



PostNord January-March 2012

Major changes in a continued challenging market

postnord

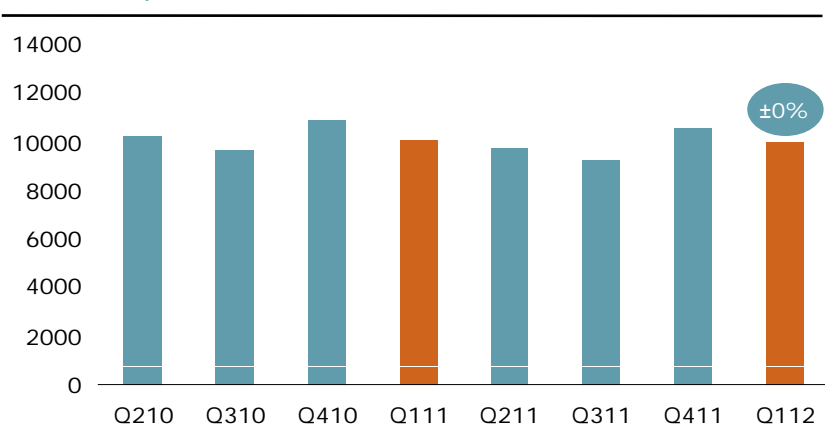
Financial overview

Financial overview Jan-Mar

| SEKm | Q1 2012 | Q1 2011 | Change | |
|---|---------------|---------------|-------------|-------------|
| Income* | 10,051 | 10,070 | -19 | ±0% |
| Expenses * | -9,410 | -9,558 | 148 | 2% |
| Associated companies and joint ventures | 1 | 2 | -1 | -50% |
| Adjusted EBIT* | 642 | 514 | 128 | 25% |
| Restructuring costs and non-recurring items | -349 | -94 | -255 | >100% |
| EBIT | 293 | 420 | -127 | -30% |
| Net financial items | 13 | 27 | -14 | -52% |
| Tax | -96 | -103 | 7 | -7% |
| Net profit | 210 | 344 | -134 | -39% |
| Adjusted EBIT margin, % | 6.4 | 5.1 | | |
| EBIT margin, % | 2.9 | 4.2 | | |
| ROE, % | 9 | 8 | | |

PostNord Group's first quarter with unchanged net sales

Net sales, SEKm



▶ Net sales were on par with last year, totaling SEK 9,993m (10,032)

▶ Increased sales from:

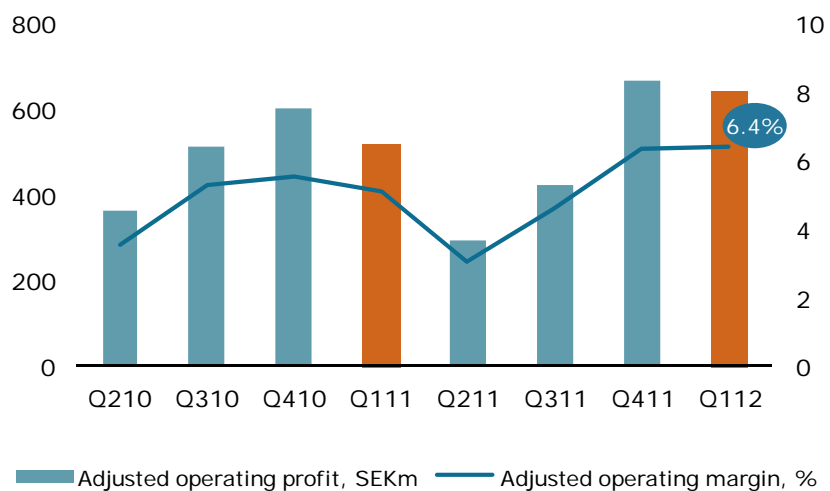
- Advertisements and Newspapers, and international volumes in Mail Sweden
- Price increases in Mail Denmark
- Growth within Logistics

▶ Reduced sales due to:

