

Listing Prospectus



**Listing of
EUR 150,000,000 Serial Notes**

Itella Corporation (the “**Issuer**”) has decided to issue unsecured serial notes with the maximum principal amount of EUR 200,000,000 (the “**Serial Notes**”). As the first tranche of the Serial Notes, the Issuer has on 11 November 2009 issued unsecured notes with an aggregate nominal amount of EUR 150,000,000 (the “**Notes**”) to certain institutional investors. The Notes are represented by units in denominations of EUR 50,000.

This document (this document and the documents incorporated hereto by reference jointly referred to as the “**Listing Prospectus**”) is drawn up solely for the purpose of admission of the Notes to public trading on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd (the “**Helsinki Stock Exchange**”) and does not constitute any offering of the Notes or solicitation to make investments therein. This Listing Prospectus has been drawn up in accordance with the requirements of Finnish legislation, i.e. in compliance with the content requirements provided in the Finnish Securities Markets Act (26.5.1989/495, as amended) (the “**Securities Markets Act**”), the Decree of the Finnish Ministry of Finance (23.6.2005/425), the Commission Regulation (EC) No 809/2004, in application of the Annexes IX and XIII thereof, and the regulations and guidelines of the Finnish Financial Supervisory Authority (the “**FIN-FSA**”).

The FIN-FSA, which is the competent authority for the purposes of Directive 2003/71/EC and relevant implementing measures in Finland, has approved this Listing Prospectus (journal number 111/212/2009), but assumes no responsibility for the correctness of the information contained herein.

Application will be made for the Notes to be admitted to public trading on the Helsinki Stock Exchange (the “**Listing**”) and the Listing is expected to commence on or about 17 December 2009.

Potential investors shall comply with all applicable laws and regulations in their respective jurisdictions and obtain all necessary approvals for investing in the Notes. Neither the Listing Prospectus nor any related document may be delivered to the United States, Australia, Canada or Japan or to any other jurisdiction where it would violate the laws of that jurisdiction. The Notes have not been and will not be registered under the United States Securities Act of 1933 and may be subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to persons being citizens of or permanently resident in the United States.

References to the “**Issuer**” in the Listing Prospectus refer to Itella Corporation and its subsidiaries (group) or to Itella Corporation (parent company), depending on the context.

Arranger



POHJOLA BANK PLC

CERTAIN INFORMATION WITH REGARD TO THE LISTING PROSPECTUS AND THE LISTING

This Listing Prospectus has been drawn up in English only. The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Besides filing of this Listing Prospectus with the FIN-FSA and the application to the Helsinki Stock Exchange for the Listing, no actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. The Issuer and Pohjola Bank Plc (the “**Arranger**”) require persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. Neither The Issuer nor the Arranger accept any legal responsibility for any violation by any person or entity, whether or not a prospective purchaser of Notes, of any such restrictions.

Particularly, the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Japan or any other jurisdiction in which it would not be permissible to offer the Notes and neither may this Listing Prospectus be submitted or handed over to any person in the aforementioned jurisdictions.

The Listing Prospectus is not a solicitation to make investments, and in making an investment decision, investors must rely on their own examination of the Issuer and the terms and conditions of the Notes, including the merits and risks involved. Neither the delivery of this Listing Prospectus nor any sale made hereunder shall, under any circumstances, create any implication or warranty that there has been no change in the affairs or condition of the Issuer since the date of this Listing Prospectus or that the information herein is correct as of any time subsequent to the date of this Listing Prospectus. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Issuer as to the future. The Issuer shall, as deemed necessary until the date on which the Listing actually takes effect, update information set forth in this Listing Prospectus pursuant to Chapter 2, Section 3 b of the Securities Markets Act. Prospective investors are advised to inform themselves of any stock exchange release published by the Issuer since the date of this Listing Prospectus.

Except where the exclusion of liability of the Issuer and the Arranger would be illegal, void or unenforceable under the jurisdiction of the relevant regulatory regime, neither the Arranger nor the Issuer accepts any responsibility whatsoever for the publication or the contents of this Listing Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the Issuer, the Notes or the Listing. The Arranger and the Issuer accordingly disclaim any and all liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement.

The Arranger is acting exclusively for the Issuer as the arranger of the Listing and will not be responsible to anybody else than the Issuer for providing the protections afforded to the respective clients of the Arranger nor for providing any investment or other advice in relation to the Listing or the contents of this Listing Prospectus.

Any dispute arising out of the Listing shall be settled exclusively by Finnish courts in accordance with Finnish law.

This Listing Prospectus will be published on the Issuer’s website at www.itella.com and the Arranger’s website at www.op.fi/joukkolainat and it is also available at the Issuer’s head office, Postintaival 7A, FI-00230 Helsinki, Finland. The Issuer publishes annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by the Securities Markets Act and the Helsinki Stock Exchange. All annual reports, interim reports and stock exchange releases are published in Finnish and English. Copies of these documents can be obtained on the Issuer’s website or from the Issuer’s head office from the address referred to above.

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1. RISK FACTORS

1.1 General

Prospective investors should carefully consider the information of this chapter "*Risk factors*" in conjunction with the other information contained in this Listing Prospectus before investing in the Notes. An investment in the Notes is associated with risks that, if materialized, could have an adverse effect on the operations, financial position and results of the Issuer and/or the value of the Notes. The present chapter "*Risk factors*" attempts to present some of these risks in more detail. However, the risks involved in an investment in the Notes are not limited to the factors identified below. Additional risks and uncertainties that are presently not known or considered immaterial by management of the Issuer could also affect the business and financial standing of the Issuer and, thus, an investment in the Notes.

Certain statements in present chapter "*Risk factors*" and other parts of this Listing Prospectus and the documents referred to therein are based on the beliefs of the management of the Issuer as well as assumptions made by and information currently available to the management of the Issuer, and such statements may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Issuer to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements are not guarantees of the future operational or financial performance of the Issuer, and, accordingly, nothing contained in this Listing Prospectus or any document appended or referred to therein is, or shall be relied upon as, a promise or representation by the Issuer or the Arranger as to the future. The factors discussed under the present chapter "*Risk factors*" could cause the Issuer's actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Issuer's actual results of operations or its financial condition could differ materially from those described herein as anticipated, believed, estimated or expected. The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

With regard to the above, it is strongly recommended that prospective investors make their own evaluations of the risks associated with an investment in the Notes, and consult with their own professional advisers if they deem it necessary.

1.2 Risks associated with the Notes

Absence of rating

The Notes or the Issuer are not currently rated by any rating agency.

No prior public market for the Notes

The Notes constitute a new issue of securities. Prior to the listing of the Notes on the Helsinki Stock Exchange, there is no public market for the Notes, nor any other instruments issued by the Issuer. Although application will be made to list the Notes on the Helsinki Stock Exchange, there can be no assurance that such application will be approved. In addition, listing of the Notes will not guarantee that an active public market for the Notes will develop, and if such a market were to develop, neither the Arranger nor the Issuer is under any obligation to maintain such a market. The liquidity and the market prices for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Holders purchased the Notes.

No prior Issuer disclosure duty

Prior to the issuance of the Notes, the Issuer has not been subject to disclosure duties of the Securities Markets Act.

Fixed interest rate

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis.

In case the market interest rate increases, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, the Holders should be aware that movements of the market interest rate can adversely affect the price of the Notes and can lead to losses for the Holders if they sell the Notes during the period in which the interest rate of the Notes is fixed.

No guarantee or security

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed by any other person or entity. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes. The Notes are unsecured debt instruments and the Holders would be unsecured creditors in the event of the Issuer's bankruptcy. Accordingly, any adverse change in the financial condition and prospects of the Issuer may negatively impact the liquidity and the market prices for the Notes, and endanger the probability that the Holder will receive the prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Holders pursuant to the Notes from time to time.

No limitation on issuing additional debt or granting of security

There is no restriction on the amount of debt which the Issuer may issue that ranks *pari passu* to the Notes. Neither is there restriction on granting of security by the Issuer on any existing or future debts. Such issuance of further debt or granting of security may reduce the amount recoverable by the Holders upon winding-up or insolvency of the Issuer.

Debtor protection

Finland has certain debtor protection laws that afford some relief to defaulting debtors and may delay the enforcement of remedies otherwise available to a Holder.

Withholding tax on the Notes

In the event withholding taxes are imposed in respect of payments to Holders on amounts due pursuant to the Notes, the Issuer is neither obliged to gross-up or otherwise compensate Holders for the lesser amounts the Holders will receive as a result of the imposition of withholding taxes nor entitled to redeem the Notes prematurely.

