



Third quarter 2016

October 28, 2016

postnord

Overview – results

SEKm	Q3 2016	Q3 2015	△	9M 2016	9M 2015	△	FY 2015
Net sales	8,895	9,218	-4%	28,123	28,917	-3%	39,351
EBITDAI	262	461		1,180	2,158		2,436
Adjusted EBIT ¹⁾	-41	81		258	426		927
EBIT	-101	33		-71	848		564
Net income for the period	-145	22		-208	615		278
Cash flow from operating activities	-634	-264		-36	749		1,670
Net debt	2,783	1,308		2,783	1,308		-171

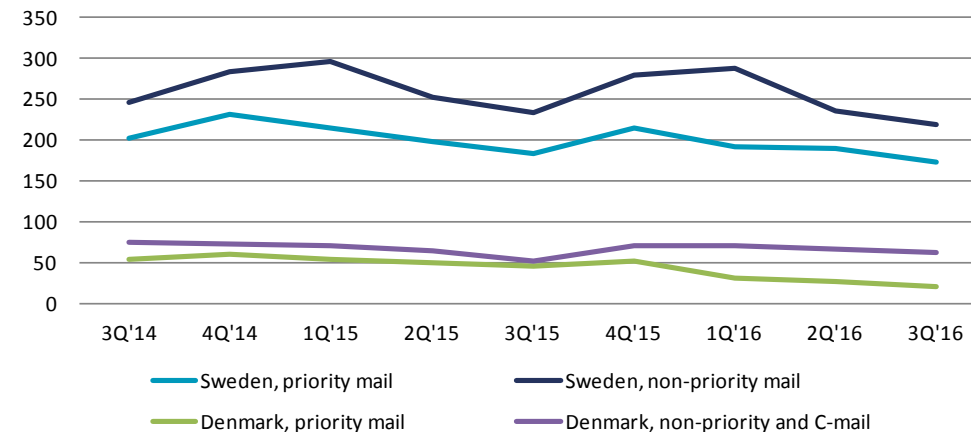
¹⁾ Adjusted for items affecting comparability. For more information, please refer to the interim report for January-September 2016.

- 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
- PostNord Strålfors divested its non-Nordic operations

Trends in the market

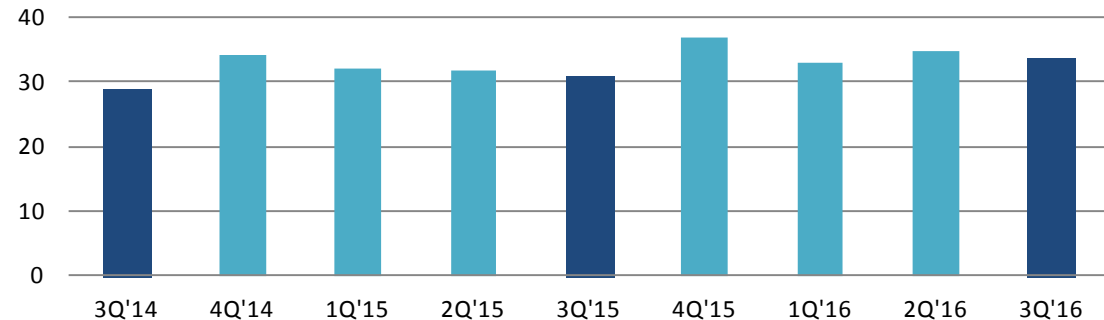
- Mail volumes fell by a total of 8% compared to Q3 2015
 - -17% in Denmark
 - -6% in Sweden

MAIL, MILLIONS OF UNITS



- Parcel volumes rose by a total of 8% compared to Q3 2015
 - E-commerce-related B2C parcels increased approx 20 %

