

Q2 2018

Interim Report

SECOND QUARTER 2018

- Net sales increased by 5% to SEK 9,503m (9,067).
- Operating income decreased to SEK -901m (-291).
- Adjusted operating income was SEK 68m (-4).
- Net income totaled SEK -901m (-336).
- Earnings per share were SEK -0.45 (-0.17)
- Cash flow from operating activities totaled SEK 1,862m (922).

OVERVIEW

SEKm, if not otherwise stated	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	9,503	9,067	18,605	18,395
Operating income (EBIT)	-901	-291	-975	-197
Adjusted operating income (EBIT)	68	-4	-6	188
Income before tax	-912	-293	-987	-213
Net income	-901	-336	-1,068	-320
Earnings per share, SEK	-0.45	-0.17	-0.53	-0.16
Cash flows from operating activities	1,862	922	1,837	1,912
Net debt ratio	-4%	0.4%	-4%	0.4%
Return on capital employed (ROCE)	-12.4%	-15.9%	-12.4%	-15.9%

We deliver! PostNord is the leading supplier of communication and logistics solutions to, from and within the Nordic region. We ensure the provision of postal service to households and businesses in Sweden and Denmark. With our expertise and strong distribution network, we develop the conditions for tomorrow's communication, e-commerce, distribution and logistics in the Nordic region. In 2017, the Group had around 31,000 employees and sales of just over SEK 37 billion. The Parent Company is a Swedish public limited company with Group headquarters in Solna, Sweden. Visit us at www.postnord.com

New business agreements, continued transformation and focus on quality

The year's second quarter was dominated by a high level of activity in every area. In addition to approval from the EU for the first stage of our owners' financing for the transformation in Denmark, most of the new commercial agreements were signed.

On May 28, the EU Commission notified its approval of the SEK 1,533m government subsidy to finance compensation from the Danish State to Post Danmark A/S for the extra costs of the universal postal service. On June 11, PostNord's Board of Directors agreed to carry through immediately the transformation of PostNord Denmark announced earlier and awaiting EU approval of the financing arrangement. Income for the second quarter was impacted by SEK -1.1bn net, as a result of the above-mentioned government subsidy and provision for the transformation.

Parcel volumes continued to grow rapidly, by 17%, during the quarter, while mail volumes again decreased, by -7%. To be able to handle the higher parcel volumes, we placed several new terminals in service. Our challenge in Sweden is that we are witnessing major losses in mail revenue while the number of households for mail deliveries is increasing. A trend that is, of course, bringing pressure on the profitability of our mail business. The Group reports a more or less break-even result, excluding items affecting comparability, for the first half-year. The Group's results are to a major extent affected by the losses in Denmark during the transformation and by higher costs incurred by the Swedish company to ensure high delivery quality. Compared to the second quarter 2017, the result is better partly due to the relative dates for Easter between the years.

The service partner agreement with the ICA chain in Sweden have been extended via a multi-year agreement. We have also signed a new service partner agreement with Reitan Convenience Sweden AB, owner of the Pressbyrå and 7-Eleven retail outlets. The new and extended agreements are evidence of the commercial attractiveness of

being a service partner, and ensure a leading service partner network in Sweden for the future. PostNord Strålfors, too, signed several new agreements combining physical with digital communication during the quarter, including ones with Aller Media, Telia Danmark, Intrum and Krafringen.

We are continuing to develop our digital services. For example, we have incorporated use of Swedish bank IDs into our PostNord app. For customers using the system, recipients can choose to redirect parcels or change recipients via the app, which currently has more than 1.5 millions users across the Nordic region. We have also announced our intention to launch our own digital mailbox in Sweden and have applied to the Swedish Tax Agency for approval as a digital mailbox operator for "Mina meddelanden" (My Messages). During the quarter, we launched a digital system for direct VAT payment at purchase for those buying from the USA's online e-commerce company Wish. The system simplifies the process for both customer and PostNord. We expect more e-commerce actors to sign up to the system.

During the quarter, PostNord conducted a nationwide tour of Sweden to listen to recipients' views on our business. We performed a similar process in Denmark, where we invited citizens to meet us at one of our post offices. In just over two months, we visited 23 locations in Sweden, from Luleå in the north to Malmö in the south, and talked to more than 20,000 people to hear their opinions on PostNord. While we did receive quite a number of comments on our service, the most common remark was "I don't have any problem with your business, but I've read in the newspaper about all the problems you're having." This reinforces our conviction that we are on the right road. Our services are appreciated by many, but we must continue to focus on meeting the expectations of recipients regarding delivery quality. Only when do so will we regain the trust that we urgently need to put into place the huge changes that are continually required to deal with lower mail volumes and the rapidly expanding e-commerce.

Håkan Ericsson
President and CEO

MAJOR EVENTS IN JANUARY–JUNE

On June 26, our owners announced at an extraordinary general meeting held on August 14, 2018 that they will propose Christian W. Jansson as Chair of the Board and Christian Frigast as Deputy Chair. At the AGM, present Chair Jens Moberg and Board member Anitra Steen will leave the Board of Directors. For further information, see the press release dated June 26.

In June, Post Danmark A/S received SEK 1,533m from the Danish government following approval from the EU Commission for the government subsidy. On June 11, the Board resolved to carry out the transformation of PostNord Denmark and provision was made regarding costs associated with termination of employment for employees in Denmark with special employment conditions.

Net sales and income

Unless otherwise stated, the report comments on developments in April-June compared to the same period in 2017.

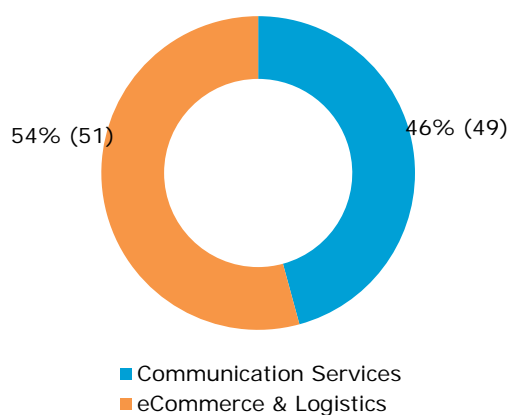
FINANCIAL OVERVIEW

SEKm	Apr-jun		Jan-jun	
	2018	2017	2018	2017
Net sales	9.503	9.067	18.605	18.395
Δ ("like for like")*	3%	-6%	0%	-5%
Op. income (EBIT)	-901	-291	-975	-197
Op. margin (EBIT)	-9,5%	-3,2%	-5,2%	-1,1%
Items affecting comparability	-969	-287	-969	-386
Adjusted operating income (EBIT)	68	-4	-6	188
Adjusted operating margin (EBIT)	1%	0%	0%	1%
Net financial items	-12	-2	-12	-16
Income before tax	-912	-293	-987	-213
Tax	11	-43	-81	-107
Net income	-901	-336	-1.068	-320

* Change excludes acquisitions, disposals and impact of currency

Net sales for the Group totaled SEK 9,503m (9,067). As a result of continued digitization, mail volumes declined by 7% overall in the quarter, 7% in Sweden and 5% in Denmark. Sales of digital services at PostNord Strålfors increased by 11%. Parcel volumes rose by 17% as a result of further buoyant growth in e-commerce, where B2C parcel volumes increased by 30%. Income for third-party logistics increased overall by 11%. The increase in income is partly explained by the relative dates for Easter between the years.

