

Year-end report 2011

New strategic direction for PostNord

October-December 2011

- Net sales totaled SEK 10,528m (10,871).
- Operating profit (EBIT) totaled SEK 645m (132).
- Net profit totaled SEK 441m (61).
- Operating margin (EBIT) was 6.1 (1.2) %.

January-December 2011

- Net sales totaled SEK 39,466m (41,669).
- Operating profit (EBIT) totaled SEK 1,571m (1,375).
- Net profit totaled SEK 1,225m (1,031).
- Operating margin (EBIT) was 4.0 (3.3) %.
- The Board proposes a dividend of SEK 368m (1,000).

Message from the CEO

PostNord reported satisfactory results for 2011 given the market situation. Net sales were down 3 percent for the fourth quarter and 5 percent for 2011. Market trends were met with the continued and successful cost adjustments and ongoing streamlining activities. We reduced our operating expenses by a total of SEK 2.2 billion during the year. The operating margin was 6 percent for the fourth quarter and 4 percent for the full year.

Group performance was strongly marked by domestic economic trends in the Nordic countries and by ongoing structural changes for mail operations with falling mail volumes. The sharp decline in mail volumes continued during the fourth quarter in Denmark, while the decrease in volumes has not yet been as dramatic in Sweden. Due to the growing number of available forms of communication and the prevalence of digitalization, we expect mail volumes to continue their sharp decline in coming years, in both Denmark and Sweden.

Despite improved results, underlying profitability is under pressure and there is a great need to restructure PostNord's operations in the next few years. The economic trend for 2012 is also subject to great uncertainty.

A cost reduction program was launched during the fall. The program will reduce the group's central administrative costs

by SEK 1 billion by the close of 2012. This will be achieved on top of cost reductions in the businesses.

A new corporate strategy for the group's development through 2015 was established, involving the repositioning of PostNord. We will implement major changes and make significant investments in production and infrastructure in the mail business to improve flexibility, efficiency and profitability. We will expand our logistics operation profitably – organically and through potential acquisitions – to further broaden our offer and take the position as Nordic market leader.

Implementation of the strategy means that our operating profit will be burdened with significant non-recurring restructuring costs in 2012 and 2013.

The changes that will be needed to adapt the operations to market trends will impact many people. They will also set us on a new and exciting path that we will travel along with our customers, and will open up new structures and business opportunities. The changes also improve our potential for growth and profitability and better enable us to deliver continued high levels of service and quality in accordance with the requirements under which we operate.

Lars Idermark

Financial overview and key ratios

SEKM, unless otherwise specified	Oct-Dec 2011	Oct-Dec 2010	Change		Jan-Dec 2011	Jan-Dec 2010	Change	
INCOME STATEMENT								
Net sales	10,528	10,871	-343	-3%	39,466	41,669	-2,203	-5%
Other income	68	75	-7	-9%	274	289	-15	-5%
Income	10,596	10,946	-350	-3%	39,740	41,958	-2,218	-5%
Operating expenses	-9,523	-10,296	773	-8%	-36,501	-38,672	2,171	-6%
Participations in the earnings of associated companies	-1		-1	na	-2	6	-8	>100%
Operating profit (EBITDA)	1,072	650	422	65%	3,237	3,292	-55	-2%
Depreciation and impairments	-427	-518	91	-18%	-1,666	-1,917	251	-13%
Operating profit (EBIT)	645	132	513	>100%	1,571	1,375	196	14%
Net financial items	8	-16	24	>100%	100	-27	127	>100%
Profit before tax	653	116	537	>100%	1,671	1,348	323	24%
Tax	-212	-55	-157	>100%	-446	-317	-129	41%
Net profit	441	61	380	>100%	1,225	1,031	194	19%
FINANCIAL POSITION								
Cash and cash equivalents, end of period	2,107	3,640	-1,533	-42%	2,107	3,640	-1,533	-42%
Equity, end of period	11,930	11,753	177	2%	11,930	11,753	177	2%
Net debt	578	-728	1,306	>100%	578	-728	1,306	>100%
Key ratios								
Operating margin (EBITDA), %	10.1	5.9			8.1	7.8		
Operating margin (EBITDA), excl. restructuring costs, %	9.1	8.8			8.4	8.6		
Operating margin (EBIT), %	6.1	1.2			4.0	3.3		
Operating margin (EBIT), excl. restructuring costs, %	5.1	4.7			4.2	4.2		
Earnings per share, SEK	0.22	0.03	0.19		0.61	0.51	0.10	
Net debt/EBITDA, times	0.18	-0.22	0.40		0.18	-0.22	0.40	
Equity-Assets ratio, end of period, %	47	46	1		47	46	1	
Return on equity, rolling 12-month, %	10	8			10	8		
Average number of employees	40,370	43,040	-2,670	-6%	41,714	44,060	-2,346	-5%

Highlights

On January 1, 2011 a new postal legislation was enacted in Denmark. The new law includes provisions on market liberalization and on securing the universal service obligation.

On March 1, 2011 Lars Idermark assumed the post of President and CEO, succeeding Lars G Nordström.

On April 1, 2011 Post Danmark A/S introduced a new, more differentiated pricing system for various franking formats. In connection with this, Post Danmark also introduced changes to improve accessibility for corporate customers, including the option of mailing non-priority items by dropping them directly in the mailbox. Post Danmark also launched Mobilporto, postage via text message, on April 1, 2011.

On April 15, 2011 Posten Norden AB's AGM was held. The AGM resolved, among other things, to distribute a dividend of SEK 1 bn and to reelect all board members. The AGM also adopted financial targets for the group and resolved to change the company's business name to PostNord AB, a change that was made effective as of May 17, 2011.

On May 18, 2011 Post Nord announced its signing of an agreement with Eek Holding AS for the cash acquisition of Eek Transport AS. Eek Transport is among the ten largest

suppliers of transport and logistics services in Norway. The acquisition was concluded on July 1, 2011.

On June 30, 2011 Post Nord announced its signing of an agreement with Nordstjernan Industrietveckling AB for the acquisition of Nils Hansson Logistics AB. The acquisition, finalized on September 1, 2011, complements PostNord with leading expertise in vehicle-based shipping.

On August 1, 2011. The Strålfors Identification Solutions division ceases to be included in Strålfors' financial statements as of this date due to the divestment of the business.

On August 30, 2011 PostNord announced that a special cost reduction program will reduce the group's administrative costs by approximately SEK 1 bn by the end of 2012. The group also announced its acquisition of the remaining shares in the logistics company Transportgruppen A/S, one of Denmark's largest national pallet and cargo distributors.

On September 30, 2011 Post Danmark A/S announced price increases in areas including B2C parcels and overseas letters and parcels, effective as of January 1, 2012.

On October 14, 2011 the Swedish Post and Telecom Agency (PTS) announced its decision on new licensing requirements for Posten AB. The new requirements took effect as of October 15, 2011.

On October 27, 2011 the group announced Posten AB's signing of a framework agreement with the Swedish state for letter and parcel delivery, valued at SEK 800m. The agreement supersedes a previous framework agreement.

On November 1, 2011 Mats Lönnqvist assumed the post of Executive Vice President and CFO at PostNord.

On December 9, 2011 PostNord announced the group's signing of an agreement for a SEK 2,000m five-year revolving credit facility.

On December 9, 2011 the group announced that PostNord was ranked among the top three companies by IPC, the International Post Corporation, in its ranking of qualitative climate efforts in the industry.

Subsequent events

On January 4, 2012 the group sold wholly-owned subsidiaries HIT Starintex BV in the Netherlands and HIT Belgium SA to Hellmann Worldwide Logistics GmbH & Co KG, as part of its strategy to focus on logistics flows to, from and within the Nordic region.

