



Second Quarter 2014

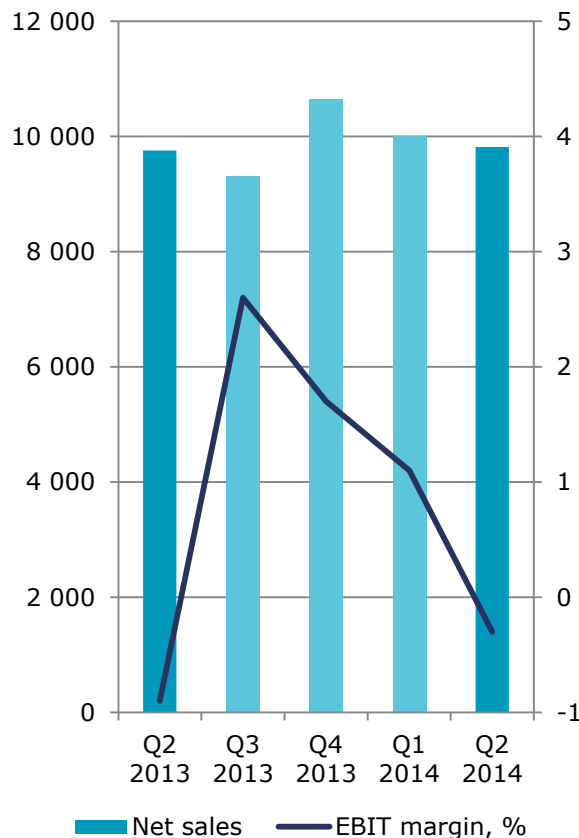
08-26-2014

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- EBIT of SEK -30m (-90)
 - Declining mail volumes, continued heavy competition within logistics business, restructuring costs
- Continued focus on customized solutions
- New organization as of April 2014
- Continued decline in mail volumes, but positive impact from EU election in May
- Continued heavy competition within logistics business
- Additional cost savings are required
- Adaptation of postal-specific regulations is essential

Weak sales growth, negative operating profit

NET SALES AND EBIT MARGIN



- Net sales up 1% to SEK 9,816m (9,757)
 - Mainly due to acquisitions within Logistics
 - Excluding acquisitions and exchange rate effects, net sales fell 2%
- EBIT totaled SEK -30m (-90)
 - Declining mail volumes, continued heavy competition within logistics business, restructuring costs
 - Cost savings from structural changes made this spring will take full effect during second half of the year
- EBIT margin was -0.3 (-0.9) %

Q2 summary

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SEKm	Q2 2014	Q2 2013	△	H1 2014	H1 2013	△
Net sales	9,816	9,757	1%	19,815	19,589	1%
Operating expenses ¹⁾	-9,929	-9,913	0%	-19,889	-19,464	2%
EBITDA	386	312	24%	910	1,047	-13%
EBIT	-30	-90	67%	76	240	-68%
Net financial items	-32	-29	-10%	-53	-86	38%
Profit before tax	-62	-119	48%	23	154	-85%
Net profit	-76	-86	12%	24	96	-75%
Cash flow from operating activities	120	-50	340%	-349	375	-193%
Net debt	2,926	3,694	-21%	2,926	3,694	-21%

