

# Interim report

# Q3 2015

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## JULY-SEPTEMBER 2015

- Net sales of SEK 9,218m (9,535).
- Adjusted operating income SEK 81m (345).
- Items affecting comparability, net, SEK 48m (0).
- Operating income SEK 33m (345).
- Net income for the period SEK 22m (232).
- Cash flow from operating activities SEK -264m (-271).

## JANUARY-SEPTEMBER 2015

- Net sales of SEK 28,917m (29,350).
- Adjusted operating income SEK 426m (421).
- Items affecting comparability, net, SEK 422m (0).
- Operating income SEK 848m (421).
- Net income for the period SEK 615m (256).
- Cash flow from operating activities SEK 749m (-620).

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**We deliver!** PostNord is the leading supplier of communication and logistics solutions to, from and within the Nordic region. We also ensure the postal service to households and businesses in Sweden and Denmark. With our expertise and strong distribution network, we develop options for tomorrow's communication, e-commerce, distribution and logistics in the Nordic region. In 2014, the Group had 38,000 employees and sales of SEK 40 billion. The Parent Company is a Swedish public limited company with headquartered in Solna, Sweden. Visit us at [www.postnord.com](http://www.postnord.com)

## FINANCIAL OVERVIEW AND KEY RATIOS

SEKm, unless otherwise specified	Jul-Sep	Jul-Sep	Excl. <sup>1)</sup>		Jan-Sep	Jan-Sep	Excl. <sup>1)</sup>		Jan-Dec
	2015	2014	Δ	Δ	2015	2014	Δ	Δ	2014
<b>INCOME ITEMS</b>									
Net sales	9,218	9,535	-3%	-4%	28,917	29,350	-1%	-3%	39,950
Operating income (EBITDA)	461	768			2,158	1,678			2,198
Operating margin (EBITDA)	5.0%	8.1%			7.5%	5.7%			5.5%
Operating income (EBIT)	33	345			848	421			351
Operating margin (EBIT) <sup>2)</sup>	0.4%	3.6%			2.9%	1.4%			0.9%
Adjusted operating income (EBIT) <sup>3)</sup>	81	345			426	421			861
Adjusted operating margin (EBIT) <sup>2) 3)</sup>	0.9%	3.6%			1.5%	1.4%			2.2%
Income before tax	10	308			755	331			245
Net income	22	232			615	256			176
<b>CASH FLOWS</b>									
Cash flows from operating activities	-264	-271			749	-620			670
<b>FINANCIAL POSITION</b>									
Financial preparedness	3,443	2,684	28%		3,443	2,684	28%		3,843
Net debt	1,308	4,197	-69%		1,308	4,197	-69%		3,672
<b>KEY RATIOS</b>									
Earnings per share, SEK	0.01	0.12			0.31	0.13			0.09
Net debt/EBITDA, times	0.5	1.8			0.5	1.8			1.7
Net debt ratio	15%	48%			15%	48%			46%
Return on capital employed (ROCE)	7.0%	5.2%			7.0%	5.2%			3.1%
Average number of employees <sup>4)</sup>	35,904	38,402			35,424	37,714			37,407

1) Change excluding acquisitions/divestments and currency.

2) From 2015 a new definition of operating margin (operating income as % of net sales) is applied. Numbers for 2014 are restated for comparability. See note 7, Definitions

3) Adjusted for items affecting comparability. See explanation on page 4 and note 7, Definitions.

4) 2014 years numbers are adjusted for change in calculations, e.g. terminated staff in "Futurum" are no longer included.

The report comments on developments in July-September and January-September 2015, respectively, compared to the same periods in 2014 unless otherwise stated.

## CEO COMMENTS

### STILL ON THE RIGHT TRACK BUT IN AN EVEN MORE CHALLENGING WORLD

E-commerce in the Nordic market is growing strongly. Digitization in Denmark was at a record-high pace during the quarter, resulting in considerably lower mail volumes. Continued adaptations in many areas are required to ensure long-term profitability.

In the wake of continued digitization, mail volumes continued to decline, especially in Denmark. In total, mail volumes declined by 11% in the quarter, of which 23% in Denmark and 7% in Sweden. So far this year mail volumes have fallen by 9%, of which 18% in Denmark and 6% in Sweden. This means that the decline has accelerated additionally in Denmark and now only 18% of priority mail volumes remain compared to the top-level year, 1999. It is therefore necessary to implement changes to postal regulations as quickly as possible and to make the regulations sufficiently flexible to enable essential future adaptations based on customers' continually changing needs. This is a prerequisite for maintaining a universal postal service in the long term under reasonable economic conditions.

In August the Swedish government adopted terms of reference for a commission of inquiry into postal legislation and appointed a special inquiry official to review the postal regulations. The aim is for the official to submit the final report by May 31, 2016. We welcome this inquiry. In Denmark customers' demand has entailed a shift of volumes from priority to non-priority mail, which means that priority mail has in practice become more of an express service. A substantial increase in the price of priority mail has been announced in order to attain reasonable economic conditions for priority letters.

The Group's adjusted operating income in Q3 totaled SEK 81m (345). The result for the quarter has been adjusted for items affecting comparability totaling SEK 48m (0). The drop compared to the previous year is mainly due to considerably decreasing mail income in Denmark and the fact that activity in the Norwegian economy has decreased, resulting in lower logistics volumes.

PostNord continues to take initiatives as a leader in e-commerce logistics. In September PostNord organized the E-commerce Forum 2015 in Sweden, in which about 550 retail trade customers, e-commerce customers and suppliers participated. On the theme of consumer power and increased international competition in e-commerce, it is clear that PostNord has leading insight into the Nordic e-commerce industry. The e-commerce segment continues to show strong growth, and B2C parcel volumes rose by 13% during the quarter.

After thorough evaluation of a possible divestment of Strålfors, PostNord has decided to retain Strålfors in the Group. Strålfors' digital and physical communication operations will be more closely integrated with the Group's communication products to broaden the customer offering and improve competitiveness. A new business area – Communication Services – will be created, based on the Mail & Communication business area and Strålfors' service development business.

We are on the right track and are reinforcing our position as a leading communication and logistics operator, but rapidly declining mail volumes present us with major challenges. Further adaptation of capacity, cost efficiency measures and product development are therefore necessary to ensure long-term profitability. With a great focus on customers we will deliver on our promises.

*Håkan Ericsson*  
*President & Group CEO*

## IMPORTANT EVENTS IN JULY-SEPTEMBER

### Acquisition of the company Uudenmaan Pikakuljetus Oy (UPK) in Finland

Following approval by the Finnish Competition and Consumer Authority, PostNord Oy acquired the company Uudenmaan Pikakuljetus Oy (UPK) on September 1. UPK reported sales of about EUR 24 million in 2014 and has around 60 employees. The deal considerably strengthens PostNord's position in Finland within domestic parcel transportation, scheduled deliveries, logistics solutions for healthcare and e-commerce and temperature-controlled transport services.

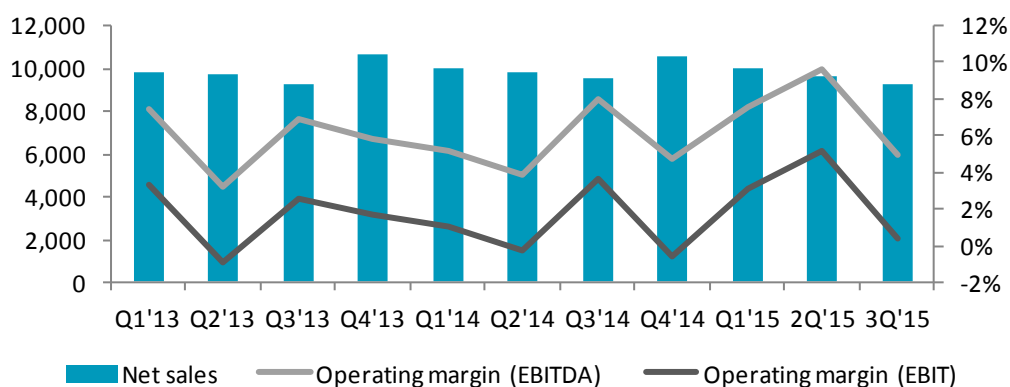
## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

### Evaluation of conditions for possible divestment of the Strålfors business completed

After evaluating possible divestment of Strålfors, PostNord has decided to retain Strålfors in the Group. PostNord will integrate its digital and physical communication business more strongly to build more customer benefit and competitiveness. The Group's service development in physical and digital communication will be gathered in one new, joint business area – Communication Services – which is based on the Mail & Communication business area and Strålfors' service development business. Strålfors' operational activities will continue to be run as a sub-group with main responsibility for marketing, selling and producing multi-channel solutions and print.

