



postnord

First quarter 2016

April 29, 2016

postnord

Overview of results

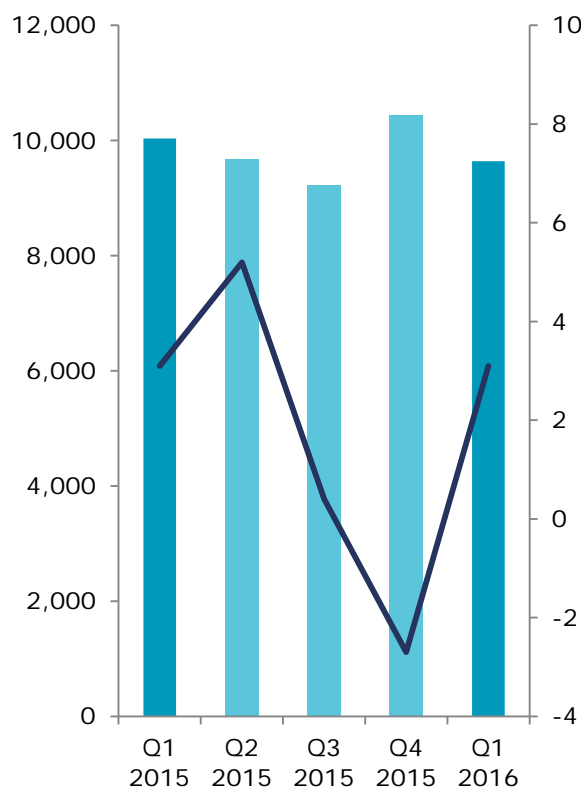
SEKm	Q1 2016	Q1 2015	△	FY 2015	FY 2014	△
Net sales	9,638	10,033	-4%	39,351	39,950	-1%
EBITDA	705	763	-8%	2,436	2,198	11%
EBIT	300	312	-4%	564	351	61%
Net income for the period	219	203		278	176	
Cash flow from operating activities	211	1,140		1,670	670	
Net debt	639	3,113		-171	3,672	

- Market trends:
 - E-commerce, B2C parcel volumes rose 12%
 - Tough competition in the logistics market
 - Mail volumes continuing to decline
 - Weak economy in Norway and Finland
- Reviews into postal legislation ongoing in Sweden and Denmark
- Higher postage for Danish express mail from year-end
- Reorganization effective January 1, 2016
 - Business area Communication Services has been established, based on Business area Mail & Communication and Strålfors' service development business.
 - Business area eCommerce & Logistics is a merger of Business area Logistics and the Group unit eCommerce.

PostNord, Group

Still on the right path, with the focus on end-to-end Nordic solutions and adaptation of the production model

NET SALES AND EBIT MARGIN



Net sales, MSEK EBIT-margin, %

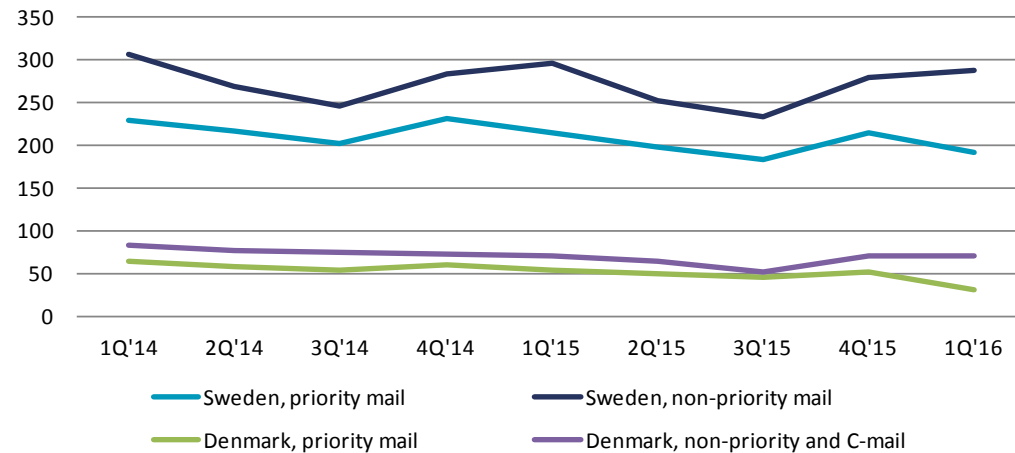
- Net sales totaled SEK 9,638m (10,033)
 - Net sales fell 4%, excluding currency effects and acquisitions
 - Decreasing mail volumes and continued tough competition in the logistics market
 - Calendar effect of early Easter holiday

