b>470.6</b>	<b>916.2</b>	<b>923.5</b>	<b>1,952.9</b>

**Operating profit/loss (EBIT) by business segment**

Itella Mail Communication	9.5	14.7	33.5	43.4	90.1
Itella Information	3.3	1.3	8.4	6.6	9.6
Itella Logistics	-6.5	3.4	-10.3	7.5	-5.7
Other operations	1.5	-8.8	-3.9	-13.6	-25.0
<b>Total</b>	<b>7.8</b>	<b>10.6</b>	<b>27.7</b>	<b>43.9</b>	<b>69.0</b>

Compared with the financial results reported for the segments in 2008, Itella Mail Communication and Itella Logistics improved their operating profits as a result of relocation of premises that were previously located within other Group operations. The operating profits for 2008 have been converted into comparable figures in the tables for 2009.

<b>Financial income and expenses</b>	<b>3.4</b>	<b>-1.9</b>	<b>-24.6</b>	<b>0.1</b>	<b>-22.4</b>
<b>Profit before income tax</b>	<b>11.2</b>	<b>8.7</b>	<b>3.1</b>	<b>44.0</b>	<b>46.6</b>

**Personnel on average**

Itella Mail Communication	19,110	20,102	18,666	19,588	19,491
Itella Information	2,027	1,700	1,983	1,664	1,781
Itella Logistics	9,819	4,779	9,996	4,638	6,860
Other operations	38	29	38	30	31
<b>Total</b>	<b>30,994</b>	<b>26,610</b>	<b>30,683</b>	<b>25,920</b>	<b>28,163</b>

**Net sales by geographical segment**

Finland	309.9	322.6	643.6	653.7	1,354.9
Rest of Scandinavia	62.4	92.6	122.1	179.3	312.9
Baltic countries and Russia	37.8	43.7	81.5	76.6	133.5
Other countries	28.5	11.7	69.0	13.9	151.6
<b>Total</b>	<b>438.6</b>	<b>470.6</b>	<b>916.2</b>	<b>923.5</b>	<b>1,952.9</b>

**Assets pledged, commitments and other liabilities, Note 8**

EUR million

	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>31 Dec 2008</b>
Pledges for own behalf	7.6	2.7	101.8
Lease commitments	218.1	217.0	252.0

**Derivative contracts, Note 9**

EUR million

	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>31 Dec 2008</b>
<b>Currency forward exchange contracts</b>			
Fair value	-1.9	-2.8	4.9
Nominal value of underlying asset	144.4	259.5	102.7

Derivative instruments are used for hedging foreign exchange rate risk of the Group and they are measured at the market rates available on the balance sheet date.