External net sales, by business area



OPERATING INCOME

SEKm	Apr.-June		Jan.-June	
	2018	2017*	2018	2017*
PostNord Sweden	222	258	360	532
PostNord Denmark	-1,065	-505	-1,264	-700
PostNord Norway	17	-1	18	22
PostNord Finland	4	-1	5	0
PostNord Strålfors	46	43	93	99
Other business activities	2	11	6	25
Other & eliminations	-127	-97	-193	-176
Operating income (EBIT)	-901	-291	-975	-197
Reversal of items affecting comparability:				
Other income, government subsidy	-1,533	-	-1,533	-
Provisions/reversals of restructuring measures	2,562	287	2,562	386
Capital gain on sale of property	-73	-	-73	-
Exchange rate difference, items affecting comparability	12	-	12	-
Adjusted operating income (EBIT)	68	-4	-6	188

* 2017 figures restated to reflect new segment reporting, see Note 3.

Operating income for the second quarter was SEK -901m (-291). Items affecting comparability totaling SEK -969m (-287), net, charged to operating income consisted for the most part of a government subsidy received in Denmark and provision for termination of employment for employees in Denmark with special employment conditions. Adjusted operating income totaled SEK 68m (-4). The improvement is attributable to growth in e-commerce and mixed-cargo groupage, GDPR-related mailings and cost savings.

The relative dates for Easter between the years also had a certain positive impact on the quarter.

Net financial items for the period totaled SEK -12m (-2). The Group's tax expense totaled SEK 11 (-43) for the quarter and SEK -81m (107) for the year to date. The relatively high tax liability arises because deferred tax has not been recognized regarding Denmark's deficit, since it is estimated that the tax loss carry-forward cannot be utilized within a foreseeable period. Net income totaled SEK -901m (-336). New tax rules in Sweden for the corporate sector were enacted by Riksdagen in June, with the effect in part that the rate of corporation tax will be lowered in two stages after December 31, 2018. This reduction had no material effect on the Group's deferred taxes net, on the basis of the Group's assessment of due dates.

Cash flows and financial position

CASH FLOWS

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Cash flow from operating activities	1,862	922	1,837	1,912
Cash flow from investing activities	-253	-264	-310	-685
Cash flow from financing activities	723	286	723	285
Cash flow for the period	2,332	944	2,250	1,512
Cash and cash equivalents, closing balance	4,157	3,086	4,157	3,086

Cash flows from operating activities before changes in working capital totaled SEK 2,117m (1,143). The increase was attributable above all to a government subsidy of SEK 1,533m received to cover provisions for costs associated with the termination of employment of employees in Denmark with special employment conditions.

Working capital showed a change of SEK -255m (-221) during the quarter.

Investments in property, plant and equipment and in non-current intangible assets during the period totaled SEK 406m (207). These consisted for the most part of investments in new terminals, vehicles, third-party logistics equipment and IT development. The increase from the preceding year related above all to investment in vehicles and terminals.

Surplus liquidity was in part invested in commercial paper with a view to lowering the costs of cash and cash equivalents. Investments in commercial paper decreased by SEK 135m over the period. In the same period last year, these investments increased by SEK 40m net.

The Group's equity decreased to SEK 6,266m from SEK 7,430m on March 31, 2018. The change arose primarily through net income for the period, revaluation of pension commitments and a positive translation difference as a result of the Norwegian krone strengthening against the Swedish krona.

NET DEBT

SEKm	June 30 2018	Mar. 31 2018	Dec. 31 2017	June 30 2017
Interest-bearing debt	4,525	3,797	3,778	4,029
Pensions and disability pension plans	-389	-1,395	-1,145	-88
Long- and short-term investments	-204	-334	-494	-823
Cash and cash equivalents	-4,157	-1,823	-1,901	-3,086
Net debt	-225	245	238	32
Net debt ratio	-4%	3%	3%	0.4%

The Group's net debt decreased during the quarter by SEK 470m to SEK -225m. The biggest changes during the quarter were an increase in cash and cash equivalents as a result of a government subsidy received, while a lowering of the discount rate for the Group's pension plans increased the Group's pension liability.

Interest-bearing debt consists of a long-term portion of SEK 1,594m (1,720) and a current portion of SEK 2,931m (2,309). The increase in interest-bearing liabilities in the quarter arose through net borrowing in the form of commercial paper loans.

The Group's debt ratio was -4% (0.4) at the end of the quarter, lower than the Group's target of 10–50%.

Adjusted return on capital employed (ROCE) was 2.0% (-1.2).

The Group's financial preparedness totaled SEK 6,161m (7,627) on June 30, 2018, comprising cash and cash equivalents of SEK 4,157m (3,086), short-term investments of SEK 4m (541) and an unutilized credit facility of SEK 2,000 (4,000), which expires in 2021.

Sustainability

The average number of employees (FTEs) totaled 29,731 (31,085), a reduction of 1,354 since Q2 2017. The number of employees has been reduced to align the business with lower income from products adversely affected by digitization, and to boost the Group's competitiveness. Sick leave was calculated at 5.6% (6.0). The level remains too high, but on the positive side it has fallen steadily and is now 0.4% percentage points lower than in the same quarter last year. To address the problem of sick leave, initiatives are being focused on both rehabilitation and preventive measures. In the second quarter of 2018, the proportion of women in management positions overall rose from 32.4% to 33.1%. The proportion of women at management levels 1-3 fell marginally from 35.4% (Q1) to 35.3% but at management levels 4-6 rose from 31.6% to 32.5%.

During the first half-year, carbon dioxide emissions totaled 161,662 tonnes, representing a fall of 8%. Since the base year 2009, the reduction has totaled 37% and the aim is to achieve a reduction of 40% by the end of 2020. All units have reduced their emissions, primarily through the use of biofuels, with a notably major impact in Sweden, but transport optimization actions and the new production model in Denmark also contributed. In the second quarter, PostNord entered a Swedish and a Danish driver in the IPC Drivers' Challenge, taking home the Efficiency Award for the team driving electric vehicles most efficiently. A process to phase out air routes for mail has been initiated in Sweden and is expected to deliver further impact over the year.

Delivery quality for stamped letters in Sweden has remained steady since January, at around 99%.

This exceeds the new legal requirement that 95% of stamped letters must be delivered to the right recipient within two weekdays.

A completely new production model was introduced in Denmark in January, resulting in a major transformation of production in Denmark. In June, delivery quality of 96.6% was recorded for Denmark's Brevet, the best outcome since August last year. Delivery quality over a rolling 12-month period was 94.4%, exceeding the legal requirement of 93%.

