

# Posten Norden

## Year-end report 2009

- Net sales for the full year totalled SEK 44,633m (45,810)
- Operating earnings for the full year totalled SEK 284m (2,946)
- Excluding restructuring costs of SEK 1,154m (163), operating earnings for the full year totalled SEK 1,438m (3,109)
- Earnings before tax for the full year totalled SEK 2,439m (3,640) and net earnings totalled SEK 2,414m (2,749)
- As part of the merger an additional dividend of SEK 1,400m was paid to the Swedish state. Post Danmark also divested its share in MIE Group S.A. which represented Post Danmark's equity interest in Belgian Post, De Post N.V.-La Poste S.A. The divestment produced a capital gain of SEK 2,002m
- The Board proposes a dividend of SEK 1,440m



## CONTENTS

Key events 2009	p. 2
Message from the CEO	p. 3
Net sales and earnings	p. 4
Cash flows	p. 5
Financial position	p. 5
Market prospects	p. 6
Parent company	p. 6
Risks and uncertainties for the group and the parent company	p. 7
Key events after the close of the period	p. 7
Consolidated financial statements	p. 8
Notes, consolidated statements	p. 11
Parent company financial statements	p. 18
Notes, parent company	p. 19
Quarterly data	p. 20
Definitions	p. 21
Posten Norden in brief	p. 22

## Financial calendar 2010

Printed versions of the annual report in Swedish, Danish and English may be ordered from Posten Norden AB, 105 00 Stockholm or via e-mail [ir@posten.se](mailto:ir@posten.se) from 22 March 2010.

Annual General Meeting takes place on April 14, 2010 at Posten Norden's headquarters in Solna, Sweden

Interim report January-March 2010 published on May 12, 2010

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## Contact information

Director of Corporate Communications  
**Per Mossberg**, +46 (0)8 781 1194

Chief Financial Officer  
**Bo Friberg**, +46 (0)8 781 1529

Head of Investor Relations  
**Elisabet Johansson**, +46 (0)8 781 1016

Every care has been taken in the translation of this year-end report. In the event of discrepancies, however, the Swedish original will supersede the English translation.

## Key events 2009

- **February 2:** Go-ahead for merger of Post Danmark A/S and Posten AB. Owners have signed a merger agreement. Post Danmark A/S agrees to divest its shares in Belgian Post, De Post-La Poste, to CVC Capital Partners.
- **February 26:** Post Danmark A/S and Posten AB's proposed merger notified to the EU Commission for examination.
- **March 4:** Post Danmark A/S increases its equity interest in e-Boks to 50 %. A leader in the distribution and storage of electronic mail, with over two million users, e-Boks won a procurement earlier in the year to provide full-scale digitalisation and communication solutions to the Danish state.
- **April 21:** EU Commission approves the merger. Conditions for approval include reduction of market share on the Danish business parcel market.
- **May 15:** The CEO of Post Danmark A/S, Helge Israelsen announces his retirement.
- **June 24:** Formal merger of Post Danmark A/S and Posten AB is completed. The corporate executive board for the new group (Post Norden) is appointed.
- **July 15:** As part of the merger of Posten AB and Post Danmark A/S, Post Danmark sells its share in MIE Group S.A, which represented Post Danmark's equity interest in Belgian Post, De Post-La Poste, to CVC Capital Partners.
- **Aug 24:** Posten Norden AB (publ) extraordinary general meeting. Entire Board of non-executive Directors for the group is appointed.
- **October 28:** GLS acquires portions of Posten Norden's Danish business parcel operations within Post Danmark A/S and DPD, thereby fulfilling the Commission's conditions for approving the merger.
- **October 29:** Posten Norden acquires the Belgian transport company EKL.

## Posten Norden's mission

- Posten Norden's mission is to connect people and businesses by delivering mail reliably, efficiently and on time.

## Posten Norden's vision

- Posten Norden delivers world-class communication and logistics solutions to satisfied customers.
- Posten Norden develops strong, profitable international logistics and information logistics operations through ownership, partnership and collaboration.
- Posten Norden is an attractive, stimulating workplace with committed, motivated employees.
- Posten Norden is an environmentally correct choice for its customers.

## Acceptable operating earnings given the circumstances, substantial operational improvements and a rapid merger process

The group was formally established on 24 June 2009 and consolidated as of 1 July 2009. Information for calendar year 2009 and all comparative information are pro forma.

- Net sales for the full year totalled SEK 44,633m (45,810)
- Operating earnings for the full year totalled SEK 284m (2,946)
- Excluding restructuring costs of SEK 1,154m (163), operating earnings for the full year totalled SEK 1,438m (3,109)
- Earnings before tax for the full year totalled SEK 2,439m (3,640) and net earnings totalled SEK 2,414m (2,749)
- As part of the merger an additional dividend of SEK 1,400m was paid to the Swedish state. Post Danmark also divested its share in MIE Group S.A. which represented Post Danmark's equity interest in Belgian Post, De Post N.V.-La Poste S.A. The divestment produced a capital gain of SEK 2,002m
- The Board proposes a dividend of SEK 1,440m

### Key Ratios

SEKm, unless otherwise specified	Pro forma							Pro forma		
	Jul-Dec	Jul-Dec	Oct-Dec	Oct-Dec	Change		Jan-Dec	Jan-Dec	Change	
	2009	2008	2009	2008			2009	2008		
Net sales	21,858 <sup>1)</sup>	22,731	11,636 <sup>3)</sup>	12,063	-427	-4%	44,633 <sup>4)</sup>	45,810	-1,177	-3%
Operating earnings	-406	1,013	-685	444	-1,129	-254%	284	2,946	-2,662	-90%
Operating margin, %	neg	4.4	neg	3.6			0.6	6.3	-5.7	
Earnings before tax	1,545 <sup>2)</sup>	1,359	-696	794	-1,490	-188%	2,439 <sup>2)</sup>	3,640	-1,201	-33%
Net earnings	1,706 <sup>2)</sup>	1,037	-492	649	-1,141	-176%	2,414 <sup>2)</sup>	2,749	-335	-12%
Cash flows from operating activities	640									
ROE, %, rolling 12-month period	20	27	20	27			20	27		
Equity-assets ratio, %, at end of period	45	39	45	39			45	39		
Average number of employees	47,319	52,145	46,010	50,898			47,625	51,783		

<sup>1)</sup> Net sales decreased 6 % excluding structural and currency changes.

<sup>2)</sup> Includes capital gain of SEK 2,002m on the sale of Post Danmark A/S' share of Belgian Post De Post-La Poste

<sup>3)</sup> Net sales decreased 5 % excluding structural and currency changes.

<sup>4)</sup> Net sales decreased 7 % excluding structural and currency changes.

### Message from the CEO

Posten Norden's 2009 result demonstrates the extent to which the recession and substitution have impacted the demand for communication and logistics services. It also clearly indicates the need to be able to rapidly adjust costs to lower income levels. The sharp decline in letter volumes is the main cause of Posten Norden's lower earnings.

Measures begun in the autumn of 2008 to adapt costs to falling revenues have enabled Posten Norden to report an acceptable result, given the circumstances.

During the year, we decided to take additional steps to address the continued uncertain market situation and other factors that impact our business. The restructuring costs of over one billion SEK charged to 2009 earnings enable necessary adjustments of production capacity within all business areas, modernisation of the service network and rationalisations within administration.

The merger of Post Danmark A/S and Posten AB was formally completed just over six months ago. Our efforts have been distinguished by a fast pace and good progress. We have focused on creating favourable conditions and working methods without losing focus on customers, costs, quality and employees. It is especially gratifying that our customers are increasingly satisfied and that we have further improved our already excellent delivery quality with improved production processes and expanded employee involvement.

Thanks to our urgent efforts to adjust costs, and combined with the divestment of De Post-La Poste, Posten Norden's financial position has actually been strengthened. The construction of the best communication and logistics company in the Nordics has begun.

