

Interim Report

Q2 2014

APRIL-JUNE 2014

- Net sales totaled SEK 9,816m (9,757).
- Operating income totaled SEK -30m (-90).
- Net income totaled SEK -76m (-86).
- Cash flow from operating activities totaled SEK 120m (-50).

JANUARY-JUNE 2014

- Net sales totaled SEK 19,815m (19,589).
 - Operating income totaled SEK 76m (240).
 - Net income totaled SEK 24m (96).
 - Cash flow from operating activities totaled SEK -349m (375).
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PostNord is the leading supplier of communication and logistics solutions to, from and within the Nordic region. We also ensure postal service to households and businesses in Sweden and Denmark. With our expertise and strong distribution network, we develop options for the communication, e-commerce, distribution and logistics of tomorrow in the Nordic region. In 2013 PostNord had 39,000 employees and sales of SEK 40 billion. The parent company, PostNord AB, is a Swedish public company headquartered in Solna, Sweden. www.postnord.com

postnord

FINANCIAL OVERVIEW AND KEY RATIOS

SEKm, unless otherwise specified	Apr-Jun	Apr-Jun	Excl. ¹⁾		Jan-Jun	Jan-Jun	Excl. ¹⁾		Jan-Dec
	2014	2013 ²⁾	Δ	Δ	2014	2013 ²⁾	Δ	Δ	2013 ²⁾
INCOME ITEMS									
Net sales	9 816	9 757	1%	-2%	19 815	19 589	1%	-2%	39 533
Operating expenses	-9 929	-9 913	0%	-3%	-19 889	-19 464	2%	-1%	-39 114
Operating profit (EBIT)	-30	-90	67%	79%	76	240	-68%	-59%	662
Operating profit (EBITDA)	386	312	24%	27%	910	1 047	-13%	-12%	2 310
Profit before tax	-62	-119	48%		23	154	-85%		454
Net profit	-76	-86	12%		24	96	-75%		306
CASH FLOWS									
Cash flows from operating activities	120	-50	340%		-349	375	-193%		1 657
FINANCIAL POSITION									
Financial preparedness	3 074	4 170	-26%		3 074	4 170	-26%		3 968
Net debt	2 926	3 694	-21%		2 926	3 694	-21%		1 621
KEY RATIOS									
Earnings per share, SEK	-0,04	-0,04	0%		0,01	0,05	-80%		0,15
Operating margin (EBIT)	-0,3%	-0,9%			0,4%	1,2%			1,7%
Operating margin (EBITDA)	3,9%	3,2%			4,6%	5,3%			5,8%
Net debt/EBITDA, times	1,4	1,5			1,4	1,5			0,7
Net debt ratio	33%	48%			33%	48%			15%
Return on operating capital	4,3%	5,0%			4,3%	5,0%			6,0%
Average number of employees	38 130	39 419	-3%		37 921	38 970	-3%		39 305

¹⁾ Change excluding acquisitions/divestments and currency.

²⁾ Restated due to adjusted report from subsidiary.

CEO COMMENTS

CONTINUED FOCUS ON CUSTOMIZED SOLUTIONS AND COST EFFICIENCY

PostNord reported a moderate year-on-year improvement in operating income in the quarter, while still posting a minor loss mainly due to restructuring costs. PostNord's markets are still experiencing sharp reductions in mail volumes and continued heavy competition within the logistics business.

On April 1st, PostNord implemented a new organizational structure. The change process is progressing well including efficiency improvements and cost savings as well as development of customized end-to-end solutions, primarily within the logistics business.

Net sales totaled SEK 9,816m, a year-on-year increase of 1%. The increase was mainly due to acquisitions within the logistics business. The mail market continued to decline due to the competition from the digitization. Total mail volumes for the Group declined by 3% year-on-year: 10% in Denmark and 1% in Sweden. Mail volumes were positively impacted during the quarter by mailings related to the EU election in May. Corresponding mail volumes for the first six months declined by 5% in total, of which 11% in Denmark and 3% in Sweden.

Group operating income totaled SEK -30m (-90) during the second quarter. The result is explained by the dramatic drop in mail volumes and continued heavy competition within the logistics business, as well as to restructuring costs. Cost savings from the reorganization during the spring will have full impact at the beginning of the second half 2014. Cash flow from operating activities totaled SEK 120m (-50) and was positively impacted by improved working capital.

Profitability remains at an unsatisfactory level, and additional cost savings are required to improve earnings and create greater financial value. To succeed in this, it is essential to adapt postal-specific regulations to changes in customer demand. We welcomed the new Postal Act in Denmark, enacted early this year, and we are engaged in an active dialogue in Sweden to achieve the necessary adaptations to Swedish postal regulations that will ensure the ability to maintain good universal postal service in the long term under reasonable economic conditions, despite continued reductions in mail volumes. This is also essential for the achievement of our ambitious environmental goals.

Our new organizational structure provides the basis for integrated production activities in each country, which will improve our customized range of services offerings. Together with the improved brand structure, focused on one common brand, we are increasing clarity towards our customers positioning PostNord as a leading Nordic logistics operator with a geographically competitive end-to-end offer.

Håkan Ericsson
President & CEO

APRIL-JUNE HIGHLIGHTS

PostNord's 2014 Annual General Meeting

PostNord's AGM was held on April 23, 2014 at Group headquarters in Solna, near Stockholm. The AGM adopted the Group and parent company income statements and balance sheets, approved the Board's proposal to distribute SEK 128.8m (103) to the owners, and the Board of Directors and the President & CEO were discharged from liability for financial year 2013. The AGM also approved guidelines for compensation for executives and set compensation levels for Board members and auditors.

Jens Moberg was re-elected as Chairman of the Board. The AGM re-elected Board members Mats Abrahamsson, Gunnel Duveblad, Christian Ellegard, Sisse Fjelsted Rasmussen, Torben Janholt and Anitra Steen. Magnus Skåninger was elected as new Board member. Auditing firm KPMG AB was re-elected as auditor for the period through the close of the 2015 annual general meeting, with certified public accountant Helene Willberg as auditor in charge.

The AGM also adopted new financial targets for PostNord:

- Capital structure target: Net debt ratio of 10-50%
- Profitability target: Return on operating capital of 10.5%
- Dividend policy: Dividend of 40-60% of net profit, with 50% as the norm

The financial targets are long-range and evaluated over a three-to five-year period. Changes in market conditions or the company's operations may lead to a revision of the targets.

Gunilla Berg new CFO at PostNord

On May 12th PostNord announced the appointment of Gunilla Berg as new CFO. She comes most recently from the Teracom Group where she has served as Executive Vice President and CFO. Gunilla Berg, born in 1960, holds an MBA degree from the Stockholm School of Economics. Her previous positions include Executive Vice President and CFO at SAS and KF (Swedish Cooperative Union). She currently holds directorships at Alfa Laval and Vattenfall. Gunilla Berg will take over as CFO in September, succeeding Henrik Rättzén.

PostNord issues bonds of SEK 550m

PostNord carried out a bond issue, with a settlement date of April 1st, totaling SEK 550m. The 5-year bond loan carries a floating coupon rate of three months STIBOR + 85 basis points. The bonds were issued under the Medium Term Note program and are listed on NASDAQ OMX Stockholm.

