ITELLA CORPORATION STOCK EXCHANGE RELEASE OCTOBER 27, 2010, AT 10:00 A.M.

Itella Interim Report for January–September 2010

January–September 2010

- The Itella Group recorded net sales of EUR 1,332.7 million in January-September (EUR 1,328.7 million in January–September 2009). International operations accounted for 32% (29%) of net sales. Itella Information and Itella Logistics increased their net sales, while Itella Mail Communication saw its net sales decline.
- Operating profit was EUR 16.5 million (EUR 22.1 million), representing 1.2% (1.7%) of net sales. Financial performance was taxed by the non-recurring items of EUR 15.5 million (EUR 24.8 million). Operating profit decreased in Itella Mail Communication and Itella Information, while Itella Logistics was able to decrease its operating loss considerably.
- Despite the economic upswing, letter volumes failed to return to normal. Meanwhile parcel volumes are showing marked growth after the summer season.
- The Group's personnel costs decreased by EUR 5.5 million during the period, down by 0.8% year-on-year. Excluding the cost provision for restructuring arrangements, personnel expenses fell by EUR 6.8 million, or 1.1%.
- Itella Mail Communication acquired the Estonian SmartPOST company's self-service parcel business. Itella Corporation acquired a non-controlling interest in Itella Information AS from Norway Post.
- Preparations to renew the legal structure of Finnish operations proceeded as planned: Postal services will transfer to the new subsidiary, Itella Posti Oy, on January 1, 2011. Similarly, all real estate owned by Itella in Finland will be transferred to a single company, Itella Real Estate Oy, at the turn of the year.

July–September 2010

- The Itella Group recorded net sales of EUR 428.1 million in July-September (EUR 412.5 million in July-September 2009).
- Towards the end of the quarter, logistics volumes both in Finland and internationally showed marked growth. Parcel services offered for distance selling also strengthened.
- Operating profit totaled EUR 4.4 million (EUR -5.6 million), representing 1.0% (-1.4%) of net sales.
- In August, Itella was forced to reduce its postage rates.

Key figures of Itella Group	1-9/ 2010	1-9/ 2009	1-12/2009
Net sales, MEUR	1,332.7	1,328.7	1,819.7
Operating profit (EBIT), MEUR	16.5	22.1	46.7
EBIT margin, %	1.2	1.7	2.6
Operating profit (EBIT), MEUR *)	31.9	46.8	86.3
EBIT margin, % *)	2.4	3.5	4.7
Profit before tax, MEUR	14.0	-2.6	19.6
Return on equity (12 months), %	1.2	-5.9	-0.7
Return on investment (12 months), %	5.1	3.0	5.8
Equity ratio, %	49.7	49.6	48.5
Gearing, %	26.0	26.7	19.7
Gross capital expenditure, MEUR	64.0	94.7	144.9
Personnel on average	29,009	30,447	30,217

* Excl. non-recurring items

Jukka Alho, President and CEO:

"The economic upswing affected the demand for Itella's services relatively late, but there was a very noticeable change in the third quarter. We have seen growth especially in domestic parcel services and in logistics volumes across the board. Our business in Russia is also experiencing similar positive development.

Itella Information has continued to perform consistently.

In Itella Mail Communication, the demand for postal services and profitability continue to face tremendous pressure. Our price level has not followed the general cost trend, partly due to regulatory supervision. We have taken steps to improve profitability, for instance by adjusting the number of personnel, but these measures have proven inadequate.

The healthy near-term development of postal operations will be determined in the labor market negotiations currently under way, and in the legislative work concerning postal services."

APPENDICES
Itella's full Interim Report

FURTHER INFORMATION
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NEXT FINANCIAL DISCLOSURE
A financial statements release for 2010 will be published on Wednesday, February 16, 2011

PHOTOGRAPS AND LOGOS
www.itella.com/media

Itella Group provides solutions for managing information and product flows. Itella operates in mail communication, information logistics and logistics in northern and central Europe, and in Russia. Net sales in 2009 amounted to EUR 1,820 million. Itella employs approximately 28,000 personnel. Corporate services are delivered under the Itella brand, while the Posti brand is used for services targeted at consumers in Finland. More information is available online at www.itella.com/group.

