

Interim report

Q3 2016

JULY-SEPTEMBER 2016

- Net sales SEK 8,895m (9,218).
- Operating income SEK -101m (33).
- Adjusted operating income SEK -41m (81).
- Items affecting comparability, net, SEK -60m (-48).
- Net income for the period SEK -145m (22).
- Earnings per share -0.07 (0.01).
- Cash flow from operating activities SEK -634m (-264).

JANUARY-SEPTEMBER 2016

- Net sales SEK 28,123m (28,917).
- Operating income SEK -71m (848).
- Adjusted operating income SEK 258m (426).
- Items affecting comparability, net, SEK -329m (422).
- Net income for the period SEK -208m (615).
- Earnings per share SEK -0.10 (0.31).
- Cash flow from operating activities SEK -36m (749).

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

FINANCIAL OVERVIEW AND KEY RATIOS¹⁾

SEKm, unless otherwise specified	Jul-sep	Jul-sep	Excl. ²⁾		Jan-sep	Jan-sep	Excl. ²⁾		Jan-dec
	2016	2015	Δ	Δ	2016	2015	Δ	Δ	2015
INCOME ITEMS									
Net sales	8,895	9,218	-4%	-4%	28,123	28,917	-3%	-3%	39,351
Operating income (EBITDAI)	262	461	-43%		1,180	2,158	-45%		2,436
Operating margin (EBITDAI)	2.9%	5.0%			4.2%	7.5%			6.2%
Operating income (EBIT)	-101	33			-71	848			564
Operating margin (EBIT)	-1.1%	0.4%			-0.3%	2.9%			1.4%
Adjusted operating income (EBIT)	-41	81			258	426			927
Adjusted operating margin (EBIT)	-0.5%	0.9%			0.9%	1.5%			2.4%
Income before tax	-102	10			-96	755			451
Net income	-145	22			-208	615			278
CASH FLOWS									
Cash flows from operating activities	-634	-264			-36	749			1,670
FINANCIAL POSITION									
Financial preparedness	3,975	3,443	15%		3,975	3,443	15%		3,894
Net debt	2,783	1,308	113%		2,783	1,308	113%		-171
KEY RATIOS									
Earnings per share, SEK	-0.07	0.01			-0.10	0.31			0.14
Net debt/EBITDAI, times	1.9	0.5			1.9	0.5			-0.1
Net debt ratio	39%	15%			39%	15%			-2%
Return on capital employed (ROCE)	-3.8%	7.0%			-3.8%	7.0%			5.4%
Average number of employees	33,897	35,904			33,569	35,424			35,256

¹⁾ See page 20 for definitions.

²⁾ Change excluding acquisitions/divestments and currency.

Unless otherwise stated, the report comments on developments in July-September 2016 compared to the same period in 2015.

CEO COMMENTS

CONTINUED MAJOR CHALLENGES BEING MET BY INCREASED RESPONSIVENESS AND FURTHER READJUSTMENTS

Our results are dominated by continued challenges, above all in the form of sharply falling mail volumes, but also by tough competition in the logistics market. Measures are being taken to further cut costs and to create new income streams through an attractive Nordic end-to-end offering.

Net sales excluding acquisitions, divestments and currency effects declined by 4% in the third quarter to SEK 8,895m (9,218). The decrease was mainly due to a further sharp fall of, in all, 8% in the Group's mail volumes, 6% in Sweden and 17% in Denmark. To a certain degree, this is being offset by the continuingly strong growth in e-commerce. Volumes of B2C parcels increased by around 20%. Adjusted operating income totaled SEK -41m (81) in the quarter and SEK 258m (426) for the first nine months of the year. The deterioration is attributable mainly to lower income in Denmark and Sweden as a result of the decline in mail volumes, which could not be fully offset on the cost side. The reported operating income, including items affecting comparability, for the first nine months of the year was SEK -71m (848). The items affecting comparability, net SEK -329m (422), this year relate in the main to the sale of the non-Nordic operations of PostNord Strålfors and last year to a capital gain on the sale of a property in Copenhagen.

Danish postal regulation has now been modernized to be more closely aligned to the needs of businesses and private individuals. Effective July 1, economy mail is now the standard letter service in Denmark and from January Saturday deliveries will cease. In order to adapt operations on Denmark to sharply lower mail volumes, a series of robust measures are being implemented in an ongoing process. However, as income for

the mail business has declined enormously over recent years, it is challenging to find ways of compensating fully on the cost side.

In Sweden, we are now seeing growing volume losses in the mail business. The Swedish operation, which has constantly adjusted its costs to lower income levels, has been able to produce results that are to some extent acceptable, despite the volume losses on the mail side. Having previously had to deal with volume losses of around 4% annually, we now need to adapt costs to volume decreases in the order of 6-7%. The remaining potential for rationalization is not expected to reconcile the need for essential cost efficiencies with a good mail service within the framework of current postal regulation. The current review of regulation of the postal sector is, against that background, very urgent.

The debate about service levels, price ceilings and actual customer needs is important. However, it should start from what is economically sustainable, from the perspectives of both business and the social economy. On its own, the combination of rising pay in our personnel-intensive organization and falling volumes is leading to constantly increasing delivery costs per item. Both the current price ceiling and the model proposed by the inquiry into postal legislation restrict PostNord's ability to operate a good postal service across the whole country under reasonable economic conditions.

"As sure as a letter in the post" has been the external acknowledgement of the professional pride that has characterized the whole delivery organization. Over the past two years, this pride has unfortunately come under challenge. Much driven by the major, essential changes implemented mainly during 2015 to establish reasonable economic conditions for mail and parcel distribution. During the year, we again reinforced quality levels. However, this will not be sufficient, and we are now focusing on further raising the quality experienced by mail customers and recipients. Disruptions in quality have caused our service and quality to come under intense scrutiny in social and traditional media in recent months.

Thus our transformation is not just about cutting costs and increasing efficiency. It is just as much about continuing to develop and clarify our offering in order to improve the quality perceived. With the help of new processes, total quality assessments will be performed to determine how recipients perceive the quality of our services. The findings from these assessments will without delay be translated into priority measures within our continuous program of improvement and our service development.

Håkan Ericsson
President & Group CEO

IMPORTANT EVENTS IN JULY-SEPTEMBER

Tim Jørgensen, Acting Head of Business area eCommerce & Logistics

Tim Jørgensen took up the position of Acting Head of Business area eCommerce & Logistics on July 4. Tim Jørgensen is also a member of the Group Executive Team. Tim Jørgensen has most recently been serving as Head of Product Management in the business area. Before joining PostNord, he was Group Director at Posten Norge/Bring's Nordic logistics operations outside Norway.

New mail services in Denmark from July 1

Denmark's priority mail service was scrapped on July 1. Customers who need overnight delivery are offered the new Quickbrev service. At the same time, a new two-day service for business customers with large mailings was launched. With the priority mail service being scrapped, Economy Mail is now the new standard letter service.

Reprofiling in Denmark

The more public reprofiling of Post Danmark to PostNord, which began in late June, continues. The message is that the Group's services will also be offered in Denmark under the common PostNord brand. This is part of the strategy of profiling PostNord as a common Nordic Group and the leading supplier of communication and logistics solutions to, from and within the Nordics.