PostNord refinances credit facility of SEK 2 billion

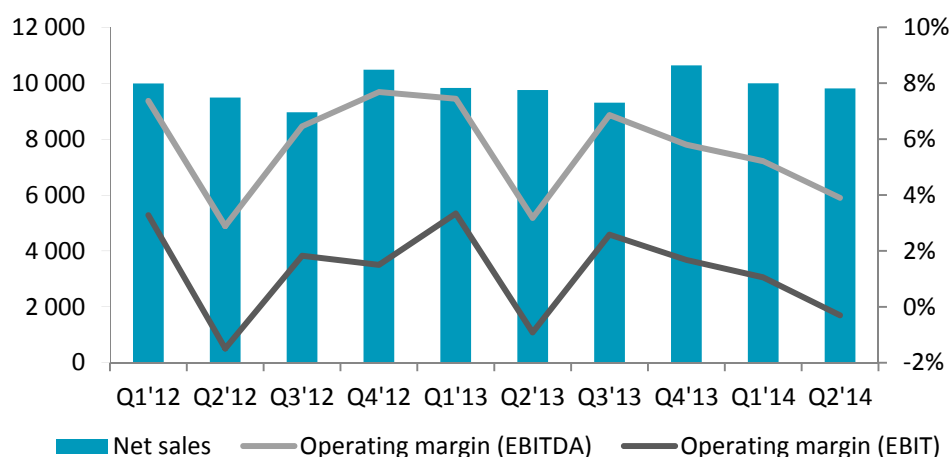
PostNord signed a SEK 2 billion three-year Multicurrency Revolving Credit Facility for business financing, replacing the current credit facility which matures in 2016.

SUBSEQUENT EVENTS

2014 Extraordinary General Meeting

At an Extraordinary General Meeting held on August 25, 2014, the EGM resolved to merge PostNord Logistics AB and Posten Meddelande AB and, in conjunction therewith, to change the name of the merged company to PostNord Sverige AB. The merger will be carried out through the absorption of PostNord Logistics AB by Posten Meddelande. The merger is expected to be implemented by January 1, 2015.

POSTNORD GROUP INCOME



April-June

PostNord's net sales increased 1% year-on-year during the second quarter of 2014, mainly due to acquisitions. Excluding acquisitions and exchange rate effects, net sales decreased 2%. The markets remain characterized by heavy competition in the logistics industry and by reduced mail volumes. Mail volumes declined by a total of 3% during the quarter: 10% in Denmark and 1% in Sweden. Mail volumes were positively impacted by mailings related to the EU election. Despite heavy competition in the logistics market, e-commerce continues to generate increased demand for the distribution of goods via mail and parcel post. The Group's parcel volumes increased 5%, with e-commerce-related B2C parcels volumes up 12%.

The Group's year-on-year reported expenses were stable during the quarter. Excluding acquisitions, exchange rate effects and restructuring costs, expenses were reduced by 2% primarily due to personnel streamlining efforts. Restructuring costs totaled SEK 101m (225), of which SEK 43m (169) is attributable to net additional provisions made.

Group operating income totaled SEK -30m (-90) during the quarter and the operating margin was -0.3 (-0.9) %.

Year-on-year net financial items totaled SEK -32m (-29) during the quarter. Net financial items were positively impacted by lower pension-related interest expense, and negatively impacted by exchange rate effects and lower interest income resulting from a lesser amount of cash and cash equivalents.

The quarter's tax expense was SEK -14m (33). Net profit totaled SEK -76m (-86).

January-June

PostNord's net sales increased 1% during the first six months of 2014. Excluding acquisitions and exchange rate effects, net sales decreased 2%. Mail volumes declined a total of 5%: 11% in Denmark and 3% in Sweden. Group parcel volumes increased 6%, with e-commerce-related B2C parcel volumes up 13%.

Total expenses increased 2% during the first six months of the year. Excluding acquisitions, exchange rate effects and restructuring costs, expenses declined 1%, primarily due to personnel streamlining. Restructuring costs totaled SEK 368m (348), of which SEK 255m (238) is attributable to net additional provisions made.

Group operating income totaled SEK 76m (240) during the first six months of the year and the operating margin was 0.4 (1.2) %.

Net financial items totaled SEK -53m (-86) during the first six months of the year and were positively impacted by lower pension- and finance leasing-related interest expense.

Tax expense was SEK 1m (-58). Net profit totaled SEK 24m (96).

FINANCIAL POSITION AS OF JUNE 30, 2014

The Group's net equity decreased by SEK 487m to SEK 8,797m, compared with SEK 9,284m as of March 31, 2014. The decrease is primarily attributable to net pension liability revaluation effects of SEK -399m, dividend distributions to parent company owners totaling SEK -129m and a net loss of SEK -76m, but was positively impacted by a SEK 116m change in deferred tax assets as well as foreign currency translation effects of SEK 52m.

Net debt

SEKm	Jun 30 2013	Sep 30 2013	Dec 31 2013	Mar 31 2014	Jun 30 2014
Financial receivables	1,195	1,290	1,199	1,225	1,286
Current interest-bearing receivables	1	0	163	242	286
Cash and cash equivalents	2,170	1,286	1,981	993	1,074
Interest-bearing debt	-4,593	-4,543	-4,592	-4,555	-5,134
Pension provisions ¹⁾	-2,467	-753	-375	-33	-438
Net debt	-3,694	-2,720	-1,624	-2,128	-2,926

¹⁾ Includes assets under management.

Group net debt totaled SEK 2,926m on June 30, 2014, compared with SEK 2,128m on March 31, 2014. The main reason for the increase is a revaluation of pension liabilities due to a lower discount rate. The definition of "net debt" was changed as of 2014 in conjunction with the adoption of new financial targets at the 2014 AGM, after which figures for 2013 were restated. See also the "Definitions" note.

The net debt ratio (net debt/equity) improved to 33%, compared with 23% as of March 31, 2014. The net debt ratio is within the range (10-50%) defined in the new financial targets. The net debt/EBITDA ratio (rolling 12-month) was 1.4.

Financial preparedness totaled SEK 3,074m, compared with SEK 2,993m as of March 31, 2014. Financial preparedness consisted of cash and cash equivalents of SEK 1,074m and unutilized committed credit of SEK 2,000m with maturity 2017 (which replaced during the quarter the previous credit facility with maturity 2016). Cash flow for the quarter had a positive impact on cash and cash equivalents, primarily due to improved working capital. As of June 30, 2014 PostNord had SEK 793m in outstanding interest-bearing debt maturing within 12 months.

The capital efficiency program proceeds according to plan, mainly including adjusting fixed capital to market conditions and improving working capital in accordance with Group strategy.

CASH FLOW

April-June

Cash flow from operating activities totaled SEK 120m (-50). The year-over-year increase was mainly attributable to improved operating income and lower accounts receivable. Cash flow was negatively impacted by utilized restructuring-related provisions totaling SEK 138m, of which SEK 125m was related to personnel.

