

## January–June

- Net sales totaled SEK 15,595m (15,062)
- Operating earnings totaled SEK 1,165m (1,388)
- A strong financial position put the equity-assets ratio at 39% (36%)
- On June 18, the Swedish parliament adopted the government's proposal to merge Posten with Post Danmark, and on June 12 the Danish parliament approved the merger
- Lars G Nordström was appointed new President and CEO

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### Upcoming reports:

January–September  
Interim Report October 24, 2008  
Year-End Report 2008 February 2009

Read more at [www.posten.se](http://www.posten.se).

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



The Regional Council of Goods Transportation in Skåne and Blekinge has given the prize "Improvement of the Year" to Posten Logistics AB for its use of specially designed railcars, which shift over 3,000 km of parcel transport from cars to railroads every day. The traffic system has been developed in close cooperation with Kockums and Green Cargo.

## Message from the CEO

Posten's net sales increased 4%, mainly as a result of the acquisition of Tollpost Globe. Posten Logistics experienced organic growth of 9%, while net sales increased 24% including Tollpost. Stralfors' operations in information logistics and graphics reported growth of 11%. However, net sales for Posten Messaging fell



again in the second quarter, decreasing a total of SEK 192m, or 2%, during the first half of 2008. It is uncertain how much of a slowdown the economy will undergo and how that will affect the volumes in Posten's core operations. However, we predict the negative trend in volumes will continue, mainly in mail operations as substitution accelerates. We are also encountering intensifying competition from international players in all core operations and across all markets where we are active.

Operating earnings totaled SEK 1,165m, SEK 223m less than for the same period the preceding year. Weaker operating earnings were attributable to lower sales for Posten Messaging and to increased costs of transportation and personnel.

We continue our long-term and goal-oriented work to strengthen the Group's competitiveness. At Posten Messaging, rationalization efforts are underway to reduce the fixed costs in mail delivery. At the same time, we are enhancing our range of services. In June this year, the logistics operations set up an organization with a sharper geographic focus. The purpose is to offer a broader and more clearly defined Nordic logistics service while improving productivity across all product areas. Stralfors is proceeding with its European expansion, keeping productivity enhancement and streamlining high on the agenda.

In June, the Swedish and Danish parliaments voted to approve the merger between Posten and Post Danmark. Now, as the final pieces of the merger are put into place, we are working to develop an action plan. Our goal is to have a well-prepared and primed organization that is ready to realize the identified synergies and to seize upon the business benefits created by the merger.

Lars G Nordström  
President and CEO

## Sales advance despite weakening economy

- Net sales totaled SEK **15,595m** (15,062)
- Operating earnings totaled SEK **1,165m** (1,388)
- A strong financial position put the equity-assets ratio at **39%** (36%)
- On June 18, the Swedish parliament adopted the government's proposal to merge Posten with Post Danmark, and on June 12 the Danish parliament approved the merger
- Lars G Nordström was appointed new President and CEO

	Jan–Jun				Apr–Jun				Full year
SEKm, unless otherwise specified	2008	2007	Change		2008	2007	Change		2007
<b>Consolidated</b>									
Net sales	15,595	15,062	533	4%	7,857	7,358	499	7%	29,902
Operating earnings	1,165	1,388	–223	–16%	471	545	–74	–14%	1,995
Operating margin, %	7.4	9.2	–1.8		5.9	7.4	–1.5		6.6
Earnings after financial items	1,310	1,481	–171	–12%	564	588	–24	–4%	2,184
Net earnings	937	1,045	–108	–10%	404	431	–27	–6%	1,564
Cash flows from operating activities	948	1,446	–498	–34%	657	673	–16	–2%	2,288
Return on equity, % rolling 12-month period	20	19	1		20	19	1		24
Equity-assets ratio, % at end of period	39	36	3		39	36	3		37
Average number of employees	31,854	31,927	–73	0%	32,395	32,128	267	1%	32,442
Employee satisfaction index (ViP)	67	65	2		67	65	2		66
Sickness absenteeism/work hours, % rolling 12-month period	5.9	7.3	–1.4		5.9	7.3	–1.4		6.5
Customer satisfaction index (CSI)	62	63	–1		62	63	–1		63
<b>Posten Messaging</b>									
Net sales	8,380	8,572	–192	–2%	4,098	4,165	–67	–2%	16,908
Operating earnings	784	1,170	–386	–33%	304	526	–222	–42%	1,900
Operating margin, %	8.9	13.1	–4.2		7.1	12.1	–5.0		10.7
<b>Stralfors<sup>1)</sup></b>									
Net sales	2,024	1,995	29	1%	988	976	12	1%	3,847
Operating earnings	43	16	27	169%	10	–4	14		2
Operating margin, %	2.1	0.8	1.3		1.0	neg			0.1
<b>Posten Logistics</b>									
Net sales	5,080	4,090	990	24%	2,714	1,993	721	36%	8,381
Operating earnings	224	196	28	14%	94	79	15	19%	210
Operating margin, %	3.9	4.1	–0.2		3.1	3.4	–0.3		2.2

