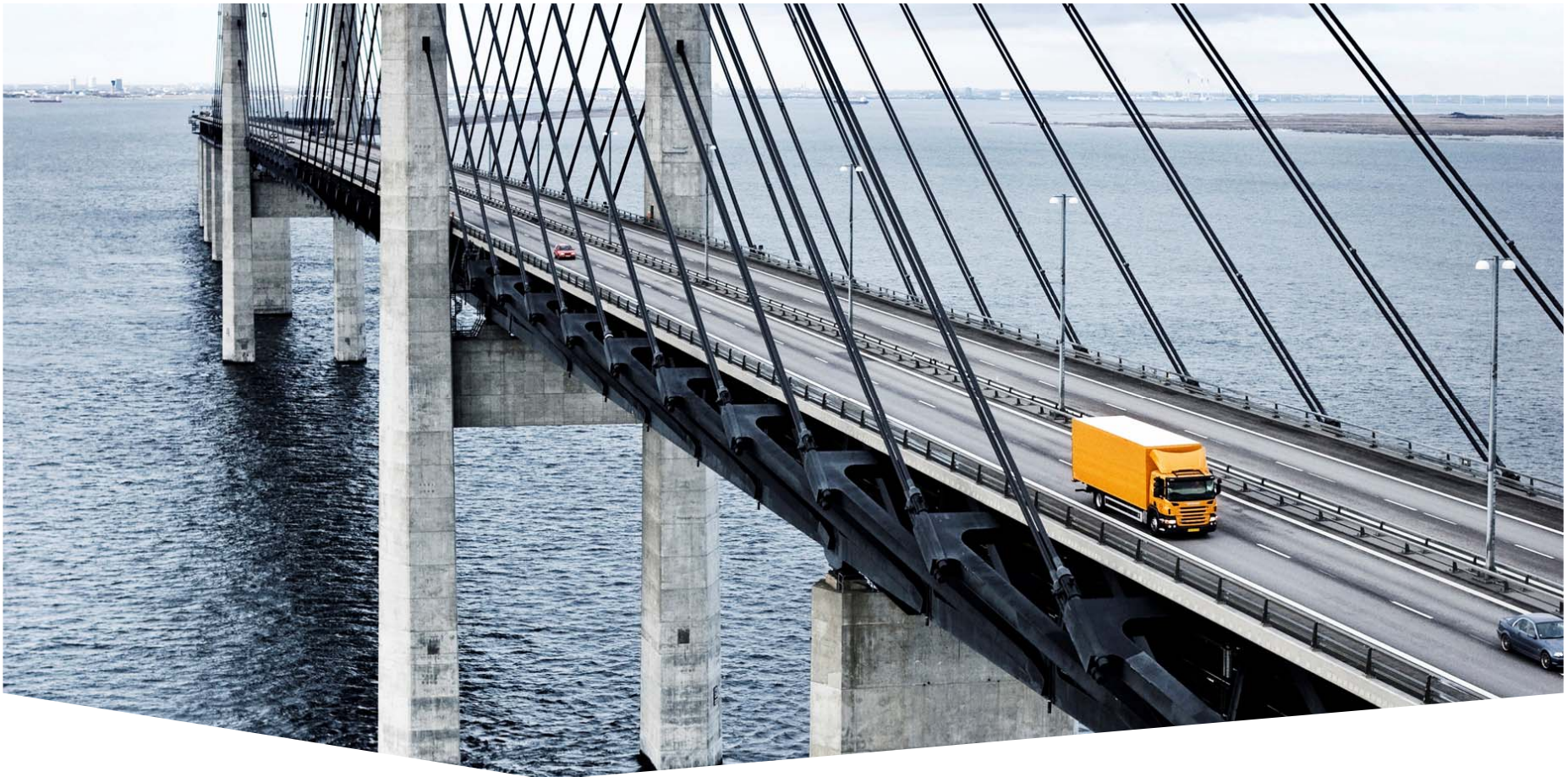


# Interim Report January-March 2011

May 18, 2011

**postnord**



Countering reduced sales and lower earnings with business development and cost adjustments