Cash flow from investing activities totaled SEK -467m (-610). The improvement was mainly due to that no acquisitions were made during the quarter compared with the previous year. The investments in tangible fixed assets of SEK 407m (378) were primarily attributable to production vehicles, transport and sorting equipment and facilities related to the establishment of the new terminals in Sweden.

Cash flow from financing activities totaled SEK 426m (251). During the period the Group raised a total of SEK 550m (400) in new loans under the PostNord MTN program, and dividend of SEK 129m (103) was distributed to parent company owners.

Cash and cash equivalents totaled SEK 1,074m at the end of the period, compared with SEK 993m as of March 31, 2014.

January-June

Cash flow from operating activities totaled SEK -349m (375). The decrease was mainly attributable to reduced cash flow from changes in operating capital, mainly due to a decrease in accounts payable.

Cash flow from investing activities totaled SEK -930m (-1,367). The improvement was mainly due to that no acquisitions were made during the first six months and lower investments in tangible fixed assets compared with 2013. Investments in tangible fixed assets were primarily made in production vehicles, transport and sorting equipment and facilities related to the establishment of the new terminals in Sweden.

Cash flow from financing activities totaled SEK 371m (114). During the period the Group raised new loans totaling SEK 750m (400), and loans totaling SEK 200m (150) were amortized under the MTN program. Dividend of SEK 129m (103) was distributed to parent company owners in April.

OUTLOOK

PostNord anticipates continued sharp volume reductions for mail in Denmark and Sweden due to competition from digital alternatives. PostNord maintains its previous assessment that mail volumes may decline 12-14% in Denmark and 4-5% in Sweden during 2014. Continued strong growth for e-commerce in the Nordic region is projected for 2014 with positive effects for parcel and goods distribution volumes, albeit under strong price competition.

PostNord's Group strategy includes the repositioning of Group operations in relation to market changes, securing profitability within Mail & Communication and developing the Group's position in the Nordic logistics market. This also involves an intensified focus on cost reductions, the effective use of capital and continued financial stability. Additional structural- and cost savings actions are necessary, compared to previously anticipations. These actions are expected eventually to generate improved profitability and cash flow. It is PostNord's ambition, including fulfilled cost savings actions, to maintain its rating as an investment grade company.

During the 2014-2016 period, PostNord's total investments are expected to amount to 3-5% of Group revenues.

RISKS AND UNCERTAINTIES

PostNord is exposed to strategic, operational and financial risks. No material changes have occurred during the first six months of 2014. Please refer to PostNord's 2013 Annual Report, pages 95-98 and Note 2 on pages 110-111, for a description of risks, uncertainties, risk management and significant assessments and forecasts. No material changes or assessments have been made since publication of the Annual Report.

MARKETS

External net sales ¹⁾ SEKm	Apr-Jun		Excl. ²⁾		Jan-Jun		Excl. ²⁾	
	2014	2013	Δ	Δ	2014	2013	Δ	Δ
PostNord Sweden								
Mail & Communication	3 343	3 389	-1%	-1%	6 808	6 962	-2%	-2%
Logistics	2 072	1 925	8%	0%	4 125	3 704	11%	1%
Total	5 415	5 314	2%	-1%	10 933	10 666	3%	-1%
PostNord Denmark³⁾								
Mail & Communication	1 647	1 742	-5%	-11%	3 405	3 549	-4%	-9%
Logistics	700	669	5%	-1%	1 384	1 326	4%	0%
Total	2 347	2 411	-3%	-8%	4 789	4 875	-2%	-7%
PostNord Norway & Finland								
Mail & Communication								
Logistics	1 090	1 154	-6%	-4%	2 160	2 268	-5%	-2%
Total	1 090	1 154	-6%	-4%	2 160	2 268	-5%	-2%
PostNord Strålfors⁴⁾	636	617	3%	0%	1 297	1 271	2%	0%
Other countries	328	261	26%	22%	636	509	25%	22%
Total, PostNord Group	9 816	9 757	1%	-2%	19 815	19 589	1%	-2%

1) Division into geographic areas mainly based on corporate domicile.

2) Change excluding acquisitions/divestments and exchange rates.

3) Includes Germany.

4) 2013 figures for PostNord Strålfors restated due to adjusted report from subsidiary.

PostNord Sweden

Year-on-year net sales increased a total of 2% during the quarter. Net sales for Mail & Communication in Sweden declined 1% due to a 1% decrease in mail volumes, including a positive effect from EU election-related mailings. Net sales for Logistics in Sweden increased 8% due to acquisitions made in 2013. Excluding acquisitions and exchange rate effects, net sales declined a total of 1% negatively impacted by reduced mail volumes, a reduced number of newspaper subscribers and direct mail recipients as well as continued heavy competition in the logistics industry.

PostNord is in active dialogue with Swedish regulatory authorities in order to better adapt postal-specific regulations to the changed market conditions, to allow for the maintenance of good postal service in the long term despite decreasing mail volumes as well as to enable the achievement of PostNord's environmental goals.

PostNord Denmark

Year-on-year net sales decreased a total of 3% during the quarter. Net sales for Mail & Communication in Denmark decreased by 5% due to mail volumes reduced significantly by 11%, primarily within priority mail. However, mail volumes during the quarter had a positive impact from EU election-related mailings. Net sales for Logistics in Denmark increased 5%, mainly due to exchange rate effects. Excluding acquisitions and exchange rate effects, net sales declined a total of 8% and were negatively impacted by reduced mail volumes, a reduced number of direct mail recipients and continued heavy competition in the logistics industry. Additional cost reduction measures are required due to the major volume decreases.

PostNord welcomed the new Postal Act enacted in Denmark at the beginning of the year, and is continuing its dialogue with regulatory authorities to adapt to the changed market conditions.

PostNord Norway and Finland

Year-on-year net sales decreased 6% during the quarter. Excluding exchange rate effects, net sales fell 4% primarily due to continued heavy competition in the logistics industry. The government in Norway intends to cancel its reservation against the EU's Third Postal Directive, which may lead to future opportunities for PostNord in the Norwegian mail market.

BUSINESS AREAS

SEKm	Apr-Jun	Apr-Jun	Excl. ¹⁾		Jan-Jun	Jan-Jun	Excl. ¹⁾	
	2014	2013	Δ	Δ	2014	2013	Δ	Δ
Mail & Communication								
Net sales	5 343	5 417	-1%	-3%	10 899	11 069	-2%	-3%
Operating profit (EBIT)	-57	-110	48%	52%	52	170	-69%	-67%
Operating margin, % ²⁾	-0,9%	-1,8%			0,4%	1,4%		
Logistics								
Net sales	3 913	3 793	3%	-1%	7 762	7 390	5%	0%
Operating profit (EBIT)	-17	28	-161%	-150%	-52	77	-168%	-158%
Operating margin, % ²⁾	-0,4%	0,7%			-0,6%	1,0%		
PostNord Strålfors³⁾								
Net sales	653	645	1%	-2%	1 334	1 327	1%	-2%
Operating profit (EBIT)	-20	-35	43%	53%	-31	-21	-52%	-27%
Operating margin, % ²⁾	-3,1%	-5,4%			-2,3%	-1,6%		
Other & Eliminations								
Net sales	-93	-98			-180	-197		
Operating profit (EBIT)	64	27			107	14		
PostNord Group's operating profit	-30	-90			76	240		
PostNord Group's net financial items	-32	-29			-53	-86		
PostNord Group's profit before tax	-62	-119			23	154		

1) Change excluding acquisitions/divestments and exchange rates.