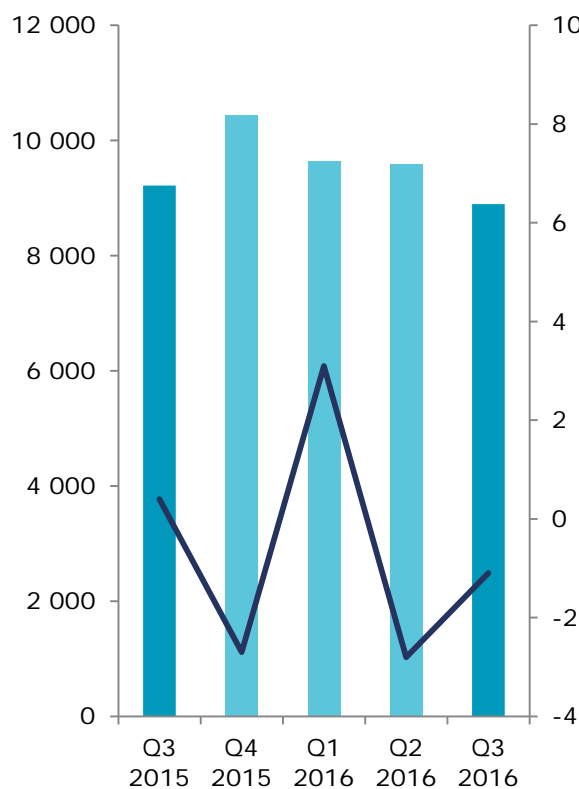
PARCELS, MILLIONS OF UNITS



PostNord, Group

CONTINUED MAJOR CHALLENGES BEING MET BY INCREASED RESPONSIVENESS AND FURTHER READJUSTMENTS

NET SALES AND EBIT MARGIN

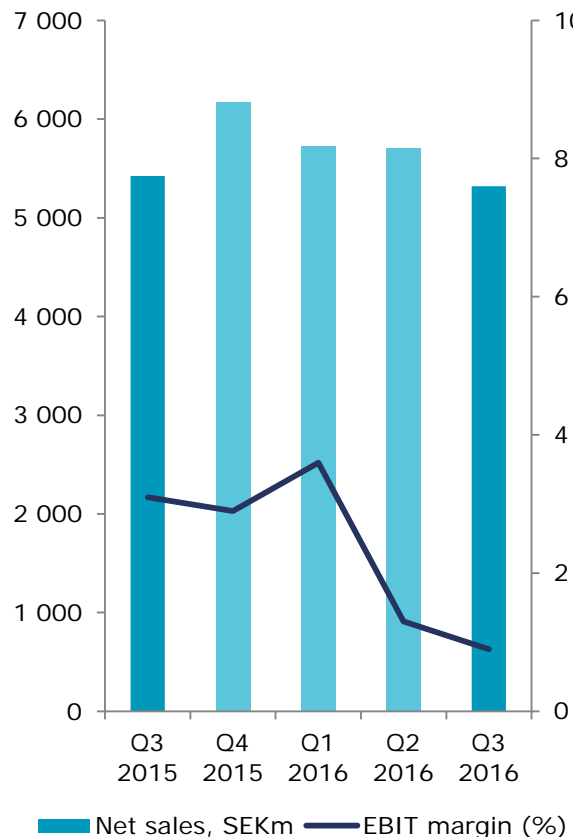


■ Net sales, SEKm — EBIT margin (%)

- Net sales SEK 8,895m (9,218)
 - Net sales fell 4%, excluding currency effects, acquisitions and divestments
 - Decreasing mail volumes, growth in e-commerce services and continued tough competition in the logistics market