Change of control

As specified in the terms and conditions of the Notes, the Holders are entitled to demand premature repayment of the Notes in case the Republic of Finland ceases to control the Issuer. Such premature repayment may adversely affect the ability of the Issuer to repay the Notes of such Holders who elect not to exercise their right to get their Notes prematurely repaid. Furthermore, in case at least 75% of the

aggregate volume of the Notes has been repaid pursuant to a demand by the Holders based on a change of control of the Issuer, the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the Holders of such prepayment. Such early repayment initiated by the Issuer may incur financial losses or damage, *inter alia*, to such Holders who had prepared themselves to have the volume of the Notes invested until the initial maturity of the Notes.

1.3 Risks associated with the Issuer

Speed of digital substitution

The key strategic risk of the Issuer lies in the speed of digital substitution, although this has not lived up to forecasts so far. The Issuer is, however, preparing for this change by improving the productivity of its physical delivery network. In the area of digital and multi-channel operations, digital substitution also represents an opportunity for the Issuer. The Issuer has responded to evolving customer needs by launching new information logistics products and solutions.

Management of acquisitions as well as sale and delivery of extensive integrated solutions

Successful management of acquisitions continues to play a pivotal role, and the Issuer is constantly developing its acquisition and integration expertise and the related processes. The management of risks associated with the sale and delivery of more extensive integrated solutions (outsourcing solutions) is also gaining in importance. A failure in the management of acquisitions or management of risks associated with the sale and delivery of more extensive integrated solutions may cause material immediate losses to the Issuer and/or significantly harm the prospects for the future business.

Uncertainties arising from general economic climate

The general economic climate in the operating area of the Issuer has increased business risks and uncertainties. The continuing recession hampers net sales and makes sales development difficult to predict. This has complicated, *inter alia*, decision-making concerning sizing of the Issuer's own production resources. In such decision-making, adjustment of costs and management of working capital items are emphasized. These factors, either alone or in combination, might have a material adverse effect on the business operations, financial condition and results of operations of the Issuer and, thereby, the value of the Notes.

Risks related to Russian economy and operating environment

The economic climate in Russia and the behavior of the Russian ruble have a material impact on the Issuer's financial result and balance sheet. In relation to its business operations in Russia, the Issuer has significant positions of equity and debt instruments nominated in Russian rubles which have not been hedged for the currency risk, as further detailed below in section "*Currency Risk*". The general economic circumstances in Russia may also affect values of other assets of the Issuer, in particular properties located in Russia, as well as the revenues of the Issuer to the extent they have a direct or indirect relation to Russia. Any adverse developments in the Russian economy may turn to loss in value of the assets of the Issuer or decrease of the revenues and, thereby also the profitability, of the Issuer.

Currency risk

The Issuer is exposed to currency risk in currency denominated receivables, loans and commitments as well as in its net investments outside the euro zone. After repaying NLC companies external bank loans denominated in US dollars during 2009, most of the Issuer's transaction and translation positions consists of Russian rubles, as described more detailed below. In addition to Russian rubles the Issuer has major transaction risk in Norwegian crowns and Swedish crowns and translation risk in Norwegian crowns, Swedish crowns, Danish crowns and US dollars. Most of the transaction risk has been fully hedged but translation risk has not been hedged.

As presented in the interim report of the Issuer concerning the period between 1 January and 30 September of the financial year 2009, the ruble-denominated translation risk of the Issuer in Russia on 30 September 2009 amounted to EUR 107.3 million, and, in accordance with the financial risk policy of the Issuer, such risk was not hedged. As per the same date, ruble-denominated debt instruments held by the Issuer amounted to EUR 138.3 million with a hedge rate of 28.0%. Further, a decision has been made to change investments in the NLC companies, which were previously handled as debt instruments, to equity instruments or permanent net investments of a similar nature as of 1 October 2009, in which case they will no longer be hedged in a translation risk position. Consequently, changes in the value of the Russian ruble in relation to the euro affect the Issuer's financial position primarily through shareholders' equity translation difference.

Human resources

Human resources and competencies involve significant risks. Over the next few years, the Issuer will need to adjust its labor costs flexibly to changes in letter volumes. If the Issuer, in spite of its endeavours to manage such a risk, cannot recruit, train, retain and motivate qualified personnel and optimize the structure and headcount of its workforce to meet the requirements arising from the circumstances prevailing from time to time, the Issuer may be unable to compete effectively in its branch of business which in each case could have a material adverse effect on the financial position and results of operations of the Issuer.

EU Postal Services Directive

The EU Postal Services Directive (the “**Directive**”), which will take effect in 2011, will probably have a major impact on industry regulations and competition. The leading principle of the Directive is unrestricted competition within the field of postal services. The Directive will be implemented by national legislation which is expected to enter into force on 1 January 2011. The contents of the new national legislation and thus the impact of the implementation of the Directive are as yet unknown. Accordingly, it cannot be ruled out that the new national legislation would change the business environment to the disadvantage of the Issuer.

For instance, the Issuer may, pursuant to the new legislation, be obliged to continue in the position of a universal service provider with a duty to deliver mail 5 days a week in the entire area of Finland (including also the sparsely inhabited areas), whereas competing companies' operations may be facilitated by lighter obligations to deliver mail. By way of example, the competing companies could only deliver mail in certain densely populated areas and not be subject to the 5-day-delivery obligation. The duty to deliver mail at a certain frequency in the whole country would hinder or harm the Issuer's attempts to diminish the average cost per delivery. Thus, the competitors' advantageous position, together with the strain put on the universal service provider by the weak profitability of the mail delivery operation in sparsely populated areas, would enable the competing companies to challenge the Issuer with lower pricing.

The Issuer is preparing for changes by, for example, boosting productivity, but there is no guarantee that such efforts and actions are sufficient to meet competition. As a result the prospects of the Issuer to maintain satisfactory revenues might be impaired. Consequently, the above factors related to the implementation of the Directive, either solely or together with each other, may have an adverse effect on the financial condition and future prospects of the Issuer.

Disagreements with the authorities concerning the contents of the regulations governing the postal services

The postal services provided by the Issuer are governed by the Postal Services Act (6.4.2001/313, as amended) (in Finnish: *postipalvelulaki*) (the “**Postal Services Act**”) and the compliance of the Issuer with such act is supervised by the Finnish Communications Regulatory Authority (the “**Ficora**”). The Ficora and the Issuer have had very dissimilar views on the interpretation of the current Postal Services Act for quite some time which might have adverse effect on the business of the Issuer.

Pursuant to the Postal Services Act, the pricing applied to the so-called universal postal services (in Finnish: *yleispalvelut*) shall be, *inter alia*, reasonable and it must be proportional to the costs incurred for such services. In relation thereto, the Ficora has on 13 October 2009 given a decision whereby it orders the Issuer to amend its method of cost allocation to follow the actual usage of resources, and the pricing of universal postal services to correspond to the costs allocated thereto. In the opinion of the Issuer, the above decision by the Ficora means that the Issuer should decrease pricing of addressed letters and increase pricing of, *inter alia*, parcels, magazines and newspapers delivered in standard delivery together with daily mail as well as unaddressed direct marketing mail.

The Issuer disagrees with the resolution of Ficora referred above and will appeal the decision as well as apply for an injunction as regards its implementation. It is not sure that the disagreements with Ficora will be solved to the effect that the claims by the Issuer will be approved. In such case, the business and revenues of the Issuer may suffer as the Issuer might lose customers in such products whose prices have to be increased and, respectively, income in such products whose prices have to be decreased.

In addition to the pricing, the Issuer strongly disagrees with the Ficora on the definition of the universal postal services. The universal postal services mean the services that the Issuer pursuant to its licence for postal services has a mandatory obligation to provide in Finland, and the broad interpretation of such definition, as suggested by the Ficora, would impede the efficiency and profitability of the business of the Issuer. The disagreement on the definition of universal postal services is currently being resolved by the Administrative Court (in Finnish: *hallinto-oikeus*), but no guarantee can be given that the opinion of the Issuer will prevail in the forthcoming resolution of such court.

Even though both of the above disagreements were solved in favour of the Issuer, the probability of the emergence of new disagreements with Ficora or other relevant authorities can in no way be ruled out nor the consequences of such new disagreements be reliably predicted.

Operation of the ICT infrastructure and data communications

The products, services, and processes of the Issuer are based on a well-functioning ICT infrastructure and data communications whose continuity is attempted to be secured using all available means. Interruption risks arising from ICT failures constitute the key operational risk for the Issuer which, if materialized, may incur severe damage to the operation of the Issuer.