- Reported EBIT SEK 300m (312), 3.1% (3.1)
 - Cost-cutting programs completed brought operating costs down
 - Ongoing adjustments and efficiency improvements are being implemented in pace with declining mail volumes

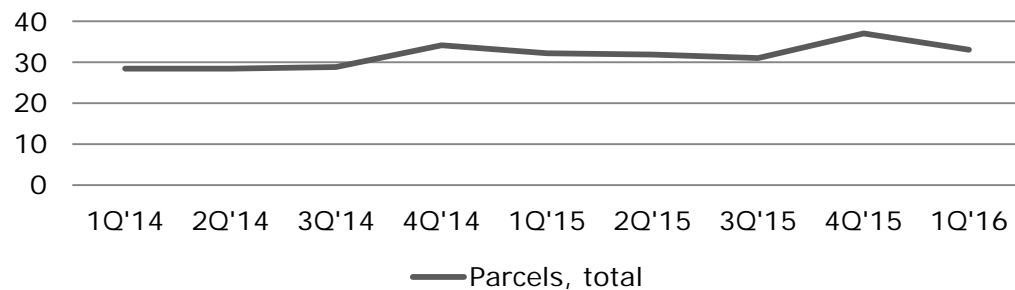
Trends in the market

- Mail volumes fell by a total of 8% compared to Q1 2015
 - 18% in Denmark
 - 6% in Sweden
- Parcel volumes rose by a total of 3% compared to Q1 2015
 - E-commerce-related
 - B2C parcels increased 12%