Scrapping of VAT rule on postage costs for Danish e-retailers

Denmark's tax authority SKAT will, effective January 1, 2017, abolish the special rule on postage costs, which has provided a simplified procedure for e-commerce companies that enables them to benefit from VAT-free postage costs within the scope of the national delivery obligation. As a result of the scrapping of the rule, parcel distribution by PostNord will become in practice subject to VAT, to be paid by the end-user, which poses the risk of lower volumes and loss of sales. PostNord is working on identifying alternative arrangements to enable e-retailers to continue benefiting from mail items within the scope of the national delivery obligation remaining VAT-free.

Disposal of the non-Nordic operations of PostNord Strålfors

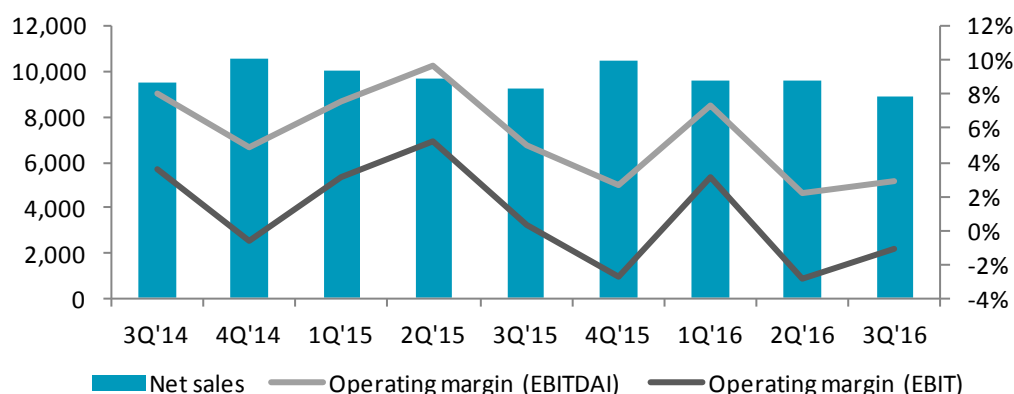
On September 1, PostNord Strålfors divested its subsidiaries in the United Kingdom, Poland and France.

GROUP SALES AND EARNINGS

External net sales ¹⁾ SEKm	Jul-sep 2016	Jul-sep 2015	Excl. ²⁾		Jan-sep 2016	Jan-sep 2015	Excl. ²⁾		Jan-dec 2015
			Δ	Δ			Δ	Δ	
Business area Communication Services	4,701	5,122	-8%	-8%	15,373	16,335	-6%	-5%	22,194
Business area eCommerce & Logistics	4,194	4,096	2%	1%	12,750	12,582	1%	1%	17,157
Group total	8,895	9,218			28,123	28,917			39,351

1) Numbers are restated in accordance with the new organization.

2) Change excluding acquisitions/divestments and currency.



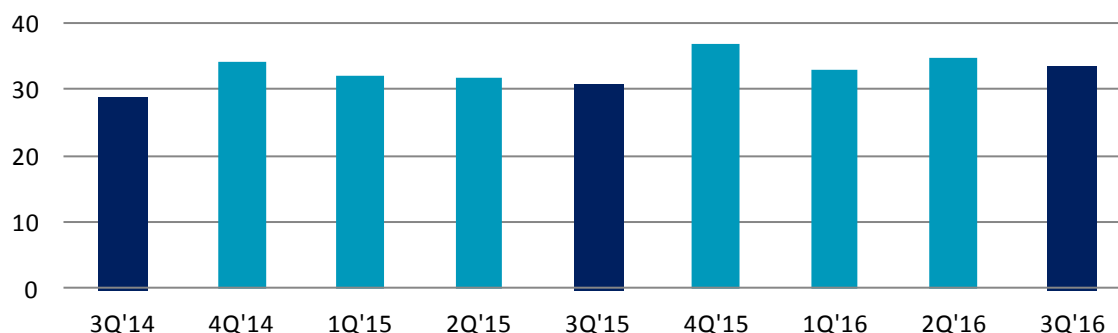
PostNord's net sales decreased by 4%, excluding acquisitions and exchange rate effects. As a result of continued digitization, mail volumes declined by a total of 8%, of which 17% in Denmark and 6% in Sweden. The Group's parcel volumes increased by 8%. Growth in e-commerce continues, with e-commerce-related B2C parcel volumes rising 24%; excluding a service reclassification, the quarterly increase was 20%.

Adjusted operating income for the Group totaled SEK -41m (81) and SEK 258m (426) for the first nine months of the year. Despite adjustments and continuous adaptations in response to reduced mail volumes, it was not possible to fully compensate for the decrease in income as a result of falling mail volumes.

The Group's reported operating income totaled SEK -101m (33) and SEK -71m (848) for the first nine months of the year. The result includes items affecting comparability amounting to SEK -60m net (-48) and SEK -329m net (422) for the first nine months of the year. The items affecting comparability are mainly attributable to items relating to the divestment of the non-Nordic operations of PostNord Strålfors and last year to a capital gain on the sale of a property in Copenhagen. Net financial items totaled SEK -1m (-23). Net income for the period totaled SEK -145 (22) and tax totaled SEK -43m (12).

Total parcel volumes, Group

millions



FINANCIAL POSITION AND CASH FLOW

The Group's equity decreased to SEK 7,070m compared to SEK 7,832m on June 30, 2016. The decline was in the main attributable to revaluation of pension commitments in the amount of SEK 850m after tax. Lower interest rates in Sweden's housing bond market increased the Group's pension commitment. Net income for the period, SEK -145m, also negatively affected equity, while translation differences of SEK 230m had positive impact. Since December 31, 2015, equity has decreased by SEK 2,080m. The decrease is primarily attributable to revaluation of the pension commitment but also to the negative income of SEK -208m for the period, while translation differences of SEK 401m had positive impact on equity.

The Group's net debt increased by SEK 1,763m during the quarter to SEK 2,783m, as a result of the above-mentioned increase in the pension liability and negative cash flow. The interest-bearing liability consists of a long-term portion of SEK 1,730m (3,720) and a current portion of SEK 2,133m (134). On September 20, 2017, SEK 2,000m falls due for payment and to secure the Group's financial preparedness, the Group has a bridge facility of SEK 1,000m that matures in 2018.

The debt ratio (net debt/equity) was 39% (15), which was within the Group's target range of 10-50%.

Net debt

SEKm	30-Sep 2016	30-Jun 2016	31-Mar 2015	31-Dec 2015	30-Sep 2015
Interest-bearing debt	3,863	3,854	3,849	3,840	3,849
Pensions and disability pension plans	158	-620	-1,051	-1,867	-850
Long- and short-term investments	-613	-560	-254	-250	-248
Cash and cash equivalents	-625	-1,654	-1,905	-1,894	-1,443
Net debt	2,783	1,020	639	-171	1,308

Return on capital employed (ROCE) (trailing 12 months) was -3.8% (7.0), as a result of the negative income for the period. Excluding items affecting comparability, the return on capital employed was 8.1% (7.8).

The Group's financial preparedness totaled SEK 3,975m (3,443) on September 30, 2016, comprising cash and cash equivalents of SEK 625m (1,443), short-term investments of SEK 350m (-) and an unutilized credit facility of SEK 3,000m (2,000), of which SEK 1,000m matures in 2018 and SEK 2,000m in 2019.