# Summary of Results



- Net sales totaled SEK 10,032m (10,918), down 3% excluding currency changes
- Operating profit totaled SEK 420m (532), down 8% excluding structural and currency changes
- Profit before tax totaled SEK 447m (542)
- Net profit totaled SEK 344m (422)
- Return on equity, rolling 12-month, was 8 (18<sup>1</sup>)%
- The equity-assets ratio was 46 (46)% at the end of the period
- Acquisition of Eek Transport AS, one of the ten largest suppliers of transport and logistics services in Norway
- The group has changed its name from Posten Norden to PostNord AB (publ)

# PostNord Group January-March 2011

- Strong Swedish economy and weak Danish economy reflected in results
- Heavy competition from digital alternatives to mail in Sweden and especially in Denmark
- Strong Swedish krona marked the trend. Net sales fell 8%, 5% of which resulted from currency effects
- Decline in operating profit, but 4.2% operating margin acceptable under the circumstances
- Market trends countered with business and service development and continued tight cost control

# Business Areas

## January-March 2011

### Breve Danmark

Challenging market situation with heavy and accelerated volume reductions - mail volumes down 12%.

### Meddelande Sverige

Growth in non-priority mail and UDM volumes. Sales decline due to reduced priority mail volumes.

### Information Logistics

New customer contracts and development in the right direction.

### Logistics

Continued underlying growth driven by operations in Sweden and Norway.

# Highlights

- New Postal Act came into effect in Denmark on January 1, 2011. New, more differentiated pricing system as of April 1, 2011
- Framework agreement with ICA, Coop and Axfood to expand partner outlet collaboration in Sweden
- Agreements representing approximately SEK 100m with Volvo Cars and Volvo Parts in Volvo Group, covering supply of spare parts to shops and retailers
- Lars Idermark took up the post of President and CEO of PostNord AB
- New framework agreement with 70 municipalities, six county councils and several local government companies in Sweden. Covers pallet, parcel and express deliveries with optional additional services



# Acquisition of Eek Transport

## **Eek Transport is one of Norway's ten largest suppliers of transport and logistics services**

- Nationwide operations in Norway with own capacity and agency collaborations
- Major customers are from auto parts and HVAC industries
- Sales of NOK 265m in 2010
- Approximately 200 employees
- 2010 Norwegian Transport Company of the Year

## **The acquisition strengthens the Group's position and opportunities in Norway's growing logistics market**

- Complements PostNord's operations and customer portfolio in Norway (Tollpost Globe)
- Strengthens the group's logistics offer and attractiveness in the Nordic region as a whole
- Opportunities for cross-selling between businesses
- Potential synergies within sales, production and administration

