

Posten Norden

Year-end Report 2010



External



Improved operating profit despite declining volumes



Profit summary

- Operating profit totaled SEK **1,375m** (284). Excluding structural and currency changes, operating profit increased **28%**
- Continued operating profit improvement during fourth quarter 2010. Excluding structural and currency changes, operating profit increased **44%**
- Net sales totaled SEK **41,669m** (44,633)
- Profit before tax totaled SEK **1,348 m**(2,439)
- 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



Summary of 2010

Group

- Economic recovery in Sweden and Norway. Weak economy in Denmark
- Markets face fierce competition and substitution drives down letter volumes
- Successful cost adjustments – streamlining of production and administration
- Net sales¹ fell 2% in 2010 and in Q4
- Operating profit¹ was up 28% in 2010 and 44% in Q4

Business areas

- Breve Danmark: Low economic activity in Denmark. Substitution >10% 2010. Reduced sales but strongly improved operating profit
- Meddelande Sverige: Economic upswing. Volumes down for priority mail, up for non-priority mail and UDM. Improved operating profit
- Information Logistics: Challenging markets. Comprehensive cost cuts, operating profit remains negative
- Logistics: Economic improvement and increased e-commerce. Sales growth and improved operating profit, despite price pressure and overcapacity in the market

Posten Norden successfully warded off the recession and adjusted operations to changed market conditions

Highlights

- Change in customer channels in Sweden in coming three years – business centers will be moved to partner outlets, Internet and Posten's drop-off points
- Agreement with Coop in Norway for 200 new parcel distribution points
- New postal law in Sweden as of September 1, 2010
- Lars Idermark appointed new President and Group CEO of Posten Norden
- Decision to invest in new terminal structure in central and northern Sweden which increases competitiveness, improves service and reduces environmental impact
- Danish Parliament passed new postal law in Denmark, went into effect January 1, 2011

After the end of the period

- Framework agreement with ICA, Coop and Axfood to increase collaboration on partner outlet operations in Sweden



A successful Nordic merger

- A merger to increase competitiveness in the Nordic region:
 - A larger entity – competitive and cost advantages
 - A larger home market – more opportunities
 - Improved conditions for meeting structural changes in the communication and logistics markets
- Formal merger on June 24, 2009
- New group operative as of fall 2009
- Estimated cost synergies within purchasing, IT and administration of approximately SEK 1 billion per year
- Merger efforts have carried on well during 2010 – synergy effects have been realized according to plan
- Posten Norden has identified new potential synergies – increased uniformity and increased capacity utilization