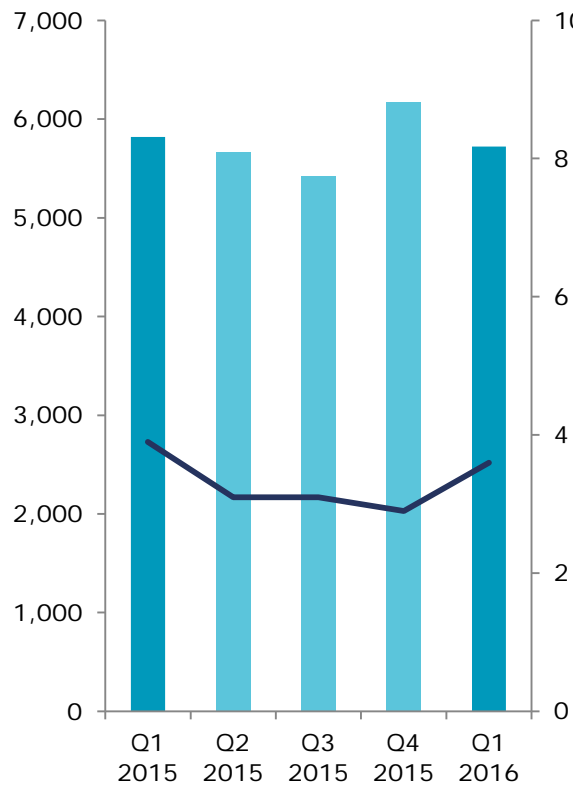
MAIL, MILLIONS OF UNITS



PARCELS, MILLIONS OF UNITS



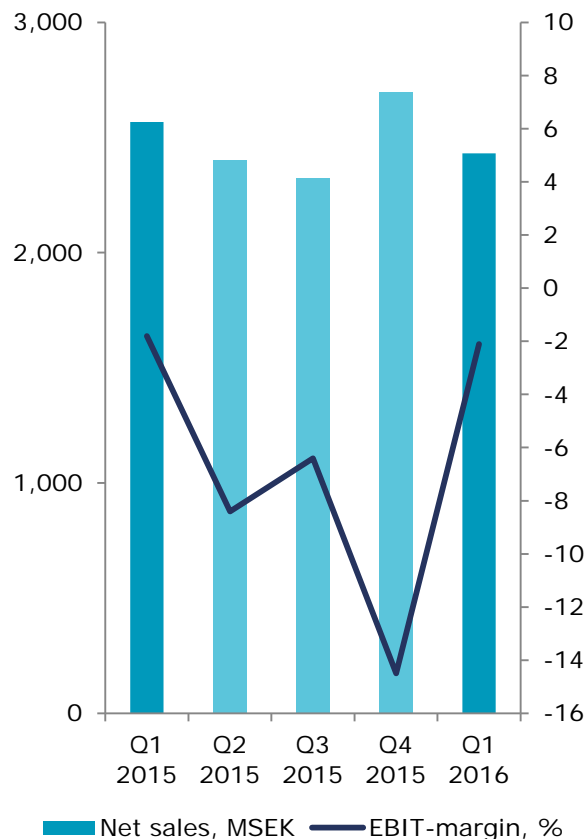
NET SALES AND EBIT MARGIN



Net sales, MSEK EBIT-margin, %

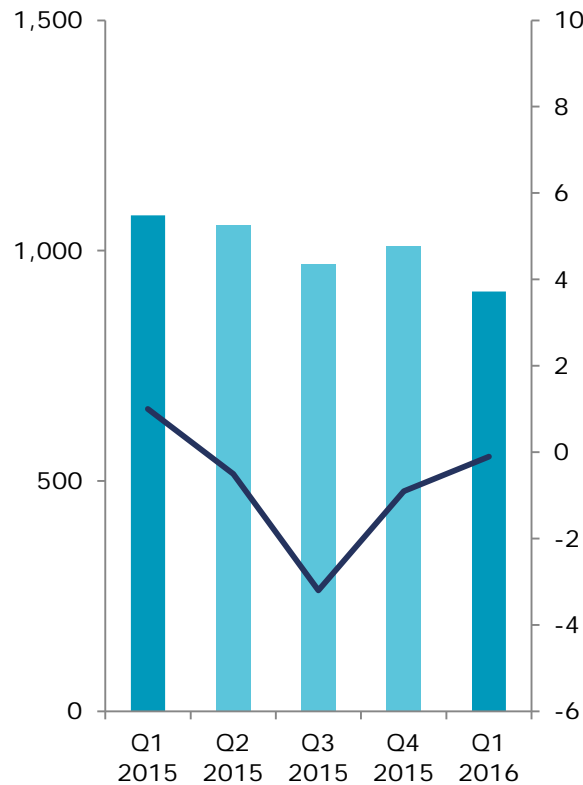
- Net sales decreased by 2%
 - Mail volumes decreased by a total of 6%
 - Sales in Business area eCommerce & Logistics unchanged
 - Easter effect
- EBIT SEK 198m (228), 3.6% (3.9)
 - Costs adapted to lower volumes
 - Negative impact of increased social insurance costs for young people

NET SALES AND EBIT MARGIN



- Net sales decreased by 5%
 - Mail volumes fell by 18%
 - Price adjustment for priority mail partly offset volume decline
 - Higher volumes of B2C parcels
 - New contracts in service logistics
- EBIT SEK -51m (-47), -2.1% (-1.8)
 - Lower mail income not fully offset by cost adjustments.
 - Wide-ranging action program in progress

