



Year-end Report 2010

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- Continued improvements in operating profit during fourth quarter of 2010. Operating profit up 44%, excluding structural and currency changes
- Net sales totaled SEK 41,669m (44,633)
- Profit before tax totaled SEK 1,348m (2,439)
- Net profit totaled SEK 1,031m (196), excluding participations in the earnings of and capital gains from the sale of bpost (formerly De Post-La Poste) in July 2009
- Net profit totaled SEK 1,031m (2,414)
- The Board proposes an ordinary dividend, in accordance with the company's dividend policy, of SEK 600m (1,440) as well as an extraordinary dividend of SEK 400m (0)
- Lars Idermark appointed new President and Group CEO

Posten Norden



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Financial calendar

Annual General Meeting takes place at 11.00 on April 14, 2011 at Posten Norden's headquarters, Terminalvägen 24, in Solna, Sweden.

Interim Report January-March 2011 May 18, 2011

Interim Report January-June 2011 August 30, 2011

Interim Report
January-September 2011 November 9, 2011

Year-end Report 2011 February 2012

Annual Report and Sustainability
Report 2011 March 2012

Contact information

Director of Corporate Communications
Per Mossberg, +46 (0)8 781 11 94

Chief Financial Officer
Bo Friberg, +46 (0)8 781 15 29

Vice President Investor Relations
Oscar Hyléen +46 (0)8 781 14 93
ir@posten.se



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

» Posten Norden's mission

- Posten Norden connects people and businesses reliably, efficiently and on time.

» Posten Norden's vision

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

Improved operating profit despite declining volumes

- Operating profit totaled SEK 1,375m (284), up 28% excluding structural and currency changes
- Continued improvements in operating profit during fourth quarter of 2010. Operating profit up 44%, excluding structural and currency changes
- Net sales totaled SEK 41,669m (44,633)
- Profit before tax totaled SEK 1,348m (2,439)
- Net profit totaled SEK 1,031m (196), excluding participations in the earnings of and capital gains from the sale of bpost (formerly De Post-La Poste) in July 2009
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- The Board proposes an ordinary dividend, in accordance with the company's dividend policy, of SEK 600m (1,440) as well as an extraordinary dividend of SEK 400m (0)
- Lars Idermark appointed new President and Group CEO

SEKm, unless otherwise specified	Jan-Dec 2010	Pro forma ³⁾			Oct-Dec 2010	Oct-Dec 2009	Change	
		Jan-Dec 2009	Change					
Net sales	41,669	44,633	-2,964	-7% ¹⁾	10,871	11,636	-765	-7% ¹⁾
Operating expenses	-40,589	-44,605	4,016	-9%	-10,814	-12,403	1,589	-13%
Operating profit, EBITDA	3,292	2,298	994	43%	650	-154	804	
Operating profit, EBIT	1,375	284	1,091	>100%	132	-685	817	
Net financial items	-27	2,155 ²⁾	-2,182		-16	-11	-5	
Profit before tax	1,348	2,439 ²⁾	-1,091	-45%	116	-696	812	
Net profit	1,031	2,414²⁾	-1,383	-57%	61	-492	553	
Balance sheet total, end of period	25,783	29,571	-3,788	-13%	25,783	29,571	-3,788	-13%
Cash and cash equivalents, end of period	3,640	4,852	-1,212	-25%	3,640	4,852	-1,212	-25%
Equity, end of period	11,753	13,358	-1,605	-12%	11,753	13,358	-1,605	-12%
Net financial position excl. pensions, end of period	2,354	3,213	-859	-27%	2,354	3,213	-859	-27%
Cash flows from operating activities	1,824				959	1,056	-97	-9%
Operating margin, EBITDA, %	7.8	5.1	2.7		5.9	neg		
Operating margin, EBIT, %	3.3	0.6	2.7		1.2	neg		
ROE, rolling 12-month, %	8	20 ²⁾	-12		8	20 ²⁾	-12	
Equity-Assets ratio, end of period, %	46	45	1		46	45	1	
Average number of employees	44,060	47,625	-3,565	-7%	43,040	46,010	-2,970	-6%

1) Net sales decreased 2% during the periods Jan-Dec and Oct-Dec, excluding structural and currency changes.

2) Includes capital gain of SEK 2,002m from the sale of Post Danmark A/S's shares in Belgian bpost (formerly De Post-La Poste) in July 2009.

3) The group was formerly established at June 24, 2009 and first consolidated as of July 1, 2009.

Message from the CEO

2010 was a year of increased profit for Posten Norden, and operating profit was up by 28 percent excluding structural and currency changes. Our efforts to adjust costs have been successful and have served to streamline production and administration as well as capture synergy effects from the merger according to plan. We can confirm that we have accomplished an essentially successful Nordic merger while warding off the recession and successfully adapting operations to changed market conditions.

We operate on a market where competition is fierce and where substitution drives down letter volumes. The communication and logistics businesses are both impacted by pressure on prices. Yet there was an economic recovery in 2010 – particularly in Sweden and Norway – and demand

for our services strengthened in these countries. Meanwhile, the economy in Denmark remains weak.

Low economic activity and widespread substitution in Denmark resulted in reduced sales for Breve Danmark, while operating profit was appreciably strengthened by significant cost adjustments. The economic upswing had a clear impact on Meddelande Sverige, and volumes were up for non-priority letters and direct mail. Sales fell somewhat, but the business area's results improved.

Earnings remained negative within business area Information Logistics despite comprehensive cost reductions, but were an improvement over last year. Thanks to the economic upswing and a rise in e-commerce, business area Logistics was able to report revenue growth for the

full year despite price pressure and overcapacity. Successful efficiency measures contributed to Logistics's return to profitability.

The group has decided to invest in a new terminal structure in central and northern Sweden, which will make us more competitive, reduce our environmental impact and improve our ability to meet the universal service obligation in Sweden. During 2010 and early 2011, new postal legislation came into effect in both Denmark and Sweden. The new Danish law is an important milestone and entails deregulation of the Danish postal market and securing

universal service obligations. The new Swedish Postal Services Act does not provide the group with the same opportunities as the Danish law does in terms of meeting service needs and countering price changes in the market.

Posten Norden shall be the first choice among customers for sending and shipping items to, from or within the Nordic region. The prerequisites for achieving this were further bolstered in 2010 through increased customer satisfaction and profitability.

Lars G Nordström

» Highlights

- On January 14, 2010 the group announced its intention to change customer channels in Sweden over the coming three years in order to improve service accessibility for corporate customers. Corporate services at 337 Business Centers will be moved to partner outlets, the Internet and to service points set up by Posten.
- On February 11, 2010 the group announced its agreement with Coop Norge for in-store parcel distribution. The ambition is to increase the number of parcel distribution centers in Norway by 200 stores, further improving opportunities for businesses to reach their Norwegian customers.
- A new Postal Act came into effect in Sweden on September 1, 2010. The new law includes regulations that exceed those in the EU's Postal Directive. The requirements for pricing transparency for the national operator have been increased and the price cap has been retained. At the same time, Posten Norden's main competitor – owned by the state-owned Norwegian Post – is not subject to these EU-specific regulations.
- On September 29, 2010 Posten Norden announced the Board of Directors' appointment of Lars Idermark as new President and Group CEO. Mr Idermark is currently President and Group CEO of the Swedish Cooperative Union, KF. He will succeed Lars G Nordström on March 1, 2011.
- On September 29, 2010 Posten Norden announced the Board of Directors' decision to invest in a new terminal structure in Sweden, which will increase production flexibility and counter the major changes that are expected in letter and parcel volumes. The investment totals approximately SEK 2.5 billion and enhances competitiveness and service. More mail will be transported by rail as opposed to by air and road, which benefits the environment.
- On December 16, 2010 the Danish Parliament passed a new Danish Postal Act. The new law came into effect on January 1, 2011 and contains provisions for free competition and the securing of universal postal service obligations by Post Danmark A/S. The law also established conditions that allow Post Danmark to continue its commercial operations as supplier of the universal mail service by means of reductions within selected high-cost areas. As a result of the new law, Post Danmark is introducing a more market-oriented and differentiated pricing system for various types of stamped letters as of April 1, 2011.
Post Danmark has been granted a temporary license which is valid through April 1, 2011. The final license is being prepared

» Highlights after the end of the period

- On January 19, 2011 the group announced the signing of its agreement with ICA, Coop and Axfood to expand its partner outlet collaboration in Sweden. Through the agreement, Posten Norden will strengthen its partner outlet network in grocery stores. The agreement covers a five-year period and aims to further improve access to postal services and the quality of customer service.