# Net sales and earnings

## Jan-Dec pro forma

SEKm	Net sales				Operating earnings			Operating earnings excl. restructuring costs		
	2009	2008	Change	Change excl. structural & currency	2009	2008	Change	2009	2008	Change
Mail Denmark	13,094	12,727	2.9%	-8.1%	444	1,197	-63%	662	1,197	-45%
Mail Sweden	15,794	16,574	-4.7%	-5.0%	397	967	-59%	936	1,314	-29%
Informationlogistics	3,762	4,032	-6.7%	-4.3%	-351	-3	n/a	-164	67	n/a
Logistics	12,673	12,850	-1.4%	-9.1%	-158	100	n/a	-64	159	n/a
Other and eliminations	-690	-373	-85.0%	-12.0%	-48	685	n/a	68	372	-82%
<b>Posten Norden Group</b>	<b>44,633</b>	<b>45,810</b>	<b>-2.6%</b>	<b>-6.9%</b>	<b>284</b>	<b>2,946</b>	<b>-90%</b>	<b>1,438</b>	<b>3,109</b>	<b>-54%</b>

## Jul-Dec (2008 pro forma)

SEKm	Net sales				Operating earnings			Operating earnings excl. restructuring costs		
	2009	2008	Change	Change excl. structural & currency	2009	2008	Change	2009	2008	Change
Mail Denmark	6,160	6,140	0.3%	-5.2%	64	374	-83%	282	374	-25%
Mail Sweden	7,823	8,194	-4.5%	-4.6%	-91	260	n/a	448	607	-26%
Informationlogistics	1,772	1,944	-8.8%	-3.0%	-272	-23	n/a	-85	47	n/a
Logistics	6,290	6,473	-2.8%	-7.2%	-55	-25	n/a	39	34	15%
Other and eliminations	-187	-20	n/a	n/a	-52	427	n/a	10	171	-94%
<b>Posten Norden Group</b>	<b>21,858</b>	<b>22,731</b>	<b>-3.8%</b>	<b>-5.8%</b>	<b>-406</b>	<b>1,013</b>	<b>n/a</b>	<b>694</b>	<b>1,233</b>	<b>-44%</b>

## Oct-Dec (2008 pro forma)

SEKm	Net sales				Operating earnings			Operating earnings excl. restructuring costs		
	2009	2008	Change	Change excl. structural & currency	2009	2008	Change	2009	2008	Change
Mail Denmark	3,305	3,320	-0.5%	-2.6%	-69	169	n/a	149	169	-12%
Mail Sweden	4,259	4,437	-4.0%	-3.8%	-277	21	n/a	262	368	-29%
Informationlogistics	899	1,031	-12.8%	-7.7%	-191	-89	n/a	-43	-19	n/a
Logistics	3,353	3,324	0.9%	-3.1%	-112	-66	-70%	-18	-7	n/a
Other and eliminations	-180	-49	n/a	n/a	-36	409	n/a	15	128	-88%
<b>Posten Norden Group</b>	<b>11,636</b>	<b>12,063</b>	<b>-3.5%</b>	<b>-4.7%</b>	<b>-685</b>	<b>444</b>	<b>n/a</b>	<b>365</b>	<b>639</b>	<b>-43%</b>

## Change in net sales as compared to prior year

	Jan-Dec pro forma		Jul-Dec		Oct-Dec	
	SEKm	%	SEKm	%	SEKm	%
2008 pro forma	45,810		22,731		12,063	
Structural change	-51	-0.1%	-73	-0.3%	3	0.0%
Currency change, translation of foreign net sales	2,033	4.4%	522	2.3%	133	1.1%
Price and volume change	-3,159	-6.9%	-1,322	-5.8%	-563	-4.7%
<b>2009</b>	<b>44,633</b>		<b>21,858</b>		<b>11,636</b>	

### January-December, pro forma

Net sales, excluding structural and currency changes, fell by 7 %. Currency change was due to the fall of the Swedish krona, particularly in relation to the Danish krone. Sales in all business areas were negatively impacted by the recession and the subsequent fall in demand. Mail sales fell off due to electronic substitution, which was hastened by the recession. Income from direct mail declined, but not to the same extent as for the total market for media investments. Newspaper distribution was marked by a reduced number of editions and lower newspaper weight. The information logistics market was characterised by depressed prices. Apart from the recession, substitution had a negative effect on print volumes. The logistics market was characterised by overcapacity and depressed prices.

The drop in operating earnings reflects lower net sales following restructuring costs of SEK 1,154m (163). Measures will be taken in all business areas, involving adjustments to and efficiency measures in production capacity. Provisions include the cost of moving service from business centres to partner outlets, an adjustment to changed customer behaviour, and administrative rationalisations made possible in part by the merger.

The group's operating costs fell by 4 %, excluding currency change and restructuring costs, due to measures already implemented, despite higher pension costs of approximately SEK 400m. The higher pension costs for 2009 are essentially explained by the 2008 drop in plan assets in Posten's Pension Fund. Comparisons to 2008 are affected by a reversal of pension payments to the Danish state in 2008.

Net financial items totalled SEK 2,155m (694). The difference as compared to the corresponding period last year is due mainly to the capital gain from the sale of Post Danmark A/S's share in the holding company MIE Group S.A. which represented Post Danmark's equity interest in the Belgian Post, De Poste-La Poste. Net interest income totalled SEK -63m (152), attributable to the lower interest rate level.

Net earnings totalled SEK 2,414m (2,749). Tax totalled SEK -25m (-891). The change is attributable to lower earnings, the use of previous tax losses carried forward and deferred tax on new fiscal deficits.

Return on equity totalled 20 (27) %.

### July-December, comparatives pro forma

Net sales, excluding structural and currency changes, declined by 6 %. Since the effects of the recession impacted the autumn 2008 results, the half-year decrease was less than the decrease for the full year.

Operating earnings, excluding restructuring costs of SEK 1,100m (220) totalled SEK 694m (1,233).

Net financial items totalled SEK 1,951m (346). The improvement is primarily due to capital gain from the sale of Post Danmark's share in MIE Group S.A. which represented Post Danmark's equity interest in the Belgian Post, De Post-La Poste.

Net earnings totalled SEK 1,706m (1,037). Tax totalled SEK 161m (-322).

### October-December, comparatives pro forma

Net sales, excluding structural and currency changes, fell by 5 %.

Operating earnings, excluding restructuring costs of SEK 1,050m (195) totalled SEK 365m (639).

Net financial items totalled SEK -11 (350). The difference as compared to the corresponding period last year is due mainly to lower income from participations in associated companies.

Net earnings totalled SEK -492m (649). Tax totalled SEK 204m (-145).

## Cash flows

### July-December

Cash flow from operating activities totalled SEK 640m.

Cash flow from investing activities totalled SEK 3,327m.

Sale of shares in MIE Group, which represented Post Danmark's equity interest in the Belgian Post, impacted cash flow by SEK 4,044m. Cash flow from investments in tangible fixed assets totalled SEK -773m.

Cash flow from financing activities totalled SEK -929m. Cash flow was chiefly impacted by loan amortisation and the redemption of management and employee shares in Post Danmark A/S.

Cash and cash equivalents totalled SEK 1,844m at the beginning of the period. As compared to the close of the July-December period, cash and equivalents increased by SEK 3,008m, including exchange rate differences in cash and cash equivalents of SEK -30m.

## Financial position

*All comparative information is pro forma.*

The group's equity totalled SEK 13,358m (11,332) as of 31 December 2009. Of this amount, SEK 13,267m (11,305) is attributable to parent company shareholders and SEK 91m (27) to minority interests.

As of 31 December, 99.9 % of Post Danmark A/S's minority shareholders had exercised their share redemption option. Unredeemed shares will be subject to compulsory redemption in April 2010.

Net financial position totalled SEK 4,528m (-11). Net financial position excluding pension-related items totalled SEK 3,199m (-771). The change in net financial position is due to the sale of MIE Group (De Post-La Poste), reflected in the increase of cash and cash equivalents of SEK 2,597m.

The equity/assets ratio totalled 45 (39) %.

## Consolidated statement of net financial position

SEKm	31 Dec	Pro forma 31 Dec
	2009	2008
Financial investments	149	132
Long-term receivables		28
Short-term investments	1	1
Cash and cash equivalents	4,852	2,255
<b>Total financial assets</b>	<b>5,002</b>	<b>2,416</b>
Long-term interest-bearing liabilities	1,193	2,032
Current interest-bearing liabilities	610	1,155
<b>Total financial liabilities</b>	<b>1,803</b>	<b>3,187</b>
<b>Net financial position excl. pensions</b>	<b>3,199</b>	<b>-771</b>
Pension-related assets, long-term receivables	2,994	2,154
Pension-related liabilities, pension provisions	1,665	1,394
<b>Net financial position incl. pensions</b>	<b>4,528</b>	<b>-11</b>

## Market prospects

The demand for communication and logistics solutions was impacted by the difficult economic situation and continued substitution during 2009, and also by the structural transformation of the postal and logistics markets. For several years the logistics industry has been characterised by growing consolidation in which major global operators have become increasingly dominant. Due to changes in customer behaviour the postal market has become a part of a communications market that presents competition from other operators and other forms of communication, dramatically altering long-range conditions for running postal operations. For Posten Norden, these changes also present significant opportunities for growth. Posten Norden has an attractive, cohesive e-commerce offer. It is a matter of both managing communication and logistics flows to businesses and meeting buyers' demands for security and simplicity in receiving their orders.

Most of the liberalisation of national European postal markets will be implemented by the turn of the year 2010/2011. Full-scale liberalisation is meant to open markets to competition with a level playing field for all participants. This, however, is not likely to be the case. Expect instead a re-adjusted market with major variations between countries. The large, often state-owned operators risk being subject to new restrictions that impede and limit competitiveness and profitability.