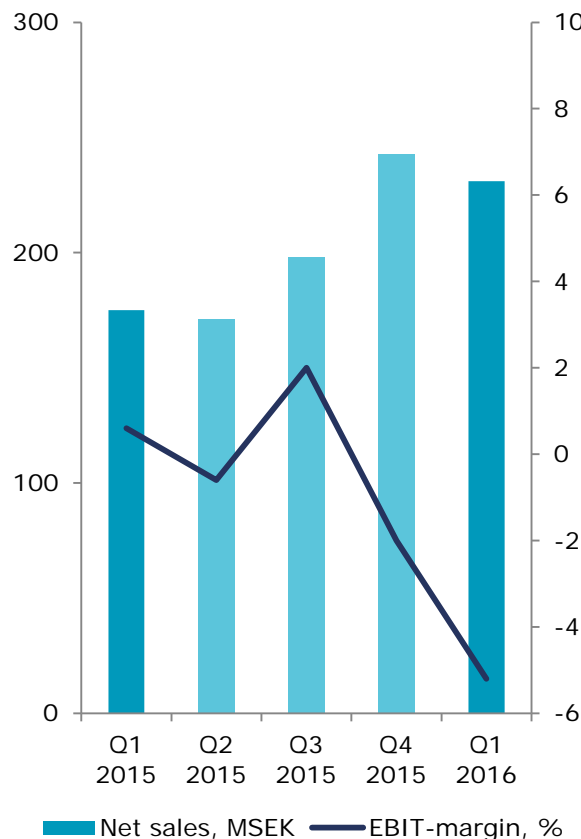
NET SALES AND EBIT MARGIN



Net sales, MSEK EBIT-margin, %

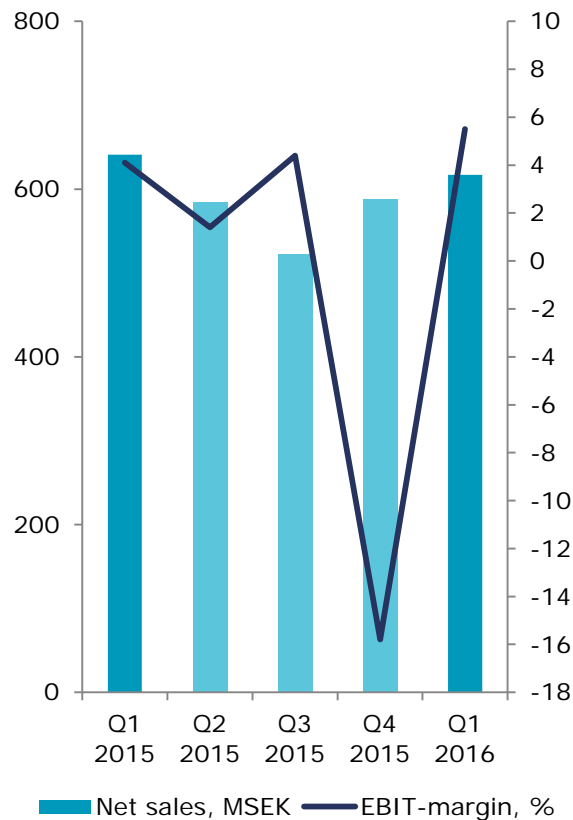
- Net sales declined by 15%, and by 10%, excluding currency effects and acquisitions
 - The logistics market was negatively affected by the economic slowdown caused by the drastic fall in the price of oil
 - The market remains characterized by tough competition
- EBIT SEK -1m (11), -0.1% (1.0)
 - Wide-ranging program to reduce costs is in progress but has not fully offset the decline in income

NET SALES AND EBIT MARGIN



- Net sales increased by 32% percent, and by 1% excluding currency effects and acquisitions
 - Continued challenging economic situation in Finland and tough competition
- EBIT SEK -12m (1), -5.2% (0.6)
 - Integration costs related to the acquisition of Uudenmaan Pikakuljetus Oy (UPK) in Finland charged to earnings
 - Merger of UPK and PostNord Oy completed