Itella Corporation
Interim Report for January–September 2010

Profit performance and net sales in July-September 2010

The Itella Group recorded net sales of EUR 428.1 million in July-September (EUR 412.5 million in July-September 2009). Operating profit before non-recurring items amounted to EUR 6.0 million (EUR 13.0 million), representing 1.4% (3.1%) of net sales. The Group's operating profit including non-recurring items was EUR 4.4 million (EUR -5.6 million), or 1.0% (-1.4%) of net sales. Operating profit was taxed by restructuring costs of EUR 1.6 million (EUR 8.1 million) and in the comparison year, by a goodwill impairment of EUR 10.6 million. Profit before taxes was EUR 2.5 million (EUR -5.7 million).

Profit performance and net sales in January-September 2010

The Itella Group recorded net sales of EUR 1,332.7 million in January-September (EUR 1,328.7 million in January-September 2009), showing an increase of 0.3%. In local currencies, the decline in net sales was 1.4%. Acquisitions had no impact on net sales performance. Itella Information and Itella Logistics increased their net sales, while Itella Mail Communication saw its net sales decline. The Group's net sales in Finland were down by 3.1%. International operations accounted for 32% (29%) of net sales. In international operations, Russia accounted for the most significant relative growth calculated using comparable exchange rates.

Consolidated operating profit before non-recurring items decreased by 31.8% to EUR 31.9 million (EUR 46.8 million), representing 2.4% (3.5%) of net sales. Operating profit including non-recurring items fell by 25.4% to EUR 16.5 million (EUR 22.1 million), representing 1.2% (1.7%) of net sales.
Operating profit decreased in Itella Mail Communication and Itella Information, while Itella Logistics was able to decrease its operating loss considerably. Financial performance was taxed by restructuring costs of EUR 15.5 million (restructuring costs EUR 14.2 million and write-down of goodwill EUR 10.6 million).

The Group's net financing costs were EUR 2.5 million (EUR 24.7 million). The EUR 4.1 million unrealized value change associated with an interest rate swap decreased the net financing costs. In 2009, net financing costs were increased by hedging costs of ruble receivables, as well as the considerable exchange rate losses generated by the weakening of the Russian ruble. Consolidated profit after financial items was EUR 14.0 million (EUR -2.6 million). Income tax totalled EUR 12.1 million (EUR 8.4 million). The Group's effective tax rate, which was affected by losses from international operations, was 87.9% (---). The Group recorded a net profit of EUR 1.8 million for the period (net loss of EUR 11.0 million).

Itella Mail Communication

Itella Mail Communication recorded net sales of EUR 821.2 million in January-September (EUR 846.8 million), showing a decrease of 3.0%.

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

- The volume of first and second class letters did not take an upward turn despite the fast growth of the national economy.
- Addressed direct marketing volumes fell by 1% while non-addressed direct marketing volumes grew by 7%.
- Newspaper volumes dropped by 4% and magazine volumes by 7%.
- Parcel delivery volumes fell by 1%.

Itella Mail Communication posted an operating profit of EUR 30.5 million (EUR 48.8 million), representing 3.7% (5.8%) of net sales. The result included EUR 15.3 million (EUR 8.0 million) of restructuring costs. Profitability also weakened as a result of demand shifting towards lower-priced delivery products, and the reduction of universal service product prices implemented in the third quarter at the Finnish Communications Regulatory Authority's demand.

Itella's new sorting technology was phased in. By the end of 2010, four sorting centers will be up and running as a single integrated unit. The almost four-year investment project worth EUR 160 million will ensure that cost-efficient and continuously developed postal services will be available everywhere in Finland in the future, too. Itella has the capacity to upgrade its service production automation and thereby to improve productivity. A continuing decrease in delivery volumes will require further efficiency enhancement measures, which will reduce the need for personnel.

Itella Information

Itella Information's net sales rose to EUR 192.5 million (EUR 183.1 million) in January-September, up by 5.1%. Net sales grew in all product lines and countries of operation, except in Estonia and Germany. The economic recovery boosted the volumes of existing customers in other countries except the Baltic countries.