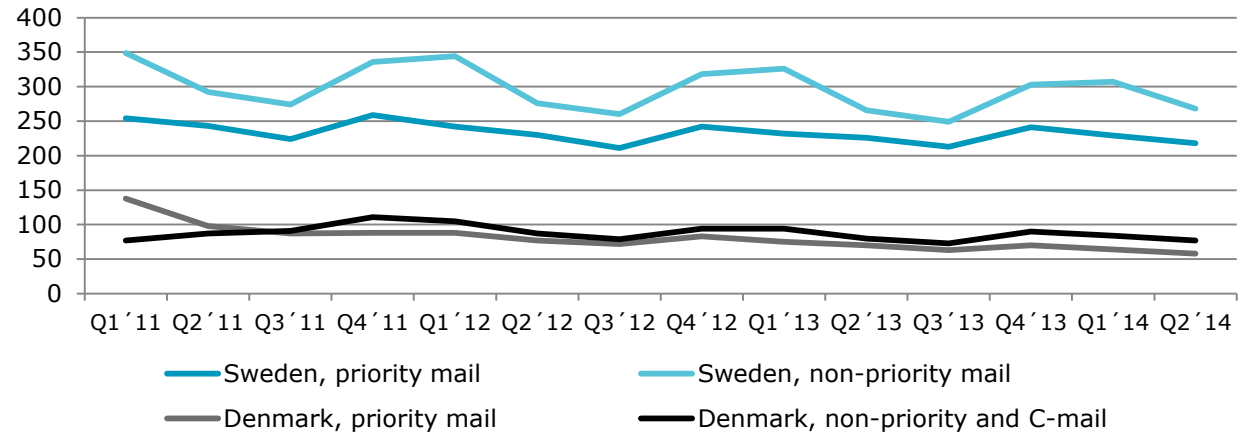
1) Including depreciation and impairments

2013 values restated due to adjusted report from subsidiary

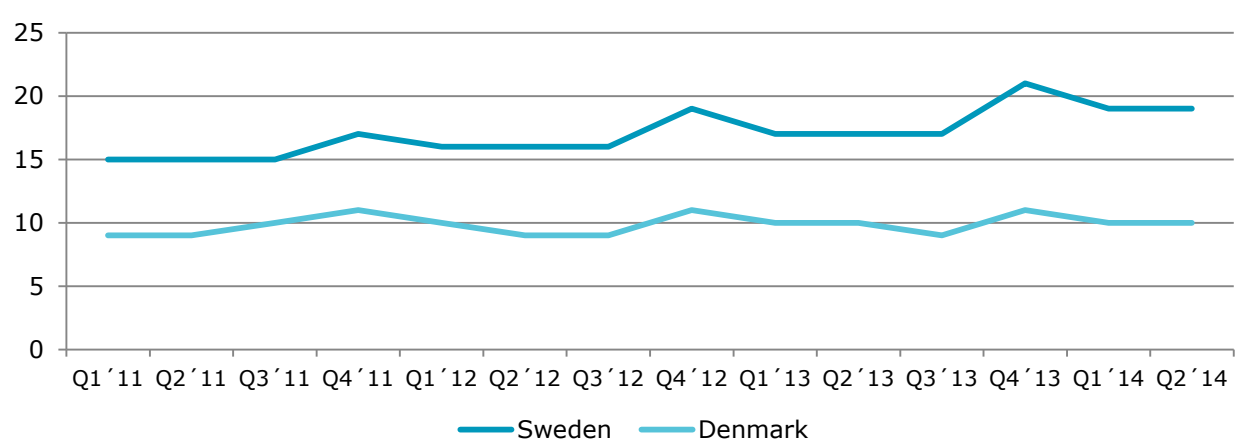
Market development

- Year-on-year mail volumes fell a total of 3%
 - 10% in Denmark
 - 1% in Sweden
 - Positive impact from EU election in May
- Parcel volumes increased 5%
 - E-commerce-related B2C parcels increased 12%