Net sales and income

The group was formally established on June 24, 2009 and first consolidated as of July 1, 2009. Information for calendar year 2009 and quarterly data prior to July 2009 are pro forma.

Net sales

SEKm	Jan-Dec 2010	Pro forma Jan-Dec 2009	Change	Of which				Oct-Dec 2010	Oct-Dec 2009	Change	Of which		
				Structural	Currency	structural & currency	Change excl. structural & currency				Structural	Currency	structural & currency
Breve Danmark	10,882	13,094	-2,212 -17%		-10%	-7%	2,724	3,305	-581 -18%		-11%	-7%	
Meddelande Sverige	15,554	15,794	-240 -2%		0%	-1%	4,189	4,259	-70 -2%		0%	-2%	
Information Logistics	3,391	3,762	-371 -10%	-5%	-4%	0%	845	899	-54 -6%		-5%	-1%	
Logistics	12,423	12,673	-250 -2%		-4%	2%	3,284	3,353	-69 -2%		-5%	3%	
Other and eliminations	-581	-690	109				-171	-180	9				
Posten Norden Group	41,669	44,633	-2,964 -7%	0%	-4%	-2%	10,871	11,636	-765 -7%		-5%	-2%	

Operating profit

SEKm	Jan-Dec 2010	Pro forma Jan-Dec 2009	Change	Change excl. structural & currency			Oct-Dec 2010	Oct-Dec 2009	Change	Change excl. structural & currency		
				Structural	Currency	structural & currency				Structural	Currency	structural & currency
Breve Danmark	641	444	197 44%	92	15%		60	-69	129 >100%	11	8%	
Meddelande Sverige	879	397	482 >100%	37	4%		218	-277	495 >100%	50	19%	
Information Logistics	-170	-351	181 52%	74	46%		-128	-191	63 33%	-10	-25%	
Logistics	139	-158	297 >100%	246	>100%		61	-112	173 >100%	145	>100%	
Other and eliminations	-114	-48	-66	-63			-79	-36	-43	-38		
Posten Norden Group	1,375	284	1,091 >100%	386	28%		132	-685	817 >100%	158	44%	

January-December

Net sales totaled SEK 41,669 (44,633), down 2% excluding structural and currency changes. Breve Danmark was adversely affected by a sharp drop in letter volumes as a result of competition from digital alternatives and continued economic uncertainty in the Danish market. Meddelande Sverige's volumes for non-priority mail and direct mail were positively impacted by the economic recovery in Sweden, while priority mail volumes continued to decline. Information Logistics's market was characterized by the economic uncertainty in Denmark, France and Great Britain in particular, and by price pressure and competition from digital alternatives. Despite overcapacity and price pressure in the logistics market, the business area's net sales rose excluding currency changes, which reflected

the economic recovery in Sweden and Norway. Structural measures within Information Logistics were attributable to the sale of the Supplies division in July 2009.

Group operating expenses excluding structural and currency changes fell 3%. The lower expenses are attributable to the adjustment of cost to lower volumes and to the effects of the ongoing action program. The previously identified synergy effects of approximately SEK 1 billion are being realized according to plan, and are chiefly attributable to IT in connection with the implementation of joint solutions. Structural measures were attributable to restructuring costs of SEK 407m (1,154) and Information Logistics's sale of the Supplies division in July 2009. Restructuring costs were attributable primarily to adjustments to and efficiency measures in production capacity,

administrative rationalizations and costs related to the introduction of the new terminal structure in central and northern Sweden.

Operating profit totaled SEK 1,375m (284), an increase of 28% excluding structural and currency changes.

Net financial items totaled SEK -27m (2,155). Excluding a capital gain of SEK 2,002m attributable to the sale of Post Danmark A/S's shareholdings in the Belgian Post (formerly De Post-La Poste) in July 2009, net financial items totaled SEK -27m (-63), of which costs for finance leasing totaled SEK -48m (-48). The change in net financial items is due mainly to lower debt and reduced liquidity, which produced a positive interest rate effect of SEK 18m.

Net profit totaled SEK 1,031m (2,414). Tax totaled SEK -317m (-25).

Return over equity (rolling 12-month) totaled 8 (20) %. The year-over-year reduction in return is primarily attributable to the capital gain from the sale of bpost in 2009.

October-December

Net sales totaled SEK 10,871m (11,636), down 2% excluding structural and currency changes. Fourth quarter performance was in line with performance during the year-on-date period. Revenue growth for Logistics strengthened during the quarter, chiefly as a result of increased volumes in Sweden and Norway.

Group operating expenses were reduced by 3%, excluding structural and currency changes. The improvement is primarily attributable to measures taken according to plan. The quarter was charged with costs related to excessive amounts of snow. Restructuring costs totaled SEK 385m (1,050), attributable primarily to adjustments to and efficiency measures in production capacity, administrative rationalizations and costs related to the introduction of the new terminal structure in central and northern Sweden.

Operating profit totaled SEK 132m (-685), an increase of 44% excluding structural and currency changes. The negative earnings trend for Information Logistics is chiefly attributable to last year's result including a positive adjustment of the share of equity in associated companies. Excluding non-recurring items, the underlying change in income is on par with the accumulated change for the full year.

Net financial items totaled SEK -16m (-11). Net profit totaled SEK 61m (-492). Tax totaled SEK -55m (204).

Financial position

Group equity totaled SEK 11,753m, down SEK 1,605m from December 31, 2009. The result was impacted by the dividend of SEK 1,440m distributed in April 2010. Currency changes, primarily in SEK versus DKK, EUR and NOK, produced a translation effect of SEK -1,174m. The Equity-Assets ratio as of December 31, 2010 totaled 46%, an increase of 1% compared to December 31, 2009.

Net financial position totaled SEK 3,879m, down SEK

663m from December 31, 2009. Excluding pensions, net financial position totaled SEK 2,354m, a decrease of SEK 859m from December 31, 2009. The change is attributable primarily to a reduction in cash and cash equivalents due to the dividend of SEK 1,440m distributed in April 2010. Compensation for pension payments totaling SEK 871m (0) was received from Posten's Pension Fund.

Consolidated statement of net financial position

SEKm	Dec 31, 2010	Dec 31, 2009
Financial investments	155	149
Long-term receivables	13	14
Short-term investments		1
Cash and cash equivalents	3,640	4,852
Total financial assets	3,808	5,016
Long-term interest-bearing liabilities	1,047	1,193
Current interest-bearing liabilities	407	610
Total financial liabilities	1,454	1,803
Net financial position excl. pensions	2,354	3,213
Long-term receivables, pension-related assets	2,983	2,994
Pension provisions, pension-related liabilities	1,458	1,665
Net financial position incl. pensions	3,879	4,542

Cash flows

January-December

Cash flows from operating activities before changes in working capital totaled SEK 2,301m. The liquidity effect as regards pensions totaled SEK -1,036m. Pension payments totaled SEK -1,907m and contributions from Posten's Pension Fund totaled SEK 871m. Change in working capital totaled SEK -477m.

Cash flows from investing activities totaled SEK -1,199. Investments in tangible fixed assets totaled SEK -1,050m and were primarily attributable to vehicles. Investments in intangible assets totaled SEK -222m. The intangible investments were made primarily in the capitalization related to the integration of joint IT solutions.