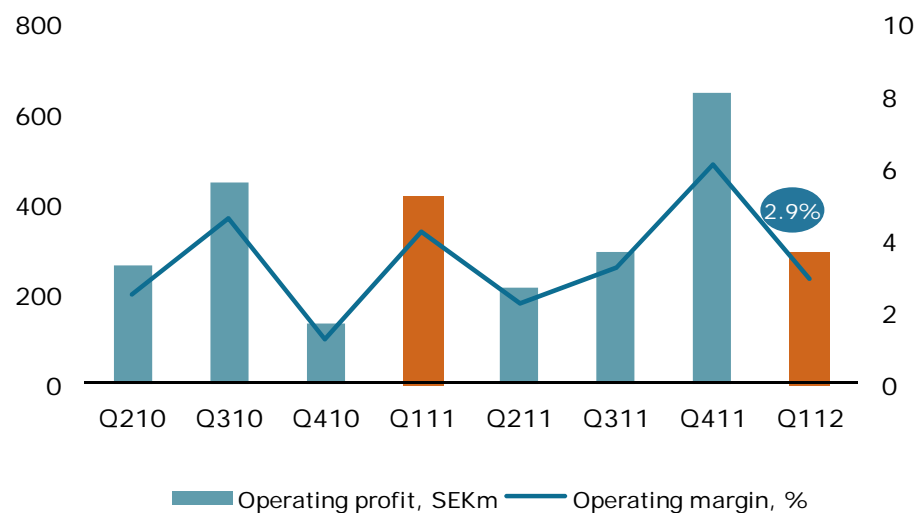
- Disposal of Strålfors Identification Solutions in 2011
- Strong decline in mail volumes

Improved underlying profitability

Adjusted operating profit and adjusted operating margin



Operating profit and operating margin



Implementation of PostNord's Roadmap 2015

Strategy

Changes to meet mail volume decreases and ensure profitability



Expansion within logistics – broaden offer and market presence



Develop profitable supportive operations within the mail businesses



Value maximization of Strålfors



Activities Q1 2012

- ▶ Rationalizations within production and administration – underlying* cost reductions totaling SEK 245m in the mail businesses
- ▶ Establishment of new terminal structure in Sweden proceeding according to plan

- ▶ Integration of acquisitions made in 2011
- ▶ Acquisition of Green Cargo Logistics
- ▶ Continued rationalizations within production and administration

- ▶ Acquisition of newspaper distribution (SE)
- ▶ Launch of Posten service in Microsoft Office (SE)
- ▶ New agreements for food deliveries (DK)
- ▶ Data scanning agreement with ATP (DK)

- ▶ Underlying profit for the quarter
- ▶ New business volumes and underlying increase in net sales
- ▶ Launch of new digital/physical services

Transactions with the right strategic fit

Acquisition of Green Cargo Logistics

- ▶ Second largest in Sweden and third largest in Scandinavia within third-party logistics
- ▶ Net sales of SEK 1 billion and operating profit of SEK 61m in 2011
- ▶ 3PL market is growing faster than market average
- ▶ Driven by increasing degree of outsourcing. Degree of outsourcing in the EU indicates growth potential in Nordic region
- ▶ Provides PostNord with a leading 3PL position in the Nordic region

A strong platform for continued expansion within a rapidly growing logistics area