The business group posted an operating profit of EUR 10.5 million (EUR 12.4 million), representing 5.4% (6.8%) of net sales. The efficiency of product lines and companies has been enhanced using a wide range of measures. Further measures to improve efficiency will still be necessary, particularly outside the Nordic countries.

Itella Logistics

In January-September, Itella Logistics recorded net sales of EUR 492.0 million (EUR 469.3 million), showing an increase of 4.8%. The second quarter saw a slight growth in volumes, and this trend continued in the third quarter. Particularly in September, all countries and product lines achieved significant net sales growth compared to the modest figures last year.

The business group recorded a loss of EUR 11.6 million (EUR -30.0 million), representing -2.4% (-6.4%) of net sales.

Financial position and capital expenditure

Consolidated net cash flow from operating activities before investment activities totaled EUR 14.9 million (EUR 15.6 million).

Capital expenditure amounted to EUR 64.0 million (EUR 94.7 million). No acquisitions were made in January-September (EUR 0.2 million). The acquisition of the non-controlling interest in Itella Information AS in Norway involved a cost of EUR 2.7 million. Capital expenditure primarily involved mail sorting machinery and mail processing systems and facilities in Finland.

A EUR 120 million syndicated revolving credit facility for Itella Corporation was renewed. The five-year credit facility is intended for general financing purposes and it replaces a former credit facility signed in 2006.

At the end of September, liquid assets stood at EUR 126.2 million (EUR 100.2 million), and undrawn committed credit facilities totaled EUR 120.0 million (EUR 150.0 million). Commercial papers issued amounted to EUR 59.0 million at the end of the period. The Group's interest-bearing liabilities were EUR 305.6 million (EUR 277.8 million). The equity ratio stood at 49.7% (49.6%) and gearing was 26.0% (26.7%).

Personnel

In January–September, the Itella Group employed an average of 29,009 (30,447) people. At the end of the period, the number of personnel was 28,253 (29,509) with 21,526 (22,916) employees based in Finland. The average personnel reduction compared with the corresponding period in 2009 was 1,390 in Finland and 48 in other countries.

At the end of the period, the Group employed personnel by segment as follows: Itella Mail Communication 18,469, Itella Information 2,019, Itella Logistics 7,724 and other Group functions 41.

The Group's personnel costs decreased by EUR 5.5 million during the period, down by 0.8% year-on-year. Excluding the cost provision for restructuring arrangements, personnel expenses fell by EUR 6.8 million, or 1.1%.

Changes in corporate structure

Preparations to renew the legal structure of Finnish operations proceeded as planned. The operational structure was already renewed at the beginning of the second quarter. This involved transferring parcel services from Itella Logistics and domestic sales operations, postal outlets and customer service from Group functions to Itella Mail Communication. The change affected the content of reported segments, and the realized and reference figures for segments have been converted to correspond to the new structure. All real estate owned by Itella in Finland will be transferred to a single company, Itella Real Estate Oy, at the turn of the year.

Itella Corporation acquired the parcel business of the Estonia-based SmartPOST OÜ and made it part of Itella Mail Communication. The acquisition does not have a material impact on Itella's financial figures.

Itella Corporation acquired a non-controlling interest in Itella Information AS from Norway Post. On September 1, 2010, Itella Information's Finland-based companies Itella Tuottotieto Oy and Itella Information Oy merged into one legal entity that operates under the name Itella Information Oy.

Events after the reporting period

In October, the Employers' Association TIKLI and the Finnish Post and Logistics Union PAU initiated negotiations on a collective labor agreement. The collective agreement for the communication and logistics sectors and for the information logistics sector expired on October 15, 2010.

Short-term business risks and uncertainties

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

Country- and sector-specific differences in economic recovery affect the demand for Itella's services and, consequently, the predictability of net sales. Although volumes appear to be growing in information logistics and logistics, price revisions will be needed to ensure a healthy profitability level. In order to ensure profitability, special attention is paid to cost adjustments and working capital management.

