

Posten Norden

Annual Report 2009

Construction of the
best communication
and logistics company in
the Nordics has begun





Posten Norden AB (publ) 556771-2640

This report has not been audited

Corporate governance report

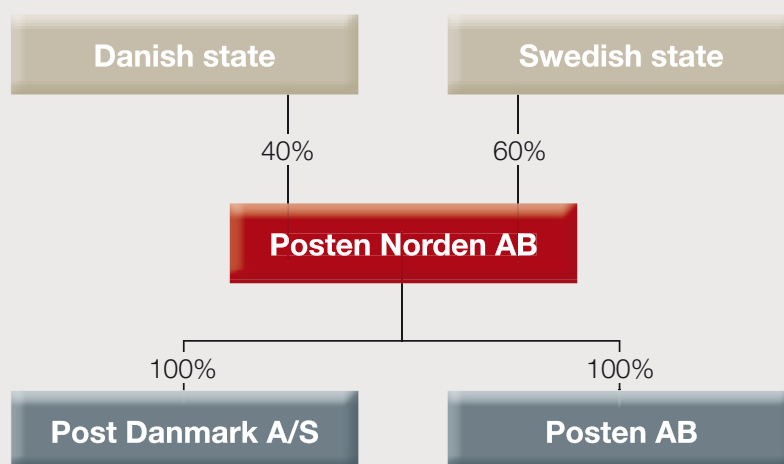
INDEX

Board of Directors	p. 80
Board of Director's actions	p. 82
Group Management	p. 84
Board of Director's report on internal control for financial reporting for the period Jul-Dec 2009	p. 86
Universal service obligations	p. 87

Posten Norden AB (publ) 556771-2640

This report has not been audited

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



Corporate governance is based on Swedish legislation, the Articles of Association, the Swedish Code of Corporate Governance (“the Code”) and NASDAQ OMX Stockholm’s rules and regulations where applicable. Universal service obligations in Denmark and Sweden are set out in specific legislation, regulations, concessions and licence terms; read more on page 87.

Application of the Code

Posten Norden AB (publ) applies the Swedish Code of Corporate Governance. This report was prepared in accordance with Code provisions and refers to the period from and including 26 June 2009, the date on which the merger of Post Danmark A/S and Posten AB was formally completed.

Deviations from the Code

The following Code provisions were not applied by Posten Norden:

1.5 The rule specifies that simultaneous interpretation must be offered and that all or portions of meeting material must be translated, if so warranted by the composition of the owners and if financially justifiable. Posten Norden’s sole owners are the Danish and Swedish states. All meeting material is provided in Swedish. It is the company’s assessment that this does not limit the owners’ ability to participate in the meetings or to read and understand the material.

2.1 The nomination and appointment of Board members is performed in accordance with the principles agreed upon by the owners.

4.4 Under the Code, the Board of Directors must include a specified minimum number of members who are independent of major shareholders, and the independence of all Board members must be audited. The primary reason for this rule is to protect minority shareholders. In companies with only a few shareholders, there is no need to fulfil this criterion.

9.2 Rules on share-based incentive schemes are not applicable, as the Danish and Swedish states jointly own 100% of Posten Norden’s shares.

Redemption of employee shares

Following the sale by CVC Capital Partners of its 22 per cent equity interest in Post Danmark A/S to the Danish State, the pre-merger owner circle of Post Danmark A/S was comprised of the Danish state (97 %) and executives and employees (3 %). A redemption programme for executives and employees was commenced on 1 October 2009. As of 31 December 2009 the majority of these minority shareholders had exercised their share redemption option, and Posten Norden AB holds over 99.9 % of Post Danmark A/S shares. Unredeemed shares will be subject to compulsory redemption in April 2010.

Annual general meeting

Under the terms of the Companies Act, the annual general meeting is the company's highest decision-making body. The Swedish Ministry for Enterprise, Energy and Communications and the Danish Ministry of Transport vote on behalf of the Swedish and Danish states at Posten Norden's annual general meeting. Resolutions at annual general meetings are normally taken by simple majority. In certain issues, however, the Companies Act and Posten Norden's Articles of Association stipulate that motions must be seconded by a higher proportion of the shares represented and votes cast.

■ 2009 general meetings

Two extraordinary general meetings were held in 2009. A complete Group Board of Directors was appointed at the extraordinary general meeting held on 24 August. Board member remuneration was also determined at that meeting.