Cash flows from financing activities totaled SEK -1,782m. Cash flows were impacted by the amortization of loans and the redemption of management and employee shares in Post Danmark A/S. Dividends of SEK 1,440m and SEK 3m were distributed to parent company shareholders and to minority shareholders, respectively, in 2010.

Cash and cash equivalents totaled SEK 3,640m at the end of the period, down SEK 1,212m from December 31, 2009, SEK -55m of which is attributable to translation differences.

October-December

Cash flows from operating activities totaled SEK 959m (1,056), of which changes in working capital totaled SEK 127m (232). The liquidity effect as regards pensions totaled SEK -247m (-273), SEK -819m (-273) of which is attributable to pension payments and SEK 572m (0) to contributions from Posten's Pension Fund.

Cash flows from investing activities totaled SEK -497m (-514), SEK -413m (-477) of which is attributable to investments in tangible fixed assets and SEK -88m (-13) to investments in intangible assets.

Cash flows from financing activities totaled SEK -241m (-774). Cash and cash equivalents totaled SEK 3,640m at the end of the period, up SEK 215m from September 30, 2010, SEK -6m of which is attributable to translation differences.

Market prospects

2010 saw an economic recovery in the Nordic region, though the degree of recovery varied between countries. Recovery was strong in Sweden and Norway, but less so in Denmark and a number of other countries that are important to the group. There was also a recovery in the demand for Posten Norden's services. However, the communication industry is characterized by structural changes in which the substitution of physical mail by digital alternatives drives down letter volumes. This transformation has dramatically altered the long-range conditions for running postal operations. The logistics industry has been characterized for several years by overcapacity and increasing competition from global operators. Meanwhile, demand for services is growing in markets such as e-commerce. For Posten Norden, these changes present challenges and also opportunities for growth within the communication and logistics operations.

In February 2008 the EU issued its Third Postal Directive, concerning the full realization of the EC Inner Market for postal services. The new directive entailed the deregulation of EU postal markets by December 31, 2010, with the exception of 11 countries which are exempt through December 31, 2012. During 2010 and early 2011, Sweden and Denmark enacted new postal legislation reflecting their respective ambitions to harmonize their legislation with the Third Postal Directive. In theory, a full-scale liberalization within the EU could open markets to competition with a level playing field for all operators. Where deregulation has occurred, however, markets have been re-regulated with wide variations between countries. Large and, in many cases, state-owned postal operators are or will be subject to new restrictions which complicate and limit their ability to be competitive and profitable.

2011 is expected to be characterized by continued uncertainty about eurozone stability but also by growth in Nordic countries. Posten Norden's markets will continue to be characterized by fierce competition, overca-

capacity, substitution and price pressure. Continued growth is expected on the e-commerce market. Posten Norden intends to meet this development with new business initiatives and continued cost adjustments. Operations will be further streamlined. Production capacity will be adapted to greater volume variations and the cost base will be made more flexible. Efforts to secure previously identified and new synergies will continue.

Parent company

The company was formed in December 2008 and became parent company of the Posten Norden Group on June 24, 2009. The comparative year covers the period December 1, 2008-December 31, 2009.

The parent company has run a limited operation and has only one employee, the President/CEO. No net sales were reported for the period. Of operating expenses, which totaled SEK 18m (10), SEK 13m (7) were attributable to personnel expenses for the CEO. Financial items totaled SEK 958m (2,039), of which SEK 1,000m (2,044) was attributable to anticipated dividends from subsidiaries and SEK -45m (-1) to currency effects. Profit before tax totaled SEK 940m (2,029), and profit after tax totaled SEK 956m (2,033). No cash and cash equivalents were reported and no investments were made in tangible fixed assets.

Proposed dividend

The Board proposes an ordinary dividend, in accordance with the company's dividend policy, of SEK 600m (1,440) as well as an extraordinary dividend of SEK 400m (0).

Risks and uncertainties for the group and the parent company

Swedish and Danish postal legislation is being amended in light of the new EU regulations (the Third Postal Directive) which are aimed at breaking up remaining postal monopolies.

In Sweden, the parliament adopted a resolution that came into effect on September 1, 2010. The new Swedish law also includes regulations that exceed those in the EU's Postal Directive. The requirements for pricing transparency for the national operator have been increased and the maximum price level has been retained. At the same time, Posten Norden's main competitor – owned by the state-owned Norwegian Post – is not subject to these EU-specific regulations. Accordingly, Posten Norden deems that there is a risk of distorted competition, a risk that the owner's return requirements may not be attainable and a risk that it may be unable to fulfill its universal service obligation. The group company, Posten AB, has appealed an order issued by the Post and Telecom Agency based on licensing terms relative to the new law.

On December 16, 2010 the Danish parliament passed a new Danish Postal Act. The new law came into effect on January 1, 2011 and includes provisions for free competition and the securing of universal service obligations by the group company, Post Danmark A/S. Post Danmark is commissioned to maintain its distribution obligation during the period 2011-13. This means that six-day-per-week postal distribution will continue and that Post Danmark is obliged to transport letters weighing up to 2 kilos and parcels weighing up to 20 kilos. Postal operators will be licensed and the Ministry of Transport has been commissioned to establish a fund to finance the net costs of the universal postal service obligation to which all postal operators shall contribute. There is also political consensus to enable Post Danmark to continue its commercial operations by means of reductions within selected high-cost areas and by adjusting the letter pricing framework. Format-based taxation of stamped letters will be abolished. Post Danmark has also announced its intention to introduce differential price rates for various types of stamped letters and to raise the rate for priority mail vis-à-vis non-priority and business mail as of April 1, 2011.

The Danish mail market experienced a 10% drop in volume during 2010, intensifying the need for continued significant cost savings. The new Postal Act creates more favorable conditions for efficient production; price differentiation produces a better correlation between price and cost for various types of stamped letters. The law also specifies that all mailboxes for all Danish households, with possible exemptions for disabled households, must be located on the property line. In line with enactment of the new law, Posten Norden has decided to introduce two new types of parcels.

In September the Swedish Post and Telecom Agency (PTA) announced its decision requiring Posten AB to establish a threshold value that must be applied, without exception, when categorizing normal and low-price pricing zones when sorting letters. According to the PTA's opinion, Posten's applied pricing model and current zoning fail to comply with the Postal Services Act's requirement that pricing must be cost-oriented. Under the PTA's decision, Posten was required to change its zoning no later than January 1, 2011.

Posten's position is that the PTA's decision is based on an erroneous interpretation of the Postal Services Act and the requirements thereunder for cost-oriented pricing. Posten appealed the PTA's decision and requested that the order be set aside. On November 3, 2010 the Administrative Court in Stockholm ruled in favor of a stay of enforcement, thereby rendering the PTA's order unenforceable pending further adjudication. The Court's ruling regarding a stay remains in force until the Court decrees otherwise or renders its final judgement.

Last February, Bring Citymail sued Posten in the Swedish Market Court. Bring Citymail claims that Posten should terminate the discount it offers to customers with large pre-sorted mailings. The Competition Authority has previously considered the issue, and dismissed the case in December 2009 based on lack of any grounds for further investigation.

Risks, risk management and factors that may affect the business are described in Posten Norden's 2009 Annual Report.

This report has not been audited.