<sup>1)</sup> Posten's acquisition of Stralfors excluding amortization of acquired surplus values on assets (see page 6).

## Group

### Net sales and earnings

#### January–June

Net sales totaled SEK 15,595m (15,062), a rise of 4%.

Excluding the effect of the acquisition and divestment of companies and the absence of the Swedish Government's compensation for the Cashier Service for the period, net sales increased 1%. Posten Logistics and Stralfors enjoyed positive organic growth of 9% and 4%, respectively. Posten Messaging's weaker sales were attributable to the economic slow-down, increased substitution and intensifying competition. At the same time, the positive trend in distance trade continued.

Operating earnings were SEK 1,165m (1,388). Weaker earnings resulted primarily from Posten Messaging's weaker sales but also from higher costs for transportation and personnel in the business segment, which reported an operating margin of about 9%. Both Posten Logistics and Stralfors reported improved operating earnings. Sickness absenteeism decreased, to 5.9% (7.3%), representing cost savings of approximately SEK 100m on a full-year basis. Productivity for the quarter improved 1% year-on-year.

Net financial items reached SEK 145m (93). Net earnings totaled SEK 937m (1,045). Tax amounted to SEK –373m (–436).

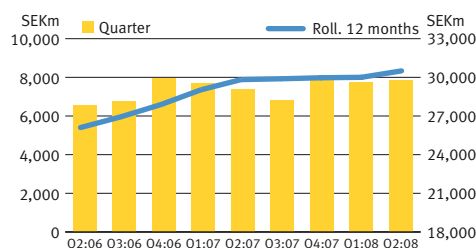
The return on equity was 20%, compared to the target of 15%.

#### April–June

Net sales totaled SEK 7,857m (7,358), an increase of 7%.

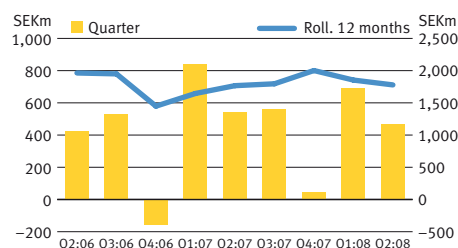
Excluding the effect of the acquisition and divestment of companies and the absence of the Swedish Government's compensation for the Cashier Service for the period, net sales increased 2%. Operating earnings totaled SEK 471m (545), down SEK 74m. Net financial items totaled SEK 93m (43). The SEK 50m improvement in net financial items resulted mainly from more interest income and from the recognition of SEK 19m in gains on currency derivatives upon the acquisition of 50% in Tollpost Globe AS. Net earnings amounted to SEK 404m (431). Tax amounted to SEK –160m (–157).

#### NET SALES



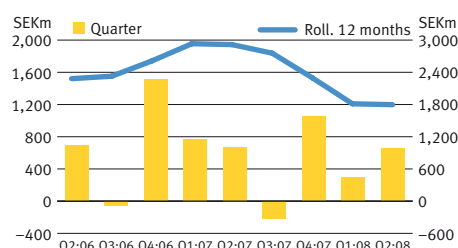
Net sales for the rolling 12-month period grew 2%. The acquisition of the remaining 50% of Tollpost Globe AS had a positive effect on sales, while reductions in Cashier Service had a negative effect. Excluding Cashier Service, the consolidated increase was 4%.