■ 2010 annual general meeting

The 2010 annual general meeting is planned for 14 April. The public will be offered the opportunity to attend the meeting. As stipulated by the Code, Posten Norden published the date of its 2010 annual general meeting on its website and in its January-September 2009 interim report.

■ Notice and minutes

A Notice of Annual General Meeting is sent by letter to the shareholders and is published in the *Swedish Official Gazette* and *Dagens Nyheter*. Notice is also sent to the central offices of the Danish and Swedish Parliaments pursuant to the company's Articles of Association. Minutes from the 2009 extraordinary general meeting are published on Posten Norden's website. Upcoming minutes are published as soon as they have been verified.

■ Registration

The public and members of the Swedish and Danish Parliaments will be invited to register on Posten Norden's website to attend the annual general meeting.

Board of Directors

The Board's composition

The Board has been composed of eight ordinary Board members since the extraordinary general meeting of 24 August. Fritz H. Schur is Chairman of the Board. Among the elected Board members, 37.5% are women and 62.5% are men. The Board also includes three employee representatives and three deputies.



Fritz H. Schur

Born 1951. Resides in Klampenborg, Denmark. Chairman since April 2009. Chairman of the Board of Post Danmark A/S since 2002, Board member since 1995. Consul-General. CEO or Chairman of the Board of the companies of Fritz Schur Gruppen. Chairman of the Board of DONG Energy A/S, F. Uhrenholdt Holding A/S and SAS AB. Vice-chairman of Brd. Klee A/S. Committee: The Compensation Committee (chair) since 2009.



Mats Abrahamsson

Born 1960. Resides in Linköping, Sweden. Board member since August 2009. Board member of Posten AB since 2003. PhD (Tech). Professor at Linköping University. Board member of Dixma Consultant AB. Committee: The Compensation Committee since 2009.



Ingrid Bonde

Born 1959. Resides in Stockholm, Sweden. Board member since August 2009. Board member of Posten AB since 2005. MBA. CEO of AMF. Previous positions include: Director-General, Swedish Financial Supervisory Authority. Board member of St. Erik's Eye Hospital and the Centre for Business and Policy Studies (SNS). Committee: The Compensation Committee since 2009.



Gunnel Duveblad

Born 1955. Resides in Danderyd, Sweden. Board member since August 2009. Board member of Posten AB since 2007. Degree in Systems Engineering from Umeå University. Previous positions include: CEO of EDS Northern Europe. Board member of *inter alia* HiQ International AB, IBS, Ruter DAM Foundation and Sweco AB. Committee: The Audit Committee (chair) since 2009.



Bjarne Hansen

Born 1940. Resides in Charlottenlund, Denmark. Board member since August 2009. Board member of Post Danmark A/S since 2005. Shipowner and partner, WingPartners IS. Chairman of the Board of Billund Lufthavn. Vice-chairman of Skako Industries A/S. Board member of F. Uhrenholdt Holding A/S, Aalborg Industries Holding A/S (and Aalborg Industries A/S), Keppel Offshore and Marine Pty Ltd, Business Work Wear A/S, Newco AEP A/S and Wrist Group A/S. Committee: The Audit Committee since 2009.



Torben Janholt

Born 1946. Resides in Holte, Denmark. Board member since August 2009. BCom. CEO of J Lauritzen A/S. Board member of Tsakos Energy Navigation Ltd, A/S United Shipping & Trading Company, Danmarks Rederiforening; Executive Committee member of the International Chamber of Shipping; and Chairman of the Board of several companies within Lauritzen Gruppen. Committee: The Compensation Committee since 2009.



Anne Birgitte Lundholt

Born 1952. Resides in Dragør, Denmark. Board member since April 2009. Board member of Post Danmark A/S since 2005. Degree in Economics with an emphasis on international business administration and Master of Political Science. CEO of VIF, Veterinary Pharmaceutical Industry. Chariman of the Board of Banedanmark, FOF Danmark and Bornholms Erhvervsfond. Board member of SCF Technologies A/S, Svaneke Bryghus A/S and IFAH Europe. Committee: The Audit Committee since 2009.



Richard Reinius

Born 1967. Resides in Stockholm, Sweden. Board member since April 2009. Board member of Posten AB since 2007. MBA. Deputy Director at the Ministry of Enterprise, Energy and Communications, state ownership unit. Board member of Jernhusen AB. Committee: The Audit Committee since 2009.



