

# Year-end report

# Q4 2015

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## OCTOBER-DECEMBER 2015

- Net sales of SEK 10,434m (10,600).
- Adjusted operating income SEK 501m (440).
- Items affecting comparability, net, SEK 785m (510).
- Operating income SEK -284m (-70).
- Net income for the period SEK -337m (-80).
- Earnings per share SEK -0.17 (-0.04).
- Cash flow from operating activities SEK 921m (1,290).

## JANUARY-DECEMBER 2015

- Net sales of SEK 39,351m (39,950).
  - Adjusted operating income SEK 927m (861).
  - Items affecting comparability, net, SEK 363m (510).
  - Operating income SEK 564m (351).
  - Net income for the period SEK 278m (176).
  - Earnings per share SEK 0.14 (0.09).
  - Cash flow from operating activities SEK 1,670m (670).
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**We deliver!** PostNord is the leading supplier of communication and logistics solutions to, from and within the Nordic region. We ensure the postal service to households and businesses in Sweden and Denmark. With our expertise and strong distribution network, we develop options for tomorrow's communication, e-commerce, distribution and logistics in the Nordic region. In 2015, the Group had 35,000 employees and sales of about SEK 40 billion. The Parent Company is a Swedish public limited company headquartered in Solna, Sweden. Visit us at [www.postnord.com](http://www.postnord.com)

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## FINANCIAL OVERVIEW AND KEY RATIOS

SEKm, unless otherwise specified	Oct-Dec		Excl. <sup>1)</sup>		Jan-Dec		Excl. <sup>1)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
<b>INCOME ITEMS</b>								
Net sales	10,434	10,600	-2%	-2%	39,351	39,950	-1%	-3%
Operating income (EBITDA)	278	520	-47%		2,436	2,198	11%	
Operating margin (EBITDA)	2,7%	4,9%			6,2%	5,5%		
Operating income (EBIT)	-284	-70			564	351	61%	
Operating margin (EBIT) <sup>2)</sup>	-2,7%	-0,7%			1,4%	0,9%		
Adjusted operating income (EBIT) <sup>3)</sup>	501	440	14%		927	861	8%	
Adjusted operating margin (EBIT) <sup>2) 3)</sup>	4,8%	4,2%			2,4%	2,2%		
Income before tax	-304	-86			451	245	84%	
Net income	-337	-80			278	176	58%	
<b>CASH FLOWS</b>								
Cash flows from operating activities	921	1,290	-29%		1,670	670		
<b>FINANCIAL POSITION</b>								
Financial preparedness	3,894	3,843	1%		3,894	3,843	1%	
Net debt	-171	3,672			-171	3,672		
<b>KEY RATIOS</b>								
Earnings per share, SEK	-0,17	-0,04			0,14	0,09	56%	
Net debt/EBITDA, times	-0,1	1,7			-0,1	1,7		
Net debt ratio	-2%	46%			-2%	46%		
Return on capital employed (ROCE)	5,4%	3,1%			5,4%	3,1%		
Average number of employees <sup>4)</sup>	34,752	36,486	-5%		35,256	37,407	-6%	

1) Change excluding acquisitions/divestments and currency.

2) From 2015 a new definition of operating margin (operating income as % of net sales) is applied. Numbers for 2014 are restated for comparability. See note 7, Definitions

3) Adjusted for items affecting comparability. See explanation on page 4 and note 7, Definitions.

4) 2014 years numbers are adjusted for change in calculations, e.g. terminated staff in "Futurum" are no longer included.

The report comments on developments in October-December and January-December 2015, respectively, compared to the same periods in 2014 unless otherwise stated.

## CEO COMMENTS

### HIGH PACE OF CHANGE IN A CHALLENGING WORLD

E-commerce broke records in the run-up to Christmas, and partly as a result of this, PostNord's B2C parcel volumes rose by 17% during the quarter. Meanwhile, the pace of digitization in Denmark remains rapid, resulting in lower mail volumes. Restructuring work continues with maintained intensity throughout the business to ensure long-term profitability and competitiveness.

Christmas e-commerce broke yet again new records. About a third of new agreements are in the e-commerce segment. During the quarter we also signed a number of new significant agreements, mainly within heavy logistics. The logistics business continued to show growth with an increase in parcel volumes totaling 8% for the quarter and 10% for the full year. The logistics market is highly competitive, which requires continued major focus on cost efficiency.

