

PostNord July-September 2013

November 7, 2013



Highlights Q3 2013

Financial development

Q&As

Focus on execution and capturing effects

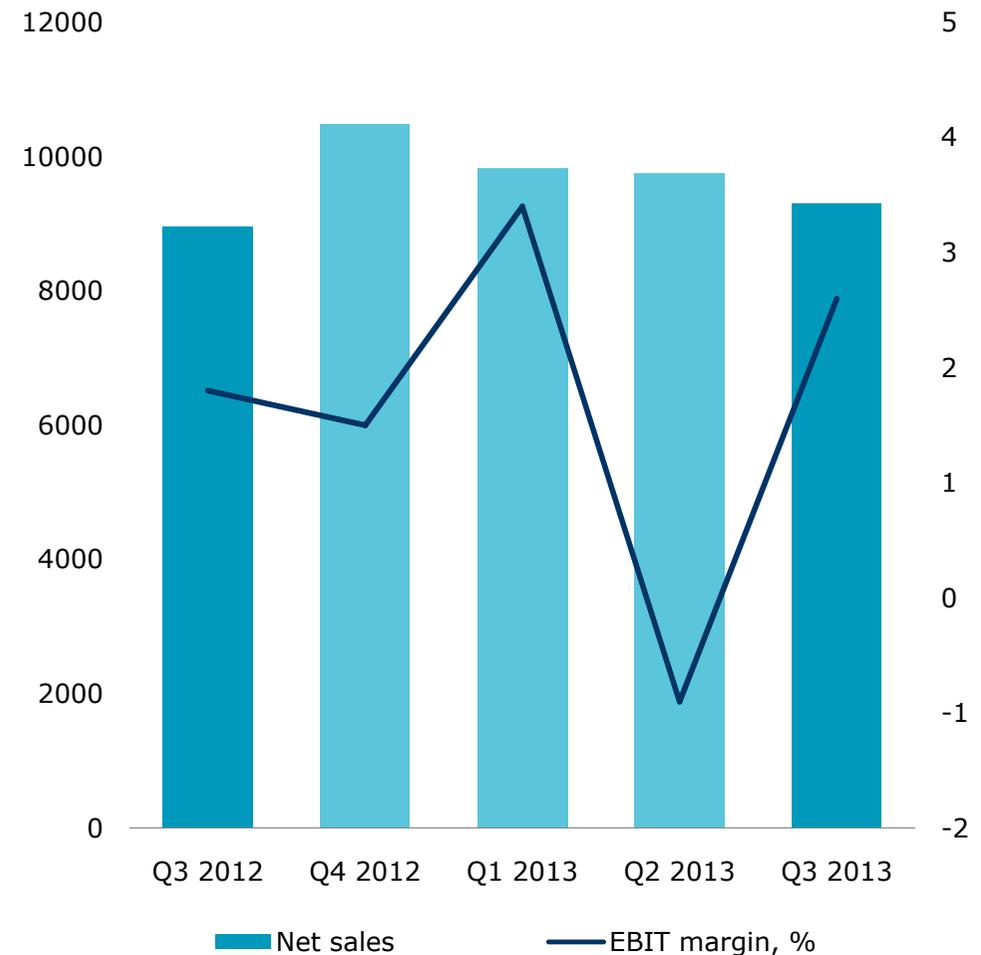
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- Increased net sales
- Acquired and organic growth within Logistics
- Continued sharp decline in mail volumes
- Continued strong growth of e-commerce in the Nordic region – PostNord is growing within e-commerce services
- Improved operating profit – but sharper focus needed on execution and capturing effects
- Håkan Ericsson has taken over as new President & CEO
- PostNord Logistics launched as the group's Nordic logistics brand

PostNord Group, July-Sept 2013

- Net sales grew 4% in Q3
 - Growth in Logistics. Increased e-commerce volumes
 - Continued decrease in mail volumes
- Costs increased 3% but were down 2% excluding acquisitions and currency effects
- EBIT increased to SEK 247m (165)
 - EBIT margin increased to 2.6 (1.8) %
- Cash flows from operating activities fell to SEK -363m (-324)
- Satisfactory integration of acquired businesses