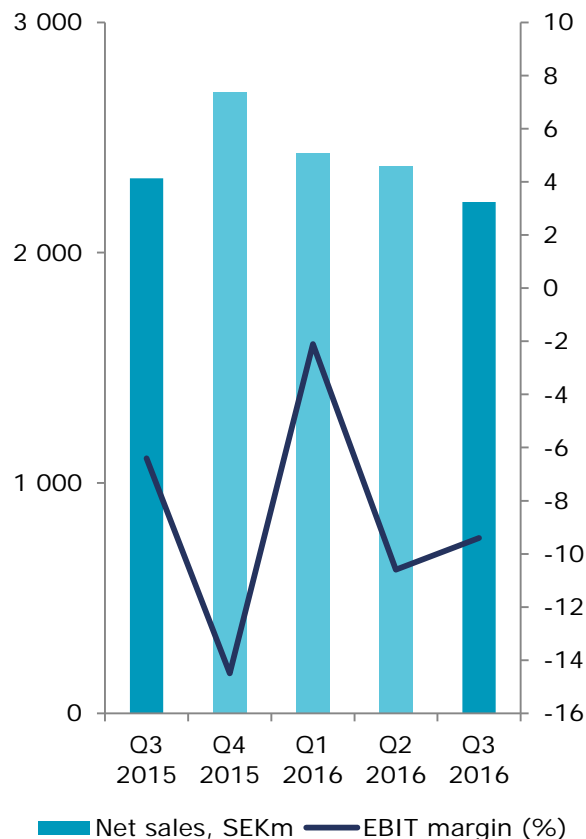
- Adjusted EBIT SEK -41m (81), EBIT SEK -101m (33)
 - Items affecting comparability, net, SEK -60m (-48), consisting primarily of items relating to the sale of Strålfors' non-Nordic operations.
 - Ongoing adjustments and efficiency improvements are being implemented to meet declining mail volumes

NET SALES AND EBIT MARGIN



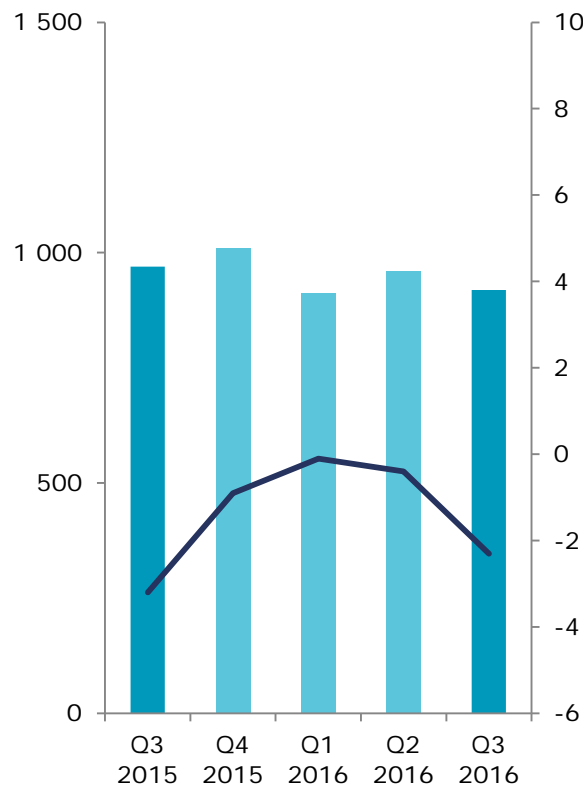
- Net sales decreased by 2%
 - Mail volumes decreased by a total of 6%
 - Increased sales for eCommerce & Logistics, mainly through continued growth in e-commerce but also from TPL and fulfilment services.
- Adjusted EBIT SEK 47m (186), EBIT SEK 47m (167)
 - Costs not yet fully adapted to lower volumes
 - Negative impact of increased social insurance costs for young people

NET SALES AND EBIT MARGIN



- Net sales fell by 7% excluding currency effects and acquisitions
 - Mail volumes fell by 17%
 - Higher volumes of B2C parcels
 - Positive growth for heavy logistics
- Adjusted EBIT SEK -209m (-149), EBIT SEK -209m (148)
 - Lower mail income not yet fully offset through cost adjustments.
 - Wide-ranging action program in progress