Volumes for parcels are continuing to increase, in pace with the growth in e-commerce. Weighted delivery quality in parcels was measured at 94.4% (rolling 12-months).

The long-term goal, which is to be attained by no later than 2020, is for 80% of the Group's total purchasing to come from suppliers who comply with the Code of Conduct. At the end of Q2, the proportion of total Group purchases from suppliers signed up to the Code of Conduct for Suppliers was around 71% (including procurement of services from service partners). During the first half-year, work on checking supplier compliance with the Code of Conduct continued. During the quarter, approximately 220 suppliers were requested to perform a self-assessment and 15 underwent a local audit. At the end of the quarter, approximately 45% of purchasing volumes were sourced from suppliers who had successfully completed PostNord's process to check compliance with the Code of Conduct. The sub-suppliers to undergo an audit are selected on the basis of the perceived risk in their business.

Parent Company

The Parent Company conducted very limited operations, in the form of intra-Group services. No net sales were recognized during the quarter or in the comparable quarter last year. Net income totaled SEK -17m (-43) for the period and SEK -28m (-59) for the year to date.

POSTNORD SWEDEN

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	5,791	5,551	11,485	11,173
Δ ("like for like")*	4%	-2%	3%	-2%
- Comm. Serv. (ext.)	2,742	2,777	5,566	5,697
Δ ("like for like")* - eComm. & Log. (ext.)	2,794	2,541	5,395	4,988
Δ ("like for like")*	10%	4%	8%	4%
- internal	254	233	522	474
Op. income (EBIT)	222	258	360	532
Op. margin (EBIT)	3.8%	4.6%	3.1%	4.8%
Adj. op. inc. (EBIT)	222	258	360	532
Adj. op. marg. (EBIT)	3.8%	4.6%	3.1%	4.8%

* Change excludes acquisitions, disposals and impact of currency

Net sales in Sweden increased by in all 4%.

At Communication Services, sales decreased via continued digitization, resulting in a 7% decline in mail volumes including addressed direct mail. Sales for eCommerce & Logistics increased mainly through further growth in e-commerce, leading to a 31% increase in B2C volumes, but there was also growth in third-party logistics and pallet goods & mixed cargo groupage.

The decline in income for the quarter and the first half-year resulted from increased digitization, quality assurance costs and price pressure in the logistics business.

POSTNORD DENMARK

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	2,204	2,108	4,210	4,322
Δ ("like for like")*	-2%	-13%	-8%	-11%
- Comm. Serv. (ext.)	925	1,016	1,822	2,154
Δ ("like for like")* - eComm. & Log. (ext.)	1,153	983	2,143	1,946
Δ ("like for like")*	10%	6%	4%	7%
- internal	119	110	244	222
Op. income (EBIT)	-1,065	-505	-1,264	-700
Op. margin (EBIT)	-48.3%	-24.0%	-30.0%	16.2%
Items affecting comp.	-969	-287	-969	-386
Adj. op. inc. (EBIT)	-96	-218	-295	-315
Adj. op. marg. (EBIT)	-4.4%	-10.3%	-6.3%	-7.3%

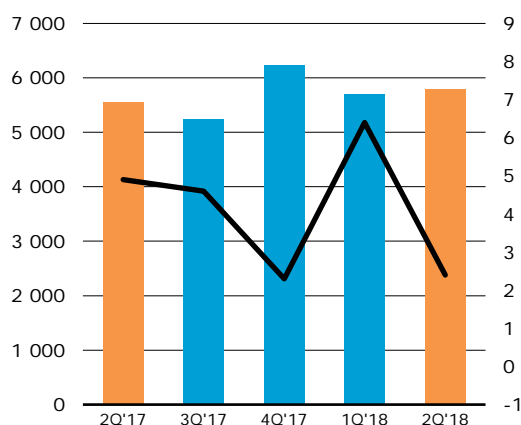
* Change excludes acquisitions, disposals and impact of currency

In Communication Services, sales fell as a result of a 5% decrease in Denmark's mail volumes and because, as part of its restructuring, PostNord Denmark decided that from the start of 2018 it would no longer offer distribution of unaddressed direct mail and weekly newspapers. The increase at eCommerce & Logistics arose above all through strong growth in B2C parcels and increased income in goods.

Items affecting comparability totaling SEK -969m (-287), net, charged to operating income consisted primarily of a government subsidy received, provision for termination of employment for employees with special employment conditions and capital gains on sales of properties.

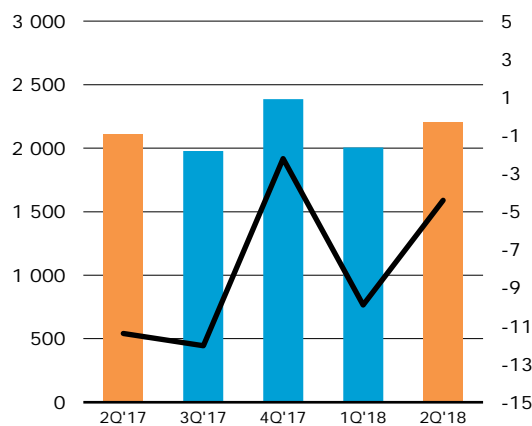
Adjusted operating income for the quarter showed a slight improvement, from growth in logistics and cost savings through the transformation program.

Sales and operating margin



Net sales
Operating margin (Adjusted EBIT)

Sales and operating margin



Net sales
Operating margin (Adjusted EBIT)

POSTNORD NORWAY

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	1,065	929	2,030	1,890
Δ ("like for like")*	10%	-7%	6%	-5%
- Comm. Serv. (ext.)	12	11	23	23
Δ ("like for like")* - eComm. & Log. (ext.)	1%	31%	-4%	38%
	860	768	1,657	1,590
Δ ("like for like")*	7%	-13%	3%	-10%
- internal	194	151	351	277
Op. income (EBIT)	17	-1	18	22
Op. margin (EBIT)	1.6%	-0.1%	0.9%	1.2%
Adj. op. inc. (EBIT)	17	-1	18	22
Adj. op. marg. (EBIT)	1.6%	0.1%	0.9%	1.2%

* Change excludes acquisitions, disposals and impact of currency

Sales rose in the quarter, mainly through increased income from B2C parcels, the relative dates for Easter between the years and a higher average price per parcel than before. The improved operating income for the quarter arose through the increased income, in conjunction with cost adjustments.

POSTNORD STRÅLFORS

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	531	518	1,050	1,075
Δ ("like for like")*	-1%	-8%	-4%	-5%
-Comm. Svs (ext)	494	482	979	1,007
Δ ("like for like")*	-1%	-6%	-5%	-3%
-internal	37	36	71	68
Op. income (EBIT)	46	43	93	99
Op. margin (EBIT)	8.6%	8.3%	8.9%	9.2%
Adj. Op. Inc. (EBIT)	46	43	93	99
Adj. Op. Marg. (EBIT)	8.6%	8.3%	8.9%	9.2%

* Change excludes acquisitions, disposals and impact of currency

The increased income resulted mainly from higher sales in printing and enveloping as a result of the dates for Easter this year, GDPR-related non-recurring orders and higher digital volumes.