NET SALES AND EBIT MARGIN



Business operations, Q3 2013

Q3 2013	 <p>Mail</p>	 <p>Logistics</p>	 <p>Strålfors</p>
Volumes	Mail: -4% (DK -10%, SE -2%) Parcels total: +8%. B2C parcels: +11%		
Net sales	SEK 5,547m (5,582)	SEK 3,300m (2,885)	SEK 610m (611)
△ Net sales	-1%	+14%	0%
EBIT	SEK 108m (94)	SEK 76m (108)	SEK 18m (15)
EBIT margin	1.9 (1.6) %	2.1 (3.4) %	2.9 (2.4) %
	Continued decline in mail volumes. Improved operating profit due to cost reductions.	Continued expansion under profitability.	Increased net sales in growth divisions. Weak market for Business Communication division.

Mail: Improved operating profit

- Net sales were down 1%
- Mail volumes fell 4% - partially countered by price changes in Denmark
- Increase in e-commerce volumes
- Weak direct mail market, increasing competition
- Increasing revenues from newspaper distribution
- Strong cost reduction measures – operating expenses were down 1%
 - Mail Denmark's expenses fell 7% excluding acquisitions and currency effects
- Draft revision of Danish postal legislation circulated for comment
- Operating margin improved to 1.9 (1.6) %

NET SALES AND EBIT MARGIN

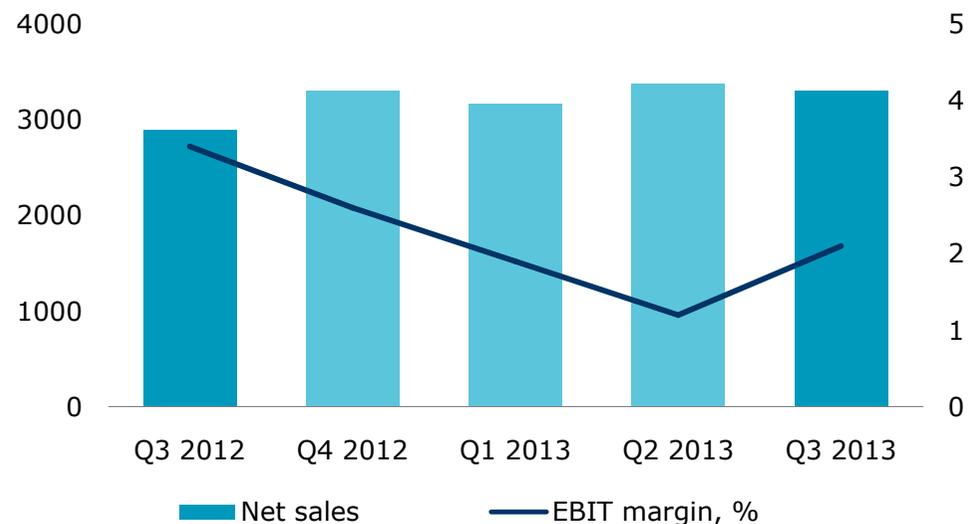


SEKm	Q3 2013	Q3 2012	Δ	Δ*
Net sales	5,547	5,582	-1%	-2%
<i>of which, Mail Denmark</i>	2,175	2,213	-2%	-5%
<i>of which, Mail Sweden</i>	3,448	3,440	0%	0%
EBIT	108	94	15%	18%
<i>of which, Mail Denmark</i>	-37	-75	51%	50%
<i>of which, Mail Sweden</i>	145	169	-14%	-14%
EBIT margin, %	1.9%	1.6%		

Logistics: Continued growth under profitability

- Net sales improved 14% and organic growth was 2%. Growth in all markets
- Weaker growth in Norway due to increased competition and subdued market development
- Growing e-commerce – increased parcel volumes and parcel revenues
- Change in parcel product mix – increased share of B2C parcels with lower margins
- Demand for 3PL services developed positively
- Operating margin fell to 2.1 (3.4) %