Stockholm, February 24, 2011
Posten Norden AB (Publ)

Lars G Nordström
President and CEO

Consolidated financial statements

Income statement

SEKm	Note	Jan-Dec 2010	Pro forma Jan-Dec 2009	Change	Oct-Dec 2010	Oct-Dec 2009	Change	Jul-Dec 2009
	1, 2							
Net sales		41,669	44,633	-7%	10,871	11,636	-7%	21,858
Other operating income		289	249	16%	75	65	15%	120
Operating income	3	41,958	44,882	-7%	10,946	11,701	-6%	21,978
Personnel expenses	4	-20,551	-22,633	-9%	-5,251	-5,920	-11%	-10,938
Transport expenses		-7,384	-7,561	-2%	-1,895	-1,968	-4%	-3,902
Other expenses	5	-10,737	-12,397	-13%	-3,150	-3,984	-21%	-6,547
Depreciation and impairment of tangible fixed assets and intangible assets		-1,917	-2,014	-5%	-518	-531	-2%	-1,010
Operating expenses		-40,589	-44,605	-9%	-10,814	-12,403	-13%	-22,397
Participations in the earnings of associated companies	6		7			17		13
OPERATING PROFIT		1,375	284	384%	132	-685		-406
Financial income		174	188	-7%	38	75	-49%	113
Financial expenses		-201	-251	-20%	-54	-68	-21%	-128
Participations in the earnings of associated companies and joint ventures			2,218			-18		1,966
Net financial items		-27	2,155		-16	-11		1,951
Profit before tax		1,348	2,439	-45%	116	-696		1,545
Tax		-317	-25		-55	204		161
NET PROFIT		1,031	2,414	-57%	61	-492		1,706
Attributable to								
Parent company shareholders		1,030	2,421		64	-487		1,712
Minority interests	1		-7		-3	-5		-6
Earnings per share, before and after dilution, SEK		0.51	1.21		0.03	-0.24		0.86

Comprehensive income statement ¹⁾

SEKm	Jan-Dec 2010	Oct-Dec 2010	Oct-Dec 2009	Jul-Dec 2009
Net profit	1,031	61	-492	1,706
Other comprehensive profit for the period, translation differences ²⁾	-1,174	-104	138	-344
COMPREHENSIVE PROFIT	-143	-43	-354	1,362
Attributable to				
Parent company shareholders	-138	-39	-350	1,369
Minority interests	-5	-4	-4	-7

1) See Accounting Principles for the group, Consolidated Financial Statements

2) Translation differences are attributable to translation of the group's equity in foreign currency

Balance sheets

SEKm	Note	Dec 31, 2010	Dec 31, 2009
	1, 2		
ASSETS			
Goodwill		2,806	3,055
Other intangible assets		1,493	1,962
Tangible fixed assets		7,868	9,173
Participations in associated companies and joint ventures		95	117
Financial investments		155	149
Long-term receivables	6	2,996	3,008
Deferred tax assets		136	168
Total fixed assets		15,549	17,632
Inventories		275	299
Tax assets		338	215
Accounts receivable		4,262	4,495
Prepaid expenses and accrued income		1,266	1,623
Other receivables		453	454
Short-term investments			1
Cash and cash equivalents		3,640	4,852
Total current assets		10,234	11,939
TOTAL ASSETS		25,783	29,571
EQUITY AND LIABILITIES			
EQUITY			
Capital stock		2,000	2,000
Other contributed equity		9,954	9,898
Reserves		-1,512	-343
Retained earnings		1,302	1,712
Total equity attributable to parent company shareholders		11,744	13,267
Minority interests		9	91
TOTAL EQUITY		11,753	13,358
LIABILITIES			
Long-term interest-bearing liabilities		1,047	1,193
Other long-term liabilities		68	199
Pension provisions		1,458	1,665
Other provisions	7	1,703	1,919
Deferred tax liabilities		797	742
Total long-term liabilities		5,073	5,718
Current interest-bearing liabilities		407	610
Accounts payable		1,992	1,896
Tax liabilities		162	145
Other current liabilities		1,593	1,859
Accrued expenses and prepaid income	8	4,288	5,274
Other provisions	7	515	711
Total current liabilities		8,957	10,495
TOTAL LIABILITIES		14,030	16,213
TOTAL EQUITY AND LIABILITIES		25,783	29,571

For information on the group's pledged assets and contingent liabilities, see note.

Statement of cash flows ¹⁾

SEKm	Jan-Dec 2010	Jul-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
OPERATING ACTIVITIES				
Profit before tax	1,348	1,545	116	-696
Adjustments for non-cash items:				
Reversal of depreciation and impairments	1,917	1,010	518	531
Capital gain/loss on sale of fixed assets	55	65	13	27
Capital gain/loss on sale of joint venture companies		-2,001		
Pension provisions	842	395	464	330
Other provisions	-367	752	-38	805
Other items not affecting liquidity	-19	-9	-4	-4
Pensions, net liquidity effect	-1,036	-530	-247	-273
Other provisions, liquidity effect	-104	-303	-30	-233
Tax paid	-335	222	40	337
Cash flows from operating activities before changes in working capital	2,301	1,146	832	824
Cash flows from changes in working capital				
Increase(-)/decrease(+) in inventories	24	17	12	30
Increase(-)/decrease(+) in accounts receivable	233	655	44	514
Increase(-)/decrease(+) in other trade accounts receivable	360	-119	132	-447
Increase(+)/decrease(-) in accounts payable	96	-314	272	-37
Increase(+)/decrease(-) in other operating liabilities	-1 307	-578	-391	340
Other changes in working capital	117	-167	58	-168
Changes in working capital	-477	-506	127	232
Cash flows from operating activities	1,824	640	959	1,056
INVESTING ACTIVITIES				
Purchase of tangible fixed assets	-1,050	-773	-413	-477
Sale of tangible fixed assets	53	27	8	23
Capitalized development expenditures	-184	-86	-111	-45
Purchase of intangible assets	-38	-31	23	32
Sale of intangible assets	4		2	
Acquisition of subsidiary/business, net liquidity effect		-13		-13
Sale of subsidiary/business, net liquidity effect		36		
Sale of joint venture/associated company, net liquidity effect		4,045		
Purchase of financial assets	-5	-11	-5	-11
Sale of financial assets	21	133	-1	-23
Cash flows from investing activities	-1,199	3,327	-497	-514
FINANCING ACTIVITIES				
Amortized loans	-123	-440	-123	-439
Amortized finance leasing liabilities	-110	-66	-26	-32
Dividend(s) paid to parent company's owner	-1,440			
Dividend(s) paid to minority interests	-3			
Buy-back, minority Post Danmark A/S	-19	-317		-317
Increase(+)/Decrease(-) in other interest-bearing liabilities	-87	-106	-92	14
Cash flows from financing activities	-1,782	-929	-241	-774
CASH FLOWS FOR THE PERIOD	-1,157	3,038	221	-232
Cash and cash equivalents, beginning of the period	4,852	1,844	3,425	4,896
Translation difference in cash and cash equivalents	-55	-30	-6	188
Cash and cash equivalents, end of the period	3,640	4,852	3,640	4,852

1) See Accounting Principles for the group, Consolidated Financial Statements

Statement of changes in equity

Equity attributable to parent company shareholders

SEKm	Capital stock ¹⁾	Other contributed equity	Currency translation reserve	Accum. profit or loss	Total	Minority interest	Total equity
Issue for non-cash consideration	2,000	10,141			12,141		12,141
Result of issue		-243			-243	415	172
Beginning balance as of 01-07-2009	2,000	9,898			11,898	415	12,313
Redemption of Post Danmark A/S shares						-317	-317
Net profit				1,712	1,712	-6	1,706
Other comprehensive profit for the period			-343		-343	-1	-344
Ending balance as of 12-31-2009	2,000	9,898	-343	1,712	13,267	91	13,358
Beginning balance as of 01-01-2010	2,000	9,898	-343	1,712	13,267	91	13,358
Redemption of Post Danmark A/S shares		56			56	-75	-19
Dividend ²⁾				-1,440	-1,440	-3	-1,443
Net profit				1,030	1,030	1	1,031
Other comprehensive profit for the period			-1,169		-1,169	-5	-1,174
Ending balance as of 12-31-2010	2,000	9,954	-1,512	1,302	11,744	9	11,753

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

2) A dividend of SEK 1,440m (SEK 0.72 per share) was distributed to the owners; Svensk Adressändring AB distributed a dividend of SEK 3m to minority shareholders.

Notes

Pro forma information for 2009 has not been prepared for the Notes with the exception of note Segment Reporting.

NOTE 1 Accounting principles

Compliance with legislation and regulations

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), together with interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC), to the extent that they have been approved by the European Commission for application within the European Union. The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's rule RFR 1, Supplemental Financial Statements for Groups, were also applied.