In total, mail volumes declined by 5% in the quarter, of which 9% in Denmark and 4% in Sweden. For the full year 2015 mail volumes fell by 8%, of which 16% in Denmark and 6% in Sweden. The substantially reduced mail income in Denmark is adversely affecting the result, why we are implementing a comprehensive restructuring program for the Danish business. For instance, agreements have been entered into with the Danish trade unions in order to adapt terms and conditions of employment to boost competitiveness, with estimated annual cost savings exceeding SEK 200m as of 2016.

In Q4 the Group's adjusted operating income amounted to SEK 501m (440). The result was positively affected by implemented savings programs and healthy volumes related to Christmas shopping. The result for the quarter has been adjusted for items affecting comparability (net costs) totaling SEK 785m (510), mainly related to restructuring costs. The Group's adjusted operating income for the full year 2015 was SEK 927m (861). The adjustment process is progressing well, and restructuring are continually being implemented to adapt the business to market development.

Current postal regulations are not fully adapted to the increased digitization in the society and the consequent substantial drop in demand for classic mail services. Work on new postal legislation is under way in Denmark, and in Sweden the government established an investigation of the Swedish postal legislation. We welcome these measures since an amendment to the regulations is required to ensure a good postal service under reasonable economic conditions throughout Denmark and Sweden.

To strengthen the increased focus on digital communication, the decision was made to integrate Strålfors more closely into the rest of the Group regarding service development and product ownership of physical and digital communication services. The organization is being adjusted by moving eCommerce to the Logistics business area, which is now called eCommerce & Logistics, and forming Communication Services from the Mail & Communication business area and Strålfors' service development business.

During the year we have worked on building a stronger and more cohesive PostNord. We are on the right path and are gradually reinforcing our position as a leading communication and logistics operator with a Nordic end-to-end offering. An important step in this process is the launch of a joint brand that is being fully implemented in the Nordics through intensive work. Now we are delighted to be able to note that awareness of the PostNord brand has risen dramatically in the Nordics. A survey shows that in just under two years, we have increased the proportion of people who are "VERY" aware of the PostNord brand from 28% till 90% in Sweden, from 12% to 41% in Denmark and from 20% to 60% in Norway. In 2016 the introduction of our brand into Danish mail operations will be substantially accelerated. The rapidly decreasing mail volumes remain a major challenge. Further development of our logistics business, adaptation of the regulatory frameworks, own capacity adaptation, cost efficiency measures and service development in close cooperation with our customers are necessary measures to ensure long-term profitability in line with our owner objectives. The large-scale restructuring being made involve ongoing major challenges for our employees, and we are therefore working target oriented to create and strengthen insight into what the future holds for individual employees. With a strong customer focus we will continue to deliver on our promises.

*Håkan Ericsson*  
*President & Group CEO*

## IMPORTANT EVENTS IN OCTOBER-DECEMBER

### Evaluation of conditions for possible divestment of the Strålfors business completed

After evaluating possible divestment of Strålfors, PostNord decided to retain Strålfors in the Group. PostNord will work with Strålfors to integrate its digital and physical communication business more strongly to build more customer benefit and competitiveness.

Annemarie Gardshol, who had been the acting CEO of Strålfors since early summer, became CEO of Strålfors on a permanent basis in October.

### Adjusted organization decided to apply as of 1 January 2016

The Communication Services business area was formed from the Mail & Communication business area and Strålfors' service development business. Andreas Falkenmark was appointed as Head of the Communication Services business area.

The eCommerce & Logistics business area was formed from the Logistics business area and the Group unit eCommerce. Peter Kjaer Jensen was appointed as Head of the eCommerce & Logistics business area.

The Group function Commercial Excellence was established. It is headed by Jan Starrsjö, who is also a member of the Group Executive Team. Jan also leads the Group function Strategy.