The higher operating income in the quarter was mainly attributable to increased revenue. Net income for the half-year was on a par with the preceding year, despite a decline in print volumes as a result of income from higher digital volumes.

POSTNORD FINLAND

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	294	250	562	501
Δ ("like for like")*	10%	-3%	6%	2%
- Comm. Serv. (ext.)	3	3	5	7
Δ ("like for like")* - eComm. & Log. (ext.)	-8%	-30%	-25%	-15%
	197	171	379	345
Δ ("like for like")*	8%	-7%	4%	-3%
- internal	94	76	177	149
Op. income (EBIT)	4	-1	5	0
Op. margin (EBIT)	1.4%	-0.4%	0.9%	0.0%
Adj. op. inc. (EBIT)	4	-1	5	0
Adj. op. marg. (EBIT)	1.4%	-0.4%	0.9%	0.0%

* Change excludes acquisitions, disposals and impact of currency

Sales increased in the quarter mainly as a result of strong growth in parcels, where volumes via the DPD network and Zalando accounted for a substantial increase.

The improved operating income resulted from efficiencies introduced in transportation and warehousing.

OTHER BUSINESS ACTIVITIES

SEKm	Apr.-June		Jan.-June	
	2018	2017	2018	2017
Net sales	322	317	639	638
Δ ("like for like")*	-1%	3%	0%	-1%
- Comm. Serv. (ext.)	66	64	119	117
Δ ("like for like")* - eComm. & Log. (ext.)	2%	-7%	4%	-5%
	254	252	517	522
Δ ("like for like")*	-2%	3%	-1%	-3%
- internal	1	0	3	1
Op. income (EBIT)	2	11	6	25
Op. margin (EBIT)	0.6%	3.5%	0.9%	3.9%
Adj. op. inc. (EBIT)	2	4	6	25
Adj. op. marg. (EBIT)	0.6%	3.5%	0.9%	3.9%

* Change excludes acquisitions, disposals and impact of currency

Sales overall were on a par with the preceding year. As a result of underlying changes in the customer mix and increased rental costs, income declined.

MAJOR EVENTS AFTER THE REPORTING PERIOD

PostNord has no major events after the reporting period to report.

Solna, July 18, 2018
 PostNord AB (publ), CIN 556771-2640

The Board of Directors and the President and Chief Executive Officer hereby declare that the half-year report provides a true and fair view of the Group's and the Parent Company's operations, position and results, and also describes the material risks and uncertainties faced by the Parent Company and companies making up the Group.

Jens Moberg
 Chairman

Sonat Burman Olsson
 Board member

Måns Carlson
 Board member

Christian Ellegaard
 Board member

Peder Lundquist
 Board member

Ulrica Messing
 Board member

Anitra Steen
 Board member

Charlotte Strand
 Board member

Bo Fröström
 Employee representative

Johan Lindholm
 Employee representative

Sandra Svensk
 Employee representative

Håkan Ericsson
 President and Group CEO

This report has not been reviewed by the auditors.

This information is such that PostNord AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 1.00 p.m. CET on July 18, 2018.

FINANCIAL CALENDAR

Interim report January-September 2018
 Year-end financial report 2018
 Annual Report 2018

October 26, 2018
 February 1, 2019
 March 2019

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Group financial statements

Income statement

SEKm	Note	Apr-jun 2018	Apr-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-dec 2017
	1					
Net sales		9,503	9,067	18,605	18,395	37,007
Other income		1,693	62	1,837	132	324
Income	3	11,196	9,129	20,442	18,527	37,331
Personnel expenses	4	-6,693	-4,512	-10,779	-8,749	-16,792
Transport expenses		-2,815	-2,514	-5,503	-5,066	-10,542
Other expenses		-2,267	-2,052	-4,509	-4,243	-8,804
Depreciation, amortization and impairments		-321	-342	-626	-666	-1,317
Expenses		-12,906	-9,420	-21,417	-18,724	-37,455
OPERATING INCOME		-901	-291	-975	-197	-124
Financial income	6	14	14	18	17	60
Financial expenses		-18	-16	-30	-33	-72
Net financial items		-12	-2	-12	-16	-12
INCOME BEFORE TAX		-912	-293	-987	-213	-136
Tax	11	11	-43	-81	-107	-201
NET INCOME		-901	-336	-1,068	-320	-337
Attributable to						
Parent company shareholders		-901	-337	-1,069	-322	-339
Non-controlling interests		0	1	1	2	2
Earnings per share, SEK		-0.45	-0.17	-0.53	-0.16	-0.17

Statement of comprehensive income

SEKm	Apr-jun 2018	Apr-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-dec 2017
NET INCOME	-901	-336	-1,068	-320	-337
OTHER COMPREHENSIVE INCOME					
Items that cannot be transferred to net income					
Revaluation of pension liabilities	-476	-210	-421	105	214
Change in deferred tax	105	46	93	-23	-47
Total	-371	-164	-328	82	167
Items that have been or may be transferred to net income					
Cash flow hedges after tax	0	1	1	2	4
Translation differences	110	-71	298	-106	-118
Total	110	-70	299	-104	-114
TOTAL OTHER COMPREHENSIVE INCOME	-261	-234	-29	-22	53
COMPREHENSIVE TOTAL INCOME	-1,162	-570	-1,097	-342	-284
Attributable to					
Parent company shareholders	-1,162	-571	-1,098	-344	-286
Non-controlling interests	0	1	1	2	2