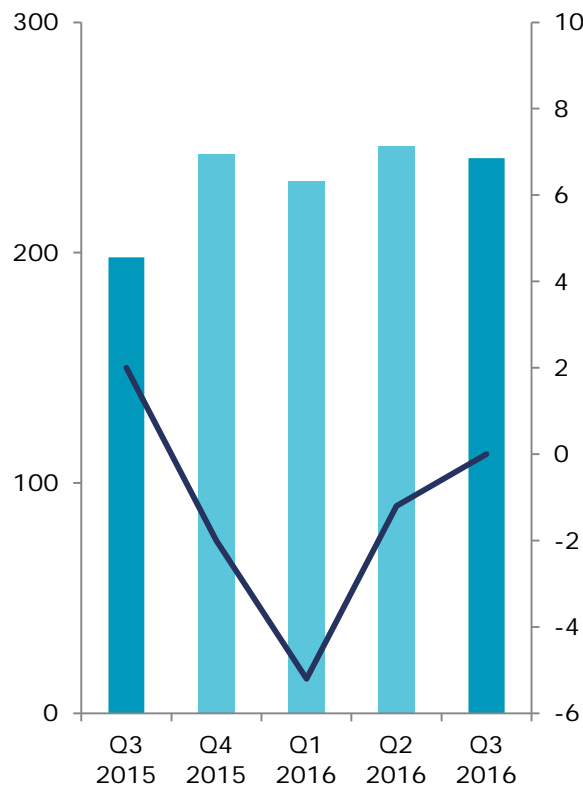
NET SALES AND EBIT MARGIN



■ Net sales, SEKm — EBIT margin (%)

- Net sales decreased by 5% excluding currency effects and acquisitions
 - Weak demand as a result of slack growth in the Norwegian economy
 - Pressure on prices in the logistics market.
- EBIT SEK -21m (-31)
 - Wide-ranging program to reduce costs is in progress to offset the decline in revenue.

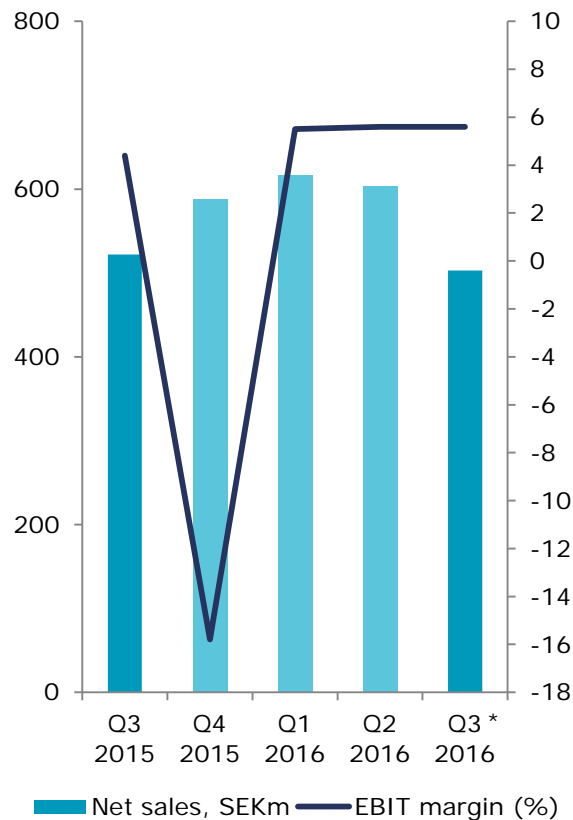
NET SALES AND EBIT MARGIN



■ Net sales, SEKm — EBIT margin (%)

- Net sales rose by 22% percent, and by 3% excluding currency effects and acquisitions
 - Increase in parcel volumes
- EBIT SEK 0m (4)
 - Increase in transportation costs and integration costs related to the acquisition of Uudenmaan Pikakuljetus Oy (UPK)