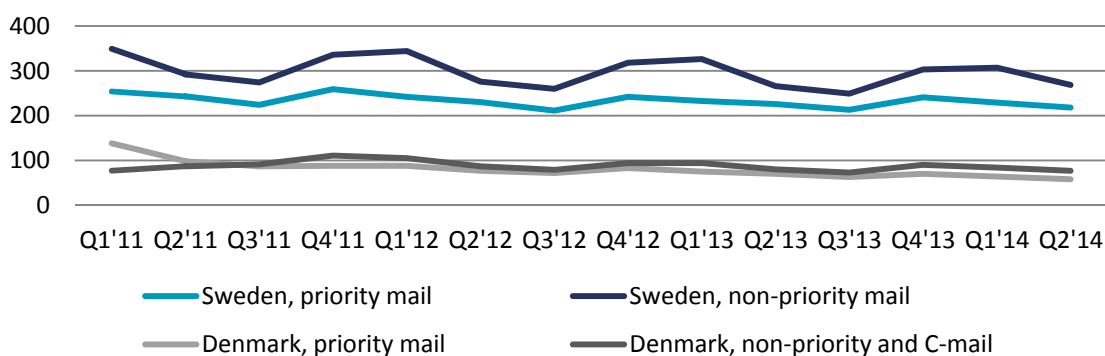
2) Calculation of margins includes Other Income.

3) 2013 figures for PostNord Strålfors restated due to adjusted report from subsidiary.

Mail & Communication

Year-on-year net sales for business area Mail & Communication decreased 1% during the quarter. Excluding acquisitions and exchange rate effects, net sales decreased 3% due to reduced mail volumes, a reduced number of newspaper subscribers and direct mail recipients, as well as continued competition and price pressure in the direct mail market.

Mail volumes, millions of units



Mail volumes during the second quarter declined a total of 3% (10% in Denmark and 1% in Sweden) due to competition from digital alternatives. Mail volumes were positively impacted during the quarter by EU election-related mailings. During the first six months of the year, mail volumes declined a total of 5% (11% in Denmark and 3% in Sweden). The volume decrease was somewhat mitigated by the continued strong development of e-commerce-related services.

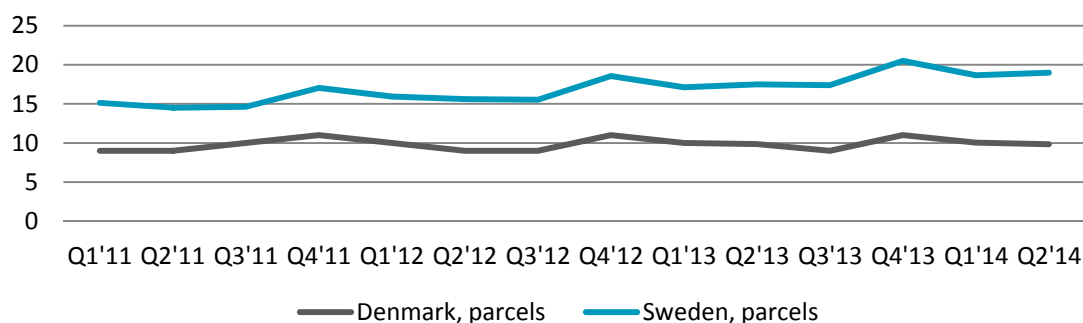
Expenses decreased 1% during the quarter. Excluding acquisitions, exchange rate effects and restructuring costs, expenses decreased 1% primarily due to personnel reductions. Restructuring costs totaled SEK 73m (184).

Operating income totaled SEK -57m (-110) during the quarter and the operating margin was -0.9 (-1.8) %.

Logistics

Year-on-year net sales for business area Logistics increased 3% during the quarter, mainly due to Consignment Goods and Thermo acquisitions made in 2013. Excluding acquisitions and exchange rate effects, net sales decreased 1% due to continued heavy competition.

Parcel volumes, millions of units



Parcel volumes increased 5%, with e-commerce-related B2C volumes up 12%.

Expenses were on par with Q2 2013. Excluding acquisitions, exchange rate effects and restructuring costs, expenses were reduced 4%. Restructuring costs totaled SEK 5m (0).

Operating income totaled SEK -17m (28) during the quarter and the operating margin was -0.4 (0.7) %.

PostNord Strålfors

Year-on-year net sales for PostNord Strålfors increased 1%. Excluding acquisitions and exchange rate effects, net sales decreased 2%. Lower sales in units exposed to competition from digital alternatives were partially offset by increased sales, particularly of new standardized printing solutions and through renegotiated customer contracts.

Expenses decreased 2%. Excluding acquisitions, exchange rate effects and restructuring costs, expenses were reduced 1%. The reduction was restrained by the renegotiation of customer contracts which entailed higher expenses for input goods and services. Restructuring costs totaled SEK 0m (30).

Operating income totaled SEK -20m (-35) during the quarter and the operating margin was -3.1 (-5.4) %.

Comparative figures for 2013 were revised due to an adjusted report from a subsidiary during Q1 2014.

Other and Eliminations

The operating income of SEK 64m (27) is mainly due to IFRS adjustments related to revised pension calculation assumptions.

Financial statements

CONSOLIDATED INCOME STATEMENT

SEKm	Note	Apr-Jun 2014	Apr-Jun 2013 ¹⁾	Δ	Jan-Jun 2014	Jan-Jun 2013 ¹⁾	Δ	Jan-Dec 2013 ¹⁾
Net sales	1	9,816	9,757	1%	19,815	19,589	1%	39,533
Other income		81	63	29%	141	108	31%	233
Income	2	9,897	9,820	1%	19,956	19,697	1%	39,766
Personnel expenses		-4,736	-4,793	1%	-9,407	-9,469	1%	-18,626
Transport expenses		-2,435	-2,197	-11%	-4,726	-4,301	-10%	-8,953
Other expenses	3	-2,342	-2,521	7%	-4,922	-4,887	-1%	-9,887
Depreciation and impairments		-416	-402	-3%	-834	-807	-3%	-1,648
Expenses		-9,929	-9,913	0%	-19,889	-19,464	2%	-39,114
Participations in the earnings of associated companies	2		3	-33%	9	7	29%	10
OPERATING PROFIT		-30	-90	67%	76	240	-68%	662
Financial income		12	19	-37%	24	36	-33%	50
Financial expenses		-44	-48	8%	-77	-122	37%	-258
Net financial items		-32	-29	-10%	-53	-86	38%	-208
Profit before tax		-62	-119	48%	23	154	-85%	454
Tax		-14	33	>100%	1	-58	>100%	-148
NET PROFIT		-76	-86	12%	24	96	-75%	306
Attributable to								
Parent company shareholders		-77	-86	10%	22	95	-77%	303
Minority interests		1	0		2	1		3
Earnings per share, SEK		-0.04	-0.04		0.01	0.05	-75%	0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Apr-Jun 2014	Apr-Jun 2013 ¹⁾	Jan-Jun 2014	Jan-Jun 2013 ¹⁾	Jan-Dec 2013 ¹⁾
NET PROFIT	-76	-86	24	96	306
OTHER COMPREHENSIVE INCOME					
Items that cannot be transferred to net profit					
Revaluation of pension liabilities	-525	204	-399	124	1,821
Change in deferred tax	116	-45	88	-27	-401
Total revaluation, pension liabilities	-409	159	-311	97	1,420
Items that have been or may be transferred to net profit					
Translation differences ²⁾	129	-215	181	23	-107
TOTAL OTHER COMPREHENSIVE INCOME	-280	-56	-130	120	1,313
COMPREHENSIVE INCOME	-356	-142	-106	216	1,619
Attributable to					
Parent company shareholders	-357	-142	-108	215	1,616
Minority interests	1	0	2	1	3

¹⁾ Restated due to adjusted report from subsidiary.