Annemarie Gardshol, who has been the acting CEO of Strålfors since early summer, will now become CEO of Strålfors on a permanent basis. She will also continue to be responsible for PostNord's e-commerce unit. Until further notice, Jan Starrsjö will replace her as Head of Group Strategy.

## GROUP SALES AND EARNINGS



### July-September

Excluding acquisitions and exchange rate effects, PostNord's net sales decreased by 4%. As a result of continued digitization, mail volumes declined by a total of 11%, of which 23% in Denmark and 7% in Sweden. E-commerce continued to show strong growth, generating higher volumes in goods distribution of mail and parcels. The Group's parcel volumes increased by 9%, of which e-commerce-related B2C parcel volumes rose 13%. In Norway logistics volumes decreased in the quarter due to less demand as a result of a slowdown in the economy related to the steep drop in the price of oil. Parcel volumes are increasing in total, but related income cannot fully compensate for the declining mail volumes.

The Group's adjusted operating income reached SEK 81m (345) and the operating margin was 0.9% (3.6). The decrease compared to the previous year is mainly due to steeply declining mail income in Denmark as well as lower logistics volumes in Norway as a result of the above-mentioned slowdown. In Sweden the result is adversely affected by the mix effect with a lower proportion of income for the mail business and higher social security costs for young people in Sweden. Implemented cost cuts in all parts of the operations counteract the decrease in the result.

The Group's reported operating income totaled SEK 33m (345). The operating margin was 0.4% (3.6). The result includes items affecting comparability totaling SEK 48m (0), comprising an adjustment from 2014 for depreciation of property and a provision for unutilized premises.

Net financial items amounted to SEK -23m (-37) and were primarily affected by lower interest expense. Tax for the quarter was SEK 12m (-76). Net income for the period totaled SEK 22m (232).

### January-September

Excluding acquisitions and exchange rate effects, PostNord's net sales decreased by 3%. Mail volumes declined by a total of 9%, of which 18% in Denmark and 6% in Sweden. Parcel volumes increased by 11%, of which e-commerce-related B2C parcel volumes rose 15%.

The Group's adjusted operating income reached SEK 426m (421). The result has been adjusted for items affecting comparability of net SEK 422m (0). Lower mail income was compensated for by cost cuts in both production and administration.

The Group's reported operating income totaled SEK 848m (421). The operating margin was 2.9% (1.4). Net financial items reached SEK -93m (-90), and tax totaled SEK -140m (-75). Net income for the period totaled SEK 615m (256).

2015 Jan-Sept SEK m	PostNord Sweden	PostNord Denmark	PostNord Norway	PostNord Finland	Other	Group total
Capital gain, real estate, Denmark		501				<b>501</b>
Impairment intangible assets					-30	<b>-30</b>
Adjustment depreciation properties	-19					<b>-19</b>
Provision unused premises					-30	<b>-30</b>
<b>Total items affecting comparability</b>	<b>-19</b>	<b>501</b>	<b>0</b>	<b>0</b>	<b>-60</b>	<b>422</b>

## FINANCIAL POSITION ON SEPTEMBER 30, 2015

The Group's equity decreased to SEK 8,948m compared to SEK 9,421m on June 30, 2015. The decrease mainly stems from revaluation of pension obligations and pension assets under management totaling SEK-748m, net, which was primarily affected by lower return on the pension assets. The decrease is also due to translation differences of SEK -51m. A change in deferred tax increased equity by SEK 303m, however.

The Group's net debt rose by SEK 565m during the third quarter. The increase is mainly attributable to the above-mentioned lower return on pension assets. The Group received SEK 495m in cash and cash equivalents at the start of July related to a property sale at the end of June.

The net debt ratio (net debt/equity) was 15%, compared to 8% on June 30, 2015. The net debt/EBITDA ratio (rolling 12 months) was 0.5.

Return on capital employed (rolling 12 months) reached 7.0% (5.2). The improvement includes cost efficiency measures and capital gain from the sale of properties.

### Net debt

SEKm	Sep 30 2014	Dec 31 2014	Mar 31 2015	Jun 30 2015	Sep 30 2015
Financial receivables	1,341	1,092	1,125	1,628	1,155
Cash and cash equivalents	684	1,843	2,466	1,445	1,443
Interest-bearing debt	-5,521	-5,384	-5,141	-3,816	-3,849
Pension provisions <sup>1)</sup>	-701	-1,223	-1,563	0	-57
<b>Net debt</b>	<b>-4,197</b>	<b>-3,672</b>	<b>-3,113</b>	<b>-743</b>	<b>-1,308</b>

<sup>1)</sup> Includes assets under management. Per 30 June 2015, the assets under management are greater than the estimated net present value of the pension liabilities and are accounted for under the line item Financial receivables.

The Group's financial preparedness totaled SEK 3,443m, compared to SEK 3,445m on June 30, 2015 and comprised cash and cash equivalents of SEK 1,443m and an unutilized revolving credit facility (RCF) of SEK 2,000m maturing in 2017.

## CASH FLOW

### July-September

Cash flow from operating activities totaled SEK -264m (-271). Cash flow was mainly adversely affected by lower net income and outgoing payments of operating liabilities and pensions. Incoming payments of other operating receivables had a positive impact on cash flow.

Cash flow from investing activities totaled SEK 252m (-491). In July PostNord received a cash payment totaling SEK 495m attributable to a property sale in Copenhagen at the end of June. Investments in property, plant and equipment have decreased to a lower level since work on terminals in Sweden has been completed and tighter investment governance has been adopted. The investments primarily related to vehicles in production as well as equipment for transportation and sorting.

Cash flow from financing activities was SEK 10m (365) as a result of few financial activities during the quarter.

### January-September

Cash flow from operating activities totaled SEK 749m (-620). The improvement on last year is mainly because Q1 2014 was adversely affected by payment deferrals at the turn of 2013/2014 and because working capital improved during 2015.

Cash flow from investing activities totaled SEK -211m (-1,421). The property in Copenhagen was divested in Q2 for SEK 1,160m. In conjunction with the divestment, the buyer took over a property loan of SEK 665m, and SEK 495m was paid at the start of July. Investments in property, plant and equipment have decreased to a lower level since the new terminals in Sweden have been completed and tighter investment governance has been adopted.

Cash flow from financing activities totaled SEK -936m (736). In the course of 2015 bond loans under the MTN program and commercial paper have been repaid. Loans of SEK 950m, net, were raised in 2014.

## COUNTRIES

Since the start of 2015, financial reporting for the segments is presented per country organization. Common notes applicable to the financial tables in the following sections are presented at the end of the segments on page 10.

### PostNord Sweden

PostNord Sweden <sup>1) 2)</sup> SEKm	Jul-Sep	Jul-Sep	Excl. <sup>3)</sup>		Jan-Sep	Jan-Sep	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	5,424	5,445	0%	0%	16,907	16,926	0%	0%
of which Mail & Communication (external)	3,007	3,116	-3%	-3%	9,555	9,922	-4%	-4%
of which Logistics (external)	2,154	2,117	2%	2%	6,599	6,368	4%	4%
Operating income (EBIT)	167	387			568	560		
Operating margin, % <sup>4)</sup>	3.1%	7.1%			3.4%	3.3%		
Adjusted operating income (EBIT) <sup>5)</sup>	186	387			587	560		
Adjusted operating margin, % <sup>4) 5)</sup>	3.4%	7.1%			3.5%	3.3%		

### July-September

PostNord Sweden's net sales were unchanged. Mail and parcel volumes related to e-commerce displayed positive growth. Sales for Mail & Communication in Sweden were down 3% as a result of a 7% drop in mail volumes; this can be partly explained by the fact that extra mailings related to the Swedish parliamentary election were sent last year. Sales for Logistics in Sweden were up 2%, mainly as a result of higher parcel volumes related to increased e-commerce and expanded customer contracts.