Consolidated financial statements

The group's year-end report is prepared in accordance with IAS 34, Interim Financial Reporting, and with the Annual Accounts Act. The same accounting principles and methods of calculation were used in this year-end report as in the 2009 Annual Report, taking into account changes described below.

Pro forma statements have been prepared in order to enable year-over-year comparison. Pro forma information was prepared for the Income Statement and the Statement of financial position.

Changes in accounting principles

Accounting principles that came into effect in 2010

- **IFRS 3**, Business Combinations. Stipulates revised rules for determination of reported goodwill and that acquisition costs may not be capitalized; expands definition of 'business combination'; specifies that fair value of consideration shall be determined at acquisition date and that changes in liability related to contingent consideration occurring up to settlement shall be adjusted in total results. The new rules also allow the choice between two methods of calculating the minority and specify that additional acquisitions shall be reported as equity transactions after a stipulated level of influence is achieved. The standard will be applied from January 1, 2010. Application of the new IFRS 3 will have some effect on the consolidated position and results in connection with future acquisition activities, primarily in terms of acquisition costs for advisory services and consultations in connection with acquisitions that can no longer be capitalized in the consolidated financial statements and which will differ from the reporting of legal entities and the application of conditional purchase consideration.
- **IAS 27**, Consolidated and Separate Financial Statements, has been changed with respect to the way in which changes of ownership interest in subsidiaries, effects of goodwill, and profit and loss resulting from changes in ownership shall be reported. Changes of ownership in entities in which controlling influence is retained shall be reported as equity transactions. Profits and losses resulting from the cessation of controlling influence of an entity shall be reported in net profit; the remainder shall be re-valued. In addition, losses shall be allocated to non-controlling interest holdings even where this results in a negative share of equity. The changed standard has not to date affected reported acquisitions.
- **Improvements to Standards**: (Change of IFRS 8, Operating Segments. Total assets and liabilities shall be reported in the financial statements in the manner in which they are reported to company management for the management of operations. The improvement to the standard has not caused any change in the company's segment reporting.

Future changes in accounting principles that take effect in 2011 or later

- **IAS 24**, Related Party Disclosures. Amendment stipulates that transactions between state-owned companies are not automatically considered to be related party transactions. To be applied from January 1, 2010. The company's disclosures to date concerning transactions with the government are limited to reports of a non-commercial nature, meaning that related party transactions have applied to specific mandates from the state and licenses from authorities. The amendments to the standard have not had any bearing on the company's related party disclosure.
- **IFRS 9**, Financial Instruments, replaces the current IAS 39. To be applied from January 1, 2013. The main known changes are that classification and valuation will be reduced to two categories and will be assessed either at fair value or at amortized cost, and that estimation and valuation of credit losses in connection with loan valuations will be based on a model of anticipated losses rather than "realized" losses. Changes with regard to hedge accounting are also anticipated but are as yet unknown. The changes to classification and valuation are not expected to affect the company's reporting of financial instruments, since the company does not have assets in other categories. The standard regarding credit losses is not expected to have any effect on the company, since the company's credit losses apply only to accounts receivable.
- **IFRIC 14 IAS 19**, Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Under the change, surplus for covering minimum pension funding requirements may be recognized as assets. The change will be applied as of January 1, 2011. The majority of defined benefit pension plans in Sweden are safeguarded by a pension fund. Payments are not normally made to the pension fund to cover minimum funding requirements. Rather, other methods such as pension liability insurance are used to safeguard benefits. The change therefore has no effect on the company's reporting.

The company has elected not to apply new and future changes to accounting principles, interpretations or improvements ("Improvements to IFRSs") in advance.

NOTE 2 Estimates and assessments

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

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

Postal obligation

Posten Norden's postal obligation is calculated for stamps which have been sold but not used. Assumptions used in calculating the postal obligation affect the size of the obligation. Assumptions are based on the

Note 2, cont.

number of stamps sold but not used in Sweden and Denmark. Investigations are conducted in Sweden and Denmark to ensure that the assumptions are reasonable. The size of the obligation may be affected in cases where investigations show changes in the behavior of the population or where a sample group is not representative of the population.

Intangible assets

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

Pension commitments

In the actuarial calculations of Posten Norden's pension commitments, a number of estimates are made in order to set reasonable assumptions. The most significant are the assumption of the discount rate, future expected return on assets under management, wage trends and inflation. Modifications of the assumptions due to changing environmental factors may influence Posten Norden's financial statements if the effects of the revised assumptions should fall outside the "corridor". Modified assumptions also affect the cost forecasts for the upcoming year. A change in the balance between the rate of return and the interest on debt of +/- 0.1 percentage point, other things being equal, impacts profit before tax by SEK +/-16m increase or decrease in net financial items. A change in the discount rate of +/- 0.5 percentage point, other things being equal, leads to an impact on operating profit of SEK -124/+115m. Changes in inflation or wage trends, individually and all other things being equal, of +/- 0.5 percentage point leads to an impact on operating profit of SEK +/- 100m for inflation and SEK +/- 40m for wage increases.

Provisions

In its conversion into a corporation in Sweden in 1994, Posten Norden assumed a contingent liability (special temporary provisions) such that certain categories of the workforce may choose to retire early, at the age of 60 or 63. The contingent liability is reported as a provision in the statement of financial position and is calculated based on previous experience of the proportion of persons who have chosen to exercise their right to early retirement in accordance with these provisions. If the number of those who choose this option should change, the liability will change accordingly. A change of 5 percentage points to the rate of utilization of this option leads to an impact on operating profit of SEK 10-20m.

Taxes

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

NOTE 3 Segment reporting

Posten Norden's organization into business units is based on the manner in which Posten Norden is governed and activities are reported to management. Market pricing applies to internal dealings between Posten Norden business units. There is no latitude for making external purchases where the service in question is available internally. In Posten Norden's operational structure, though not in its legal structure, cost distribution of corporate shared service functions is at cost price with full allocation of costs.

Breve Danmark (Mail) is the leading supplier of distribution solutions on the Danish communication market, with a nationwide distribution network. The business area offers physical and digital letter, direct mail and newspaper services, facility management services as well as drop-off and collection of private parcels.

Meddelande Sverige (Mail) is the leading supplier of distribution solutions on the Swedish communication market, with a nationwide distribution network. The business area offers physical and digital letter, direct mail and newspaper services as well as drop-off and collection of private parcels.

Information Logistics, with Strålfors, develops, produces and delivers systems, services and products for efficient business communication. The business area is a Nordic leader in its field and has operations in the Nordic region and several other European countries.

Logistics is a leader on the Nordic logistics market and offers a unique scope of coverage within its distribution network throughout the entire region. The business area runs operations in parcel, pallet and general cargo as well as messaging, express, third-party logistics, in-night freight forwarding and consignment freight.

Other and eliminations comprises shared services and corporate functions including the parent company, the Swedish Cashier Service and intra-group adjustments. The adjustments are primarily internal eliminations; IFRS adjustments regarding pensions in accordance with IAS 19, Employee Benefits; and finance leasing in accordance with IAS 17, Leases. From Other and Eliminations, service costs for shared services and corporate functions are allocated to the business areas. Cost allocations are taken up as income in Other and Eliminations under Other Operating Income, Internal. Within the business areas, cost allocations are taken up as income under Other expenses.

Shared services and corporate functions and the Swedish Cashier Service are included as of January 1, 2010, and comparative figures for previous years have been adjusted.

Note 3, cont.

