



Second quarter 2016

August 12, 2016

postnord

Overview – results

SEKm	Q2 2016	Q2 2015	△	H1 2016	H1 2015	△	FY 2015
Net sales	9,590	9,666	-1%	19,228	19,699	-2%	39,351
EBITDAI	213	934		917	1,697		2,436
Adjusted EBIT ¹⁾	-1	33		299	345		927
EBIT	-270	503		30	815		564
Net income for the period	-282	390		-63	593		278
Cash flow from operating activities	387	-127		598	1,013		1,670
Net debt	1,020	743		1,020	743		-171

¹⁾ Adjusted for items affecting comparability. For more information, please refer to the interim report for January-June 2016.

- Market trends:
 - Mail volumes continuing to decline
 - Continued growth in e-commerce
 - Tough competition in the logistics market
 - Weak economy in Norway and Finland
- New postal legislation in Denmark – new postal services from July 1
- Swedish inquiry into postal legislation ongoing
- SEK 2 billion credit facility refinanced
- G.P. Spedition acquired in Denmark
- PostNord Strålfors signed an agreement to divest its non-Nordic operations
- PostNord's environmental target approved by Science Based Targets

Trends in the market

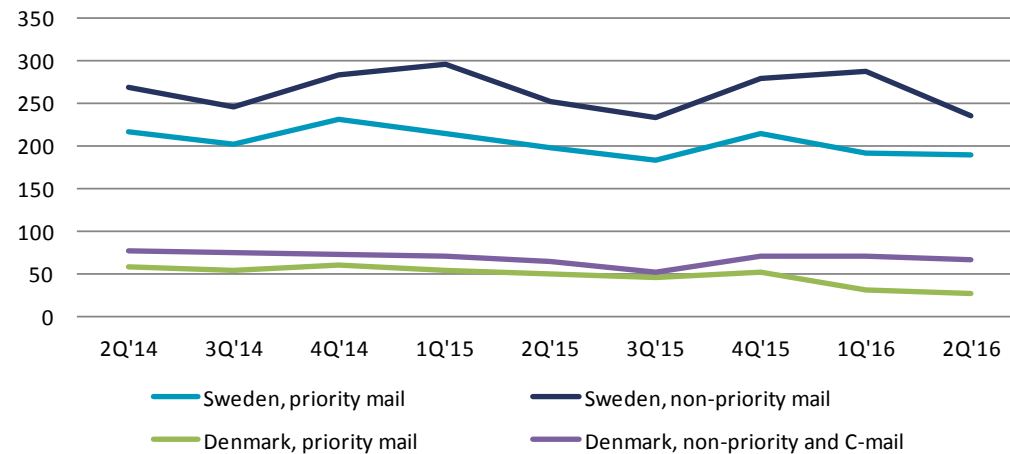
- Mail volumes fell by a total of 8% compared to Q2 2015

- -17% in Denmark
- -6% in Sweden

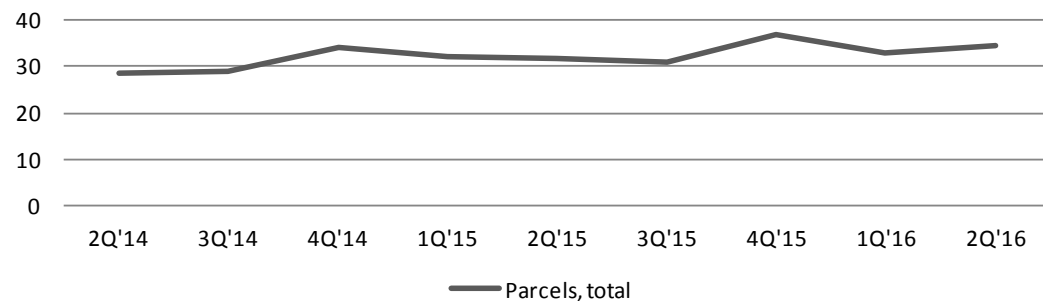
- Parcel volumes rose by a total of 9% compared to Q2 2015