Statement of financial position

SEKm	Note	30 jun 2018	31 mar 2018	31 dec 2017	30 sep 2017	30 jun 2017
	1					
ASSETS						
Goodwill		2,668	2,634	2,560	2,568	2,562
Other intangible assets		762	778	792	808	850
Property, plant and equipment		8,028	7,871	7,822	7,647	7,708
ventures		81	92	81	75	74
Financial investments	6	200	198	198	282	282
Non-current receivables		1,078	1,551	1,285	869	898
Deferred tax assets		101	112	123	77	117
Total non-current assets		12,918	13,236	12,861	12,326	12,491
Inventories		103	91	88	93	90
Tax assets		229	232	226	190	298
Trade receivables	6	4,734	4,368	4,833	4,418	4,273
Prepaid expenses and accrued income ¹⁾		1,758	1,584	1,402	1,332	1,454
Other receivables ¹⁾		240	165	167	213	274
Short-term investments	6	4	136	296	141	541
Cash and cash equivalents	6	4,157	1,823	1,901	2,872	3,086
Assets held for sale		108	129	125	137	173
Total current assets		11,333	8,528	9,038	9,396	10,189
TOTAL ASSETS		24,251	21,764	21,899	21,722	22,680
EQUITY AND LIABILITIES						
EQUITY						
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		-1,448	-1,558	-1,747	-1,737	-1,737
Retained earnings		-4,242	-2,970	-2,845	-3,372	-2,913
Total equity attributable to parent company shareholders		6,264	7,426	7,362	6,845	7,304
Non-controlling interests		2	4	3	3	3
TOTAL EQUITY		6,266	7,430	7,365	6,848	7,307
LIABILITIES						
Non-current interest-bearing liabilities	6	1,594	3,574	3,556	3,712	1,720
Other non-current liabilities		53	52	52	44	46
Pensions		660	-	-	996	710
Other provisions	4	3,332	1,565	1,724	1,361	1,181
Deferred tax liabilities		579	831	744	529	592
Total non-current liabilities		6,218	6,022	6,076	6,642	4,249
Current interest-bearing liabilities	6	2,931	223	222	307	2,309
Trade payables	6	2,687	2,394	2,638	2,164	2,304
Tax liabilities		58	30	42	52	260
Other current liabilities	6	1,509	1,585	1,457	1,706	1,592
Accrued expenses and prepaid income		3,471	3,547	3,507	3,191	3,673
Other provisions	4	1,111	533	592	812	986
Total current liabilities		11,767	8,312	8,458	8,232	11,124
TOTAL LIABILITIES		17,985	14,334	14,534	14,874	15,373
TOTAL EQUITY AND LIABILITIES		24,251	21,764	21,899	21,722	22,680

Statement of cash flows

SEKm	Apr-jun 2018	Apr-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-dec 2017
OPERATING ACTIVITIES					
Income before tax	-912	-293	-987	-213	-136
Adjustments for non-cash items ¹⁾	3,110	1,508	3,016	1,811	1,933
Paid income tax	-81	-72	-169	-110	-398
Cash flow from operating activities before changes in working capital	2,117	1,143	1,860	1,488	1,399
Cash flow from changes in working capital					
Increase(-)/decrease(+) in inventories	-13	9	-16	10	13
Increase(-)/decrease(+) in other operating receivables	-374	-38	-25	595	93
Increase(+)/decrease(-) in other operating liabilities	135	-170	50	-161	-106
Other changes in working capital	-3	-22	-32	-20	-38
Changes in working capital	-255	-221	-23	424	-38
Cash flow from operating activities	1,862	922	1,837	1,912	1,361
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	-372	-140	-540	-333	-958
Sale of property, plant and equipment	11	7	16	10	23
Acquisition of other intangible fixed assets	-34	-67	-77	-145	-238
Acquisition of financial assets	7	-164	-4	-417	-589
Sale of financial assets	135	100	295	200	695
Cash flow from investing activities	-253	-264	-310	-685	-1,067
FINANCING ACTIVITIES					
Amortized debts	-154	-	-154	-	-2,483
New loans	875	300	875	300	2,525
Dividend paid	-2	-2	-2	-2	-2
Increase(+)/decrease(-) in other interest-bearing liabilities	4	-12	4	-13	-9
Cash flow from financing activities	723	286	723	285	31
CASH FLOW FOR THE PERIOD					
Cash and cash equivalents, opening balance	1,823	2,146	1,901	1,577	1,577
Translation difference in cash and cash equivalents	2	-4	6	-3	-1
Cash and cash equivalents, closing balance	4,157	3,086	4,157	3,086	1,901

¹⁾ Adjustments for non-cash items

Depreciation and impairments of non-current assets	321	342	626	666	1,317
Change in pension liability	529	1,235	335	1,230	774
Other provisions	2,345	188	2,127	169	-219
Other	-85	-257	-72	-254	61
Total	3,110	1,508	3,016	1,811	1,933

Statement of changes in equity

Equity attributable to the parent company's shareholders

SEKm	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
Opening balance Jan 1, 2017	2,000	9,954	-1,631	-2	-2,673	3	7,651
Net income for the period	-	-	-	-	-322	2	-320
Other comprehensive income for the period	-	-	-106	2	82	-	-22
Total comprehensive income for the period	-	-	-106	2	-240	2	-342
Dividend	-	-	-	-	-	-2	-2
Closing balance Jun 30, 2017	2,000	9,954	-1,737	0	-2,913	3	7,307

Equity attributable to the parent company's shareholders

MSEK	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
Opening balance Jan 1, 2017	2,000	9,954	-1,737	0	-2,913	3	7,307
Net income for the period	-	-	-	-	-17	-	-17
Other comprehensive income for the period	-	-	-12	2	85	-	75
Total comprehensive income for the period	-	-	-12	2	68	-	58
Dividend	-	-	-	-	-	-	0
Closing balance Dec 31, 2017	2,000	9,954	-1,749	2	-2,845	3	7,365

Equity attributable to the parent company's shareholders

MSEK	Capital stock ¹⁾	Contributed equity	Translation differences	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
Opening balance Jan 1, 2018	2,000	9,954	-1,749	2	-2,845	3	7,365
Net income for the period	-	-	-	-	-1,069	1	-1,068
Other comprehensive income for the period	-	-	298	1	-328	-	-29
Total comprehensive income for the period	-	-	298	1	-1,397	1	-1,097
Dividend	-	-	-	-	-	-2	-2
Closing balance Jun 30, 2018	2,000	9,954	-1,451	3	-4,242	2	6,266

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

Parent company financial reports in brief

Income statement

SEKm	Note	Apr-jun 2018	Apr-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-dec 2017
	1					
Other income		3	4	7	8	16
Income		3	4	7	8	16
Personnel expenses		-7	-8	-13	-16	-30
Other expenses		-2	-2	-3	-4	-12
Operating expenses		-9	-10	-16	-20	-42
OPERATING INCOME		-6	-6	-9	-12	-26
Interest income and similar income items		1	0	2	0	-
Interest expense and similar expense items		-13	-34	-22	-44	-65
Financial items		-12	-34	-20	-44	-65
Income after financial items		-17	-40	-28	-56	-91
Balance sheet appropriations		-	-	-	-	90
Income before tax		-17	-40	-28	-56	-1
Tax		-	-3	-	-3	-3
NET INCOME		-17	-43	-28	-59	-4

Statement of comprehensive income

SEKm	Apr-jun 2018	Apr-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-dec 2017
Net income	-17	-43	-28	-59	-4
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME	-17	-43	-28	-59	-4

Balance sheet

SEKm	Note	30 jun 2018	31 mar 2018	31 dec 2017	30 sep 2017	30 jun 2017
	1					
ASSETS						
Financial assets		11,701	11,699	11,699	11,698	11,697
Total non-current assets		11,701	11,699	11,699	11,698	11,697
Current receivables		8,803	7,226	7,320	7,384	7,950
Total current assets		8,803	7,226	7,320	7,384	7,950
TOTAL ASSETS		19,704	18,925	18,928	19,082	19,647
EQUITY AND LIABILITIES						
Equity		15,736	15,753	15,764	15,694	15,710
Non-current liabilities		1,032	2,978	2,978	3,078	1,597
Current liabilities		2,937	194	186	310	2,340
TOTAL EQUITY AND LIABILITIES		19,704	18,925	18,928	19,082	19,647

Notes to financial statements

Note 1 – Accounting principles

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, supplemented by rules in the Swedish Annual Accounts Act. The provisions of Chapter 9 of the Swedish Annual Accounts are applied in the Parent Company. Other disclosures in accordance with IAS 34.16A are presented both in the financial statements and other parts of the interim report.