2. THE ISSUER AND ITS AUDITORS AND ADVISORS

2.1 Issuer

Itella Corporation
Business identity code: 1531864-4
Domicile: Helsinki
Telephone: +358 204511
www.itella.com

The Issuer accepts responsibility for the completeness and accuracy of the information contained in this Listing Prospectus. To the best knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Helsinki, 14 December 2009

Itella Corporation

Other than as set forth above, no representation or warranty, express or implied, is made by the Issuer or the Arranger as to the accuracy or completeness of information contained in this Listing Prospectus.

2.2 Auditor

The consolidated financial statements of the Issuer for the years ended as at 31 December 2007 and 31 December 2008 incorporated in this Listing Prospectus by reference have been audited KPMG Oy Ab, as to financial statements for 2008 under the supervision of principal auditor Pauli Salminen, Authorised Public Accountant, and, as to financial statements for 2007 under the supervision of principal auditor Reino Tikkanen, Authorised Public Accountant. The business address of the auditor is Mannerheimintie 20 B, FI-00101 Helsinki, Finland.

2.3 Arranger

Pohjola Bank Plc
Teollisuuskatu 1 b, FI-00510 Helsinki, Finland

2.4 Legal adviser to the Issuer

Merilampi Attorneys Ltd.
Eteläesplanadi 22 A, FI-00130 Helsinki, Finland

3. INFORMATION ON THE ISSUER

3.1 General information

The business name of the Issuer is Itella Corporation. The Issuer is a public limited liability company (in Finnish: *julkinen osakeyhtiö*) established and registered with the Finnish Trade Register on 30 April 1999, and is organized under the laws of the republic of Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 1531864-4. Its registered address is Postintaival 7A, FI-00230 Helsinki, Finland and telephone number +358 204511.

3.2 History and recent events

The history of the Issuer spans to 1638, when Governor-General Per Brahe established postal services in Finland, part of the Kingdom of Sweden at the time. The Issuer was established in 1999 as a result of the demerger of Suomen PT Group into separate companies engaged in postal and telecom services and consequent corporate reorganisation of the postal companies. Highlights of the history of the Issuer can be found below:

- 1811: A central postal administration was established within the postal services of autonomous Finland.
- 1845: Postal service for parcels began and, in 1858, home delivery of letters and newspapers.
- 1927: The Telegraph was merged with the Finnish Post (Posti) to form Posti- ja lennätinlaitos.
- 1981: Posti- ja lennätinlaitos was renamed Posti-Tele.
- 1990: Posti-Tele became a state-owned enterprise no longer dependent on the state budget.
- 1994: Posti-Tele was incorporated into Suomen PT Group, one of the subsidiaries of which was Finland Post Ltd (Suomen Posti Oy).

- 1998: Suomen PT Oy was demerged into postal and telecom service companies, then fully owned by the Finnish state.
- 1999: Following merger of the postal companies the Issuer was established and registered under the name Suomen Posti Oy (Finland Post Ltd) in 1999.
- 2001: The Issuer became a public limited company (Finland Post Corporation) and expanded its information logistics operations to Sweden, Norway and Denmark by acquiring Capella Group AB.
- 2002: Information logistics operations expanded to Germany and logistics operations to Estonia.
- 2003: Mail Communications' new subsidiary Leijonajakelu Oy acquired the early morning newspaper delivery business of Sanoma Osakeyhtiö
- 2004: Information logistics expanded to Estonia, Latvia and Lithuania and acquired Elma Oyj Electronic Trading in Finland.
- 2005: The Issuer established Finland's largest personnel fund in terms of the number of employees and expanded its logistics operations to Denmark, Latvia and Lithuania by acquiring the Combifragt Group A/S.
- 2006: Itella brand is first adopted by information logistics companies. Logistics services were expanded to Sweden and Norway.
- 2007: The Issuer's name changed to Itella Corporation. The Posti name remains in use for consumers in Finland. Itella Mail Communication launched an investment program of EUR 160 million focusing on postal infrastructure.
- 2008: Itella Logistics became the market leader in warehousing services in Russia through the acquisition of NLC (National Logistic Company) Group, which adopted the name ItellaNLC. In addition, Itella Logistics expanded its service scope to international air and sea transportation and strengthened its freight forwarding activities through the acquisition of Kauko Group Oy in Finland. Itella Mail Communication acquired Connexions company in Russia, specialising in direct marketing services. Itella Information expanded into financials & accounting, as well as to new countries in Central and Eastern Europe and Russia, and set up a joint venture in Norway with Norway Post.
- 2009: The Issuer commenced cooperation with S-Bank Ltd whereupon the Issuer's NetPosti service can be used as part of the internet bank provided by S-Bank Ltd. The Issuer established Itella IPS Oy (Itella Payment Services) to which the FIN-FSA granted a licence to act as a payment services organization and which aims at being a part of the Finvoice system. Itella Logistics' service storage in Juvanmalmi, Espoo, fashion logistics storage in Lahti and logistics center in Vantaa were granted ISO 9001 and ISO 14001 certificates.

3.3 Business overview

The Issuer is an international service enterprise focused on enhancing the information and product flows of its customers. The business of the Issuer comprises provision of consumer and corporate customers with solutions for the management of information and material flows. In Finland, the Issuer provides nationwide letter and parcel services five days a week pursuant to the licence of a postal service company with a universal service obligation, as granted to the Issuer by the Council of State.

The Issuer operates in three main business segments:

- Itella Mail Communication offers letter and direct mail delivery and press distribution services as well as customer relationship marketing solutions which enable organisations to reach their customers effectively.
- Itella Information offers outsourcing solutions for invoice management, supply chain management and document processing.
- Itella Logistics offers transport services and freight forwarding solutions for air, land and sea, and parcel deliveries as well as warehousing and other contract logistics.

The Issuer is a partner of organizations assisting them in selling and marketing, delivery, and invoicing activities. In Finland, the key mission of the Issuer is to provide daily mail services for all throughout the country.

The Issuer operates in Northern and Central Eastern Europe, and in Russia. International activities account for well over one quarter of the consolidated net sales of the Issuer. The key customer industries of the Issuer include the retail and wholesale trades, media, the finance, and telecommunications industries, and the public sector.

The customer base of the Issuer covers some 250,000 corporate customers globally under the brand name Itella and some 5.3 million consumer customers in Finland under the brand name Posti.

The headcount of the personnel of the Issuer is around 30,000.

3.4 Business operations

The business organization of the Issuer comprises three business groups:

- Itella Mail Communication offers delivery services and customer relationship marketing solutions which enable organisations to reach their customers effectively.
- Itella Information offers outsourcing solutions for invoicing, financial management and digitization.
- Itella Logistics offers solutions for land, sea and air freight, parcel deliveries, and warehousing and other contract logistics.

In addition, the Issuer offers certain electronic mailbox services through NetPosti, and electronic invoicing and payment transmission services through Itella IPS.

Itella Mail Communication

Itella Mail Communication provides both business customers and consumers with high-quality delivery services. New multi-channel solutions for customer relationship services range from analytics to campaign management and delivery of orders.

Services comprise delivery services for letters, advertisements, newspapers, and magazines, customer relationship marketing services and postal services for consumers in Finland. Geographic presence covers Finland and Russia.

Key figures for 2008 (corresponding figures for 2007 in brackets):

- Net sales EUR 918.1 million (EUR 893.8 million)
- Operating profit (EBIT) EUR 90.1 million* (EUR 88.9 million)

- Employees 19,094

Itella Information

Itella Information provides cost-effective solutions for the processing of incoming and outgoing invoices and other documents. Solutions scale from standard services to extensive outsourcing.

Services comprise invoicing, financial management and digitization outsourcing solutions. Geographic presence covers Finland, Sweden, Norway, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia, Slovakia, Hungary, and the Czech Republic.

Key figures for 2008 (corresponding figures for 2007 in brackets):

- Net sales EUR 247.1 million (EUR 223.5 million)
- Operating profit (EBIT) EUR 9.6 million (EUR 5.4 million)
- Employees 1,923

Itella Logistics

The core competency of Itella Logistics is service logistics, focusing on the customer's strategy and providing solutions in support of effective product and information flow management. Customers can outsource either one part or the overall management and development of their logistics process to Itella.

Services comprise land, sea, and air freight and forwarding, parcel and express deliveries, warehousing and contract logistics, consulting and IT solutions. Geographic presence covers Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, and Russia, as well as global services through partners.