²⁾ Translation differences refer to the translation of group equity in foreign currencies.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Note	Jun 30 2013 ¹⁾	Sep 30 2013 ¹⁾	Dec 31 2013 ¹⁾	Mar 31 2014	Jun 30 2014
	1					
ASSETS						
Goodwill		3,396	3,335	3,295	3,317	3,368
Other intangible assets		1,549	1,559	1,605	1,560	1,497
Tangible fixed assets		9,107	9,134	9,411	9,410	9,604
Participations in associated companies and joint ventures		70	72	65	82	74
Financial investments		187	183	211	206	208
Long-term receivables		1,033	1,133	1,015	1,072	1,131
Deferred tax assets		544	592	537	542	495
Total fixed assets		15,886	16,008	16,139	16,189	16,377
Inventories		207	222	226	235	235
Tax assets		475	633	169	322	469
Accounts receivable		4,740	4,508	4,626	4,761	4,520
Prepaid expenses and accrued income		1,352	1,375	1,526	1,536	1,592
Other receivables		574	588	509	489	651
Short-term investments		1	0	150	242	286
Cash and cash equivalents		2,170	1,286	1,981	993	1,074
Assets held for sale		373	380	390	377	358
Total current assets		9,892	8,992	9,577	8,955	9,185
TOTAL ASSETS		25,778	25,000	25,716	25,144	25,562
EQUITY AND LIABILITIES						
EQUITY						
Capital stock		2,000	2,000	2,000	2,000	2,000
Other contributed equity		9,954	9,954	9,954	9,954	9,954
Reserves		-1,787	-1,901	-1,917	-1,865	-1,736
Retained earnings		-2,538	-1,096	-1,007	-810	-1,425
Total equity attributable to parent company shareholders		7,629	8,957	9,030	9,279	8,793
Minority interests		4	3	4	5	4
TOTAL EQUITY		7,633	8,960	9,034	9,284	8,797
LIABILITIES						
Long-term interest-bearing liabilities		4,309	4,289	4,315	4,311	4,341
Other long-term liabilities		56	48	82	39	38
Pension provisions		2,467	754	375	33	438
Other provisions		1,589	1,435	1,386	1,337	1,370
Deferred tax liabilities		635	1,014	1,017	1,029	917
Total long-term liabilities		9,056	7,540	7,175	6,749	7,104
Current interest-bearing liabilities		284	253	274	244	793
Accounts payable		2,214	1,989	2,894	1,972	2,041
Tax liabilities		0	55	88	100	79
Other current liabilities		1,694	1,765	1,779	1,854	1,814
Accrued expenses and prepaid income		4,474	4,013	3,917	4,251	4,299
Other provisions		423	425	555	690	635
Total current liabilities		9,089	8,500	9,507	9,111	9,661
TOTAL LIABILITIES		18,145	16,040	16,682	15,860	16,765
TOTAL EQUITY AND LIABILITIES		25,778	25,000	25,716	25,144	25,562

¹⁾ Restated due to adjusted report from subsidiary.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Capital stock ¹⁾	Contributed equity	Translation differences in equity	Retained earnings	Minority interests	Total equity
Beginning balance as of 01-01-2013	2,000	9,954	-1,810	-2,614	3	7,533
Adjusted beginning balance²⁾				-13		-13
New beginning balance as of 01-01-2013	2,000	9,954	-1,810	-2,627	3	7,520
Revaluation that cannot be transferred to net profit						
Revaluation of pension liabilities				1,821		1,821
Deferred tax				-401		-401
Items that have been or may be transferred to net profit						
Other translation differences ³⁾			-107			-107
Total other comprehensive income			-107	1,420		1,313
Net profit				303 ²⁾	3	306 ²⁾
Dividend				-103	-2	-105
Ending balance as of 12-31-2013	2,000	9,954	-1,917	-1,007	4	9,034
Beginning balance as of 01-01-2014	2,000	9,954	-1,917	-1,007 ²⁾	4	9,034 ²⁾
Revaluation that cannot be transferred to net profit						
Revaluation of pension liabilities				-399		-399
Deferred tax				88		88
Items that have been or may be transferred to net profit						
Other translation differences ³⁾			181			181
Total other comprehensive income			181	-311	0	-130
Net profit				22	2	24
Dividend ⁴⁾				-129	-2	-131
Ending balance as of 06-30-2014	2,000	9,954	-1,736	-1,425	4	8,797

1) Number of shares is 2,000,000,001 1524,905,971 ordinary shares and 475,094,030 series B shares.

2) Restated due to adjusted report from subsidiary; total of SEK -29m.

3) Refers to translation differences in group equity.

4) A dividend of SEK 129m, representing SEK 0.06 per share, was distributed by the parent company to the owners. Svensk Adressändring AB and Adresspoint AB distributed a dividend of SEK 2m to minority interests.

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Apr-Jun 2014	Apr-Jun 2013 ¹⁾	Jan-Jun 2014	Jan-Jun 2013 ¹⁾	Jan-Dec 2013 ¹⁾
OPERATING ACTIVITIES					
Profit before tax	-62	-119	23	154	454
Adjustments for non-cash items:					
Reversal of depreciation and impairments	416	402	834	807	1 648
Profit/loss from sale of subsidiaries		-1		-1	-1
Capital gain/loss on sale of fixed assets	-6	7		46	61
Change in pension liability	140	85	178	90	426
Other provisions	48	217	256	276	402
Other items not affecting liquidity	14	-1	19	-4	
Pensions paid	-261	-267	-525	-537	-1 070
Other provisions, liquidity effect	-106	-97	-229	-208	-428
Tax paid	-90	-220	-98	-245	45
Cash flow from operating activities before changes in working capital	93	6	458	378	1 537
Cash flow from changes in working capital					
Increase(-)/decrease(+) in inventories		-13	-9	-13	-32
Increase(-)/decrease(+) in other operating receivables	12	-348	-268	46	65
Increase(+)/decrease(-) in other operating liabilities	50	227	-507	-87	84
Other changes in working capital	-35	78	-23	51	3
Changes in working capital	27	-56	-807	-3	120
Cash flow from operating activities	120	-50	-349	375	1 657
INVESTING ACTIVITIES					
Purchase of tangible fixed assets	-407	-378	-737	-881	-1 896
Sale of tangible fixed assets	2	3	20	19	62
Capitalized development expenditures	-21	-69	-65	-113	-234
Purchase of other intangible fixed assets	-3	-86	-6	-100	-111
Acquisition of subsidiaries, net liquidity effect		-146		-356	-336
Change in financial assets	-38	66	-142	64	-125
Cash flow from investing activities	-467	-610	-930	-1 367	-2 640
FINANCING ACTIVITIES					
Amortized loans		-100	-200	-150	-219
New loans raised	550	400	750	400	400
Change in finance leasing liabilities	-3	40	-3	24	-61
Dividend paid to parent company owners	-129	-103	-129	-103	-103
Dividend paid to minority interests	-2		-2		-2
Change in value of pension benefits	-22	-47	-43	-68	-194
Increase(+)/decrease(-) in other interest-bearing liabilities	32	61	-2	11	97
Cash flow from financing activities	426	251	371	114	-82
CASH FLOW FOR THE PERIOD					
Cash and cash equivalents, beginning of period	993	2 571	1 981	3 046	3 046
Translation difference in cash and cash equivalents	2	8	1	2	0
Cash and cash equivalents, end of period	1 074	2 170	1 074	2 170	1 981