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

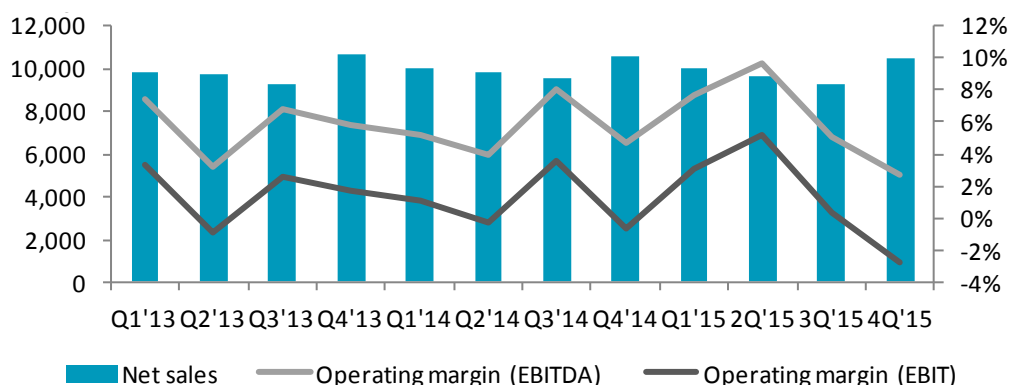
### Björn Ekstedt was appointed to PostNord's CIO.

Björn Ekstedt succeeds Joss Delissen, who has decided to leave PostNord. Björn Ekstedt has previously held CIO positions at Sandvik, Vattenfall and other companies, as well as positions in the Swedish Armed Forces. Björn Ekstedt will enter the Group on February 1, 2016 and take over CIO responsibility from March 1, when he will also become a member of PostNord's Group Executive Team.

### New business model in Denmark

In Denmark customer demand has entailed a shift of volumes from priority to non-priority mail, which means that priority mail has in practice become an express service. A substantial increase in the price of priority mail was announced and has applied since January 1, 2016 in order to attain reasonable economic conditions for this faster form of delivery.

## GROUP SALES AND EARNINGS



### October-December

Excluding acquisitions and exchange rate effects, PostNord's net sales decreased by 2%. As a result of continued digitization, mail volumes declined by a total of 5%, of which 9% in Denmark and 4% in Sweden. Christmas e-commerce set a new record, generating higher volumes in goods distribution of mail and parcels. The Group's parcel volumes increased by 8%, of which e-commerce-related B2C parcel volumes rose 17%. Parcel volumes increased in total, but cannot fully compensate for the declining mail volumes.

The Group's adjusted operating income reached SEK 501m (440) and the operating margin was 4.8% (4.2). The improvement on the previous year is mainly due to implemented savings programs and good Christmas shopping volumes.

2015 Q4 SEKm	PostNord Sverige	PostNord Danmark	PostNord Norge	PostNord Finland	PostNord Strålfors	Other	Group total
Net provisions/reversals restructuring activities	-78	-384	-9		-10	-108	<b>-589</b>
Impairment non-current assets					-105	-41	<b>-146</b>
Other		-33			-7	-10	<b>-50</b>
<b>Total items affecting comparability</b>	<b>-78</b>	<b>-417</b>	<b>-9</b>	<b>0</b>	<b>-122</b>	<b>-159</b>	<b>-785</b>

The Group's reported operating income totaled SEK -284m (-70). The operating margin was -2.7% (-0.7). The result includes items affecting comparability totaling SEK 785m (510), mainly comprising restructuring costs and impairment of non-current assets.

Net financial items reached SEK -20m (-16). The tax expense for the quarter was SEK -33m (6). Net income for the period totaled SEK -337m (-80).

### January-December

Excluding acquisitions and exchange rate effects, PostNord's net sales decreased by 3%. Mail volumes declined by a total of 8%, of which 16% in Denmark and 6% in Sweden. Parcel volumes increased by 10%, of which e-commerce-related B2C parcel volumes rose 15%.

The Group's adjusted operating income reached SEK 927m (861). The result has been adjusted for items affecting comparability of SEK 363m, net, (510). Cost cuts in both production and administration had a positive impact on the result, while lower mail income, mainly in Denmark, adversely affected the result.

The Group's reported operating income totaled SEK 564m (351). The operating margin was 1.4% (0.9). Net financial items reached SEK -113m (-106), and tax totaled SEK -173m (-69). Net income for the period totaled SEK 278m (176).