Lars Chemnitz

Born 1957. Union-appointed representative. Resides in Copenhagen, Denmark. Board member since January 2010. Deputy representative since August 2009. Board member of Post Danmark A/S since 2007.



Kjell Strömbäck

Born 1950. Union-appointed representative. Resides in Tullinge, Sweden. Board member since August 2009. Board member of Posten AB since June 1999. Employee representative appointed by the Union of Civil Servants (ST) at Posten. Joined Posten AB in 1968. Board member at ST.



Alf Mellström

Born 1956. Union-appointed representative. Resides in Nyköping, Sweden. Board member since August 2009. Board member of Posten AB since April 2001. Employee representative appointed by the Union of Service and Communication Employees (SEKO). Joined Posten AB in 1978.

Jens Bendtsen was union-appointed representative on the Board from Aug-Dec 2009.

Deputy employee representatives

Peter Madsen

Born 1953. Union-appointed representative. Resides in Aalborg, Denmark. Deputy representative since January 2010. Board member of Post Danmark A/S since 2007. Joined Post Danmark A/S in 1990.

Isa Merethe Rogild

Born 1949. Union-appointed representative. Resides in Copenhagen, Denmark. Deputy representative since August 2009. Board member of Post Danmark A/S since 1995.

Anne-Marie Ross

Born 1951. Union-appointed representative. Resides in Strängnäs, Sweden. Deputy representative since August 2009. Board member of Posten AB since April 2005. Employee representative appointed by the Union of Service and Communication Employees (SEKO). Joined Posten AB in 1971. Member of SEKO's executive committee.

Board of Director's actions

Rules of procedure / delegation of authority

The Board of Directors establishes annual rules of procedure regulating matters such as the Chairman's duties, information to the Board and the roles and responsibilities of the CEO and Board members. Apart from the committees presented in this report, Board tasks are not divided among the members. The CEO and other company officials participate in Board meetings in reporting or administrative capacities. Posten Norden's General Counsel serves as secretary to the Board of Directors.

Evaluation of Board actions

The Board will conduct an annual evaluation of its own actions. The evaluation will be carried out via a questionnaire and through discussions between the Chairman of the Board and Board members. Areas evaluated will include the manner in which important decisions are prepared, discussed and managed; whether the right issues are brought up by the Board; the integrity of supporting documentation; and how well decisions and discussions are recorded in the minutes. Verbal and written feedback will be provided to Board members.

Board actions in 2009

The Board held five ordinary meetings and one statutory meeting.

Attendance	Number of board meetings
■ Fritz H. Schur*	5
■ Mats Abrahamsson**	4
■ Ingrid Bonde**	4
■ Gunnel Duveblad**	4
■ Bjarne Hansen**	3
■ Torben Janholt**	2
■ Anne Birgitte Lundholt*	5
■ Marianne Nivert* ¹⁾	1
■ Richard Reinius*	5
■ Jens Bendtsen**	4
■ Alf Mellström**	4
■ Kjell Strömbäck**	4

* elected at extraordinary general meeting, 30 April 2009

** elected at extraordinary general meeting, 24 August 2009

¹⁾ resigned at extraordinary general meeting, 24 August 2009

Board members' remuneration

Remuneration for Board members was determined by the extraordinary general meeting held 24 June 2009. The remuneration for each elected Board member is SEK 250,000, while the Chairman's remuneration is SEK 600,000. Members of the Audit Committee are paid SEK 50,000, while the committee chair receives SEK 62,500. Members of the Compensation Committee are paid SEK 25,000, while the chair receives SEK 37,500. See also Note 5, Employees, Personnel Costs and Executive Compensation, page 46.

