

# Itella



## Managing Your Information and Product Flows



# We are your partner when you need

- postal services
- solutions for targeted marketing
- outsourcing solutions for invoicing and financial administration
- service logistics for freight, transportation, and warehousing



The fundamental goal of everything that Itella does is satisfied customers, who are confident to leave their information and product flows in Itella's care. Itella aspires to be a leading European company in all of its core sectors.

*Jukka Alho*  
President & CEO

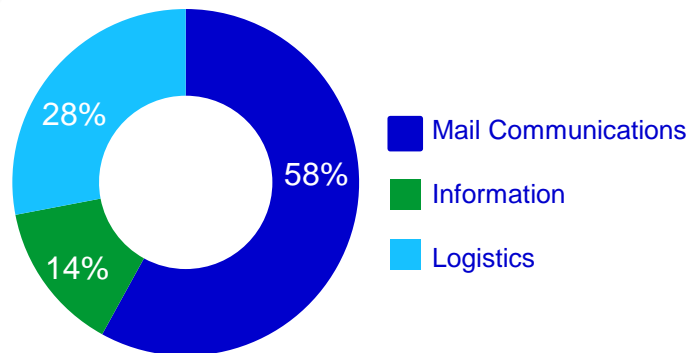


# Itella in Brief

## Services

- Daily postal services
- Financial administration processes
- Logistics solutions

## Net sales by Business Group



## Net sales

- EUR 1 900 million

## Operations in 12 countries

- Share of international net sales 33%

## Personnel

- 27,500 professionals

# Three Business Groups

## Itella Mail Communications

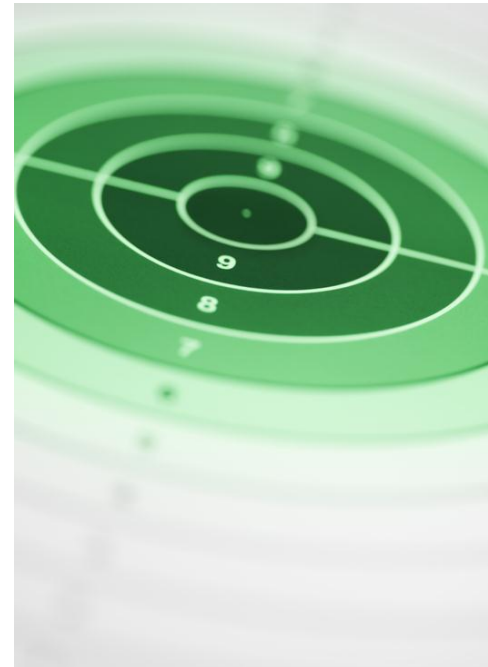
- Letter, publication, and direct mail delivery solutions
- Domestic and international parcel services
- Posti shops, postal agency shops, pickup outlets, and SmartPOST automatic parcel terminals
- Comprehensive solutions for online commerce
- Electronic postla services, NetPosti
- Online tools for marketing communication
- Analysis, target group, and register corrections services

## Itella Logistics

- International & domestic Air, Sea and Road freight
- International & domestic Road express
- Warehousing and other contract logistics
- Integrated supply chain information management

## Itella Information

- Outbound services
- E-invoice operator
- Finance and accounting services
- Outsourcing
- OpusCapita cash flow automation
- Electronic order-supply chain