#### OPERATING EARNINGS



Operating earnings for the rolling 12-month period weakened slightly in 2008. Excluding Q4 2007 restructuring costs of SEK 445m, earnings for the rolling 12-month period ended June 30, 2008, were approximately SEK 2.2 billion. The decrease in Q4 2006 resulted from restructuring costs of SEK 617m related to Posten's new operational structure.

#### CASH FLOWS FROM OPERATING ACTIVITIES



Cash flow has seasonal fluctuations. Cash flows from operating activities in Q2 2008 totaled SEK 657m (673). Less cash flow was primarily attributable to weaker earnings. Accounts payable showed improvement that was offset somewhat by a fall in other working capital.

## Posten Messaging

Posten Messaging offers nationwide messaging services to private individuals and companies, including distribution of mail, periodical, and direct mail, as well as drop-off and collection of private parcels. This business segment also runs Posten's postal service locations network and business service centers.

SEKm, unless otherwise specified	Jan–Jun			Apr–Jun			Full year	
	2008	2007	Change	2008	2007	Change	2007	
Net sales	8,380	8,572	–192 –2%	4,098	4,165	–67 –2%	16,908	
<i>mail</i>	5,022	5,095	–73 –1%	2,430	2,446	–16 –1%	9,968	
<i>direct mail</i>	1,443	1,519	–76 –5%	710	752	–42 –6%	3,011	
<i>other</i>	1,915	1,958	–43 –2%	958	967	–9 –1%	3,929	
Other operating income	408	391	17 4%	199	199	0 0%	839	
Operating earnings	784	1,170	–386 –33%	304	526	–222 –42%	1,900	
Operating margin, %	8.9	13.1	–4.2	7.1	12.1	–5.0	10.7	
Investments	96	144	–48 –33%	53	75	–22 –29%	225	
Number of workdays	124	123	1	62	59	3	250	
Customer satisfaction index (CSI)	60	62	–2	60	62	–2	61	
Average number of employees	21,509	22,256	–747 –3%	21,615	22,519	–904 –4%	22,724	
Employee satisfaction index (ViP)	66	64	2	66	64	2	65	
Sickness absenteeism, % rolling 12-month period	6.2	7.7	–1.5	6.2	7.7	–1.5	6.9	
Priority mail volume, millions of units	642	676	–34 –5%	312	325	–13 –4%	1,312	
Non-priority mail volume, millions of units	639	636	3 0%	285	281	4 1%	1,256	
UDM volume, millions of units	1,251	1,268	–17 –1%	658	664	–6 –1%	2,540	

### Net sales and operating earnings

#### January–June

Net sales totaled SEK 8,380m (8,572), down 2%. Weaker net sales were attributable to lower volumes caused by the economic slowdown, substitution, and heightened competition from Norway Post, through CityMail's broadened geographic market presence in Sweden. Direct mail is encountering stiffer competition also from other media and competitors. The change in Other was partly attributable to the weaker US dollar, which negatively impacts some sales related to international mail. The number of mailpieces collected at Posten's 1,600 postal service points increased 3%.

Operating earnings totaled SEK 784m (1,170). Weaker earnings resulted primarily from weaker sales but also from cost increases of SEK 97m for transportation and SEK 133m for personnel.

#### April–June

Net sales amounted to SEK 4,098m (4,165). The impact of the economic slowdown was amplified during the quarter and, combined with substitution and stiffer competition, reduced volumes. The effects of these factors was dampened by the period having three work days more than the same period in 2007, corresponding to 2 percentage points in volume. Operating earnings ended at SEK 304m (526), down SEK 222m.



## Stralfors

Specialist in information logistics and graphic production for the corporate market. Offers start-to-finish solutions for the transfer of business-critical information.