- E-commerce-related B2C parcels increased 15%

MAIL, MILLIONS OF UNITS



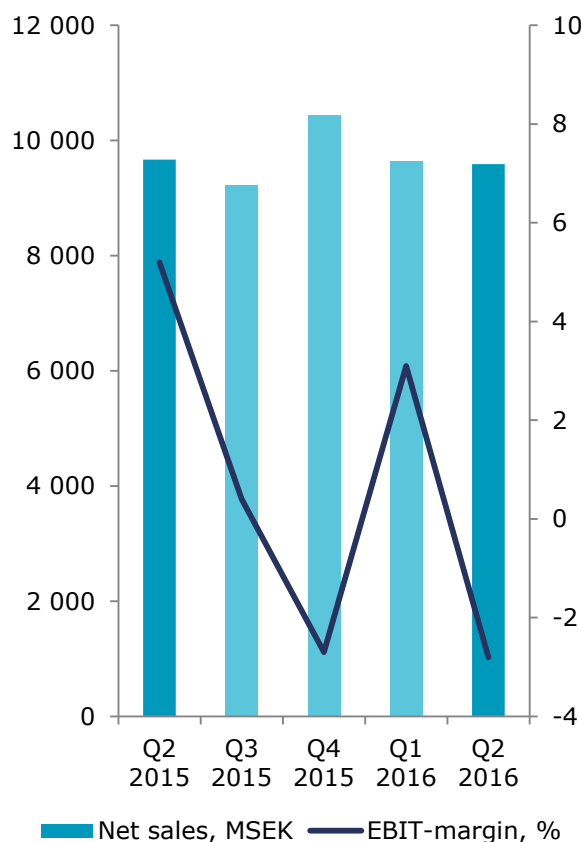
PARCELS, MILLIONS OF UNITS



PostNord, Group

FOCUS MAINTAINED ON HARMONIZED OFFERING IN THE NORDICS AND READJUSTMENT OF MAIL OPERATIONS.

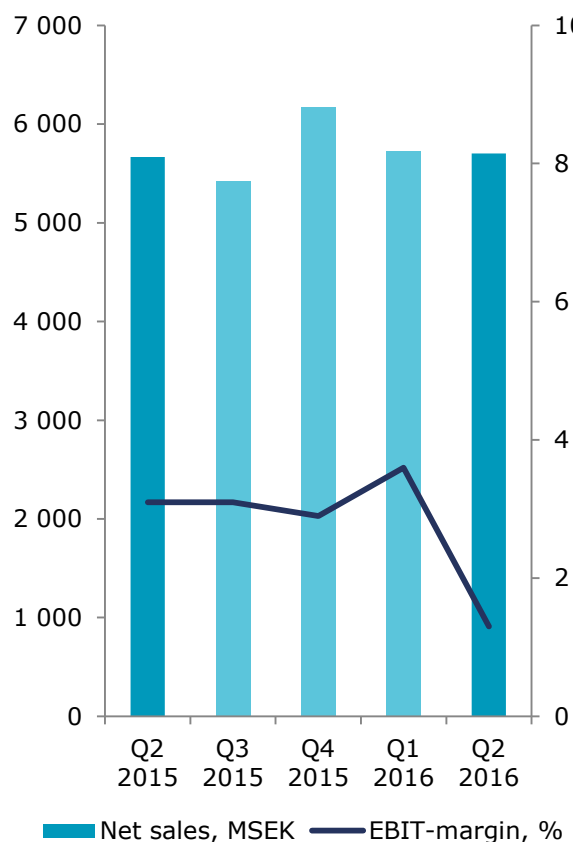
NET SALES AND EBIT MARGIN



- Net sales SEK 9,590m (9,666)
 - Net sales fell 1%, excluding currency effects and acquisitions
 - Decreasing mail volumes, growth in e-commerce services and continued tough competition in the logistics market