MAIL, MILLIONS OF UNITS

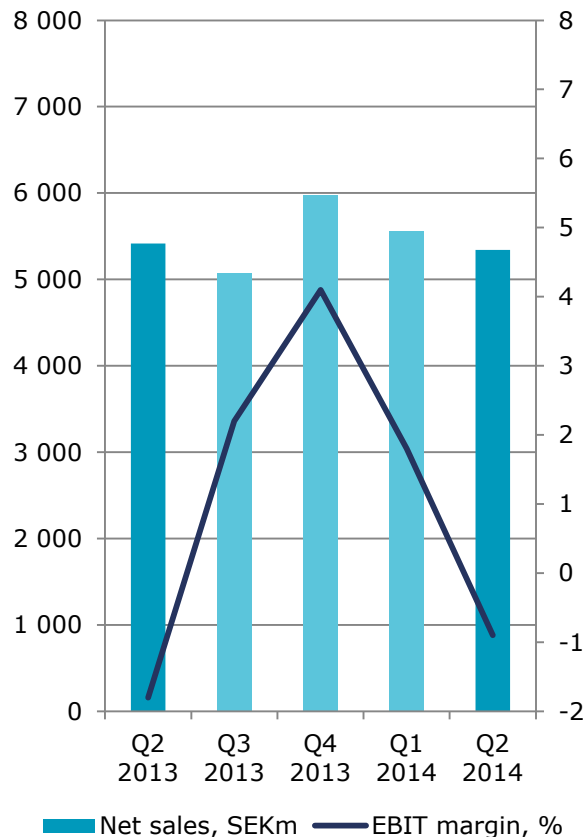


PARCELS, MILLIONS OF UNITS



Mail & Communication: Continued decline in mail volumes

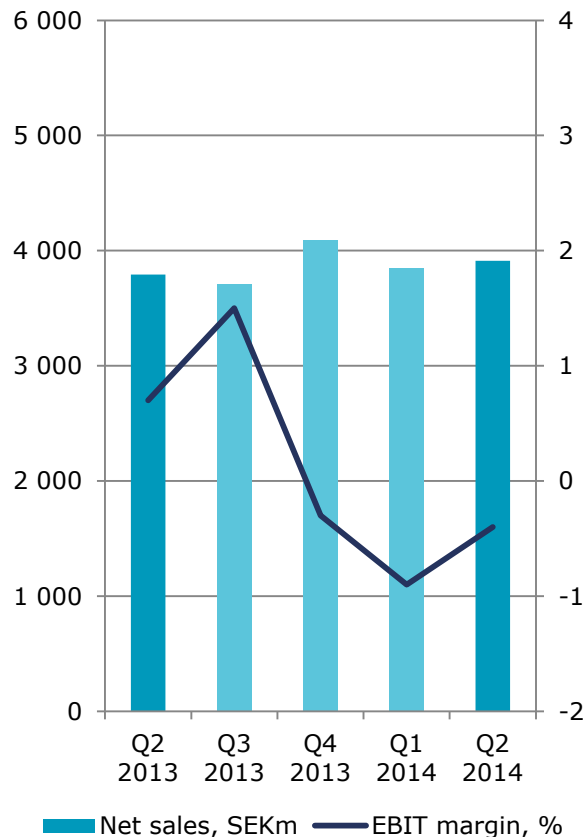
NET SALES AND EBIT MARGIN



- Net sales down 1%
- Mail volumes declined a total of 3%
 - Positive impact from mailings related to EU election in May
- Expenses down 1%
- EBIT totaled SEK -57m (-110) and the EBIT margin was -0.9 (-1.8) %

Logistics: Tough competition puts pressure on profit

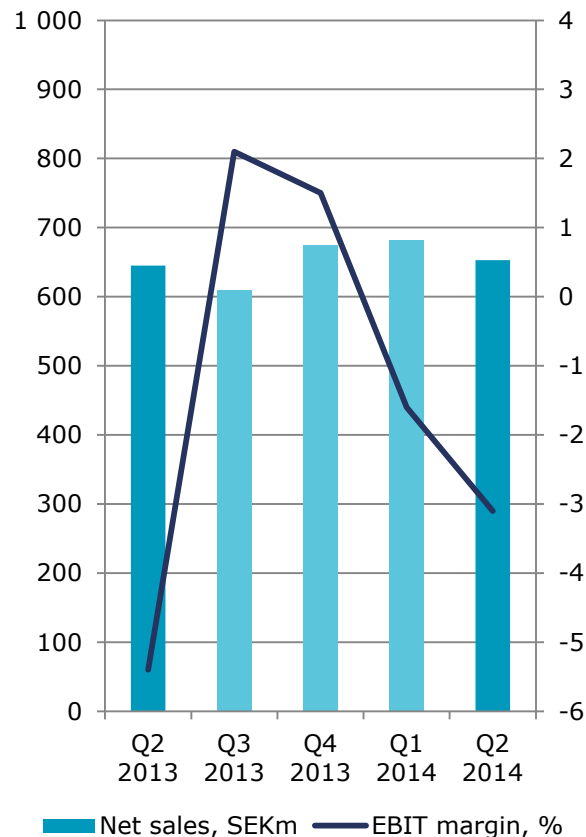
NET SALES AND EBIT MARGIN



- Net sales up 3%
 - Acquisitions within Consignment Goods and Thermo in 2013
 - Parcel volumes up 5%
- Expenses unchanged
- EBIT totaled SEK -17m (28) and the EBIT margin was -0.4 (0.7) %