Audit Committee

The Audit Committee's rules of procedure are set by the Board and are aimed at preparing the Board to perform its duties to supervise the company's financial reporting. The Committee also assists the owners in selecting auditors. The Audit Committee, in addition to reporting to the Board on its efforts, regularly reviews the auditors' reports and determines whether the auditors are performing their task independently, objectively and cost-efficiently. The Committee is comprised of at least three Board members and meets at least four times per year. The

Board actions 2009

Board meetings:	Main topic:	Additional key issues:
23 June	Appointment of new group management and internal auditor	<ul style="list-style-type: none"> • Appointment of deputy CEOs of Posten Norden AB • Election of authorised signatory
31 August	Interim report pro forma	<ul style="list-style-type: none"> • Principles for outsourcing • Compulsory redemption of minority shares in Post Danmark A/S • Adoption of Posten Norden's Financial Policy
9 October	IT integration and outsourcing within Posten Norden Group	<ul style="list-style-type: none"> • Election of Audit Committee • Election of Compensation Committee
11 November	Interim report	<ul style="list-style-type: none"> • Report: new Swedish postal law • Liability insurance for Board and CEO
10 December	Budget 2010	<ul style="list-style-type: none"> • Target Picture proceedings • Channel structure in Sweden

company's auditors participate in meeting(s) at which the year-end report, annual report and auditor's report are presented, as well as when they are needed for assessment of the group's financial position. The Committee chair is responsible for continually apprising the Board of the Committee's activities. Audit Committee members are Gunnel Duveblad (chair), Bjarne Hansen, Anne Birgitte Lundholt and Richard Reinius.

Compensation Committee

The Compensation Committee is tasked with preparing and presenting proposals to the Board regarding compensation and other benefits for group management and remuneration principles for external directors serving on the boards of group subsidiaries. The Compensation Committee is comprised of at least three members. The Chairman of the Board chairs the Committee. The Committee meets at least twice per year. The Committee's chair is responsible for continually apprising the Board of the Committee's activities. Compensation Committee members are Fritz H. Schur (chair), Mats Abrahamsson, Ingrid Bonde and Torben Janholt.

Auditors

Ernst & Young AB has functioned as the auditor, with authorised public accountant Lars Träff as the managing auditor. The auditors meet with the Board at least once per year and also participate in a number of Audit Committee meetings.

Operative structure

- The group's operative structure consists of four business areas.
- The traditional postal operations in Sweden and Denmark are run in business areas Mail Sweden and Mail Denmark, respectively.

- The information logistics operations and other Stralfors AB operations are gathered in the Informationlogistics business area.
- The group's logistics operations are run in the Logistics business area.
- Seven group functions have been established for group management and co-ordination: Business Development, Business Information Services, Finance & Treasury, HR, Legal, Corporate Communications and Operations Development.

Group Management

The CEO, assisted by the other members of group management, oversees day-to-day business operations as framed by the Board's rules of procedure and instructions. Group management operates on the principle that it should be easy to make decisions and to manage and follow up on operations.

Since 1 July 2009, group management has been comprised of the President and Group CEO, the heads of Posten Norden's seven group functions (Business Development, Operations Development, Finance & Treasury, HR, Corporate Communications, Business Information Services, and Legal) and the heads of business areas Mail Denmark, Mail Sweden, Informationlogistics, and Logistics.

Women constitute 8 % of group management, while men constitute 92 %.

Principles for executive compensation

Salaries and wages for Posten Norden employees shall conform to market conditions. The CEO's employment terms are determined by the Board after preparation by the Compensation Committee. For additional details on executive compensation, see Note 5, Employees, Personnel Costs and Executive Compensation, page 46.

Operative structure



Group Management



Lars G Nordström, President and Group CEO

Born 1943.
Studied law at Uppsala University.
President and Group CEO of Posten AB, 2008-2009.
Previous positions include: President and Group CEO of Nordea Bank AB, 2002-2007.
Other duties: Board member of Nordea Bank AB, TeliaSonera, Viking Line Abp.
Chairman of Finnish-Swedish Chamber of Commerce and member of Swedish-American Chamber of Commerce.



K. B. Pedersen, Executive Vice President

Head of group function Operations Development.
Born 1948.
Trained at the Danish Post and Telegraph Service.
Joined Post Danmark A/S in 1995.
Deputy CEO of Post Danmark A/S, 1995-2009.
Previous positions include: Deputy Director of P&T, 1988-1995.
Other duties: Board member of De Post-La Poste, Belgium and e-Boks A/S.



Göran Sällqvist, Executive Vice President

Head of group function Business Development.
BSc. (Econ.), Purchasing and Logistics.
Born 1957.
Joined Posten AB in 2003.
Executive Vice President at Posten AB, 2003-2009.
Previous positions include: Pt CEO of Coop Sverige AB; Vice President for Production and Logistics, Posten AB.
Other duties: Board member of Bergendahls-Gruppen AB.