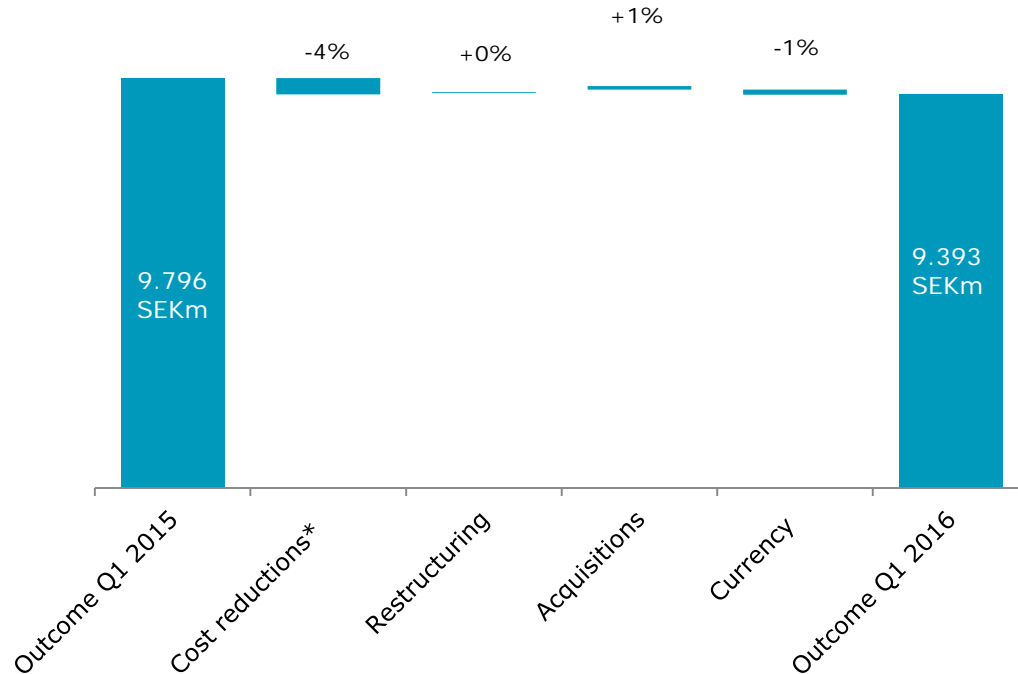
NET SALES AND EBIT MARGIN



- Net sales declined by 4%, and by 1% excluding currency effects and acquisitions
 - Shrinking market for physical modes of communication
 - Increased sales under new customer agreements and digital communication offerings
- EBIT SEK 34m (26), 5.5% (4.1)
 - Improvement explained by cost-cutting programs implemented