2015 Jan-Dec SEKm	PostNord Sverige	PostNord Danmark	PostNord Norge	PostNord Finland	PostNord Strålfors	Other	Group total
Capital gain, real estate		500					<b>500</b>
Net provisions/reversals restructuring activities	-78	-384	-9		-10	-108	<b>-589</b>
Impairment non-current assets					-105	-41	<b>-146</b>
Other	-19	-32			-7	-70	<b>-128</b>
<b>Total items affecting comparability</b>	<b>-97</b>	<b>84</b>	<b>-9</b>	<b>0</b>	<b>-122</b>	<b>-219</b>	<b>-363</b>

2014 Q4 and Jan-Dec SEKm	PostNord Sverige	PostNord Danmark	PostNord Norge	PostNord Finland	PostNord Strålfors	Other	Group total
Capital gain, real estate		366					<b>366</b>
Provisions, restructuring activities administration	-116	-434	-4		-22	-120	<b>-696</b>
Provisions, other	-5		-7		-42	25	<b>-29</b>
Impairment intangible asstes, IT						-151	<b>-151</b>
<b>Total items affecting comparability</b>	<b>-121</b>	<b>-68</b>	<b>-11</b>	<b>0</b>	<b>-64</b>	<b>-246</b>	<b>-510</b>

## FINANCIAL POSITION ON DECEMBER 31, 2015

The Group's equity increased to SEK 9,150m from SEK 8,948m on September 30, 2015. The increase mainly stems from revaluation of pension obligations and pension assets under management totaling SEK 875m, net, which was mainly affected by higher interest rates and a positive return on the pension assets. Net income for the period of SEK -337m, changed deferred tax of SEK -192m and translation differences of SEK -146m reduced equity.

For the full year 2015, equity increased to SEK 9,150m from SEK 7,991m on December 31, 2014. The increase is mainly because of revaluation of pension obligations and pension assets under management totaling SEK 1,388m, net, which was mainly affected by higher interest rates and a positive return on the pension assets as well as an improved net income. However, translation differences of SEK -342m and a change in deferred tax of SEK -166m reduced equity.

The Group's net debt decreased by SEK 1,479m in Q4 and amounted to SEK -171m, i.e. a positive net. The reduction is mainly due to the above mentioned revaluation of pension obligations and pension assets under management. For the full year 2015 net debt fell by SEK 3,843m as a result of divestment of property and the above mentioned revaluation of pension obligations and pension assets under management.

The net debt ratio (net debt/equity) reached -2% on December 31, 2015, due to a positive net. The net debt/EBITDA ratio (trailing 12 months) was -0.1.

### Net debt

SEKm	Dec 31 2014	Mar 31 2015	Jun 30 2015	Sep 30 2015	Dec 31 2015
Financial receivables	1,092	1,125	1,628	1,155	2,117
Cash and cash equivalents	1,843	2,466	1,445	1,443	1,894
Interest-bearing debt	-5,384	-5,141	-3,816	-3,849	-3,840
Pensions <sup>1)</sup>	-1,223	-1,563	0	-57	0
<b>Net debt</b>	<b>-3,672</b>	<b>-3,113</b>	<b>-743</b>	<b>-1,308</b>	<b>171</b>

<sup>1)</sup> Includes assets under management. When the assets under management are greater than the estimated net present value of the pension liabilities, they are accounted for under the line item Financial receivables.

Return on capital employed (ROCE) (trailing 12 months) reached 5.4% (3.1). The improvement is thanks to a better underlying result and a lower level of items affecting comparability.

The Group's financial preparedness increased by SEK 451m during the quarter, totaling SEK 3,894m on December 31, 2015 and comprised cash and cash equivalents of SEK 1,894m and an unutilized credit facility of SEK 2,000m maturing in 2017. The Group's financial preparedness was SEK 3,843m on December 31, 2014.

## CASH FLOW

### October-December

Cash flow from operating activities totaled SEK 921m (1,290). The lower cash flow is primarily attributable to lower payments of operating receivables at the end of the year.

Cash flow from investing activities totaled SEK -435m (35). Investments in property, plant and equipment are still being made under tight governance of investing activities. The investments primarily related to vehicles in production as well as equipment for transportation and sorting. The preceding year was positively affected by the sale of property in Denmark.

Cash flow from financing activities totaled SEK -31m (-170).

### January-December

Cash flow from operating activities totaled SEK 1,670m (670). The improvement on last year is mainly due to Q1 2014 was negatively impacted by payment deferrals at the turn of 2013/2014 as well as improvements in working capital and operating income during 2015.

Cash flow from investing activities totaled SEK -646m (-1,386). A property in Copenhagen was divested for SEK 1,160m during Q2 2015. In conjunction with the divestment, the buyer took over a property loan of SEK 665m, and SEK 495m was paid. A property in Copenhagen was divested for DKK 400m during Q4 2014. Investments in property, plant and equipment decreased as new terminals were completed and investing activities were more strictly governed.