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

In terms of Itella's profitability, regulatory supervision of postal services involves risk-augmenting features, because the regulatory supervision of cost accounting and product profitability is not swift enough in responding to changes in business. Itella appealed the Finnish Communications Regulatory Agency's decision, and the appeal is still pending in the Administrative Court.

The effects of the new Postal Services Act on the competitive situation may be seen in Itella's customers' decision-making towards the year-end.

Seasonal fluctuation

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

Outlook for the rest of the year

Stronger economic conditions will contribute to higher volumes in Itella's services, particularly in Itella Logistics and Itella Information. Price levels are expected to remain challenging. In Itella Mail Communication, the change in economic conditions does not appear to have similar effect on the volume development.

The dissimilar views of Itella and the Finnish Communications Regulatory Agency concerning the definition of universal postal service products and the allocation of costs of the shared delivery network to product prices will, to some extent, affect the development of Itella's net sales and profitability in the final quarter.

Productivity and efficiency enhancement measures will continue in order to ensure profitability as delivery volumes are declining. Fixed personnel expenses constitute a major item in Itella's business. As the volumes are declining, personnel reductions may at times considerably burden the result and cash flow.

The level of capital expenditure will fall in the final quarter from the first-half levels, and the full-year expenditure will be considerably lower than a year earlier. The timing and volume of new investments will be considered carefully.

Helsinki, October 26, 2010

Itella Corporation
Board of Directors

The figures in this Interim Report are unaudited.

APPENDICES:
Itella key figures
Comprehensive consolidated income statement
Consolidated balance sheet
Consolidated cash flow statement
Statement of changes in shareholders' equity
Notes

Itella Group

Key figures of Itella Group

	7-9 2010	7-9 2009	1-9 2010	1-9 2009	1-12 2009
Net sales, MEUR	428.1	412.5	1,332.7	1328.7	1,819.7
Operating profit (EBIT), MEUR	4.4	-5.6	16.5	22.1	46.7
EBIT margin, %	1.0	-1.4	1.2	1.7	2.6
*Operating profit (EBIT), MEUR *)*	6.0	13.0	31.9	46.8	*86.3*
*EBIT margin, % *)*	1.4	3.1	2.4	3.5	*4.7*
Profit before tax, MEUR	2.5	-5.7	14.0	-2.6	19.6
Return on equity (12 months), %			1.2	-5.9	-0.7
Return on investment (12 months), %			5.1	3.0	5.8
Equity ratio, %			49.7	49.6	48.5
Gearing, %			26.0	26.7	19.7
Gross capital expenditure, MEUR	20.6	29.9	64.0	94.7	144.9
Personnel on average	29,064	30,139	29,009	30,447	30,217

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

Consolidated Income Statement

EUR million	7-9 2010	7-9 2009	1-9 2010	1-9 2009	1-12 2009
Net sales	**428.1**	**412.5**	**1,332.7**	**1,328.7**	**1,819.7**
Other operating income	3.8	2.0	10.6	10.6	14.3
Share of associated companies' results	0.1	0.1	0.2	0.1	0.1
Materials and services	128.7	111.6	367.6	354.7	474.9
Employee benefits	199.2	202.2	646.8	652.3	888.0
Depreciation and amortisation	21.8	19.9	64.4	58.0	77.8
Impairment losses		10.6		10.6	13.5
Other operating expenses	78.0	75.9	248.3	241.7	333.2
Operating profit (EBIT)	**4.4**	**-5.6**	**16.5**	**22.1**	**46.7**
% of net sales	1.0 %	-1.4 %	1.2 %	1.7 %	2.6 %
Financial income and expenses	-2.0	-0.1	-2.5	-24.7	-27.1
Profit/loss before income tax	**2.5**	**-5.7**	**14.0**	**-2.6**	**19.6**
% of net sales	0.6 %	-1.4 %	1.0 %	-0.2 %	1.1 %
Income tax	-1.4	-2.5	-12.1	-8.4	-24.2
Profit/loss for the financial period	**1.1**	**-8.2**	**1.8**	**-11.0**	**-4.6**
% of net sales	0.3 %	-2.0 %	0.1 %	-0.8 %	-0.3 %
Profit for the financial period attributable to					
Parent company shareholders	1.1	-8.2	1.8	-10.8	-4.6
Non-controlling intrest	-0.1	0.0	0.0	-0.2	0.0
	1.0	**-8.2**	**1.8**	**-11.0**	**-4.6**