2010 is expected to be characterised by the continued uncertainty of the economic situation, fierce competition, overcapacity and continued substitution and price pressure. Although it appears that the recession bottomed out in the autumn of 2009, it is expected to take some time before economic activity reaches levels seen during the last economic boom. To meet this anticipated development Posten Norden will continue its efforts to create a more flexible cost structure in all operations. The goal is to increase the extent to which total capacity is adjusted to variations on the volume side. Increased cost-efficiency is a prerequisite for strengthening competitiveness even at times when the market is not growing. Efforts to secure previously identified and new synergies will also be prioritised.

## Parent company

The Swedish Ministry of Enterprise, Energy and Communications and the Danish Ministry of Transport announced on February 2, 2009 their signing of the agreement for the merger of Posten AB and Post Danmark A/S through a joint venture between the Swedish and Danish states. The owners established a new company, Posten Norden AB, which became the parent company of the joint group as of 24 June 2009. The Posten AB and Post Danmark A/S groups were consolidated as of 1 July 2009.

The merger was reported in accordance with the "carry-over method", meaning that consolidated net assets were reported at their book value at Posten AB and Post Danmark A/S at the time of the merger. Votes are allocated 50/50 between the Swedish and Danish states. The Swedish state owns 60 per cent of the equity and the Danish state 40 per cent.

The parent company has run an extremely limited operation and has only one employee, the President/CEO. No net sales were reported for the period and costs incurred were primarily personnel costs for the CEO and fees paid to the board and the auditors. The parent company reported anticipated dividends from Posten AB and Post Danmark A/S of SEK 2,044m. Other financial items totalled SEK -5m and earnings after financial items totalled SEK 2,029m. No cash and cash equivalents were reported, and no investments in tangible fixed assets were made.

### Proposed dividend

The Board proposes a dividend of SEK 1,440m.

## Risks and uncertainties for the group and the parent company

### Risk management pursuant to ERM

For several years, both Post Danmark and Posten have worked in a structured way with Enterprise Risk Management (ERM). A common fundamental principle has been that the Committee of Sponsoring Organisation's (COSO) international ERM framework should be instructive rather than controlling. This is important for the continued work to establish a joint risk management ERM programme at Posten Norden. During the first phase, Posten Norden's goals have been to co-ordinate risk scenarios and create a risk map at the group level. The group's first common risk map was presented in conjunction with the group's first joint interim report issued 11 November 2009. The second phase – which has commenced and will continue through the first six months of 2010 – is aimed at creating a joint ERM strategy which will ensure that identification, prioritisation, analysis, evaluation, management and reporting occurs pursuant to the same principles and based on shared models and tools.

The risks, risk management and factors that may impact the operations of the parent company and the group are described in Posten Norden's interim report issued 11 November 2009. No significant changes have occurred that affect the reported risks.

## Key events after the close of the period

Posten Norden entered into an agreement with Logica to take over the development and management of SAP and other IT applications. Under the terms of the 5-year agreement, approximately 280 Posten Norden employees will be transferred to Logica's operations in Sweden and Denmark. Logica also assumes responsibility for subcontracts equivalent to approximately 150 full-time consultants. The transaction plays an important role in the realisation of several IT synergies identified in connection with the merger.

Bring Citymail, owned by the Norwegian state-owned Posten Norge which holds a monopoly in its home market, has sued Posten in the Swedish Market Court. Bring Citymail claims that Posten should terminate the discount it offers to customers with large pre-sorted mailings. The Competition Authority considered the issue in 2009 and dismissed the case in December based on lack of any grounds to further investigate the issue.

*Stockholm, 23 February 2010*  
Posten Norden AB (Publ)

*Lars G Nordström*  
President and CEO

This report has not been audited.

# Consolidated financial statements

## Income statement

SEKm	Note	Pro forma			Pro forma		
		Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Net sales	1, 2	21,858	22,731	11,636	12,063	44,633	45,810
Other operating income		120	345	65	193	249	586
<b>Operating income</b>	3	<b>21,978</b>	<b>23,076</b>	<b>11,701</b>	<b>12,256</b>	<b>44,882</b>	<b>46,396</b>
Personnel costs	4	-10,938	-10,939	-5,920	-5,910	-22,633	-22,113
Transportation costs		-3,902	-3,989	-1,968	-1,952	-7,561	-7,722
Other costs	5	-6,547	-6,180	-3,984	-3,445	-12,397	-11,788
Depreciation and impairment of tangible and intangible assets		-1,010	-952	-531	-504	-2,014	-1,831
<b>Operating costs</b>		<b>-22,397</b>	<b>-22,060</b>	<b>-12,403</b>	<b>-11,811</b>	<b>-44,605</b>	<b>-43,454</b>
Participations in the earnings of associated companies and joint ventures		13	-3	17	-1	7	4
<b>OPERATING EARNINGS</b>		<b>-406</b>	<b>1,013</b>	<b>-685</b>	<b>444</b>	<b>284</b>	<b>2,946</b>
Financial income		113	169	75	85	188	392
Financial costs		-128	-139	-68	-81	-251	-240
Participations in the earnings of associated companies and joint ventures		1,966	316	-18	346	2,218	542
<b>Net financial items</b>		<b>1,951</b>	<b>346</b>	<b>-11</b>	<b>350</b>	<b>2,155</b>	<b>694</b>
<b>Earnings before tax</b>		<b>1,545</b>	<b>1,359</b>	<b>-696</b>	<b>794</b>	<b>2,439</b>	<b>3,640</b>
Tax		161	-322	204	-145	-25	-891
<b>NET EARNINGS</b>		<b>1,706</b>	<b>1,037</b>	<b>-492</b>	<b>649</b>	<b>2,414</b>	<b>2,749</b>
<b>Attributable to</b>							
Parent company shareholders		<b>1,712</b>	<b>1,036</b>	<b>-487</b>	<b>646</b>	<b>2,421</b>	<b>2,753</b>
Minority interests		-6	1	-5	3	-7	-4
Results per share, SEK		0.86		-0.24			

## Comprehensive income statement

SEKm	Jul-Dec 2009
<b>Net earnings</b>	<b>1,706</b>
Net translation differences	-344
<b>NET COMPREHENSIVE INCOME</b>	<b>1,362</b>
<b>Attributable to</b>	
Parent company shareholders	1,369
Minority interests	-7

## Balance sheet

SEKm	Note	31 Dec	Pro forma 31 Dec
		2009	2008
	1, 2		
<b>ASSETS</b>			
Goodwill		3,055	2,994
Other intangible fixed assets		1,962	2,243
Tangible fixed assets		9,173	9,568
Participations in associated companies and joint ventures		117	1,684
Financial investments		149	132
Long-term receivables		3,008	2,188
Deferred tax assets		168	127
<b>Total fixed assets</b>		<b>17,632</b>	<b>18,936</b>
Inventory		299	297
Tax receivable		215	169
Accounts receivable		4,495	5,121
Prepaid expenses and accrued income		1,623	1,134
Other receivables		454	895
Short-term investments		1	1
Cash and cash equivalents		4,852	2,255
<b>Total current assets</b>		<b>11,939</b>	<b>9,872</b>
<b>TOTAL ASSETS</b>		<b>29,571</b>	<b>28,808</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital stock		2,000	2,000
Contributed equity		9,898	9,305
Reserves		- 343	
Retained earnings		1,712	
<b>Total equity attributable to parent company shareholders</b>		<b>13,267</b>	<b>11,305</b>
<b>Minority interests</b>		91	27
<b>TOTAL EQUITY</b>		<b>13,358</b>	<b>11,332</b>
<b>LIABILITIES</b>			
Long-term interest-bearing liabilities		1,193	2,032
Other long-term liabilities		199	263
Pension provisions		1,665	1,394
Other provisions	7	1,919	1,774
Deferred tax liabilities		742	813
<b>Total long-term liabilities</b>		<b>5,718</b>	<b>6,276</b>
Current interest-bearing liabilities		610	1,155
Accounts payable		1,896	2,502
Tax liabilities		145	106
Other current liabilities		1,859	2,046
Accrued costs and prepaid income		5,274	4,678
Other provisions	7	711	713
<b>Total current liabilities</b>		<b>10,495</b>	<b>11,200</b>
<b>TOTAL LIABILITIES</b>		<b>16,213</b>	<b>17,476</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,571</b>	<b>28,808</b>

For information on the group's pledged and contingent liabilities, see Note 9.