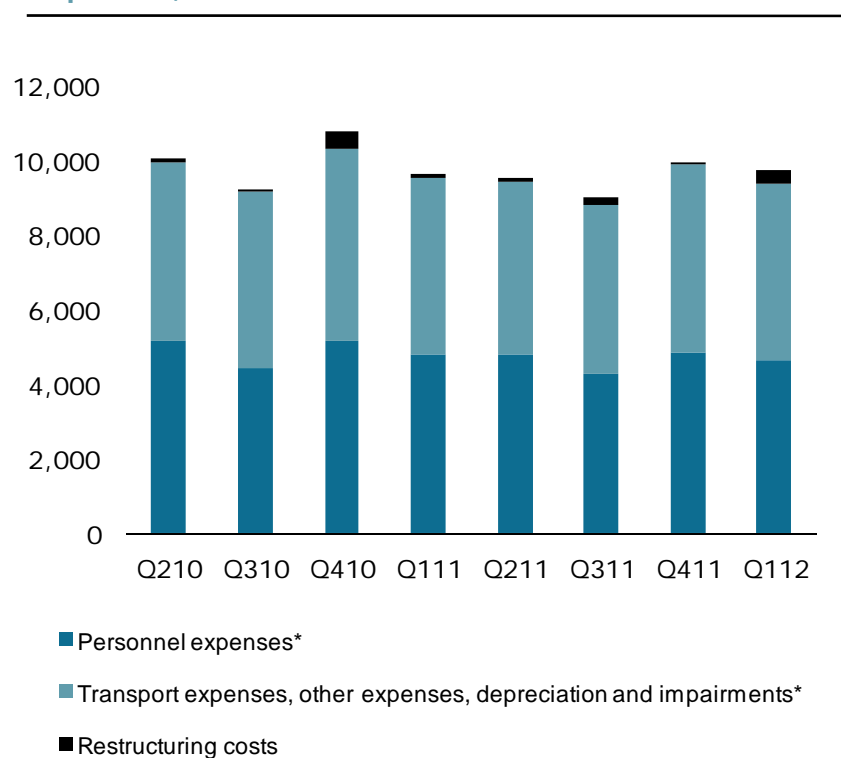
Acquisition of newspaper distribution

- ▶ PostNord takes over operations within Svensk Morgondistribution
- ▶ Includes 19 newspapers in northern Sweden with annual volume of approximately 100 copies
- ▶ Significant synergies with mail businesses – e.g., same vehicles can be used for mail and newspaper distribution

New fields of application for existing production resources

Reduced expenses before restructuring

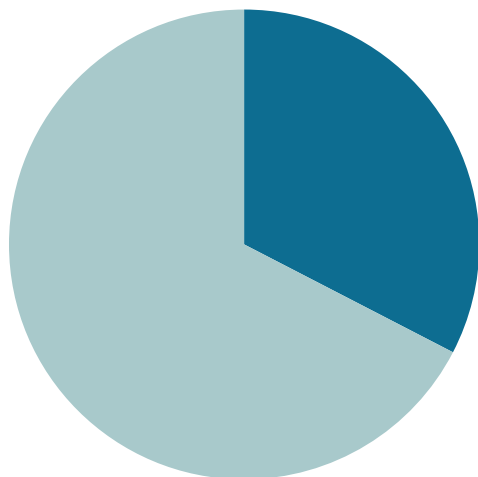
Expenses, SEKm



- ▶ Operating expenses declined 2%, excluding restructuring costs
- ▶ Restructuring costs of SEK 354m (94) during the quarter were primarily attributable to personnel cutbacks
- ▶ Personnel expenses** fell 3%, and the average number of employees decreased by 3,400, due to rationalizations and adjustments to lower mail volumes
- ▶ Transport expenses** increased 8% due to acquisitions made within Logistics

Cost reductions according to plan

Cost reduction program as of March 31, 2012

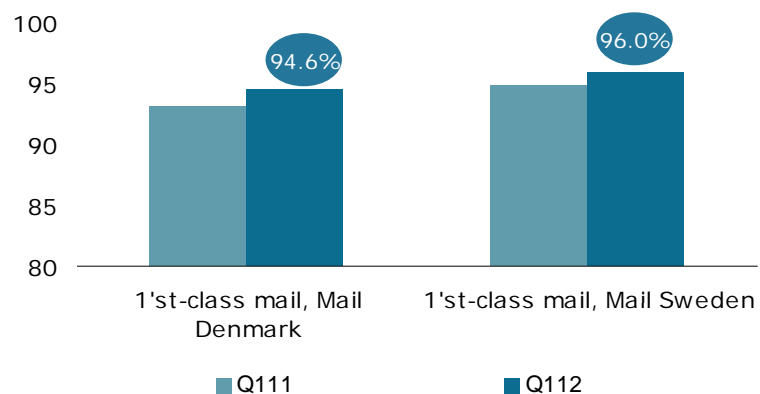


- ▶ PostNord set up a new cost reduction program in 2011
- ▶ Will reduce the group's administrative expenses by approximately SEK 1 billion by the close of 2012, in addition to the ongoing rationalizations made within the group
- ▶ The program is proceeding according to plan. Cost reductions corresponding to one-third of the size of the program were realized as of the close of Q1