On January 16, 2012 Strålfors signed an agreement with Digitaliseringsstyrelsen in Denmark for the management of physical letters and electronic mail from the state, regional areas and municipalities. The agreement is for a four-year period and has an estimated value of DKK 500m.

On January 7, 2012 board member Richard Reinius resigns.

New corporate strategy

In 2011 PostNord adopted a new corporate strategy for the period up to 2015.

The strategy's first objective is continued compliance with the rationale of the Posten AB-Post Danmark A/S merger. The second objective is to increase the group's value through growth, improved profitability and the more efficient utilization of capital. Thirdly, the group will lay the groundwork for an IPO and will prepare for possible owner decisions in this regard. Finally, PostNord aims to create a more closely connected, coordinated and efficient group which, through improved operational management and governance, is able to take full advantage of its size and market position.

The strategy entails a repositioning of the group's operations in keeping with market changes. PostNord intends to:

- Invest in the restructuring of mail operations to meet the anticipated decrease in letter volume and to ensure profitability.
- Profitable expansion within logistics, organically and through potential acquisitions, to develop a position as the leading logistics company in the Nordic region.
- Develop and establish new businesses that support the mail operations, when there are synergies and clear potential for profitability.
- Maximize the value of Strålfors by improving profitability and growing in a number of key areas.

The strategy involves major changes to and restructuring of operations. Most of these efforts will be implemented in 2012 and 2013 and will entail substantial investments including non-recurring restructuring expenses that will impact the group's profit, chiefly in 2012.

The strategy entails substantial financing requirements for restructuring measures, investments and acquisitions. The group's investment requirements for production facilities total SEK 7-8 bn for the next three years. Financing will be made through the improvement of cash flows from operating activities, increased capital efficiency and increased debt.

Net sales and profit

Net sales

SEKm	Oct-Dec		Of which				Jan-Dec		Of which			
	2011	2010	Change	Structural ¹⁾	Currency	Price & volume	2011	2010	Change	Structural	Currency	Price & volume
Breve Danmark	2,455	2,724	-10%		-1%	-9%	9,347	10,882	-14%		-5%	-9%
Meddelande Sverige	4,130	4,189	-1%		0%	-1%	15,220	15,554	-2%		0%	-2%
Logistics	3,415	3,284	4%	4%	0%	-1%	12,450	12,423	0%	2%	-2%	0%
Strålfors	714	845	-16%	-16%	0%	0%	3,048	3,391	-10%	-6%	-2%	-1%
Other and eliminations	-186	-171					-599	-581				
PostNord Group	10,528	10,871	-3%	0%	0%	-3%	39,466	41,669	-5%	0%	-2%	-3%

Operating profit

SEKm	Oct-Dec		Change excl. structural & currency ¹⁾				Jan-Dec		Change excl. structural & currency ¹⁾			
	2011	2010	Change					2011	2010	Change		
Breve Danmark	148	60	88	>100%	14	9%	355	641	-286	-45%	-241	-37%
Meddelande Sverige	384	218	166	76%	-74	-24%	890	879	11	1%	-196	-20%
Logistics	130	61	69	>100%	-15	-11%	269	139	130	94%	42	20%
Strålfors	-3	-128	125	98%	23	46%	-76	-170	94	55%	-2	-3%
Other and eliminations	-14	-79	65		56		133	-114	247		216	
PostNord Group	645	132	513	>100%	4	1%	1,571	1,375	196	14%	-181	-10%

¹⁾ Structural refers to restructuring and the acquisition and divestment of operations

October-December 2011

PostNord's net sales totaled SEK 10,528m (10,871), down 3%. The decrease of net sales was primarily attributable to competition from digital alternatives to mail for the three businesses that receive revenues from the mail market, and to the weak Danish economy. Income was SEK 10,596m (10,946).

Expenses, including depreciation and impairment, fell 8% to SEK 9,950m (10,814). The change is primarily attributable to structural changes and the adjustment of costs to reduced letter volumes. Structural changes were mainly related to a net reversal of restructuring costs of SEK 103m. The reversal is mainly due to a change in direction concerning the adaptation of the service network for business area Meddelande Sverige. Last year's restructuring costs totaled SEK 385m.

Group operating profit improved to SEK 645m (132) and the operating margin increased to 6.1 (1.2) %.

Net financial items totaled SEK 8m (-16). The change was related to increased return on investments. Tax totaled SEK 212m (55).

Net profit totaled SEK 441m (61). Net earnings per share were SEK 0.22 (0.03).

Return on equity, rolling 12-month, was 10 (8) % after the quarter.

Breve Danmark

Net sales for business area Breve Danmark fell 10% to SEK 2,455m (2,724). The business area was affected by the continued weakness of the Danish economy and the extensive ongoing digitalization in the Danish market. All in all, letter volumes fell 12% during the quarter, on par with the previ-

ous quarters. Price increases implemented during the year by Breve Danmark had a positive impact on revenue of over 3%. Volumes for UDM, magazines and newspapers also fell during the quarter, chiefly due to increased competition for these services. Income was SEK 2,917 (3,163), including internal transactions.

Expenses fell 11% to SEK 2,766m (3,103). The reduction in expenses was primarily attributable to the adjustment of costs to lower volumes through ongoing streamlining activities within production and administration and to reduced costs for structural changes. Structural changes were chiefly comprised of costs for personnel cutbacks, which totaled SEK 9m (84). The average number of employees fell 12%.

Operating profit rose to SEK 148m (60) and the operating margin to 5.1 (1.9) %.

Meddelande Sverige

Net sales for business area Meddelande Sverige totaled SEK 4,130m (4,189), down 1%. Letter volumes continued to be affected by competition from digital alternatives, with an aggregate decline of 3% during the quarter. The Swedish advertising market grew during the quarter, and the business area won market share in UDM. E-commerce remained strong, with more Christmas shopping being done via the Internet. The number of mail items handled by Posten's partner outlets increased by over 4% during the quarter. Income was SEK 4,327m (4,380), including internal transactions.

Expenses fell 5% to SEK 3,943m (4,162). The reduction in expenses was primarily attributable to reversed restructuring provisions of SEK 146m net. The reversal was mainly due to a change of direction regarding adaptation of the service net-

work. Last year's restructuring costs totaled SEK 94m. The quarter was burdened with increased expenses for early retirement pensions. Despite this, personnel expenses were down 2% due to lower volumes and ongoing streamlining activities. The average number of employees was down 5%. Transport expenses increased due to higher fuel prices.

Operating profit rose to SEK 384m (218) and the operating margin was 8.9 (5.0) %.

Logistics

Net sales for business area Logistics rose 4% to SEK 3,415m (3,284). The increase was attributable to the acquisition of companies in Sweden and Norway during the year. Prices and volumes decreased 1% during the quarter; the change was related to lower volumes in the Danish market, which continues to be characterized by tough competition, price pressure and the weak Danish economy. Sales were up for the Norwegian logistics operations, and sales for the Swedish operations were on par with last year. Income was SEK 3,769m (3,617), including internal transactions.

Expenses were up 2% to SEK 3,639m (3,556). The increase is primarily attributable to completed acquisitions. Reversed restructuring provisions reduced expenses by SEK 15m. Last year was burdened with restructuring costs of SEK 73m.

Operating profit rose to SEK 130m (61) and the operating margin was 3.5 (1.7) %.

Strålfors

Net sales for Strålfors were down 16%, to SEK 714m (845). The change was attributable to the divestment of the Strålfors Identification Solutions division. Adjusted for structural effects, net sales were unchanged. New business volumes, chiefly in the Nordic region, compensated for the negative effects of digitalization. Income was SEK 732m (853), including internal transactions.

Expenses fell 25% to SEK 737m (981). The reduction was primarily attributable to the divestment of the Strålfors Identification Solutions division. Last year was also burdened with restructuring costs of SEK 77m. Excluding structural and currency changes, costs were down 2% due to ongoing streamlining activities.