## Cash flow statement

SEKm	Note	Jul-Dec 2009
<b>OPERATING ACTIVITIES</b>		
Earnings before tax		1,545
Adjustments for non-cash items:		
Reversal of depreciation according to plan		1,010
Capital gain/loss on sale of fixed assets		65
Capital gain on sale of operations		-2,001
Pension provisions		395
Other provisions		752
Other items not affecting liquidity		-9
Tax paid		222
<b>Cash flows from operating activities before changes in working capital</b>		<b>1,979</b>
Cash flows from changes in working capital		
Increase(-)/Decrease(+) in accounts receivable		655
Increase(+)/Decrease(-) in accounts payable		-314
Pensions		-530
Other provisions		-303
Other changes in working capital		-847
<b>Changes in working capital</b>		<b>-1,339</b>
<b>Cash flows from operating activities</b>		<b>640</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in intangible fixed assets		-117
Investments in tangible fixed assets		-773
Investments in financial fixed assets		-11
Acquisition of subsidiaries		-13
Divestment of subsidiaries		36
Divestment of associated companies		4,045
Divestment of financial fixed assets		133
Divestment of other fixed assets, etc.		27
<b>Cash flows from financial activities</b>		<b>3,327</b>
<b>FINANCING ACTIVITIES</b>		
Loans amortised		-440
Changes in leasing liabilities		-66
Redemption minority Post DK A/S		-317
Increase(+)/Decrease(-) in other financial liabilities		-106
<b>Cash flows from financing activities</b>		<b>-929</b>
<b>CASH FLOWS FOR THE PERIOD</b>		
Cash and cash equivalents, beginning of the period		1,844
Differences in exchange rates in cash and cash equivalents		-30
Cash and cash equivalents, end of period		4,852

## Changes in equity

SEKm	Equity attributable to parent company shareholders						Total equity
	Capital stock <sup>1)</sup>	Contributed equity	Accum. translation difference	Retained earnings	Total	Minority interest	
Issue in kind	2,000	10,141			12,141		12,141
Result of issue		-243			-243	415	172
1 July 2009	2,000	9,898			11,898	415	12,313
Redemption of Post DK A/S shares						-317	-317
Earnings for the period				1,712	1,712	-6	1,706
Other total earnings for the period			-343		-343	-1	-344
<b>Equity 31/12/09</b>	<b>2,000</b>	<b>9,898</b>	<b>-343</b>	<b>1,712</b>	<b>13,267</b>	<b>91</b>	<b>13,358</b>

<sup>1)</sup> Number of shares: 2,000,000,001; 1,524,905,971 common shares and 475,094,030 series B shares

# Notes

## NOTE 1 Accounting principles

### COMPLIANCE WITH LEGISLATION AND REGULATIONS

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), together with interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC), to the extent that they have been approved by the European Commission for application within the European Union. The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's rule RFR 1.2, Supplemental Financial Statements for Groups were also applied.

### CONSOLIDATED FINANCIAL STATEMENTS

The group's year-end report is prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The same accounting principles and methods of calculation were used in this interim report as in the January-September 2009 interim report.

The complete text of Note 1, Accounting Principles is available at Posten Norden's homepage: [www.postennorden.com](http://www.postennorden.com).

## NOTE 2 Estimates and assessments

In making these financial reports, the executive management has made assessments, estimates and assumptions that affect the group's reported accounts. These estimates and assumptions are based on what is known at the time the financial reports are presented, as well as historical experience and assumptions that the executive management considers reasonable under the current circumstances. The conclusions drawn by executive management form the basis for the reported values in the accounts. Actual future values, estimates and assessments in future financial reports in the coming year may differ from those in this report, due to changing environmental factors and new knowledge and experience.

The most significant estimates and assessments for Posten Norden have been made in the areas described below.

### POSTAL OBLIGATION

Posten Norden's postal obligation is calculated for stamps which have been sold but not used. Assumptions used in calculating the postal obligation affect the size of the obligation. Assumptions are based on the number of stamps sold to but not used in Sweden and Denmark. Investigations are conducted in Sweden and Denmark to ensure that the assumptions are reasonable. The size of the obligation may be affected in cases where investigations show changes in the behaviour of the population or where a sample group is not representative of the population.

### INTANGIBLE ASSETS

Assumptions are made about future conditions in order to calculate future cash flows that determine the recoverable value of goodwill, brand and customer relations. The recoverable value is compared with the reported value for these assets and forms the basis for possible impairment or reversals. The assumptions that affect the recoverable value most are future volume development, profit margin development, the discount rate and estimated useful life of the asset. If future environmental factors and circumstances change, these assumptions may be affected so that the reported values of intangible assets are changed.

### PENSION COMMITMENTS

In the actuarial calculations of Posten Norden's pension commitments, a number of estimates are made in order to set reasonable assumptions. The most significant are the assumption of the discount rate, future expected return on assets under management, wage trends and inflation. Modifications of the assumptions due

to changing environmental factors may influence Posten Norden's financial statements if the effects of the revised assumptions should fall outside the "corridor". Modified assumptions also affect the cost forecasts for the upcoming year. A change in the balance between the rate of return and the interest on debt of +/- 0.1 percentage point, other things being equal, impacts earnings by SEK 15m increased or decreased financial cost/income. A change in the discount rate of +/- 0.1 percentage point, other things being equal, leads to an impact on earnings through increased or decreased amortisation of actuarial losses of SEK 30-40m. Changes in inflation or wage trends, individually and all other things being equal, of +/- 0.1 percentage point leads to an impact on earnings through increased or decreased amortisation of actuarial losses of SEK 20-25m.

### PROVISIONS

In its conversion into a corporation in Sweden in 1993, Posten Norden assumed a contingent liability (special temporary provisions) such that certain categories of the workforce may choose to retire early, at the age of 60 or 63. The contingent liability is reported as a provision in the balance sheet and is calculated based on previous experience of the proportion of persons who have chosen to exercise their right to early retirement in accordance with these provisions. If the number of those who choose this option should change, the liability will change accordingly. A change of 5 percentage points to the number choosing this option causes an impact on earnings of SEK 15-20m.

### TAXES

The capitalisation of tax loss carry-forwards has been assessed based on business plans and estimates of future taxable profits that can utilise tax loss carry-forwards. Estimates have been made of non-deductible costs and non-taxable income in accordance with current tax regulations. Furthermore, consideration has been taken of the next six years' financial results in order to evaluate the reported tax claim at the currently applicable tax rate. Changes to tax legislation in Sweden and other countries where Posten Norden operates and changes in interpretation and application of applicable legislation may influence the size of the reported tax assets and liabilities. Changed circumstances that impact the assumptions will also influence financial results for the year.

## NOTE 3 Reporting of business segments

Posten Norden's organisation into business areas is based on the manner in which Posten Norden is governed and activities are reported to management. Market pricing applies to internal dealings between Posten Norden business areas. There is no latitude for making external purchases where the service in question is available internally.

Cost distribution of shared corporate functions is at cost price with full allocation of costs.

**Mail Denmark** is responsible for Posten Norden's messaging operations in Denmark. The business area offers nationwide messaging services, including distribution of letters, periodicals and direct mail as well as drop-off and collection of private parcels.

**Mail Sweden** is responsible for Posten Norden's messaging operations in Sweden. The business area offers nationwide messaging services, including distribution of letters, periodicals and direct mail as well as drop-off and collection of private parcels.

**Informationlogistics** is responsible for Posten Norden's information logistics operations. The business area develops, produces and delivers systems, services and products for efficient customer communication. The business area also includes labelling and identification solutions.

### Note 3, cont.

**Logistics** is responsible for Posten Norden's logistics operations. With its own capacity in Sweden, Norway, Denmark, Finland, Germany, Belgium and the Netherlands, the business area offers standard parcel, pallet and express services as well as in-night freight forwarding, third-party logistics and shipping.

**Group functions** include shared services and corporate functions and the Swedish Cashier Service. Costs for shared services and corporate functions are charged to the business areas.

**Adjustments and eliminations**, in addition to intra-group eliminations, are reported the effects of recalculating pensions according to IAS 19 and financial leasing according to IAS 17.