2010 Jan-Dec

SEKm	Breve Danmark	Meddelande Sverige	Information Logistics	Logistics	Other and eliminations	Posten Norden Group
Net sales, external	10,581	15,433	3,339	12,307	9	41,669
Net sales, internal	301	121	52	116	-590	
Net sales	10,882	15,554	3,391	12,423	-581	41,669
Other operating income, external	-9	64	28	25	181	289
Other operating income, internal	1,825	647		1,274	-3,746	
Operating income	12,698	16,265	3,419	13,722	-4,146	41,958
Personnel expenses	-7,250	-8,007	-1,166	-3,093	-1,035	-20,551
Transport expenses	-679	-2,609	-113	-5,496	1,513	-7,384
Other expenses	-3,685	-4,576	-1,934	-4,700	4,158	-10,737
Depreciation and impairments	-443	-194	-382	-294	-604	-1,917
Operating expenses	-12,057	-15,386	-3,595	-13,583	4,032	-40,589
Participations in the earnings of associated companies and joint ventures			6			6
OPERATING PROFIT	641	879	-170	139	-114	1,375
Net financial items						-27
Profit before tax						1,348
Tax						-317
Net profit						1,031
Assets	10,153	7,102	3,206	6,200	-878	25,783
Liabilities	4,756	5,376	1,795	2,947	-844	14,030
Investments in fixed assets	519	122	169	183	284	1,277

2009 Jan – Dec Pro forma

SEKm	Breve Danmark	Meddelande Sverige	Information Logistics	Logistics	Other and eliminations	Posten Norden Group
Net sales, external	12,751	15,645	3,704	12,533		44,633
Net sales, internal	343	149	58	140	-690	
Net sales	13,094	15,794	3,762	12,673	-690	44,633
Other operating income, external	12	90	25	46	76	249
Other operating income, internal	1,580	638		1,314	-3,532	
Operating income	14,686	16,522	3,787	14,033	-4,146	44,882
Personnel expenses	-8,509	-8,177	-1,303	-3,425	-1,219	-22,633
Transport expenses	-787	-2,628	-167	-5,581	1,602	-7,561
Other expenses	-4,538	-5,129	-2,305	-4,846	4,421	-12,397
Depreciation and impairments	-408	-191	-370	-339	-706	-2,014
Operating expenses	-14,242	-16,125	-4,145	-14,191	4,098	-44,605
Participations in the earnings of associated companies and joint ventures			7			7
OPERATING PROFIT	444	397	-351	-158	-48	284
Net financial items						2,155
Profit before tax						2,439
Tax						-25
Net profit						2,414
Assets	12,786	7,604	3,543	6,544	-906	29,571
Liabilities	6,082	5,578	2,123	2,947	-517	16,213
Investments in fixed assets	402	117	141	175	66	901

Note 3, cont.

2010 Oct-Dec

SEKm	Breve Danmark	Meddelande Sverige	Information Logistics	Logistics	Other and eliminations	Posten Norden Group
Net sales, external	2,631	4,158	826	3,253	3	10,871
Net sales, internal	93	31	19	31	-174	
Net sales	2,724	4,189	845	3,284	-171	10,871
Other operating income, external	-4	14	8	6	51	75
Other operating income, internal	443	177		327	-947	
Operating income	3,163	4,380	853	3,617	-1,067	10,946
Personnel expenses	-1,749	-2,068	-286	-809	-339	-5,251
Transport expenses	-173	-680	-30	-1,399	387	-1,895
Other expenses	-1,078	-1,366	-513	-1,276	1,083	-3,150
Depreciation and impairments	-103	-48	-152	-72	-143	-518
Operating expenses	-3,103	-4,162	-981	-3,556	988	-10,814
Participations in the earnings of associated companies and joint ventures						
OPERATING PROFIT	60	218	-128	61	-79	132
Net financial items						-16
Profit before tax						116
Tax						-55
Net profit						61
Assets	10,153	7,102	3,206	6,200	-878	25,783
Liabilities	4,756	5,376	1,795	2,947	-844	14,030
Investments in fixed assets	156	66	51	108	125	506

2009 Oct-Dec

SEKm	Breve Danmark	Meddelande Sverige	Information Logistics	Logistics	Other and eliminations	Posten Norden Group
Net sales, external	3,218	4,212	891	3,315		11,636
Net sales, internal	87	47	8	38	-180	
Net sales	3,305	4,259	899	3,353	-180	11,636
Other operating income, external	1	11	8	22	23	65
Other operating income, internal	399	170		317	-886	
Operating income	3,705	4,440	907	3,692	-1,043	11,701
Personnel expenses	-2,055	-2,172	-324	-909	-460	-5,920
Transport expenses	-230	-657	-37	-1,480	436	-1,968
Other expenses	-1,471	-1,840	-634	-1,331	1,292	-3,984
Depreciation and impairments	-18	-48	-120	-84	-261	-531
Operating expenses	-3,774	-4,717	-1,115	-3,804	1,007	-12,403
Participations in the earnings of associated companies and joint ventures			17			17
OPERATING PROFIT	-69	-277	-191	-112	-36	-685
Net financial items						-11
Profit before tax						-696
Tax						204
Net profit						-492
Assets	12,786	7,604	3,543	6,544	-906	29,571
Liabilities	6,082	5,578	2,123	2,947	-517	16,213
Investments in fixed assets	216	75	95	74	40	500

Note 3, cont.

2009 Jul – Dec

SEKm	Breve Danmark	Meddelande Sverige	Information Logistics	Logistics	Other and eliminations	Posten Norden Group
Net sales, external	5,980	7,717	1,751	6,290	120	21,858
Net sales, internal	180	106	21		-307	
Net sales	6,160	7,823	1,772	6,290	-187	21,858
Other operating income, external	11	39	11	24	35	120
Other operating income, internal	822	322		671	-1,815	
Operating income	6,993	8,184	1,783	6,985	-1,967	21,978
Personnel expenses	-3,989	-3,997	-619	-1,675	-658	-10,938
Transport expenses	-377	-1,312	-106	-2,813	706	-3,902
Other expenses	-2,421	-2,870	-1,143	-2,384	2,271	-6,547
Depreciation and impairments	-142	-96	-200	-168	-404	-1,010
Operating expenses	-6,929	-8,275	-2,068	-7,040	1,915	-22,397
Participations in the earnings of associated companies and joint ventures			13			13
OPERATING PROFIT	64	-91	-272	-55	-52	-406
Net financial items						1,951
Profit before tax						1,545
Tax						161
Net profit						1,706
Assets	12,786	7,604	3,543	6,544	-906	29,571
Liabilities	6,082	5,578	2,123	2,947	-517	16,213
Investments in fixed assets	402	117	141	175	66	901

Pro forma information for 2009 has not been prepared for the Notes with the exception of note Segment Reporting.

NOTE 4 Personnel expenses			NOTE 5 Other expenses		
SEKm	Jan-Dec 2010	Jul-Dec 2009	SEKm	Jan-Dec 2010	Jul-Dec 2009
Personnel expenses			Cost of premises	2,236	1,180
Wages, salaries and other compensation	15,780	8,490	Provisions ¹⁾	323	1,010
Statutory social security contributions	2,648	1,278	Terminal fees	1,072	513
Pension expenses	2,032	1,043	Cost of goods and material	1,617	858
Other personnel expenses	91	127	Purchased IT resources	1,463	671
Total	20,551	10,938	Capitalized development expenditures, IT	-138	
Specification of pension expenses			Other	4,164	2,315
Cost of retirement pensions ¹⁾	1,852	951	Total	10,737	6,547
Net cost of early retirement pensions	180	92			
<i>of which, gross cost of early retirement pensions</i>	319	244			
<i>of which, release of provisions for early retirement pensions</i>	-139	-152			
Total	2,032	1,043			
Average number of employees	44,060	47,319			

1) Costs of retirement pensions include an amortization effect of actuarial gains and losses totalling SEK 134m (73).

1) Of the total amount of SEK 323m, SEK 385m is attributable to provisions and SEK -62m to reversals for personnel reductions. See also note Other Provisions, footnote 1.

Pro forma information for 2009 has not been prepared for the Notes with the exception of note Segment Reporting.