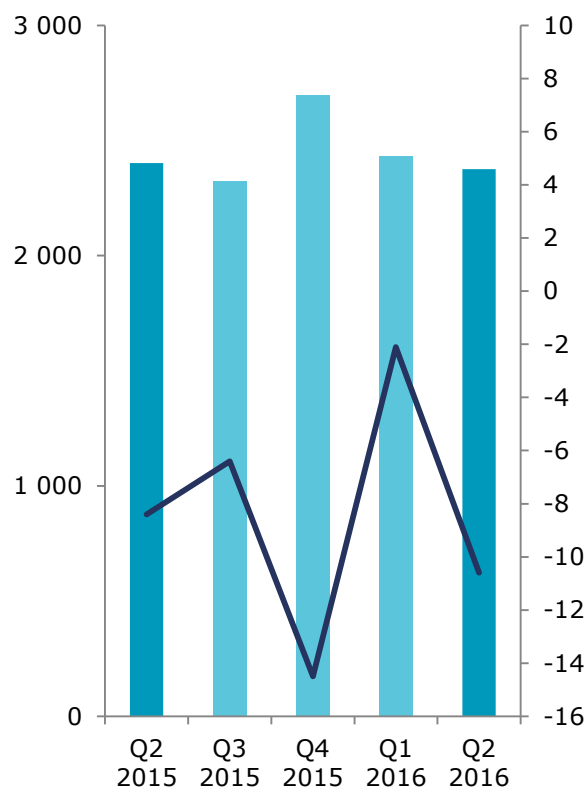
- Adjusted EBIT SEK -1m (33), EBIT SEK -270m (503)
 - Items affecting comparability, net, SEK -269m (470), consisting primarily of items relating to the sale of Strålfors' non-Nordic operations.
 - Cost-cutting programs completed brought operating costs down
 - Ongoing adjustments and efficiency improvements are being implemented to meet declining mail volumes

NET SALES AND EBIT MARGIN



- Net sales increased by 1%
 - Mail volumes decreased by a total of 6%
 - Increased sales for eCommerce & Logistics, mainly through continued growth in e-commerce.
- Adjusted EBIT SEK 91m (173), EBIT SEK 76m (173)
 - Costs adapted to lower volumes
 - Negative impact of increased social insurance costs for young people