Key figures for 2008 (corresponding figures for 2007 in brackets):

- Net sales EUR 813.2 million (EUR 619.8 million)
- Operating result (EBIT) EUR –5.7 million * (EUR 22.2 million)
- Employees 10,621

*) By way of deviation from the financial results of each business segment reported in the audited consolidated financial statements of the Issuer for a period of 1 January to 31 December 2008, the operating profits of Itella Mail Communication and Itella Logistics for 2008 displayed above reflect improvements occurred as a result of relocation of premises that were previously located within other group operations. Such change in internal cost allocation has been effected by the Issuer as of 1 January 2009 in order to enhance the comparability of the financial figures of each business segment. For the avoidance of doubt, the financial information above so deviating from the audited consolidated financial statements of the Issuer for a period of 1 January to 31 December 2008 is unaudited.

3.5 Group structure

The Issuer is the parent company of a group with several subsidiary and affiliated companies that are located, in addition to Finland in, *inter alia*, Sweden, Norway, Denmark, Germany, Poland, Russia and the Baltic states. The Issuer is directly owned by the Finnish state as described below in chapter "*Shares and shareholders*".

4. FINANCIAL INFORMATION, LEGAL AND ARBITRAL PROCEEDINGS, PROSPECTS, MATERIAL CONTRACTS

4.1 Historical financial information

The consolidated audited financial statements of the Issuer for the financial years 1 January 2007–31 December 2007 (IFRS) and 1 January 2008–31 December 2008 (IFRS) have been incorporated into this Listing Prospectus by reference. No other information included in this Listing Prospectus has been audited.

The unaudited interim report of the Issuer for the period of 1 January 2009–30 September 2009 has been incorporated in this Listing Prospectus by reference.

The below tables display certain key financial figures, the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement of the Issuer for 2008 and 2007 as well as the unaudited consolidated comprehensive income statement of the Issuer for 2008:

Key financial figures, IFRS¹

	2008	2007
Operations		
Net sales, MEUR ²	1,952.9	1,710.6
Personnel 31 Dec.	31,672	25,211
Personnel on average	28,163	25,623
Capital expenditure, MEUR	351.5	94.2
% of net sales	18.0	5.5
Profitability		
Operating profit (EBIT) excl. impairment losses on goodwill, MEUR	95.1	101.8
% of net sales	4.9	6.0
Operating profit (EBIT), MEUR	69.0	101.8
% of net sales	3.5	6.0
Profit before tax, MEUR	46.6	109.5
% of net sales	2.4	6.4
Profit for the financial period, MEUR	18.6	78.5
% of net sales	1.0	4.6
Balance sheet and key ratios		
Equity, MEUR	696.3	732.4
Total assets, MEUR	1,370.5	1,119.1
Return on equity, %	2.6	11.1
Return on investment, %	12.4	15.6
Equity ratio, %	51.1	65.9
Net gearing, %	14.8	-36.4

1) Calculation formula of certain figures can be found in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2008 (page 82 of the Annual Report 2008), incorporated in this Listing Prospectus by reference.

2) The net sales for 2007 have been adjusted to correspond to the interpretation of the revenue recognition policy applied from 2008 onwards. The net sales for 2007 do not thus correspond to the information of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2007 but the comparison information included in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2008.

Consolidated Income Statement, IFRS

<i>EUR million</i>	<i>2008</i>	<i>2007</i>
Net sales ¹	1,952.9	1,710.6
Other operating income	13.9	10.4
Share of associated companies' results	0.2	0.3
Materials and services	594.1	492.9
Employee benefits	873.8	794.2
Depreciation and amortization	68.9	61.5
Impairment losses	31.4	-
Other operating expenses	329.8	270.9
Operating profit (EBIT)	69.0	101.8
Financial income	58.0	13.5
Financial expenses	-80.4	-5.8
Profit before income tax	46.6	109.5
Income tax	-27.9	-31.0
Profit for the financial period	18.6	78.5
Profit attributable to		
Parent company shareholders	19.7	78.2
Minority interest	-1.1	0.3
Profit for the financial period	18.6	78.5

1) The net sales for 2007 have been adjusted to correspond to the interpretation of the revenue recognition policy applied from 2008 onwards. The net sales for 2007 do not thus correspond to the information of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2007 but the comparison information included in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2008.

Consolidated Balance Sheet, IFRS

<i>EUR million</i>	<i>31 Dec 2008</i>	<i>31 Dec 2007</i>
Non-current assets		
Goodwill	174.9	150.7
Other intangible assets	85.2	43.4
Investment property	4.7	2.1
Property, plant and equipment	655.3	361.6
Investments in associated companies	0.6	1.9
Other non-current investments	0.6	0.1
Non-current receivables	7.4	3.7
Deferred tax assets	7.4	6.8
Total non-current assets	936.1	570.4
Current assets		
Inventories	7.1	6.3
Current receivables	285.4	238.5
Current tax assets	8.7	1.1
Available-for-sale financial assets	3.8	5.3
Cash and cash equivalents	129.4	297.6
Total current assets	434.4	548.7
Total assets	1,370.5	1,119.1
Equity attributable to equity holders of the parent company		
Share capital	70.0	70.0
Other reserves	143.0	144.0
Retained earnings	481.8	517.5
	694.8	731.5
Minority interest	1.5	0.9
Total equity	696.3	732.4
Non-current liabilities		
Deferred tax liabilities	50.5	17.7
Non-current interest-bearing liabilities	85.9	22.4
Other non-current liabilities	35.5	3.6
Defined benefit pension plan obligations	7.4	8.3
Total non-current liabilities	179.3	51.9
Current liabilities		
Current interest-bearing liabilities	146.4	8.8
Trade payables and other liabilities	347.3	317.8
Current tax liabilities	0.2	3.8
Provisions	1.0	4.4
Total current liabilities	494.9	334.8
Total liabilities	674.2	386.7
Total equity and liabilities	1,370.5	1,119.1

Consolidated Cash Flow Statement, IFRS

<i>EUR million</i>	<i>2008</i>	<i>2007</i>
Profit for the financial period	18.6	78.5
Adjustments		
Depreciation and amortisation	68.9	61.5
Impairment losses	31.4	-
Gains on sale of intangible assets and PPE	-6.2	-2.7
Losses on sale of intangible assets and PPE	1.5	1.8
Financial income	-58.0	-13.5
Financial expenses	80.4	5.8
Income tax	27.9	31.0
Other adjustments	-0.2	0.8
Cash flow before change in net working capital	164.3	163.1
Change in trade and other receivables	103.7	-9.2
Change in inventories	0.2	0.0
Change in trade payables and other liabilities	-96.5	18.5
Change in provisions	-4.5	2.2
Change in net working capital	2.9	11.5
Cash flow from operating activities before financial items and income tax	167.2	174.6
Interest paid	-8.7	-3.2
Interest received	14.6	11.3
Other financial items	-6.9	-0.4
Income tax paid	-35.4	-29.0
Cash flow from financial items and income tax	-36.4	-21.3
Cash flow from operating activities (net)	130.8	153.3
Purchase of intangible assets and property, plant and equipment (PPE)	-109.7	-67.1
Proceeds from sale of intangible assets and PPE	1.4	14.0
Acquisition of subsidiaries less cash and cash equivalents at acquisition date	-228.9	-20.8
Proceeds from sale of businesses	0.8	0.8
Proceeds from sale of investments	6.8	1.4
Repayment of non-current loan receivables	2.5	0.0
Repayment of available-for-sale financial assets	0.9	2.2
Cash flow from investing activities (net)	-326.3	-69.4
Drawings of current loans	93.1	-
Repayment of current loans	-	-0.9
Finance lease principal payments	-9.4	-11.9
Drawings of non-current loans	15.4	-
Repayment of non-current loans	-31.8	-0.3
Minority capital investment	2.3	-
Dividends paid	-39.0	-27.0
Cash flow from financing activities (net)	30.6	-40.1
Change of cash and cash equivalents	-164.9	43.8
Cash and cash equivalents at period-start	297.6	253.7
Effect of change in exchange rates	2.3	-0.6
Change in fair value of cash and cash equivalents	-5.6	0.7
Cash and cash equivalents at period-end	129.4	297.6

Unaudited Comprehensive Income Statement, IFRS

EUR million	2008
Net sales	1,952.9
Other operating income	13.9
Share of associated companies' results	0.2
Materials and services	594.1
Employee benefits	873.8
Depreciation, amortis. and impairm. loss	74.2
Goodwill impairment losses	26.1
Other operating expenses	329.8
Operating profit (EBIT)	69.0
% of net sales	3.5 %
Financial income and expenses	-22.4
Result before income tax	46.6
% of net sales	2.4 %
Income tax	-27.9
Result for the financial period	18.6
% of net sales	1.0 %
Other items of comprehensive income	
Available-for-sale financial assets	-1.0
Translation differences	-16.4
Comprehensive income, total	1.2
Profit for the financial period attributable to	
Parent company shareholders	19.7
Minority interest	-1.1
Comprehensive income attributable to	
Parent company shareholders	2.3
Minority interest	-1.1

4.2 No Significant Change in the Issuer's Financial Position

There has been no significant change in the financial position of the Issuer against the financial position of the Issuer as presented in the interim report of the Issuer concerning the period between 1 January and 30 September of the financial Year 2009, incorporated in this Listing Prospectus by reference.