NET SALES AND EBIT MARGIN

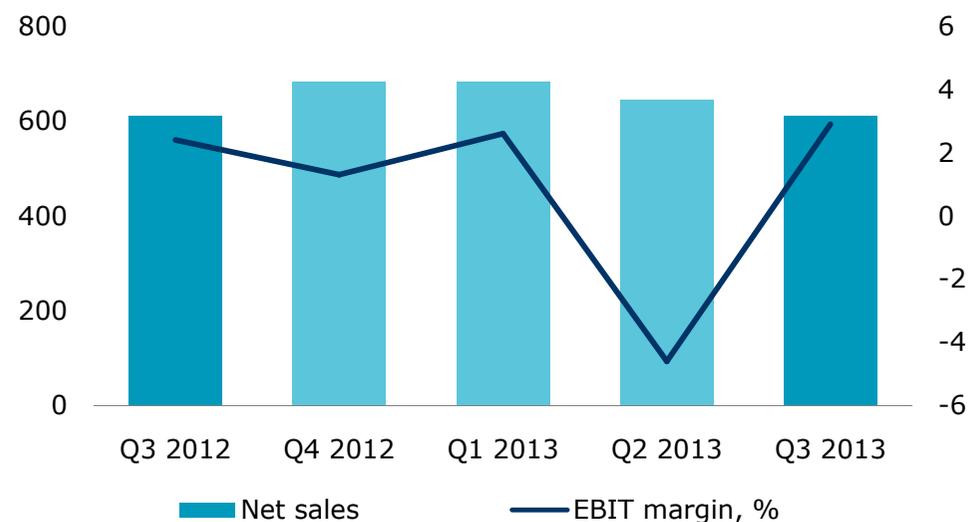


SEKm	Q3 2013	Q3 2012	Δ	Δ*
Net sales	3,300	2,885	14%	2%
EBIT	76	108	-30%	-21%
EBIT margin, %	2.1	3.4		

Strålfors: Improved profit

- Net sales unchanged
- Increased net sales for growth divisions Data Management, Marketing Communication and Service Fulfillment
- Weak market development and reduced revenues for Business Communication division
- Operating margin improved to 2.9 (2.4) %
- Acquisition of printing and inserting business in Poland

NET SALES AND EBIT MARGIN



SEKm	Q3 2013	Q3 2012	Δ	Δ*
Net sales	610	611	0%	0%
EBIT	18	15	20%	18%
EBIT margin, %	2.9	2.4		

Highlights Q3 2013

Financial development

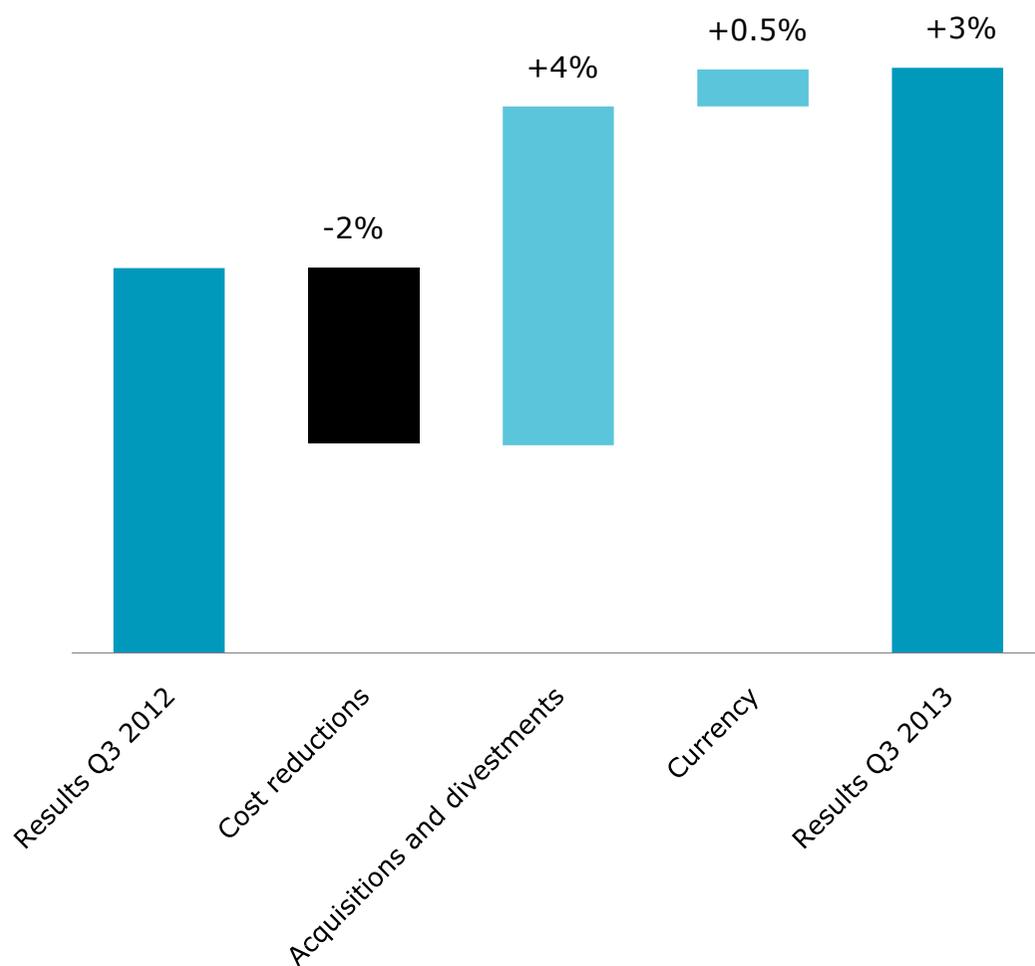
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Overview of results

