

Media release, October 10, 2014

Itella completed cooperation negotiations

Itella's cooperation negotiations concerning employees in expert and supervisory positions in administration as well as planning and supervisory duties in production have been completed on October 9, 2014 in all other units except for the Supply Chain Solutions unit in Parcel and Logistics Services.

The negotiations applied to the Itella Corporation, Itella Posti Oy, Itella Logistics Oy and Itella Real Estate Oy organizations in Finland concerning 2,234 employees. The estimated need for reductions was 319.

As a result of negotiations reductions decreased to 239. The figure doesn't include the Supply Chain Solutions' figures.

The impacts at the individual level will be determined in upcoming discussions with personnel. Location-specific figures concerning the reductions will be announced after these discussions have been completed, which is expected to be by the end of October. The majority of the personnel in the target group are employed in the Helsinki metropolitan area.

- We are very pleased to achieve the targets with less redundancies than expected. During the negotiations, the number of redundancies was reduced through voluntary arrangements and retirements, says **Jaana Jokinen**, Senior Vice President, Human Resources at Itella. We also managed to reduce the total number with the help of the Uusi polku (New Path) support program introduced earlier this year, Jokinen adds.

As a responsible employer, Itella is actively involved in supporting its personnel in the current changing situation in the postal industry. Itella offers dismissed employees a change security package, which includes a monetary lump-sum in compensation and proportional to the duration of the employment relationship, pension solutions, and the statutory procedures related to change security. The Uusi polku (New Path) program offers training and support for job seeking, retraining, or becoming an entrepreneur.

The need for reductions did not concern Posti service points or production duties, such as postal workers employed in mail sorting or delivery duties, drivers, terminal and warehouse employees and those employed by the Address Services unit.

The changes are the result of the ongoing historical transformation of the postal and logistics industry. Letter and publication volumes are declining, while competition is intensifying as new operators enter the market. Volumes have also been declining in freight services for 27 consecutive months. Itella's result is not in line with the target level, and the company must ensure its competitiveness, capacity to invest, and profitability.

Further information and requests for interviews:

Heikki Malinen, CEO

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