# Financial Summary, Group

## Financial summary, Jan-Mar

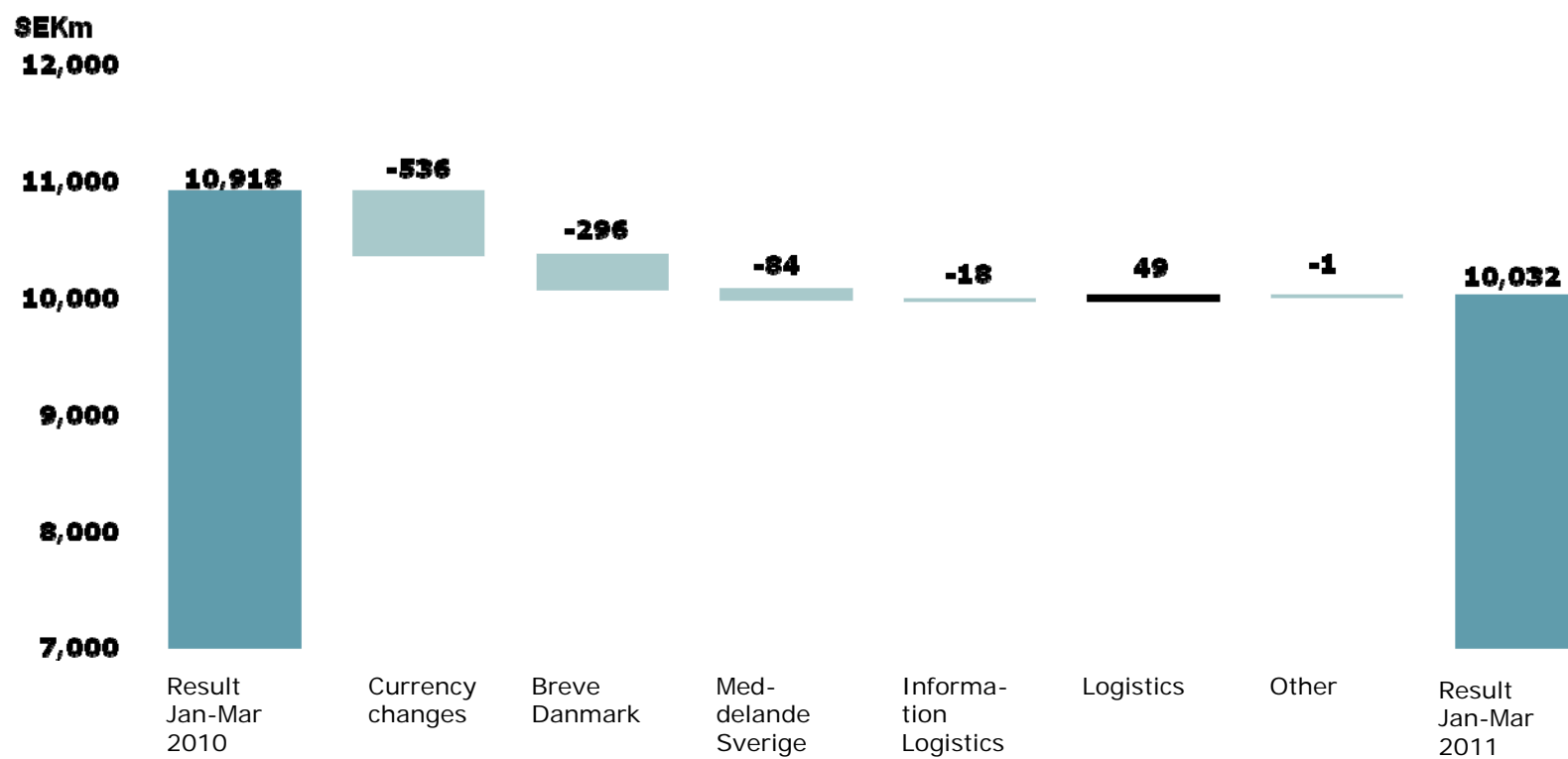
SEKm, unless otherwise specified	Jan-Mar				Excl. structural & currency
	2011	2010	Change		
<b>Net sales</b>	<b>10,032</b>	<b>10 918</b>	<b>-886</b>	<b>-8%</b>	<b>-3%</b>
Expenses	-9,652	-10 440	788	-8%	-3%
Operating profit, EBITDA	833	1 006	-173	-17%	
<b>Operating profit, EBIT</b>	<b>420</b>	<b>532</b>	<b>-112</b>	<b>-21%</b>	<b>-8%</b>
Net financial items	27	10	17	>100%	
<b>Net profit</b>	<b>344</b>	<b>422</b>	<b>-78</b>	<b>-18%</b>	
Operating margin, EBITDA, %	8.3	9.2	-0.9		
<b>Operating margin, EBIT, %</b>	<b>4.2</b>	<b>4.9</b>	<b>-0.7</b>		
ROE, %	8	18 <sup>1</sup>	-10		
Equity-Assets ratio, %	46	46	0		
Average number of employees	42,189	44 582	-2,393	-5%	

<sup>1</sup> Includes capital gain of SEK 2,022m from the sale of Post Danmark A/S's share in Belgian bpost (formerly De Post-La Poste) in July 2009.



