



First quarter 2017

April 28, 2017

postnord

Overview – results

SEKm	Q1 2017	Q1 2016	△ ²	FY 2016
Net sales	9,348	9,638	-4%	38,478
Adjusted EBIT ¹	191	300		500
EBIT	94	300		-1,083
Net income for the period	16	219		-1,583
Cash flow from operating activities	990	189		1,321
Net debt	-688	639		354

¹Adjusted for items affecting comparability. For more information, please refer to the Interim report for the first quarter 2017.

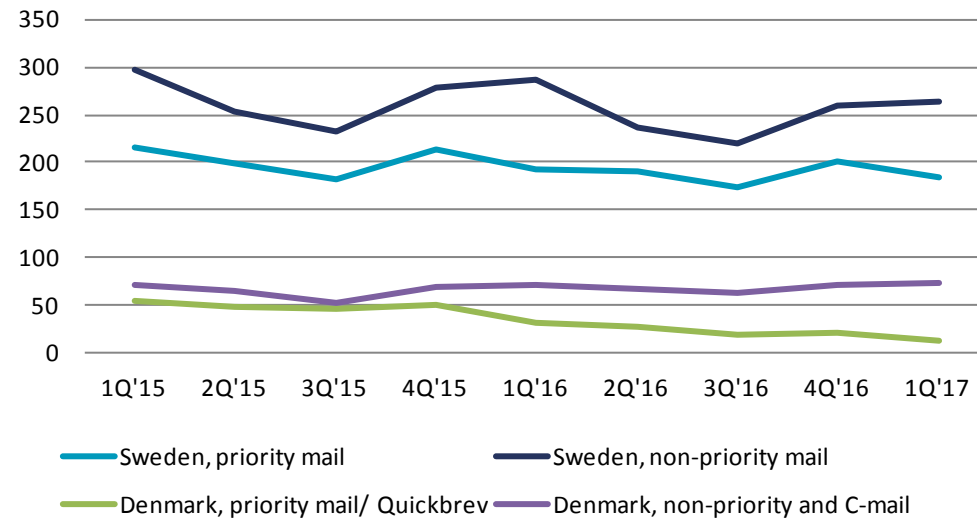
²Change excluding acquisitions/divestments and currency.

- Market trends:
 - Growing digitization, mail volumes continuing to decline
 - Continued growth in e-commerce
 - Tough competition in the logistics market
- Decision to introduce a new financially sustainable production model in Denmark and to continue to reduce the Group's administrative costs.
- New Swedish Postal Services Act announced for May

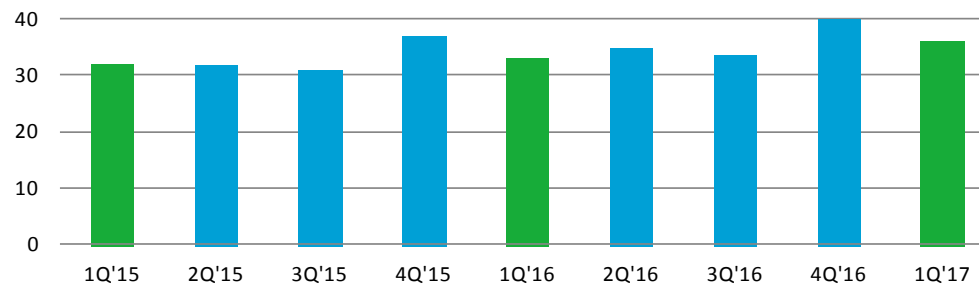
Trends in the market

- Mail volumes fell by a total of 8% compared with Q1 2016
 - -17% in Denmark
 - -7% in Sweden
- Parcel volumes rose by a total of 9% compared with Q1 2016
 - E-commerce-related B2C parcels increased by 10%