Cash flow from financing activities totaled SEK -967m (566). In the course of 2015 bond loans under the MTN program and commercial paper were repaid totaling SEK 740m. Loans of SEK 750m, net, were raised in 2014.

## COUNTRIES

As of 2015, financial reporting for the segments is presented per country organization. Common notes applicable to the financial tables in the following sections are presented at the end of the segments on page 10.

### PostNord Sweden

PostNord Sweden <sup>1) 2)</sup> SEKm	Oct-Dec		Excl. <sup>3)</sup>		Jan-Dec		Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	6,173	6,228	-1%	-1%	23,080	23,154	0%	0%
of which Mail & Communication (external)	3,440	3,592	-4%	-4%	12,995	13,513	-4%	-4%
of which Logistics (external)	2,414	2,387	1%	1%	9,012	8,756	3%	3%
Operating income (EBIT)	181	187			750	748		
Operating margin, % <sup>4)</sup>	2,9%	3,0%			3,2%	3,2%		
Adjusted operating income (EBIT) <sup>5)</sup>	260	308			847	869		
Adjusted operating margin, % <sup>4) 5)</sup>	4,2%	4,9%			3,7%	3,8%		

The figures for PostNord Sweden have been restated for 2014 to reflect the fact that PostNord Strålfors' fulfilment business has been transferred to PostNord Sweden.

### October-December

PostNord Sweden's net sales were down 1%. In Mail & Communication sales fell 4% as the result of a 4% decline in mail volumes. Logistics increased its sales by 1% as the result of higher parcel volumes related to positive growth in e-commerce.

Adjusted operating income totaled SEK 260m (308). The lower result is mainly related to the mix effect with a lower proportion of income for the mail business and higher social security costs for young people in Sweden.

### January-December

PostNord Sweden's net sales were unchanged. In Mail & Communication sales fell 4% as the result of a 6% decline in mail volumes. In 2014 extra mailings took place related to the EU elections and the general election in Sweden. Sales for Logistics in Sweden increased 3% as a result of higher parcel volumes and new customer contracts, mainly in the area of third-party logistics (TPL).

Adjusted operating income totaled SEK 847m (869). Cost cuts and growth in Logistics proved beneficial, but the declining mail volumes, higher social security costs for young people and increased sick leave had a negative impact on the result.



## PostNord Denmark

PostNord Denmark <sup>1) 2)</sup> SEKm	Oct-Dec	Oct-Dec	Excl. <sup>3)</sup>		Jan-Dec	Jan-Dec	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	2,695	2,712	-1%	-1%	9,987	10,164	-2%	-4%
<i>of which Mail &amp; Communication (external)</i>	1,619	1,722	-6%	-6%	6,109	6,600	-7%	-10%
<i>of which Logistics (external) <sup>6)</sup></i>	939	851	10%	10%	3,400	3,079	10%	7%
Operating income (EBIT)	-391	54			-287	-218		
Operating margin, % <sup>4)</sup>	-14,5%	2,0%			-2,9%	-2,1%		
Adjusted operating income (EBIT) <sup>5)</sup>	27	122			-371	-150		
Adjusted operating margin, % <sup>4) 5)</sup>	1,0%	4,5%			-3,7%	-1,5%		

### October-December

PostNord Denmark's net sales were down by a total of 1%. Mail & Communication reported a fall of 6% in income as the result of a 9% decline in mail volumes. A positive price effect partially counteracted the decrease in volumes. Logistics in Denmark increased by 10%, thanks to higher parcel volumes and new customer contracts in service logistics.

Adjusted operating income totaled SEK 27m (122). The result was substantially affected by lower mail income that has not yet been fully compensated for by cost adjustments. A comprehensive restructuring program for the Danish business is in progress. During the quarter agreements were entered into with the Danish trade unions regarding adaptation of applicable terms and conditions of employment, which will result in annual cost savings of more than SEK 200m. In order to continually adapt the organization to the lower mail volumes, provisions were reported relating to restructuring totaling SEK 384m, net, (434) during the quarter.

Additionally during the quarter the administrative Danish headquarters were relocated to more cost-effective, modern premises.

Work to amend postal legislation on the basis of changed customer demand has been under way in Denmark for a while. For example, customer demand has entailed a shift of volumes from priority to non-priority mail, why a substantial increase in the price of priority mail took effect as of January 1, 2016.