SEKm, unless otherwise specified	Jan–Jun			Apr–Jun			Full year	
	2008	2007	Change	2008	2007	Change	2007	
Net sales	2,024	1,995	29 1%	988	976	12 1%	3,847	
Information Logistics	989	895	94 11%	480	456	24 5%	1,756	
Graphic Solutions	791	715	76 11%	394	349	45 13%	1,424	
System- and Product-related Information Transfer (SPI)	244	385	–141 –37%	114	171	–57 –33%	667	
Other operating income	11	51	–40 –78%	5	45	–40 –89%	82	
Operating earnings <sup>1)</sup>	79	86	–7 –8%	28	48	–20 –42%	108	
Operating margin, % <sup>1)</sup>	3.9	4.2	–0.3	2.8	4.7	–1.9	2.7	
Investments	181	119	62 52%	104	56	48 86%	223	
Number of work days	124	123	1	62	59	3	250	
Average number of employees	2,178	2,131	47 2%	2,196	2,123	73 3%	2,091	
Sickness absenteeism, % rolling 12-month period	4.1	3.8	0.3	4.1	3.8	0.3	3.8	

<sup>1)</sup> The difference in operating earnings in the table above and on page 1 and in Note 3 is attributable to amortization of acquired surplus values on assets of SEK 6m per month or SEK 18m per quarter. The effect for full year 2007 was SEK 72m. For full year 2007, the difference with the table on page 1 also includes a group capital gain of SEK 34m.

### Net sales and operating earnings

#### January–June

Net sales totaled SEK 2,024m (1,995), up 1%. Excluding acquisitions and divestments of companies, sales advanced 4%. Information Logistics boosted net sales 11%, primarily because in 2007 Stralfors won several major, strategically important contracts as a Nordic start-to-finish supplier. The increase in Graphic Solutions resulted from acquisitions, while the decrease in SPI resulted from the divestment of Lasermax Roll Systems.

Operating earnings amounted to SEK 79m (86). Excluding acquisitions and divestments, earnings improved SEK 43m, mainly as a result of sales growth in the Information Logistics

area paired with slower increases in costs linked to income growth.

#### April–June

Net sales totaled SEK 988m (976), a rise of 1%. Excluding acquisitions and divestments of companies, sales increased 5%. Operating earnings amounted to SEK 28m (48). Adjusted for Lasermax Roll Systems and capital gains, the second quarter 2008 earnings of SEK 28m were SEK 27m better than in the same period the preceding year. Information Logistics accounted for the majority of this improvement, but parts of Graphic Solutions also reported stronger earnings.

## Posten Logistics

Logistics specialist for corporate customers. Offers palletized logistics, parcels and express delivery, in-night freight forwarding, and third-party logistics.

	Jan–Jun				Apr–Jun				Full year
SEKm, unless otherwise specified	2008	2007	Change		2008	2007	Change		2007
Net sales	5,080	4,090	990	24%	2,714	1,993	721	36%	8,381
<i>parcels</i>	3,398	2,670	728	27%	1,842	1,297	545	42%	5,392
<i>other</i>	1,682	1,420	262	18%	872	696	176	25%	2,989
Other operating income	688	641	47	7%	342	320	22	7%	1,340
Operating earnings	224	196	28	14%	94	79	15	19%	210
Operating margin, %	3.9	4.1	−0.2		3.1	3.4	−0.3		2.2
Investments	184	107	77	72%	121	67	54	81%	261
Number of work days	124	123	1		62	59	3		250
Customer satisfaction index (CSI)	66	66	0		66	66	0		67
Average number of employees	6,367	5,447	920	17%	6,789	5,468	1,321	24%	5,579
Employee satisfaction index (ViP)	67	66	1		67	66	1		66
Sickness absenteeism, % rolling 12-month period	5.1	6.4	−1.3		5.1	6.4	−1.3		5.6
Parcel volume, millions of units	33.0	32.5	0.5	2%	16.0	15.5	0.5	3%	65.8

### Net sales and operating earnings

#### January–June

Net sales totaled SEK 5,080m (4,090), up SEK 990m; SEK 87m of the increase was attributable to the acquisition of Suomen Logistiikkatalo, SEK 515m to the acquisition of the remaining 50% of Tollpost Globe AS. The organic growth was attributable to strong orders from existing customers as well as increased sales to new customers. Growth is being driven by expanded sales to retailers and wholesalers, who account for 59% of Posten Logistics' sales.