4.3 Legal and Arbitral Proceedings

Except for the disputes described in chapter "*Risk factors – Risks related to the Issuer – Disagreements with the authorities concerning the contents of the regulations governing the postal services*" with the Ficora, the Issuer is not involved in and has not during the last 12 months been involved in any legal, governmental or arbitration proceedings concerning any company belonging to the group of the Issuer, which may have or has in the past had a significant effect on the Issuer and/or its group's financial position or profitability, nor is aware of a threatening of any such proceedings.

4.4 Prospects

There has been no material adverse change in the prospects of the Issuer against the prospects of the Issuer as presented in the interim report of the Issuer concerning the period between 1 January and 30 September of the financial year 2009, incorporated in this Listing Prospectus by reference.

4.5 Material Contracts

The Issuer has not entered into contracts outside its ordinary course of its business which could reasonably result in any company belonging to the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the Notes.

5. DIRECTORS, MANAGEMENT AND MAJOR SHAREHOLDERS

5.1 Administrative, Management, and Supervisory Bodies

Supervisory Board

The members of the Supervisory Board are as follows:

- Eero Lehti (Chairman), MP, National Coalition Party, member since 2008
- Antti Rantakangas (Vice Chairman), MP, Centre Party, member since 2008
- Birgitta Gran, social services ombudsman, Left Alliance, member since 2007
- Sirpa Hertell, Secretary General, Green League, member since 2004
- Susanna Huovinen, MP, Social Democratic Party, member since 2008
- Harri Jaskari, MP, National Coalition Party, member since 2008
- Bjarne Kallis, MP, Christian Democrats, member since 2004
- Lauri Kähkönen, MP, Social Democratic Party, member since 2008
- Outi Mäkelä, MP, National Coalition Party, member since 2008
- Reijo Ojennus, True Finns Party, member since 2008
- Pertti Salovaara, MP, Centre Party, member since 2004
- Harry Wallin, engine driver, Social Democratic Party, member since 2005

Board of Directors

The members of the Board of Directors are as follows:

Eero Kasanen, Chairman

Rector, Helsinki School of Economics, b. 1952, D.Sc. (Econ. & Bus. Adm.)
Board member since 2004

Board Chairman: Helsinki School of Economics Holding Oy

Board member: Emil Aaltonen Foundation, Osuuspankki Foundation, Helsinki School of Economics Foundation, Foundation for Economic Education, Kaleva Mutual Insurance Company, Elcoteq Network Corporation, Elcoteq SE, Suomen Kansallisteatterin osakeyhtiö (Finnish National Theatre Ltd.), CEMS (Community of European Management Schools), EFMD (European Foundation for Management Development)

Member: Finnish Academy of Science and Letters

Main employment history: University of Oulu (1987–1989): Assistant Professor; University of Massachusetts, USA (1988–1989): Professor; Helsinki School of Economics (1989–): Rector, Professor.

Mikko Kosonen, Vice Chairman

President, Finnish Innovation Fund Sitra, b. 1957, D.Sc. (Econ. & Bus. Adm.).
Board member since 2003

Board member: Finnish Association of Business Administration, Fifth Element Ltd, Kesko Corporation

Advisory Board: Center for Knowledge and Innovation Research (CKIR)

Main employment history: Nokia Group (1984–2007): Senior Vice President of corporate planning and data administration, Executive Consultant; Sitra (2008–): President.

Kalevi Alestalo

Financial Counselor, Ownership Steering Department, Government Office, b. 1947, M.Pol.Sc.
Board member since 2005

Vice Chairman: Raskone Oy

Main employment history: Ministry of Transport and Communications (1988–2007): Financial Counselor, Head of Ownership Steering Unit; Ownership Steering Department, Government Office (2007–): Financial Counselor.

Hele-Hannele Aminoff

Managing Director, Oy Leiras Ab, b. 1960
Board member since 2006

Board member: BSN Oy

Main employment history: Pharmacia Oy (1989–1992): Marketing Manager; Roche Oy (1992–1996): Marketing Manager, Executive Team member, OTC Group member; Smith & Nephew Oy (1996–2006): Managing Director, Board member; Oy Leiras Ab (2006–): Managing Director, Board member.

Erkki Helaniemi

Partner, Alexander Group Oy, b. 1962, LL.M.
Board member since 2003

Board Chairman: Alexander Group companies, Finnish Foundation for Share Promotion

Board member: Kansallissäätiö (National Foundation), The Snellman Foundation, Helsinki Theatre Foundation (Helsinki City Theatre)

Main employment history: Kansallis-Osake-Pankki (1986–1988): Vice President; Alexander Corporate Finance (1988–): Partner.

Antero Palmolahti

National Chief Shop Steward, Itella Corporation, Finnish Post and Logistics Union (employee representative), b. 1952
Board member since 1999

Board Chairman: Itella Personnel Fund

Board member: Fundservice RP Ltd. Vice Chairman and Board member: Finnish Post and Logistics Union, PAU

Main employment history: Itella Corporation (1971–): postal worker, Regional Chief Shop Steward, National Chief Shop Steward.

Päivi Pesola

Vice President, Business Control, Fortum Power and Heat Oy b. 1956, M.Sc. (Econ.)
Board member since 2009

Main employment history: Fortum Oil and Gas Oy (1978–1999): Vice President in the areas of internal control and finance; Fortum Plc (1999–2001): Vice President in the areas of internal control and risk management; Fortum Power and Heat Oy (2001–): Vice President, finance, Fortum service business unit, Vice President, business control, Fortum Heat division.

Riitta Savonlahti

Executive Vice President, Human Resources, UPM-Kymmene Corporation, b. 1964, M.Sc. (Econ.)
Board member since 2008

Supervisory Board member: POHTO - The Institute for Management and Technological Training
Main employment history: ABB Oy (1990–1994): Human Resources Specialist posts; Nokia Corporation (1995–2000): Human Resources Manager; Raisio Group plc (2000–2001): Senior Vice President, Human Resources; Elcoteq Network Corporation (2001–2004): Senior Vice President, Human Resources; UPM-Kymmene Corporation (2004–): Executive Vice President, Human Resources.

Maarit Toivanen-Koivisto

President, Onvest Oy, b. 1954, M.Sc. (Econ.)
Board member since 2007

Board Chairman: Onninen Oy, Onvest Oy, Are Oy
Board member: Neste Oil Corporation, Foundation for Economic Education, FBN International
Vice Chairman: Central Chamber of Commerce, Board of the Helsinki Region Chamber of Commerce
Main employment history: Onninen Oy (1984–1997): Product Manager, Purchasing Manager, Quality Manager; Onvest Oy (1997–): Development Manager, Finance Manager, CFO, CEO.

President and CEO

The President and CEO of the Issuer is Jukka Alho, b. 1952, M.Sc. (Tech.). He has commenced in his position with the Issuer in 2000. The details of the key external positions and employment history of the President and CEO is as follows:

Board member: Ilmarinen Mutual Pension Insurance Company, The Employers' Association TIKLI (Chairman), Finnish Federation for Communications and Teleinformatics FiCom, Kirkkopalvelut ry (Church Resources Agency)

Supervisory Board member: Luottokunta, Suomen Messut

Committee member: Central Chamber of Commerce, Helsinki Region Chamber of Commerce, International Chamber of Commerce (ICC) Finland

Main employment history: Telenokia Oy (1976–1981): Project Manager; Elisa Corporation (1981–2000): Technical Director, Executive Vice President; Itella Corporation (2000–): President and CEO.

Executive Board

The members of the Executive Board comprise, along with the President and CEO, the following persons:

Jaana Jokinen, Senior Vice President, Human Resources

b. 1957, M.Sc. (Econ. & Bus.Adm.)
Joined Itella Group in 2009

Main employment history: Kunnallispaino Oy (1984–1986) Sales Group Manager; ICL (1986–1989) Training Manager; Learning Systems Oy (1990–1995) Consultant for HR Development; Nokia Networks (1995–1999) management positions in customer training in Finland and China; Nokia Networks (2001–2003), HR Director, Nokia Corporation (2004–2009) HR Director for Demand Supply Network Management; Itella Corporation (2009–) Senior Vice President, Human Resources.