PostNord Strålfors: Improved EBIT but negative margin

NET SALES AND EBIT MARGIN

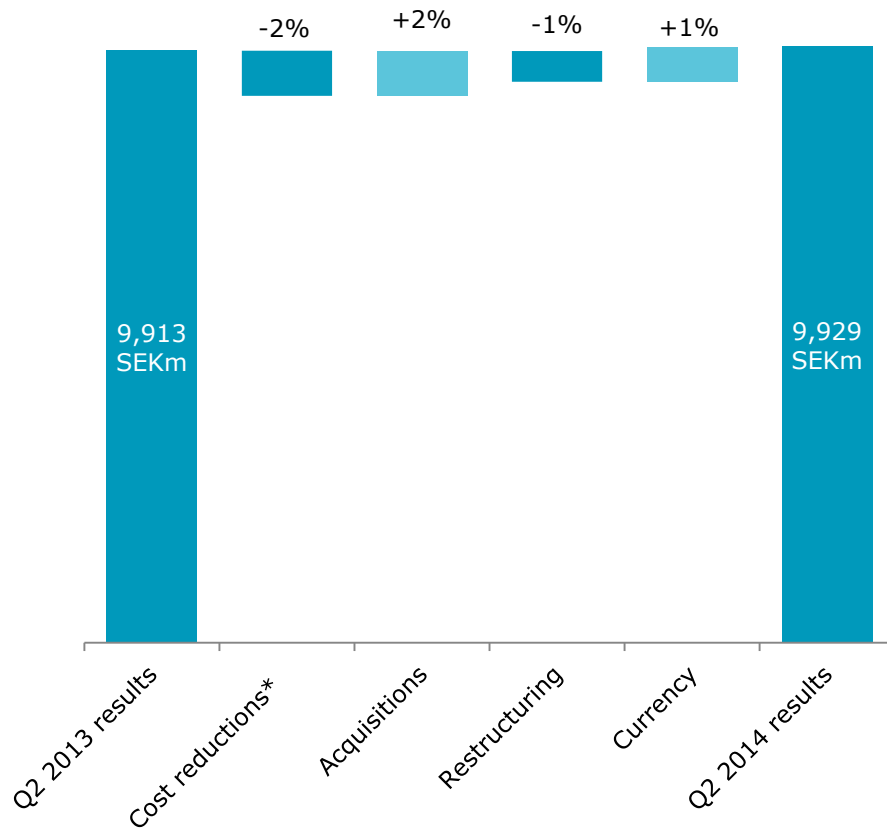


- Net sales up 1%
 - Increased sales, chiefly for new standardized printing solutions
- Expenses down 2%
- EBIT totaled SEK -20m (-35) and the EBIT margin was -3.1 (-5.4) %