### January-December

PostNord Denmark's net sales were down 2%. Excluding acquisitions and exchange rate effects, net sales were down by 4%. Excluding exchange rate effects, Mail & Communication in Denmark declined by 10% as a result of a 16% drop in mail volumes. Logistics in Denmark increased by 7%, excluding exchange rate effects, as a result of higher volumes in parcel logistics and new customer contracts in service logistics. Adjusted operating income totaled SEK -371m (-150). See above.

## PostNord Norway

PostNord Norway <sup>1) 2)</sup> SEKm	Oct-Dec	Oct-Dec	Excl. <sup>3)</sup>		Jan-Dec	Jan-Dec	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	1,009	1,104	-9%	-4%	4,112	4,313	-5%	-3%
<i>of which Mail &amp; Communication (external)</i>	13	11	18%	21%	47	37	27%	32%
<i>of which Logistics (external)</i>	881	997	-12%	-7%	3,660	3,933	-7%	-5%
Operating income (EBIT)	-9	-65			-34	-46		
Operating margin, % <sup>4)</sup>	-0,9%	-5,9%			-0,8%	-1,1%		
Adjusted operating income (EBIT) <sup>5)</sup>	0	-54			-25	-35		
Adjusted operating margin, % <sup>4) 5)</sup>	0,0%	-4,9%			-0,6%	-0,8%		

### October-December

PostNord Norway's net sales decreased by 9%. Excluding acquisitions and exchange rate effects, net sales fell by 4% due to less demand as a result of a slowdown in the Norwegian economy

related to the drastic drop in the price of oil. The adjusted operating income amounted to SEK 0m (-54), and was positively affected by implemented savings programs.

#### January-December

Year-on-year net sales for PostNord Norway decreased by 5%. Excluding acquisitions and exchange rate effects, net sales were down by 3%. Growth in the e-commerce market remains strong, but the tough price competition in logistics is holding back both sales and profitability. The second half of 2015 was also influenced by the slowdown in the Norwegian economy. The adjusted operating income for the whole year improved to reach SEK -25m (-35).

#### PostNord Finland

PostNord Finland <sup>1) 2)</sup> SEKm	Oct-Dec	Oct-Dec	Excl. <sup>3)</sup>		Jan-Dec	Jan-Dec	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	243	175	39%	5%	787	665	18%	4%
of which Mail & Communication (external)	4	4	0%	2%	15	15	0%	-3%
of which Logistics (external)	177	116	53%	3%	538	441	22%	1%
Operating income (EBIT)	-5	-2			-1	-5		
Operating margin, % <sup>4)</sup>	-2,0%	-1,1%			-0,1%	-0,8%		
Adjusted operating income (EBIT) <sup>5)</sup>	-5	-2			-1	-5		
Adjusted operating margin, % <sup>4) 5)</sup>	-2,0%	-1,1%			-0,1%	-0,8%		

#### October-December

PostNord Finland's net sales grew by 39%, including the recently acquired company Uudenmaan Pikakuljetus Oy (UPK). Excluding acquisitions and exchange rate effects, net sales increased 5%, thanks to higher volumes in parcels and pallets. This was achieved despite a challenging economic situation in Finland and tough competition in the logistics market.

The adjusted operating income amounted to SEK -5m (-2), and was negatively impacted by integration costs related to the acquisition of UPK. Higher sales and savings programs implemented had a favorable impact on the result.

#### January-December

PostNord Finland's net sales grew by 18%. Excluding acquisitions and exchange rate effects, net sales increased 4%, primarily in parcels and pallets.

Adjusted operating income totaled SEK -1m (-5). The improvement is related to higher sales and previously implemented cost-cutting programs. Transaction and integration costs related to acquisitions had a negative impact on the result during H2.

The company Uudenmaan Pikakuljetus Oy (UPK) was acquired on September 1. The deal considerably strengthens PostNord's position in Finland within domestic parcel transportation, scheduled deliveries, logistics solutions for healthcare and e-commerce and temperature-controlled transport services.

## PostNord Strålfors

PostNord Strålfors <sup>1) 2)</sup> SEKm	Oct-Dec	Oct-Dec	Excl. <sup>3)</sup>		Jan-Dec	Jan-Dec	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	588	604	-3%	-2%	2,335	2,380	-2%	-3%
Operating income (EBIT)	-93	-50			-36	-49		
Operating margin, % <sup>4)</sup>	-15,8%	-8,3%			-1,5%	-2,1%		
Adjusted operating income (EBIT) <sup>5)</sup>	29	14			86	15		
Adjusted operating margin, % <sup>4) 5)</sup>	4,9%	2,3%			3,7%	0,6%		

The figures for PostNord Strålfors have been restated for 2014 to reflect that the fulfilment business has been transferred to PostNord Sweden.