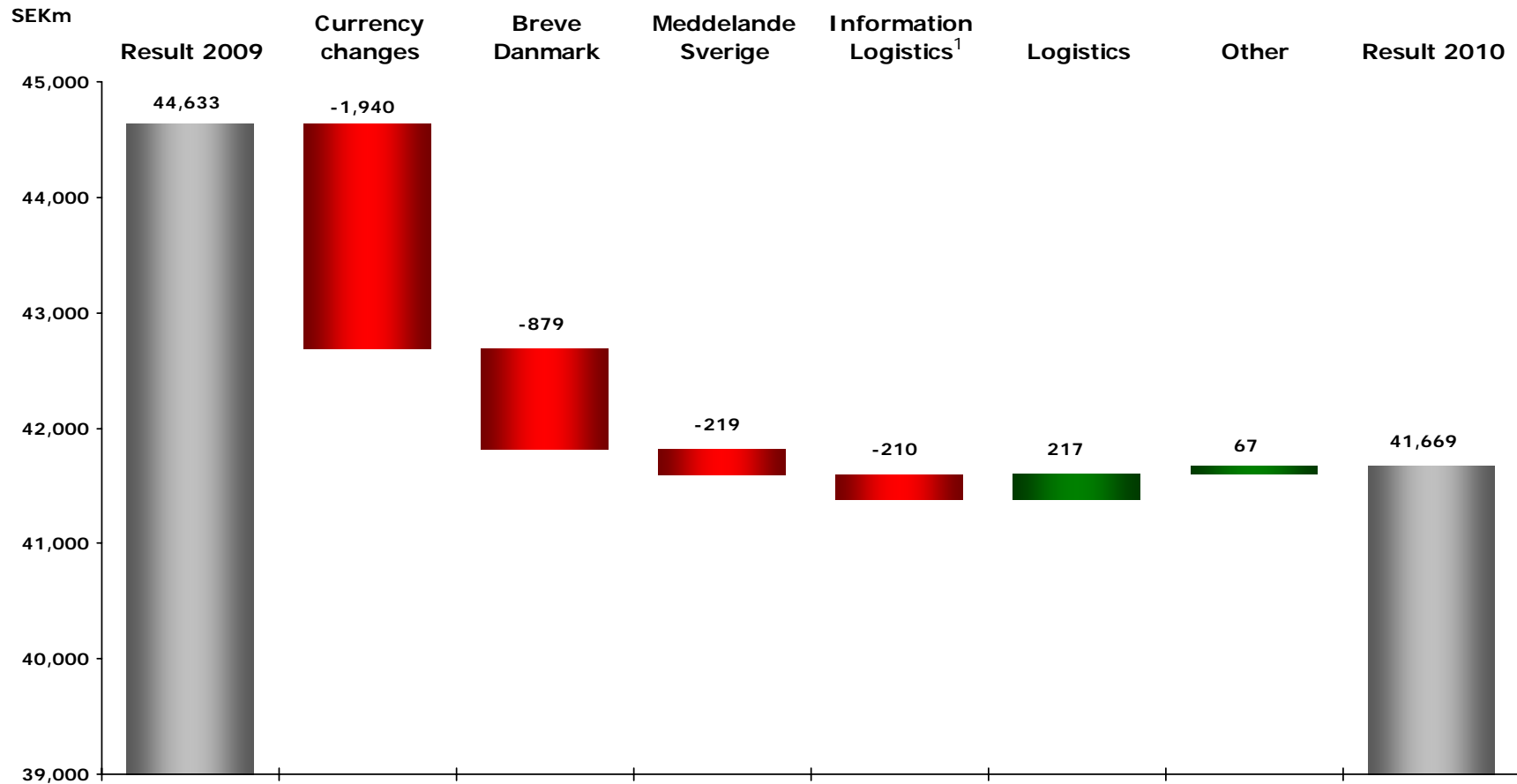
Financial review, group

SEKm	Jan-Dec				Excl struct & curr- ency	Okt-Dec				Excl struct & curr- ency
	2010	Pro forma 2009	Change			2010	2009	Change		
Net sales	41,669	44,633	-2,964	-7%	-2%	10,871	11,636	-765	-7%	-2%
Op. expenses	-40,589	-44,605	4,016	-9%	-3%	-10,814	-12,403	1,589	-13%	-3%
Op. profit, EBITDA	3,292	2,298	994	43%		650	-154	804	>100%	
Op. profit, EBIT	1,375	284	1,091	>100%	28%	132	-685	817	>100%	44%
Net financial items	-27	2,155 ¹	-2,182	>100%		-16	-11	-5		
Net profit	1,031	2,414¹	-1,383	-57%		61	-492	553	>100%	
Op. margin, EBITDA, %	7.8	5.1	2.7			5.9	neg			
Op. margin, EBIT, %	3.3	0.6	2.7			1.2	neg			
ROE, %	8	20 ¹	-12			8	20 ¹	-12		
Equity-assets ratio, %	46	45	1			46	45	1		
Avg. no. of employees	44,060	47,625	-3,565	-7%		43,040	46,010	2,970	-6%	

¹ Including capital gain of SEK 2,002m on the sale of Post Danmark A/S's share in the Belgian Post bpost (formerly De Post-La Poste) in July 2009.