Cost development

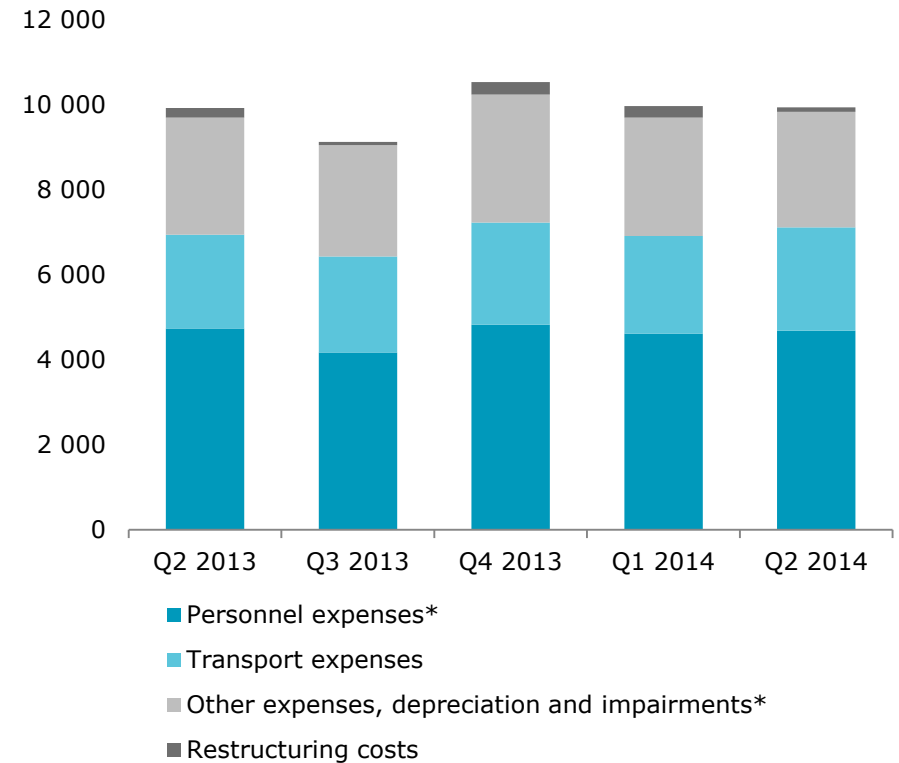
Cost savings from structural changes made this spring will take full effect during second half of the year

COST DEVELOPMENT



* Including cost inflation

OPERATING EXPENSES, SEKm

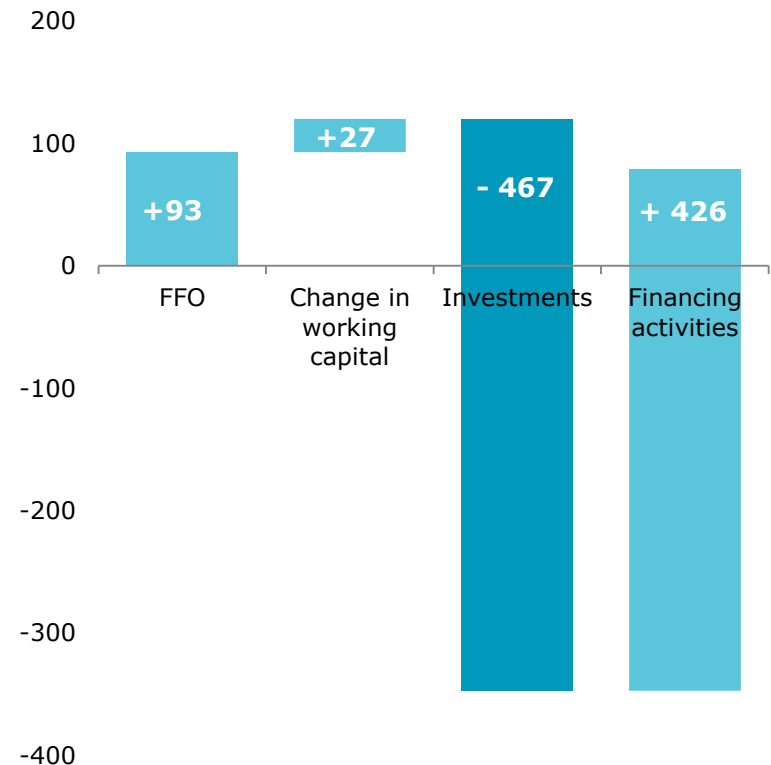


* Excluding restructuring costs

Cash flow development

- Cash flow for Q2 2014 totaled SEK 79m
- Positive cash flow from changes in working capital due to improved operating profit and lower accounts receivable
- No new acquisitions in 2014
- New financing in the form of SEK 550m bond loan. Dividend (SEK 129m) distributed to owners in April 2014

NET CASH FLOW, SEKm



Increased net debt

- Net debt increased SEK 798m to SEK 2,926m during Q2
 - Revaluation of pension liabilities due to a lower discount rate
 - Issuance of SEK 550m bond loan
- Financial preparedness of SEK 3.1 bn, of which SEK 1.1 bn in cash and cash equivalents