2009 JUL–DEC								
SEKm	Mail Denmark	Mail Sweden	Information-logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	5,980	7,717	1,751	6,290		21,738	120	21,858
Net sales, internal	180	106	21			307	-307	
<b>Total net sales</b>	<b>6,160</b>	<b>7,823</b>	<b>1,772</b>	<b>6,290</b>		<b>22,045</b>	<b>-187</b>	<b>21,858</b>
Other operating income, external	11	39	11	24	26	111	9	120
Other operating income, internal	822	322		671	2,951	4,766	-4,766	
<b>Total operating income</b>	<b>6,993</b>	<b>8,184</b>	<b>1,783</b>	<b>6,985</b>	<b>2,977</b>	<b>26,922</b>	<b>-4,944</b>	<b>21,978</b>
Personnel costs	-3,989	-3,997	-619	-1,675	-558	-10,838	-100	-10,938
Transportation costs	-377	-1,312	-106	-2,813	-10	-4,618	716	-3,902
Other costs	-2,421	-2,870	-1,143	-2,384	-2,021	-10,839	4,292	-6,547
Depreciations and impairments	-142	-96	-200	-168	-379	-985	-25	-1,010
<b>Total operating costs</b>	<b>-6,929</b>	<b>-8,275</b>	<b>-2,068</b>	<b>-7,040</b>	<b>-2,968</b>	<b>-27,280</b>	<b>4,883</b>	<b>-22,397</b>
Participations in the earnings of associated companies and joint ventures			13			13		13
<b>OPERATING EARNINGS</b>	<b>64</b>	<b>-91</b>	<b>-272</b>	<b>-55</b>	<b>9</b>	<b>-345</b>	<b>-61</b>	<b>-406</b>
Net financial items								1,951
<b>Earnings before tax</b>								<b>1,545</b>
Tax								161
<b>Net earnings</b>								<b>1,706</b>
Assets	12,786	7,604	3,543	6,544	26,602	57,079	-27,508	29,571
Liabilities	6,082	5,578	2,123	2,947	12,932	29,662	-13,449	16,213
Investments in fixed assets	402	117	141	175	66	901		901
Depreciations	142	96	163	169	367	937	36	973
Impairments			37			37		37
Provisions (+) / reversals (-)	218	539	140	51	62	1,010		1,010

2008 JUL–DEC PRO FORMA								
SEKm	Mail Denmark	Mail Sweden	Information-logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	6,041	8,062	1,905	6,531	83	22,622	109	22,731
Net sales, internal	99	132	39	-58		212	-212	
<b>Total net sales</b>	<b>6,140</b>	<b>8,194</b>	<b>1,944</b>	<b>6,473</b>	<b>83</b>	<b>22,834</b>	<b>-103</b>	<b>22,731</b>
Other operating income, external	175	49	85	-6	32	335	10	345
Other operating income, internal	900	385		784	2,964	5,033	-5,033	
<b>Total operating income</b>	<b>7,215</b>	<b>8,628</b>	<b>2,029</b>	<b>7,251</b>	<b>3,079</b>	<b>28,202</b>	<b>-5,126</b>	<b>23,076</b>
Personnel costs	-3,952	-4,177	-620	-1,743	-594	-11,086	147	-10,939
Transportation costs	-424	-1,262	-61	-2,927	-16	-4,690	701	-3,989
Other costs	-2,291	-2,838	-1,232	-2,426	-1,841	-10,628	4,448	-6,180
Depreciations and impairments	-174	-91	-152	-164	-335	-916	-36	-952
<b>Total operating costs</b>	<b>-6,841</b>	<b>-8,368</b>	<b>-2,065</b>	<b>-7,260</b>	<b>-2,786</b>	<b>-27,320</b>	<b>5,260</b>	<b>-22,060</b>
Participations in the earnings of associated companies and joint ventures			13	-16		-3		-3
<b>OPERATING EARNINGS</b>	<b>374</b>	<b>260</b>	<b>-23</b>	<b>-25</b>	<b>293</b>	<b>879</b>	<b>134</b>	<b>1,013</b>
Net financial items								346
<b>Earnings before tax</b>								<b>1,359</b>
Tax								-322
<b>Net earnings</b>								<b>1,037</b>

Note 3, cont.

2009 OCT-DEC								
SEKm	Mail Denmark	Mail Sweden	Information- logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	3,218	4,212	891	3,315		11,636		11,636
Net sales, internal	87	47	8	38		180	-180	
<b>Total net sales</b>	<b>3,305</b>	<b>4,259</b>	<b>899</b>	<b>3,353</b>		<b>11,816</b>	<b>-180</b>	<b>11,636</b>
Other operating income, external	1	11	8	22	17	59	6	65
Other operating income, internal	399	170		317	1,862	2,748	-2,748	
<b>Total operating income</b>	<b>3,705</b>	<b>4,440</b>	<b>907</b>	<b>3,692</b>	<b>1,879</b>	<b>14,623</b>	<b>-2,922</b>	<b>11,701</b>
Personnel costs	-2,055	-2,172	-324	-909	-400	-5,860	-60	-5,920
Transportation costs	-230	-657	-37	-1,480	47	-2,357	389	-1,968
Other costs	-1,471	-1,840	-634	-1,331	-1,294	-6,570	2,586	-3,984
Depreciations and impairments	-18	-48	-120	-84	-253	-523	-8	-531
<b>Total operating costs</b>	<b>-3,774</b>	<b>-4,717</b>	<b>-1,115</b>	<b>-3,804</b>	<b>-1,900</b>	<b>-15,310</b>	<b>2,907</b>	<b>-12,403</b>
Participations in the earnings of associated companies and joint ventures			17			17		17
<b>OPERATING EARNINGS</b>	<b>-69</b>	<b>-277</b>	<b>-191</b>	<b>-112</b>	<b>-21</b>	<b>-670</b>	<b>-15</b>	<b>-685</b>
Net financial items								-11
<b>Earnings before tax</b>								<b>-696</b>
Tax								204
<b>Net earnings</b>								<b>-492</b>

2008 OCT-DEC PRO FORMA								
SEKm	Mail Denmark	Mail Sweden	Information- logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	3,337	4,381	1,008	3,315	23	12,064	-1	12,063
Net sales, internal	-17	56	23	9		71	-71	
<b>Total net sales</b>	<b>3,320</b>	<b>4,437</b>	<b>1,031</b>	<b>3,324</b>	<b>23</b>	<b>12,135</b>	<b>-72</b>	<b>12,063</b>
Other operating income, external	127	33	11	12	4	187	6	193
Other operating income, internal	526	202		387	2,131	3,246	-3,246	
<b>Total operating income</b>	<b>3,973</b>	<b>4,672</b>	<b>1,042</b>	<b>3,723</b>	<b>2,158</b>	<b>15,568</b>	<b>-3,312</b>	<b>12,256</b>
Personnel costs	-2,111	-2,247	-328	-950	-315	-5,951	41	-5,910
Transportation costs	-207	-582	-32	-1,475	-7	-2,303	351	-1,952
Other costs	-1,428	-1,776	-704	-1,270	-1,285	-6,463	3,018	-3,445
Depreciations and impairments	-58	-46	-77	-83	-222	-486	-18	-504
<b>Total operating costs</b>	<b>-3,804</b>	<b>-4,651</b>	<b>-1,141</b>	<b>-3,778</b>	<b>-1,829</b>	<b>-15,203</b>	<b>3,392</b>	<b>-11,811</b>
Participations in the earnings of associated companies and joint ventures			10	-11		-1		-1
<b>OPERATING EARNINGS</b>	<b>169</b>	<b>21</b>	<b>-89</b>	<b>-66</b>	<b>329</b>	<b>364</b>	<b>80</b>	<b>444</b>
Net financial items								350
<b>Earnings before tax</b>								<b>794</b>
Tax								-145
<b>Net earnings</b>								<b>649</b>

Note 3, cont.

2009 JAN – DEC PRO FORMA								
SEKm	Mail Denmark	Mail Sweden	Information- logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	12,751	15,645	3,704	12,533		44,633		44,633
Net sales, internal	343	149	58	140		690	-690	
<b>Total net sales</b>	<b>13,094</b>	<b>15,794</b>	<b>3,762</b>	<b>12,673</b>		<b>45,323</b>	<b>-690</b>	<b>44,633</b>
Other operating income, external	12	90	25	46	56	229	20	249
Other operating income, internal	1,580	638		1,314	5,091	8,623	-8,623	
<b>Total operating income</b>	<b>14,686</b>	<b>16,522</b>	<b>3,787</b>	<b>14,033</b>	<b>5,147</b>	<b>54,175</b>	<b>-9,293</b>	<b>44,882</b>
Personnel costs	-8,509	-8,177	-1,303	-3,425	-1,242	-22,656	23	-22,633
Transportation costs	-787	-2,628	-167	-5,581	-14	-9,177	1,616	-7,561
Other costs	-4,538	-5,129	-2,305	-4,846	-3,297	-20,115	7,718	-12,397
Depreciations and impairments	-408	-191	-370	-339	-644	-1,952	-62	-2,014
<b>Total operating costs</b>	<b>-14,242</b>	<b>-16,125</b>	<b>-4,145</b>	<b>-14,191</b>	<b>-5,197</b>	<b>-53,900</b>	<b>9,295</b>	<b>-44,605</b>
Participations in the earnings of associated companies and joint ventures			7			7		7
<b>OPERATING EARNINGS</b>	<b>444</b>	<b>397</b>	<b>-351</b>	<b>-158</b>	<b>-50</b>	<b>282</b>	<b>2</b>	<b>284</b>
Net financial items								2,155
<b>Earnings before tax</b>								<b>2,439</b>
Tax								-25
<b>Net earnings</b>								<b>2,414</b>