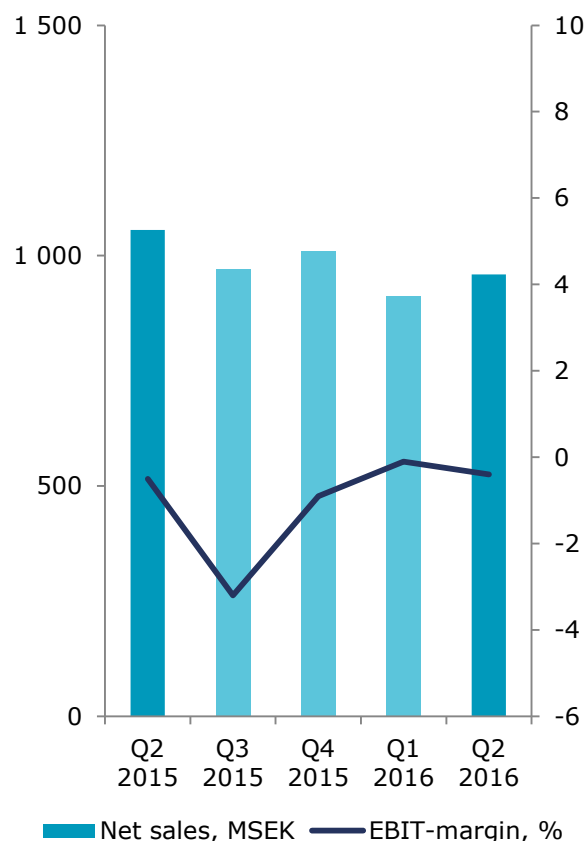
NET SALES AND EBIT MARGIN



Net sales, MSEK EBIT-margin, %

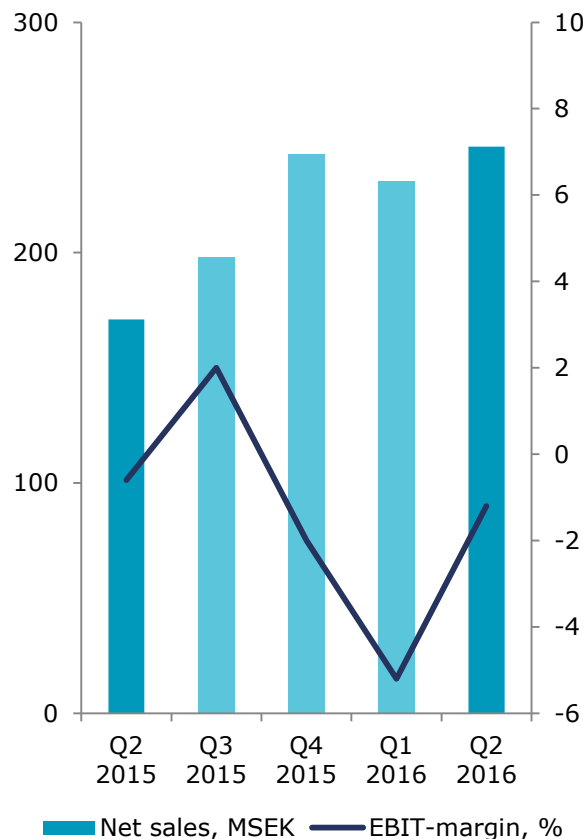
- Net sales fell by 1%
 - Mail volumes fell by 17%
 - Price adjustment for priority mail partly offset volume decline
 - Higher volumes of B2C parcels
 - Positive growth for heavy logistics
- Adjusted EBIT SEK -222m (-202), EBIT SEK -253m (298)
 - Lower mail income not yet fully offset through cost adjustments.
 - Wide-ranging action program in progress

NET SALES AND EBIT MARGIN



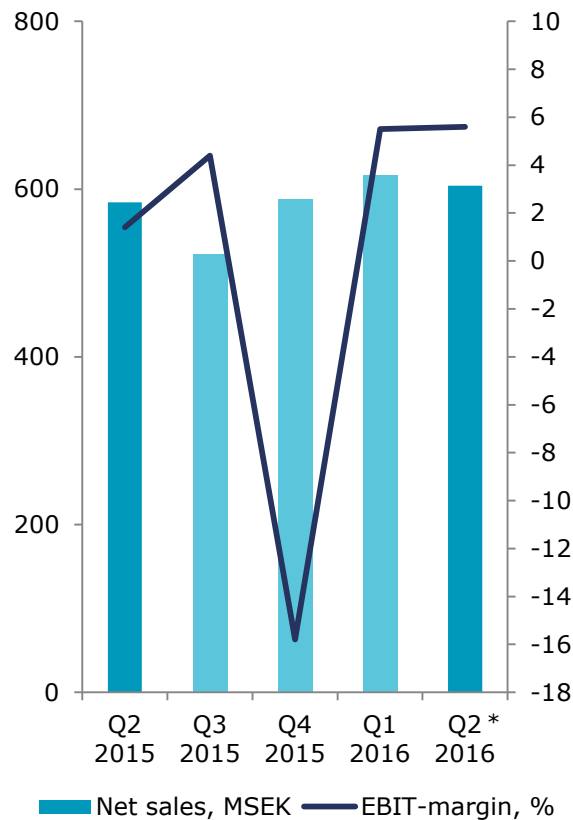
- Net sales decreased by 9%, and by 2% excluding currency effects and acquisitions
 - The logistics market was affected by weak growth in the Norwegian economy, in turn caused by the steep drop in the price of oil.
- EBIT SEK -4m (-5)
 - Wide-ranging program to reduce costs is in progress to offset the decline in revenue.