Cash flow from operating activities totaled SEK -634m (-264). Cash flow was negatively affected in the main by lower income, an increase in operating receivables and increased use of provisions set aside in earlier periods. Accumulated cash flow from operating activities amounted to SEK -36m (749), where the result in the preceding year benefited from a payroll tax refund of SEK 300m.

Cash flow from investing activities totaled SEK -384m (252). During the third quarter, SEK 50m (-) of the Group's cash and cash equivalents was invested in commercial paper. The investment was necessitated above all by deposit fees charged by the banks. Investments in tangible and intangible non-current assets rose slightly as a result of investments in infrastructure for the integrated production model. In July 2015, PostNord received a cash payment of SEK 495m attributable to sale of a property in Copenhagen.

Cash flow from financing activities totaled SEK -14m (10).

COUNTRIES

PostNord Sweden SEKm	Jul-sep	Jul-sep	Excl. ²⁾		Jan-sep	Jan-sep	Excl. ²⁾		Jan-dec
	2016	2015	Δ	Δ	2016	2015	Δ	Δ	2015
Net sales	5,320	5,424	-2%	-2%	16,742	16,907	-1%	-1%	23,080
of which Communication Services (external) ¹⁾	2,738	2,882	-5%	-5%	8,780	9,173	-4%	-4%	12,448
of which eCommerce & Logistics (external) ¹⁾	2,321	2,280	2%	2%	7,136	6,981	2%	2%	9,559
Operating income (EBIT)	47	167			322	568			750
Operating margin, %	0.9%	3.1%			1.9%	3.4%			3.2%
Adjusted operating income (EBIT)	47	186			337	587			847
Adjusted operating margin, %	0.9%	3.4%			2.0%	3.5%			3.7%

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

¹⁾ Figures for comparison have been adjusted in line with the new business area organization.

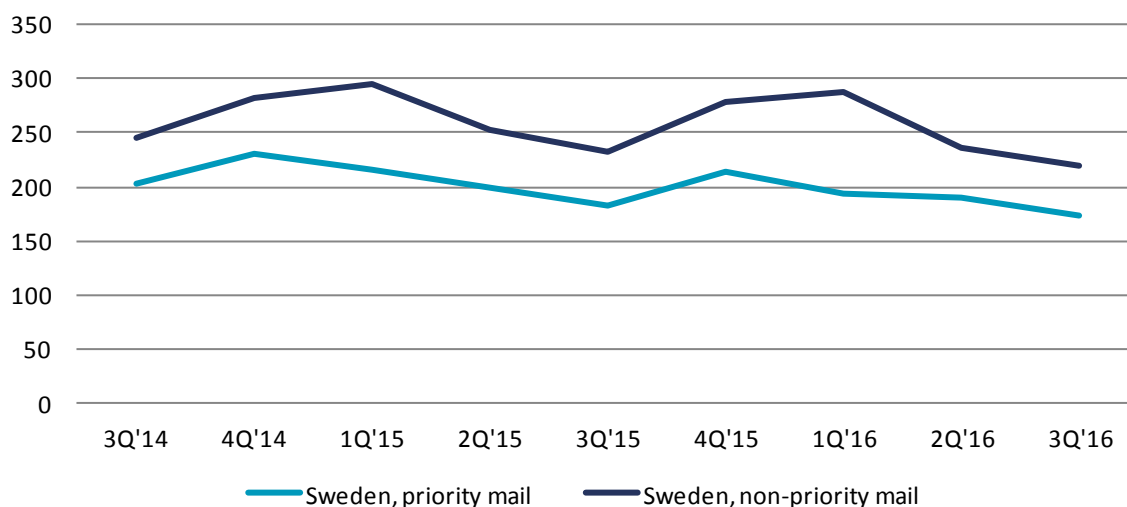
²⁾ Change excluding acquisitions/divestment within operational activities and exchange rates.

PostNord Sweden's net sales decreased by 2%. Communication Services reported a 5% decrease in sales as a result of a 6% decline in mail volumes. Sales for eCommerce & Logistics increased by 2% mainly through continued growth in e-commerce.

Adjusted operating income totaled SEK 47m (186), SEK 337m (587) on an accumulated basis. Costs have not yet been fully adjusted to the lower mail income, and income on an accumulated basis is negatively impacted by higher social insurance costs for young people in Sweden.

Mail volumes, Sweden

millions



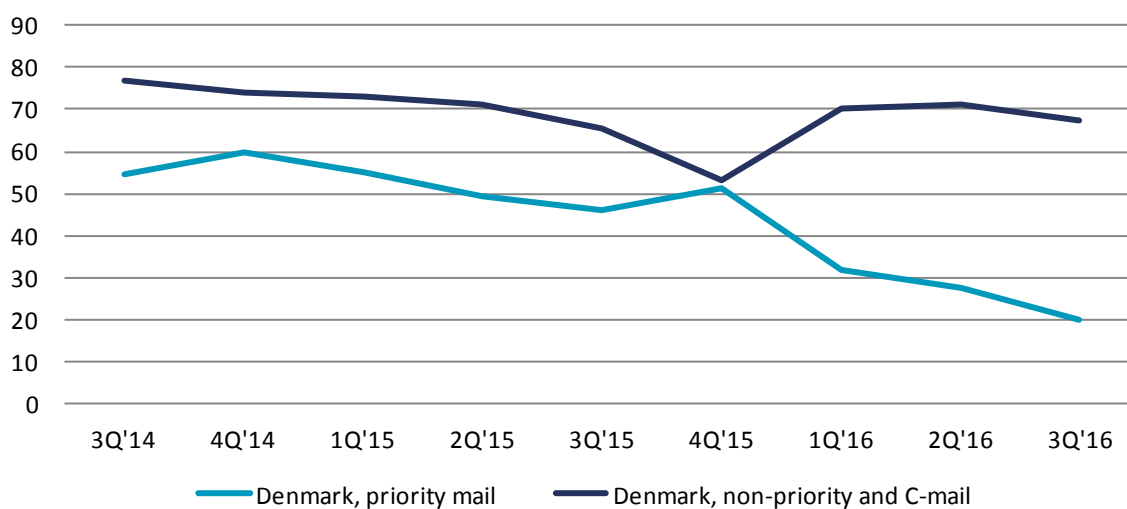
PostNord Denmark SEKm	Jul-sep	Jul-sep	Excl. ²⁾		Jan-sep	Jan-sep	Excl. ²⁾		Jan-dec
	2016	2015	Δ	Δ	2016	2015	Δ	Δ	2015
Net sales	2,220	2,323	-4%	-7%	7,027	7,292	-4%	-5%	9,987
of which Communication Services (external) ¹⁾	1,201	1,400	-14%	-15%	4,012	4,490	-11%	-11%	6,109
of which eCommerce & Logistics (external) ¹⁾	908	821	11%	6%	2,654	2,461	8%	6%	3,400
Operating income (EBIT)	-209	-148			-512	103			-287
Operating margin, %	-9.4%	-6.4%			-7.3%	1.4%			-2.9%
Adjusted operating income (EBIT)	-209	-149			-481	-398			-371
Adjusted operating margin, %	-9.4%	-6.4%			-6.8%	-5.5%			-3.7%

PostNord Denmark's net sales decreased by 4%. Excluding acquisitions and exchange rate effects, sales fell by 7%. In Communication Services, net sales declined by 15%, with mail volumes decreasing by 17%. Denmark's priority mail service was scrapped on July 1. Customers who need overnight delivery are offered the new Quickbrev service. At the same time, a new two-day service for business customers with large mailings was launched. Net sales for eCommerce & Logistics in Denmark increased by 6% as a result of higher B2C parcel volumes and positive growth in heavy logistics.