Adjusted operating income totaled SEK 186m (387). The decrease is primarily related to an internal positive adjustment of IT costs and pensions in Q3 2014 totaling SEK 110m. The figure is also adversely affected by the mix effect with a lower proportion of income for the mail business and higher social security costs for young people in Sweden.

### January-September

PostNord Sweden's net sales were unchanged. Sales for Mail & Communication in Sweden were down 4% as a result of a 6% drop in mail volumes, of which a 1% drop in volume is due to the fact that extra mailings related to the EU election and Swedish parliamentary general elections were sent in 2014. Sales for Logistics in Sweden increased 4%, above all as a result of higher parcel volumes and new customer contracts.

Adjusted operating income totaled SEK 587m (560). The improvement stems from implemented cost cuts.



## PostNord Denmark

PostNord Denmark <sup>1) 2)</sup> SEKm	Jul-Sep	Jul-Sep	Excl. <sup>3)</sup>		Jan-Sep	Jan-Sep	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	2,323	2,439	-5%	-7%	7,292	7,452	-2%	-6%
of which Mail & Communication (external)	1,400	1,577	-11%	-13%	4,490	4,878	-8%	-11%
of which Logistics (external) <sup>6)</sup>	821	739	11%	9%	2,461	2,228	10%	7%
Operating income (EBIT)	-148	-57			103	-272		
Operating margin, % <sup>4)</sup>	-6.4%	-2.3%			1.4%	-3.7%		
Adjusted operating income (EBIT) <sup>5)</sup>	-149	-57			-398	-272		
Adjusted operating margin, % <sup>4) 5)</sup>	-6.4%	-2.3%			-5.5%	-3.7%		

### July-September

PostNord Denmark's net sales were down 5%. Excluding acquisitions and exchange rate effects, net sales fell by 7% as a result of lower mail volumes. Excluding exchange rate effects, Mail & Communication in Denmark declined by 13% as a result of a 23% drop in mail volumes. A positive effect of the product mix partially counteracted the decrease in sales. Logistics in Denmark increased by 9%, excluding exchange rate effects, thanks to higher parcel volumes and new customer contracts in service logistics.

Adjusted operating income totaled SEK -149m (-57). The result was substantially affected by lower mail income that has not yet been possible to fully compensate for by cost adjustments.

### January-September

PostNord Denmark's net sales were down 2%. Excluding acquisitions and exchange rate effects, net sales fell by 6%. Excluding exchange rate effects, Mail & Communication in Denmark declined by 11% as a result of an 18% drop in mail volumes. Logistics in Denmark increased by 7%, excluding exchange rate effects, as a result of higher volumes in parcel logistics and new customer contracts in service logistics. Adjusted operating income totaled SEK -398m (-272).

## PostNord Norway

PostNord Norway <sup>1) 2)</sup> SEKm	Jul-Sep	Jul-Sep	Excl. <sup>3)</sup>		Jan-Sep	Jan-Sep	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	970	1,089	-11%	-7%	3,103	3,209	-3%	-2%
of which Mail & Communication (external)	11	9	25%	35%	35	26	33%	37%
of which Logistics (external)	860	991	-13%	-9%	2,778	2,936	-5%	-5%
Operating income (EBIT)	-31	-7			-25	19		
Operating margin, % <sup>4)</sup>	-3.2%	-0.6%			-0.8%	0.6%		
Adjusted operating income (EBIT) <sup>5)</sup>	-31	-7			-25	19		
Adjusted operating margin, % <sup>4) 5)</sup>	-3.2%	-0.6%			-0.8%	0.6%		

### July-September

PostNord Norway's net sales decreased by 11%. Excluding acquisitions and exchange rate effects, net sales fell by 7% due to less demand as a result of a slowdown in the economy related to the steep drop in the price of oil. Operating income consequently decreased and amounted to SEK -31m (-7).

The new sorting facility at PostNord's terminal in Alfaset in Oslo was brought into operation during the quarter, which entailed higher costs during the construction period and adversely affected the result. The capacity in the new facility is being increased by more than 300%, parcels weighing up to 35kg can be sorted, lead times are being shortened and control is being increased, which enables more sophisticated information services for customers and a more ergonomically sound working environment for the employees.

In conjunction with the opening of the new terminal, a meeting was organized with Norwegian politicians in order to inform them of the challenges within the logistics sector in Norway and the

complex systems that underpin goods deliveries to the business sector that are secure, on time and to the right destination.

#### January-September

Year-on-year net sales for PostNord Norway decreased by 3%. Excluding acquisitions and exchange rate effects, net sales were down by 2%. Growth in the e-commerce market remains strong, but the tough price competition in logistics is holding back both sales and profitability. Q3 2015 was also affected by the economic slowdown, which resulted in lower operating income of SEK -25m (19).

#### PostNord Finland

<b>PostNord Finland</b> <sup>1) 2)</sup> <b>SEKm</b>	<b>Jul-Sep</b> <b>2015</b>	<b>Jul-Sep</b> <b>2014</b>	<b>Excl.</b> <sup>3)</sup>		<b>Jan-Sep</b> <b>2015</b>	<b>Jan-Sep</b> <b>2014</b>	<b>Excl.</b> <sup>3)</sup>	
			<b>Δ</b>	<b>Δ</b>			<b>Δ</b>	<b>Δ</b>
Net sales	198	168	18%	4%	544	490	11%	3%
<i>of which Mail &amp; Communication (external)</i>	3	3	8%	6%	10	11	-2%	-5%
<i>of which Logistics (external)</i>	135	110	23%	2%	361	325	11%	1%
Operating income (EBIT)	4	2			4	-3		
Operating margin, % <sup>4)</sup>	2.0%	1.2%			0.7%	-0.6%		
Adjusted operating income (EBIT) <sup>5)</sup>	4	2			4	-3		
Adjusted operating margin, % <sup>4) 5)</sup>	2.0%	1.2%			0.7%	-0.6%		

#### July-September

PostNord Finland's net sales grew by 18%. Excluding acquisitions and exchange rate effects, net sales rose by 4% related to higher volumes of parcels and pallets, mainly in imports. This was achieved despite a challenging economic situation in Finland.

Operating income improved and reached SEK 4m (2). The improvement is thanks to higher sales and previously implemented cost-cutting measures. The result includes transaction costs related to acquisitions.

Following approval by the Finnish Competition and Consumer Authority, PostNord Oy acquired the company Uudenmaan Pikakuljetus Oy (UPK) on September 1. The deal considerably strengthens PostNord's position in Finland within domestic parcel transportation, scheduled deliveries, logistics solutions for healthcare and e-commerce and temperature-controlled transport services.

#### January-September

PostNord Finland's net sales grew by 11%. Excluding acquisitions and exchange rate effects, net sales increased 3%, primarily in parcels and pallets.

Operating income totaled SEK 4m (-3). The improvement is related to higher sales and previously implemented cost-cutting measures.

## PostNord Strålfors

PostNord Strålfors <sup>1) 2)</sup> SEKm	Jul-Sep	Jul-Sep	Excl. <sup>3)</sup>		Jan-Sep	Jan-Sep	Excl. <sup>3)</sup>	
	2015	2014	Δ	Δ	2015	2014	Δ	Δ
Net sales	522	567	-8%	-8%	1,747	1,776	-2%	-3%
Operating income (EBIT)	23	8			57	1		
Operating margin, % <sup>4)</sup>	4.4%	1.4%			3.3%	0.1%		
Adjusted operating income (EBIT) <sup>5)</sup>	23	8			57	1		
Adjusted operating margin, % <sup>4) 5)</sup>	4.4%	1.4%			3.3%	0.1%		

### July-September

The figures for PostNord Strålfors have been restated for 2014 to reflect that the fulfilment business has been transferred to PostNord Sweden.

Net sales for PostNord Strålfors decreased by 8%. Reported operating income totaled SEK 23m (8). The improvement is mainly attributable to implemented cost-cutting programs.

After evaluating possible divestment of Strålfors, PostNord has decided to retain Strålfors in the Group. PostNord will integrate its digital and physical communication business more strongly to build more customer benefit and competitiveness. The Group's service development in physical and digital communication will be gathered in one new, joint business area – Communication Services – which is based on the Mail & Communication business area and Strålfors' service development business. Strålfors' operational activities will continue to be run as a sub-group with main responsibility for marketing, selling and producing multi-channel solutions and print.

Annemarie Gardshol, who has been the acting CEO of Strålfors since early summer, will now become CEO of Strålfors on a permanent basis.