Kari Kivikoski, Senior Vice President, Itella Mail Communication

b. 1959, M.Sc. (Econ. & Bus.Adm.)
Joined Itella Group in 2005

Board member: The Finnish Direct Marketing Association

Main employment history: Kesko Corporation (1985–1988): Profit Center Manager; Jukaflex Oy (1988–1990): Executive Vice President; McDonald's Finland Oy (1990–1994): Director of Operations; Sentra Oy (1994–1996): Head of Division; Tunturi Oy (1996–1997): Head of Division; Carrols Oy (1997–2002): Managing Director; Citymarket Oy (2003–2005): Managing Director; Itella Corporation (2005–): Senior Vice President, Itella Mail Communication.

Heikki Länsisyrjä, Senior Vice President, Itella Information

b. 1960, M.Sc. (Econ. & Bus.Adm.)
Joined Itella Group in 2007

Main employment history: Oy Dava Ab 1986-89: Sales Director; Nokia Data Oy 1989-1992: Sales Director; ICL Data Oy 1993-1999 Senior Vice President; Fujitsu Services Oy 2000-2006: Director, Infrastructure; Itella Corporation 2007-: Senior Vice President, Itella Information.

Tarja Pääkkönen, Senior Vice President, Sales and Marketing

b. 1962, Ph.D. (Corporate Strategies) and M.Sc. (Eng.)
Joined Itella Group in 2005

Board member: Marimekko Corporation, HYY Group, Markkinointijohdon ryhmä ry (Marketing Executives Group).

Member: Advisory Board of General Executive MBA program.

Main employment history: BE&K Group, USA (1986–1987): Marketing Manager; Futum Oy (1987–1991): Managing Director and Partner; Kienbaum and Partners GmbH, Germany (1991–1993): Management Consultant; Mecrator Oy (1993–1995): Management Consultant; Nokia Head Office (1995–2001): Assistant Vice President, Nokia Business Improvement Services; Nokia Mobile Phones, Technology (2001–2002): Vice President, Global Product Creation; Nokia Mobile Phones (2002–2004): Senior Vice President, Strategy and Business Development and member of the Executive Board; Nokia Multimedia (2004–2005): Senior Vice President, Nmedia Business Unit and member of the Executive Board; Itella Corporation (2005–): Senior Vice President, Sales and Marketing.

Tuija Soanjärvi, Senior Vice President, CFO, Group Administration

b. 1955, M.Sc. (Econ. & Bus.Adm.)
Joined Itella Group in 2005

Main employment history: Kesko Oy (1981–1986): Contoller, Internal Auditor; TietoEnator Corporation (1986–2003): Internal Auditor, Financial Manager, CFO; Elisa Corporation (2003–2005): CFO; Itella Corporation (2005–): CFO.

Juhani Strömberg, Senior Vice President, Group Strategy

b.1953, Ph.D. (Tech.)

Joined Itella Group in 2006

Member: Consultative Committee of Logistics at VTT (Technical Research Centre of Finland)

Main employment history: TietoEnator Corporation (1976–2006): Vice President, Electronic Business Services, Senior Vice President, Corporate Development; Itella Corporation (2006–): Vice President, Business Development, Senior Vice President, Group Strategy.

Vesa Vertanen, Senior Vice President, Itella Logistics

b. 1956, M.Sc. (Econ. & Bus.Adm.)

Joined Itella Group in 2001

Main employment history: KPMG Wideri Oy Ab (1983–1986): Accountant; Länsi-Uusimaa Oy (1987–1988): Financial Director; Oy Wulff Ab (1988–1991): Financial Director; Sponsor Group (1991–1995): Business Controller; Starckjohann Group (1995–2000): CFO, CEO; Addtek Group (2000–2001): CFO; Itella Corporation (2001–): CFO, Senior Vice President, Itella Logistics.

Management Board

The members of the Management Board comprise, along with the members of the Executive Board, the following persons:

Päivi Alakuijala, Vice President, Communications

b. 1967, M.Sc. (Agr. & For.)

Joined Itella Group in 2004

Main employment history: Maaseudun Tulevaisuus (1990), journalist; Vakuutussanomat (1991–1992), journalist; The Hyvää Suomesta food project (1993–1998), Information Officer; Communications Office CW Works Oy (1998–2004), Communications Consultant, Chief Communications Consultant; Itella Oyj (2004–), Communications Manager, Vice President, Communications.

Jarmo Niemi, National Chief Shop Steward, Itella Corporation, Finnish Post and Logistics Union PAU (employee representative)

b. 1954

Joined Itella Group 1975

Board member: Finnish Post and Logistics Union PAU, Itella Group's Foundation for Well-being at Work
Vice chairman: Union for Personnel Funds in Finland

Chair of committee: Itella's Personnel Fund

Main employment history: Itella Corporation (1975–) postal worker, regional safety representative, National Chief Shop Steward

Tomi Pienimäki, Vice President, CIO, ICT Services

b. 1973, Ph.D. (Tech.), M.Sc. (Econ. & Bus.Adm.)

Joined Itella Group in 2005

Main employment history: John Crane Ltd, UK (1999–2000): Project Director; Hackman Metos Oy (2000–2005): CIO; Itella Corporation (2005–): CTO, CIO.

Business address

The business address of the members of the Supervisory Board and the Board of Directors, the President and CEO as well as the members of the Executive Board and the Management Board is Postintaival 7 A, FI-00230 Helsinki, Finland.

Absence of conflicts of interest

To the extent known to the Issuer, none of the members of the Supervisory Board or the Board of Directors, the President and CEO, or the members of the Executive Board or the Management Board have any conflicts of interest between their duties to the Issuer and their private interests or duties.

5.2 Shares and shareholders

The registered share capital of the Issuer is EUR 70,000,000.00 consisting of 40,000,000 shares. The Issuer has only one class of shares. The share has no nominal value. The Issuer has no payables based on capital loans (in Finnish: *pääomalaina*) pursuant to Section 12 of the Companies Act (21.7.2006/624, as amended) (in Finnish: *osakeyhtiölaki*) (the “**Companies Act**”).

The entire share stock of the Issuer is owned and held by the Finnish State (the “**State**”).

The key regulations governing the ownership of the State in the Issuer are the State Shareholdings and Ownership Steering Act (1368/2007) (in Finnish: *laki valtion yhtiöomistuksesta ja omistajaohjauksesta*) (the “**State Shareholdings Act**”) and the Government Resolution on State Ownership Policy 31 May 2007 (the “**Resolution**”), part of the contents of such regulations are described below.

State Shareholdings Act

The statute regulating the administration of state-owned companies, such as the Issuer, is the State Shareholdings Act which applies to decision making concerning state shareholdings and state ownership steering in state-owned companies and associated companies.

Pursuant to the State Shareholdings Act, an authorization by Parliament is required in case the sole ownership (100% of votes in the company) or the control of the company (50.1% of votes) held by the State is relinquished. The Government shall decide on the execution of the any sale or other disposal of the State shareholding, in each case within the terms and conditions set out in the Parliamentary authorization. The ministry responsible for ownership steering makes decisions on most issues concerning ownership steering and exercise of shareholder rights.

As for the Issuer, there is currently no authorization by Parliament to relinquish the State shareholding covering the entire share stock of the Issuer, and, consequently, any sale or other disposal of the shareholdings of the Issuer by the State would require a Parliamentary authorization.

Resolution

The Resolution outlines the key principles and operating practices of the State’s ownership steering. The Resolution is addressed to the authorities responsible for ownership policy, not to the companies, in order to make it clear that in all situations decision-making on ownership policy belongs to the authorities, and decision-making on business issues to the companies’ own organs.

The Resolution reflects a classification of the state-owned companies operating on one hand to companies in which the State mainly has an investor interest and on the other hand to companies in which the State has a strategic interest connected with ownership. If the State has a special strategic interest in a company,

connected with the basic functions of society for example, a significant ownership is generally justified. In the above classification, the Issuer is regarded as a company where there is a strategic interest of the State connected with the ownership.

Furthermore, the state-owned companies can be divided to companies operating on market terms and companies having a special assignment by the State. In this classification, the Issuer is a company operating on market terms.