MAIL, MILLIONS OF UNITS



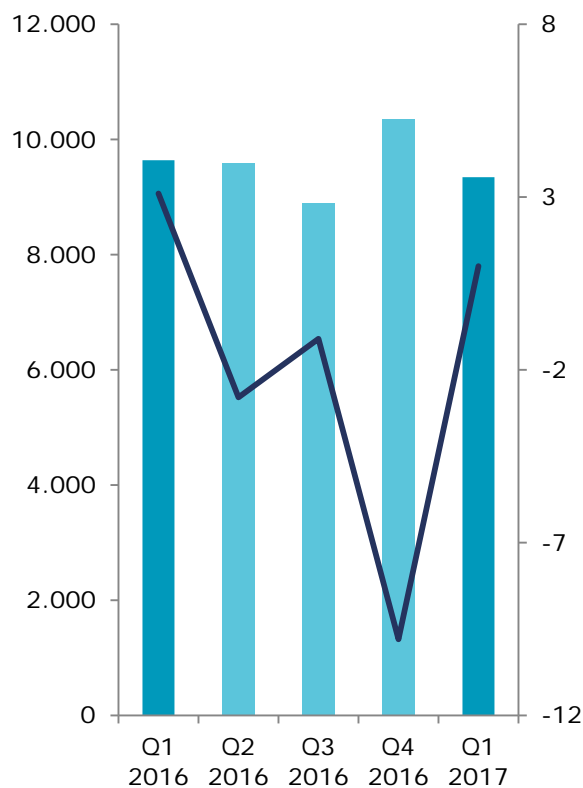
PARCELS, MILLIONS OF UNITS



PostNord, Group

QUALITY BACK ON A HIGH LEVEL THE TRANSFORMATION FOR SUSTAINABLE PROFITABILITY CONTINUES.

NET SALES AND EBIT MARGIN

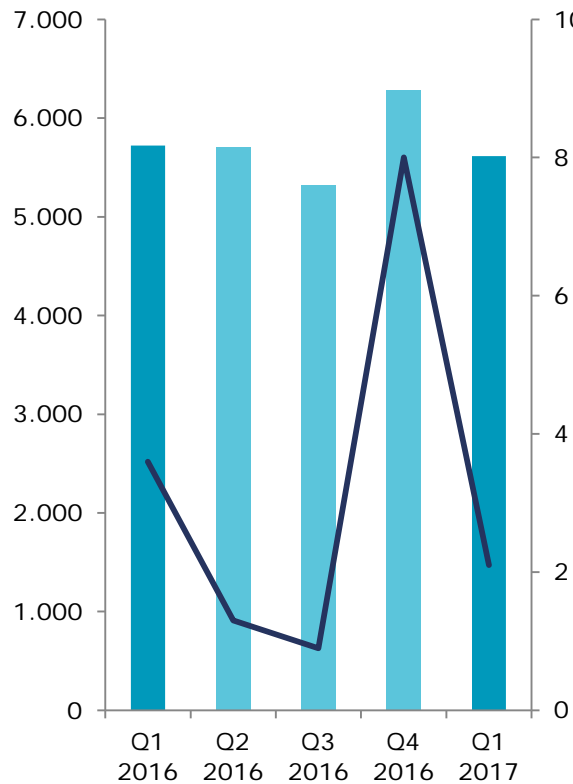


Net sales, SEKm — EBIT margin (%)

- Net sales SEK 9,348m (9,638)
 - Net sales decreased by 4% excluding currency effects, acquisitions and disposals
 - Growing digitization, decreasing mail volumes, growth in e-commerce-related services

- Adjusted EBIT SEK 191m (300), EBIT SEK 94m (300)
 - Items affecting comparability, SEK -97 m (-), relates to the transformation of the Danish operations
 - Continued cost adjustments to meet the decline in mail volumes
 - A new financially sustainable production model is being introduced in Denmark