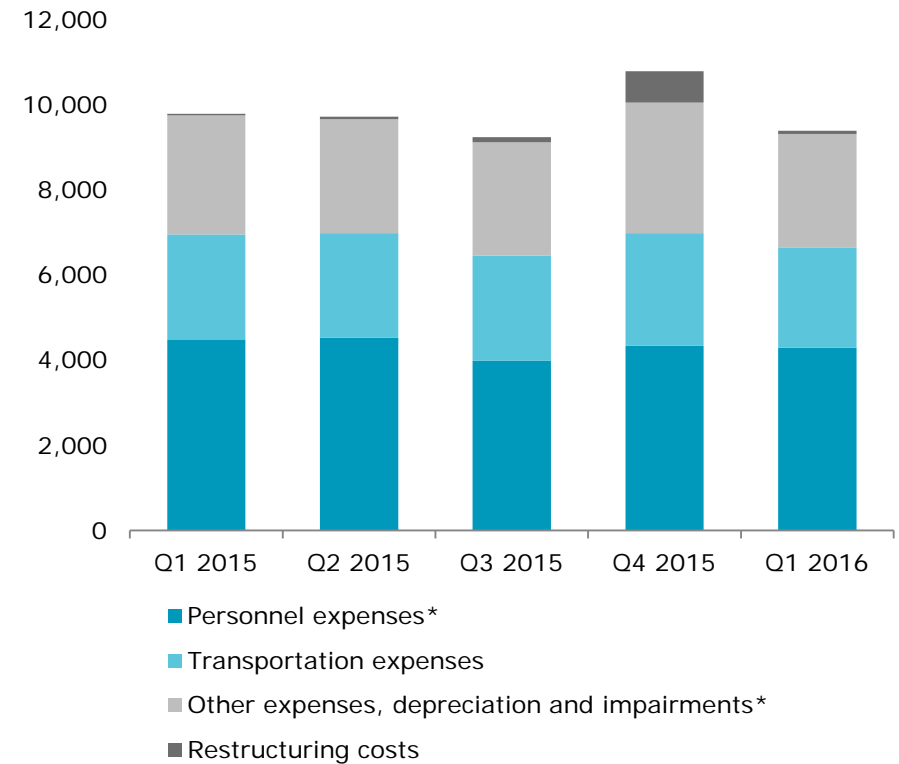
Trend of costs

TREND OF GROUP'S COSTS



*Including cost inflation

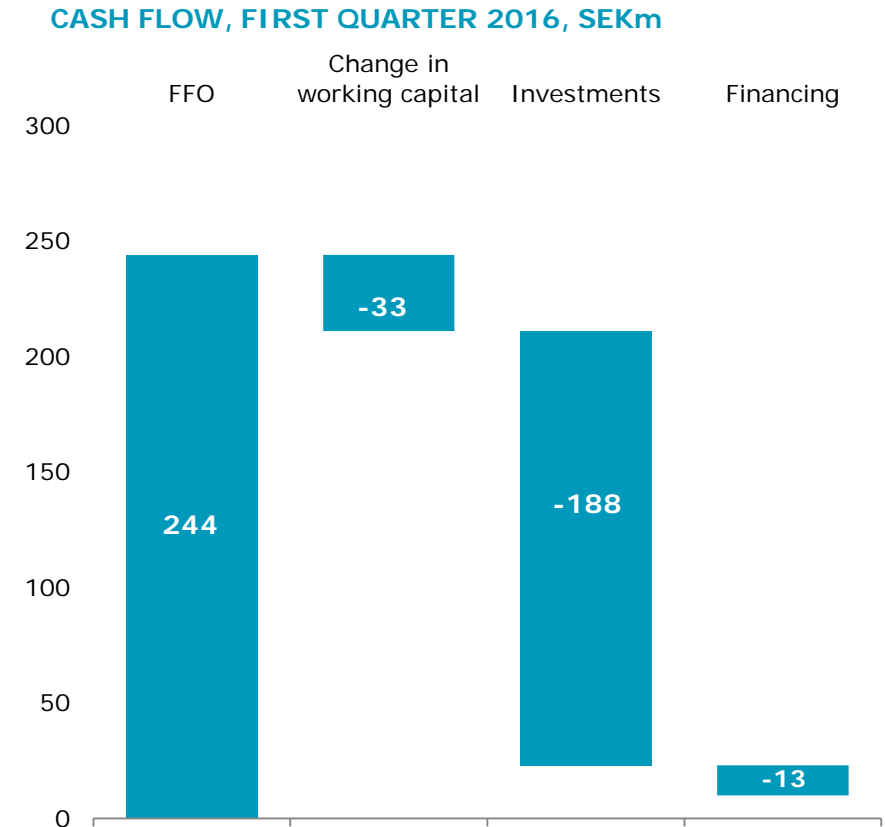
GROUP'S OPERATING COSTS, SEKm



*Excluding restructuring costs

Trend of cash flow

- Change in working capital
 - Lower trade payables, deferral of payments over the turn of the month March/April 2015 and a tax refund of approx. SEK 300m
- Cash flow from operating activities SEK 211m
- Investments SEK -188m
 - The investments primarily relate to vehicles, as well as equipment for transportation and sorting in production
- Cash flow for the period SEK 10m