2008 JAN – DEC PRO FORMA								
SEKm	Mail Denmark	Mail Sweden	Information- logistics	Logistics	Group functions	Total	Adjustments & eliminations	Posten Norden Group
Net sales, external	12,422	16,401	3,942	12,721	324	45,810		45,810
Net sales, internal	305	173	90	129		697	-697	
<b>Total net sales</b>	<b>12,727</b>	<b>16,574</b>	<b>4,032</b>	<b>12,850</b>	<b>324</b>	<b>46,507</b>	<b>-697</b>	<b>45,810</b>
Other operating income, external	181	70	96	31	188	566	20	586
Other operating income, internal	1,467	772		1,426	4,946	8,611	-8,611	
<b>Total operating income</b>	<b>14,375</b>	<b>17,416</b>	<b>4,128</b>	<b>14,307</b>	<b>5,458</b>	<b>55,684</b>	<b>-9,288</b>	<b>46,396</b>
Personnel costs	-7,748	-8,576	-1,293	-3,482	-1,359	-22,458	345	-22,113
Transportation costs	-842	-2,562	-117	-5,785	-33	-9,339	1,617	-7,722
Other costs	-4,186	-5,126	-2,444	-4,612	-3,113	-19,481	7,693	-11,788
Depreciations and impairments	-402	-185	-297	-312	-561	-1,757	-74	-1,831
<b>Total operating costs</b>	<b>-13,178</b>	<b>-16,449</b>	<b>-4,151</b>	<b>-14,191</b>	<b>-5,066</b>	<b>-53,035</b>	<b>9,581</b>	<b>-43,454</b>
Participations in the earnings of associated companies and joint ventures			20	-16		4		4
<b>OPERATING EARNINGS</b>	<b>1,197</b>	<b>967</b>	<b>-3</b>	<b>100</b>	<b>392</b>	<b>2,653</b>	<b>293</b>	<b>2,946</b>
Net financial items								694
<b>Earnings before tax</b>								<b>3,640</b>
Tax								-891
<b>Net earnings</b>								<b>2,749</b>

<b>NOTE 4 Personnel costs</b>	
<b>SEKm</b>	<b>Jul-Dec 2009</b>
Wages and other compensation	8,490
Statutory social costs	1,278
Pension costs	1,043
Other personnel costs	127
<b>Total</b>	<b>10,938</b>
<b>Specification of pension costs</b>	
Cost of retirement pensions	951 <sup>1)</sup>
Net cost of early retirement pensions	92
<i>of which, gross cost of early retirement pensions</i>	<i>244</i>
<i>of which, utilisation of provisions for early retirement pensions</i>	<i>-152</i>
<b>Total</b>	<b>1,043</b>
Average number of employees, from July 1st to end of period	47,319
<sup>1)</sup> Cost of retirement pensions includes an amortisation effect of actuarial gains and losses totalling SEK 74m.	

<b>NOTE 6 Long-term receivables</b>	
<b>SEKm</b>	<b>31 Dec 2009</b>
Reported value related to defined benefit retirement and early retirement pension plans appraised in accordance with IAS 19	2,342
Reported value related to funded defined benefit disability pension plans appraised in accordance with IAS 19	180
Payroll tax receivables attributable to reporting lower pension commitments (in accordance with IAS 19) than amounts recognised in the financial statements for legal entities in Sweden in accordance with UFR 4	621
Payroll tax, disability pension plans	-149
Deposits, property leases	12
Electricity derivatives	1
Other	1
<b>Total</b>	<b>3,008</b>

<b>NOTE 7 Other provisions</b>						
<b>SEKm</b>	<b>1 July 2009</b>	<b>Provisions</b>	<b>Reversals</b>	<b>Utilisations</b>	<b>Translation effects</b>	<b>Closing balance</b>
<b>Restructuring activities</b>						
Personnel reductions, chiefly early retirement	448	998 <sup>1)</sup>	-50 <sup>1)</sup>	-327 <sup>2)</sup>	-3	1,066
Other closure costs	37	57 <sup>1)</sup>		-20 <sup>2)</sup>		74
<b>Future conditional pension commitments</b>						
Payroll tax	254	6 <sup>5)</sup>	-5 <sup>5)</sup>	-33 <sup>3)</sup>		222
Future conditional pension commitments under IAS 19	1,045	24 <sup>5)</sup>	-22 <sup>5)</sup>	-136 <sup>3)</sup>		911
<b>Other</b>						
Job-related injuries	77	3 <sup>5)</sup>		-14 <sup>2)</sup>		66
Pension settlements in relation to the Danish state	33	32 <sup>5)</sup>	-24 <sup>5)</sup>	-6 <sup>2)</sup>	-9	26
Provision, commemorative awards	176	11 <sup>5)</sup>		-11 <sup>2)</sup>	-2	174
Other provisions	163			-66 <sup>2)</sup>	-6	91
<b>Total other provisions</b>	<b>2,233</b>	<b>1,131</b>	<b>-101</b>	<b>-613</b>	<b>-20<sup>4)</sup></b>	<b>2,630</b>
<i>Of which, current provisions</i>	<i>487</i>					<i>711</i>

<sup>1)</sup> Impact on earnings: SEK 1,010m, of which SEK 998m pertains to provisions and SEK -50m to reversals attributable to personnel reductions. SEK 57m pertains to other closures and SEK 5m to exchange rate differences between values reported in the income statement and the balance sheet. See also Note 5, Other Costs.

<sup>2)</sup> Changes to other income items total SEK 444m, SEK 381m of which are changes to personnel costs.

<sup>3)</sup> The change has not been reported in the income statement in accordance with IAS 19.

<sup>4)</sup> A discount effect of SEK 1m is reported in the income statement's financial items. A translation difference regarding currency translation of SEK 19m is reported in net comprehensive income; see consolidated income statement.

<sup>5)</sup> Effect of provisions and reversals are reported against personnel costs.

<b>NOTE 5 Other costs</b>	
<b>SEKm</b>	<b>Jul-Dec 2009</b>
Cost of premises	1,180
Provisions <sup>1)</sup>	1,010
Terminal fees	513
Cost of goods and materials	858
Purchased IT resources	671
Other	2,315
<b>Total</b>	<b>6,547</b>
<sup>1)</sup> Of the total amount of SEK 1,010m, SEK 998m pertains to provisions and SEK -50m to reversals for personnel reductions. SEK 57m pertains to closures and SEK 5m to exchange rate differences. See also Note, Other Provisions, footnote 1.	

Restructuring costs total SEK 1,100m and refer to provisions of SEK 1,010m, personnel costs of SEK 47m and impairments of SEK 43m.

**NOTE 8 Accrued expenses and prepaid income**

SEKm	31 Dec 2009
Postal obligation unused stamps	376
Accrued payroll expenses	612
Holiday pay liability	2,064
Special payroll tax on pension costs	3
Social security expenses	995
Accrued interest expense	1
Terminal fees	620
Financial leasing	20
Forward currency contracts	6
Other items	577
<b>Closing balance</b>	<b>5,274</b>

**NOTE 9 Assets pledged and contingent liabilities**

SEKm	31 Dec 2009
<b>Assets pledged for own liabilities</b>	
Property mortgages	1,013
Endowment insurance policy for current and previous employees	130
Assets pledged as securities	20
<b>Total</b>	<b>1,163</b>
<b>Contingent liabilities</b>	
Warranty costs, PRI	93
Warranty costs, other	127
Dispute <sup>1)</sup>	104
<b>Total</b>	<b>324</b>

<sup>1)</sup> Östra Landret ruled against Post Danmark in a case concerning discriminatory pricing. Post Danmark A/S has appealed the decision to Højesteret. In connection with this matter, a competitor has filed a claim against Posten Danmark A/S for the amount of DKK 75m. The claim for compensation is contested in its entirety by Post Danmark A/S.

**NOTE 10 Transactions with associated parties****SWEDISH STATE**

Posten paid the Post and Telecom Agency (PTS) SEK 7m for permits to run postal operations and SEK 4m for handling dead letters. Posten received disability compensation of SEK 15m for Braille services and services for senior citizens living in sparsely populated areas.

**DANISH STATE**

During the period, Post Danmark A/S paid the Danish state pension premiums of SEK 144m for the group of civil servants employed prior to the corporatisation date. A further SEK 31m is reserved in the balance sheet for any additional obligations to the same group.

**OTHER ORGANISATIONS**

Posten's insurance association insures Posten Norden's commitments in Sweden for employee disability and family pensions based on ITP-P. During the period, Posten Norden paid premiums of SEK 96m to the association and received compensation totalling SEK 5m. Other compensation from the association was paid directly to the beneficiaries.