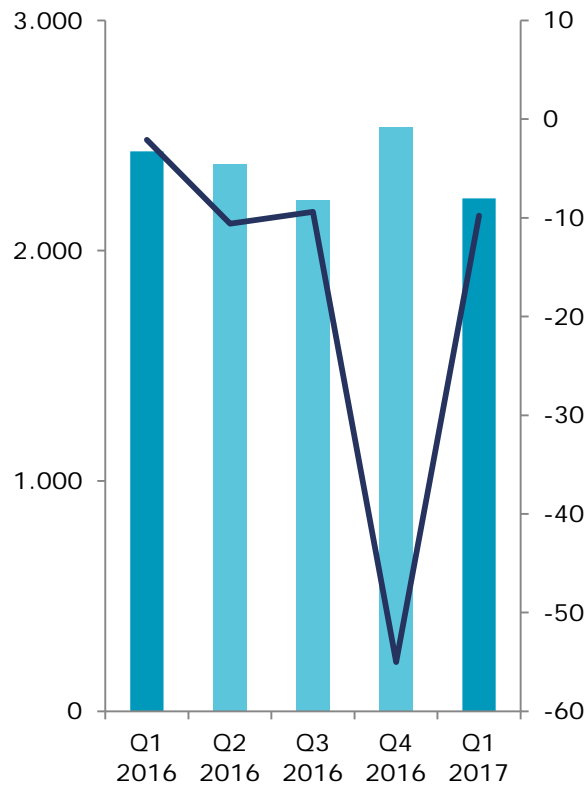
NET SALES AND EBIT MARGIN



■ Net sales, SEKm — EBIT margin (%)

- Net sales decreased by 2%
 - Mail volumes decreased by a total of 7%
 - Increased sales for eCommerce & Logistics, mainly through continued growth in e-commerce, and pallets and mixed cargo groupage.
- EBIT SEK 119m (198)
 - The decline in the mail business could not be fully offset by growth in logistics
 - Further major cost reductions

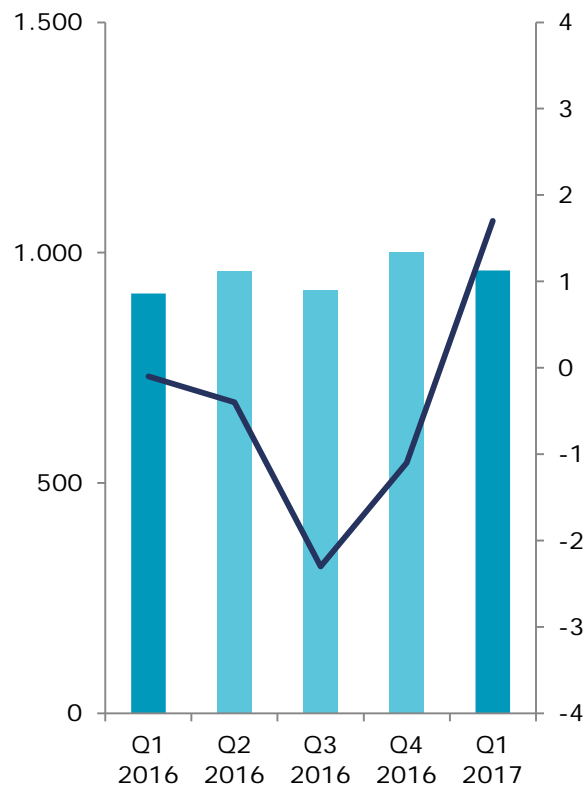
NET SALES AND EBIT MARGIN



■ Net sales, SEKm — EBIT margin (%)

- Net sales fell by 10% excluding currency effects and acquisitions
 - Mail volumes fell by 17%
 - Positive growth for e-commerce , pallets and mixed cargo groupage
- Adjusted EBIT SEK -121m (-51), EBIT SEK -218m (-51)
 - Continued strong trend of digitization
 - Lower mail income not offset through cost adjustments
 - A new financially sustainable production model will be introduced