### October-December

Net sales for PostNord Strålfors decreased by 3%. Excluding acquisitions and exchange rates net sales were down 2%, mainly due to a declining market for physical printing solutions, which has been compensated for with higher sales from new customer agreements and higher volumes in digital communication offerings.

Adjusted operating income totaled SEK 29m (14). The improvement is mainly due to implemented cost-cutting programs.

### January-December

Net sales for PostNord Strålfors decreased by 2%. Excluding acquisitions and exchange rate effects, net sales were down by 3%.

Adjusted operating income totaled SEK 86m (15). The improvement is mainly due to implemented cost-cutting programs.

## Other countries and eliminations

Other countries and eliminations <sup>1) 2)</sup> SEKm	Oct-Dec	Oct-Dec	Δ	Jan-Dec	Jan-Dec	Δ
	2015	2014		2015	2014	
Net sales	388	346	12%	1,327	1,303	2%
<i>of which internal</i>	2	2		3	4	
Eliminations	-662	-570		-2,277	-2,030	
Operating income (EBIT)	33	-194		172	-79	

### January-December

Net sales are primarily related to Direct Link. Q4 contains items affecting comparability totaling SEK 219m; see page 5.

Common notes applicable to the financial tables in the above section:

- 1) Division into geographic areas is principally based on registered corporate domicile.
- 2) All figures are adjusted in line with the new organization and Group overheads are charged to all countries, but not PostNord Strålfors. See Note 2, Segment reporting.
- 3) Change excluding acquisitions/divestment within operational activities and exchange rates.
- 4) As of 2015 a new definition for operating margin has been applied (operating income as a percentage of net sales). Comparative periods have been restated. See Note 7, Definitions.
- 5) Adjusted for items affecting comparability. See Note 7, Definitions.
- 6) Including Logistics' operations in Germany.

## BUSINESS AREAS

<b>External net sales</b> <sup>1)</sup>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Excl.</b> <sup>2)</sup>		<b>Jan-Dec</b>	<b>Jan-Dec</b>	<b>Excl.</b> <sup>2)</sup>	
<b>SEKm</b>	<b>2015</b>	<b>2014</b>	<b>△</b>	<b>△</b>	<b>2015</b>	<b>2014</b>	<b>△</b>	<b>△</b>
Mail & Communication	5,461	5,667	-4%	-4%	20,490	21,438	-4%	-6%
Logistics	4,411	4,350	1%	1%	16,610	16,207	2%	2%
PostNord Strålfors	562	583	-4%	-3%	2,251	2,305	-2%	-4%
<b>Group total</b>	<b>10,434</b>	<b>10,600</b>	<b>-2%</b>	<b>-2%</b>	<b>39,351</b>	<b>39,950</b>	<b>-1%</b>	<b>-3%</b>

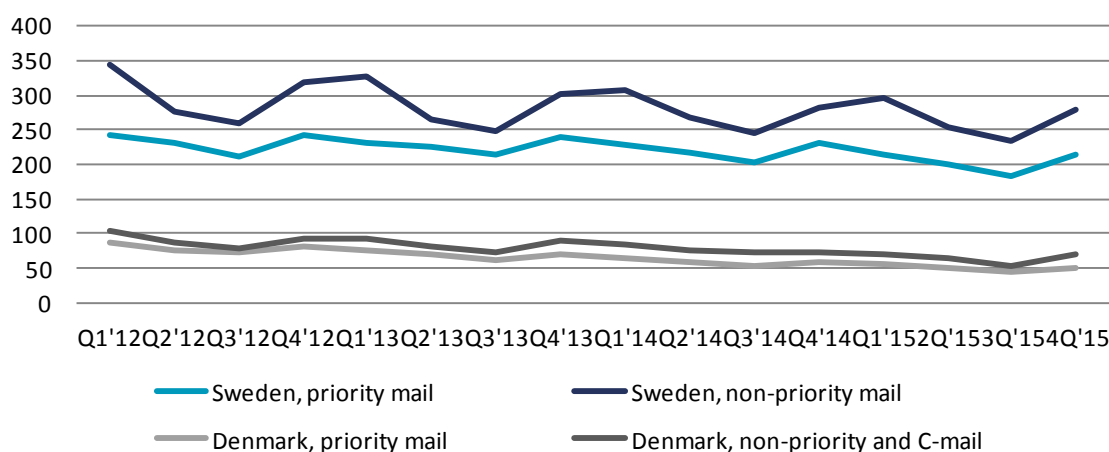
<sup>1)</sup> 2014 numbers are restated in accordance with the new organization.