Viveca Bergstedt Sten, General Counsel

Master of Laws and MBA.
Born 1959.
Joined Posten AB as General Counsel in 2002.
Previous positions include: General Counsel, LetsBuyIt.com and SMART AB; Corporate Legal Counsel, Scandinavian Airlines.



Joss Delissen, Chief Information Officer

MBA.
Born 1963.
Joined Posten as CIO of Posten AB in 2006.
Previous positions include: various positions at Unilever, most recently as Director of Solutions Architecture.



Andreas Falkenmark, head of business area Mail Sweden

Master of Laws.
Born 1955.
Joined Posten AB in 2005.
President of Posten Meddelande AB, 2007-2009.
Previous positions include: CEO of NK Förvaltnings AB; CEO of Duka AB; CEO of Coop Sverige AB; CEO of Observer Northern Europe; Executive Vice President responsible for Marketing and Sales, Posten AB.



Bo Friberg, Chief Financial Officer

MBA.

Born 1957.

Joined Posten AB as CFO in 2002.

Previous positions include: Director of Business Development, NCC; Director of IT and Finance, NCC; Business Controller, Beckers, Kanthal-Höganäs and Nordstjärnan; auditor, PricewaterhouseCoopers.



Finn Hansen, head of business area Mail Denmark

Master of Science.

Born 1956.

Joined Post Danmark A/S in 1987.

Previous positions include: Deputy Director of Distribution, Post Danmark A/S, 2008-09; Deputy Director of Mail Production & Transport, Post Danmark A/S, 2003-08; other management positions with Post Danmark A/S since 1993, including head of Technology & Production.



Henrik Højsgaard, head of business area Logistics

Born 1965.

Joined Posten AB as President of Posten Logistik AB in 2007.

Previous positions include: shipbroker in Denmark, UK and Hong Kong; head of TNT International Express in Denmark; CEO of TNT International Express in Sweden; President and Group CEO of Busslink in Sweden AB; CEO of Keolis Nordic AB.



Palle Juliussen, HR Director

Master of Laws.

Born 1948.

Joined Post Danmark A/S in 1995.

Most recently served as a member of Post Danmark's management with HR as one of his areas of responsibility.

Previous positions include: Director of Tele Danmark, 1991-95.



Per Mossberg, Director of Corporate Communications

BSc (Econ).

Born 1953.

Joined Posten AB as Senior Vice President, Corporate Communications, in 2004.

Previous positions include: Partner, JKL AB; Director of Corporate Communications, Telia; Corporate Communications Manager, Trygg-Hansa SPP, Nobel Industries and Bofors; CEO, Näringslivets EU-Fakta and Näringslivets Ekonomifakta.



Per Samuelson, head of business area Informationlogistics

MBA.

Born 1957.

Joined Posten AB in 2006, CEO of Stralfors AB since 1999.

Previous positions include: lecturer at the Stockholm School of Economics and IFL; various positions within the Perstorp and PLM groups, most recently as Divisional Manager and member of PLM executive management. Other duties: Chairman of the Board, BTJ Group AB; member of the Chamber of Industry and Commerce of Southern Sweden and Aniagra.

Board of Director's report on internal control for financial reporting for the period Jul-Dec 2009

Posten Norden's description of internal control for financial reporting has been prepared in accordance with the Swedish Code of Corporate Governance. The description is not part of the formal financial statements and has not been reviewed by the company's auditors.

Internal control for financial reporting is defined as the process by which the Board, President and employees provide a reasonable level of assurance for the reliability of external reports. Internal control is described based on the COSO model.

Control environment

The company delegates authority based on the sharing of responsibility between the Board and the CEO, as established in the Board's rules of procedure. Posten Norden's delegation of authorities regulates decision-making at the corporate level. Delegation of authority is based on the operational structure, which is also the group's basis for governance. Delegation is made to the business areas, which in turn delegate to companies and divisions at the lowest appropriate level.

Up until the merger, Posten AB and Post Danmark A/S have applied codes of conduct and policies that express their corporate cultures and values that set forth the ideals the companies stand for and the perception they strive to create among their stakeholders, both as companies and as individuals.

Posten Norden's financial organisation operates a well-established process for financial reporting which ensures high-level internal control. Principles for governance of operations are summarised in the document "Governance and Structures at Posten".