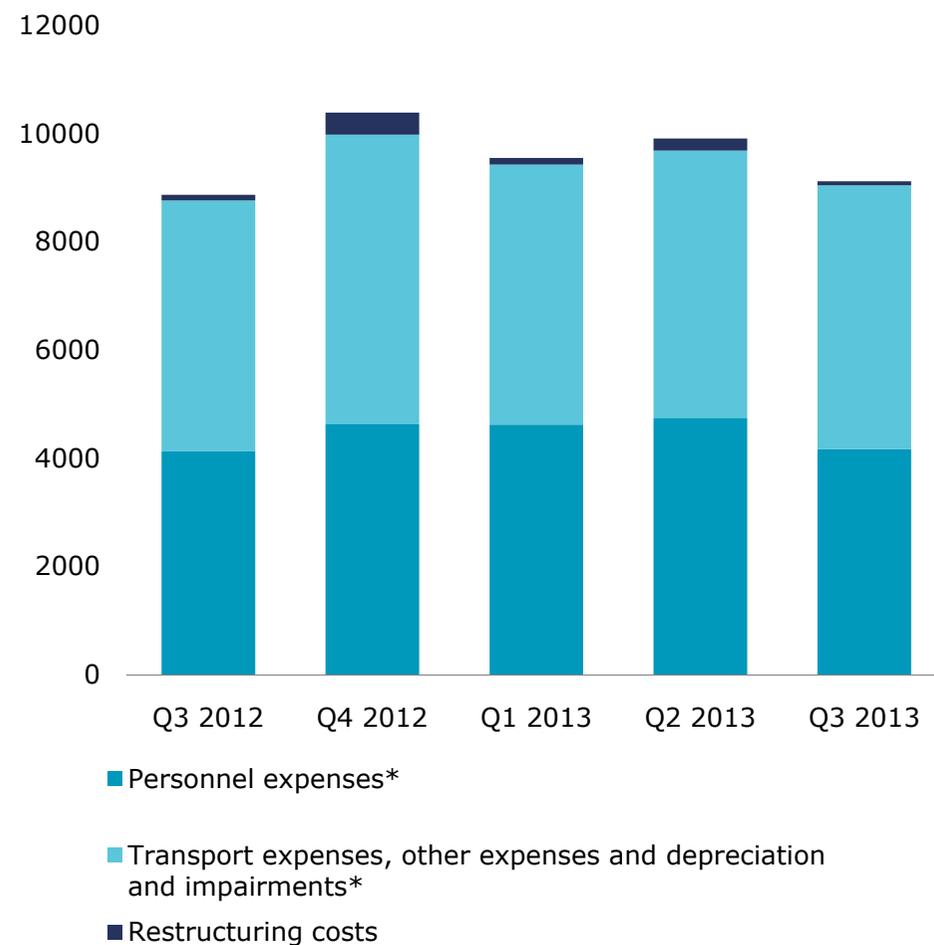
SEKm	Q3 2013	Q3 2012	△	9M 2013	9M 2012	△	2012
Net sales	9,306	8,959	4%	28,895	28,439	2%	38,920
Other income	56	68	-18%	164	191	-14%	253
Income	9,362	9,027	4%	29,059	28,630	1%	39,173
Expenses*	-9,117	-8,866	-3%	28,572	28,941	-1%	-38,669
Participations in the earnings of associated companies	2	4	-50%	9	5	80%	7
EBIT	247	165	50%	496	353	41%	511
Net financial items	-63	-46	-37%	-149	-108	-38%	-144
Tax		4	>-100%	-58	-67	13%	-120
Net profit	184	123	50%	289	178	62%	247
<i>Operating margin (EBIT), %</i>	<i>2.6</i>	<i>1.8</i>		<i>1.7</i>	<i>1.2</i>		<i>1.3</i>
<i>Return on equity, rolling 12-month, %</i>	<i>4.4</i>	<i>n/a</i>		<i>4.4</i>	<i>n/a</i>		<i>2.6</i>
<i>Return on operating capital, rolling 12-month, %</i>	<i>5.6</i>	<i>n/a</i>		<i>5.6</i>	<i>n/a</i>		<i>4.7</i>
<i>Net debt/EBITDA (rolling 12-month)</i>	<i>1.6</i>	<i>n/a</i>		<i>1.6</i>	<i>n/a</i>		<i>1.8</i>
<i>Equity-Assets ratio, end of period, %</i>	<i>36</i>	<i>27</i>		<i>36</i>	<i>27</i>		<i>28</i>