Net debt

- Net debt increased by SEK 810m to SEK 639m
 - Affected by revaluation of pension obligations as a result of a lower discount rate used in the valuation of the obligations.
- Financial preparedness amounting to SEK 3,905m, of which cash and cash equivalents total SEK 1,905m

SEKm	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015
Interest-bearing debt	3,849	3,840	3,849
Pensions*	0	0	57
Total	3,849	3,840	3,906
Financial receivables	-1,305	-2,117	-1,155
Cash and cash equivalents	-1,905	-1,894	-1,443
Net debt	639	-171	1,308
<i>Net debt/EBITDA, times</i>	0.3	-0.1	0.5
<i>Net debt ratio, %</i>	7	-2	15
<i>Financial preparedness</i>	3,905	3,894	3,443

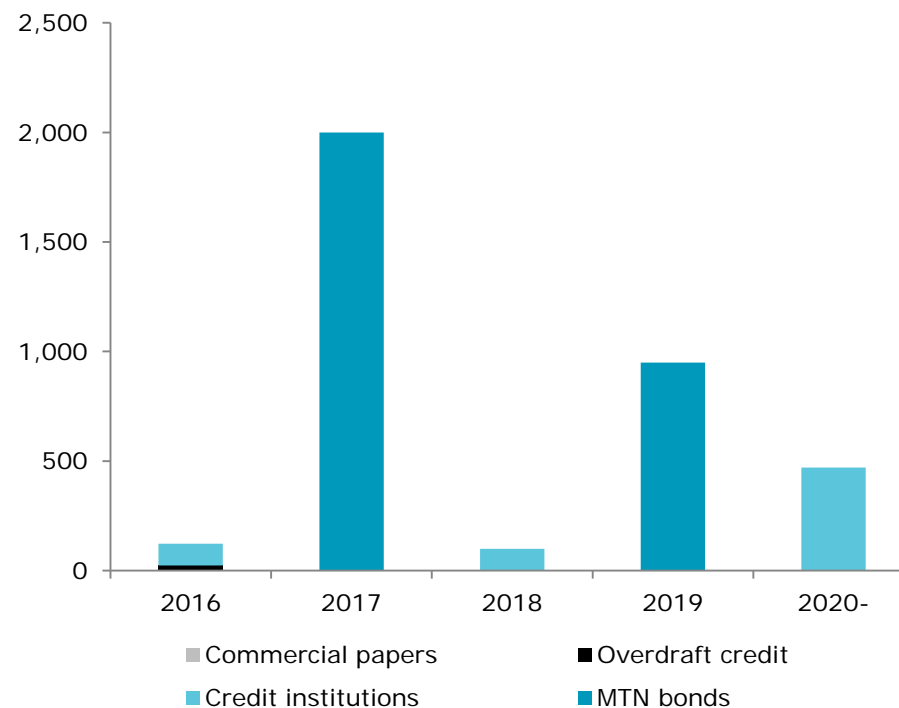
*Includes assets under management.

Credit profile

OVERVIEW OF LINES OF CREDIT, MARCH 31, 2016

Credit	Total amount SEK bn	Amount utilized SEK bn
Revolving credit facility, maturing in 2017, SEK	2.0	0.0
Commercial paper, SEK	3.0	0.0
Credit institutions	1.5	0.6
MTN bonds, SEK	6.0	2.9
Total utilized, Mar. 31, 2016		3.6
Credit lines with short maturity		0.1

MATURITY STRUCTURE, MARCH 31, 2016, SEKm



An undrawn revolving credit facility (RCF) of SEK 2.0bn is in place, maturing in 2017.

Financial targets

- The targets are long-term and are to be assessed over a period of 3-5 years.
- The financial targets were adopted at the 2014 AGM

Area	Key ratio	Outcome Dec. 31, 2015	Target
Profitability	Return on capital employed (ROCE)	5.6%	10.5%
Capital structure	Net debt ratio	7%	10-50%
Dividend policy	Dividend	2015: Proposal for no dividend 2014: No dividend	40-60% of net income for the year (guide value 50%)

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