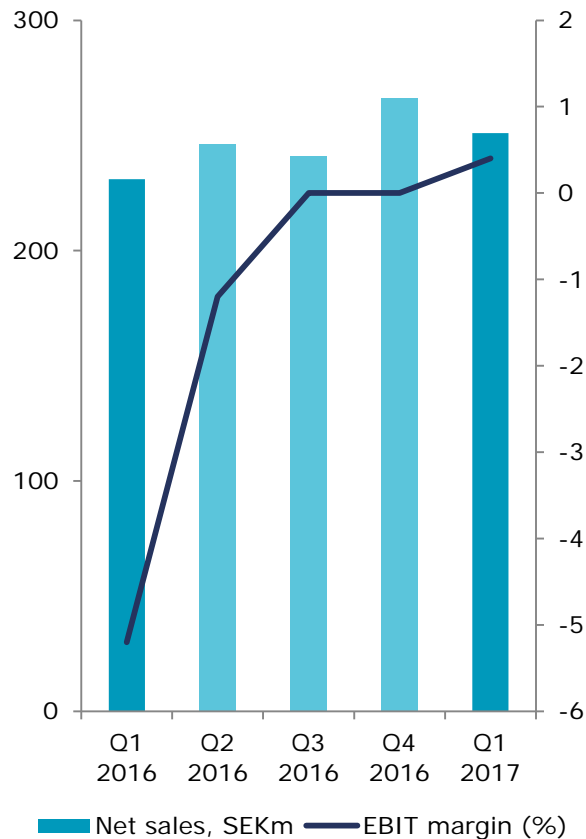
NET SALES AND EBIT MARGIN



■ Net sales, SEKm — EBIT margin (%)

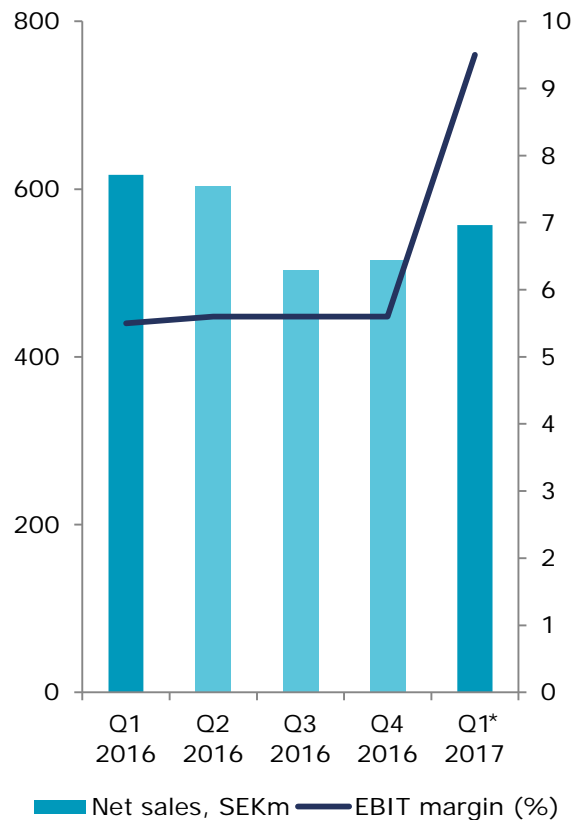
- Net sales decreased by 3% excluding currency effects and acquisitions
 - Price pressure and terminations of unprofitable customer agreements in thermo
- EBIT SEK 16m (-1)
 - Robust cost adjustments and increased flexibility in meeting volume fluctuations

NET SALES AND EBIT MARGIN



- Net sales rose by 7% excluding currency effects and acquisitions
 - Increase in parcel volumes
- EBIT SEK 1m (-12)
 - Q1 2016 affected by costs related to the acquisition of Uudenmaan Pikakuljetus Oy (UPK)