### January-September

Net sales for PostNord Strålfors decreased by 2%. Excluding acquisitions and exchange rate effects, net sales were down by 3%.

Operating income totaled SEK 57m (1). The improvement is mainly attributable to implemented cost-cutting programs.

### Other countries and eliminations

Other countries and eliminations <sup>1) 2)</sup> SEKm	Jul-Sep	Jul-Sep	Δ	Jan-Sep	Jan-Sep	Δ
	2015	2014		2015	2014	
Net sales	319	329	-3%	939	957	-2%
<i>of which internal</i>	1	0		1	2	
Eliminations	-538	-502		-1,615	-1,460	
Operating income (EBIT)	18	12	50%	141	116	22%

### January-September

Net sales are primarily related to Direct Link. During Q3 a provision of SEK 30m was made related to unutilized premises.

Common notes applicable to the financial tables in the above section:

- 1) Division into geographic areas is principally based on registered corporate domicile.
- 2) All figures are adjusted in line with the new organization and Group overheads are charged to all countries, but not PostNord Strålfors. See Note 2, Segment reporting.
- 3) Change excluding acquisitions/divestment within operational activities and exchange rates.
- 4) As of 2015 a new definition for operating margin has been applied (operating income as a percentage of net sales). Comparative periods have been restated. See Note 7, Definitions.
- 5) Adjusted for items affecting comparability. See Note 7, Definitions.
- 6) Including Logistics' operations in Germany.

## BUSINESS AREAS

<b>External net sales <sup>1)</sup></b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Excl. <sup>2)</sup></b>		<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Excl. <sup>2)</sup></b>	
<b>SEKm</b>	<b>2015</b>	<b>2014</b>	<b>△</b>	<b>△</b>	<b>2015</b>	<b>2014</b>	<b>△</b>	<b>△</b>
Mail & Communication	4,742	5,028	-6%	-7%	15,029	15,771	-5%	-6%
Logistics	3,970	3,957	0%	0%	12,199	11,857	3%	2%
PostNord Strålfors	506	550	-8%	-8%	1,689	1,722	-2%	-4%
<b>Group total</b>	<b>9,218</b>	<b>9,535</b>	<b>-3%</b>	<b>-4%</b>	<b>28,917</b>	<b>29,350</b>	<b>-1%</b>	<b>-3%</b>

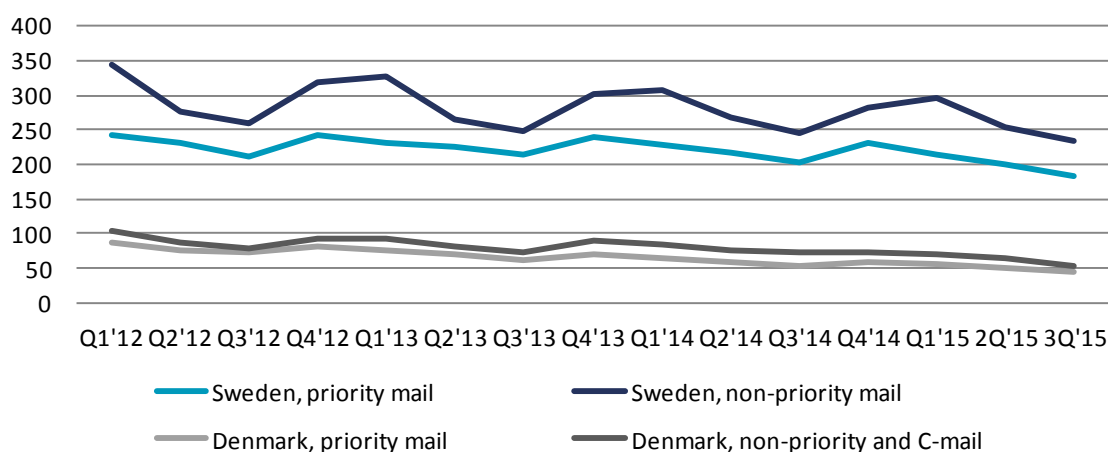
1) 2014 numbers are restated in accordance with the new organization.

2) Change excluding acquisitions/divestments and currency.

### Mail & Communication

Year-on-year net sales for the business area Mail & Communication decreased by 6% during the quarter. Excluding acquisitions and exchange rate effects, net sales were down by 7%. The lower net sales are mainly due to continued digitization and declining mail volumes.

Mail volumes, millions of units



Mail volumes declined by a total of 11% in the quarter due to digitization, of which 23% in Denmark and 7% in Sweden. The volume decline was somewhat mitigated by further strong growth in e-commerce-related services. The development of Swedish Varubrev services remains positive, with growth of 18% compared to Q3 2014.

So far this year, mail volumes have fallen by a total of 9%, of which 18% in Denmark and 6% in Sweden, year-on-year.

## Logistics

Year-on-year net sales for the Logistics business area were unchanged during the quarter. E-commerce is continuing to show strong growth and parcel volumes rose 9% during the quarter, of which the number of e-commerce-related B2C items increased by 13%. Volumes rose in Sweden and Denmark but displayed a decline in Norway. The tough price competition in logistics is subduing sales growth.

Parcel volumes, millions of units



## PostNord Strålfors

See comments on PostNord Strålfors in the "Countries" section.

## RISKS AND UNCERTAINTIES

PostNord is exposed to strategic, operational and financial risks. Please refer to PostNord's 2014 Annual and Sustainability Report (pages 54-55 and Note 2 on pages 66-67), for a description of risks, uncertainties, risk management and significant assessments and estimates. No material changes or assessments have been made since the publication of the Annual and Sustainability Report.

## FINANCIAL CALENDAR

Year-end report 2015	February 10, 2016
Annual and Sustainability Report	March 18, 2016
Annual General Meeting 2016	April 28, 2016
Interim report January-March 2016	April 29, 2016
Interim report January-June 2016	August 12, 2016
Interim report January-September 2016	October 28, 2016

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Solna, October 28, 2015  
PostNord AB (publ), CIN 556771-2640

Håkan Ericsson  
*President and Group CEO*

PostNord AB (publ) is required to disclose this information under the Securities Markets Act. The information was submitted for publication at 8:30 a.m. CET on October 28, 2015.

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

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## REVIEW REPORT

PostNord AB  
CIN 556771-2640

### Introduction

We have reviewed the interim financial information (interim report) for PostNord AB on September 30, 2015 and the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. We are responsible for expressing a conclusion on this interim report based on our review.

### Focus and scope of the review

We performed our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review comprises making enquiries, mainly to those responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has different focus to and substantially more limited scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing (ISAs) and other generally accepted auditing standards. The assessment performed in a review does not enable us to obtain a level of assurance that would make us aware of all key circumstances that may have been possible to identify had an audit been performed. The conclusion expressed on the basis of a review does not therefore give the same assurance as a conclusion expressed on the basis of an audit.

### Conclusion

On the basis of our review, nothing has come to light that gives us reason to believe that the interim report has not, in all material aspects, been drawn up for the Group according to IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company according to the Swedish Annual Accounts Act.

Stockholm, October 28, 2015

KPMG AB

Helene Willberg  
Authorized Public Accountant

## FINANCIAL STATEMENTS

### Consolidated income statement

SEKm	Note	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
Net sales	1	9,218	9,535	28,917	29,350	39,950
Other income		61	59	689	200	632
<b>Income</b>	2	<b>9,279</b>	<b>9,594</b>	<b>29,606</b>	<b>29,550</b>	<b>40,582</b>
Personnel expenses	3	-4,070	-4,130	-13,193	-13,537	-18,212
Transport expenses	3	-2,473	-2,483	-7,402	-7,209	-9,832
Other expenses	3,4	-2,273	-2,215	-6,857	-7,137	-10,356
Depreciation and impairments	3	-428	-423	-1,310	-1,257	-1,847
<b>Expenses</b>		<b>-9,244</b>	<b>-9,251</b>	<b>-28,762</b>	<b>-29,140</b>	<b>-40,247</b>
Participations in the earnings of associated companies		-2	2	4	11	16
<b>OPERATING INCOME</b>		<b>33</b>	<b>345</b>	<b>848</b>	<b>421</b>	<b>351</b>
Financial income		7	3	15	27	89
Financial expenses		-30	-40	-108	-117	-195
<b>Net financial items</b>		<b>-23</b>	<b>-37</b>	<b>-93</b>	<b>-90</b>	<b>-106</b>
<b>INCOME BEFORE TAX</b>		<b>10</b>	<b>308</b>	<b>755</b>	<b>331</b>	<b>245</b>
Tax		12	-76	-140	-75	-69
<b>NET INCOME</b>		<b>22</b>	<b>232</b>	<b>615</b>	<b>256</b>	<b>176</b>
<b>Attributable to</b>						
Parent company shareholders		21	231	613	253	173
Non-controlling interests		1	1	2	3	3
Earnings per share, SEK		0.01	0.12	0.31	0.13	0.09