The Group and the Parent Company apply IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with effect from January 1, 2018. The adoption of IFRS 9 and IFRS 15 has not required any adjustment to the Group's opening equity either in 2017 or 2018. In the case of IFRS 15, PostNord has opted for full retrospective application, meaning that revenue for the year shown for comparison is recognized in accordance with IFRS 15. For further information, see Note 3.

In the case of IFRS 9, information provided for comparison has not been restated. Changes in principles for impairments of loan and trade accounts receivable affect recognized income for the Group and its financial position. The Group has taken the view that all financial assets previously measured at fair value should continue to be measured at fair value and that loan and trade receivables also continue to meet the criteria to be recognized at amortized cost. The Group applies the simplified approach to recognition of expected credit losses on trade receivables. This means that expected credit losses for the remaining time to maturity are taken into account. In the case of certain receivables and cash and cash equivalents, the general approach is taken to expected credit losses. These receivables generally have a short time to maturity. During the quarter, the Group received a government subsidy of SEK 1,533m from the Danish State. Under IAS 20, government subsidiaries are recognised in the statement of financial position and the statement of comprehensive income when there is reasonable assurance that the company will fulfill the conditions associated with the subsidies and that the subsidies will be obtained. Government subsidies are recognised as other operating income in net income over the same periods as the costs that the subsidies are intended to compensate for.

New IFRS not yet adopted

A number of new or revised IFRSs will come into effect in the next few financial years and have not been adopted early in the preparation of these financial statements. Work on IFRS 16 continues, with an in-depth analysis of the lease portfolio. The outcome of the analysis and the calculations in accordance with IFRS are expected to have a material effect on the Group's financial position. On December 31, 2017, the Group had remaining lease fees of around SEK 5.5 billion. The Group is planning to apply the modified retroactive approach, in which the accrued effect of the transition will be recognized in the opening balance on January 1, 2019. Otherwise, the same accounting policies and calculation methods have been used in the interim report as in the 2017 annual report for the Group and Parent Company.

Note 2 - Risks

The Parent Company and the Group are exposed to strategic, operational and financial risks. The Danish business is undergoing a far-reaching transition to a new production model in order to bring about long-term sustainable profitability. This will involve major restructuring costs and the anticipation of losses during the transformation. On May 28, the EU Commission notified its approval of the SEK 1,533m government subsidy to fund compensation from the Danish State to Post Danmark A/S to meet the extra costs of the universal postal service. On June 11, PostNord's Board of Directors agreed to carry through with immediate effect the previously announced transformation of PostNord Denmark that had been pending the EU's approval of the financing arrangement. See PostNord's 2017 Annual and Sustainability Report (page 26 and Note 2 on page 52), for a description of risks, uncertainties, other risk management and significant assessments and estimates.

Note 3 – Segments

The Group's organization into segments is principally based on the companies' registered geographical domicile. The PostNord Strålfors segment is organized on the basis of the nature of the business. Market pricing applies to internal dealings between the Group's segments. Effective 2018, segment reporting is amended with regard to the segments Direct Link and Other, as described in the following.

Figures presented for comparison are restated.

- Formerly, the segments were reported inclusive of costs of Group-wide functions, that were not invoiced, using an operating allocation model. As of this report, the above-mentioned costs of Group-wide functions are reported via the segment Other.
- A new segment comprising Other business activities is formed of the previous segments Direct Link and other business activities formerly reported via the segment Other.
- At Group level, the cost of and allocation for non-vested pensions in Sweden are measured for the "interim provisions" in accordance with IAS 19. This IAS adjustment is transferred from the segment Other to the segment PostNord Sweden.

PostNord Sweden operates in the mail, logistics and e-commerce sectors in the Swedish market and is responsible for all PostNord's fulfillment operations.

PostNord Denmark operates in the mail, logistics and e-commerce sectors in the Danish market and is responsible for the e-commerce and logistics part of PostNord's operations in Germany.

PostNord Norway and Finland operate in the mail, logistics and e-commerce sectors in the Norwegian and Finnish markets, respectively.

PostNord Strålfors operates in the information logistics sector. The company develops and offers communications solutions in the printing, distribution and digital fields.

Other business activities comprises Direct Link, which operates in global distribution of market communications and lightweight goods, mainly on behalf of e-retailers, and other business activities on a minor scale. Direct Link's business is conducted in the USA, the United Kingdom, Germany, Singapore, Hong Kong and Australia.

Other & eliminations fall within Group-wide functions, including the Parent Company and consolidation adjustments.

Net sales per segment	Q1	Q2	Q3	Q4	Q1	Q2
SEKm	2017	2017	2017	2017	2018	2018
PostNord Sweden	5,608	5,551	5,245	6,235	5,694	5,791
-of which internal	241	233	231	271	269	254
PostNord Denmark	2,214	2,108	1,977	2,386	2,006	2,204
-of which internal	112	110	108	145	119	126
PostNord Norway	961	929	920	1,061	965	1,065
-of which internal	126	151	152	204	157	194
PostNord Finland	251	250	250	277	268	294
-of which internal	73	76	82	91	83	94
PostNord Strålfors	557	518	478	528	519	531
-of which internal	32	36	34	44	34	37
Other business activities	321	317	284	334	317	322
-of which internal	1	0	0	-1	2	1
Other and eliminations	-584	-606	-607	-755	-667	-705
Total Group	9,328	9,067	8,547	10,066	9,102	9,502

Operating income per segment	Q1	Q2	Q3	Q4	Q1	Q2
SEKm if not otherwise stated	2017	2017	2017	2017	2018	2018
PostNord Sweden	274	258	120	397	138	222
-as % of net sales, EBIT	4.9	4.6	2.3	6.4	2.4	3.8
PostNord Denmark	-195	-505	-304	-35	-199	-1,065
-as % of net sales, EBIT	-8.8	-24.0	-15.4	-2.2	-9.9	-48.3
PostNord Norway	23	-1	-12	35	1	17
-as % of net sales, EBIT	2.4	-0.1	-1.3	3.3	0.1	1.6
PostNord Finland	1	-1	3	5	1	4
-as % of net sales, EBIT	0.4	-0.4	1.2	1.8	0.3	1.4
PostNord Strålfors	56	43	33	39	47	46
-as % of net sales, EBIT	10.1	8.3	6.9	7.4	9.0	8.6
Other business activities	14	11	7	13	4	2
-as % of net sales, EBIT	4.4	3.5	2.5	3.9	1.2	0.6
Other and eliminations	-79	-97	-45	-181	-66	-127
Operating income	94	-292	-198	273	-74	-901
-as % of net sales, EBIT	1.0	-3.2	-2.3	2.7	-0.8	-9.5

Note 3 – Segments, contd.