NET SALES AND EBIT MARGIN

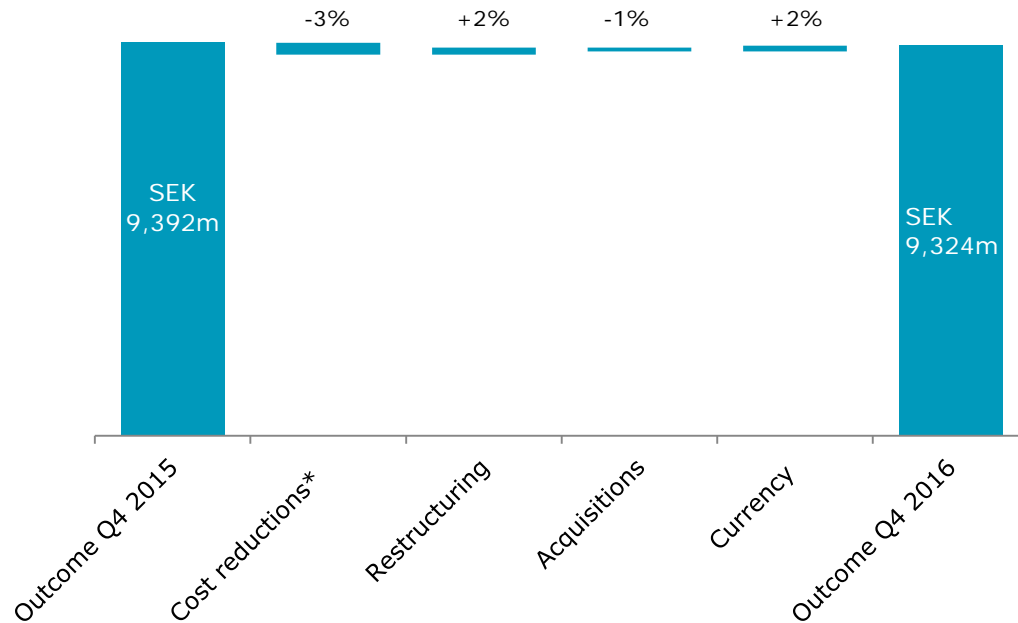


- Net sales fell by 2%, excluding exchange rates, acquisitions and divestments
 - Increase in digital communication offerings and market communication largely compensated for a general decline in physical communication
- EBIT SEK 53m (34)
 - The improvement was due to good control of costs, lower staffing levels and an increase in digital communication