The brisk growth rate in parcels leveled out during the period. At the same time, the establishment of the MyPack concept has made it easier for private individuals in Norway to buy from companies in Sweden, boosting sales. There was also expansion in parcels from companies in Sweden to companies abroad. All product areas in the “other” category – palletized logistics, in-night freight forwarding, express, and third party logistics – reported advances.

Operating earnings totaled SEK 224m (196), up SEK 28m, of which the acquisition of the remaining 50% of Tollpost Globe AS accounted for SEK 25m. Earnings were burdened by SEK 14m in amortization on intangible assets linked to the Tollpost acquisition.

#### April–June

Net sales totaled SEK 2,714m (1,993), up SEK 721m; SEK 46m of the increase was attributable to the acquisition of Suomen Logistiikkatalo, SEK 410m to the acquisition of the remaining 50% of Tollpost. In addition, the quarter had three work days more than the same period in 2007. Growth slowed somewhat in May and June, mainly for parcels in Sweden. Operating earnings totaled SEK 94m (79), an improvement of SEK 15m.

## Cashier Service

The Cashier Service fulfills Posten's legal mandate to provide nationwide financial transaction services.

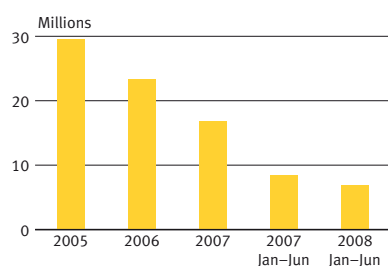
### January–June

Net sales totaled SEK 242m (511), a decrease of SEK 269m or 53%. The outcome from the preceding year includes state reimbursements of SEK 200m for essential financial transaction services, which will not be paid in 2008. The rest of the decrease resulted from an ongoing decline in demand for essential financial transaction services. Payment transactions dropped 24%, banking transactions 14%, and daily cash services 44%.

Operating earnings amounted to SEK 13m (92). The drop in earnings was attributable to weaker net sales. However, operating earnings for the period reflected a positive nonrecurring effect of SEK 100m in the form of a payment from Nordea for taking over office operations. Operating earnings including closure costs totaled SEK –95m (–12).

The Cashier Service will be wound down during the second half of 2008 according to the closure plan submitted to the Swedish National Post and Telecom Agency on October 1, 2007.

TRANSACTION VOLUMES FOR CASHIER SERVICE



The number of cashier transactions is steadily declining. The year-on-year decrease for the first half of 2008 was approximately 18%.

## Parent Company

The operations in Posten AB (publ) comprise the corporate management functions and shared service units.

Net sales for the period totaled SEK 1,029m (1,047), and earnings after financial items SEK 793m (89). Stronger earnings were chiefly attributable to dividends from subsidiaries but also to SEK 100m in reversed provisions for the Cashier Service associated with the contract signed with Nordea. Investments in tangible fixed assets totaled SEK 25m (32), and cash and cash equivalents totaled SEK 2,497m (3,710). The average number of employees was 863 (1,197). The change resulted from efficiency measures in administration. In March, the remaining 50% of the shares in the Norwegian logistics company Tollpost Globe AS were acquired (see Note 10 for the group).

## Risks and uncertainties for the group and the parent company

The parent company and group's risk management and other factors that may impact operations are described in Posten's 2007 annual report. Posten does not consider that the risk assessment has changed in any significant way compared to the description in the annual report.



## Changes in executive management

Lars G Nordström succeeded Erik Olsson as President and CEO on June 27. Lars G Nordström is a member of the board of Nordea, where he was President and CEO until 2007. He is also a member of the boards of TeliaSonera, VikingLine, and other companies as well as chairman of the Royal Swedish Opera and the Finnish-Swedish Chamber of Commerce.