Improved delivery quality during the quarter

Delivery quality, 1'st-class mail, %



► PostNord delivers world class quality



Improved underlying cash flows – solid financial position

Cash flows

| SEKm | Q1 2012 | Q1 2011 |
|-----------------------------|-------------|-------------|
| Operating activities | 271 | 172 |
| Investing activities | -347 | -327 |
| Financing activities | -53 | 19 |
| Net cash flows | -129 | -136 |
| Cash and cash equivalents | 1,976 | 3,500 |

Net financial position

| SEKm | Mar 31 2012 | Mar 31 2011 | Dec 31 2011 |
|-------------------------------|--------------|--------------|--------------|
| Cash and cash equivalents | 1,976 | 3,500 | 2,107 |
| Interest-bearing liabilities | 1,043 | 1,469 | 1,098 |
| Pension provisions | 1,602 | 1,429 | 1,587 |
| Net debt | 669 | -602 | 578 |
| <i>Net debt/EBITDA, times</i> | <i>0.22</i> | <i>-0.19</i> | <i>0.18</i> |
| <i>Equity-Assets ratio</i> | <i>47</i> | <i>46</i> | <i>47</i> |
| <i>Financial preparedness</i> | <i>3,976</i> | <i>3,500</i> | <i>4,107</i> |