*Adjusted EBIT margin

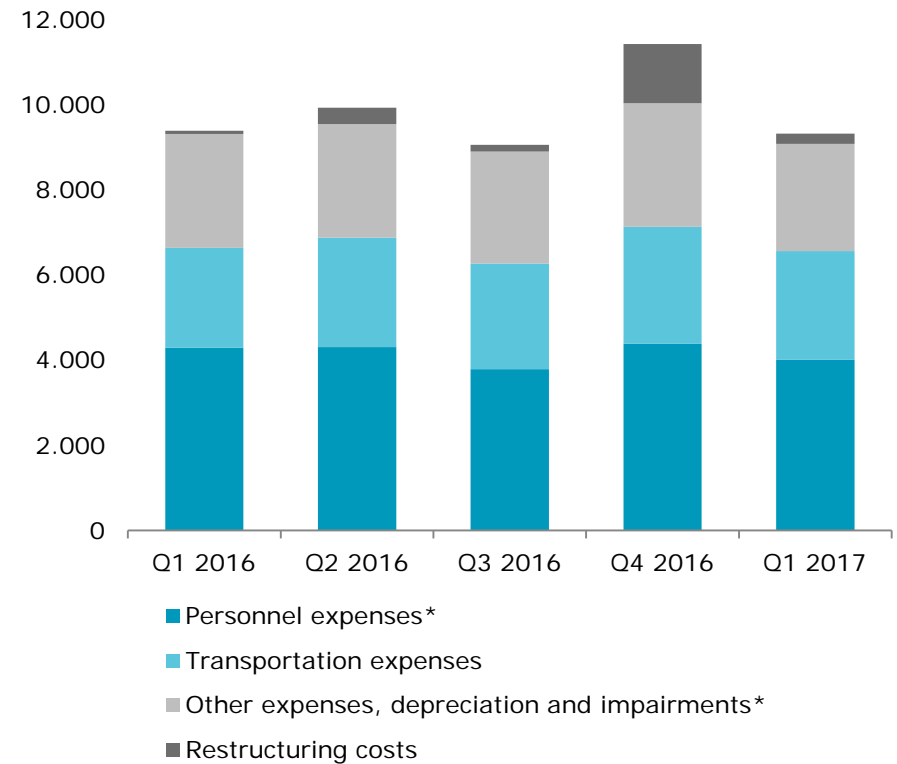
Trend of costs

TREND OF GROUP'S COSTS



*Including cost inflation

GROUP'S OPERATING COSTS, SEKm

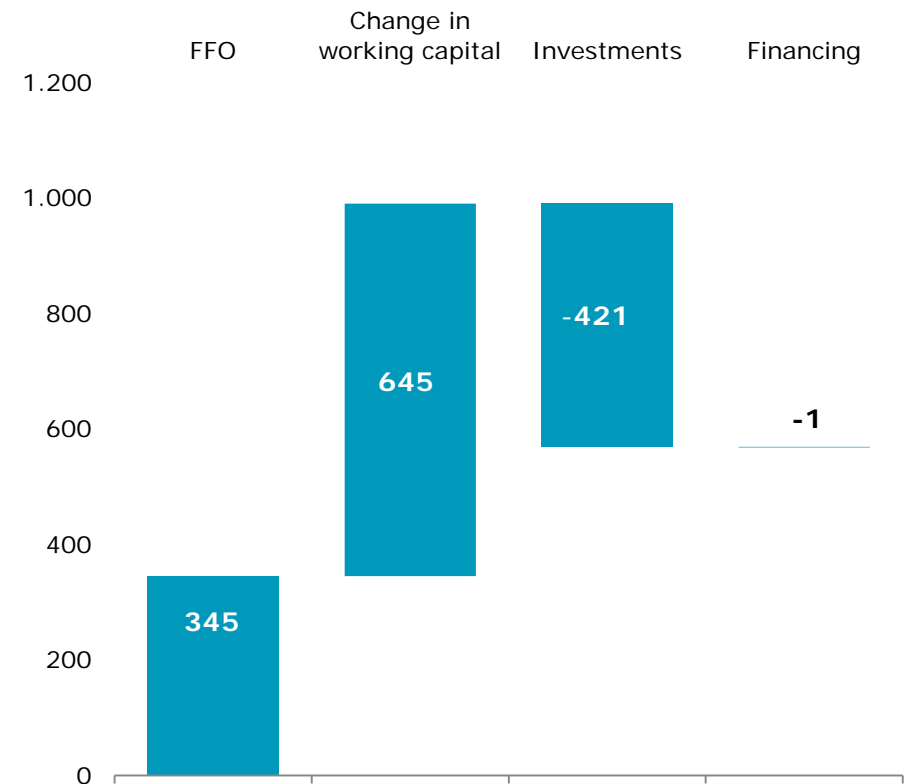


*Excluding restructuring costs

Trend of cash flow

- Cash flow from operating activities SEK 990m (189)
 - Positively affected by a compensation from Postens Pensionsstiftelse (the Posten Pension Fund) and a positive change in working capital
- Cash flows from investing activities SEK -421m (-188)
 - Investments focused mainly on the integrated production model and IT development.
 - Cash and cash equivalents of SEK 150m were invested in commercial paper
- Cash flow for the period SEK 568m (10)

CASH FLOW, FIRST QUARTER 2017, SEKm



Net debt

- Net debt decreased by SEK 1,042m to SEK -688m
 - Affected by positive return of pension obligations and positive cash flow
- Financial preparedness amounting to SEK 5,646m, of which cash and cash equivalents total SEK 2,146m