### Consolidated statement of comprehensive income

SEKm	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
<b>NET INCOME</b>	<b>22</b>	<b>232</b>	<b>615</b>	<b>256</b>	<b>176</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that cannot be transferred to net income</b>					
Revaluation of pension liabilities	-748	-414	513	-813	-1,682
Change in deferred tax	303	91	26	179	370
<b>Total</b>	<b>-445</b>	<b>-323</b>	<b>539</b>	<b>-634</b>	<b>-1,312</b>
<b>Items that have been or may be transferred to net income</b>					
Cash flow hedges after tax	1	-2	2	-10	-12
Translation differences <sup>1)</sup>	-51	36	-196	225	237
<b>Total</b>	<b>-50</b>	<b>34</b>	<b>-194</b>	<b>215</b>	<b>225</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-495</b>	<b>-289</b>	<b>345</b>	<b>-419</b>	<b>-1,087</b>
<b>COMPREHENSIVE INCOME</b>	<b>-473</b>	<b>-57</b>	<b>960</b>	<b>-163</b>	<b>-911</b>
<b>Attributable to</b>					
Parent company shareholders	-474	-58	958	-166	-914
Non-controlling interests	1	1	2	3	3

1) Translation differences refer to the translation of group equity in foreign currencies.



## Consolidated balance sheet

SEKm	Note	Sep 30 2014	Dec 31 2014	Mar 31 2015	Jun 30 2015	Sep 30 2015
	1					
<b>ASSETS</b>						
Goodwill		3,393	3,372	3,361	3,361	3,358
Other intangible assets		1,445	1,319	1,244	1,163	1,079
Property, plant and equipment		9,933	9,923	9,066	8,873	8,713
Participations in associated companies and joint ventures		76	83	85	72	73
Financial investments		221	257	258	255	248
Other non-current receivables		1,174	887	915	1,420	954
Deferred tax assets		467	566	557	502	647
<b>Total non-current assets</b>		<b>16,709</b>	<b>16,407</b>	<b>15,486</b>	<b>15,646</b>	<b>15,072</b>
Inventories		237	177	170	168	158
Tax assets		514	367	343	396	520
Trade receivables		4,626	4,620	4,689	4,402	4,347
Prepaid expenses and accrued income		1,535	1,289	1,277	1,484	1,464
Other receivables		553	389	391	1,129	666
Cash and cash equivalents		684	1,843	2,466	1,445	1,443
Assets held for sale		484	372	997	286	200
<b>Total current assets</b>		<b>8,633</b>	<b>9,057</b>	<b>10,333</b>	<b>9,310</b>	<b>8,798</b>
<b>TOTAL ASSETS</b>		<b>25,342</b>	<b>25,464</b>	<b>25,819</b>	<b>24,956</b>	<b>23,870</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Capital stock		2,000	2,000	2,000	2,000	2,000
Other contributed equity		9,954	9,954	9,954	9,954	9,954
Reserves		-1,702	-1,692	-1,744	-1,836	-1,886
Retained earnings		-1,517	-2,275	-2,577	-699	-1,123
<b>Total equity attributable to parent company shareholders</b>		<b>8,735</b>	<b>7,987</b>	<b>7,633</b>	<b>9,419</b>	<b>8,945</b>
<b>Non-controlling interests</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>
<b>TOTAL EQUITY</b>		<b>8,739</b>	<b>7,991</b>	<b>7,637</b>	<b>9,421</b>	<b>8,948</b>
<b>LIABILITIES</b>						
Non-current interest-bearing liabilities		4,340	4,577	3,772	3,805	3,816
Other non-current liabilities		42	59	38	38	38
Pensions		701	1,223	1,563		57
Other provisions	4	1,393	1,730	1,655	1,526	1,529
Deferred tax liabilities		828	650	626	954	799
<b>Total non-current liabilities</b>		<b>7,304</b>	<b>8,239</b>	<b>7,654</b>	<b>6,323</b>	<b>6,239</b>
Current interest-bearing liabilities		1,181	807	1,368	11	34
Trade payables		1,811	2,010	2,252	2,070	1,947
Tax liabilities		82	65	68	84	73
Other current liabilities		2,023	1,742	1,762	1,919	2,098
Accrued expenses and prepaid income		3,721	3,929	4,442	4,570	4,030
Other provisions	4	481	681	636	558	501
<b>Total current liabilities</b>		<b>9,299</b>	<b>9,234</b>	<b>10,528</b>	<b>9,212</b>	<b>8,683</b>
<b>TOTAL LIABILITIES</b>		<b>16,603</b>	<b>17,473</b>	<b>18,182</b>	<b>15,535</b>	<b>14,922</b>
<b>TOTAL EQUITY AD LIABILITIES</b>		<b>25,342</b>	<b>25,464</b>	<b>25,819</b>	<b>24,956</b>	<b>23,870</b>

## Consolidated statement of changes in equity

SEKm	Equity attributable to the parent company's shareholders						Non-controlling interests	Total equity
	Capital stock <sup>1)</sup>	Contributed equity	Translation differences	Hedging reserve	Retained earnings			
<b>Opening balance 1 Jan 2014</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,917</b>		<b>-1,007</b>	<b>4</b>	<b>9,034</b>	
<b>Other comprehensive income for the period</b>								
Net income for the period					253	3	256	
Other comprehensive income for the period			225	-10	-634		-419	
<b>Total other comprehensive income for the period</b>			<b>225</b>	<b>-10</b>	<b>-381</b>	<b>3</b>	<b>-163</b>	
Dividend					-129	-3	-132	
<b>Closing balance 30 Sep 2014</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,692</b>	<b>-10</b>	<b>-1,517</b>	<b>4</b>	<b>8,739</b>	
<b>Opening balance 1 Oct 2014</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,692</b>	<b>-10</b>	<b>-1,517</b>	<b>4</b>	<b>8,739</b>	
<b>Other comprehensive income for the period</b>								
Net income for the period					-80	0	-80	
Other comprehensive income for the period			12	-2	-678		-668	
<b>Total other comprehensive income for the period</b>			<b>12</b>	<b>-2</b>	<b>-758</b>	<b>0</b>	<b>-748</b>	
Dividend							0	
<b>Closing balance 31 Dec 2014</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,680</b>	<b>-12</b>	<b>-2,275</b>	<b>4</b>	<b>7,991</b>	
<b>Opening balance 1 Jan 2015</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,680</b>	<b>-12</b>	<b>-2,275</b>	<b>4</b>	<b>7,991</b>	
<b>Other comprehensive income for the period</b>								
Net income for the period					613	2	615	
Other comprehensive income for the period			-196	2	539		345	
<b>Total other comprehensive income for the period</b>			<b>-196</b>	<b>2</b>	<b>1,152</b>	<b>2</b>	<b>960</b>	
Dividend						-3	-3	
<b>Closing balance 30 Sep 2015</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,876</b>	<b>-10</b>	<b>-1,123</b>	<b>3</b>	<b>8,948</b>	

1) Number of shares is 2,000,000,001: 1,524,905,971 ordinary shares and 475,094,030 series B shares.