NET SALES AND EBIT MARGIN

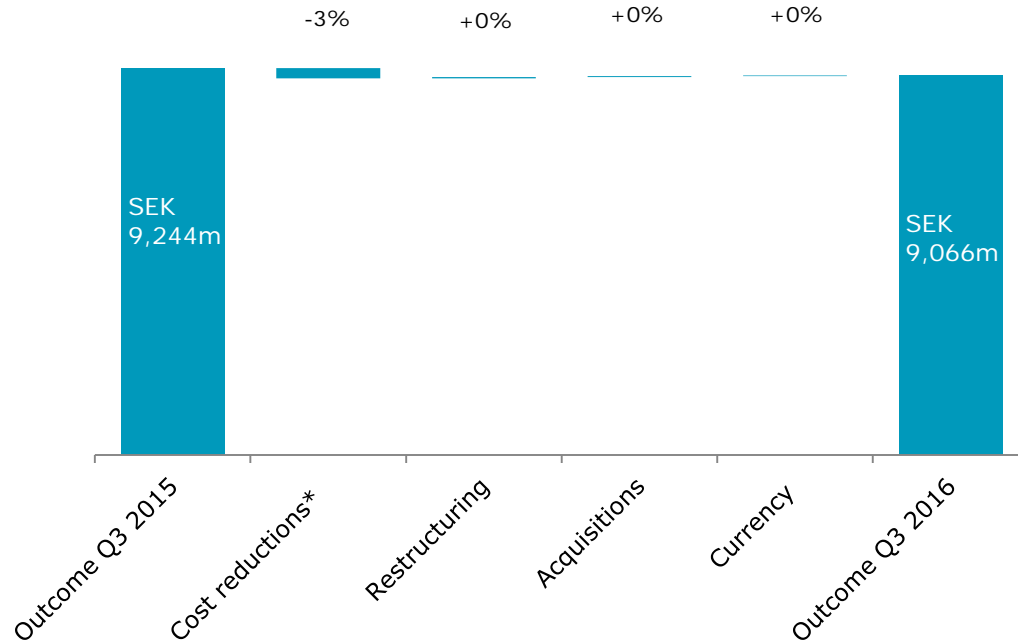


- Net sales fell by 4%, and rose by 5% excluding exchange rates acquisitions and divestments
 - Increased sales under new customer agreements in Finland and from digital communication services
- Adjusted EBIT SEK 28m (23), EBIT SEK -21m (23)
 - Income affected by items related to sale of non-Nordic operations
 - Improvement in adjusted operating income explained by cost-cutting programs implemented