NET DEBT

SEKm	Jun 30 2014	Mar 31 2014
Interest-bearing debt	-5,134	-4,555
Pension provisions*	- 438	-33
Total	-5,572	-4,588
Financial receivables	1,286	1,225
Current interest-bearing receivables	286	242
Cash and cash equivalents	1,074	993
Net debt	-2,926	-2,128
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<i>Net debt/EBITDA, times</i>	1.4	1.0
<i>Net debt ratio, %</i>	33	23
<i>Financial preparedness</i>	3,074	2,993

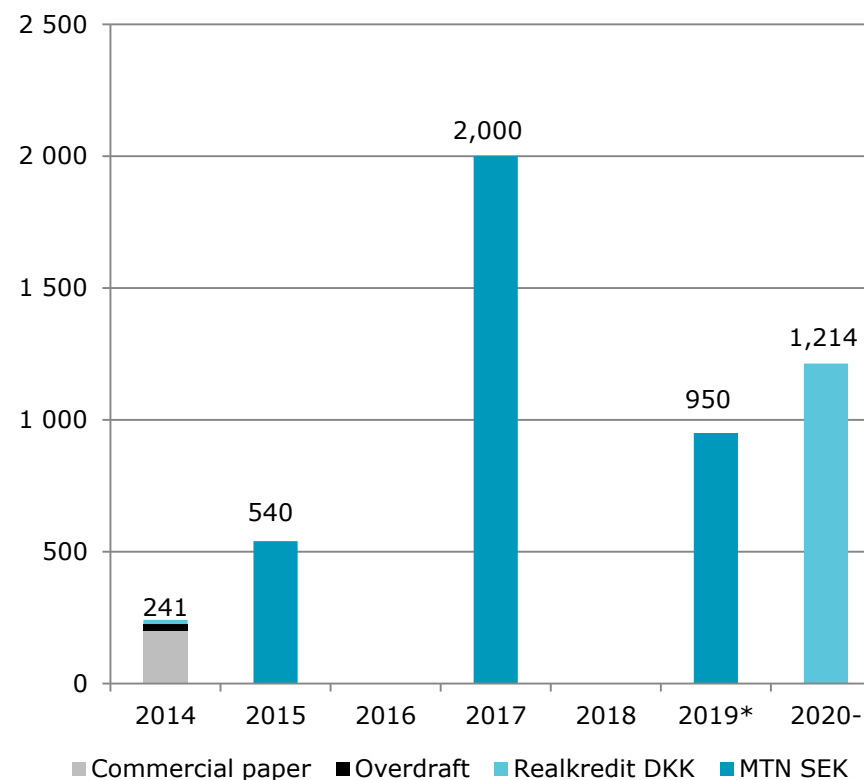
* Including assets under management

Credit profile

CREDIT OVERVIEW, JUNE 30, 2014

Credit	Total value SEK bn	Utilized value SEK bn
Revolving credit facility, 5-yr, SEK	2.0	0
Commercial paper, SEK	3.0	0.2
Realkredit Danmark A/S, real estate financing (Post Danmark A/S), 20-yr, DKK	1.2	1.2
MTN program, SEK	6.0	3.5
Total utilized per June 30, 2014		4.9
Short-maturity credits		0.8

MATURITY STRUCTURE, JUNE 30, 2014, SEKm



A SEK 2.0 bn undrawn revolving credit facility (RCF) is available, maturing in 2017

Financial targets

- New financial targets adopted by 2014 AGM
- Targets are long-range and evaluated over a 3-5 year period

Area	Key ratio	Q2 2014	Target
Capital structure	Net debt ratio	33%	10-50%
Profitability	Return on operating capital	4.3%	10.5%
Dividend policy	Dividend	2013 dividend: SEK 129m (40.4%) distributed in April 2014	40-60% of net profit (50% as the norm)

Area:	Outlook:
Mail volumes	Decrease in 2014: <ul style="list-style-type: none">▪ 4-5% in Sweden▪ 12-14% in Denmark
Investments	3-5% of group income during 2014
Profitability and cash flow	Intensified focus on cost reductions, the effective use of capital and continued financial stability. Increase in profitability and improved cash flow.
Credit standing	Ambition to remain an investment grade company

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