## Consolidated statement of cash flows

SEKm	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
<b>OPERATING ACTIVITIES</b>					
Income before tax	10	308	755	331	245
Adjustments for non-cash items:					
Reversal of depreciation and impairments	428	423	1,310	1,257	1,847
Capital gain/loss from sale of PP&E	5	16	-496	16	-431
Change in pension liability	31	117	67	295	577
Other provisions	26	35	29	291	937
Other items not affecting liquidity	-20	-26	-16	-7	6
Pensions paid	-235	-261	-748	-786	-1,045
Other provisions, liquidity effect	-81	-194	-390	-423	-596
Taxes	-9	83	-34	-15	-116
<b>Cash flow from operating activities before changes in working capital</b>	<b>155</b>	<b>501</b>	<b>477</b>	<b>959</b>	<b>1,424</b>
Cash flow from changes in working capital					
Increase(-)/decrease(+) in inventories	10	-3	20	-12	48
Increase(-)/decrease(+) in other operating receivables	112	-273	-86	-541	138
Increase(+)/decrease(-) in other operating liabilities	-532	-583	291	-1,090	-947
Other changes in working capital	-9	87	47	64	7
<b>Changes in working capital</b>	<b>-419</b>	<b>-772</b>	<b>272</b>	<b>-1,579</b>	<b>-754</b>
<b>Cash flow from operating activities</b>	<b>-264</b>	<b>-271</b>	<b>749</b>	<b>-620</b>	<b>670</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	-198	-385	-642	-1,122	-1,478
Sale of property, plant and equipment	498	8	523	28	582
Capitalized development expenditures	-7	-29	-27	-94	-178
Purchase of other intangible fixed assets		-3	-6	-9	-34
Divestment of other intangible fixed assets					5
Acquisition of subsidiaries, net	-47	-69	-78	-69	-85
Change in financial assets	6	-13	19	-155	-198
<b>Cash flow from investing activities</b>	<b>252</b>	<b>-491</b>	<b>-211</b>	<b>-1,421</b>	<b>-1,386</b>
<b>FINANCING ACTIVITIES</b>					
Amortized debts	-16		-843	-200	-600
New debts raised		400		1,150	1,350
Change in finance leasing liabilities	-3	-3	-9	-6	-15
Dividend paid to parent company owners				-129	-129
Dividend paid to non-controlling interests		-1	-3	-3	-3
Net pension transactions	-22	-21	-64	-64	-85
Increase(+)/decrease(-) in other interest-bearing liabilities	51	-10	-17	-12	48
<b>Cash flow from financing activities</b>	<b>10</b>	<b>365</b>	<b>-936</b>	<b>736</b>	<b>566</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-2</b>	<b>-397</b>	<b>-398</b>	<b>-1,305</b>	<b>-150</b>
Cash and cash equivalents, opening balance	1,445	1,074	1,843	1,981	1,981
Translation difference in cash and cash equivalents	0	7	-2	8	12
<b>Cash and cash equivalents, closing balance</b>	<b>1,443</b>	<b>684</b>	<b>1,443</b>	<b>684</b>	<b>1,843</b>

## PARENT COMPANY

The parent company, PostNord AB, conducted a very limited intercompany service operation and had three employees by the end of the period.

### Parent Company income statement

SEKm	Note	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
	1					
Other income		6	6	19	15	20
<b>Income</b>		<b>6</b>	<b>6</b>	<b>19</b>	<b>15</b>	<b>20</b>
Personnel expenses		-8	-8	-25	-24	-32
Other expenses		0	-2	-3	-6	-8
<b>Operating expenses</b>		<b>-8</b>	<b>-10</b>	<b>-28</b>	<b>-30</b>	<b>-40</b>
<b>OPERATING INCOME</b>		<b>-2</b>	<b>-4</b>	<b>-9</b>	<b>-15</b>	<b>-20</b>
Income from participations in group companies						200
Interest income and similar income items		-34	1	1	13	13
Interest expense and similar expense items		-3	-38	-44	-129	-183
<b>Financial items</b>		<b>-37</b>	<b>-37</b>	<b>-43</b>	<b>-116</b>	<b>30</b>
<b>Income after financial items</b>		<b>-39</b>	<b>-41</b>	<b>-52</b>	<b>-131</b>	<b>10</b>
Balance sheet appropriations						182
<b>Income before tax</b>		<b>-39</b>	<b>-41</b>	<b>-52</b>	<b>-131</b>	<b>192</b>
Tax		3		3		
<b>NET INCOME</b>		<b>-36</b>	<b>-41</b>	<b>-49</b>	<b>-131</b>	<b>192</b>

### Parent Company statement of comprehensive income

SEKm	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
Net income	-36	-41	-49	-131	192
Other comprehensive income for the period					
<b>COMPREHENSIVE INCOME</b>	<b>-36</b>	<b>-41</b>	<b>-49</b>	<b>-131</b>	<b>192</b>

### Parent Company balance sheet

SEKm	Note	Sep 30 2014	Dec 31 2014	Mar 31 2015	Jun 30 2015	Sep 30 2015
	1					
<b>ASSETS</b>						
Financial assets		11,686	11,685	11,686	11,691	11,691
<b>Total non-current assets</b>		<b>11,686</b>	<b>11,685</b>	<b>11,686</b>	<b>11,691</b>	<b>11,691</b>
Current receivables		8,880	9,043	8,828	8,276	8,232
<b>Total current assets</b>		<b>8,880</b>	<b>9,043</b>	<b>8,828</b>	<b>8,276</b>	<b>8,232</b>
<b>TOTAL ASSETS</b>		<b>20,566</b>	<b>20,728</b>	<b>20,514</b>	<b>19,967</b>	<b>19,923</b>
<b>EQUITY AND LIABILITIES</b>						
Equity		15,449	15,771	15,772	15,762	15,722
Non-current liabilities		3,948	4,183	4,156	4,152	4,174
Current liabilities		1,169	774	586	53	27
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,566</b>	<b>20,728</b>	<b>20,514</b>	<b>19,967</b>	<b>19,923</b>

### Parent Company pledged assets and contingent liabilities

Assets pledged as collateral						
Warranty, PRI		140	136	136	136	136
Guarantees on behalf of subsidiaries		460	550	453	415	479
<b>Total</b>		<b>600</b>	<b>686</b>	<b>589</b>	<b>551</b>	<b>615</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 1 Accounting principles

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. PostNord Group's interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and with supplementary rules from the Annual Accounts Act. The same accounting principles and methods of calculation were used in this interim report as in the 2014 Annual and Sustainability Report.

The parent company applies the Annual Accounts Act and RFR 2, Accounting for Legal Entities; in effect, the same accounting principles as the Group. The differences between the parent company's and the Group's accounting principles result from the parent company's limitations in applying IFRS as a consequence of the Annual Accounts Act and the Act on Safeguarding of Pension Commitments, and are to some extent based on tax considerations. The same accounting principles and methods of calculation were used in this interim report as in the 2014 Annual and Sustainability Report.

### Note 2 Segment reporting

PostNord's organization into business areas is based on the manner in which PostNord is governed and activities are reported to management. Market pricing applies to internal dealings between PostNord business areas. 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. From 2015 the financial reporting apply the new organization with segments per country division. Numbers for 2014 are restated for comparability.

#### Countries (see Countries section)

Countries are divided into the following country organizations: PostNord Sweden, PostNord Denmark (incl. Germany), PostNord Norway, PostNord Finland, PostNord Strålfors and Other countries. The countries market and sell the business areas' end-to-end solutions within the Nordics.

*PostNord Sweden offers mail- and logistic solutions as well as e-commerce at the Swedish market and is also responsible for PostNord's fulfilment business .*

*PostNord Denmark offers mail- and logistic solutions as well as e-commerce at the Danish market and is also responsible for PostNord's e-commerce and logistics business in Germany.*

*PostNord Norway and Finland offer mail- and logistic solutions as well as e-commerce at the Norwegian and Finnish market respectively.*

*PostNord Strålfors operates in the area of information logistics. The company develops and offers communication solutions that create stronger, more personal customer relationships for companies that have large customer bases.*

*Other comprises business outside the countries served by the segment, shared services and corporate functions including the parent company and Group adjustments. The adjustments are IFRS adjustments regarding pensions in accordance with IAS 19, Employee Benefits, and finance leasing in accordance with IAS 17, Lease Agreements. From Other, service costs for shared services and corporate functions are allocated to the countries. Cost allocations are taken up as income in Other under Other Income, Internal. Within the countries, cost allocations are recognized in Other Expenses.*

*Eliminations comprise the elimination of internal transactions.*

#### Business segments (see Business Areas section)

*Business area Mail & Communication provides distribution solutions in the communication market for physical and digital mail, direct mail and newspaper services, as well as facility management services.*

*Business area Logistics offers logistics services in the areas of parcels, express and messaging, consignment freight, mixed cargo, thermal, Air & Ocean and third-party logistics. Business area Logistics has a comprehensive offering and distribution network for businesses and retail customers in the Nordic market.*