NET SALES AND EBIT MARGIN



- Net sales rose by 44% percent, and by 11% excluding currency effects and acquisitions
 - Increase in parcel volumes
- EBIT SEK -3m (-1)
 - Integration costs related to the acquisition of Uudenmaan Pikakuljetus Oy (UPK) in Finland charged to earnings

NET SALES AND EBIT MARGIN

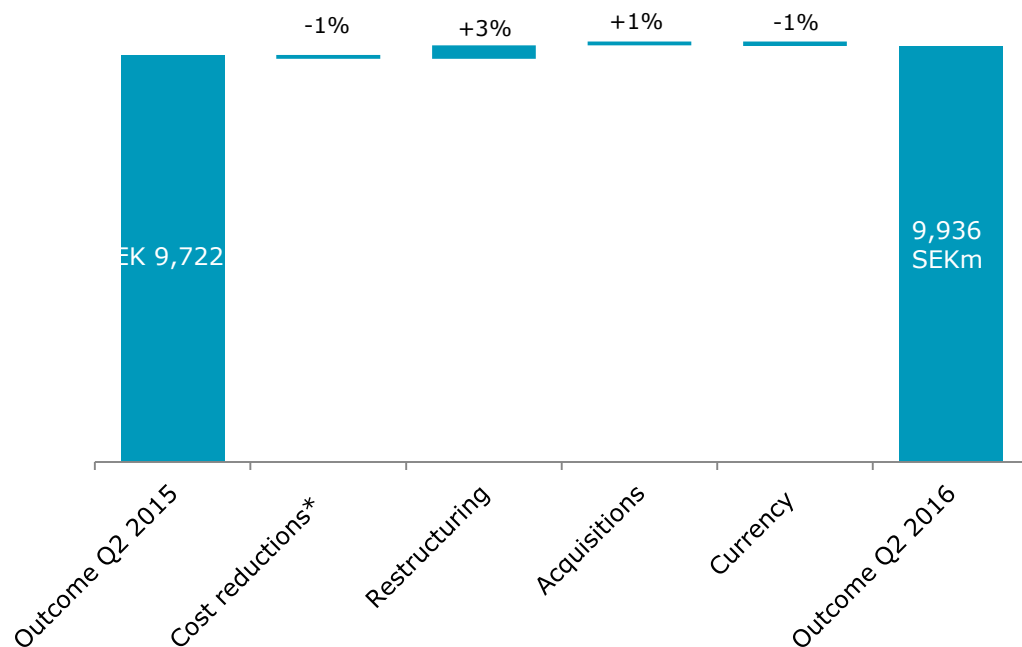


- Net sales rose by 3%, and by 7% excluding exchange rates and acquisitions
 - Increased sales under new customer agreements in Finland and Norway
- Adjusted EBIT SEK 34m (8), EBIT SEK -189m (8)
 - Income affected by items related to the ongoing sale of non-Nordic operations
 - Improvement in adjusted operating income explained by cost-cutting programs implemented