* Adjusted EBIT margin

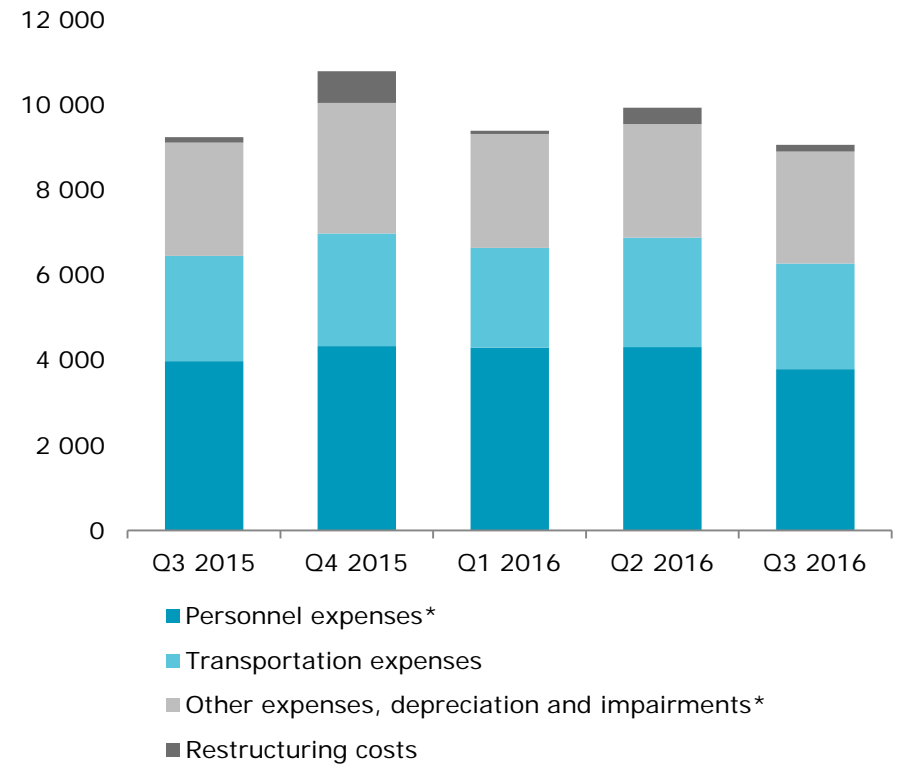
Trend of costs

TREND OF GROUP'S COSTS



*Including cost inflation

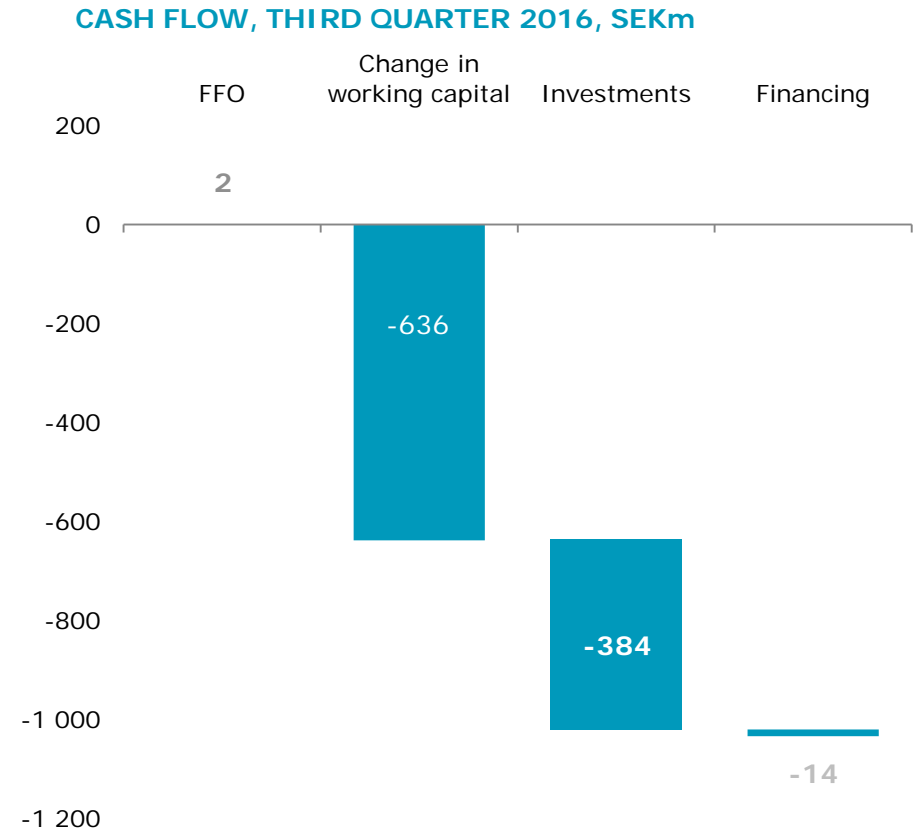
GROUP'S OPERATING COSTS, SEKm



*Excluding restructuring costs

Trend of cash flow

- Cash flow from operating activities
SEK -634m (SEK -264m)
- Cash flows from investing activities
SEK -384m (SEK 252m)
 - Cash and cash equivalents of SEK 50m 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 -1,032m
(SEK -2m)