Adjusted operating income totaled SEK -209m (-149), SEK -481m (-398) on an accumulated basis. The result was substantially affected by lower mail income that has not yet been fully offset by cost adjustments. A comprehensive program of measures for the Danish business is in progress. The carrying amount for goodwill attributable to the Danish operation is SEK 800m, in part relating to logistics acquisitions carried out.

Mail volumes, Denmark

millions



PostNord Norway SEKm	Jul-sep 2016	Jul-sep 2015	Excl.²⁾		Jan-sep 2016	Jan-sep 2015	Excl.²⁾		Jan-dec 2015
			Δ	Δ			Δ	Δ	
Net sales	919	970	-5%	-5%	2,789	3,103	-10%	-6%	4,112
of which Communication Services (external) ¹⁾	10	11	-12%	-11%	26	35	-25%	-20%	47
of which eCommerce & Logistics (external) ¹⁾	796	860	-7%	-7%	2,445	2,778	-12%	-8%	3,660
Operating income (EBIT)	-21	-31			-25	-25			-34
Operating margin, %	-2.3%	-3.2%			-0.9%	-0.8%			-0.8%
Adjusted operating income (EBIT)	-21	-31			-25	-25			-25
Adjusted operating margin, %	-2.3%	-3.2%			-0.9%	-0.8%			-0.6%

Excluding exchange rate effects, PostNord Norway's net sales decreased by 5%, as a result largely of subdued demand arising from weak growth in the Norwegian economy and pressure on prices in the logistics market.

As a result of substantial cost cutbacks, income was maintained despite the decline in revenue. Operating income totaled SEK -21m (-31) and SEK -25m (-25) on an accumulated basis.

PostNord Finland SEKm	Jul-sep 2016	Jul-sep 2015	Excl.²⁾		Jan-sep 2016	Jan-sep 2015	Excl.²⁾		Jan-dec 2015
			Δ	Δ			Δ	Δ	
Net sales	241	198	22%	3%	718	544	32%	5%	787
of which Communication Services (external) ¹⁾	3	3	-5%	-6%	11	10	5%	5%	15
of which eCommerce & Logistics (external) ¹⁾	170	135	26%	-1%	515	361	43%	2%	538
Operating income (EBIT)	0	4			-14	4			-1
Operating margin, %	0.0%	2.0%			-2.0%	0.7%			-0.1%
Adjusted operating income (EBIT)	0	4			-14	4			-1
Adjusted operating margin, %	0.0%	2.0%			-2.0%	0.7%			-0.1%

PostNord Finland's net sales grew by 22%. Excluding acquisitions and exchange rate effects, net sales increased 3% as a result of higher parcel volumes.

Operating income totaled SEK 0m (4), SEK -14m (4) on an accumulated basis. Results for the quarter are largely in line with the preceding year, but on an accumulated basis were lower than a year earlier, owing to integration costs for Uudenmaan Pikakuljetus Oy (UPK), the company acquired in 2015.

PostNord Strålfors SEKm	Jul-sep 2016	Jul-sep 2015	Excl.²⁾		Jan-sep 2016	Jan-sep 2015	Excl.²⁾		Jan-dec 2015
			Δ	Δ			Δ	Δ	
Net sales	503	522	-4%	5%	1,724	1,747	-1%	3%	2,335
of which Communication Services (external) ¹⁾	481	506	-5%	4%	1,644	1,689	-3%	2%	2,251
Operating income (EBIT)	-21	23			-177	57			-36
Operating margin, %	-4.2%	4.4%			-10.3%	3.3%			-1.5%
Adjusted operating income (EBIT)	28	23			95	57			86
Adjusted operating margin, %	5.6%	4.4%			5.5%	3.3%			3.7%

Net sales for PostNord Strålfors fell 4%. Excluding divestments and exchange rate effects, sales increased 5%. The increase relates mainly to new customer agreements in Finland and digital communication offerings, which are compensating for a general decline in demand for physical communication and graphical products. On September 1, the operations of Strålfors in the United Kingdom, Poland and France were divested.

Adjusted operating income totaled SEK 28m (23) and SEK 95m (57) on an accumulated basis. The improvement is attributable to cost-cutting programs implemented and lower staffing levels.

Operating income totaled SEK -21m (23). As a result of the disposal of the non-Nordic operations of Strålfors, accumulated translation differences of SEK -48m were transferred from other comprehensive income to income for the period and were reported as an item affecting comparability in the quarter.

Direct Link SEKm	Jul-sep	Jul-sep	Excl. ²⁾		Jan-sep	Jan-sep	Excl. ²⁾		Jan-dec
	2016	2015	Δ	Δ	2016	2015	Δ	Δ	2015
Net sales	209	252	-17%	-14%	720	731	-2%	2%	1,055
of which Communication Services (external) ¹⁾	209	252	-17%	-14%	720	731	-2%	2%	1,055
Operating income (EBIT)	0	18			16	47			78
Operating margin, %	0.0%	7.1%			2.2%	6.5%			7.3%
Adjusted operating income (EBIT)	0	18			16	47			78
Adjusted operating margin, %	0.0%	7.1%			2.2%	6.5%			7.3%

During the quarter, sales decreased due to lower volumes in APAC (Asia-Pacific). The background was a delivery incident in connection with volumes via Denmark. A focused initiative is under way to regain the trust and volumes of customers.

Operating income totaled SEK 0m (18). The decline was attributable in the main to lower sales.

SUSTAINABILITY

The average number of employees totaled 33,569 (35,424), a reduction of 1,855. Sweden and Denmark accounted for the major share of the decrease. Sick leave was calculated at 5.9% (5.6). The figure is still high and in order to address the problem, in which long-term sick leave shows highest growth, initiatives are being focused on rehabilitation, but also on preventive measures.

During the quarter, the proportion of women at management levels 1-3 rose from 35.5% to 36.3%. The results from the annual employee survey were announced during the quarter. Both Employee index (MIX) and Leadership index (LIX) ratings fell by one index point, to 62 (63) and 67 (68), respectively. The decline was mainly due to the uncertainty about the future, arising from the transformation process currently under way.

At 275,822 tonnes, carbon dioxide emissions were 4% higher during the first nine months of the year compared with the corresponding period last year. The increase, which in the main arose in the Swedish business, resulted from more external transportation being used. Further initiatives were taken to raise the proportion of biofuels used in internal and external transportation. Since 2009, the Group's emissions have fallen by nearly 24%. During the quarter one area of focus was to implement measures to improve fuel efficiency, for example via the Group's energy-efficient driving competition.

Quality (rolling 12-month) for priority mail (individual letters and mail items) in Sweden averaged 91.6%. The result for the third quarter was 92.4%, indicating that the measures taken have started to yield certain quality improvements. As a result of new postal legislation in Denmark, two new mail services were introduced on July 1. The quality for the standard *Brevet* service was 92.9%. Actions to bring about immediate quality improvements have been taken in both Sweden and Denmark, while long-term improvement measures continue along with restructuring measures. In parcels, the weighted quality remained high, at 96.6%.

At the end of the third quarter, the proportion of the Group's total purchasing from suppliers who had signed up to the Code of Conduct for Suppliers had risen to 60%, compared with 53% at the end of the second quarter. During the third quarter, a Group-wide model for assessing and managing sustainability risks linked to the supply chain was adopted. The focus during the remainder of the year lies on developing processes and tools for implementing this model.