1) Restated due to adjusted report from subsidiary.

QUARTERLY DATA

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEKm, unless otherwise specified	2012	2012	2013 ¹⁾	2013 ¹⁾	2013 ¹⁾	2013 ¹⁾	2014	2014
PostNord Group								
Net sales	8 959	10 481	9 832	9 757	9 306	10 638	9 999	9 816
Other income	68	62	45	63	56	69	60	81
Expenses	-8 866	-10 387	-9 551	-9 913	-9 122	-10 528	-9 960	-9 929
of which, personnel expenses	-4 197	-4 666	-4 676	-4 793	-4 251	-4 906	-4 671	-4 736
of which, transport expenses	-2 040	-2 165	-2 104	-2 197	-2 253	-2 400	-2 291	-2 435
of which, other expenses	-2 211	-2 904	-2 367	-2 521	-2 217	-2 781	-2 580	-2 342
of which, depreciation and impairments	-418	-652	-404	-402	-401	-441	-418	-416
Operating profit (EBITDA)	583	810	735	312	642	621	524	386
Operating margin (EBITDA)	6,5%	7,7%	7,4%	3,2%	6,9%	5,8%	5,2%	3,9%
Operating profit (EBIT)	165	158	330	-90	242	180	106	-30
Operating margin (EBIT)	1,8%	1,5%	3,3%	-0,9%	2,6%	1,7%	1,1%	-0,3%
Cash flows from operating activities	-324	1 386	425	-50	-363	1 657	-469	120
Net debt	5 017	4 299	3 186	3 694	2 720	1 624	2 128	2 926
Return on operating capital	n/a	2,6%	4,9%	5,0%	5,5%	6,0%	4,0%	4,3%
Average number of employees	41 047	39 929	38 521	39 419	40 143	39 137	37 712	38 130
Number of employees at end of period	46 142	49 678	45 680	48 326	45 552	48 125	44 494	46 336
of which, temporary employees	8 082	10 519	6 966	9 621	7 280	10 311	6 523	9 023
Mail & Communication								
Net sales	5 582	6 654	5 652	5 417	5 074	5 981	5 556	5 343
of which, internal	n/a	n/a	24	23	25	40	25	25
of which, Mail	2 902	3 583	3 376	3 160	2 865	3 516	3 304	3 057
of which, Advertisements and Newspapers	1 521	1 686	1 551	1 523	1 474	1 608	1 442	1 428
of which, Other	1 159	1 385	725	734	735	857	810	858
Other income	n/a	n/a	573	626	566	663	636	696
Operating expenses	n/a	n/a	-5 949	-6 156	-5 518	-6 369	-6 091	-6 097
of which, depreciation and impairments	n/a	n/a	-192	-186	-192	-199	-193	-198
Operating profit (EBIT)	94	359	280	-110	124	275	109	-57
Operating margin	1,6%	5,2%	4,5%	-1,8%	2,2%	4,1%	1,8%	-0,9%
Average number of employees	n/a	n/a	28 661	29 049	29 409	29 349	27 897	28 098
<u>Volumes, millions of units produced:</u>								
Sweden, priority mail	211	242	232	226	213	241	229	218
Sweden, non-priority mail	260	318	326	266	249	303	307	268
Denmark, priority mail	72	83	75	70	63	70	64	58
Denmark, non-priority and business mail	79	94	94	80	73	90	84	77
Logistics								
Net sales	2 885	3 300	3 597	3 793	3 706	4 091	3 849	3 913
of which, internal	48	62	47	45	31	46	42	48
of which, Parcels	1 107	1 328	1 659	1 636	1 558	1 868	1 712	1 702
of which, Solutions (heavy freight and integrated solutions)	1 003	1 099	1 146	1 295	1 363	1 395	1 336	1 371
of which, Other logistics services (mixed cargo, etc.)	775	873	792	862	785	828	801	840
Other income	330	345	319	316	336	308	166	169
Operating expenses	n/a	n/a	-3 867	-4 081	-3 981	-4 415	-4 049	-4 100
of which, depreciation and impairments	n/a	n/a	-100	-104	-103	-118	-108	-106
Operating profit (EBIT)	108	93	49	28	61	-15	-35	-17
Operating margin	3,4%	2,6%	1,3%	0,7%	1,5%	-0,3%	-0,9%	-0,4%
Average number of employees	n/a	n/a	7 048	7 306	7 423	7 503	7 484	7 538
<u>Volumes, millions of units produced:</u>								
Sweden, Parcels	16	19	17	17	17	21	19	19
Denmark, Parcels	9	11	10	10	9	11	10	10
PostNord Strålfors								
Net sales	611	682	682	645	610	675	681	653
of which, internal	26	33	28	28	27	24	27	16
Other income	5	-2	2	6	2	5	1	1
Operating expenses	n/a	n/a	-669	-686	-600	-670	-693	-674
of which, depreciation and impairments	n/a	n/a	-52	-50	-49	-49	-48	-49
Operating profit (EBIT)	15	9	15	-35	13	10	-11	-20
Operating margin	2,4%	1,3%	2,2%	-5,4%	2,1%	1,5%	-1,6%	-3,1%
Average number of employees ¹⁾	n/a	n/a	1 468	1 444	1 477	1 579	1 498	1 416
Cumulative average exchange rate, SEK/DKK	1,17	1,17	1,14	1,14	1,15	1,16	1,19	1,20
Cumulative average exchange rate, SEK/NOK	1,16	1,16	1,14	1,14	1,12	1,11	1,06	1,08
Cumulative average exchange rate, SEK/EUR	8,73	8,71	8,50	8,53	8,58	8,65	8,86	8,95
Closing day rate, SEK/DKK	1,13	1,16	1,12	1,17	1,16	1,20	1,20	1,23
Closing day rate, SEK/NOK	1,14	1,17	1,11	1,11	1,07	1,06	1,08	1,10
Closing day rate, SEK/EUR	8,44	8,62	8,34	8,76	8,68	8,94	8,95	9,20

¹⁾ Previously reported quarterly data has been adjusted.