Operating profit improved to SEK -3m (-128).

January-December 2011

Net sales totaled SEK 39,466m (41,669), down 5%. The decrease was primarily attributable to competition from digital alternatives and the weak Danish economy. Income was SEK 39,740m (41,958).

Expenses, including depreciation and impairment, fell 6% to SEK 38,167m (40,589). The change was primarily due to the adjustment of costs to reduced volumes and was mainly attributable to lower personnel expenses following a 5% reduction in the average number of employees and to structural changes. Structural changes related to restructuring costs of SEK 88m (407).

Operating profit improved to SEK 1,571m (1,375) and the operating margin to 4.0 (3.3) %. The effect of the acquisition and divestment of operations totaled SEK 94m, SEK 81m of which was capital gain.

Net financial items totaled SEK 100m (-27). The change was attributable to higher returns on investments. Tax totaled SEK 446m (317).

Net profit totaled SEK 1,225m (1,031). Net earnings per share were SEK 0.61 (0.51).

Breve Danmark

Net sales for business area Breve Danmark fell 14% to SEK 9,347m (10,882). The business area was impacted by the weak Danish economy and the extensive ongoing digitalization in the Danish market. Letter volumes fell a total of 12% during the year. The price increases implemented during the year by Breve Danmark had a positive impact on revenue of close to 3%. Volumes for UDM, magazine mail and newspapers also fell, chiefly due to increased competition for these services. Breve Danmark's work includes efforts aimed at strengthening sales to small and medium-sized corporate customers and developing profitable new business within facility services. Income was SEK 11,032m (12,698) and included internal transactions.

Expenses fell 12% to SEK 10,670m (12,057). The decrease was primarily attributable to adjustments made to reduced volumes through ongoing streamlining activities within production and administration. The average number of employees fell 9% during the year.

Operating profit fell to SEK 355m (641) and the operating margin to 3.2 (5.0) %.

Meddelande Sverige

Net sales for business area Meddelande Sverige fell 2% to SEK 15,220m (15,554). Letter volumes were negatively impacted by competition from digital alternatives and fell over 3% during the year. The advertising market in Sweden was relatively strong during 2011. UDM volumes were on par with last year. The business area continued its efforts to promote physical mail as a communication channel and is also developing new digital interfaces towards customers and further developing its partner outlet network. Income was SEK 15,951m (16,265) and included internal transactions.

Expenses were down 2% to SEK 15,061m (15,386). The reduction in expenses was primarily attributable to reversed restructuring provisions of SEK 114m net. Last year's restructuring expenses totaled SEK 94m. Personnel expenses were down 2% due to adjustments to reduced volumes and ongoing streamlining activities. The average number of employees fell 4% during the year. Transport expenses increased due to higher fuel prices.

Operating profit rose to SEK 890m (879) and the operating margin to 5.6 (5.4) %.

Logistics

Net sales for business area Logistics rose somewhat, to SEK 12,450m (12,423). Sales within the Norwegian logistics operations increased, and sales for the Swedish operations were on par with last year. The Danish logistics market continues to be characterized by tough competition, price pressure and the weak economic trend in Denmark; this resulted in reduced business volumes for the Danish logistics operations. Income was SEK 13,767m (13,722) and included internal transactions.

Expenses were down 1%, to SEK 13,498m (13,583). Reversed restructuring provisions reduced expenses by SEK 15m. Last year was burdened with restructuring costs of SEK 70m.

Operating profit increased to SEK 269m (139) and the operating margin to 2.0 (1.0) %.

Strålfors

Net sales for Strålfors fell 10% to SEK 3,048m (3,391). The change is attributable to the divestment of the Strålfors Identification Solutions division. Excluding structural and currency changes, net sales fell 1% due to the effects of increased digitalization. Income was SEK 3,066m (3,419) and included internal transactions.

Expenses fell 12% to SEK 3,147m (3,595). The decrease was primarily attributable to the divestment of the Strålfors Identification Solutions division. Last year was also burdened with restructuring costs of SEK 77m. Excluding structural and currency changes, costs fell 2% due to ongoing streamlining activities.

Operating profit improved to SEK -76m (-170).

Cash flows

October-December 2011

Cash flows from operating activities increased to SEK 1,324m (959). The increase was attributable to an improved profit before tax. The liquidity effect as regards pensions totaled SEK -378m (-247). Capitalization of SEK -115m (-555) was made during the period and SEK 0m (572) of contributions were received. PostNord received a SEK 114m premium discount from Posten's insurance association.

Cash flows from investing activities totaled SEK -908m (-497). Investments in tangible fixed assets totaled SEK 829m (413). Investments were primarily made in production vehicles, transport and sorting equipment and facilities in connection with the establishment of the new terminals in Hallsberg and Rosersberg in Sweden. Investments in intangible fixed assets totaled SEK 65m (88) and were primarily attributable to the capitalization of development expenditures for the integration of joint IT solutions.

Cash flows from financing activities totaled SEK -61m (-241). The change was attributable to interest-bearing liabilities.

Cash and cash equivalents totaled SEK 2,107m, up SEK 349m from September 30, 2011.

January-December 2011

In 2011, cash flows from operating activities totaled SEK 1,634m (1,824). The liquidity effect as regards pensions totaled SEK -1,170m (-1,036). Posten's Pension Fund administers pension commitments for Posten AB, Posten Meddelande AB and Posten Logistik AB. The company safeguards new pension commitments in the fund and receives compensation for pension payments. Capitalization of SEK -366m (-854) occurred during the period and compensation of SEK 251m (871) was received. There is a continued risk that there will be low or no compensation from the Pension Fund in 2012 due to uncertainties in the financial markets. PostNord received a SEK 114m premium discount from Posten's insurance association.

Cash flows from investing activities totaled SEK -1,813m (-1,199). Investments in tangible fixed assets totaled SEK 1,670m (1,050). Investments were primarily made in production vehicles, transport and sorting equipment and facilities in connection with the establishment of the new terminals in Hallsberg and Rosersberg in Sweden. Investments were made in, among other things, adapting Swedish mail operations to reduced mail volumes. Investments in intangible fixed assets totaled SEK 276m (222) and were primarily attributable to the capitalization of development expenditures for the integration of joint IT solutions.

The net liquidity effect of acquisitions of subsidiaries and associated companies totaled SEK -352m (0). The acquisitions were primarily of land and buildings for new terminals and acquisitions to strengthen market position within logistics services. The liquidity effect of divestment of subsidiaries totaled SEK 185m (0).

Cash flows from financing activities totaled SEK -1,353m (-1,782). Dividends of SEK 1,000m (1,440) and SEK 4m (3) were distributed to parent company owners and minority shareholders, respectively, in 2011.

Cash and cash equivalents totaled SEK 2,107, down SEK 1,533m from December 31, 2010.

As of December 31, 2011, the group had unutilized tax losses of approximately SEK 1,000m. This may improve cash flows in coming periods.

Stable cash flows

Despite declining volumes and a weak market trend, the group shows a generally strong underlying cash flow. Structural investments in the mail operations will continue to affect cash flows going forward. The logistics operations will grow organically and through acquisitions, leading to an increase in capital requirements. Underlying cash flows, however, are expected to remain stable moving forward.

Financial position

Strong financial preparedness

Group equity as of December 31, 2011 totaled SEK 2,107m. The parent company signed an agreement in December 2011 for a confirmed credit facility totaling SEK 2,000m, for the purpose of strengthening the group's financial preparedness. The group's overall financial preparedness totals SEK 4,107m, corresponding to 10% of the group's 2011 net sales.

Interest-bearing liabilities

The remaining MTNs (Medium Term Notes) fell due during the year. In conjunction with the redemption of the MTNs, Post Danmark A/S's MTN program was terminated. Remaining interest-bearing liabilities are primarily comprised of Danish real estate financing of long duration.