Solna, October 28, 2016
PostNord AB (publ), CIN 556771-2640

Håkan Ericsson
President and CEO

REVIEW REPORT

PostNord AB
CIN 556771-2640

Introduction

We have reviewed the interim financial information (interim report) for PostNord AB on September 30, 2016 and the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. We are responsible for expressing a conclusion on this interim report based on our review.

Focus and scope of the review

We performed our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review comprises making enquiries, mainly to those responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has different focus to and substantially more limited scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing (ISAs) and other generally accepted auditing standards. The assessment performed in a review does not enable us to obtain a level of assurance that would make us aware of all key circumstances that may have been possible to identify had an audit been performed. The conclusion expressed on the basis of a review does not therefore give the same assurance as a conclusion expressed on the basis of an audit.

Conclusion

On the basis of our review, nothing has come to light that gives us reason to believe that the interim report has not, in all material aspects, been drawn up for the Group according to IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company according to the Swedish Annual Accounts Act.

Stockholm, October 28, 2016

KPMG AB

Helene Willberg
Authorized Public Accountant

FINANCIAL CALENDAR

Interim report January-September 2016	October 28, 2016
Year-end report January-December 2016	February 10, 2017
Annual and sustainability report 2016	March 17, 2017
Annual General Meeting	April 27, 2017
Interim report January-March 2017	April 28, 2017
Interim report January -June 2017	July 20, 2017
Interim report January-September 2017	October 27, 2017

This information is such that PostNord AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.30 CET on October 28, 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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FINANCIAL STATEMENTS

Consolidated income statement

SEKm	Note	Jul-sep 2016	Jul-sep 2015 ¹⁾	Jan-sep 2016	Jan-sep 2015 ¹⁾	Jan-dec 2015 ¹⁾
	1					
Net sales		8,895	9,218	28,123	28,917	39,351
Other income		70	59	200	693	765
Income	2	8,965	9,277	28,323	29,610	40,116
Personnel expenses		-3,891	-4,075	-12,683	-13,193	-18,222
Transport expenses		-2,483	-2,473	-7,402	-7,402	-10,051
Other expenses		-2,329	-2,268	-7,058	-6,857	-9,407
Depreciation, amortization and impairments		-363	-428	-1,251	-1,310	-1,872
Expenses		-9,066	-9,244	-28,394	-28,762	-39,552
OPERATING INCOME		-101	33	-71	848	564
Financial income		9	7	17	15	21
Financial expenses		-10	-30	-42	-108	-134
Net financial items		-1	-23	-25	-93	-113
INCOME BEFORE TAX		-102	10	-96	755	451
Tax		-43	12	-112	-140	-173
NET INCOME		-145	22	-208	615	278
Attributable to						
Parent company shareholders		-146	21	-210	613	276
Non-controlling interests		1	1	2	2	2
Earnings per share, SEK		-0.07	0.01	-0.10	0.31	0.14

¹⁾ Costs of provisions have been reallocated between personnel expenses and other operating expenses

Consolidated statement of comprehensive income

SEKm	Jul-sep 2016	Jul-sep 2015	Jan-sep 2016	Jan-sep 2015	Jan-dec 2015
NET INCOME	-145	22	-208	615	278
OTHER COMPREHENSIVE INCOME					
Items that cannot be transferred to net income					
Revaluation of pension liabilities	-1,089	-748	-2,919	513	1,388
Change in deferred tax	239	303	642	26	-166
Total	-850	-445	-2,277	539	1,222
Items that have been or may be transferred to net income					
Cash flow hedges after tax	3	1	6	2	4
Translation differences	182	-51	353	-196	-342
- Realized and reclassified to income statement	48		48		
Total	233	-50	407	-194	-338
TOTAL OTHER COMPREHENSIVE INCOME	-617	-495	-1,870	345	884
COMPREHENSIVE INCOME	-762	-473	-2,078	960	1,162
Attributable to					
Parent company shareholders	-763	-474	-2,080	958	1,160
Non-controlling interests	1	1	2	2	2

Consolidated statement of financial position

MSEK	Note	30 sep 2016	30 jun 2016	31 mar 2016	31 dec 2015	30 sep 2015
	1					
ASSETS						
Goodwill		3,412	3,337	3,275	3,236	3,358
Other intangible assets		837	873	901	955	1,079
Property, plant and equipment		8,520	8,489	8,540	8,664	8,713
Participations in associated companies and joint ventures		70	65	62	71	73
Financial investments	4	262	259	254	250	248
Other non-current receivables		672	839	1,125	1,945	954
Deferred tax assets		860	720	780	484	647
Total non-current assets		14,633	14,582	14,937	15,605	15,072
Inventories		122	133	166	150	158
Tax assets		766	734	579	527	520
Trade receivables	4	4,304	4,189	4,368	4,524	4,347
Prepaid expenses and accrued income		1,410	1,423	1,395	1,251	1,464
Other receivables		624	682	470	563	666
Short-term investments	4	351	301	-	-	-
Cash and cash equivalents	4	625	1,654	1,905	1,894	1,443
Assets held for sale		145	172	213	209	200
Total current assets		8,347	9,288	9,096	9,118	8,798
TOTAL ASSETS		22,980	23,870	24,033	24,723	23,870
EQUITY AND LIABILITIES						
EQUITY						
Capital stock		2,000	2,000	2,000	2,000	2,000
Other contributed equity		9,954	9,954	9,954	9,954	9,954
Reserves		-1,623	-1,856	-1,964	-2,030	-1,886
Retained earnings		-3,264	-2,268	-1,433	-777	-1,123
Total equity attributable to parent company shareholders		7,067	7,830	8,557	9,147	8,945
Non-controlling interests		3	2	4	3	3
TOTAL EQUITY		7,070	7,832	8,561	9,150	8,948
LIABILITIES						
Non-current interest-bearing liabilities	4	1,730	3,720	3,711	3,705	3,816
Other non-current liabilities		52	53	55	40	38
Pensions		737	135	-	-	57
Other provisions		1,672	1,709	1,726	1,712	1,529
Deferred tax liabilities		627	807	981	861	799
Total non-current liabilities		4,818	6,424	6,473	6,318	6,239
Current interest-bearing liabilities	4	2,133	134	138	134	34
Trade payables		2,023	2,226	1,955	2,294	1,947
Tax liabilities		79	60	51	47	73
Other current liabilities		1,876	1,694	1,738	1,727	2,098
Accrued expenses and prepaid income		4,479	4,937	4,660	4,404	4,030
Other provisions		502	563	457	649	501
Total current liabilities		11,092	9,614	8,999	9,255	8,683
TOTAL LIABILITIES		15,910	16,038	15,472	15,573	14,922
TOTAL EQUITY AD LIABILITIES		22,980	23,870	24,033	24,723	23,870