Adjusted operating income per segment SEKm if not otherwise stated	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
PostNord Sweden	274	258	120	397	138	222
-as % of net sales, Adjusted EBIT	4.9	4.6	2.3	6.4	2.4	3.8
PostNord Denmark	-97	-218	-226	-33	-199	-96
-as % of net sales, Adjusted EBIT	-4.4	-10.3	-11.4	-1.4	-9.9	-4.4
PostNord Norway	23	-1	-12	35	1	17
-as % of net sales, Adjusted EBIT	2.4	-0.1	-1.3	3.3	0.1	1.6
PostNord Finland	1	-1	3	5	1	4
-as % of net sales, Adjusted EBIT	0.4	-0.4	1.2	1.8	0.3	1.4
PostNord Strålfors	56	43	33	39	47	46
-as % of net sales, Adjusted EBIT	10.1	8.3	6.9	7.4	9.0	8.6
Other business activities	14	11	7	13	4	2
-as % of net sales, Adjusted EBIT	4.4	3.5	2.5	-3.7	1.2	0.6
Other and eliminations	-79	-97	-45	-181	-66	-127
Adjusted operating income	193	-5	-120	273	-74	68
-as % of net sales, Adjusted EBIT	2.1	0.0	-1.4	2.7	-0.8	0.7

Net Sales, external

Segments	Business Areas			
	Communication Services		eCommerce & Logistics	
	Jan-jun 2018	Jan-jun 2017	Jan-jun 2018	Jan-jun 2017
PostNord Sweden	5,566	5,697	5,395	4,988
PostNord Denmark	1,822	2,154	2,143	1,946
PostNord Norway	23	23	1,657	1,590
PostNord Finland	5	7	379	345
PostNord Strålfors	979	1,007	-	-
Other business activities	119	117	517	522
Total	8,514	9,005	10,091	9,391
Point in time for revenue recognition				
At one point in time	8,178	8,626	9,910	9,230
Over time	336	379	181	161
Total	8,514	9,005	10,091	9,391

The above table shows PostNord's external net sales per service category (business area) and point in time for revenue recognition. The Group applies IFRS 15 as of 2018. The impact is SEK -35 (-36) on net sales with a corresponding reduction in other costs. PostNord's revenue is mostly recognized at one point in time. The main items in revenue recognition over time are third-party logistics, subscription services and mail services.

Business area eCommerce & Logistics offers logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, consignment goods, pallet goods and bulk logistics (mixed-cargo groupage). Communication Services consist of services in business and market communications, newspaper distribution and postal service for individual customers. For a more detailed description of PostNord's service, see the Annual Report.

Note 4 Other provisions

2018 Jan.-June, SEKm	Opening balance	Provisions	Reversals	Utilizations	Impact of translation	Closing balance
Restructuring measures	1,127	2,457	-3	-339	119	3,361
Non-vested pension commitments	1,098	26	-	-161	29	992
Other	90	-	-	-4	4	90
Total	2,316	2,483	-3	-504	152	4,443
<i>Of which, current</i>	<i>592</i>					<i>1,111</i>
<i>Of which, non-current</i>	<i>1,724</i>					<i>3,332</i>

2017 Jan.-June, SEKm	Opening balance	Provisions	Reversals	Utilizations	Impact of translation	Closing balance
Restructuring measures	1,048	449	-	-307	11	1,201
Non-vested pension commitments	831	20	-	-	11	863
Other	107	-	-	-5	1	103
Total	1,986	469	-	-312	23	2,167
<i>Of which, current</i>	<i>597</i>					<i>986</i>
<i>Of which, non-current</i>	<i>1,389</i>					<i>1,181</i>

Provision was made during the second quarter of 2018 regarding costs associated with termination of employment for employees in Denmark with special employment conditions. The restructuring program for the Danish business consists of a reduction of in all around 4,000 full-time employees in the Danish business.

Note 5 – Acquisitions and disposals

No acquisitions or disposals took place during the period or the preceding year.

In the second quarter of 2018, two new subsidiaries were established, (Hilleröd HUB ApS and Horsens HUB ApS), both owned 100% by PostNord Group AB. The intention is to construct and establish two new distribution hubs in Denmark. The buildings will accommodate collection and distribution facilities for letters and parcels for PostNord Denmark.

Note 6 – Financial instruments

June 30, 2018

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets	Financial assets	Financial liabilities	Financial liabilities	Financial liabilities	Carrying amount	Fair value
	measured at fair value	measured at amortized cost	measured at fair value	measured at fair value via other comprehensive	measured at amortized cost		
Financial investments	-	21	-	-	-	21	21
Derivatives	14	-	-	-	-	14	14
Trade receivables	-	4,734	-	-	-	4,734	4,734
Terminal fees ¹⁾	-	1,034	-	-	-	1,034	1,034
Short-term investments	-	4	-	-	-	4	4
Cash and cash equivalents	-	4,157	-	-	-	4,157	4,157
Long-term interest-bearing liabilities	-	-	0	-	-1,417	-1,417	-1,421
Current interest-bearing liabilities	-	-	-	-	-2,931	-2,931	-2,936
Trade payables	-	-	-	-	-2,687	-2,687	-2,687
Other current liabilities	-	-	-	-	-1,509	-1,509	-1,509
Derivatives	-	-	-1	0	-	-1	-1
Terminal fees	-	-	-	-	-294	-294	-294
Total financial assets and liabilities, by category	14	9,950	-1	0	-8,838	1,125	1,116

December 31, 2017

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets	Financial assets	Financial liabilities	Financial liabilities	Financial liabilities	Carrying amount	Fair value
	measured at fair value	measured at amortized cost	measured at fair value	measured at fair value via other comprehensive	measured at amortized cost		
Financial investments	-	17	-	-	-	17	17
Derivatives	0	-	-	-	-	0	0
Trade receivables	-	4,833	-	-	-	4,833	4,833
Terminal fees ¹⁾	-	707	-	-	-	707	707
Short-term investments	-	296	-	-	-	296	296
Cash and cash equivalents	-	1,901	-	-	-	1,901	1,901
Long-term interest-bearing liabilities	-	-	0	-	-3,382	-3,382	-3,481
Current interest-bearing liabilities	-	-	-	-	-222	-222	-222
Trade payables	-	-	-	-	-2,638	-2,638	-2,638
Other current liabilities	-	-	-	-	-1,457	-1,457	-1,457
Derivatives	-	-	-2	-3	-	-5	-5
Terminal fees	-	-	-	-	-317	-317	-317
Total financial assets and liabilities, by category	0	7,754	-2	-3	-8,016	-267	-366

Note 6 – Financial instruments, contd.