Stable asset base and low net debt

The group holds a strong financial position and has a strong asset base, with an equity-assets ratio of 47% as of December 31, 2011. The group target is an equity-assets ratio of 35%.

Consolidated net debt totaled SEK 578m. The net debt /EBITDA ratio was 0.18.

Consolidated net financial position

SEKm	Dec 31, 2011	Dec 31, 2010
Cash and cash equivalents	2,107	3,640
Interest-bearing liabilities	1,098	1,454
Pension provisions	1,587	1,458
Net debt	578	-728

2012 outlook

PostNord anticipates continued strong volume decreases for mail in Denmark and Sweden due to competition from digital alternatives. PostNord's assessment for 2012 is that mail volumes in Sweden will fall approximately 5% and that mail volumes in Denmark will follow the 2011 trend (i.e., fall approximately 12%). The economic trend for the coming year is highly uncertain. The group expects continued growth in the Nordic logistics market.

PostNord's strategy includes major cost reduction adjustments and significant investments in mail operation production facilities to improve flexibility, efficiency and profitability. This also includes the profitable expansion of the logistics operations, organically and through acquisitions. Following implementation of the corporate strategy, group operating profit will be burdened with significant non-recurring restructuring costs in 2012.

Parent company

The parent company, which changed its name to PostNord as of May 17, 2011, ran a very limited operation and had only two employees as of December 31, 2011: the President/CEO and the group CFO. The current President and CEO took office on March 1, 2011; the CFO did so on November 1, 2011. No net sales were reported during the year. Operating expenses totaled SEK 11m (4) for the quarter and SEK 29m (18) for the full year. Financial items totaled SEK 5m (1,001) for the quarter and SEK 1,007m (958) for the full year. Profit before tax totaled SEK -7m (997) for the quarter and SEK 990m (940) for the full year; profit after tax totaled SEK -7m (1,017) and SEK 990m (956) for the corresponding periods. No cash and cash equivalents were reported and no investments were made in tangible fixed assets.

Proposed dividend

The Board proposes a dividend of SEK 368m (1,000).

Risks and uncertainties for the group and the parent company

2011 was characterized by continued weak economic development in many countries, including Nordic countries. Economic trends have a significant impact on PostNord's earning capacity.

The communications market is characterized by the increasing substitution of digital alternatives to mail. In Denmark, coordinated community initiatives to increase digitalization are extremely widespread and this trend is expected to increase in coming years. A similar development is predicted in Sweden. Substitution imposes additional requirements on PostNord's ability to adjust its production and administration to market demand.

In early May 2011 the Swedish Competition Authority conducted an on-site inspection of Posten Meddelande AB. The Competition Authority's inquiry is still underway.

In May 2011, Bring Citymail Denmark A/S, owned by the Norwegian state-owned Posten Norge, sued Post Danmark A/S in Copenhagen District Court. The case has since been referred to the Maritime and Commercial Court upon Post Danmark's request. In its complaint, Bring Citymail Denmark alleges that it suffered losses of volume and revenue stemming from Post Danmark's violation of anti-trust regulations.

For additional information on the group's risks, risk exposure and risk management, please see PostNord's Annual Report.

Stockholm, February 23, 2012

PostNord AB (Publ)

Lars Idermark

President and Chief Executive Officer

This report has not been audited

Financial calendar

2011 annual report and sustainability report available on www.postnord.com	March 15, 2012
Annual general meeting	April 20, 2012
Interim report, January-March 2012	May 10, 2012
Interim report, January-June 2012	August 29, 2012
Interim report, January-September 2012	November 7, 2012

2012 annual general meeting

The AGM will be held at 11 AM CET on April 20, 2012 at PostNord's head office, Terminalvägen 24, Solna, Sweden. Information about the AGM will be provided on www.postnord.com.

Contact information

Chief Financial Officer and Executive Vice President

Mats Lönnqvist, +46 8 781 17 11

Director of Corporate Communications

Per Mossberg, +46 8 781 11 94

Vice President, Investor Relations

Oscar Hyléen, +46 8 781 14 93

ir@posten.se

Sweden

Mailing address: 105 00 Stockholm

Visiting address: Terminalvägen 24, Solna

Telephone: +46 8 781 10 00

Denmark

Mailing and visiting adress:

Tietgensgade 37, 1566 Copenhagen V

Telephone: +45 33 61 00 00

www.postnord.com

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

Consolidated financial statements

Income statement

SEKm	Note	Oct-Dec 2011	Oct-Dec 2010	Change	Jan-Dec 2011	Jan-Dec 2010	Change
	1, 2						
Net sales		10,528	10,871	-3%	39,466	41,669	-5%
Other income		68	75	-9%	274	289	-5%
Income	3	10,596	10,946	-3%	39,740	41,958	-5%
Personnel expenses	4	-5,003	-5,251	-5%	-19,110	-20,551	-7%
Transport expenses		-2,034	-1,895	7%	-7,540	-7,384	2%
Other expenses	5	-2,486	-3,150	-21%	-9,851	-10,737	-8%
Depreciation and impairments		-427	-518	-18%	-1,666	-1,917	-13%
Expenses		-9,950	-10,814	-8%	-38,167	-40,589	-6%
Participations in the earnings of associated companies		-1			-2	6	na
OPERATING PROFIT		645	132	na	1,571	1,375	14%
Financial income		162	38	na	367	174	na
Financial expenses		-154	-54	na	-267	-201	33%
Net financial items		8	-16	na	100	-27	na
Profit before tax		653	116	na	1,671	1,348	24%
Tax		-212	-55	na	-446	-317	41%
NET PROFIT		441	61	na	1,225	1,031	19%
Attributable to							
Parent company shareholders		441	64	na	1,223	1,030	19%
Minority interests		0	-3		2	1	
Earnings per share, SEK		0.22	0.03	na	0.61	0.51	20%

Comprehensive income statement

SEKm	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
Net profit	441	61	1,225	1,031
Other comprehensive income for the period				
Translation differences ¹⁾	-237	-104	-44	-1,174
COMPREHENSIVE INCOME	204	-43	1,181	-143
Attributable to				
Parent company shareholders	210	-39	1,185	-138
Minority interests	-6	-4	-4	-5

¹⁾ Translation differences refer to translation of the group's equity into foreign currencies.

Statement of cash flows

SEKm	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
OPERATING ACTIVITIES				
Profit before tax	653	116	1,671	1,348
Adjustments for non-cash items:				
Reversal of depreciation and impairments	427	518	1,666	1,917
Profit from sale of subsidiaries	1		-102	
Capital gain/loss on sale of fixed assets	123	13	131	55
Pension provisions	279	464	324	842
Other provisions	-361	-38	-352	-367
Other items not affecting liquidity	-2	-4	-9	-19
Pensions, net liquidity effect	-378	-247	-1,170	-1,036
Other provisions, liquidity effect	-37	-30	-112	-104
Tax paid	327	40	-71	-335
Cash flows from operating activities before changes in working capital	1,032	832	1,976	2,301
Cash flows from changes in working capital				
Increase(-)/decrease(+) in inventories	46	12	57	24
Increase(-)/decrease(+) in accounts receivable	-58	44	-7	233
Increase(-)/decrease(+) in other trade accounts receivable	-73	132	-454	360
Increase(+)/decrease(-) in accounts payable	323	272	123	96
Increase(+)/decrease(-) in other operating liabilities	-86	-391	-73	-1,307
Other changes in working capital	140	58	12	117
Changes in working capital	292	127	-342	-477
Cash flows from operating activities	1,324	959	1,634	1,824
INVESTING ACTIVITIES				
Purchase of tangible fixed assets	-829	-413	-1,670	-1,050
Sale of tangible fixed assets	36	8	241	53
Capitalized development expenditures	-37	-111	-180	-184
Purchase of intangible assets	-28	23	-96	-38
Sale of intangible assets	-7	2	4	4
Acquisition of subsidiary, net liquidity effect	-51		-344	
Acquisition of associated company, net liquidity effect			-8	
Sale of subsidiary, net liquidity effect	-11		185	
Purchase of financial assets	5	-5	-11	-5
Sale of financial assets	14	-1	66	21
Cash flows from investing activities	-908	-497	-1,813	-1,199
FINANCING ACTIVITIES				
Amortized loans	10	-123	-331	-123
Amortized finance leasing liabilities	-11	-26	-37	-110
Dividend paid to parent company's owner			-1,000	-1,440
Dividend paid to minority interests			-4	-3
Buy-back, minority Post Danmark A/S				-19
Increase(+)/decrease(-) in other interest-bearing liabilities	-60	-92	19	-87
Cash flows from financing activities	-61	-241	-1,353	-1,782
CASH FLOWS FOR THE PERIOD	355	221	-1,532	-1,157
Cash and cash equivalents, beginning of period	1,758	3,425	3,640	4,852
Translation difference in cash and cash equivalents	-6	-6	-1	-55
Cash and cash equivalents, end of period	2,107	3,640	2,107	3,640