# Itella Strategy

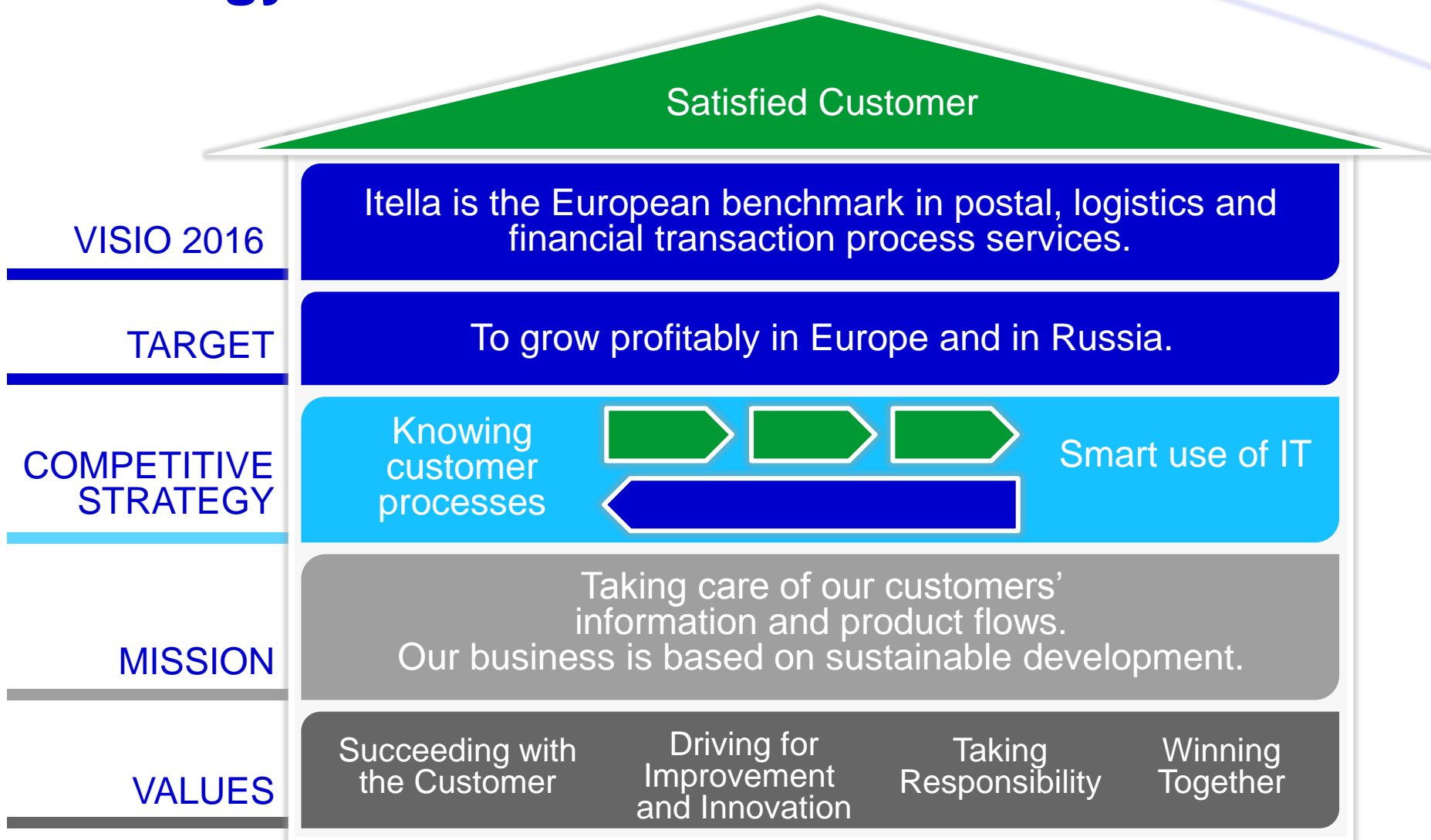
## customer perspective

- Focusing on customer's key processes
  - Supporting to 1) **sell** 2) **deliver** 3) **invoice** and 4) **manage financials**
  - Premium end-to-end services up to consumers



- Business customers account for **96%** of net sales, consumers **4%**

# Strategy



# Itella's key figures

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

Non-IFRS = excluding non-recurring items

# Trends

- Changes in the traditional business models
- General digitization of communications
- Booming growth in online commerce
- People's mobility and the ways in which they use their time are changing



# Research and Development

*Examples of development project themes are new payment solutions, automatic parcel terminals, NetPosti, the transport ordering system, and financial administration service concepts.*

## **Itella Bank**

- Started its operations as a deposit bank in January 2012
- Banking combined with other business
- A forerunner in creating and developing payment services related to online postal business and trade

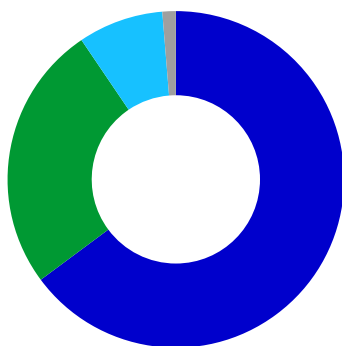
## **NetPosti**

- Letterbox in the Internet
- A free service offered by Posti to all Finns over 15 years



# Itella's Personnel

Itella's personnel by business group



	Itella Mail Communications	17 883
	Itella Logistics	7 088
	Itella Information	2 259
	Others	355

Itella's personnel by gender

Women 40%, Men 60% (Finland)  
 Women 47%, Men 53% (other countries)

Number of Personnel

27,500

# Corporate Responsibility at Itella

- Responsibility has been the cornerstone of Itella's operations for nearly 400 years
  - Corporate responsibility is part of Itella's strategy and based on our values
  - Our Corporate Responsibility Principles define the essential commitments and sectors of Itella's corporate responsibility. The principles are concretized in the **Employee Code of Conduct**
- **We are committed to the UN Global Compact** principles
  - Fundamental rights at work, the eradication of corruption, environmental protection, human rights
- We measure and prepare reports on corporate responsibility according to the GRI guidelines (GRI = Global Reporting Initiative) and we also follow the reporting model set for the state-owned companies
- Corporate responsibility comprises four sectors:  
**finance, environment, people, society**



Winner  
Environmental Achievement of the Year

# Smart Move