PARENT COMPANY

The parent company, PostNord AB, ran a very limited inter-company service operation and had only three employees as of June 30, 2014: the President/CEO, the Group CFO and the Head of Group Strategy.

Parent Company income statement

SEKm	Note	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
	1					
Other income		4	7	9	12	24
Income		4	7	9	12	24
Personnel expenses		-8	-4	-16	-12	-24
Other expenses		-2	-5	-4	-8	-12
Operating expenses		-10	-9	-20	-20	-36
OPERATING PROFIT		-6	-2	-11	-8	-12
Income from participations in group companies			773		773	773
Write-down of shares in subsidiaries						-800
Interest income and similar income items		6	9	12	18	40
Interest expense and similar expense items		-62	-21	-91	-44	-123
Financial items		-56	761	-79	747	-110
Profit after financial items		-62	759	-90	739	-122
Balance sheet appropriations						92
Profit before tax		-62	759	-90	739	-30
Tax						
NET PROFIT		-62	759	-90	739	-30

Parent Company comprehensive income statement

SEKm	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
Net profit	-62	759	-90	739	-30
Other comprehensive profit for the period					
COMPREHENSIVE PROFIT	-62	759	-90	739	-30

Parent Company balance sheet

SEKm	Note	Jun 30 2014	Mar 31 2014	Dec 31 2013	Jun 30 2013
	1				
ASSETS					
Financial assets		11,685	11,685	11,684	12,482
Total fixed assets		11,685	11,685	11,684	12,482
Current receivables		8,544	8,135	8,143	7,458
Total current assets		8,544	8,135	8,143	7,458
TOTAL ASSETS		20,229	19,820	19,827	19,940
EQUITY AND LIABILITIES					
Equity		15,489	15,680	15,708	16,477
Long-term liabilities		3,947	3,907	3,905	3,179
Current liabilities		793	233	214	284
TOTAL EQUITY AND LIABILITIES		20,229	19,820	19,827	19,940
CONTINGENT LIABILITIES					
Warranty, PRI		140	140	140	136
Guarantees on behalf of subsidiaries		420	331	381	236
Total		560	471	521	372

NOTES TO FINANCIAL STATEMENTS

Note 1 Accounting principles

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), together with interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC), to the extent that they have been approved by the European Commission for application within the European Union. In addition to IFRS, additional rules from the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 1, Supplemental Financial Statements for Groups, were also applied. PostNord Group's interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and with supplementary rules from the Annual Accounts Act. The same accounting principles and methods of calculation were used in this interim report as in the 2013 Annual Report, and changes in accounting principles were also applied.

The parent company applies the Annual Accounts Act and RFR 2, Accounting for Legal Entities; in effect, the same accounting principles as the Group. The differences between the parent company's and the Group's accounting principles result from the parent company's limitations in applying IFRS as a consequence of the Annual Accounts Act and the Act on Safeguarding of Pension Commitments, and are to some extent based on tax considerations. The same accounting principles and methods of calculation were used in this interim report as in the 2013 Annual Report, and changes in accounting principles were also applied.

Changes in accounting principles

Changes in accounting principles applicable as of January 1, 2014: IFRS 10-12 and IFRIC 21, Levies. These changes have not had any material effect. See PostNord's 2013 Annual Report, page 105, for additional information.

Note 2 Segment reporting

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

Under the new matrix organization introduced on March 31, 2014, business activities are integrated within each market and the markets have overall responsibility for the entire product and service portfolio as well as sales in each country. Together with the developed brand structure, the new organization further clarifies PostNord for its customers as a Nordic logistics operator.

Market segments (see Markets section)

Market segments are divided into the following country organizations: PostNord Sweden, PostNord Denmark (incl. Germany), PostNord Norway & Finland, PostNord Strålfors and Other countries.

Business segments (see Business Areas section)

Business area Mail & Communication provides distribution solutions in the communication market through its nationwide distribution networks in Sweden and Denmark. The business area offers physical and digital mail, direct mail and newspaper services, as well as facility management services.

Business area Logistics offers logistics services in the areas of parcels, express and messaging, consignment freight, mixed cargo, thermal, Air & Ocean and third-party logistics. Business area Logistics has a comprehensive offering and distribution network for businesses and individual customers in the Nordic market. Parcel services in Denmark were reported in business area Mail Denmark under the previous organizational structure, but are now reported in Logistics.

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

Other and Eliminations

Other comprises shared services and corporate functions including the parent company and Group adjustments. The adjustments are IFRS adjustments regarding pensions in accordance with IAS 19, Employee Benefits, and finance leasing in accordance with IAS 17, Lease Agreements. From Other, service costs for shared services and corporate functions are allocated to the business areas. Cost allocations are taken up as income in Other under Other Income, Internal. Within the business areas, cost allocations are recognized in Other Expenses.

Eliminations comprise the elimination of internal transactions.

Note 3 Other provisions

SEKm	Apr-Jun 2014						Apr-Jun 2013					
	Beginning balance	Provi-sions	Reversals	Utiliza-tions	Translation effects	Ending balance	Beginning balance	Provi-sions	Reversals	Utiliza-tions	Translation effects	Ending balance
Restructuring activities												
Personnel reductions	835	75	-32	-125	9	762	664	176	-19	-100	14	735
Other closure costs	41			-13	-1	27	28	12		-3	1	38
Total	876	75	-32	-138	8	789	692	188	-19	-103	15	773
Future conditional pension commitments as per "Transitional Provisions"												
Commitments	760	42				802	793	13				806
Special payroll tax	184	11				195	192	4				196
Total	944	53				997	985	17				1,002
Other												
Job-related injuries	42					42	42	5		-2		45
Pension adjustments in relation to Danish State	25	4	3		1	33	37	10			2	49
Provision, commemorative awards	140	5		-4	3	144	136	4		-3	6	143
Total	207	9	3	-4	4	219	215	19		-5	8	237
Total provisions	2,027	137	-29	-142	12	2,005	1,892	224	-19	-108	23	2,012
<i>Of which, current</i>	<i>690</i>					<i>635</i>	<i>321</i>					<i>423</i>
<i>Of which, long-term</i>	<i>1,337</i>					<i>1,370</i>	<i>1,571</i>					<i>1,589</i>

Other provisions totaled SEK 2,005m (2,012) as of June 30, 2014. During the quarter, restructuring provisions impacted earnings net of SEK 43m (SEK 75m in additional provisions and SEK -32m in reversals) and SEK 53m related to pension commitments. Provisions totaled SEK 108m. Total utilization of provisions against the previous period's expenses had a negative impact on cash flow of SEK -142m (-108) during the quarter.