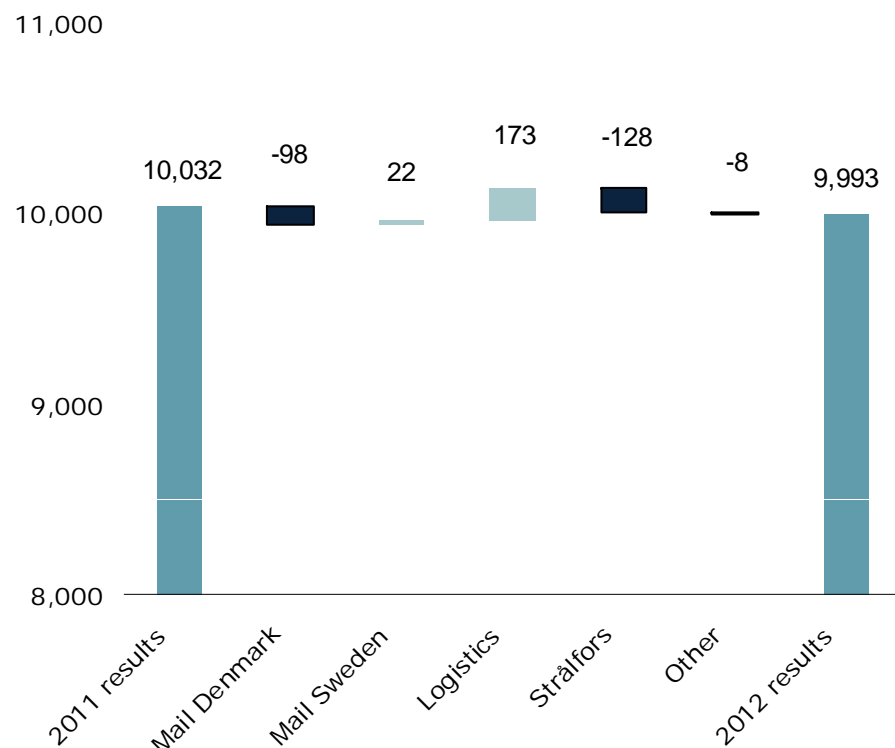




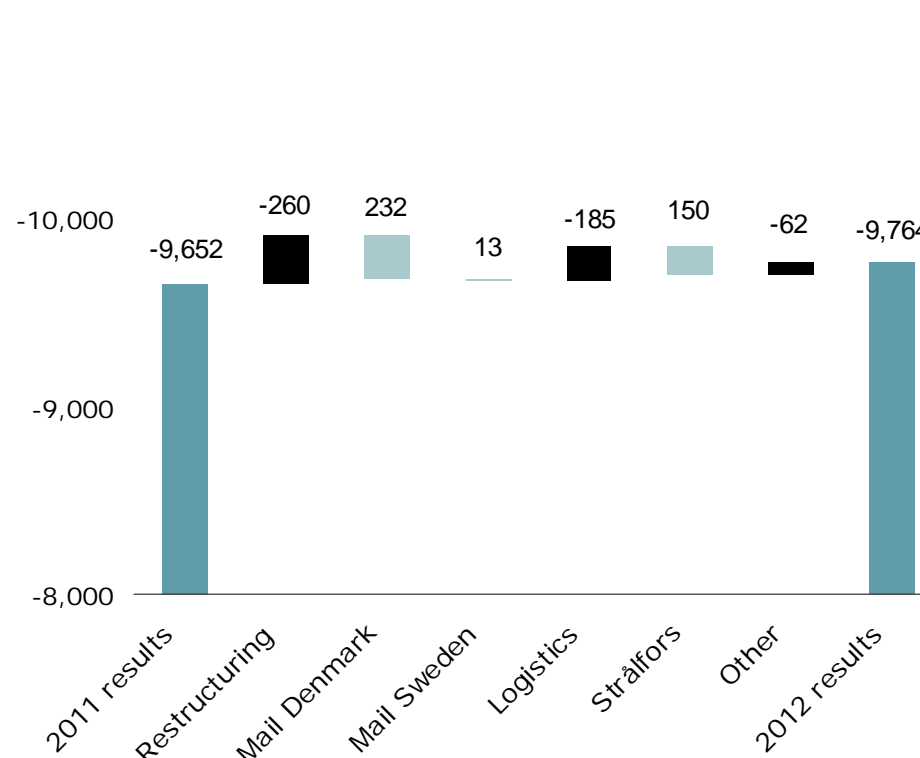
Business operations

Net sales and expenses

Net sales, change per business operation, SEKm

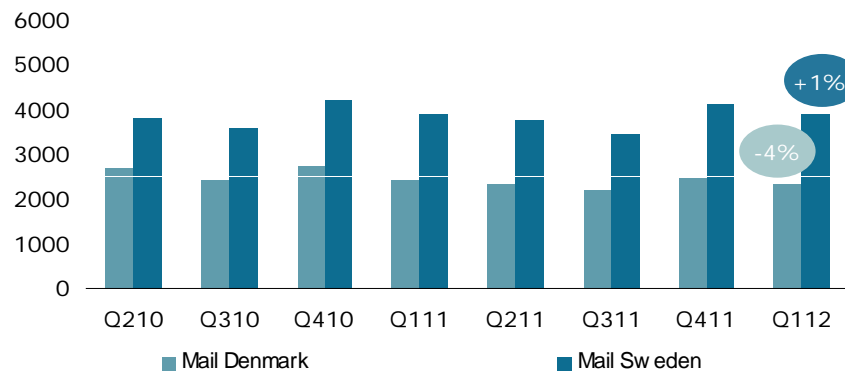


Expenses, change per business operation, SEKm



Underlying profitability improvement

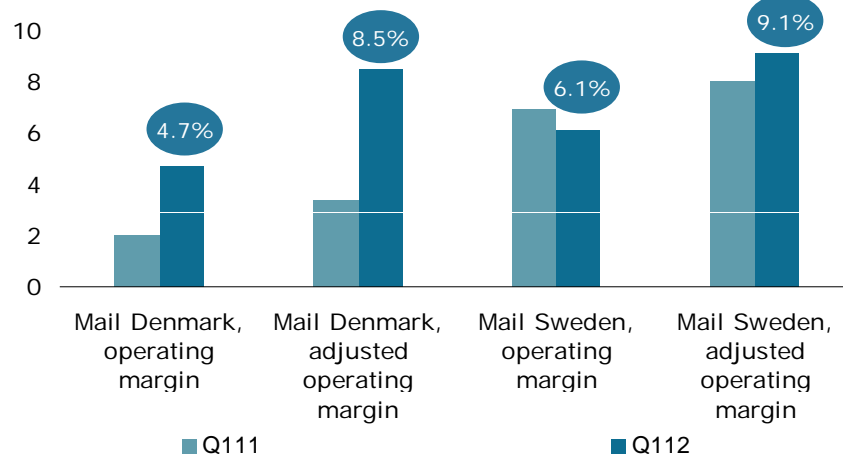
Net sales, SEKm



Business area Mail Denmark

- ▶ Net sales fell 4% due to the recession and tough competition from digital alternatives
- ▶ Expenses were down 6%, personnel expenses 11%
- ▶ Substantially improved operating profit, before and after restructuring costs