## Merger of Posten and Post Danmark

On April 1, the Swedish Ministry of Enterprise, Energy and Communications, the Danish Ministry of Transport, and CVC Capital Partners signed a declaration of intent to merge Posten AB and Post Danmark A/S. The companies' motive is to meet the intensifying challenges of the market with a sharper competitive edge in a common group. This will safeguard the prerequisites for retaining world-class mail and parcel delivery in the two countries and the possibility of reaching all companies and households even in the future.

According to the agreement, the two companies will merge in a group owned jointly by the Swedish State, the Danish State, CVC, and the employees. The business combination will have annual sales of roughly SEK 45 billion and more than 50,000 employees.

The merger between Posten and Post Danmark brings considerable value-creating synergy effects for the business combination and its owners. In addition to cost savings through synergy in IT, purchasing, and administration/shared services, estimated at roughly SEK 1 billion per year, extensive additional synergies are expected to be found in the operations.

On June 18, the Swedish parliament adopted the government's proposal for the merger, and on June 12 the Danish parliament approved the merger. The merger is also conditional upon the signing of a final agreement and the approval of the competition authorities concerned. The aim is for the merger to be implemented formally before the end of 2008.

## Key events after the close of the period

An extraordinary general meeting of Posten AB (publ) on August 6, 2008, elected Lars G Nordström a member of the Board.

This interim report provides, to substance and materiality, a fair and accurate overview of the parent company and the group's operations, position and financial results in addition to describing considerable risks and uncertainty factors facing the parent company and other group companies.

Stockholm, August 21, 2008

Posten AB (publ)

*Marianne Nivert*  
Chairman

*Mats Abrahamsson*  
Member of the Board

*Ingrid Bonde*  
Member of the Board

*Gunnel Duveblad*  
Member of the Board

*Katarina Mohlin*  
Member of the Board

*Bertil Persson*  
Member of the Board

*Richard Reinius*  
Member of the Board

*Alf Mellström*  
Employee representative

*Anne-Marie Ross*  
Employee representative

*Kjell Strömbäck*  
Employee representative

*Lars G Nordström*  
President and CEO  
Member of the Board

This report has not been audited.

## Consolidated financial statements

### Consolidated income statement

SEKm	Note	2008	2007	Change	2008	2007	Change	2007
		Jan–Jun	Jan–Jun		Apr–Jun	Apr–Jun		Full year
Net sales	1, 2	15,595	15,062	4%	7,857	7,358	7%	29,902
Other operating income		208	77		62	56	11%	230
<b>Total income</b>	<b>3</b>	<b>15,803</b>	<b>15,139</b>	<b>4%</b>	<b>7,919</b>	<b>7,414</b>	<b>7%</b>	<b>30,132</b>
Personnel costs		–6,898	–6,682	3%	–3,478	–3,365	3%	–13,169
Transportation costs		–3,151	–2,519	25%	–1,688	–1,227	38%	–5,313
Other costs	4	–4,084	–4,025	1%	–2,028	–2,013	1%	–8,597
Depreciation and impairment of tangible and intangible assets		–505	–525	–4%	–254	–264	–4%	–1,058
<b>Total operating costs</b>		<b>–14,638</b>	<b>–13,751</b>	<b>6%</b>	<b>–7,448</b>	<b>–6,869</b>	<b>8%</b>	<b>–28,137</b>
<b>OPERATING EARNINGS</b>		<b>1,165</b>	<b>1,388</b>	<b>–16%</b>	<b>471</b>	<b>545</b>	<b>–14%</b>	<b>1,995</b>
Financial income		208	157	32%	119	76	57%	321
Financial costs		–63	–64	–2%	–26	–33	–21%	–132
<b>Net financial items</b>		<b>145</b>	<b>93</b>	<b>56%</b>	<b>93</b>	<b>43</b>	<b>116%</b>	<b>189</b>
<b>Earnings after financial items</b>		<b>1,310</b>	<b>1,481</b>	<b>–12%</b>	<b>564</b>	<b>588</b>	<b>–4%</b>	<b>2,184</b>
Tax		–373	–436	–14%	–160	–157	2%	–620
<b>NET EARNINGS</b>		<b>937</b>	<b>1,045</b>	<b>–10%</b>	<b>404</b>	<b>431</b>	<b>–6%</b>	<b>1,564</b>
<b>Attributable to</b>								
Parent company shareholders		935	1,042		403	429		1,560
Minority interests		2	3		1	2		4
Earnings per share, SEK		1,558	1,737		671	715		2,600