*PostNord Strålfors operates in the area of information logistics. The company develops and offers communication solutions that create stronger, more personal customer relationships for companies that have large customer bases.*

## Not 2 Segment reporting

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
<b>PostNord Sweden</b> <sup>1) 2)</sup>							
Net sales	5,799	5,682	5,445	6,228	5,818	5,665	5,424
<i>of which internal</i>	219	204	212	250	242	250	261
Operating income (EBIT)	72	101	387	187	228	173	167
Operating margin, % <sup>3)</sup>	1.2%	1.8%	7.1%	3.0%	3.9%	3.1%	3.1%
Adjusted operating income (EBIT) <sup>4)</sup>				308			186
Adjusted operating margin, % <sup>3) 4)</sup>				4.9%			3.4%
<b>PostNord Denmark</b> <sup>1) 2) 5)</sup>							
Net sales	2,560	2,453	2,439	2,712	2,567	2,402	2,323
<i>of which internal</i>	117	105	121	138	124	115	102
Operating income (EBIT)	-22	-193	-57	54	-47	298	-148
Operating margin, % <sup>3)</sup>	-0.9%	-7.9%	-2.3%	2.0%	-1.8%	12.4%	-6.4%
Adjusted operating income (EBIT) <sup>4)</sup>				122		-202	-149
Adjusted operating margin, % <sup>3) 4)</sup>				4.5%		-8.4%	-6.4%
<b>PostNord Norway</b> <sup>1) 2)</sup>							
Net sales	1,042	1,078	1,089	1,104	1,077	1,056	970
<i>of which internal</i>	80	94	98	103	94	97	99
Operating income (EBIT)	13	13	-7	-65	11	-5	-31
Operating margin, % <sup>3)</sup>	1.2%	1.2%	-0.6%	-5.9%	1.0%	-0.5%	-3.2%
Adjusted operating income (EBIT) <sup>4)</sup>				-54			
Adjusted operating margin, % <sup>3) 4)</sup>				-4.9%			
<b>PostNord Finland</b> <sup>1) 2)</sup>							
Net sales	162	160	168	175	175	171	198
<i>of which internal</i>	50	50	55	55	58	55	59
Operating income (EBIT)	-3	-2	2	-2	1	-1	4
Operating margin, % <sup>3)</sup>	-1.9%	-1.3%	1.2%	-1.1%	0.6%	-0.6%	2.0%
Adjusted operating income (EBIT) <sup>4)</sup>				-2			
Adjusted operating margin, % <sup>3) 4)</sup>				-1.1%			
<b>PostNord Strålfors</b> <sup>1) 2)</sup>							
Net sales	619	590	567	604	641	584	522
<i>of which internal</i>	21	16	16	22	21	21	16
Operating income (EBIT)	1	-8	8	-50	26	8	23
Operating margin, % <sup>3)</sup>	0.2%	-1.4%	1.4%	-8.3%	4.1%	1.4%	4.4%
Adjusted operating income (EBIT) <sup>4)</sup>				14			
Adjusted operating margin, % <sup>3) 4)</sup>				2.3%			
<b>Other countries and eliminations</b> <sup>1) 2)</sup>							
Net sales	304	324	329	347	294	326	319
<i>of which internal</i>	0	2	0	2	0	0	1
Eliminations	-487	-471	-502	-570	-539	-538	-538
Operating income (EBIT)	45	59	12	-194	93	30	18
<b>Group total</b>							
Net sales	9,999	9,816	9,535	10,600	10,033	9,666	9,218
Group operating income (EBIT)	106	-30	345	-70	312	503	33
Group net financial items	-21	-32	-37	-16	-22	-48	-23
Group income before tax	85	62	308	-86	290	455	10

1) Division into geographic areas is principally based on corporate registered domicile.

2) 2014 numbers are restated in accordance with the new organization.

3) From 2015 a new definition of operating margin (operating income as % of net sales) is applied. Numbers for 2014 are restated for comparability. See note 7, Definitions.

4) Adjusted for items affecting comparability. See note 7, Definitions.

5) Including Logistics' operations in Germany.

### Note 3 Income statement, restructuring costs by segment

	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEKm	2014	2014	2014	2014	2015	2015	2015
PostNord Sweden	-170	-61	-64	-169	-55	-59	-89
PostNord Denmark	-28	-15	-23	-448	-3	0	0
PostNord Norway	-25	-2	0	-10	0	0	0
PostNord Finland	0	0	0	0	0	0	0
PostNord Strålfors	-17	0	0	-56	0	0	0
Other	-27	-23	5	-90	18	2	-31
<b>Total</b>	<b>-267</b>	<b>-101</b>	<b>-82</b>	<b>-773</b>	<b>-40</b>	<b>-57</b>	<b>-120</b>

### Note 4 Other provisions

	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEKm	2014	2014	2014	2014	2015	2015	2015
<b>Opening balance</b>	<b>1,941</b>	<b>2,027</b>	<b>2,005</b>	<b>1,874</b>	<b>2,411</b>	<b>2,291</b>	<b>2,084</b>
Provisions	239	137	89	751	24	15	44
<i>of which restructuring activities</i>	221	75	26	824	6	3	36
<i>of which pensions</i>	16	53	62	-69	13	-2	4
<i>of which other</i>	2	9	1	-4	5	14	4
Reversals	-22	-29	-20	-177	-14	0	0
Utilizations	-133	-142	-201	-190	-165	-152	-125
<i>of which restructuring activities</i>	-124	-138	-197	-177	-164	-150	-120
<i>of which other</i>	-9	-4	-4	-13	-1	-2	-5
Translation effects	2	12	1	153	35	-70	27
<b>Closing balance</b>	<b>2,027</b>	<b>2,005</b>	<b>1,874</b>	<b>2,411</b>	<b>2,291</b>	<b>2,084</b>	<b>2,030</b>
<i>of which current</i>	690	635	481	681	636	558	501
<i>of which non-current</i>	1,337	1,370	1,393	1,730	1,655	1,526	1,529

(Accumulated)	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep
SEKm	2014	2014	2014	2014	2015	2015	2015
<b>Opening balance</b>	<b>1,941</b>	<b>1,941</b>	<b>1,941</b>	<b>1,941</b>	<b>2,411</b>	<b>2,411</b>	<b>2,411</b>
Provisions	239	376	465	1,216	24	39	83
<i>of which restructuring activities</i>	221	296	322	1,146	6	9	45
<i>of which pensions</i>	16	69	131	62	13	11	15
<i>of which other</i>	2	11	12	8	5	19	23
Reversals	-22	-51	-71	-248	-14	-14	-14
Utilizations	-133	-275	-476	-666	-165	-317	-442
<i>of which restructuring activities</i>	-124	-262	-459	-636	-164	-314	-434
<i>of which other</i>	-9	-13	-17	-30	-1	-3	-8
Translation effects	2	14	15	168	35	-35	-8
<b>Closing balance</b>	<b>2,027</b>	<b>2,005</b>	<b>1,874</b>	<b>2,411</b>	<b>2,291</b>	<b>2,084</b>	<b>2,030</b>
<i>of which current</i>	690	635	481	681	636	558	501
<i>of which non-current</i>	1,337	1,370	1,393	1,730	1,655	1,526	1,529

## Note 5 Acquisitions and divestments of subsidiaries

Effect of acquisitions and divestments on assets and liabilities, SEKm	Jan-Sep 2015 <sup>1)</sup>			Jan-Dec 2014		
	Acquisitions	Divestments	Total	Acquisitions	Divestments	Total
Goodwill	58		58			
Intangible assets	13		13	8		8
Property, plant and equipment	63		63	401		401
Other non-current assets	3		3	24		24
<b>Total non-current assets</b>	<b>137</b>		<b>137</b>	<b>433</b>		<b>433</b>
Current assets	66		66	25		25
<b>TOTAL ASSETS</b>	<b>203</b>		<b>203</b>	<b>458</b>		<b>458</b>
<b>TOTAL LIABILITIES</b>	<b>-118</b>		<b>-118</b>	<b>-351</b>		<b>-351</b>
<b>NET ASSETS</b>	<b>85</b>		<b>85</b>	<b>107</b>		<b>107</b>
Other items affecting cash flow				3		3
Purchase consideration paid/received	-85		-85	-107		-107
Cash and cash equivalents (acquired/divested)	7		7	19		19
<b>Net effect on cash and cash equivalents</b>	<b>-78</b>		<b>-78</b>	<b>-85</b>		<b>-85</b>

1) During the third quarter 2015 PostNord Terminal Trondheim AS and Uudenmaan Pikakuljetus Oy were acquired.