Posten's Pension Fund manages pension commitments for Posten AB, Posten Meddelande AB and Posten Logistik AB. The companies capitalise new pension commitments in the fund and receive compensation for pensions paid. Capitalisation of SEK 20m occurred during the period; no compensation occurred.

**NOTE 11 Investment commitments**

As of 31 December 2009, Posten Norden had entered into agreements for the acquisition of fixed assets for a value of SEK 102m, mainly for sorting equipment and vehicles.

**NOTE 12 Acquisitions and divestments of operations****ACQUISITIONS***EKL Night Express SA*

The Belgian transport company EKL was acquired on 30 October. The acquisition allows international companies to offer stronger logistics solutions to and from the Nordics via Europe. Posten Norden became sole owner of the company which has Belgium and parts of France as its home markets and a large share of shipments to other areas of Europe. Under the name HIT Belgium, EKL will be part of Posten Norden's Central European logistics operations, joining the Netherlands and Germany. Both companies have collaborated for several years through transport partnerships. EKL's headquarters and main terminal are located in Eupen, Belgium. EKL's largest market share is within in-night transports, i.e. over-night delivery of goods to companies during night hours, chiefly within the automotive, manufacturing and agricultural parts manufacturing industries. Transports depart both day and night to companies located within the region and throughout the Nordics, with over-night delivery of goods to Malmö, Oslo, Copenhagen and Helsinki.

**DIVESTMENTS***Strålfors Supplies*

On 31 July, Strålfors entered into an agreement with Wulff-Group in Finland to sell its office and computer equipment business, Strålfors Supplies AB, along with associated subsidiaries in Norway and Denmark. Under the agreement Wulff Group will take over 80 % of the operations immediately and the remaining 20 % after 18 months. Strålfors Supplies executives were offered the option of buying into the company by up to 20 %. The sale is a further step in the streamlining strategy that has taken place within the Informationlogistics business area. During the ensuing 18 months, until the time Wulff-Group takes over the remaining 20 %, Informationlogistics will provide services to Wulff-Group including logistics, administration and IS/IT. These services will be gradually taken over by Wulff-Group during this period. Consideration received totalled SEK 35m and capital gain totalled SEK 0.

*MIE Group (De Post-LaPoste)*

As of July 15, 2009, Post Danmark A/S had divested its entire 50 % share of equity in the holding company MIE Group S.A to CVC Capital Partners. Sales proceeds totalled EUR 373m (SEK 4,044m) and capital gain totalled SEK 2,002m.

#### **NOTE 13 Consolidated pro forma reporting**

Pro forma statements have been prepared to illustrate what Posten Norden would have looked like had the group been formed and the capital structure established as of 1 January 2008 in respect of the pro forma income statement, and as of 31 December 2008 in respect of the pro forma balance sheet.

Pro forma reporting is intended to represent a hypothetical situation and has only been prepared for illustrative, informative purposes and to highlight facts. It does not aim to present the financial position or earnings that the business actually would have achieved if the merger had been completed as of the date of reporting. Neither does it aim to present the actual financial position nor the operation's earnings for any future date or period.

Pro forma reporting is based on the reported, audited consolidated financial statements for 2008 and the unaudited interim reports for the first and second quarters of 2009.

In its pro forma reporting, Posten Norden AB consolidated the income statements and balance sheets for the Posten AB group and the Post Danmark A/S Group as if the merger had occurred as of 1 January 2008. Upon the merger, Posten Norden AB took over the reported values of Posten AB and Post Danmark A/S without any revaluations or adjustments other than those required for adaptation to uniform accounting principles and for the pro forma adjustments described below. Post Danmark A/S's 50 % share in MIE Group S.A., representing its equity interest in the Belgian Post De Post N.V./La Poste S.A., has been classified as a financial fixed asset, and the revenue reported in net financial items under Participations in the Earnings of Associated Companies and Joint Ventures.

The merger was reported in accordance with the "carry-over method", meaning that consolidated net assets were reported at their book value at Posten AB and Post Danmark A/S, respectively, at the time of the merger.

Posten AB uses Swedish kronor as its functional currency, while Post Danmark uses Danish kronor. The joint company uses Swedish kronor as its presentation currency.

#### REPORTING OF BUSINESS SEGMENTS, PRO FORMA

Posten Norden's reporting of business segments is based on management's governance of the group. The business segments, or business areas, are defined based on responsibility for range of services.

Post Danmark has not defined any business segments in its external reporting. In Posten Norden's reporting, results were allocated among business segments in accordance with responsibilities as described in Note 3, Reporting of Business Segments. The allocation was performed in the same way for all periods, including pro forma reporting. The majority of Post Danmark's operations are run within the Post Danmark A/S company. These results were allocated via a combination of areas and additional internal reconciliations based on production statistics, among other things. Other Post Danmark companies were treated entirely in the business segment in which they belong in terms of responsibility.

Posten used business segment reporting in its external reporting, conforming with Posten Norden's practice to a large extent. Posten's previous business segments have been assigned in their entirety to business areas. Within Posten Norden, business areas are charged with all central costs with the exception of the Swedish Cashier Service and IFRS adjustments concerning pensions and leasing.

# Parent company financial statements

## Income statement

SEKm	Note	1 Dec 2008 - 31 Dec 2009
	1	
Personnel costs		-7
Other costs		-3
<b>Total operating costs</b>		<b>-10</b>
<b>OPERATING EARNINGS</b>		<b>-10</b>
Earnings from participations in group companies		2,044
Interest income and similar income items		9
Interest expense and similar cost items		-14
<b>Total financial items</b>		<b>2,039</b>
<b>Earnings before tax</b>		<b>2,029</b>
Tax		4
<b>NET EARNINGS</b>		<b>2,033</b>

## Balance sheet

SEKm	Note	31 Dec 2009
	1	
<b>ASSETS</b>		
Financial fixed assets	2	12,461
<b>Total fixed assets</b>		<b>12,461</b>
Current receivables		5,814
<b>Total current assets</b>		<b>5,814</b>
<b>TOTAL ASSETS</b>		<b>18,275</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		14,173
Current liabilities		4,102
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,275</b>
Contingent liabilities	3	741

# Notes

## NOTE 1 Accounting principles

The parent company essentially applies the same accounting principles as the group does. The differences between the parent company's and the group's accounting principles result from the parent company's limitations in applying International Financial Reporting Standards (IFRS) as a consequence of the Swedish Annual Accounts Act and the Law on Safeguarding of Pension Commitments, and are to some extent also based on tax considerations.

The Posten Norden AB was originally registered at the Swedish Companies Registration Office on 1 December 2008. The report period is 1 December 2008 – 31 December 2009.

### PARTICIPATIONS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Participations in subsidiaries, associated companies and joint ventures are reported in the parent company using the acquisition cost method. Only received dividends arising from earnings made after the parent company acquired its participating interest are reported as income. Dividends that exceed these earnings are viewed as a repayment of the investment and reduce the reported value of the participation.

### DIVIDEND

Anticipated dividends from subsidiaries are reported if the parent company has the exclusive right to determine the size of the dividend and if the parent company has made a decision on the size of the dividend prior to publication of the parent company's financial statements.

### EMPLOYEE BENEFITS

Pension commitments for civil servants covered by pension insurance plans are reported in the parent company as defined contribution plans. Other pension costs are included under operating earnings.

### FINANCIAL GUARANTEES

The parent company's financial guarantees consist mainly of guarantees for the benefit of subsidiaries and joint ventures. Financial guarantees entail the company pledging to compensate the owner of a debt instrument for losses incurred in the event a debtor does not complete payment on the due date specified in the contract. To report financial guarantee agreements, the parent company applies RFR 2.2, which is somewhat more lenient than the rules in IAS 39 regarding financial guarantee contracts for the benefit of subsidiaries, associated companies and joint ventures. The parent company reports financial guarantee agreements as provisions on the balance sheet when Posten Norden has a commitment for which payment is likely to be required to settle the commitment.

### TAXES

The parent company reports untaxed reserves, including its deferred tax liability.

### BUSINESS SEGMENT REPORTING

The parent company's operations consist of a sole operation, group functions.

## NOTE 2 Financial fixed assets

SEKm	1 Dec 2008 - 31 Dec 2009
1 Dec 2008	0
Issue in kind, 24 June	12,140
Redemption of minority shares in P Danmark A/S	317
Deferred tax assets	4
<b>Closing balance</b>	<b>12,461</b>

## NOTE 3 Contingent liabilities

SEKm	31 Dec 2009
Warranty costs, PRI	740
Guarantees on behalf of subsidiaries <sup>1)</sup>	1
<b>Total</b>	<b>741</b>

<sup>1)</sup> As of 31 December 2009, Posten AB had pledged a total of SEK 206m for the benefit of subsidiaries.