NOTE 6 Long-term receivables

SEKm	Dec 31, 2010	Dec 31, 2009
Carrying amount related to funded defined benefit retirement and early retirement pension plans appraised in accordance with IAS 19	2,266	2,342
Carrying amount related to funded defined benefit disability pension plans appraised in accordance with IAS 19	260	180
Payroll tax receivables attributable to reporting lower pension commitments (under IAS 19) than amounts recognized in the financial statements for legal entities in Sweden in accordance with UFR 4	601	621
Payroll tax health insurance	-144	-149
Deposits, property leases	13	12
Electricity derivatives		1
Other		1
Ending balance	2,996	3,008

NOTE 7 Other provisions

2010 Jan-Dec, SEKm	Beginning balance	Reclassification ⁶⁾	Provisions	Reversals	Utilizations	Translation effects	Ending balance
Restructuring activities							
Personnel reductions, primarily early retirements	1,066	14	385 ¹⁾	-62 ¹⁾	-579 ²⁾	-24	800
Other closure costs	74	14			-36 ²⁾		52
Future conditional pension benefits							
Payroll tax	222				-15 ³⁾		207
Future conditional pension benefits under IAS 19	911		49 ⁵⁾		-112 ³⁾		848
Other							
Job-related injuries	66		3 ⁵⁾		-11 ²⁾		58
Pension adjustments in relation to the Danish state	26	31			-12 ²⁾	-6	39
Provision, commemorative awards	174		19 ⁵⁾		-18 ²⁾	-13	162
Other provisions	91				-38 ²⁾	-1	52
Total	2,630	59	456	-62	-821	-44⁴⁾	2,218
Of which, current provisions	711	35					515

1) Impact on income: SEK 323m, of which SEK 385m is attributable to provisions and SEK -62m to reversals for personnel reductions. See also note Other expenses.

2) Change in other income statement items totals SEK -694m, SEK -662m of which is attributable to personnel expenses.

3) The change has not been reported in the income statement.

4) A discount effect of SEK 15m is reported in the income statement's financial items. A translation difference regarding currency translation of SEK -59m is reported in the total result; see Comprehensive Income Statement - Group.

5) The effect of provisions and reversals is reported as personnel expenses.

6) Reclassification from current and long-term liability to other provisions and transfers between personnel reductions and other closure costs.

2009 Jul-Dec, SEKm	Beginning balance as of July 1, 2009	Provisions	Reversals	Releases	Translation effects	Ending balance
Restructuring activities						
Personnel reductions, primarily early retirements		448	998 ¹⁾	-50 ¹⁾	-327 ²⁾	1,066
Other closure costs		37	57 ¹⁾		-20 ²⁾	74
Future conditional pension benefits						
Payroll tax		254	6 ⁵⁾	-5 ⁵⁾	-33 ³⁾	222
Future conditional pension benefits under IAS 19		1,045	24 ⁵⁾	-22 ⁵⁾	-136 ³⁾	911
Other						
Job-related injuries		77	3 ⁵⁾		-14 ²⁾	66
Reversal of pension payment to the Danish state		33	32 ⁵⁾	-24 ⁵⁾	-6 ²⁾	26
Provision, commemorative awards		176	11 ⁵⁾		-11 ²⁾	174
Other provisions		163			-66 ²⁾	91
Total		2,233	1,131	-101	-613	-20⁴⁾
Of which, current provisions		487				711

1) Impact on income: SEK 1,010m, of which SEK 998m is attributable to provisions and SEK -50m to reversals for personnel reductions.

SEK 57m is attributable to other closure costs and SEK 5m to exchange rate differences between carrying amounts in the Income Statement and Statement of financial position. See also note Other expenses.

2) Change in other income statement items totals SEK 444m, SEK 381m of which is attributable to personnel expenses.

3) Pursuant to IAS 19, the change has not been reported in the income statement.

4) A discount effect of SEK 1m is reported in the income statement's financial items.

A translation difference regarding currency translation of SEK 19m is reported in the total result; see Comprehensive Income Statement - Group.

5) The effect of provisions and reversals is reported as personnel expenses.

Pro forma information for 2009 has not been prepared for the Notes with the exception of note Segment Reporting.

NOTE 8 Accrued expenses and deferred income

SEKm	Dec 31, 2010	Dec 31, 2009
Postal obligation, unused stamps	355	376
Accrued payroll expenses	585	612
Vacation pay liability	1,679	2,064
Special payroll tax on pension expenses	6	3
Social security contributions	648	995
Accrued interest expense		1
Terminal fees	418	620
Finance leasing	18	20
Forward currency contracts	23	6
Other items	556	577
Ending balance	4,288	5,274

NOTE 9 Pledged assets and contingent liabilities

SEKm	Dec 31, 2010	Dec 31, 2009
Assets pledged for own liabilities		
Real estate mortgages	804	1,013
Endowment insurance policy for current and former employees	137	130
Assets pledged as securities	16	20
Total	957	1,163
Contingent liabilities		
Guarantee commitment, PRI	91	93
Other guarantees	20	127
Dispute ¹⁾	100	104
Total	211	324

1) Østra Landret ruled against Post Danmark in a case concerning discriminatory pricing. Post Danmark A/S appealed the decision to Højesteret. In connection with this matter, a competitor filed a claim against Posten Danmark A/S. The claim for compensation is contested in its entirety by Post Danmark A/S

NOTE 10 Transactions with associated parties

Swedish state

Posten AB paid SEK 12m (7) to the Post and Telecom Agency (PTS) for permits to run postal operations and Posten Meddelande AB paid SEK 8m (4) for handling dead letters. Posten received disability compensation of SEK 14m (7) for Braille services and services for senior citizens living in sparsely populated areas.

Danish state

During the period, Post Danmark A/S paid premiums of SEK 241m (144) to the Danish state for the group of civil servants employed prior to the date of incorporation. A further SEK 18m (31) is reserved in the statement of financial position for any additional obligations to the same group of employees.

Other organizations

Posten's insurance association insures Posten Norden's commitments in Sweden for employee disability and family pensions based on ITP-P. During the period, Posten Norden paid premiums of SEK 172m (96) to the association and received compensation totalling SEK 10m (5). Other compensation from the association was paid directly to the beneficiaries.

Posten's Pension Fund manages pension commitments for Posten AB, Posten Meddelande AB and Posten Logistik AB. The companies capitalize new pension commitments in the fund and receive compensation for pensions paid. Capitalization of SEK 854m (20) occurred during the period. Compensation totaling SEK 871m (0) was received for pension payments made in 2009.

NOTE 11 Investment commitments

As of December 31, 2010, the Posten Norden group entered into agreements for the acquisition of fixed assets totaling SEK 356m (102), mainly for sorting equipment and vehicles.

Parent company financial statements

Income statement

SEKm	Note	Jan-Dec 2010	Dec 1, 2008- Dec 31, 2009 ¹⁾	Oct-Dec 2010	Oct-Dec 2009
	1				
Personnel expenses		-13	-7	-3	-3
Other expenses		-5	-3	-1	-3
Operating expenses		-18	-10	-4	-6
OPERATING PROFIT		-18	-10	-4	-6
Income from participations in group companies		1,000	2,044	1,000	2,044
Interest income and similar income items		30	9	2	9
Interest expense and similar expense items		-72	-14	-1	-14
Net financial items		958	2,039	1,001	2,039
Profit before tax		940	2,029	997	2,033
Tax		16	4	20	4
NET PROFIT		956	2,033	1,017	2,037

1) The company was formally established on December 1, 2008.

Comprehensive income statement

SEKm	Jan-Dec 2010	Dec 1, 2008- Dec 31, 2009 ¹⁾	Oct-Dec 2010	Oct-Dec 2009
Net profit	956	2,033	1,017	2,037
COMPREHENSIVE PROFIT	956	2,033	1,017	2,037

1) The company was formally established on December 1, 2008.