* Adjusted EBIT margin

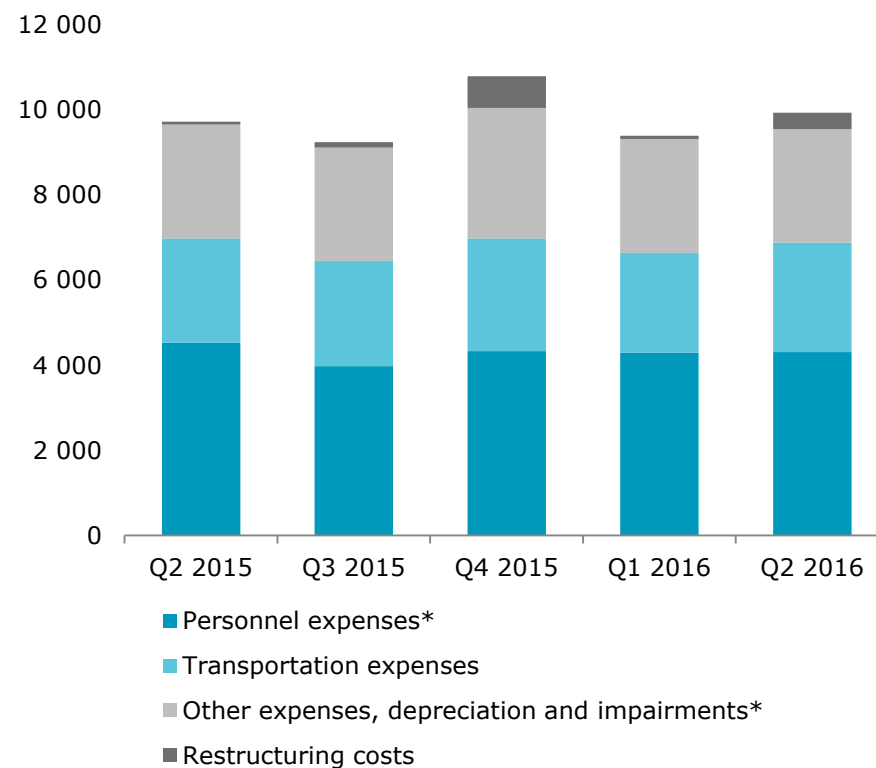
Trend of costs

TREND OF GROUP'S COSTS



*Including cost inflation

GROUP'S OPERATING COSTS, SEKm

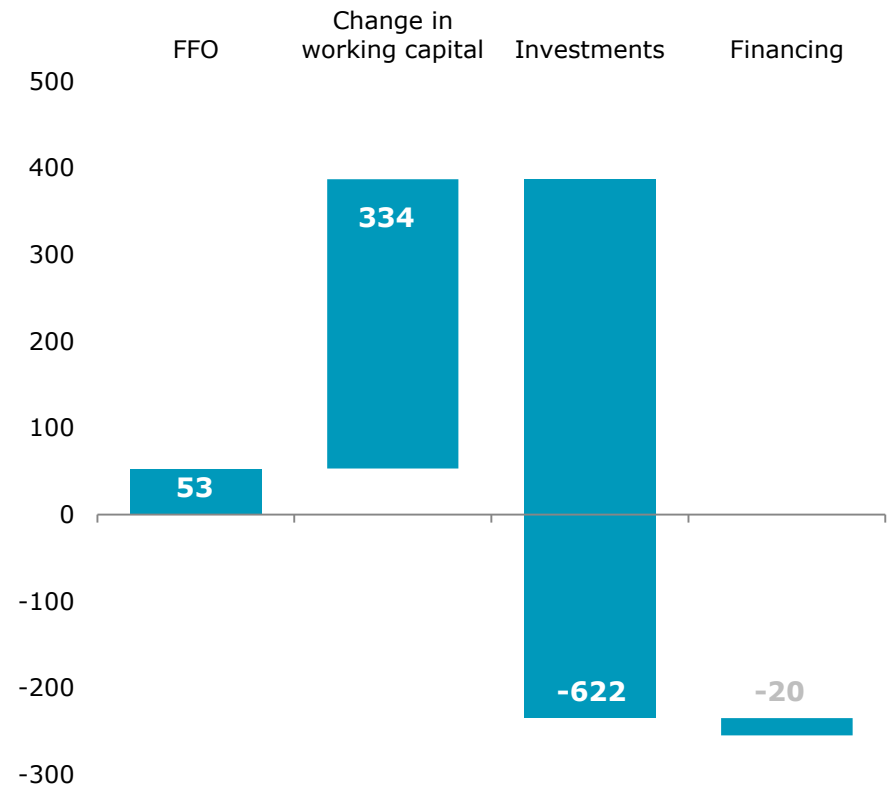


*Excluding restructuring costs

Trend of cash flow

- Cash flow from operating activities SEK 387m (SEK -127m)
- Cash flows from investing activities SEK -622m (SEK -208m)
 - Cash and cash equivalents of SEK 300m were invested in commercial paper
 - Investments in tangible and intangible non-current assets consist mainly of investments in infrastructure for the integrated production model
- Cash flow for the period SEK -255m (SEK 1,017m)