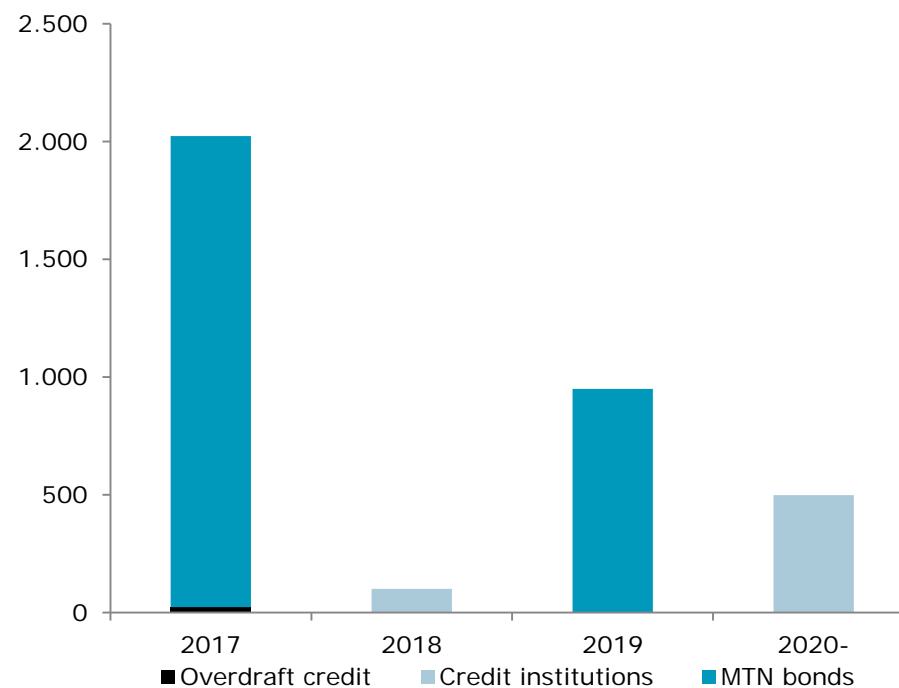
SEKm	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016
Interest-bearing debt	3,743	3,745	3,863
Pensions and disability pension plans	-1,520	-1,201	158
Long- and short-term investments	-765	-613	-613
Cash and cash equivalents	-2,146	-1,577	-625
Net debt	-688	354	2,783
<i>Net debt/EBITDAI, times</i>	-0.5	0.2	1.9
<i>Net debt ratio, %</i>	-9	5	39
<i>Financial preparedness</i>	5,646	4,927	3,975

Credit profile

OVERVIEW OF LINES OF CREDIT, MARCH 31, 2017

Credit	Total amount SEK bn	Amount utilized SEK bn
Revolving credit facility, maturing in 2019	2.0	0.0
Bridging facility maturing in 2018	1.0	0,0
Commercial paper	3.0	0.0
Credit institutions	1.5	0.6
MTN bonds	6.0	2.95
Total utilized, March 31, 2017		3.6
Credit lines with short maturity		2.0

MATURITY STRUCTURE, MARCH 31, 2017, SEKm



An undrawn revolving credit facility (RCF) of SEK 2.0bn is in place, maturing in 2019.
An undrawn bridging facility (RCF) of SEK 1.0bn is in place, maturing in 2018.

Financial targets

- The targets are long-term and are to be assessed over a period of 3-5 years.
- The financial targets were adopted at the 2014 AGM

Area	Key ratio	Outcome Dec. 31, 2016	Target
Profitability	Return on capital employed (ROCE)	-15%	10.5%
Capital structure	Net debt ratio	-9%	10-50%
Dividend policy	Dividend	2017: No dividend	40-60% of net income for the year

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postnord.com

Gunilla Berg, CFO, +46 10 436 28 10

Per Mossberg, Chief Communications Officer, +46 10 436 39 15

ir@postnord.com