## Quarterly data

SEKm, unless otherwise specified	2009		Pro forma 2008	
	Oct-Dec	Jul-Sep	Oct-Dec	Jul-Sep
<b>Posten Norden Group</b>				
Net sales	11,636	10,222	12,063	10,668
Other operating income	65	55	193	152
Operating earnings	-685	279	444	569
Operating margin, %	neg	2.7	3.6	5.3
Earnings before tax	-696	2,241	794	565
Net earnings	-492	2,198	649	388
ROE, %, rolling 12-month period	20	30	27	27
Cash flows from operating activities	1,056	-416		
Equity-assets ratio, %, at end of period	45	47	39	38
Average number of employees	46,010	48,556	50,898	53,541
<b>Mail Denmark</b>				
Net sales	3,305	2,855	3,320	2,820
<i>Letters, etc.</i>	2,531	2,250	2,294	2,215
<i>Daily newspapers</i>	81	84	77	86
<i>UDM and local news magazines</i>	358	325	370	283
<i>Other</i>	335	196	111	236
Other operating income	400	433	653	422
Operating earnings	-69	133	169	205
Operating margin, %	neg	4.0	4.3	6.3
Average number of employees	15,228	16,294	17,265	17,767
Volume, millions of units produced				
Letters, etc.	280	251	311	278
<b>Mail Sweden</b>				
Net sales	4,259	3,564	4,437	3,757
<i>Letters</i>	2,421	1,921	2,467	1,970
<i>Direct mail</i>	1,195	1,113	1,289	1,193
<i>Other</i>	643	530	681	594
Other operating income	181	180	235	198
Operating earnings	-277	186	21	239
Operating margin, %	neg	5.0	0.0	6.0
Average number of employees	19,522	21,204	21,697	23,033
Volumes, millions of units produced				
Priority mail	283	248	315	280
Non-priority mail	339	269	335	271
UDM	620	510	657	574
<b>Informationlogistics</b>				
Net sales	899	873	1,031	913
<i>Information Logistics</i>	757	740	772	677
<i>Identification Solutions</i>	141	113	161	147
<i>Supplies</i>	0	20	99	89
Other operating income	8	3	11	74
Operating earnings	-191	-81	-89	66
Operating margin, %	neg	neg	neg	6.7
Average number of employees	2,324	2,286	2,365	2,424
<b>Logistics</b>				
Net sales	3,353	2,937	3,324	3,149
<i>Standard (Parcel, Packet and Express)</i>	2,814	2,437 <sup>1)</sup>	2,748	2,509 <sup>1)</sup>
<i>Other</i>	539	500 <sup>1)</sup>	576	640 <sup>1)</sup>
Other operating income	339	356	400	379
Operating earnings	-112	57	-66	41
Operating margin, %	neg	1.7	neg	1.2
Average number of employees	6,923	7,089	7,410	7,910

<sup>1)</sup> Previously reported quarterly data has been adjusted.

# Definitions

**Average number of employees:** The total number of paid employee hours divided by the standard number of hours for a full-time employee.

**Earnings per share:** Share of net earnings attributable to the Parent Company's shareholders divided by the average number of shares outstanding.

**Equity-assets ratio:** Equity (including minority shares) at the end of the period in relation to total assets at the end of the period.

**Non-priority mail:** Mail processed in a production flow for distribution within three business days after mailing.

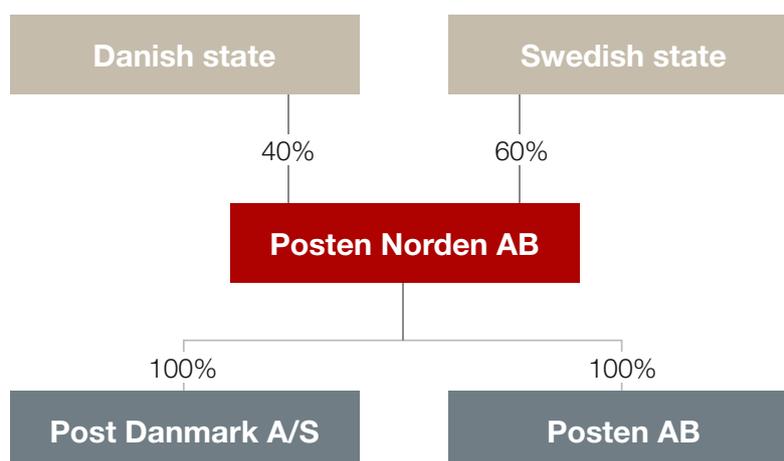
**Operating margin:** Operating earnings as a percentage of operating income (net sales and other income). The calculation of operating margin by business area includes sales to other business areas and to group functions.

**Priority mail:** Mail processed in a production flow for delivery on the first business day after mailing.

**Return on equity (ROE):** Earnings for the 12 months to the end of the period divided by average equity for the 12 months to the end of the period.

# Posten Norden in brief

Posten Norden AB is a Swedish public limited liability company, owned 40 % by the Danish state and 60 % by the Swedish state. The company is the parent company of the Posten Norden Group. Votes are allocated 50/50 between the Danish and Swedish states.



## Board of Directors

- The Board of Directors of Posten Norden AB is comprised of Fritz H. Schur, Mats Abrahamsson, Ingrid Bonde, Gunnel Duveblad, Bjarne Hansen, Torben Janholt, Anne Birgitte Lundholt and Richard Reinius.
- Fritz H. Schur is Chairman of the Board.

- Ordinary members of the Board representing employee organisations are Lars Chemnitz, Alf Mellström and Kjell Strömbäck. Peder Madsen, Isa Merethe Rogild and Anne Marie Ross are deputy employee representatives.

## Executive management

**Lars G Nordström**, President and Group CEO  
**K.B. Pedersen**, Executive Vice President. Head of group function Operations Development  
**Göran Sällqvist**, Executive Vice President. Head of group function Business Development  
**Viveca Bergstedt Sten**, General Counsel  
**Joss Delissen**, Chief Information Officer  
**Andreas Falkenmark**, Head of business area Mail Sweden

**Bo Friberg**, Chief Financial Officer  
**Finn Hansen**, Head of business area Mail Denmark  
**Henrik Højsgaard**, Head of business area Logistics  
**Palle Juliussen**, HR Director  
**Per Mossberg**, Director of Corporate Communications  
**Per Samuelson**, Head of business area Informationslogistics

## Operative structure

### Operative structure

- The group's operative structure consists of four business areas.
- Traditional postal operations in each country are run in the Mail Denmark and Mail Sweden business areas.
- Information logistics operations and other operations within Strålfors AB are gathered in the Informationslogistics business area.
- The group's logistics operations are run in the Logistics business area.
- Seven group functions have been established for the co-ordination and management of the group: Business Development, Business Information Services, Finance & Treasury, HR, Legal, Communication, and Operations Development.



### Background

Posten Norden AB is the parent company of the joint group formed through the historic merger of Post Danmark A/S and Posten AB.

The merger is a well-timed offensive step. Conditions on the communication and logistics markets are changing due to liberalisation, technological development, internationalisation and the significance of environmental issues. Internationalisation involves geographical regions superseding national markets in importance. Liberalisation presents opportunities to establish oneself in prioritised customer segments and selected geographical submarkets. Technological development means that the physical letter is challenged by digital paths of communication. This increases the number of options available to customers and transforms the communication and logistics solutions that customers require. For operators on this market, it is becoming increasingly important to be able to meet customer demands for cross-border

communication and logistics solutions, regardless of where the customers are found or the methods they choose to use.

The joint group has a larger natural home market and remains firmly rooted on the national level. Cost synergies within procurement, administration and IT are expected to reach SEK 1 billion per year. Economies of scale produce operational synergies in areas such as service development, conversion to environmentally efficient transportation and more efficient production processes. The merger makes Posten Norden more competitive, thereby arming it to meet the challenges of tougher competition and weakening letter volumes while maintaining high quality postal service in Denmark and Sweden.

This is the first year-end report produced by the joint group, Posten Norden.

Posten Norden was founded through the merger of Post Danmark A/S and Posten AB. The group offers communication and logistics solutions to, from and within the Nordic region, and has sales of approximately SEK 45 billion and roughly 50,000 employees. Operations are managed in business areas Mail Denmark, Mail Sweden, Logistics and Informationlogistics. The parent company is a Swedish public company headquartered in Solna, Sweden. Read more about Posten Norden at [www.postennorden.com](http://www.postennorden.com).

**Sweden**

Mailing address: SE-105 00 Stockholm  
Visiting address: Terminalvägen 24, Solna  
Phone: +46 (0)87811000  
[www.postennorden.se](http://www.postennorden.se)  
[www.postennorden.com](http://www.postennorden.com)

**Denmark**

Visiting address: Tietgensgade 37,  
1566 Copenhagen  
Phone: +45 33610000  
[www.postennorden.dk](http://www.postennorden.dk)  
[www.postennorden.com](http://www.postennorden.com)