Risk assessment

Risk management is a continuous process and constitutes a natural link in business planning and the day-to-day follow-up of the operations. Posten Norden works with a risk management programme, Enterprise Risk Management (ERM), which encompasses all parts of the group. The objective is to increase risk awareness throughout the entire organisation, offer strategic decision-making support to the Board and management team and improve management's operational decision-making, and ensure control over the company's risk exposure.

Identified risks concerning financial reporting are managed via the group's control activities.

Control activities and follow-up

Posten Norden's group controlling performs business analyses and reports on operational results. Both legal and internal reporting are performed in close collaboration with Posten Norden's specialised tax, pension, finance and legal departments and with the business areas to ensure accurate financial reporting.

Monitoring of targets, risks and action plans is performed quarterly under the management of the CEO and CFO.

Process descriptions that clearly present all business and operational processes are set forth in Posten's operational system.

The Board has appointed a standing Audit Committee, whose tasks include assessing the processes and format for internal control and setting the scope and alignment of group risk management in financial reports.

All Posten Norden companies conduct annual self-evaluations of internal control. A random selection of companies are visited to verify self-evaluation. The findings are summarised and reported to Posten Norden's Audit Committee as well as to the person responsible for finance and accounting within the business area, who is then responsible for implementing any required improvements to the control measures.

Posten Norden's internal audit is tasked with examining and assessing the internal control within the group. The audit plan is adopted by the Audit Committee. The internal audit is conducted primarily by means of internal and external resources.

Communication

Posten AB and Post Danmark A/S have effective communication channels, including their intranets that are available to all group employees. A joint website is also available for all Posten Norden managers.

Communication between the two companies' business areas takes place in working groups with respect to integration projects and via e-mail for day-to-day communication. Posten Norden's internal regulations are accessible via the intranet and are distributed via e-mail if required. Changes to accounting and reporting principles are continuously updated in accordance with the applicable rules for certified business systems.

The communication process, established by the Board, ensures that both external and internal communication is correct and sufficient. This policy dictates what should be communicated, by whom and how information should be distributed.

Universal service obligations

Posten Norden's subsidiaries, Post Danmark A/S and Posten AB, are commissioned to provide universal postal services in Denmark and Sweden, respectively. The commissions are based on the EU directive regulating postal service within the EU and on the Universal Postal Union treaty that regulates international mail.

■ Denmark

Postal services in Denmark are regulated by the Provision of Postal Services Act. Nationwide postal service and associated rights and obligations thereto are set forth in the Post Danmark A/S Concession, in which the Road Safety and Transport Agency stipulates service, quality and price levels based on postal legislation and international postal agreements. Under the terms of the Concession, Post Danmark shall collect and distribute post six days per week (five days per week for parcels), and shall distribute addressed mail pieces as well as daily, weekly and monthly periodicals, letters weighing up to 2 kilos, addressed parcels weighing up to 20 kilos and Braille material weighing up to 7 kilos. Post Danmark has the exclusive right to provide postal services for addressed letters weighing up to 50 grams. Addressed priority letters are delivered overnight, addressed non-priority letters are delivered within three days and C letters within four days – all subject to a 93% quality requirement. All services provided under the postal service obligation shall be offered at a nationwide flat rate. Prices shall be non-discriminatory, reasonable, transparent, and set in relation to costs. Prices for services which Post Danmark has the exclusive right to provide may not be increased faster than the consumer price index. In addition, a service network with at least one service point in each municipality must be maintained, and distance to the nearest postal service point may not exceed 5 kilometres. In 2009, Post Danmark's delivery quality for priority mail was 95.7(93.7)%.

■ Sweden

The Swedish Postal Act, Postal Statutes, and Concession terms issued by the Swedish Post and Telecom Agency (PTS) regulate universal postal services in Sweden. The Postal Act mandates the provision of nationwide postal services that enable all residents of Sweden to receive addressed mail pieces weighing up to 20 kilos (universal postal service). Postal services must be of good quality, and it must be possible for everyone to receive such mailings delivered at reasonable prices. In addition, single

mail pieces shall be conveyed at uniform prices. It must be possible to insure mailings and to obtain a receipt from the recipient showing that the mail piece has been delivered. The government's service objectives for mail weighing up to 20 kilos are that mail be collected and delivered on every workday and at least five days a week nationwide. The Postal Statutes specify that at least 85% of the mail posted before a specified time and stamped for overnight delivery must be delivered on the following business day, wherever it is addressed to in Sweden. At least 97% of mail shall be delivered within three business days. In 2009, Posten's delivery performance for overnight deliveries was 95.9(94.9)%. For overnight mail, a price limit applies to single mail pieces up to 500 grams, so their price may be raised no faster than the consumer price index.