Balance sheets

SEKm	Note	Dec 31, 2011	Dec 31, 2010
	1, 2		
ASSETS			
Goodwill		2,830	2,806
Other intangible assets		1,483	1,493
Tangible fixed assets		7,924	7,868
Participations in associated companies and joint ventures		88	95
Financial investments		182	155
Long-term receivables	6	3,990	2,996
Deferred tax assets		145	136
Total fixed assets		16,642	15,549
Inventories		218	275
Tax assets		168	338
Accounts receivable		4,370	4,262
Prepaid expenses and accrued income		1,205	1,266
Other receivables		544	453
Short-term investments		1	
Cash and cash equivalents		2,107	3,640
Assets held for sale	12	155	
Total current assets		8,768	10,234
TOTAL ASSETS		25,410	25,783
EQUITY AND LIABILITIES			
EQUITY			
Capital stock		2,000	2,000
Other contributed equity		9,954	9,954
Reserves		-1,552	-1,512
Retained earnings		1,525	1,302
Total equity attributable to parent company shareholders		11,927	11,744
Minority interests		3	9
TOTAL EQUITY		11,930	11,753
LIABILITIES			
Long-term interest-bearing liabilities		985	1,047
Other long-term liabilities		55	68
Pension provisions		1,587	1,458
Other provisions	7	1,403	1,703
Deferred tax liabilities		1,158	797
Total long-term liabilities		5,188	5,073
Current interest-bearing liabilities		113	407
Accounts payable		2,130	1,992
Tax liabilities		41	162
Other current liabilities		1,578	1,593
Accrued expenses and prepaid income	8	4,079	4,288
Other provisions	7	351	515
Total current liabilities		8,292	8,957
TOTAL LIABILITIES		13,480	14,030
TOTAL EQUITY AND LIABILITIES		25,410	25,783

For information on pledged assets and contingent liabilities, see Note 9.

Statement of changes in equity

SEKm	Equity attributable to parent company shareholders					Minority interests	Total equity
	Capital stock ¹⁾	Other contributed equity	Currency translation reserve	Retained earnings	Total		
Beginning balance as of 01-01-2010	2,000	9,898	-343	1,712	13,267	91	13,358
Net profit				1,030	1,030	1	1,031
Other comprehensive profit for the period ³⁾			-1,169		-1,169	-5	-1,174
Redemption of Post Danmark A/S shares		56			56	-75	-19
Dividend ²⁾				-1,440	-1,440	-3	-1,443
Ending balance as of 12-31-2010	2,000	9,954	-1,512	1,302	11,744	9	11,753
Beginning balance as of 01-01-2011	2,000	9,954	-1,512	1,302	11,744	9	11,753
Dividend ²⁾				-1,000	-1,000	-4	-1,004
Net profit				1,223	1,223	2	1,225
Other comprehensive income for the period ³⁾			-40		-40	-4	-44
Ending balance as of 12-31-2011	2,000	9,954	-1,552	1,525	11,927	3	11,930

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 1,000m (1,440), representing SEK 0.50 (0.72) per share, was distributed by the parent company to the owners; Svensk Adressändring AB and Adresspoint AB distributed a dividend of SEK 4 m (3) to minority interests.

³⁾ Refers to translation differences in group equity.

Notes

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. 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.

Consolidated financial statements

The group's interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and with additional rules from the Annual Accounts Act. The same accounting principles and methods of calculation were used in this interim report as in the 2010 Annual Report, taking into account changes described below.

Changes in accounting principles

Accounting principles that came into effect in 2011

IAS 24, Related Party Disclosures. Amendment stipulates that transactions between state-owned companies are not automatically considered to be related party transactions. The company's disclosures to date are limited to transactions with the government of a non-commercial nature, meaning that related party transactions have included specific mandates from the state and licenses from authorities. The amendments to the standard have not had any effect on PostNord's related party disclosure.

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 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 would be used in such case to safeguard benefits. The change has no effect on the company's reporting.

IAS 34, Interim Financial Reporting. Clarifies disclosure requirements and adds disclosure requirements for, e.g., fair value and classification of financial instruments and changes to contingent liabilities. The change has had no effect on the company's interim reporting.

Future changes in accounting principles that take effect in 2012 or later, following EU approval

IAS 19, Employee Benefits. The "corridor method" will be removed under the amendment. Actuarial gains and losses that are currently not reported to the extent that they are not amortized during the coming year will be reported in "other comprehensive income". The new regulations also stipulate that reporting of plan assets for pension benefits shall be based on the discount rate used to calculate pension commitments. The difference between actual return and estimated return shall be reported in "other comprehensive income". The change affects the group's "operating profit" (EBIT), as amortization of actuarial gains and losses will no longer be reported as part of personnel expenses. In the current situation, with unreported actuarial losses, the change will have a positive effect on "operating profit". Net financial items will be adversely affected as compared to current reporting, as the presumed return is and has been 1 percentage point over the discount rate. The impact on equity and other comprehensive income will produce major fluctuations due primarily to varying

discount rates between reporting periods. The change will apply as of January 1, 2013.

IFRS 9, Financial Instruments, will replace the current IAS 39. To be applied no later than January 1, 2015. Under the changes, current valuation categories will be replaced by two valuation principles: fair value and amortized cost. Classification and valuation principle will be determined by the company's objectives and conditions. The changes also mean that impairment of receivables will be based on anticipated losses and collectability, and that the amortized costs of such financial assets will directly be reduced. Changes with regard to hedge accounting have been so amended that the criteria for applying hedge accounting are eased somewhat and clarify that net accounting of financial assets and liabilities can be done as prescribed by law.

IFRS 10, Consolidated Financial Statements, is a new standard for consolidated financial statements to be applied as of January 1, 2013.

IFRS 12, Disclosure of Interests in Other Entities, is a new standard for information on investments in subsidiaries, joint ventures and associated companies to be applied as of January 1, 2013. The standard includes increased requirements for information concerning risks associated with investments in the above, as well as description of the consequences of changes of ownership and degree of control.

IFRS 13, Fair Measurements, is a new standard to establish uniform principles for ways in which fair value measurements should be conducted. It clarifies and describes the valuation methods' precedence and validity for fair value and shall be applied as of January 1, 2013.

IAS 1, Presentation of Financial Statements. Amended so that "other comprehensive income" items are divided into two categories: items that will be reclassified as net profit and items that will not be classified. Items to be reclassified include translation differences and gains and losses for cash flow hedges, while items such as actuarial gains and losses and revaluations of applications of revaluation methods for intangible and tangible assets will not be reclassified. The amendment shall be applied to the financial year beginning July 1, 2012, which is January 1, 2013 for PostNord.