Continued underlying cost reductions

OPERATING EXPENSES TREND



OPERATING EXPENSES, SEKm



Weakened cash flows – declining investments

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CASH FLOWS

SEKm	Q3 2013	Q3 2012	9M 2013	9M 2012	2012
FFO	105	187	492	880	1,776
Changes in working capital	-468	-511	-480	-441	49
Cash flows, operating activities	-363	-324	12	439	1,825
<i>Margin*</i>	<i>neg</i>	<i>neg</i>	<i>0.0%</i>	<i>1.5%</i>	<i>4.7%</i>
Investments	-403	-422	-1,770	-2,448	-3,533
Financing activities	-114	1 783	0	3,532	2,654
Net cash flows	-880	1,037	-1,758	1,523	946
Cash and cash equivalents	1,286	3,622	1,286	3,622	3,046

Reduced net debt position

- Continued good financial position
- Rising reference rates for calculation of pension commitments reduced net debt by SEK 1,400m and increased equity by SEK 1,400m
- Financial preparedness of SEK 3,300m, of which SEK 1,300m cash and cash equivalents

FINANCIAL NET DEBT

SEKm	Sep 30 2013	Sep 30 2012	Dec 31 2012
Cash and cash equivalents	1,286	3,622	3,046
Interest-bearing debt	4,541	5,063	4,312
Pension provisions**	754	3,576*	3,033*
Ned debt	4,009	5,017	4,299
Equity	8,987	7,214*	7,533*
<i>Net debt/EBITDA, times</i>	<i>1.6</i>	<i>n/a</i>	<i>1.8*</i>
<i>Net debt ratio, times</i>	<i>0.5</i>	<i>0.7</i>	<i>0.6</i>
<i>Equity-Assets ratio, %</i>	<i>36</i>	<i>27*</i>	<i>28*</i>
<i>Financial preparedness</i>	<i>3,286</i>	<i>5,622</i>	<i>5,046</i>