Operating margin, %

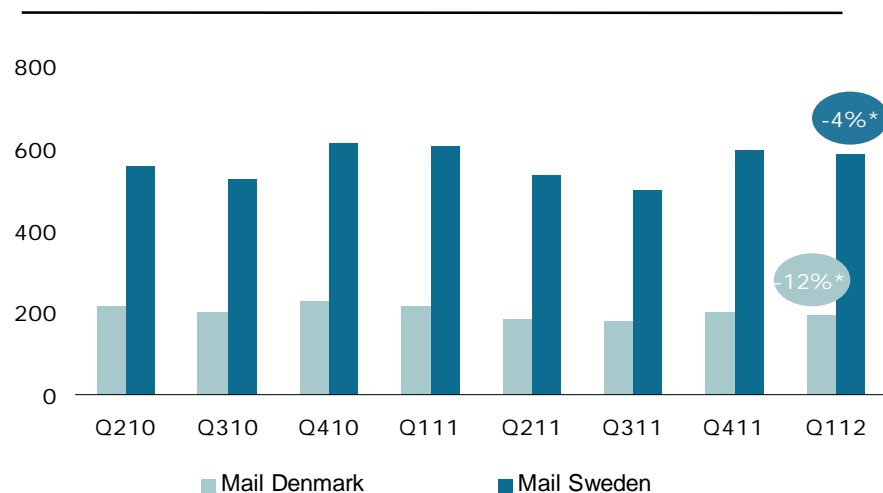


Business area Mail Sweden

- ▶ Net sales rose 1% due to increased income from Advertisements and Newspapers and international volumes
- ▶ Continued drop in mail volumes
- ▶ Improved profitability before restructuring costs

Mail volumes in line with forecast

Mail volumes, millions of units produced



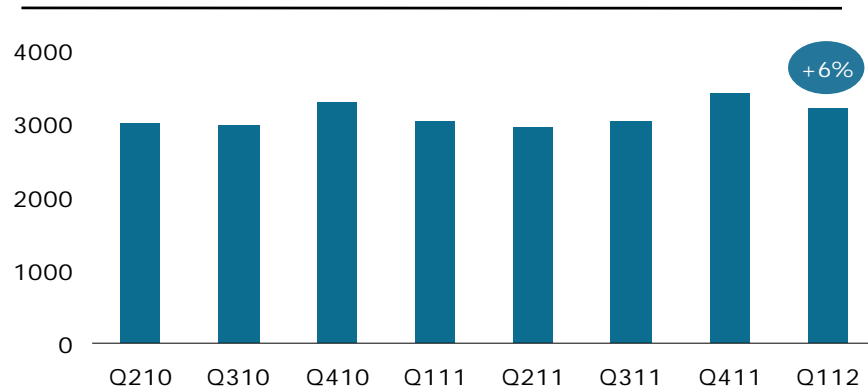
- ▶ Drop in mail volumes* during Q1 on par with last year and in line with forecast for full-year 2012
- ▶ Mail volume development is a result of an ongoing paradigm shift, with rising number of communication methods and coordinated industry/society initiatives towards increased digitalization
- ▶ Unchanged forecast for volume decreases for full-year 2012