Note 4 Restructuring costs

SEKm	Q1	Q2	Q3	Q4	Q1	Q2
	2013	2013	2013	2013	2014	2014
Mail & Communication	-120	-184	-76	-96	-174	-73
Logistics	1	0	-1	-20	-48	-5
PostNord Strålfors	0	-30	0	-6	-17	0
Other	-4	-11	2	-172	-28	-23
Total	-123	-225	-75	-294	-267	-101

Note 5 Acquisitions and divestments

Effect of acquisitions and divestments on assets and liabilities, SEKm	Jan-Jun 2014 ¹⁾			Jan-Dec 2013		
	Acquisitions	Divestments	Total	Acquisitions	Divestments	Total
Goodwill				167		167
Other intangible fixed assets				30		30
Other fixed assets				193		193
Total fixed assets				390		390
Current assets				86		86
TOTAL ASSETS				476		476
TOTAL LIABILITIES				-175	-1	-176
NET ASSETS				301	-1	300
Capital gain on divested businesses/group companies					-1	-1
Other items affecting cash flow				-54		-54
Purchase consideration paid/received				-301		-301
Cash and cash equivalents (acquired/divested)				19		19
Net effect on cash and cash equivalents				-336		-336

¹⁾ No acquisitions or divestments were made during the first six months of 2014.

Note 6 Financial instruments

	Jun 30 2013 Level 2	Sep 30 2013 Level 2	Dec 31 2013 Level 2	Mar 31 2014 Level 2	Jun 30 2014 Level 2
Financial assets and liabilities reported at fair value in the balance sheet, SEKm					
Financial investments					
Endowment insurance policies	143	145	145	144	148
Other current receivables					
Currency derivatives	7	6	12	10	22
Terminal settlements	574	624	334	366	497
Cash and cash equivalents					
Commercial paper	1,072		295	345	
Total financial assets	1,796	775	786	865	667
Other current liabilities					
Currency derivatives	11	7	8	15	19
Interest swaps			4	9	16
Terminal settlements	623	567	289	473	596
Total financial liabilities	634	574	301	497	631
	Jun 30 2013	Sep 30 2013	Dec 31 2013	Mar 31 2014	Jun 30 2014
Net borrowings, SEKm					
Commercial paper	249	200	200	201	200
Real estate credit					17
MTN					540
Credit institution financing		32	62	31	24
Total current liabilities	249	232	262	232	781
Real estate credit	1164	1153	1,189	1,189	1,206
MTN	2937	2937	2,937	2,937	2,948
Total long-term liabilities²⁾	4,101	4,090	4,126	4,126	4,154
Total financial liabilities	4,350	4,322	4,388	4,358	4,935
Investments with maturities up to 3 months	1072		295	345	
Cash and bank balances, excl. cash in hand	987	1139	1,521	550	985
Cash and cash equivalents, excl. cash in hand	2,059	1,139	1,816	895	985
Net borrowings¹⁾	2,291	3,183	2,572	3,463	3,950

1) SEK 2,000m of unutilized credit facilities with 2017 maturity are not included in net borrowing and can be used for short- and long-term borrowing.

2) Excluding Leasing and endowment insurance policy

Reporting and fair value valuation of financial instruments

For all financial assets and liabilities, reported value is considered to constitute a fair approximation of fair value with the exception of the group's long-term interest-bearing liabilities. Fair value of long-term interest-bearing liabilities totaled SEK 5,043m (4,635) as of June 30, 2014, while the reported value at the same date totaled SEK 4,935m (4,593).

All financial assets and liabilities reported at fair value in the balance sheet are Level 2; see also PostNord's Annual Report, Note 29, Financial Risk Management and Financial Instruments.

Note 7 Investment commitments

As of June 30, 2014 PostNord Group had contracted to acquire tangible fixed assets for a total of SEK 573m (621), related primarily to sorting equipment and vehicles. Investment commitments of SEK 321m (421) were made in conjunction with Mail & Communication's new terminal structure in Sweden, and SEK 219m was related to the replacement of equipment in the business area's terminals. It is expected that most commitments will be settled in late 2014-early 2015.

Note 8 Definitions

ADM (addressed direct mail)	Direct mail personally addressed to an individual. ADM is sent with a personal message when companies want to build relationships with existing customers and identify new customers.
Average number of employees	The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year.
C-mail	In Denmark, mail with special posting conditions processed in a production flow for distribution within two to four days after mailing.
Corporate Image	Based on a survey in which individuals in Denmark and Sweden respond to questions on their perceptions of Post Danmark and Posten, respectively. Results are reported in an index covering three key dimensions: overall opinion, emotional appeal and rational appeal.
Customer value index	Based on PostNord's measuring tool used to continuously monitor customer satisfaction and customers' perceptions of the business.
Earnings per share	Share of net earnings attributable to parent company shareholders divided by the average number of shares outstanding.
EBITDA	Earnings before interest, taxes, depreciations and impairments.
Employee satisfaction index (MIX)	Part of the Group's employee survey. Results show level of employee commitment.
Financial preparedness	Cash and cash equivalents and unutilized committed credit line.
Leadership index (LIX)	Part of the Group's employee survey. Results show employees' perceptions of immediate supervisors' leadership.
Net debt (new definition as of 2014)	Interest-bearing debt (including pension provisions) less cash and cash equivalents, financial receivables and current interest-bearing receivables. (Non-financial receivables and current interest-bearing receivables were not previously included.)
Net debt/EBITDA	Net debt divided by EBITDA (rolling 12-month).
Net debt ratio	Net debt divided by equity.
Non-priority mail	Mail processed in a production flow for distribution within three business days after mailing.
Operating capital (new definition as of 2014)	Non-interest-bearing assets less non-interest-bearing liabilities. (Tax- and pension-related items were not previously included in calculation.)
Operating margin	Operating earnings as a percentage of income (net sales and other income). The calculation of operating margin by business area includes sales to other business operations and to parent company functions.
Priority mail	Mail processed in a production flow for delivery on the first business day after mailing.
Return on equity (ROE)	Net profit for the 12 months to the end of the period divided by average equity for the 12 months to the end of the period.
Return on operating capital	Operating profit for the 12 months to the end of the period divided by average operating capital for the 12 months to the end of the period.
UDM (unaddressed direct mail)	Direct mail sent without personal address by companies that, for instance, do not have their own client register or wish to reach a new target Group. Through UDM, the customer has the option of reaching out widely to all national households or businesses or targeting mailings to a specific audience.

FINANCIAL CALENDAR

Interim report, January-September 2014

October 29, 2014

Year-end report 2014

February 12, 2015 (new date)

BOARD ASSURANCE

The Board of Directors and the Chief Executive Officer declare that this semi-annual report provides a true and fair view of the Group and parent company's operations, position and results and describes the significant risks and uncertainties to which the parent company and the companies included in the Group are exposed.

Solna, August 26, 2014

PostNord AB (publ), CIN 556771-2640

Jens Moberg
Chairman of the Board

Christian Ellegaard
Member of the Board

Gunnel Duveblad
Member of the Board

Mats Abrahamsson
Member of the Board

Anitra Steen
Member of the Board

Sisse Fjelsted Rasmussen
Member of the Board

Torben Janholt
Member of the Board

Magnus Skåninger
Member of the Board

Lars Chemnitz
Employee representative

Alf Mellström
Employee representative

Ann-Christin Fällén
Employee representative

Håkan Ericsson
President and CEO

This report has not been audited.

PostNord AB (publ) is required to disclose this information under the Security Markets Act. The information was submitted for publication on August 26, 2014 at 8:30 AM CET.

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

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