Changes in other forthcoming standards have not been applicable to the company's or the group'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, 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 group management considers reasonable under the current cir-

cumstances. 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 PostNord have been made in the areas described below.

Provision for stamps sold but unutilized

PostNord'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 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 sales 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 PostNord'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 PostNord'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 -188/+166m. 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 -159/+138m for inflation and SEK -62/+49m for wage increases.

Provisions

In its conversion into a corporation in Sweden in 1994, PostNord 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 15-23m.

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 PostNord 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

The group is organized into business operations based on the manner in which the group is governed and activities are reported to group management. Market pricing applies to internal dealings between business units. 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.

Breve Danmark (Mail) is the leading supplier of distribution solutions in 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 in 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.

Logistics is a leader in the Nordic logistics market and offers a Nordic-wide distribution network. 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.

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

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 operations. Cost allocations are taken up as income in Other and Eliminations under Other Operating Income, Internal. Within the business operations, cost allocations are taken up as expense under Other Expenses.

2011 Oct-Dec	Breve Meddelande				Other and	PostNord
SEKm	Danmark	Sverige	Logistics	Strålfors	eliminations	Group
Net sales, external	2,373	4,100	3,369	685	1	10,528
Net sales, internal	82	30	46	29	-187	0
Net sales	2,455	4,130	3,415	714	-186	10,528
Other income, external	1	17	12	18	20	68
Other income, internal	461	180	342	0	-983	0
Total income	2,917	4,327	3,769	732	-1,149	10,596
Personnel expenses	-1,602	-2,036	-847	-247	-271	-5,003
Transport expenses	-177	-708	-1,526	-31	408	-2,034
Other expenses	-889	-1,149	-1,172	-409	1,133	-2,486
Depreciation and impairments	-98	-50	-94	-50	-135	-427
Total expenses	-2,766	-3,943	-3,639	-737	1,135	-9,950
Participations in the earnings of associated companies and joint ventures	-3			2		-1
OPERATING PROFIT	148	384	130	-3	-14	645
Net financial items						8
Profit before tax						653
Tax						-212
Net profit						441
Assets	8,679	6,745	7,036	2,786	164	25,410
Liabilities	4,260	4,511	3,351	1,594	-236	13,480
Investments in fixed assets	191	59	248	46	345	889

2010 Oct-Dec	Breve Meddelande				Other and	PostNord
SEKm	Danmark	Sverige	Logistics	Strålfors	eliminations	Group
Net sales, external	2,631	4,158	3,253	826	3	10,871
Net sales, internal	93	31	31	19	-174	0
Net sales	2,724	4,189	3,284	845	-171	10,871
Other income, external	-4	14	6	8	51	75
Other income, internal	443	177	327		-947	0
Total income	3,163	4,380	3,617	853	-1,067	10,946
Personnel expenses	-1,749	-2,068	-809	-286	-339	-5,251
Transport expenses	-173	-680	-1,399	-30	387	-1,895
Other expenses	-1,078	-1,366	-1,276	-513	1,083	-3,150
Depreciation and impairments	-103	-48	-72	-152	-143	-518
Total expenses	-3,103	-4,162	-3,556	-981	988	-10,814
Participations in the earnings of associated companies and joint ventures						
OPERATING PROFIT	60	218	61	-128	-79	132
Net financial items						-16
Profit before tax						116
Tax						-55
Net profit						61
Assets	10,153	7,102	6,200	3,206	-878	25,783
Liabilities	4,756	5,376	2,947	1,795	-844	14,030
Investments in fixed assets	156	66	108	51	125	506

2011 Jan-Dec SEKm	Breve Danmark	Meddelande Sverige	Logistics	Strålfors	Other and eliminations	PostNord Group
Net sales, external	9,068	15,103	12,309	2,982	4	39,466
Net sales, internal	279	117	141	66	-603	0
Net sales	9,347	15,220	12,450	3,048	-599	39,466
Other income, external	3	67	36	18	150	274
Other income, internal	1,682	664	1,281		-3,627	0
Total income	11,032	15,951	13,767	3,066	-4,076	39,740
Personnel expenses	-6,332	-7,831	-3,158	-1,070	-719	-19,110
Transport expenses	-642	-2,675	-5,636	-98	1,511	-7,540
Other expenses	-3,303	-4,356	-4,392	-1,739	3,939	-9,851
Depreciation and impairments	-393	-199	-312	-240	-522	-1,666
Total expenses	-10,670	-15,061	-13,498	-3,147	4,209	-38,167
Participations in the earnings of associated companies and joint ventures	-7			5		-2
OPERATING PROFIT	355	890	269	-76	133	1,571
Net financial items						100
Profit before tax						1,671
Tax						-446
Net profit						1,225
Assets	8,679	6,745	7,036	2,786	164	25,410
Liabilities	4,260	4,511	3,351	1,594	-236	13,480
Investments in fixed assets	519	273	368	156	641	1,957

2010 Jan-Dec SEKm	Breve Danmark	Meddelande Sverige	Logistics	Strålfors	Other and eliminations	PostNord Group
Net sales, external	10,581	15,433	12,307	3,339	9	41,669
Net sales, internal	301	121	116	52	-590	0
Net sales	10,882	15,554	12,423	3,391	-581	41,669
Other income, external	-9	64	25	28	181	289
Other income, internal	1,825	647	1,274		-3,746	0
Total income	12,698	16,265	13,722	3,419	-4,146	41,958
Personnel expenses	-7,250	-8,007	-3,093	-1,166	-1,035	-20,551
Transport expenses	-679	-2,609	-5,496	-113	1,513	-7,384
Other expenses	-3,685	-4,576	-4,700	-1,934	4,158	-10,737
Depreciation and impairments	-443	-194	-294	-382	-604	-1,917
Total expenses	-12,057	-15,386	-13,583	-3,595	4,032	-40,589
Participations in the earnings of associated companies and joint ventures				6		6
OPERATING PROFIT	641	879	139	-170	-114	1,375
Net financial items						-27
Profit before tax						1,348
Tax						-317
Net profit						1,031
Assets	10,153	7,102	6,200	3,206	-878	25,783
Liabilities	4,756	5,376	2,947	1,795	-844	14,030
Investments in fixed assets	519	122	183	169	284	1,277

Note 4 Personnel expenses

SEKm	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
Personnel expenses				
Wages, salaries and other compensation	3,872	4,060	14,792	15,780
Statutory social security contributions	665	695	2,532	2,648
Pension expenses	423	550	1,641	2,032
Other personnel expenses	43	-54	145	91
Total	5,003	5,251	19,110	20,551
Specification of pension expenses				
Cost of retirement pensions ¹⁾	324	466	1,454	1,852
Net cost of early retirement pensions	99	84	187	180
<i>of which, gross cost of early retirement pensions</i>	<i>144</i>	<i>111</i>	<i>294</i>	<i>319</i>
<i>of which, release of provisions for early retirement pensions</i>	<i>-45</i>	<i>-28</i>	<i>-107</i>	<i>-139</i>
Total	423	550	1,641	2,032
Average number of employees	40,370	43,040	41,714	44,060

¹⁾ Cost of retirement pensions include an amortization effect of actuarial gains and losses totalling SEK 4m (-33) for the period Oct-Dec and SEK 16m (-132) for the period Jan-Dec.

Note 5 Other expenses

SEKm	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
Cost of premises	535	578	2,134	2,236
Provisions ¹⁾	-123	302	68	323
Terminal fees	279	252	1,051	1,072
Cost of goods and materials	282	415	1,279	1,617
Purchased IT resources	394	464	1,524	1,463
Capitalized development expenditures, IT	-138	-65	-236	-138
Other	1,257	1,204	4,031	4,164
Total	2,486	3,150	9,851	10,737

¹⁾ Reversal of provisions during the fourth quarter were primarily attributable to a change of direction with respect to adaptation of the service network within business area Meddelande. Of the total amount of SEK 68m, SEK 269m is attributable to provisions and SEK -201m to reversals for unutilized provisions. See also Note 7, Other Provisions, footnote 1, page 19.