Adjusted forecast for 2013 development

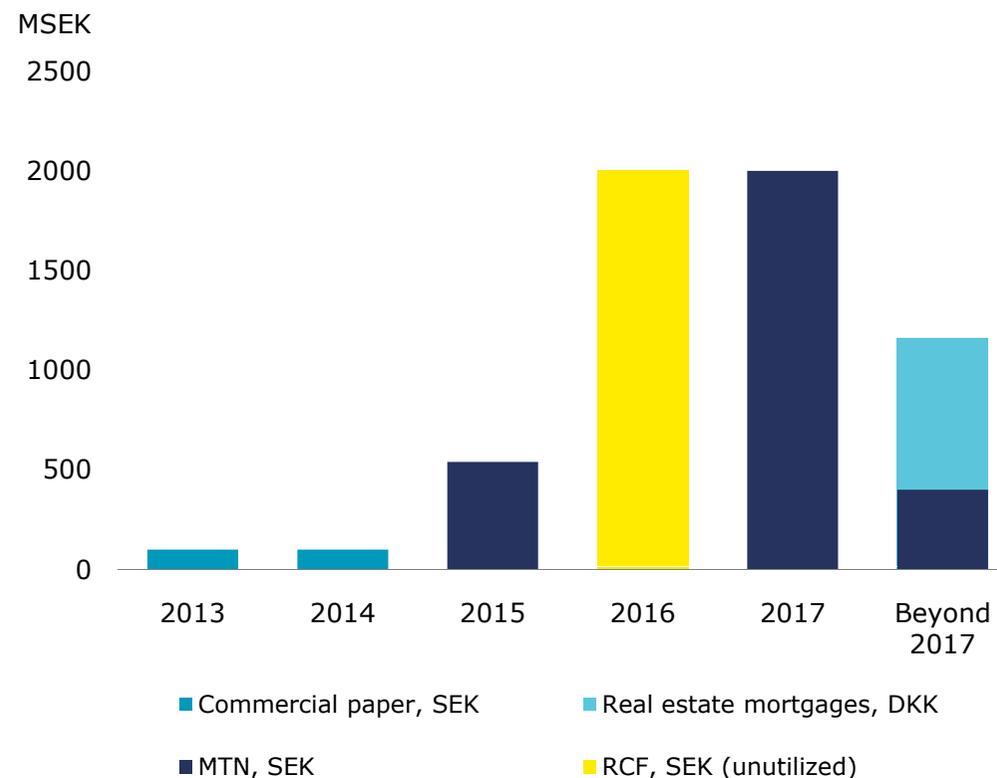
2013 forecast as of Q4 2012	Change in conditions	Adjusted 2013 Forecast
MAIL VOLUMES		
Reduction of approx. 12% in Denmark and 6% in Sweden.	Digitization effects somewhat weaker than expected during Jan-Sep 2013.	Reduction of 10% in Denmark and 4% in Sweden for full-year 2013. Continued sharp decline in mail volumes expected in coming year.
PROFITABILITY AND CASH FLOWS		
Cash flows from operating activities expected to be on a level with last year's results.	Extensive streamlining and economy measures carried out during Jan-Sep 2013. Profitability for full-year 2013 expected to exceed last year's results but not expected to reach desired level.	Increasing profitability year-on-year, but cash flows from operating activities expected to fall below full-year 2012 results.

Credit profile

CREDIT SUMMARY, SEP 30, 2013

Credit	Total value SEK billion	Utilized value SEK billion
Revolving credit facility, 5-year, SEK	2.0	0
Commercial paper, SEK	3.0	0.2
Real estate mortgages Danmark A/S, real estate financing (Post Danmark A/S), 20-year, DKK	1.2	1.2
MTN program, SEK	6.0	2.9
Total utilized as of Sep 30, 2013		4.3
Short-maturity credits		0.2

MATURITY STRUCTURE, SEPT 30 2013, SEKm



- Increased net sales – for second consecutive quarter
- Acquired and organic growth within Logistics
- Continued sharp decline in mail volumes – though somewhat less than expected
- Continued strong growth of e-commerce in the Nordic region- PostNord is growing within e-commerce services
- Improved operating profit – but sharper focus needed on execution and capturing effects
- Draft revision of Danish postal legislation circulated for comment
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