June 30, 2017

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets measured at fair value	Financial assets measured at amortized cost	Financial liabilities measured at fair value	Financial liabilities measured at fair value via other comprehensive	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Financial investments	-	106	-	-	-	106	106
Derivatives	1	-	-	-	-	1	1
Trade receivables	-	4,273	-	-	-	4,273	4,273
Terminal fees ¹⁾	-	569	-	-	-	569	569
Short-term investments	-	541	-	-	-	541	541
Cash and cash equivalents	-	3,086	-	-	-	3,086	3,086
Long-term interest-bearing liabilities	-	-	-	-	-1,546	-1,546	-1,555
Current interest-bearing liabilities	-	-	-	-	-2,309	-2,309	-2,317
Trade payables	-	-	-	-	-2,304	-2,304	-2,304
Other current liabilities	-	-	-	-	-1,592	-1,592	-1,592
Derivatives	-	-	-13	-2	-	-15	-15
Terminal fees	-	-	-	-	-199	-199	-199
Total financial assets and liabilities, by category	1	8,575	-13	-2	-7,950	611	594

¹⁾ Terminal fees are payment for production services performed in the receiving country, for mail posted in another country, under international agreements between countries. Terminal fees are recognised under Prepaid expenses and deferred income in the Statement of financial position.

Recognition and fair value measurement of financial instruments

The fair value of loan liabilities is calculated as the discounted value of future cash flows relating to repayment of capital amounts and interest. The value is discounted to the current loan interest rate. In view of the short terms for trade receivables and trade payables, it is assumed that the carrying amount is the best approximation of the fair value.

All financial assets and liabilities recognized at fair value in the balance sheet are classified at level 2; see also Note 27 Financial risk management and financial instruments in PostNord's Annual Report.

Note 7 – Definitions and alternative key-ratios

Alternative key ratios:

In the interim report, references are made to a number of financial measures that are not defined in accordance with IFRS. These measures provide supplementary information and are used to aid external stakeholders and management in their analysis of the Company's operations. Because not all companies calculate financial measures in the same way, these are not always comparable with measures employed by other companies. As a result, these financial measures should not be regarded as substitutes for measures as defined in IFRS.

Adjusted operating income

Total income less total costs, excluding items affecting comparability.

Adjusted operating margin

Adjusted operating income as % of net sales. Previously adjusted operating income as % of total income (net sales and other income).

Capital employed

Non-interest-bearing assets, less non-interest-bearing liabilities, also defined as net debt plus equity

EBITDAI

Earnings before interest, taxes, depreciations and amortizations/impairments.

Financial preparedness

Cash and cash equivalents and unutilized committed credit line.

Items affecting comparability

Items affecting comparability are substantial, nonrecurring or directly attributable to operating activities. Examples of items affecting comparability include capital gains on the sale of assets, impairment of assets and provision for personnel redundancies employed under special employment conditions in Denmark. Ongoing restructuring costs are not regarded as items affecting comparability.

Net debt

Interest-bearing debt, pension provisions, less cash and cash equivalents, financial investments, financial receivables, that according to IAS 19 are included in non-current receivables and short-term investments.

Reconciliation with financial statements

	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
SEKm	2018	2018	2017	2017	2017
Interest-bearing debt, current	2,931	223	222	307	2309
Interest-bearing debt, non-current	1,594	3,574	3,556	3,712	1720
Pensions ¹⁾	660	-	-	996	710
Financial investments	-200	-198	-198	-282	-282
Non-current receivables ²⁾	-1,049	-1,395	-1,145	-795	-798
Short-term investments	-4	-136	-296	-140	-541
Cash and cash equivalents	-4,157	-1,823	-1,901	-2,872	-3086
Net debt	-225	245	238	926	32

¹⁾ Including assets under management. When the plan assets exceed the estimated present value of the pension commitments, they are recognized under the heading of Non-current receivables.

²⁾ This amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19.

Net debt ratio

Net debt divided by equity.

Operating margin

Operating income as a percentage of net sales.

Return on capital employed (ROCE)

Operating profit for the 12 months to the end of the period (based on quarterly values) divided by average capital employed for the 12 months to the end of the period.

Other key ratios:

Average number of employees (FTE)

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

Basic staff

Refers to all full- and part-time regular employees.

Earnings per share (EPS)

Share of net earnings attributable to parent company shareholders divided by the average number of shares outstanding.

Quarterly data

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEKm, unless otherwise specified	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018
PostNord Group ²⁾										
Net sales ¹⁾	9,638	9,590	8,895	10,355	9,328	9,067	8,547	10,065	9,102	9,503
Other income	54	76	70	63	70	62	76	116	144	1,693
Expenses ¹⁾	-9,393	-9,936	-9,065	-11,430	-9,304	-9,420	-8,822	-9,909	-9,321	-12,096
<i>of which, personnel expenses</i>	-4,365	-4,427	-3,891	-4,578	-4,237	-4,512	-3,828	-4,215	-4,086	-6,693
<i>of which, transport expenses</i>	-2,345	-2,574	-2,483	-2,748	-2,552	-2,514	-2,588	-2,888	-2,688	-2,815
<i>of which, other expenses</i>	-2,278	-2,452	-2,328	-2,534	-2,191	-2,052	-2,085	-2,476	-2,242	-2,267
<i>of which, depreciation, amortization and impairments</i>	-405	-483	-363	-1,570	-324	-342	-321	-330	-305	-321
Operating income (EBITDAI)	705	213	262	558	418	51	122	602	231	-580
Operating margin (EBITDAI)	7.3%	2.2%	2.9%	5.4%	4.5%	0.6%	1.4%	6.0%	2.5%	-6.1%
Operating income (EBIT)	300	-270	-101	-1,012	94	-291	-199	272	-74	-901
Operating margin (EBIT)	3.1%	-2.8%	-1.1%	-9.8%	1.0%	-3.2%	-2.3%	2.7%	-0.8%	-9.5%
Cash flows from operating activities	189	364	-656	1,424	990	922	-370	-181	-25	1,862
Net debt	639	1,020	2,783	354	-688	32	926	238	245	-225
Return on capital employed	5.6%	-2.3%	-3.8%	-12.1%	-15.0%	-15.9%	-17.5%	-1.6%	-3.9%	-12.4%
Average number of employees (FTE)	33,445	33,365	33,897	32,405	30,960	31,210	32,096	31,134	29,469	29,998
Number of staffing (basic) at end of period	34,684	33,884	32,766	32,657	32,358	31,910	30,905	30,797	30,355	30,500
Volumes, millions of mails produced:										
Sweden, priority mail	193	190	172	201	185	176	160	191	174	168
Sweden, non-priority mail	287	238	224	259	263	217	207	238	226	199
Denmark, priority mail/Quickbrev	32	27	20	22	12	10	9	10	9	9
Denmark, non-priority and business mail	71	67	63	71	74	64	56	72	62	60
Volumes, millions of parcels produced (net): (Eliminated for internal group volumes)										
Parcels, group total	33	35	33	41	36	37	37	45	39	43

1) Figures for comparison have been restated to show the effect of IFRS 15. Although not for 2016.

2) IFRS 9 is applied from 2018 onward.