CASH FLOW, SECOND QUARTER 2016, SEKm



Net debt

- Net debt increased by SEK 381 to SEK 1,020
 - Affected by revaluation of pension obligations as a result of lower discount rate
- Financial preparedness amounting to SEK 3,955m, of which cash and cash equivalents total SEK 1,654m

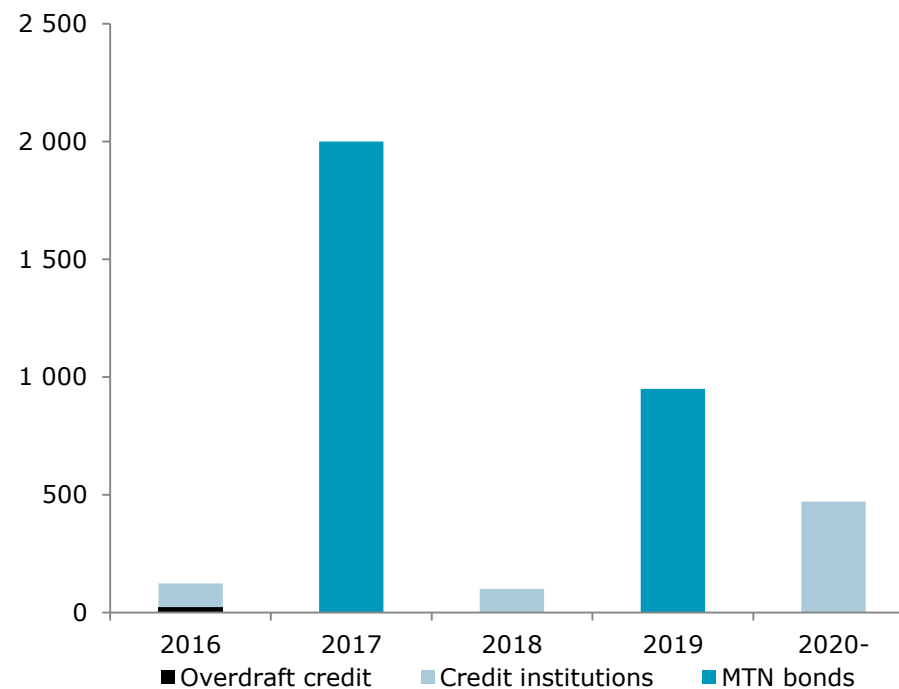
SEKm	June 30, 2016	Mar. 31, 2016	Dec. 31, 2015
Interest-bearing debt	3,854	3,849	3,840
Pensions and disability pension plans	-620	-1,051	-1,867
Long- and short-term investments	-560	-254	-250
Cash and cash equivalents	-1,654	-1,905	-1,894
Net debt	1,020	639	-171
<i>Net debt/EBITDAI, times</i>	<i>0.3</i>	<i>0.3</i>	<i>-0.1</i>
<i>Net debt ratio, %</i>	<i>7</i>	<i>7</i>	<i>-2</i>
<i>Financial preparedness</i>	<i>3,955</i>	<i>3,905</i>	<i>3,894</i>

Credit profile

OVERVIEW OF LINES OF CREDIT, JUNE 30, 2016

Credit	Total amount SEK bn	Amount utilized SEK bn
Revolving credit facility, maturing in 2019, SEK	2.0	0.0
Commercial paper, SEK	3.0	0.0
Credit institutions	1.5	0.7
MTN bonds, SEK	6.0	2.9
Total utilized, June 30, 2016		3.6
Credit lines with short maturity		0.1

MATURITY STRUCTURE, JUNE 30, 2016, SEKm



An undrawn revolving credit facility (RCF) of SEK 2.0bn is in place, maturing in 2019.

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)	-2.3%	10.5%
Capital structure	Net debt ratio	13%	10-50%
Dividend policy	Dividend	2016: No dividend 2015: No dividend	40-60% of net income for the year (guide value 50%)

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