# Change in Net Sales

## Net sales – change, Jan-Mar 2010-11



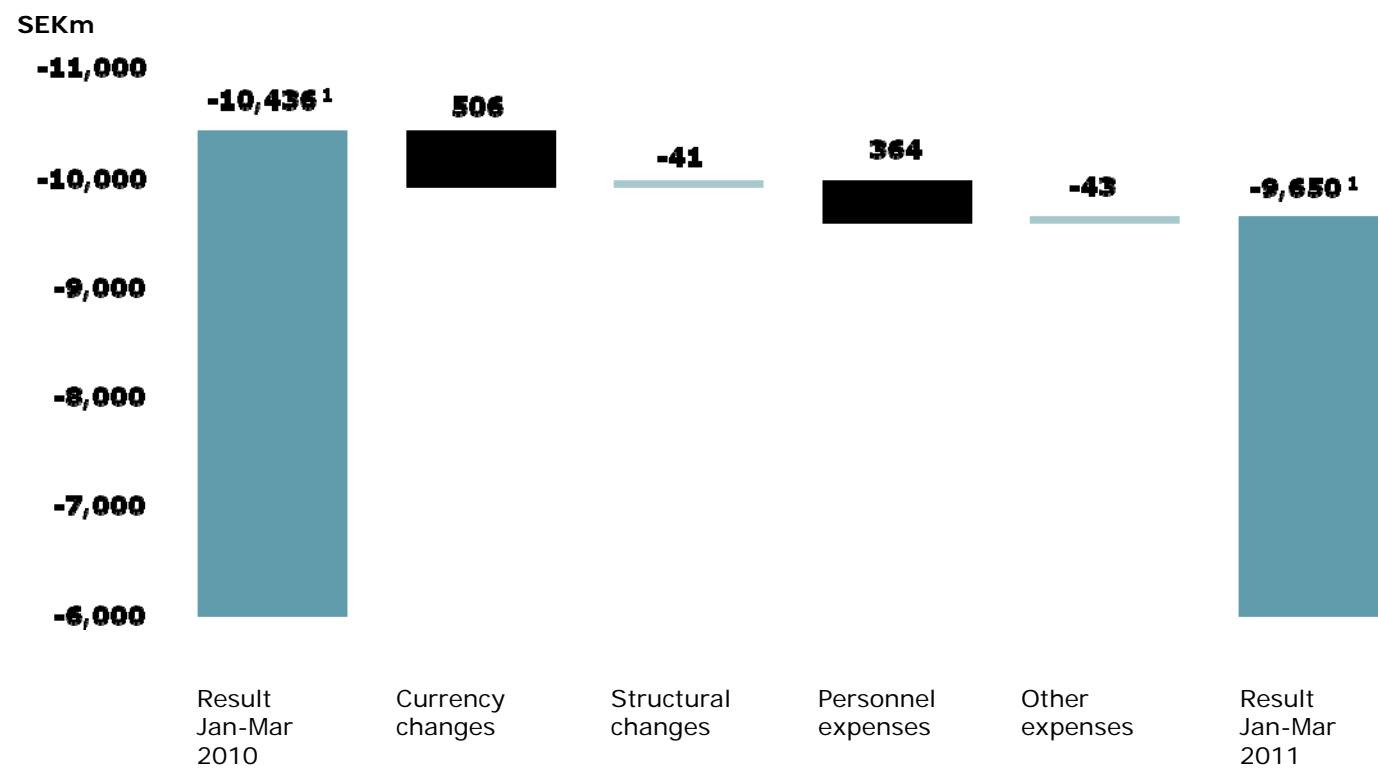
# Sales per Business Area

## Net sales per business area

SEKm	Jan-Mar				Excl. structural & currency
	2011	2010	Change		
Breve Danmark	2,406	3,034	-628	-21%	-11%
Meddelande Sverige	3,886	3,978	-92	-2%	-2%
Information Logistics	845	908	-63	-7%	-2%
Logistics	3,037	3,148	-111	-4%	2%
Other & eliminations	-142	-150	8		
<b>PostNord</b>	<b>10,032</b>	<b>10,918</b>	<b>-886</b>	<b>-8%</b>	<b>-3%</b>

# Change in Expenses

## Expenses – change, Jan-Mar 2010-11



<sup>1</sup> Includes participation in the earnings of associated companies/subsidiaries.

# Operating Profit per Business Area

## Operating profit (EBIT) per business area

SEKm	Jan-Mar				Excl. structural & currency
	2011	2010	Change		
Breve Danmark	57	277	-220	-79%	-61%
Meddelande Sverige	280	300	-20	-7%	-7%
Information Logistics	-1	-11	10	-91%	92%
Logistics	50	-2	52	>100%	>100%
Other & eliminations	34	-32	66		
<b>PostNord</b>	<b>420</b>	<b>532</b>	<b>-112</b>	<b>-21%</b>	<b>-8%</b>

# Summary

- 1 Reduced sales due to strong Swedish krona and heavy competition from digital alternatives and other market players
- 2 Challenging market situation with accelerated volume decline for mail operations in Denmark
- 3 Decline in operating profit, but 4.2% operating margin acceptable under the circumstances
- 4 Market trend countered with business and service development and continued tight cost control
- 5 Acquisition of Eek Transport strengthens PostNord's position and opportunities in the Norwegian logistics market
- 6 With the Nordic region as its home market, PostNord will be Northern Europe's leading communication and logistics operator



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**postnord**