Consolidated statement of cash flows

SEKm	Note	Jul-sep 2016	Jul-sep 2015	Jan-sep 2016	Jan-sep 2015	Jan-dec 2015
OPERATING ACTIVITIES						
Income before tax		-102	10	-96	755	451
Adjustments for non-cash items:		118	154	435	-244	554
Taxes		-14	-9	-40	-34	-79
Cash flow from operating activities before changes in working capital		2	155	299	477	926
Cash flow from changes in working capital						
Increase(-)/decrease(+) in inventories		18	10	0	20	28
Increase(-)/decrease(+) in other operating receivables		-215	112	-364	-86	76
Increase(+)/decrease(-) in other operating liabilities		-460	-532	70	291	629
Other changes in working capital		21	-9	-41	47	11
Changes in working capital		-636	-419	-335	272	744
Cash flow from operating activities		-634	-264	-36	749	1,670
INVESTING ACTIVITIES						
Purchase of property, plant and equipment		-198	-198	-605	-642	-1,027
Sale of property, plant and equipment		7	498	18	523	525
Purchase of other intangible fixed assets		-22	-7	-132	-33	-82
Acquisition of financial assets		-52	-	-362	-	-
Sale of financial assets		-5	6	1	19	19
Acquisition of subsidiaries	3	-100	-	-100	-	-
Sale of subsidiaries	3	-14	-47	-14	-78	-81
Cash flow from investing activities		-384	252	-1,194	-211	-646
FINANCING ACTIVITIES						
Amortized debts		-	-16	-	-843	-843
Dividend paid		-	-	-2	-3	-3
Net pension transactions		-22	-22	-67	-64	-85
Increase(+)/decrease(-) in other interest-bearing liabilities		8	48	22	-26	-36
Cash flow from financing activities		-14	10	-47	-936	-967
CASH FLOW FOR THE PERIOD		-1,032	-2	-1,277	-398	57
Cash and cash equivalents, opening balance		1,654	1,445	1,894	1,843	1,843
Translation difference in cash and cash equivalents		3	0	8	-2	-6
Cash and cash equivalents, closing balance		625	1,443	625	1,443	1,894

Consolidated statement of changes in equity

SEKm	Equity attributable to the parent company's shareholders					Non-controlling interests	Total equity
	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings		
Opening balance 1 Jan 2015	2,000	9,954	-1,680	-12	-2,275	4	7,991
Other comprehensive income for the period							
Net income for the period	-	-	-	-	613	2	615
Other comprehensive income for the period	-	-	-196	2	539	-	345
Total other comprehensive income for	-	-	-196	2	1,152	2	960
Dividend	-	-	-	-	-	-3	-3
Closing balance 30 Sep 2015	2,000	9,954	-1,876	-10	-1,123	3	8,948

SEKm	Equity attributable to the parent company's shareholders					Non-controlling interests	Total equity
	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings		
Opening balance 1 Oct 2015	2,000	9,954	-1,876	-10	-1,123	3	8,948
Other comprehensive income for the period							
Net income for the period	-	-	-	-	-337	-	-337
Other comprehensive income for the period	-	-	-146	2	683	-	539
Total other comprehensive income for the period	-	-	-146	2	346	-	202
Dividend	-	-	-	-	-	-	-
Closing balance 31 Dec 2015	2,000	9,954	-2,022	-8	-777	3	9,150

SEKm	Equity attributable to the parent company's shareholders					Non-controlling interests	Total equity
	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings		
Opening balance 1 Jan 2016	2,000	9,954	-2,022	-8	-777	3	9,150
Other comprehensive income for the period							
Net income for the period	-	-	-	-	-210	2	-208
Other comprehensive income for the period	-	-	401	6	-2,277	-	-1,870
Total other comprehensive income for	-	-	401	6	-2,487	2	-2,078
Dividend	-	-	-	-	-	-2	-2
Closing balance 30 Sep 2016	2,000	9,954	-1,621	-2	-3,264	3	7,070

¹⁾ Number of shares is 2,000,000,001: 1,524,905,971 ordinary shares and 475,094,030 series B shares.

PARENT COMPANY FINANCIAL REPORTS

The parent company, PostNord AB, conducted a very limited intercompany service operation and had three employees by the end of the period.

Income statement

SEKm	Note	Jul-sep 2016	Jul-sep 2015	Jan-sep 2016	Jan-sep 2015	Jan-dec 2015
	1					
Other income		3	6	11	19	26
Income		3	6	11	19	26
Personnel expenses		-7	-8	-21	-25	-33
Other expenses		0	0	-3	-3	-6
Operating expenses		-7	-8	-24	-28	-39
OPERATING INCOME		-4	-2	-13	-9	-13
Interest income and similar income items		1	-34	1	1	49
Interest expense and similar expense items		-35	-3	-99	-44	-77
Financial items		-34	-37	-98	-43	-28
Income after financial items		-38	-39	-111	-52	-41
Balance sheet appropriations		-	-	-	-	34
Income before tax		-38	-39	-111	-52	-7
Tax		-	3	-	3	-
NET INCOME		-38	-36	-111	-49	-7

Statement of comprehensive income

SEKm	Jul-sep 2016	Jul-sep 2015	Jan-sep 2016	Jan-sep 2015	Jan-dec 2015
Net income	-38	-36	-111	-49	-7
Other comprehensive income for the period					
COMPREHENSIVE INCOME	-38	-36	-111	-49	-7

Balance sheet

SEKm	Note	30 sep 2016	30 jun 2016	31 mar 2016	31 dec 2015	30 sep 2015
	1					
ASSETS						
Financial assets		11,693	11,692	11,692	11,689	11,691
Total non-current assets		11,693	11,692	11,692	11,689	11,691
Current receivables		8,177	8,220	8,237	8,247	8,232
Total current assets		8,177	8,220	8,237	8,247	8,232
TOTAL ASSETS		19,870	19,912	19,929	19,936	19,923
EQUITY AND LIABILITIES						
Equity		15,653	15,691	15,734	15,764	15,722
Non-current liabilities		2,106	4,082	4,059	4,046	4,174
Current liabilities		2,111	139	136	126	27
TOTAL EQUITY AND LIABILITIES		19,870	19,912	19,929	19,936	19,923

NOTES TO FINANCIAL STATEMENTS

Note 1 Accounting principles and risks

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. In addition to IFRS, additional rules from the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 1, Supplemental Financial Statements for Groups, were also applied. PostNord Group's interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and with supplementary rules from the Annual Accounts Act. Other disclosures as required by IAS 34.16A are provided both in the financial statements and in other parts of the interim report. The same accounting principles and methods of calculation were used in this interim report as in the Group and Parent Company 2015 Annual and Sustainability Report. The changes in IFRS as of 2016 have not had any material impact on the consolidated financial statements.

At the beginning of July 2016, ESMA's guidelines on alternative key ratios entered into force. An alternative key ratio is defined as a financial measure of historical or future earnings performance, financial position, results or cash flows that are not defined in the accounting rules applied by the company. The guidelines state inter alia that the company shall define its key ratios and present reconciliations and figures for comparison.

Risks

The Parent Company and the Group are exposed to strategic, operational and financial risks. Please refer to PostNord's 2015 Annual and Sustainability Report (pages 38-39 and Note 2 on page 60), 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.

Note 2 Segments

PostNord's organization into business areas is based on the manner in which PostNord is governed and activities are reported to management. Market pricing applies to internal dealings between PostNord business areas. There is no latitude for making external purchases where the service in question is available internally. In PostNord's operational structure cost distribution of corporate shared service functions is at cost price.

As of the first quarter of 2016, the business of Direct Link is accounted for as a separate segment. Direct Link was formerly reported under "Other". Figures for comparison have been restated. PostNord's segments are divided into the following markets: PostNord Sweden, PostNord Denmark (incl. Germany), PostNord Norway, PostNord Finland, PostNord Strålfors, Direct Link and Other. The countries market and sell the business areas' end-to-end solutions.