## Note 6 Financial instruments

Financial assets and liabilities reported at fair value in the balance sheet, SEKm	30 Sep 2014	31 Dec 2014	31 Mar 2015	30 Jun 2015	30 Sep 2015
	Level 2	Level 2	Level 2	Level 2	Level 2
<b>Financial investments</b>					
Endowment insurance policies	148	143	151	154	150
<b>Other current receivables</b>					
Currency derivatives	8	12	8	11	2
Terminal settlements	536	472	564	511	541
<b>Cash and cash equivalents</b>					
Commercial paper		250			
<b>Total financial assets</b>	<b>692</b>	<b>877</b>	<b>723</b>	<b>676</b>	<b>693</b>
<b>Other current liabilities</b>					
Currency derivatives	2	15	17	2	1
Interest swaps	17	19	1	18	18
Terminal settlements	511	320	508	463	363
<b>Total financial liabilities</b>	<b>530</b>	<b>354</b>	<b>526</b>	<b>483</b>	<b>382</b>

Net borrowings, SEKm	30 Sep 2014	31 Dec 2014	31 Mar 2015	30 Jun 2015	30 Sep 2015
	Commercial paper	600	200		
Credit institutions	17	17	807		
MTN bonds	540	540	540		
Overdraft credit	14	38	27		24
<b>Total current interest-bearing liabilities</b>	<b>1,171</b>	<b>795</b>	<b>1,374</b>	<b>0</b>	<b>24</b>
Credit institutions	1,207	1,450	633	676	686
MTN bonds	2,948	2,949	2,950	2,948	2,948
<b>Total non-current interest-bearing liabilities<sup>2)</sup></b>	<b>4,155</b>	<b>4,399</b>	<b>3,583</b>	<b>3,624</b>	<b>3,634</b>
<b>Total interest-bearing liabilities</b>	<b>5,326</b>	<b>5,194</b>	<b>4,957</b>	<b>3,624</b>	<b>3,658</b>
Investments with maturities up to 3 months		250			
Cash and bank balances, excl. cash in hand	612	1,502	2,404	1,379	1,377
<b>Cash and cash equivalents, excl. cash in hand</b>	<b>612</b>	<b>1,752</b>	<b>2,404</b>	<b>1,379</b>	<b>1,377</b>
<b>Net borrowings<sup>1)</sup></b>	<b>4,714</b>	<b>3,442</b>	<b>2,553</b>	<b>2,245</b>	<b>2,281</b>

1) SEK 2,000m of unutilized credit facilities with 2017 maturity are not included in net borrowing.

2) Excluding Leasing and endowment insurance policy

### Reporting and fair value valuation of financial instruments

For all financial assets and liabilities, reported value is considered to constitute a fair approximation of fair value with the exception of the group's non-current interest-bearing liabilities. Fair value of non-current interest-bearing liabilities totaled SEK 3,741m (5,436) as of September 30, 2015, while the reported value at the same date totaled SEK 3,659m (5,326).

All financial assets and liabilities reported at fair value in the balance sheet are Level 2; see also PostNord's Annual Report, Note 29, Financial Risk Management and Financial Instruments.



## Note 7 Definitions

<b>Adjusted operating income</b>	Total income less total costs, excluding items affecting comparability. These items are mainly provisions for restructuring costs (that cannot be seen as part of on-going restructuring work), material write-downs and capital gains/losses.
<b>Adjusted operating margin</b>	Adjusted operating income as % of net sales. Previously adjusted operating income as % of total income (net sales and other income).
<b>Average number of employees (FTE)</b>	The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year.
<b>Earnings per share (EPS)</b>	Share of net earnings attributable to parent company shareholders divided by the average number of shares outstanding.
<b>EBITDA</b>	Earnings before interest, taxes, depreciations and amortizations/impairments.
<b>Financial preparedness</b>	Cash and cash equivalents and unutilized committed credit line.
<b>Net debt</b>	Interest-bearing debt (including pension provisions) less cash and cash equivalents, financial receivables and current interest-bearing receivables.
<b>Net debt/EBITDA</b>	Net debt divided by EBITDA (rolling 12-months).
<b>Net debt ratio</b>	Net debt divided by equity (rolling 12-months).
<b>Capital employed</b>	Non-interest-bearing assets less non-interest-bearing liabilities.
<b>Operating margin</b>	Operating income as a percentage of net sales. <i>Previously operating income as % of income (net sales and other income).</i>
<b>Return on equity (ROE)</b>	Net income for the 12 months to the end of the period divided by average equity for the 12 months to the end of the period.
<b>Return on capital employed (ROCE)</b>	Operating profit for the 12 months to the end of the period divided by average capital employed for the 12 months to the end of the period.
<b>Items affecting comparability</b>	<p>Items that do not recur, that are not directly attributable to operational activities and provisions for restructuring referring to the coming year. The items must be significant. Examples: capital gains in the sale of assets, impairment of assets, provisions referring to the coming year.</p> <p>Running restructuring costs are not regarded as items affecting comparability.</p>

## Quarterly data

SEKm, unless otherwise specified	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
<b>PostNord Group</b>							
Net sales	9,999	9,816	9,535	10,600	10,033	9,666	9,218
Other income	60	81	59	432	69	559	61
Expenses	-9,960	-9,929	-9,251	-11,107	-9,796	-9,722	-9,244
<i>of which, personnel expenses</i>	-4,671	-4,736	-4,130	-4,675	-4,536	-4,587	-4,070
<i>of which, transport expenses</i>	-2,291	-2,435	-2,483	-2,623	-2,473	-2,456	-2,473
<i>of which, other expenses</i>	-2,580	-2,342	-2,215	-3,219	-2,336	-2,248	-2,273
<i>of which, depreciation and impairments</i>	-418	-416	-423	-590	-451	-431	-428
Operating income (EBITDA)	524	386	768	520	763	934	461
Operating margin (EBITDA) <sup>1)</sup>	5.2%	3.9%	8.1%	4.9%	7.6%	9.7%	5.0%
Operating income (EBIT)	106	-30	345	-70	312	503	33
Operating margin (EBIT) <sup>1)</sup>	1.1%	-0.3%	3.6%	-0.7%	3.1%	5.2%	0.4%
Cash flows from operating activities	-469	120	-271	1,290	1,140	-127	-264
Net debt	2,128	2,926	4,197	3,672	3,113	743	1,308
Return on capital employed	4.0%	4.3%	5.2%	3.1%	4.7%	9.4%	7.0%
Average number of employees (FTE) <sup>2)</sup>	37,151	37,589	38,402	36,486	34,970	35,398	35,904
Number of staffing (basic) at end of period <sup>3)</sup>	37,971	37,313	36,804	36,067	36,178	35,729	35,609
<i>Volumes, millions of mails produced:</i>							
Sweden, priority mail	229	218	202	231	215	199	183
Sweden, non-priority mail	307	268	245	283	296	253	233
Denmark, priority mail	64	58	55	60	55	49	46
Denmark, non-priority and business mail	84	77	74	73	71	65	53
<i>Volumes, millions of parcels produced (net):</i> (Eliminated for volumes between countries)							
Parcels, group total	28	28	29	34	32	32	31
<i>Other information, currency</i>							
Cumulative average exchange rate, SEK/DKK	1.19	1.20	1.21	1.22	1.26	1.25	1.26
Cumulative average exchange rate, SEK/NOK	1.06	1.08	1.09	1.09	1.07	1.08	1.06
Cumulative average exchange rate, SEK/EUR	8.86	8.95	9.04	9.10	9.38	9.34	9.37
Closing day rate, SEK/DKK	1.20	1.23	1.23	1.28	1.24	1.24	1.26
Closing day rate, SEK/NOK	1.08	1.10	1.12	1.05	1.07	1.04	0.99
Closing day rate, SEK/EUR	8.95	9.20	9.18	9.52	9.29	9.22	9.41

1) New definition of operating margin (operating income as % of net sales).

2) 2014 years numbers are adjusted for change in calculations, e.g. terminated staff in "Futurum" are no longer included.

3) Numbers for Q1 and Q2 2015 are restated with additional 1,000 persons.