Net debt

- Net debt increased by SEK 1,763 to SEK 2,783m
 - Affected by revaluation of pension obligations and negative cash flow
- Financial preparedness amounting to SEK 3,975m, of which cash and cash equivalents total SEK 625m

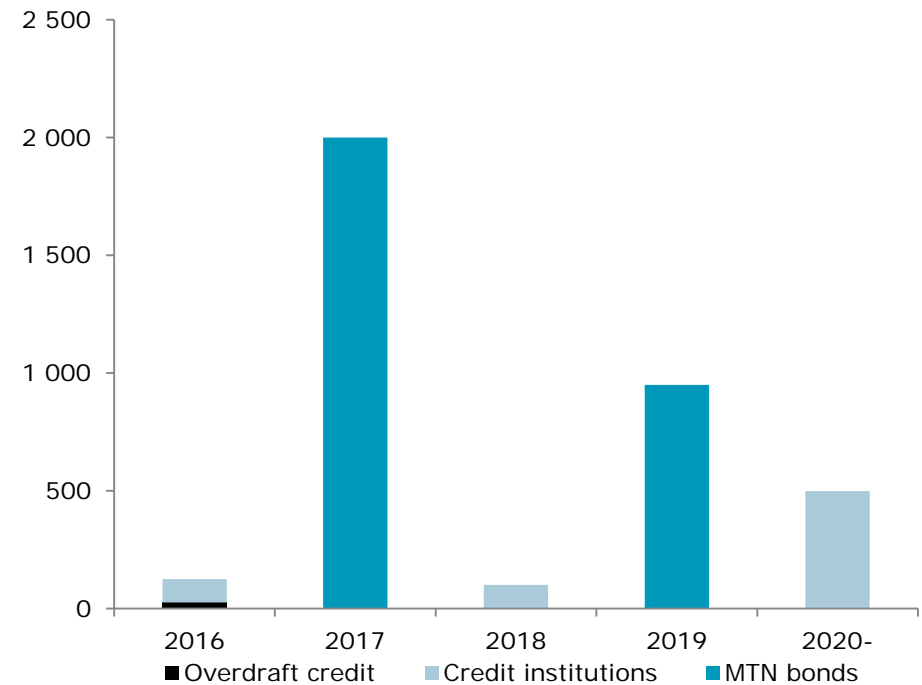
SEKm	Sep 30, 2016	June 30, 2016	Mar. 31, 2016
Interest-bearing debt	3,863	3,854	3,849
Pensions and disability pension plans	158	-620	-1,051
Long- and short-term investments	-613	-560	-254
Cash and cash equivalents	-625	-1,654	-1,905
Net debt	2,783	1,020	639
<i>Net debt/EBITDAI, times</i>	<i>1.9</i>	<i>0.3</i>	<i>0.3</i>
<i>Net debt ratio, %</i>	<i>39</i>	<i>7</i>	<i>7</i>
<i>Financial preparedness</i>	<i>3,975</i>	<i>3,955</i>	<i>3,905</i>

Credit profile

OVERVIEW OF LINES OF CREDIT, SEPTEMBER 30, 2016

Credit	Total amount SEK bn	Amount utilized SEK bn
Revolving credit facility, maturing in 2019, SEK	2.0	0.0
Bridge facility maturing in 2018, SEK	1.0	
Commercial paper, SEK	3.0	0.0
Credit institutions	1.5	0.7
MTN bonds, SEK	6.0	2.9
Total utilized, September 30, 2016		3.6
Credit lines with short maturity		2.1

MATURITY STRUCTURE, SEPTEMBER 30, 2016, SEKm



An undrawn revolving credit facility (RCF) of SEK 2.0bn is in place, maturing in 2019.
An undrawn bridging facility (RCF) of SEK 1.0bn is in place, maturing in 2018.

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 Sep. 30, 2016	Target
Profitability	Return on capital employed (ROCE)	-3.8%	10.5%
Capital structure	Net debt ratio	39%	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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