PostNord Sweden offers mail- and logistic solutions as well as e-commerce at the Swedish market and is also responsible for PostNord's fulfilment business.

PostNord Denmark offers mail- and logistic solutions as well as e-commerce at the Danish market and is also responsible for PostNord's e-commerce and logistics business in Germany.

PostNord Norway and *Finland* offer mail- and logistic solutions as well as e-commerce at the Norwegian and Finnish market respectively.

PostNord Strålfors operates in the area of information logistics. The company develops and offers communication solutions that create stronger, more personal customer relationships for companies that have large customer bases.

Direct Link operates in the area of global distribution of marketing communications and lightweight goods, mainly for e-retailers. Operations in the United States, United Kingdom, Germany, Singapore, Hong Kong and Australia.

Other comprises business outside the countries served by the segment, shared services and corporate functions including the parent company and Group adjustments. The Group adjustments consist of the adjustments required for IFRS purposes. From Other, service costs for shared services and corporate functions are allocated to the countries. Cost allocations are taken up as income in Other under Other Income, Internal. Within the countries, cost allocations are recognized in Other Expenses.

Eliminations comprise the elimination of internal transactions.

Note2 Segments contd.

SEKm	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
PostNord Sweden						
Net sales	5,665	5,424	6,173	5,720	5,703	5,320
<i>of which internal</i>	250	261	319	293	273	261
Operating income (EBIT)	173	167	182	198	76	47
Operating margin, %	3.1%	3.1%	2.9%	3.6%	1.3%	0.9%
Items affecting comparability	-	19	78	-	15	0
Adjusted operating income (EBIT)	173	186	260	198	91	47
Adjusted operating margin, %	3.1%	3.4%	4.2%	3.6%	1.6%	0.9%
PostNord Denmark						
Net sales	2,402	2,323	2,695	2,431	2,376	2,220
<i>of which internal</i>	115	102	137	129	121	112
Operating income (EBIT)	298	-148	-390	-51	-253	-209
Operating margin, %	12.4%	-6.4%	-14.5%	-2.1%	-10.6%	-9.4%
Items affecting comparability	-500	-1	417	-	31	-
Adjusted operating income (EBIT)	-202	-149	27	-51	-222	-209
Adjusted operating margin, %	-8.4%	-6.4%	1.0%	-2.1%	-9.3%	-9.4%
PostNord Norway						
Net sales	1,056	970	1,009	911	959	919
<i>of which internal</i>	97	99	115	97	108	113
Operating income (EBIT)	-5	-31	-9	-1	-4	-21
Operating margin, %	-0.5%	-3.2%	-0.9%	-0.1%	-0.4%	-2.3%
Items affecting comparability	-	-	9	-	-	-
Adjusted operating income (EBIT)	-5	-31	0	-1	-4	-21
Adjusted operating margin, %	-0.5%	-3.2%	0.0%	-0.1%	-0.4%	-2.3%
PostNord Finland						
Net sales	171	198	243	231	246	241
<i>of which internal</i>	55	59	62	59	65	68
Operating income (EBIT)	-1	4	-5	-12	-3	0
Operating margin, %	-0.6%	2.0%	-2.0%	-5.2%	-1.2%	0.0%
Items affecting comparability	-	-	-	-	-	-
Adjusted operating income (EBIT)	-1	4	-5	-12	-3	0
Adjusted operating margin, %	-0.6%	2.0%	-2.0%	-5.2%	-1.2%	0.0%
PostNord Strålfors						
Net sales	584	522	588	617	604	503
<i>of which internal</i>	21	16	26	28	30	22
Operating income (EBIT)	8	23	-93	34	-189	-21
Operating margin, %	1.4%	4.4%	-15.8%	5.5%	-31.3%	-4.2%
Items affecting comparability	-	-	122	-	223	49
Adjusted operating income (EBIT)	8	23	29	34	34	28
Adjusted operating margin, %	1.4%	4.4%	4.9%	5.5%	5.6%	5.6%
Direct Link						
Net sales	247	252	324	283	228	209
<i>of which internal</i>	0	0	0	1	-1	0
Operating income (EBIT)	16	18	31	15	1	0
Operating margin, %	6.5%	7.1%	9.3%	5.5%	0.4%	0.0%
Items affecting comparability	-	-	-	-	-	-
Adjusted operating income (EBIT)	16	18	31	15	1	0
Adjusted operating margin, %	6.5%	7.1%	9.3%	5.5%	0.4%	0.0%
Other						
Net sales	79	67	63	51	71	59
<i>of which internal</i>	1	0	2	0	1	1
Operating income (EBIT)	14	0	0	117	102	103
Items affecting comparability	30	30	159	-	-	11
Adjusted operating income (EBIT)	44	30	159	117	102	114
Eliminations						
Net sales	-538	-537	-663	-606	-597	-576
<i>of which internal</i>	-538	-537	-663	-606	-597	-576
Group total						
Net sales	9,666	9,218	10,434	9,638	9,590	8,895
Group operating income (EBIT)	503	33	-284	300	-270	-101
Items affecting comparability	-470	48	785	-	269	60
Adjusted operating income (EBIT)	33	81	501	300	-1	-41
Group net financial items	-48	-23	-20	-12	-12	-1
Group income before tax	455	10	-304	288	-282	-102

Note 3 Acquisitions and divestments of subsidiaries

Effect of acquisitions and divestments on assets and liabilities, SEKm	Jan-sep 2016			Jan-sep 2015		
	Acquisitions	Divestments	Total	Acquisitions	Divestments	Total
Goodwill	14	-	14	58	-	58
Intangible assets	2	-	2	13	-	13
Property, plant and equipment	-	-	-	63	-	63
Other non-current assets	-	-	-	3	-	3
Total non-current assets	16	-	16	137	-	137
Current assets	-	-184	-184	66	-	66
TOTAL ASSETS	16	-184	-168	203	-	203
TOTAL LIABILITIES	-	84	84	-118	-	-118
NET ASSETS	16	-100	-84	85	-	85
Purchase consideration paid/received	-16	-	-16	-85	-	-85
Less: Seller's bond	2	-	2	-	-	-
Cash and cash equivalents (acquired/divested)	-	-100	-100	7	-	7
Net effect on cash and cash equivalents	-14	-100	-114	-78	-	-78

During the second quarter, the assets and liabilities of G.P. Spedition were acquired. Of the purchase price of SEK 16m, SEK 14m has been paid and the remainder will be settled on completion of all conditions in the agreement.

During the third quarter Strålfors has divested its subsidiaries in Great Britain, Poland and France.