<sup>2)</sup> Change excluding acquisitions/divestments and currency.

### Mail & Communication

Year-on-year net sales for the business area Mail & Communication decreased by 4% during the quarter. Excluding acquisitions and exchange rate effects, net sales were down by 4%. The lower net sales are mainly due to continued digitization and declining mail volumes.

*Mail volumes, millions of units*



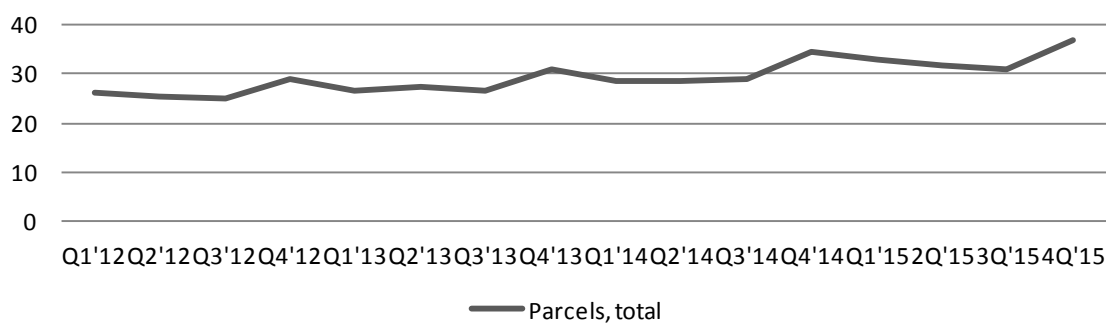
Mail volumes declined by a total of 5% in the quarter due to digitization, of which 9% in Denmark and 4% in Sweden. The volumes in Denmark were partially affected in a favorable way through extra mailings related to the EU during the quarter. The volume decline was somewhat mitigated by further strong growth in e-commerce-related services. The development of Swedish Varubrev services remains positive, with growth of 17% compared to Q4 2014.

During 2015 mail volumes fell by a total of 8%, of which 16% in Denmark and 6% in Sweden, year-on-year.

## Logistics

Year-on-year net sales for Business area Logistics rose 1% during the quarter. E-commerce is continuing to show strong growth, and parcel volumes rose 8% during the quarter, of which the number of e-commerce-related B2C items increased by 17%. For the whole of 2015 the volumes rose 10%, of which e-commerce-related B2C volumes increased 15%. The volumes increased in all markets. The tough price competition in logistics is, however, subduing sales growth.

Parcel volumes, millions of units



## PostNord Strålfors

See comments on PostNord Strålfors in the "Countries" section.

## RISKS AND UNCERTAINTIES

PostNord is exposed to strategic, operational and financial risks. Please refer to PostNord's 2014 Annual and Sustainability Report (pages 54-55 and Note 2 on pages 66-67), for a description of risks, uncertainties, risk management and significant assessments and estimates. No material changes or assessments have been made since the publication of the Annual and Sustainability Report.

## ANNUAL GENERAL MEETING 2016

The AGM will take place on April 28, 2016 at PostNord's headquarters located at Terminalvägen 24 in Solna, Sweden. Information about the AGM will be published on the website [www.postnord.com](http://www.postnord.com).

## PROPOSAL FOR DIVIDEND

Considering the Company's results and continued restructuring requirements the Board of Directors proposes that no dividend be paid.

## FINANCIAL CALENDAR

Annual and Sustainability Report	March 18, 2016
Annual General Meeting 2016	April 28, 2016
Interim report January-March 2016	April 29, 2016
Interim report January-June 2016	August 12, 2016
Interim report January-September 2016	October 28, 2016

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Solna, February 10, 2016  
PostNord AB (publ), CIN 556771-2640

Håkan Ericsson  
*President and Group CEO*

This report has not been subject to review by the Company's auditors.

PostNord AB (publ) is required to disclose this information under the Securities Markets Act. The information was submitted for publication at 8:30 a.m. CET on Wednesday, February 10, 2016.

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

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