Balance sheets

SEKm	Note	Dec 31, 2010	Dec 31, 2009
	1		
ASSETS			
Financial assets	2	12,476	12,461
Total fixed assets		12,476	12,461
Current receivables		1,270	5,814
Total current assets		1,270	5,814
TOTAL ASSETS		13,746	18,275
EQUITY AND LIABILITIES			
Equity		13,744	14,173
Current liabilities		2	4,102
TOTAL EQUITY AND LIABILITIES		13,746	18,275
Contingent liabilities	3	728	741

Notes

NOTE 1 Accounting principles

The parent company essentially applies the same accounting principles as the group does, and thus applies RFR 2, Reporting of Legal Entities. The differences between the parent company's and the group's accounting principles result from the parent company's limitations in applying International Financial Reporting Standards (IFRS) as a consequence of the Swedish Annual Accounts Act and the Law on Safeguarding of Pension Commitments, and are to some extent also based on tax considerations. Posten Norden AB was initially registered with the Swedish Companies Registration Office on December 1, 2008. The comparative reporting period is December 1 2008-December 31, 2009.

Participations in subsidiaries, associated companies and joint ventures

Participations in subsidiaries, associated companies and joint ventures are reported in the parent company using the acquisition cost method. Received dividends are reported as income provided that they arise from post-acquisition earnings. Dividends that exceed post-acquisition earnings are viewed as a repayment of the investment and may reduce the reported value of the participation.

Dividends

Dividends from subsidiaries, associated companies and joint ventures are reported as revenue when right to the dividend is established.

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

If the carrying value of the parent company's holdings in the subsidiary, associated company or joint venture company exceeds the carrying amount in the financial statements, it is considered an indication of a write-down requirement and an impairment test shall be conducted.

Employee benefits

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

Financial guarantees

The parent company's financial guarantees consist mainly of guarantees for the benefit of subsidiaries and joint ventures. Financial guarantees entail the company pledging to compensate the owner of a debt instrument for losses incurred in the event a debtor does not complete payment on the due date specified in the contract. To report financial guarantee agreements, the parent company applies RFR 2, which is somewhat more lenient than the rules in IAS 39 regarding financial guarantee contracts for the benefit of subsidiaries, associated companies and joint ventures. The parent company reports financial guarantee agreements as provisions on the balance sheet when Posten Norden has a commitment for which payment is likely to be required to settle the commitment.

Taxes

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

Segment reporting

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

NOTE 2 Financial assets

SEKm	Jan-Dec 2010	Dec 1, 2008 - Dec 31, 2009
Beginning balance	12,461	
Issue for non-cash consideration		12,140
Redemption, minority shares in Post Danmark A/S	19	317
Deferred tax asset	-4	4
Ending balance	12,476	12,461

NOTE 3 Contingent liabilities

SEKm	Dec 31, 2010	Dec 31, 2009
Warranty, PRI	656	740
Guarantees on behalf of subsidiaries ¹⁾	72	1
Total	728	741

1) As of December 31, 2010 Posten Norden AB's subsidiary, Posten AB, had pledged a total of SEK 163m (206) on behalf of wholly-owned subsidiaries.

Quarterly data

SEKm, unless otherwise specified	Pro forma							
	2009				2010			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Posten Norden Group								
Net sales	11,779	10,996	10,222	11,636	10,918	10,231	9,649	10,871
Other operating income	73	56	55	65	50	120	44	75
Operating expenses	-11,256	-10,952	-9,994	-12,403	-10,440	-10,091	-9,244	-10,814
Operating profit, EBITDA	1,101	593	758	-154	1,006	724	912	650
Operating profit, EBIT	601	89	279	-685	532	261	450	132
Profit before tax	699	195	2,241	-696	542	254	436	116
Net profit	531	177	2,198	-492	422	185	363	61
Cash flows from operating activities			-416	1,056	133	808	-76	959
Operating margin, EBITDA, %	9.3	5.4	7.4	neg	9.2	7.0	9.4	5.9
Operating margin, EBIT, %	5.1	0.8	2.7	neg	4.9	2.5	4.6	1.2
ROE, rolling 12-month, %	20	16 ¹⁾	30	20	18	19	4	8
Equity-Assets ratio, close of period, %	43	42	47	45	46	43	45	46
Average number of employees	48,233	47,685	48,331 ¹⁾	46,010	44,582 ¹⁾	43,286	45,332	43,040
Breve Danmark								
Net sales	3,555	3,379	2,855	3,305	3,034	2,696	2,428	2,724
<i>Letters</i>	2,568	2,339	2,059	2,323	2,164	1,886	1,667	1,890
<i>Advertisements and Newspapers</i>	666	633	600	647	587	546	525	553
<i>Other</i>	321	407	196	335	283	264	236	281
Other operating income	448	311	433	400	487	467	423	439
Operating profit, EBIT	267	113	133	-69	277	171	133	60
Operating margin, %	6.7	3.1	4.0	neg	7.9	5.4	4.7	1.9
Average number of employees	17,117	16,641	16,294	15,228	15,817	14,908	15,228	14,795
Volume, millions of units produced								
<i>Priority mail</i>	184	169	154	173	163	148	138	153
<i>Non-priority and business mail</i>	84	77	69	75	82	66	62	73
<i>UDM</i>	365	378	383	425	325	319	340	360
Meddelande Sverige								
Net sales	4,103	3,868	3,564	4,259	3,978	3,796	3,591	4,189
<i>Letters</i>	2,337	2,138	1,921	2,421	2,254	2,083	1,884	2,350
<i>Advertisements and Newspapers</i>	1,172	1,159	1,113	1,195	1,152	1,153	1,135	1,230
<i>Other</i>	594	571	530	643	572	560	572	609
Other operating income	198	169	180	181	174	185	161	191
Operating profit, EBIT	296	192	186	-277	300	119	242	218
Operating margin, %	6.9	4.7	5.0	neg	7.2	3.0	6.4	5.0
Average number of employees	19,975	20,087	21,204	19,522	18,678	18,584	20,080	18,698
Volume, millions of units produced								
<i>Priority mail</i>	288	269	248	283	271	258	240 ¹⁾	276
<i>Non-priority mail</i>	353	284	269	339	345	299	284	338
<i>UDM</i>	501	590	510	620	500	587	570	603
Information Logistics								
Net sales	1,039	951	873	899	908	874	764	845
<i>Information Logistics</i>	779	710	740	757	744	730	639	706
<i>Identification Solutions</i>	172	156	113	141	164	144	125	139
<i>Supplies</i>	88	85 ¹⁾	20					
Other operating income	6	8	3	8	7	6	7	8
Operating profit, EBIT	-2	-77	-81	-191	-11	-10	-21	-128
Operating margin, %	neg	neg	neg	neg	neg	neg	neg	neg
Average number of employees	2,291	2,323	2,286	2,324	2,256 ¹⁾	2,120	2,091	2,093
Logistics								
Net sales	3,307	3,076 ¹⁾	2,937	3,353	3,148	3,002	2,989	3,284
Other operating income	371	294	356	339	323	320	323	333
Operating profit, EBIT	6	-109	57	-112	-2	-20	100	61
Operating margin, %	0.2	neg	1.7	neg	neg	neg	3.0	1.7
Average number of employees	7,033	6,995	7,089	6,923	6,240	6,212	6,379	6,269

1) Previously reported quarterly data has been adjusted.

Posten Norden was founded through the merger of Post Danmark A/S and Posten AB. The group offers communication and logistics solutions to, from and within the Nordic region. In 2010 the group had sales of approximately SEK 42 billion and over 44,000 employees in 2010. The parent company, Posten Norden AB, owner of the legal entities Post Danmark A/S and Posten AB, is a Swedish public company owned 40% by the Danish state and 60% by the Swedish state. Votes are allocated 50/50 between the owners. Operations are managed in business areas Breve Danmark (mail), Meddelande Sverige (mail), Information Logistics and Logistics. The group's headquarters are located in Solna, Sweden.

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

Sweden

Mailing address: SE-105 00 Stockholm
Visiting address: Terminalvägen 24, Solna
Phone: +46 (0)8 781 10 00

Denmark

Mailing and visiting address:
Tietgensgade 37, 1566 Copenhagen V
Phone: +45 33610000