Comprehensive Consolidated Income Statement

Profit/loss for the financial period	**1.1**	**-8.2**	**1.8**	**-11.0**	**-4.6**
Other items of comprehensive income					
Available-for-sale financial assets	-0.1	0.1	0.0	-0.3	-0.3
Translation differences	-25.6	-4.7	12.8	-13.6	-4.3
Comprehensive income for the financial p	**-24.6**	**-12.8**	**14.6**	**-24.9**	**-9.2**
Comprehensive income attributable to					
Parent company shareholders	-24.5	-12.8	14.6	-24.7	-9.2
Non-controlling intrest	-0.1	0.0	0.0	-0.2	0.0
	-24.6	**-12.8**	**14.6**	**-24.9**	**-9.2**

Consolidated Balance Sheet

EUR million	30 Sept 2010	30 Sept 2009	31 Dec 2009
Non-current assets			
Goodwill	167.6	165.1	165.2
Other intangible assets	72.4	76.1	80.1
Investment property	4.2	4.4	4.4
Property, plant and equipment	706.8	681.2	688.3
Investments in associated companies	0.8	1.0	0.6
Other non-current investments	0.6	0.8	2.4
Non-current receivables	7.0	4.3	8.4
Deferred tax assets	11.3	16.1	12.7
Total non-current assets	**970.7**	**949.0**	**962.1**
Current assets			
Inventories	6.1	6.3	6.5
Trade and other receivables	282.0	271.6	271.9
Current tax assets	18.7	17.2	4.0
Financial assets available-for-sale	2.4	2.6	2.4
Financial assets at fair value through profit or loss *)	58.6	47.8	78.9
Cash and cash equivalents *)	67.6	52.4	82.3
Total current assets	**435.3**	**398.0**	**446.0**
Total assets	**1,406.0**	**1,347.0**	**1,408.1**
Equity			
Share capital	70.0	70.0	70.0
Contingency reserve	142.7	142.7	142.7
Fair value reserve	0.1	0.0	0.0
Translation differences	-7.9	-30.0	-20.7
Retained earnings	484.9	477.4	483.6
Equity attributable to equity holders of the parent company	**689.7**	**660.1**	**675.6**
Non-controlling intrest	0.0	1.5	1.6
Total equity	**689.7**	**661.6**	**677.2**
Non-current liabilities			
Deferred tax liabilities	48.8	50.9	48.3
Non-current interest-bearing liabilities	213.9	110.9	246.1
Other non-current liabilities	15.6	37.5	15.1
Non-current provisions	15.9	5.1	9.2
Defined benefit pension plan obligations	6.5	6.9	6.5
Total non-current liabilities	**300.7**	**211.3**	**325.2**
Current liabilities			
Current interest-bearing liabilities	91.6	166.9	48.0
Trade payables and other liabilities	318.0	295.3	335.1
Current tax liabilities	5.0	6.0	9.0
Current provisions	0.9	5.9	13.6
Total current liabilities	**415.5**	**474.1**	**405.7**
Total liabilities	**716.3**	**685.4**	**730.9**
Total equity and liabilities	**1,406.0**	**1,347.0**	**1,408.1**
Interest-bearing liabilities	**305.6**	**277.8**	**294.1**