Note 4 Financial instruments

September 30, 2016						
Carrying amount and fair value of financial assets and liabilities, SEKm	value of financial assets reported at fair value via income ¹⁾	Loan and trade receivables measured at amortized cost	Financial liabilities at fair value via income ¹⁾	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Derivatives	0	-	-	-	0	0
Trade receivables	-	4,304	-	-	4,304	4,304
Terminal fees	623	-	-	-	623	623
Short-term investments	-	351	-	-	351	351
Cash and cash equivalents	-	625	-	-	625	625
Long-term interest-bearing liabilities	-	-	-170	-1,560	-1,730	-1,746
Current interest-bearing liabilities	-	-	-	-2,133	-2,133	-2,166
Trade payables	-	-	-	-2,023	-2,023	-2,023
Other current liabilities	-	-	-	-1,876	-1,876	-1,876
Derivatives	-	-	-4	-	-4	-4
Terminal fees	-	-	-514	-	-514	-514
Total financial assets and liabilities, by category, SEKm	885	5,280	-688	-7,592	-2,115	-2,164

December 31, 2015						
Carrying amount and fair value of financial assets and liabilities, SEKm	value of financial assets reported at fair value via income ¹⁾	Loan and trade receivables measured at amortized cost	Financial liabilities at fair value via income ¹⁾	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Derivatives	1	-	-	-	1	1
Trade receivables	-	4,524	-	-	4,524	4,524
Terminal fees	461	-	-	-	461	461
Cash and cash equivalents	-	1,894	-	-	1,894	1,894
Long-term interest-bearing liabilities	-	-	-166	-3,539	-3,705	-3,766
Current interest-bearing liabilities	-	-	-	-134	-134	-134
Trade payables	-	-	-	-2,294	-2,294	-2,294
Other current liabilities	-	-	-	-1,727	-1,727	-1,727
Derivatives	-	-	-17	-	-17	-17
Terminal fees	-	-	-335	-	-335	-335
Total financial assets and liabilities, by category, SEKm	712	6,418	-518	-7,694	-1,082	-1,143

September 30, 2015						
Carrying amount and fair value of financial assets and liabilities, SEKm	value of financial assets reported at fair value via income ¹⁾	Loan and trade receivables measured at amortized cost	Financial liabilities at fair value via income ¹⁾	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Derivatives	2	-	-	-	2	2
Trade receivables	-	4,347	-	-	4,347	4,347
Terminal fees	541	-	-	-	541	541
Cash and cash equivalents	-	1,443	-	-	1,443	1,443
Long-term interest-bearing liabilities	-	-	-160	-3,656	-3,816	-3,908
Current interest-bearing liabilities	-	-	-	-34	-34	-34
Trade payables	-	-	-	-1,947	-1,947	-1,947
Other current liabilities	-	-	-	-1,566	-1,566	-1,566
Derivatives	-	-	-19	-	-19	-19
Terminal fees	-	-	-363	-	-363	-363
Total financial assets and liabilities, by category, SEKm	791	5,790	-542	-7,203	-1,164	-1,256

1) Financial assets and liabilities measured at fair value via income using the Fair value option.

Note 4 Financial instruments contd.

Recognition and fair value measurement of financial instruments

The fair value of loan liabilities is calculated as the discounted value of future cash flows relating to repayment of capital amounts and interest. The value is discounted to the current loan interest rate. In view of the short terms for trade receivables and trade payables, it is assumed that the carrying amount is the best approximation of the fair value.

All financial assets and liabilities recognized at fair value in the balance sheet are classified at level 2; see also Note 26 Financial risk management and financial instruments in PostNord's Annual Report.

Note 5 Definitions

Alternative key ratios:

Adjusted operating income	Total income less total costs, excluding items affecting comparability.
Adjusted operating margin	Adjusted operating income as % of net sales. Previously adjusted operating income as % of total income (net sales and other income).
Capital employed	Non-interest-bearing assets less non-interest-bearing liabilities.
EBITDAI	Earnings before interest, taxes, depreciations and amortizations/impairments.
Financial preparedness	Cash and cash equivalents and unutilized committed credit line.
Items affecting comparability	Items that do not recur, that are not directly attributable to operational activities and provisions for restructuring referring to the coming year. The items must be significant. Examples: capital gains in the sale of assets, impairment of assets, provisions referring to the coming year. Running restructuring costs are not regarded as items affecting comparability.
Net debt	Interest-bearing debt (including pension provisions) less cash and cash equivalents, financial receivables and current interest-bearing receivables.

Reconciliation with financial statements

SEKm	30-Sep 2016	30-Jun 2016	31-Mar 2016	31-Dec 2015	30-Sep 2015
Interest-bearing debt, current	2,133	134	138	134	34
Interest-bearing debt, non-current	1,730	3,720	3,711	3,705	3,816
Pensions ¹⁾	737	135	-	-	57
Financial investments	-262	-259	-254	-250	-248
Non-current receivables ²⁾	-579	-755	-1,051	-1,867	-907
Short-term investments	-351	-301	-	-	-
Cash and cash equivalents	-625	-1,654	-1,905	-1,894	-1,443
Net debt	2,783	1,020	639	-171	1,308

¹⁾ Including assets under management. When the plan assets exceed the estimated present value of the pension commitments, they are recognized under the heading of Non-current receivables.

²⁾ This amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19

Net debt/EBITDAI	Net debt divided by EBITDAI (rolling 12-months).
Net debt ratio	Net debt divided by equity.
Operating margin	Operating income as a percentage of net sales.
Return on capital employed (ROCE)	Operating profit for the 12 months to the end of the period divided by average capital employed for the 12 months to the end of the period.

Other key ratios:

Average number of employees (FTE)	The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year.
Basic staff	Refers to all full- and part-time regular employees.
Earnings per share (EPS)	Share of net earnings attributable to parent company shareholders divided by the average number of shares outstanding.

Quarterly data

	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEKm, unless otherwise specified	2015	2015	2015	2015	2016	2016	2016
PostNord Group							
Net sales	10,033	9,666	9,218	10,434	9,638	9,590	8,895
Other income	69	559	61	72	54	76	70
Expenses	-9,796	-9,722	-9,244	-10,790	-9,393	-9,936	-9,065
<i>of which, personnel expenses</i>	-4,528	-4,589	-4,075	-5,029	-4,365	-4,427	-3,891
<i>of which, transport expenses</i>	-2,473	-2,456	-2,473	-2,649	-2,345	-2,574	-2,483
<i>of which, other expenses</i>	-2,344	-2,246	-2,268	-2,550	-2,278	-2,452	-2,328
<i>of which, depreciation, amortization and impairments</i>	-451	-431	-428	-562	-405	-483	-363
Operating income (EBITDAI)	763	934	461	278	705	213	262
Operating margin (EBITDAI)	7.6%	9.7%	5.0%	2.7%	7.3%	2.2%	2.9%
Operating income (EBIT)	312	503	33	-284	300	-270	-101
Operating margin (EBIT)	3.1%	5.2%	0.4%	-2.7%	3.1%	-2.8%	-1.1%
Cash flows from operating activities	1,140	-127	-264	921	211	387	-634
Net debt	3,113	743	1,308	-171	639	1,020	2,783
Return on capital employed	4.7%	9.4%	7.0%	5.4%	5.6%	-2.3%	-3.8%
Average number of employees (FTE)	34,970	35,398	35,904	34,752	33,445	33,365	33,897
Number of staffing (basic) at end of period ¹⁾	36,178	35,729	35,609	34,819	34,684	33,884	32,766
<u>Volumes, millions of mails produced:</u>							
Sweden, priority mail	215	199	183	214	193	190	173
Sweden, non-priority mail	296	253	233	279	287	237	219
Denmark, priority mail	55	49	46	51	32	27	20
Denmark, non-priority and business mail	71	65	53	70	71	67	63
<u>Volumes, millions of parcels produced (net):</u>							
(Eliminated for volumes between countries)							
Parcels, group total	32	32	31	37	33	35	34

¹⁾ Numbers for Q1 and Q2 2015 are restated with additional 1,000 persons.