■ SUPERVISION

- **In Denmark**, the Road Safety and Transport Agency regulates postal services on the national level. The Agency supervises Post Danmark and all private postal companies operating on the Danish market. There are an estimated 900 postal operations in Denmark. Under Danish postal legislation, "postal operation" is defined as a business that provides commercial postal services for addressed mail pieces weighing up to 20 kilos. Upon request, postal operations must provide the Agency with a number of details, including information on postal volumes processed.
- **In Sweden**, PTS supervises postal operations in Sweden to ensure that Posten complies with postal legislation and fulfils government requirements for universal postal services. PTS has granted permits to conduct postal operations in Sweden to more than 30 companies. According to the PTS report "Service and Competition 2009", Posten fulfils the government requirements in terms of service level and quality. The report also states that Posten exceeds by a wide margin the minimum stipulated requirement with respect to proportion of mail pieces distributed on the following day.

■ SPECIAL PROVISIONS, INCLUDING THOSE FOR SPARSELY POPULATED AREAS

- **In Denmark**, a postal operations and postal services ordinance sets forth regulations for the installation of letter boxes and shared letter boxes. Letter boxes in residential areas and terraced-house developments shall be placed at the addressee's entrance for buildings constructed in accordance with building permits issued after 1 January 1973. All multi-storey buildings must install shared letter boxes in the entrance area by the close of 2009. Senior (65 years of age or older) and disabled persons are entitled to receive post delivered to their door. The Road Safety and Transport Agency may limit post distribution in fringe areas, such as particularly remote areas and islands lacking ferry service. An extra day is added to the delivery time for parcels from Bornholm addressed nationwide.
- **In Sweden**, PTS has issued general suggestions concerning the delivery of mail in the provision of the universal postal service. The general suggestions include advice that, outside urban areas, mail should be delivered to letter box clusters along the mail carrier's route. Mail pieces addressed to a postal recipient living less than 200 metres down a side road from the mail carrier's main route should be delivered to the letter box cluster on the main route. If there are at least two postal recipients who reside or work permanently for every kilometre of the side road, post should be delivered along that road. However, elderly and physically handicapped people are entitled to have their mail delivered to their property line, as opposed to the letter box cluster, upon request.

■ NEW POSTAL LEGISLATION

In February 2008, the European Parliament and Council approved Directive 2008/6/EG concerning the complete implementation of community inner markets for postal services. The new directive includes provisions that the EU postal market will thereby be deregulated by 31 December 2010, with the exception of 11 countries which are exempted until 31 December 2012.

- **In Denmark**, the new EU directive is expected to be enacted in new Danish postal legislation during 2010. Post Danmark's current concession is valid through 1 July 2010.
- **In Sweden**, the government's investigator has submitted a proposal on how Swedish postal legislation should be adapted to the new EU directive. The proposal includes the following provisions:
 - The replacement of the Postal Services Act with an entirely new postal law, with a proposed effective date of 30 June 2010. The universal postal service obligation retains its current scope and quality assurance. No further clarification of services to be included in the universal postal service obligation is provided. The market will meet the need for universal postal requirements, and thus the appointment of a specific postal operator is not required. Where necessary, however, the PTS may appoint a postal operator to provide universal postal services. There is an express provision for the regulation of non-discrimination, signifying that the PTS will also supervise competition. The price ceiling is retained and down-stream access is transferred to the PTS for further investigation. The next step in the process is the government's submission of a bill to parliament.

Posten Norden was formed 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, with sales of around SEK 45 billion and approximately 50,000 employees. Operations are run through business areas Mail Denmark, Mail Sweden, Logistics and Information-logistics. The parent company is a Swedish public company headquartered in Solna, Sweden.

Read more about Posten Norden at www.postennorden.se.

Sweden

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

Denmark

Visiting address: Tietgensgade 37,
1566 Copenhagen
Phone: +45 33610000
www.postennorden.dk
www.postennorden.com