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

Consolidated Cash Flow Statement

EUR million	1-9 2010	1-9 2009	1-12 2009
Result before tax	**14.0**	**-2.6**	**19.6**
Total adjustments	65.9	94.5	120.2
Change in net working capital	-29.2	-32.1	16.8
Cash flow before financial items and income tax	**50.7**	**59.8**	**156.6**
Financial items (net)	-5.5	-23.1	-29.0
Tax paid	-30.3	-21.1	-16.9
Cash flow from operating activities (net)	**14.9**	**15.6**	**110.7**
Acquisition of subsidiaries less cash and cash equivalents	-0.2	-0.5	-22.8
Purchase of intangible assets and property, plant and equipment	-63.8	-94.5	-121.7
Proceeds from sale of intangible and tangible assets	3.3	1.7	2.2
Proceeds from sale of subsidiaries and businesses	-	1.4	1.4
Change in financial assets at fair value through profit or loss *)	19.6	30.6	5.4
Cash flow from other investments	1.4	-0.7	-2.2
Cash flow from investing activities (net)	**-39.8**	**-62.0**	**-137.7**
Change in loans (net)	17.4	54.6	71.8
Finance lease principal payments	-6.3	-7.7	-9.9
Acquisition of non-controlling intrest	-2.7	-	-
Dividends paid	-0.1	-10.0	-10.0
Cash flow from financing activities (net)	**8.3**	**36.9**	**51.9**
Change in cash and cash equivalents	**-16.6**	**-9.5**	**24.9**
Cash and cash equivalents at period-start *)	**82.3**	**49.5**	**49.5**
Effect of changes in exchange rates	1.8	12.5	7.9
Cash and cash equivalents at period-end *)	**67.6**	**52.4**	**82.3**

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

Statement of changes in shareholders' equity

EUR million	Equity attributable to equity holders of the parent company							
	Share capital	Contingency reserve	Fair value reserve	Translation differences	Retained earnings	Total	Non-controlling intrest	Total equity
Equity 1 Jan 2009	**70.0**	**142.7**	**0.3**	**-16.4**	**498.2**	**694.8**	**1.5**	**696.3**
Dividends paid					-10.0	-10.0		-10.0
Other changes							0.2	0.2
Result for the financial period					-10.8	-10.8	-0.2	-11.0
Change in fair value reserve			-0.3			-0.3		-0.3
Change in translation differences				-13.6		-13.6		-13.6
Equity 30 Sept 2009	**70.0**	**142.7**	**0.0**	**-30.0**	**477.4**	**660.1**	**1.5**	**661.6**
Equity 1 Jan 2010	**70.0**	**142.7**	**0.0**	**-20.7**	**483.6**	**675.6**	**1.6**	**677.2**
Dividends paid					-	-	-0.1	-0.1
Acquisition of non-controlling intrest					-0.7	-0.7	-2.0	-2.7
Result for the financial period					1.8	1.8	0.5	2.4
Change in fair value reserve			0.1			0.1		0.1
Change in translation differences				12.8		12.8		12.8
Equity 30 Sept 2010	**70.0**	**142.7**	**0.1**	**-7.9**	**484.9**	**689.7**	**0.0**	**689.7**

NOTES

1. Accounting principles

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

New and revised IFRS standards

As of January 1, 2010 the Group applies the following revised standards:
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

These new and revised standards have no material impact on the data disclosed in the financial statements bulletin.
Information in this interim report is unaudited.

2. Segment Information

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

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

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

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

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

EUR million	7-9 2010	7-9 2009	1-9 2010	1-9 2009	1-12 2009
Net sales by business segment					
Itella Mail Communication	255.3	259.8	821.2	846.8	1,168.1
inter-segment sales	-52.4	-51.5	-30.9	-30.0	41.4
Itella Information	60.8	56.5	192.5	183.1	247.2
inter-segment sales	-13.7	-13.8	-8.1	-8.3	11.3
Itella Logistics	169.2	150.0	492.0	469.3	637.3
inter-segment sales	-224.1	-221.9	-134.2	-132.2	180.3
Other operations	1.5	1.3	7.0	3.7	6.2
inter-segment sales	-11.1	-6.2	-6.8	-3.7	6.2
Eliminations (Interim sales)	-58.7	-55.2	-180.0	-174.2	-239.1
Total	**428.1**	**412.5**	**1,332.7**	**1,328.7**	**1,819.7**