* Adjusted for calendar-related effects



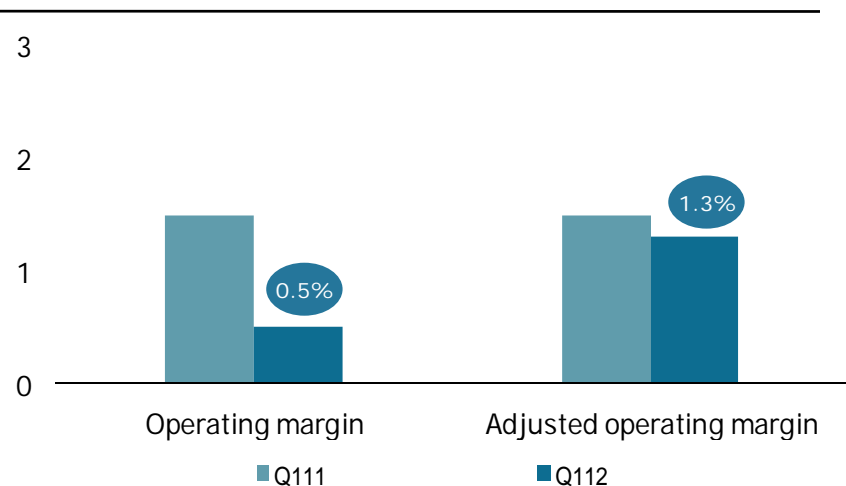
Organic growth

Net sales, SEKm



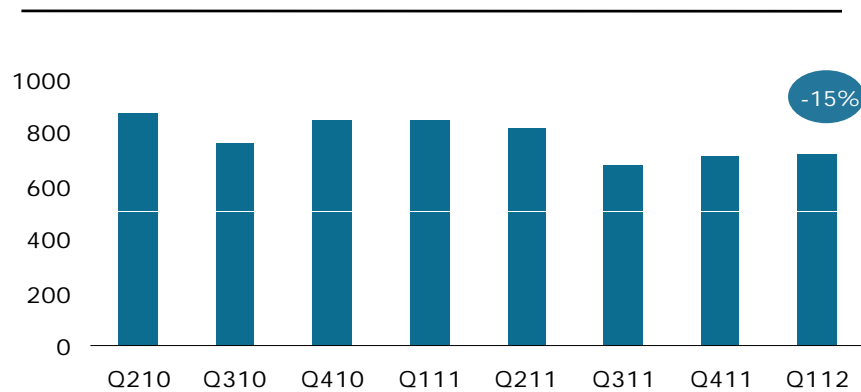
- ▶ Net sales increased 6%, mainly due to acquisitions. Sales were also up excluding effects from the acquisitions
- ▶ Net sales rose in Norway and Sweden but fell in Denmark
- ▶ Acquisition of Green Cargo Logistics
- ▶ Operating profit excluding restructuring costs and non-recurring items fell slightly

Operating margin, %



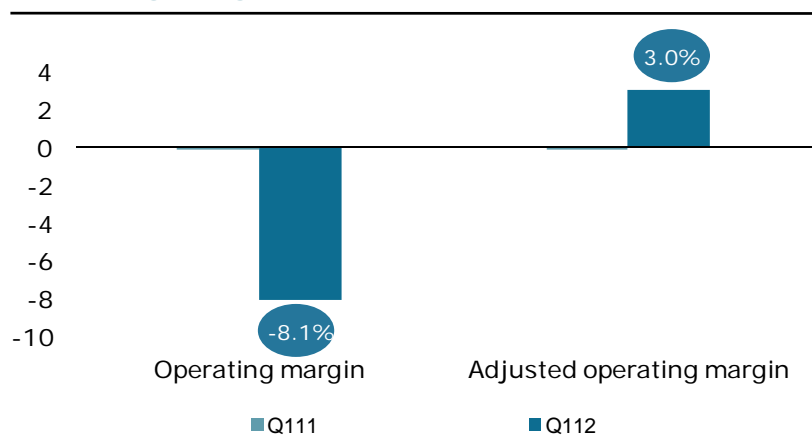
Improved underlying results

Net sales, SEKm



- ▶ Reduced net sales – disposal of SIS in 2011
- ▶ Excluding the disposal, net sales improved due to new business volumes in Sweden and Norway
- ▶ Launch of "WeMail" service in Norway and Finland
- ▶ Improved operating profit before restructuring costs

Operating margin, %



Summary

- ▶ Continued sharp decline in mail volumes – in line with expectations. Outlook for full-year 2012 confirmed
- ▶ Q1 2012 is PostNord Group's first quarter with unchanged net sales
- ▶ Improved underlying operating profit
- ▶ 2012 is a year of change with significant restructuring costs, of which SEK 354m were reported in Q1
- ▶ Cost reduction program proceeding according to plan
- ▶ Logistics business is growing
- ▶ Acquisition of Green Cargo Logistics and newspaper distribution





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