Net sales 2010 – year-on-year change



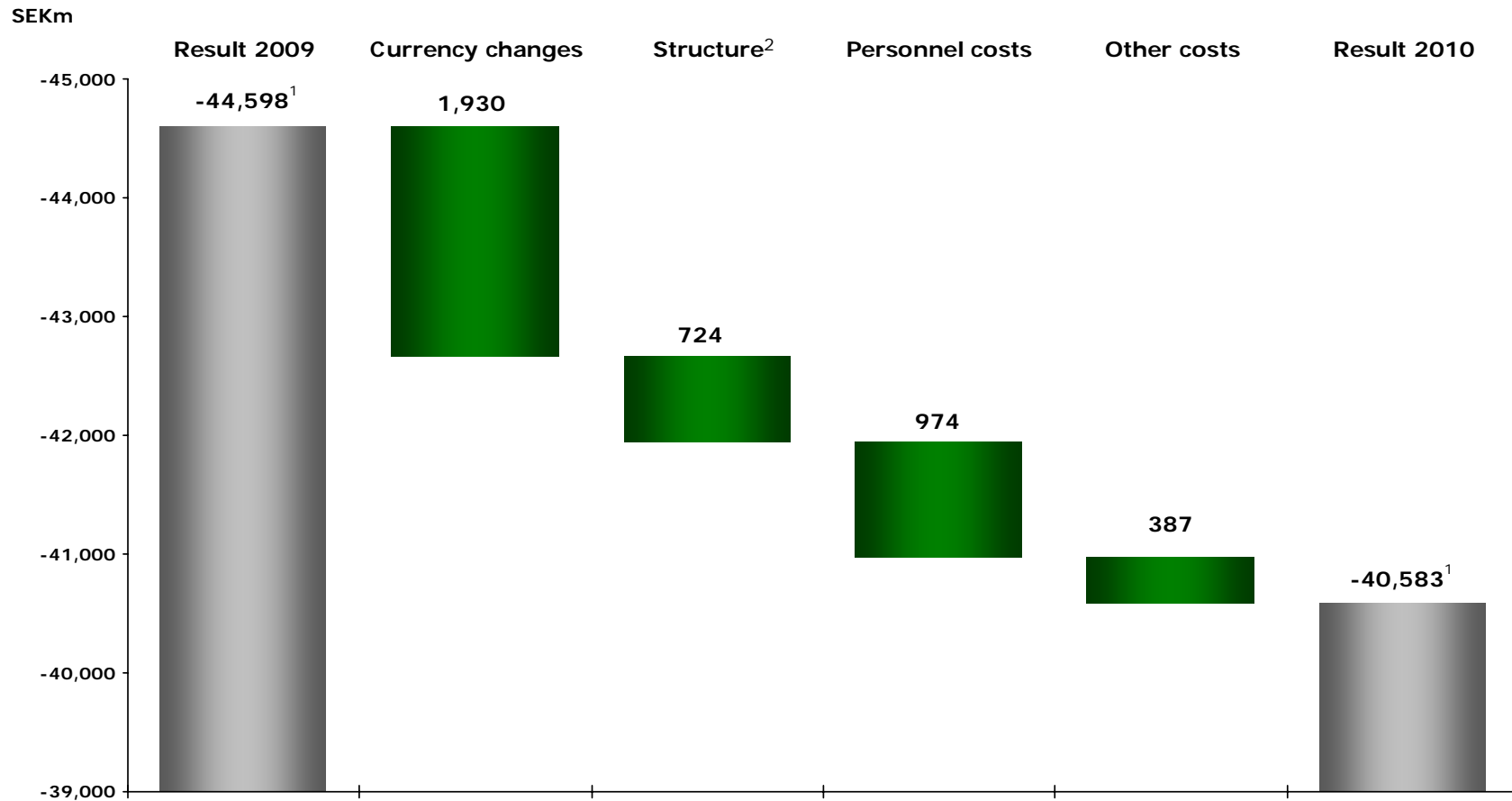
¹ Including structural change of SEK –194m on the divestment of the Supplies division.



Net sales per business area

SEKm	Jan-Dec					Oct-Dec				
	2010	Pro forma 2009	Chg		Excl struct & curr- ency	2010	2009	Chg		Excl struct & curr- ency
Breve Danmark	10,882	13,094	-2,212	-17%	-7%	2,724	3,305	-581	18%	-7%
Meddelande Sverige	15,554	15,794	-240	-2%	-1%	4,189	4,259	-70	-2%	-2%
Information Logistics	3,391	3,762	-372	-10%	0%	845	899	-54	-6%	-1%
Logistics	12,423	12,673	-249	-2%	2%	3,284	3,353	-69	-2%	3%
Other & eliminations	-581	-690	108			-171	-180	9		
Posten Norden Group	41,669	44,633	-3	-7%	-2%	10,871	11,636	-765	-7%	-2%

Operating costs 2010 – year-on-year change



¹ Includes participations in the profits of associated companies.

² Excluding structural change related to the divestment of Information Logistics' Supplies division.

Operating profit per business area

SEKm	Jan-Dec					Oct-Dec				
	2010	Pro forma 2009	Chg		Excl struct & curr- ency	2010	2009	Chg		Excl struct & curr- ency
Breve Danmark	641	444	197	44%	15%	60	-69	129	>100%	8%
Meddelande Sverige	879	397	482	>100%	4%	218	-277	495	>100%	19%
Information Logistics	-170	-351	181	52%	46%	-128	-191	63	-33%	-25%
Logistics	139	-158	297	>100%	>100%	61	-112	173	>100%	>100%
Other & eliminations	-114	-48	-66			-79	-36	-43		
Posten Norden Group	1.375	284	1,090	>100%	28%	132	-685	817	>100%	44%

Summary

- Strong improvement in operating profit, despite declining volumes
- We successfully warded off the recession and adjusted operations to changed market conditions
- A successful Nordic merger
- We will be the best communication and logistics company in the Nordic region



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