EUR million	7-9 2010	7-9 2009	1-9 2010	1-9 2009	1-12 2009
Operating profit/loss (EBIT) by business segment					
Itella Mail Communication	8.5	8.2	30.5	48.8	82.0 *)
Itella Information	3.1	4.0	10.5	12.4	15.3
Itella Logistics	-3.0	-14.1	-11.6	-30.0	-31.2 *)
Other operations	-4.1	-3.8	-12.8	-9.1	-19.4
Total	**4.4**	**-5.6**	**16.5**	**22.1**	**46.7**
Non-recurring items by business segment **)					
Itella Mail Communication	1.8	4.0	15.3	8.0	21.1
Itella Information	0.0	0.0	0.0	0.6	1.5
Itella Logistics	0.0	14.1	0.1	15.2	16.8
Other operations	-0.1	0.6	0.0	1.0	0.2
Total	**1.6**	**18.7**	**15.5**	**24.8**	**39.6**
Operating profit/loss (EBIT) by business segment excluding non-recurring items					
Itella Mail Communication	10.2	12.2	45.8	56.8	103.1
Itella Information	3.1	4.0	10.5	13.0	16.8
Itella Logistics	-3.0	-0.1	-11.5	-14.8	-14.4
Other operations	-4.3	-3.2	-12.8	-8.1	-19.2
Total	**6.0**	**13.0**	**31.9**	**46.8**	**86.3**
Financial income and expenses	**-1.9**	**-0.1**	**-2.5**	**-24.7**	**-27.1**
Result before income tax	**2.5**	**-5.7**	**14.0**	**-2.6**	**19.6**

EUR million	30 Sept 2010	31 Dec 2009
Assets		
Itella Mail Communication	465.2	450.0
Itella Information	161.1	157.8
Itella Logistics	617.3	624.4
Other operations and unallocated	169.8	183.3
Eliminations	-7.5	-7.4
Total	**1,406.0**	**1,408.1**
Liabilities		
Itella Mail Communication	201.8	227.9
Itella Information	36.9	36.5
Itella Logistics	106.9	106.3
Other operations and unallocated	378.6	367.5
Eliminations	-7.9	-7.4
Total	**716.3**	**730.9**
Personnel at period-end		
Itella Mail Communication	18,469	19,168
Itella Information	2,019	1,958
Itella Logistics	7,724	8,403
Other operations	41	39
Total	**28,253**	**29,568**

*) Comparison data has been adjusted to match the new organizational structure. The operating profit shown in the Interim Report on June 30, 2010 has been adjusted from EUR 86.0 million to EUR 82.0 million (1-12/2009) for the Mail Communication business and similarly from EUR -35.2 million to EUR -31.2 million for the Logistics business.

**) Non-recurring items include restructuring costs in 2010 and 2009, and the goodwill impairment on the Logistics business in 2009.

3. Net sales by geographical location

EUR million	7-9 2010	7-9 2009	1-9 2010	1-9 2009	1-12 2009
Finland	285.3	293.8	908.7	937.4	1,275.7
Scandinavia	68.0	51.2	196.9	173.3	263.4
Baltic countries and Russia	48.7	40.5	138.8	122.0	170.6
Other countries	26.1	27.0	88.3	96.0	110.0
Total	**428.0**	**412.5**	**1,332.7**	**1,328.7**	**1,819.7**

4. Changes in property, plant and equipment

EUR million	30 Sept 2010	30 Sept 2009	31 Dec 2009
Carrying amount on 1 Jan	688.4	655.3	655.3
Additions	57.9	88.3	107.6
Disposals and transfers between items	-1.8	-4.7	-2.2
Amortisation and Impairment for the financial period	-48.1	-43.5	-61.4
Translation differences	10.5	-14.2	-11.0
Carrying amount at period-end	**706.8**	**681.2**	**688.3**

5. The Group's contingent liabilities

EUR million	30 Sept 2010	30 Sept 2009	31 Dec 2009
Pledges for own behalf	17.8	6.8	14.6
Lease commitments	332.3	211.9	365.7

Derivative contracts

EUR million	30 Sept 2010	30 Sept 2009	31 Dec 2009
Currency forward contracts			
Fair value	-1.5	-2.4	-0.7
Nominal value	117.6	109.5	85.9
Interest rate swaps			
Fair value	4.1	-	0.2
Nominal value	70.0	-	70.0

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

6. Related party transactions

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