The primary goal of the State's ownership policy and ownership steering is to develop the companies and support long-term growth of shareholder value. The main elements in fulfilling this goal are open and consistent owner behaviour, the proposing of responsible and expert members for the Boards of Directors of companies, the owner's input to the companies' management resources and management commitment, as well as the consideration of the interests of all the owners and other interest groups. The owner's main tools include independent preparation of owner strategy and development of corporate governance.

6. INFORMATION REGARDING THE NOTES AND ADMISSION TO TRADING

This chapter includes summarized information on terms and conditions applied to the Notes. For complete information, see "*Terms and Conditions of the Notes*" attached to this Listing Prospectus as Appendix 1 (the "**Terms and Conditions**"). The expressions related to the Notes highlighted with capitalized letters and used in below shall be deemed to have same definitions as assigned thereto in the Terms and Conditions.

6.1 Information concerning the Notes

Nominal value

The total amount of the Notes being applied for listing is the aggregate nominal value of EUR 150,000,000 divided into 3,000 book-entry securities with a nominal value of EUR 50,000 each.

Currency

The Notes are denominated in euro.

Status

The Notes constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Technical form of the notes

The Notes have been issued as dematerialized, non-equity rated book-entry securities in the Finnish book-entry system with the ISIN code FI4000006564. Once listed, the trading code of the Notes on the Helsinki Stock Exchange will be ITLJ437516.

No physical certificates have been issued in respect of the Notes. The Finnish book-entry system is maintained by the Euroclear Finland Ltd. ("**EFi**"), visiting address Urho Kekkosen katu 5C, FI-00101 Helsinki, Finland. The Notes have been incorporated in the so-called RM system segment of the book-entry system. Under Finnish law, EFi shall keep a record of owners of the Notes.

Rights attached to the Notes

The Notes entitle the Holders to repayment of the Notes and to interest in accordance with the Terms and Conditions.

Under the Terms and Conditions, the Issuer may amend the Terms and Conditions with binding effect for all Holders, provided that such amendment has been duly approved by a Holders' Meeting as provided in the Terms and Conditions.

Interest

The rate of interest of the Notes is 4.375 per cent per annum.

Interest on the Notes will be payable annually in arrears on an Interest Payment Date on each 11 November, commencing on 11 November 2010. Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time.

Interest in respect of the Notes is calculated on "Actual/Actual ICMA" basis, meaning that the number of days elapsed in the relevant Interest Period is divided by 365 (or, in the case of a leap year, 366).

Repayment of the Notes

The Notes shall be repaid in full at their nominal principal amount on the Redemption Date on 11 November 2016. In certain events referred to in Sections 8 and 9 of the Terms and Conditions, the Holders are entitled to demand an early repayment of the Notes, and, respectively, as allowed in Section 8 of the Terms and Conditions, the Issuer has a right to prepay the Notes.

Payments of principal and interest

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of EFi.

Prescription

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall be prescribed.

Holders' Meeting

The Issuer may convene a Holders' Meeting to decide on amendments of the Terms and Conditions or certain other matters.

Notice of a Holders' Meeting shall be published no later than ten (10) days prior to the meeting as specified in the Terms and Conditions. The notice shall specify the time, place and agenda of the meeting as well as any action required on the part of a Holder to attend the meeting.

Holders' Meeting shall be held in Helsinki and its chairman shall be appointed by the Issuer. Holders' Meeting shall constitute a quorum only if two or more Holders present hold fifty (50) per cent or more of the principal amount of the Notes outstanding.

If, within thirty (30) minutes after the time specified for the start of the Holders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than fourteen (14) days and no later than twenty-eight (28) days after the original meeting at a place to be determined by the Issuer. The adjourned Holders' Meeting shall constitute a quorum if two (2) or more Holders holding ten (10) per cent or more of the principal amount of the Notes outstanding are present.

Notice of an adjourned Holders' Meeting shall be given in the same manner as notice of the original meeting. The notice shall also state the conditions for the constitution of a quorum.

Voting rights of Holders shall be determined according to the principal of the Notes held. The Issuer and any companies belonging to its group shall not hold voting rights at the Holders' Meeting.

Resolutions shall be carried by a majority of two-thirds (2/3) of the votes cast. In the event of a tied vote, the Chairman of the meeting shall have the casting vote.

A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Holders' Meeting.

A Holders' Meeting is entitled to make the following decisions that are binding on all the Holders:

- (i) to change the Terms and Conditions;
- (ii) to grant a temporary waiver on the Terms and Conditions;

However, consent of all the Holders is required to:

- (iii) decrease the principal of or interest on the Notes;
- (iv) extend the maturity of the Notes;
- (v) amend the conditions for the constitution of a quorum at a Holders' Meeting; or
- (vi) amend the majority requirements of the Holders' Meeting.

The consents can be given at a Holders' Meeting or by other verifiable means. The Holders' Meeting can authorise a named person to take necessary action to enforce the decisions of the Holders' Meeting.

Resolutions passed at a Holders' Meeting shall be binding on all Holders irrespective of whether they have been present at the Holders' Meeting.

Resolutions passed at a Holders' Meeting shall be deemed to have been notified to the Holders once they have been entered into the issue account of the Notes maintained by EFi. In addition, Holders are obliged to notify subsequent transferees of the Notes of the resolutions of the Holders' Meeting.

Resolution

The Board of Directors of the Issuer has on 21 October 2009 decided on the issuance of the Notes. According to the resolution by the Board of Directors, the principal amount of the Serial Notes may be in aggregate EUR 200,000,000.

Date of Issuance

The Notes were issued on 11 November 2009.

Negotiability and transferability

The Notes are negotiable and freely transferable.

Applicable law

The Notes have been created under the laws of Finland and the Terms and Conditions shall be governed and construed in accordance with Finnish law.

6.2 Information concerning admission to trading

Admission to trading

The Issuer has applied for admission of the Notes to public trading on the Helsinki Stock Exchange and the Listing is expected to commence on or about 17 December 2009.

Paying Agent

Pohjola Bank Plc, address Teollisuuskatu 1 b, FI-00510 Helsinki, Finland, acts as paying agent in respect of the Notes. The repayment of the Notes and any payment of interest will be made through EFi.

Expenses arising from admission to trading

The Issuer's expenses related to listing will be approximately EUR 45,000, including fees of the FIN-FSA and the Helsinki Stock Exchange.

7 DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference to the Listing Prospectus. The documents listed in this chapter have been published electronically in the website of the Issuer at <http://www.itella.fi/group/english/financials/financialpublications>.

1. The audited consolidated financial statements (including auditors' report thereon and notes thereto) of the Issuer for the financial year ended 31 December 2008 (pages 37–82 of the Annual Report 2008);
2. The audited consolidated financial statements (including auditors' report thereon and notes thereto) of the Issuer for the financial year ended 31 December 2007 (pages 41–83 of the Annual Report 2007); and
3. The financial information presented in the interim report of the Issuer concerning the period between 1 January and 30 September of the financial year 2009 (Interim Report Q3/2009).

8 DOCUMENTS ON DISPLAY

In addition to such documents that have been incorporated by reference to the Listing Prospectus, the following documents and copies thereof may be inspected and are available at normal business hours at the registered office of the Issuer, Postintaival 7A, 00230 Helsinki, Finland, for the period of validity of this Listing Prospectus.

1. Extract from the Trade Register concerning Itella Corporation; and
2. The articles of association of Itella Corporation.

APPENDIX 1: Terms and Conditions of the Notes

ITELLA CORPORATION EUR 200,000,000 4.375 % NOTES DUE 2016

TERMS AND CONDITIONS

ISIN CODE FI4000006564

The Board of Directors of the Issuer has in its meeting on 21 October 2009 decided to issue the Notes by way of notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended in 746/1993) (in Finnish: *velkakirjalaki*) on the terms and conditions specified below.

The arranger and the agent of the issue of the Notes is the Arranger (hereinafter also the "**Issue Agent**").

1 Amount and issuance of the Notes

The maximum principal amount of the Notes is EUR twohundred million (EUR 200,000,000) or a higher amount, as may later be determined by the Issuer.

The Notes will be issued in the RM-book-entry securities system of Euroclear Finland Oy ("**EFi**") in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of EFi.

The Issue Administrator (in Finnish: *liikkeeseenlaskun hoitaja*) of the Notes referred to in the regulations of EFi (the "**Issue Administrator**") is Pohjola Bank plc.

Notes may be issued in one or several tranches (each a "**Tranche**" and collectively the "**Tranches**"). The issue date of the first Tranche of the Notes is 11 November 2009 (the "**Original Issue Date**"). The issue date of each subsequent Tranche will be determined by the Issuer together with the Arranger.