Note 6 Long-term receivables

SEKm	Dec 31, 2011	Dec 31, 2010
Carrying amount related to funded defined benefit retirement and early retirement pension plans appraised in accordance with IAS 19	2,960	2,266
Carrying amount related to funded defined benefit disability pension plans appraised in accordance with IAS 19	313	260
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	833	601
Payroll tax health insurance	-139	-144
Deposits, property leases	23	13
Other		
Total	3,990	2,996

Note 7 Other provisions

2011 Jan-Dec SEKm	Beginning balance	Provisions	Reversals	Utilizations	Translation effects	Ending balance
Restructuring activities						
Personnel reductions, primarily early retirements	800	269 ¹⁾	-181 ¹⁾	-458 ²⁾	5	435
Other closure costs	52		-1 ¹⁾	-16 ²⁾		35
Future conditional pension benefits						
Payroll tax	207		-11 ⁴⁾			196
Future conditional pension benefits under IAS 19	848	53 ⁴⁾	-94 ⁴⁾			807
Other						
Job-related injuries	58	3 ⁴⁾		-13 ²⁾		48
Pension adjustments in relation to the Danish state	39	67 ⁴⁾		-61 ²⁾	4	49
Provision, commemorative awards	162	17 ⁴⁾		-21 ²⁾	13	171
Other provisions	52	5	-19 ¹⁾	-27 ²⁾	2	13
Total	2,218	414	-306	-596	24 ³⁾	1,754
Of which, current provisions	515					351

¹⁾ Impact on earnings: SEK 68m, of which SEK 269m is attributable to provisions and SEK -201m to reversals chiefly attributable to personnel reductions. See also Note 5, Other Expenses, page 18.

²⁾ Change in other income statement items totals SEK -596m, SEK -553m of which is attributable to personnel expenses.

³⁾ Refers to discount effects and translation differences with respect to currency effects.

⁴⁾ The effect of provisions and reversals is reported as personnel expenses.

2010 Jan-Dec SEKm	Beginning balance	Reclassi- fication 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	-44 ⁴⁾	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 5, Other Expenses, page 18.

²⁾ Change in other income statement items totals SEK -694m, SEK -622 of which is attributable to personnel expenses.

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

⁴⁾ Refers to discount effects and translation differences regarding currency effects.

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.

Note 8 Accrued expenses and deferred income

SEKm	Dec 31, 2011	Dec 31, 2010
Provisions for sold, unutilized stamps	405	355
Accrued payroll expenses	514	585
Vacation pay liability	1,550	1,679
Special payroll tax on pension expenses	9	6
Social security contributions	559	648
Terminal fees	439	418
Finance leasing	9	18
Forward currency contracts	23	23
Other items	571	556
Total	4,079	4,288

Note 9 Pledged assets and contingent liabilities

SEKm	Dec 31, 2011	Dec 31, 2010
Assets pledged for own liabilities		
Real estate mortgages	800	804
Endowment insurance policy for current and former employees	0 ¹⁾	137
Assets pledged as securities	8	16
Total	808	957
Contingent liabilities		
Guarantee commitment, PRI	90	91
Other guarantees	40	20
Total	130	111

¹⁾ Previous values have been adjusted due to an earlier overly conservative assessment.

Disputes

PostNord operates extensive national and international businesses and is involved in disputes and lawsuits from time to time arising from its business operations. Except as set forth below, it is not anticipated that these disputes and lawsuits, either individually or collectively, will have a materially adverse effect on PostNord's earnings, profitability or financial position.

Discriminatory pricing

Østre Landsret ruled against Post Danmark A/S 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 Post Danmark A/S. The claim for compensation of DKK 90m is contested in its entirety by Post Danmark A/S.

Lawsuit brought by competitor

A lawsuit alleging abuse of dominant position was brought against Post Danmark A/S by a competitor during the year. Following Post Danmark A/S's appeal to the Danish Competition Appeals Tribunal, the Danish Competition Council is readdressing the matter.

Note 10 Related party transactions

Swedish state

Posten AB paid SEK 3m (3) for the quarter and SEK 12m (12) for the full year to the Post and Telecom Agency (PTS) for permits to run postal operations, and Posten Meddelande AB paid SEK 2m (2) and SEK 9m (8), respectively, for handling dead letters. Posten Meddelande AB received disability compensation of SEK 6m (8) for the quarter and SEK 24m (25) for the full year for provision of postal services for disabled persons.¹⁾

Danish state

During the period, Post Danmark A/S paid premiums of SEK 70m (57) for the quarter and SEK 233m (241) for the full year to the Danish state for the group of civil servants employed prior to the date of incorporation. A further SEK 4m (18) is reserved in the balance sheet as of December 31, 2011 for any additional obligations to the same group of employees.

Other organizations

Posten's insurance association insures group commitments in Sweden for employee disability and family pensions based on ITP-P. The group's Swedish companies paid premiums of SEK 4m (73) for the quarter and SEK 17m (172) for the full year to the association and received compensation totaling SEK 3m (3) and SEK 9m (10), respectively.

Posten's Pension Fund manages pension funds for Posten AB, Posten Meddelande AB and Posten Logistik AB. The companies transfer cash for new pension commitments in the fund and receive compensation for pensions paid. SEK 115m (555) for the quarter and SEK 366m (854) for the interim period were transferred; SEK 0m (572) and SEK 251m (871) in compensation was received for the quarter and the interim period, respectively.

¹⁾ Previously reported data has been adjusted.

Note 11 Investment commitments

As of December 31, 2011, PostNord Group had entered into agreements for the acquisition of fixed assets totaling SEK 379m (356), mainly for sorting equipment and vehicles.

Note 12 Acquisitions and divestments

Divestments during the period

Stralfors SAS in France sold the SCI du Pont St Jean Société Civile real estate company on December 22 giving rise to an impact on profit of SEK 1m.

Strålfors finalized the divestment of labeling operation Strålfors Identification Solution ("SIS") on November 1 to Norwegian company Strålfors AS following antitrust clearance. The impact on group profit was SEK -2m.

Earlier in the year

Divestments

PostNord continues to streamline operations within Strålfors. The Strålfors Identification Solution labeling operation was divested on August 1. The conditional purchase consideration of SEK 155m was valued at fair value with account taken of the divested operation's estimated development through 2014. In addition to the Swedish company Strålfors Identification Solution AB, SIS is comprised of Strålfors A/S, Stralfors AG and Stralfors Schweiz AG. Businesses within SIS have been transferred to EsonPac Group AB, in which Strålfors AB will own 20% of the shares through 2014 for a purchase price of SEK 155m. The holding is reported as an asset for sale.

Posten AB divested Fastighets AB Kvasten 8 as of August 1 with a consequent impact on profit of SEK 81m. The property no longer houses any self-run postal operations.

Acquisition of operations

Posten AB acquired 100% of the shares of the Norwegian companies Mereco AS and Eek Transport AS on July 1 for an aggregate purchase price of SEK 92m. Group profit includes an impact on profit of SEK 3m. Impact on profit would have totaled SEK 8m if the acquisitions had been made as of January 1.

Following antitrust clearance, Posten AB acquired Nils Hansson Logistics AB on September 1 for a purchase price of SEK 52m. Group profit includes an impact on profit of SEK 5m. Impact on profit would have totaled SEK -9m if the acquisition had been made as of January 1.