The Notes will be offered for subscription in a minimum amount of EUR 50,000. The principal amount of each book-entry unit (in Finnish: *arvo-osuuden yksikkökoko*) is EUR 50,000.

2. Subscription of the Notes

Notes shall be offered for subscription to institutional investors in book-building procedure during periods to be separately advised. The first subscription period shall commence and end on 4 November 2009 (the "**First Subscription Date**").

Bids for subscription shall be submitted to Pohjola Bank plc, Debt Capital and Treasury Markets, Teollisuuskatu 1b, 00013 POHJOLA, telephone +358 10 252 7970.

The Issuer shall accept the final subscriptions. The Issuer may reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Subscriptions shall be paid for as instructed in connection with the subscription. When subscribing for the Notes prior to the first Interest Payment Date the subscriber shall pay interest accrued from the Original Issue Date until the payment date of the subscription. When subscribing for the Notes after the first Interest Payment Date the subscriber shall pay interest accrued from the commencement of the current interest period until the payment date of the subscription.

Notes subscribed and paid for shall be delivered by the Issue Administrator to the book-entry accounts of the subscribers on a date advised in connection with the issuance of the relevant Tranche in accordance

with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of EFi.

3. Issue Price

The issue price of the first Tranche of the Notes is 99.799 per cent. The Issue Price of each subsequent Tranche will be notified in connection with the subscription of such subsequent Tranche.

4. Interest

The rate of interest of the Notes is 4.375 per cent. per annum.

Interest on the Notes will be payable annually in arrears commencing on 11 November 2010 and thereafter on each 11 November (each an "**Interest Payment Date**"). Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Original Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date as defined below.

Interest shall accrue from the Original Issue Date on the Notes subscribed and paid for on or after the Original Issue Date but before the first Interest Payment Date, and from the immediately preceding Interest Payment Date on the Notes subscribed and paid for thereafter.

Interest in respect of the Notes will be calculated on "Actual/Actual ICMA" basis, meaning that the number of days elapsed in the relevant Interest Period is divided by 365 (or, in the case of a leap year, 366).

5. Redemption

The Notes shall be repaid in full at their nominal principal amount on 11 November 2016 (the "**Redemption Date**").

6. Status and Security

The Notes constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

7. Payments

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of EFi.

Should the payment date of interest or principal fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these Terms and Conditions, "**Business Day**" shall mean a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

8. Change of Control

If the Republic of Finland ceases to Control (as defined below) the Issuer, the Issuer shall immediately notify the holders of the Notes (the “**Holders**”) of such event in accordance with Condition 11.

The Issuer shall on the Prepayment Date (as defined below) prepay the principal of and accrued interest on as well as any other amount payable in respect of the Notes held by Holders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date (as defined below).

If Notes representing more than seventy-five (75) per cent. of the aggregate principal amount of the Notes have been prepaid pursuant to this Condition 8., the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the Holders in accordance with Condition 11. no later than 15 Business Days after the Prepayment Date (as defined below). Such prepayment may occur at the earliest on the tenth (10th) Business Day following the date of publication of such notice.

“**Control**” means either:

- (a) ownership (directly or indirectly) of more than 50 per cent. of the voting share capital or the issued share capital of the Issuer; or
- (b) to be capable of appointing the majority of the board of directors of the Issuer.

“**Prepayment Date**” means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 8.

9. Events of Default

If an Event of Default (as defined below) occurs, any Holder may by a written notice to Issuer declare the principal amount of such Note together with the interest any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10) day from the date such claim was presented provided that an Event of Default is continuing on the date of receipt of the notice and on the specified early repayment date.

Each of the following events shall constitute an Event of Default:

- (a) **Non-Payment:** any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 12.; or
- (b) **Cross Default:** any indebtedness (meaning moneys borrowed) of the Issuer exceeding the amount of EUR fifteen million (€15,000,000) or its equivalent in any other currency is declared or becomes otherwise due and payable prior to its specified maturity (other than at the option of the Issuer) because of default, howsoever described, or if any such indebtedness is not repaid on the due date thereof or within any applicable grace period after the due date. A Holder shall not be entitled to demand repayment under this sub-condition (c) if the Issuer has bona fide disputed the existence of the occurrence of an Event of Default under this sub-condition (c) in the relevant court or in arbitration as long as such dispute has not been finally and adversely adjudicated against the Issuer; or
- (c) **Cessation of business:** the Issuer ceases to carry on its current business entirely; or
- (d) **Winding-up or Insolvency:** the Issuer has been adjudged into winding-up (in Finnish: *selvitystila*) other than voluntary winding-up for purposes of reorganisation, or proceedings have been commenced for the bankruptcy or debt re-organization (in Finnish: *yrityssaneeraus*) of the Issuer.

10. Holders' Meeting

- (a) The Issuer may convene a meeting of the Holders (a "**Holders' Meeting**") to decide on amendments of these terms and conditions or other matters as specified below.
- (b) Notice of a Holders' Meeting shall be published in accordance with Condition 11. no later than ten (10) days prior to the meeting. The notice shall specify the time, place and agenda of the meeting as well as any action required on the part of a Holder to attend the meeting.
- (c) Holders' Meeting shall be held in Helsinki and its chairman shall be appointed by the Issuer.
- (d) Holders' Meeting shall constitute a quorum only if two or more Holders present hold fifty (50) per cent or more of the principal amount of the Notes outstanding.
- (e) If, within thirty (30) minutes after the time specified for the start of the Holders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than fourteen (14) days and no later than twenty-eight (28) days after the original meeting at a place to be determined by the Issuer. The adjourned Holders' Meeting shall constitute a quorum if two (2) or more Holders holding ten (10) per cent or more of the principal amount of the Notes outstanding are present.
- (f) Notice of an adjourned Holders' Meeting shall be given in the same manner as notice of the original meeting. The notice shall also state the conditions for the constitution of a quorum.
- (g) Voting rights of Holders shall be determined according to the principal of the Notes held. The Issuer and any companies belonging to its group shall not hold voting rights at the Holders' Meeting.
- (h) Resolutions shall be carried by a majority of two-thirds (2/3) of the votes cast. In the event of a tied vote, the Chairman of the meeting shall have the casting vote.
- (i) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Holders' Meeting.
- (j) A Holders' Meeting is entitled to make the following decisions that are binding on all the Holders:
 - (vii) to change the terms and conditions of the Notes;
 - (viii) to grant a temporary waiver on the terms and conditions of the Notes;However, consent of all the Holders is required to:
 - (ix) decrease the principal of or interest on the Notes;
 - (x) extend the maturity of the Notes;
 - (xi) amend the conditions for the constitution of a quorum at a Holders' Meeting; or
 - (xii) amend the majority requirements of the Holders' Meeting.

The consents can be given at a Holders' Meeting or by other verifiable means. The Holders' Meeting can authorise a named person to take necessary action to enforce the decisions of the Holders' Meeting.

- (k) Resolutions passed at a Holders' Meeting shall be binding on all Holders irrespective of whether they have been present at the Holders' Meeting.
- (l) Resolutions passed at a Holders' Meeting shall be deemed to have been notified to the Holders once they have been entered into the issue account of the Notes maintained by EFi. In addition, Holders are obliged to notify subsequent transferees of the Notes of the resolutions of the Holders' Meeting.

11. Notices

Holders shall be advised of matters relating to the Notes by a letter to Holders or by a notice published in Helsingin Sanomat or any other national daily newspaper selected by the Issuer. Any such notice shall be deemed to have been received by the Holders when published in any manner specified in this Condition 11.

In order to facilitate giving of notices to the Holders, the Issue Administrator is entitled to obtain information necessary for such purpose from EFi, including the name, contact information and corporate identification number of the holder.

12. Force Majeure

The Issuer, the Arrangers or the Issue Administrator shall not be responsible for any damage caused by force majeure or any other unreasonable obstacle of their operations caused by any similar reason.

13. Taxation

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Issue Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or the Issue Agent, (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the Issue Agent will be obligated to make any additional payments to Holders in respect of such withholding or deduction.

14. Prescription

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall be prescribed.

15. Listing

Following the issuance of the Notes, an application will be made in order to have the Notes listed on Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd before end of the year 2009.

16. Information

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Postintaival 7 A, 00230 Helsinki, and at Pohjola Bank plc, Debt Capital and Treasury Markets, Teollisuuskatu 1b, 00510 Helsinki.

17. Applicable Law and Jurisdiction

The Notes shall be governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (in Finnish: *Helsingin käräjäoikeus*). However, any plaintiff that is a consumer is entitled to proceed at the district court of the plaintiff's domicile.

18. ISIN code

FI4000006564.