Post Danmark A/S has owned 51% of the shares in Transportgruppen A/S since 2007 and acquired an additional 41% of the shares on July 1 for a purchase price of SEK 14m. The company owns the remaining 8% of the shares following a buy-back from contractors. No full-year impact on profit was generated. Impact on profit would have totaled SEK -1m if the acquisition had been made as of January 1.

Acquisition of real estate companies

As part of the new terminal structure, Posten AB acquired 100% of the shares in three companies during the first six months of 2011. All companies were purchased with cash. For the purpose of acquiring land in Rosersberg, Rosersberg Brevterminal AB was acquired on January 17 for SEK 50 thousand. Sigtuna Rosersberg Fastighetsutveckling AB was acquired on June 21 for SEK 100m. The Fastighets AB Jönköpings Barnarps Kråkebo 1:69 industrial property was acquired on March 8 for the purpose of constructing a pallet hub for Posten Logistik AB. The purchase price totaled SEK 3m.

Formation of real estate company

For the purpose of acquiring property for the Hallsberg terminal, AB Grundstenen 135576 was formed on May 19.

Parent company financial statements

Income statement

SEKm	Note	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
	1				
Other income		5		18	
Income		5		18	
Personnel expenses		-6	-3	-16	-13
Other expenses		-5	-1	-13	-5
Operating expenses		-11	-4	-29	-18
OPERATING PROFIT		-6	-4	-11	-18
Income from participations in group companies			1,000	992	1,000
Interest income and similar income items		5	2	15	30
Interest expense and similar expense items			-1		-72
Net financial items		5	1,001	1,007	958
Profit before tax		-1	997	996	940
Balance sheet appropriations		-6		-6	
Profit before tax		-7	997	990	940
Tax			20		16
NET PROFIT		-7	1,017	990	956

Comprehensive income statement

SEKm	Oct-Dec 2011	Oct-Dec 2010	Jan-Dec 2011	Jan-Dec 2010
Net profit	-7	1,017	990	956
COMPREHENSIVE PROFIT	-7	1,017	990	956

Balance sheets

SEKm	Note	Dec 31, 2011	Dec 31, 2010
	1		
ASSETS			
Financial assets	2	12,478	12,476
Total fixed assets		12,478	12,476
Current receivables		1,265	1,270
Total current assets		1,265	1,270
TOTAL ASSETS		13,743	13,746
EQUITY AND LIABILITIES			
Equity		13,734	13,744
Long-term liabilities		2	
Current liabilities		7	2
TOTAL EQUITY AND LIABILITIES		13,743	13,746
Contingent liabilities	3	652	728

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.

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.

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 impairment 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 PostNord 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

	Jan-Dec 2011	Jan-Dec 2010
SEKm		
Beginning balance	12,476	12,461
Redemption, minority shares in Post Danmark A/S		19
Other long-term receivables	2	
Deferred tax assets		-4
Ending balance	12,478	12,476

Note 3 Contingent liabilities

	Dec 31, 2011	Dec 31, 2010
SEKm		
Warranty, PRI	574	656
Guarantees on behalf of subsidiaries ¹⁾	78	72
Summa	652	728

¹⁾ As of December 31, 2011 PostNord's subsidiary, Posten AB, had pledged a total of SEK 141m (168) on behalf of wholly-owned subsidiaries.

Quarterly data

	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Oct-Dec 2010	Jan-Mar 2011	Apr-Jun 2011	Jul-Sep 2011	Oct-Dec 2011
SEKm, unless otherwise specified								
PostNord Group								
Net sales	10,918	10,231	9,649	10,871	10,032	9,711	9,195	10,528
Other income	50	120	44	75	38	58	110	68
Expenses	10,440	10,091	9,244	10,814	9,652	9,554	9,011	9,950
Operating profit (EBITDA)	1,006	724	912	650	833	622	710	1,072
Operating profit (EBIT)	532	261	450	132	420	211	295	645
Profit before tax	542	254	436	116	447	246	325	653
Net profit	422	185	363	61	344	154	286	441
Operating margin (EBITDA), %	9.2	7.0	9.4	5.9	8.3	6.4	7.6	10.1
Operating margin (EBITDA) excl. restructuring costs, %	9.3	7.2	9.2	8.8	8.9	6.6	8.8	9.1
Operating margin (EBIT), %	4.9	2.5	4.6	1.2	4.2	2.2	3.2	6.1
Operating margin (EBIT) excl. restructuring costs, %	5.0	2.7	4.5	4.7	4.8	2.4	4.3	5.1
Net debt	-1,364	-455	-174	-728	-602	308	745	578
Return on equity, rolling 12-month, %	18 ¹⁾	19 ¹⁾	4	8	8	8	7	10
Equity-Assets ratio, close of period, %	46	43	45	46	46	46	47	47
Average number of employees	44,582	43,286	45,332	43,040	42,189	41,643	42,654	40,370
Breve Danmark								
Net sales	3,034	2,696	2,428	2,724	2,406	2,309	2,177	2,455
<i>Letters</i>	2,164	1,886	1,667	1,890	1,698	1,614	1,487	1,703
<i>Advertisements and Newspapers</i>	587	546	525	553	473	471	461	485
<i>Other</i>	283	264	236	281	235	224	229	267
Other income	487	467	423	439	409	395	419	462
Operating profit (EBIT)	277	171	133	60	57	21	129	148
Operating margin, %	7.9	5.4	4.7	1.9	2.0	0.8	5.0	5.1
Average number of employees	15,817	14,908	15,228	14,795	14,550	13,861	13,662	12,995
Volume, millions of units produced								
Priority mail	163	148	138	153	138	98	87	88
Non-priority and business mail	82	66	62	73	77	87	91	111
Meddelande Sverige								
Net sales	3,978	3,796	3,591	4,189	3,886	3,770	3,434	4,130
<i>Letters</i>	2,254	2,083	1,884	2,350	2,158	1,985	1,742	2,257
<i>Advertisements and Newspapers</i>	1,152	1,153	1,135	1,230	1,160	1,197	1,108	1,234
<i>Other</i>	572	560	572	609	568	588	584	639
Other income	174	185	161	191	175	182	177	197
Operating profit (EBIT)	300	119	242	218	280	150	76	384
Operating margin, %	7.2	3.0	6.4	5.0	6.9	3.8	2.1	8.9
Average number of employees	18,678	18,584	20,080	18,698	18,070	18,174	19,202	17,798
Volumes, millions of units produced								
Priority mail	271	258	240	276	254	243	224	259
Non-priority mail	345	299	284	338	349	292	274	336
Logistics								
Net sales	3,148	3,002	2,989	3,284	3,037	2,956	3,042	3,415
<i>Parcels</i>					1,587	1,510	1,547	1,738
<i>Solutions (heavy freight and integrated solutions)</i>					675	657	681	817
<i>Other logistics services (mixed cargo groupage, etc.)</i>					775	789	814	860
Other income	323	320	323	333	321	312	330	354
Operating profit (EBIT)	-2	-20	100	61	50	23	66	130
Operating margin, %	neg	neg	3.0	1.7	1.5	0.7	2.0	3.5
Average number of employees	6,240	6,212	6,379	6,269	6,150	6,212	6,577	6,585
Volume, millions of units produced								
Parcels	26	24	24	27	25	23 ²⁾	24	26
Strålfors								
Net sales	908	874	764	845	845	814	675	714
<i>Information Logistics</i>	744	730	639	706	690	691	637	710
<i>Identification Solutions</i>	164	144	125	139	155	123	38	4
Other income	7	6	7	8	4	6	-10	18
Operating profit (EBIT)	-11	-10	-21	-128	-1	-41	-31	-3
Operating margin, %	neg	neg	neg	neg	neg	neg	neg	neg
Average number of employees	2,256	2,120	2,091	2,093	2,068	2,061	2,000	1,684

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

2) Previously reported quarterly data has been adjusted.