## Consolidated balance sheets

SEKm	Note	2008	2007
		Jun 30	Dec 31
	1, 2		
<b>ASSETS</b>			
Goodwill		2,457	1,850
Other intangible fixed assets		1,142	841
Tangible fixed assets		4,595	4,041
Financial investments		86	92
Long-term receivables	5	2,377	2,136
Deferred tax assets		42	233
<b>Total fixed assets</b>		<b>10,699</b>	<b>9,193</b>
Inventory		265	275
Tax credit		152	3
Accounts receivable		3,318	3,299
Prepaid expenses and accrued income		905	845
Other receivables		358	565
Short-term investments		2	4
Cash and cash equivalents		3,204	4,788
<b>Total current assets</b>		<b>8,204</b>	<b>9,779</b>
<b>TOTAL ASSETS</b>		<b>18,903</b>	<b>18,972</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Capital stock		600	600
Contributed equity		42	42
Reserves		–9	15
Retained earnings		6,700	6,390
<b>Total equity attributable to parent company shareholder</b>		<b>7,333</b>	<b>7,047</b>
<b>Minority interest</b>		<b>12</b>	<b>10</b>
<b>TOTAL EQUITY</b>		<b>7,345</b>	<b>7,057</b>
<b>LIABILITIES</b>			
Long-term interest-bearing liabilities		611	685
Other long-term liabilities		135	134
Pension provisions	5	1,074	1,033
Other provisions	6	1,924	1,969
Deferred tax liabilities		377	45
<b>Total non-current liabilities</b>		<b>4,121</b>	<b>3,866</b>
Current interest-bearing liabilities		213	344
Accounts payable		1,667	1,516
Tax liabilities		7	352
Other current liabilities		1,662	1,823
Accrued expenses and prepaid income		2,772	2,536
Other provisions	6	1,116	1,478
<b>Total current liabilities</b>		<b>7,437</b>	<b>8,049</b>
<b>TOTAL LIABILITIES</b>		<b>11,558</b>	<b>11,915</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,903</b>	<b>18,972</b>

For the Group's pledged assets and contingent liabilities, see Note 7.

Total assets were SEK 18,903m at June 30, SEK 69m less than at December 31, 2007.

Goodwill increased SEK 607m. SEK 618m referred to acquisitions made during the period, and the remainder were translation differences.

The equity-assets ratio was 39%, compared to 37% at December 31, 2007.

## Consolidated statements of cash flows

	2008	2007	2008	2007	2007
SEKm	Jan–Jun	Jan–Jun	Apr–Jun	Apr–Jun	Full year
<b>OPERATING ACTIVITIES</b>					
Earnings after financial items	1,310	1,481	564	588	2,184
Adjustments for non-cash-flow items:					
Reconciliation of depreciation according to plan	505	525	254	264	1,058
Capital gain/loss on sale of fixed assets		3	–3	–8	–11
Pension provisions	–202	–111	–137	–85	–260
Other provisions	–407	–400	–228	–153	–222
Other items not affecting liquidity	–8	–9	–5	–5	–19
Tax paid	–537	–497	–213	–110	–443
<b>Cash flows from operating activities before changes in working capital</b>	<b>661</b>	<b>992</b>	<b>232</b>	<b>491</b>	<b>2,287</b>
Cash flows from changes in working capital					
Increase (–)/Decrease (+) in accounts receivable	140	–104	23	–5	–176
Increase (+)/Decrease (–) in accounts payable	12	18	274	10	117
Other changes in working capital	135	540	128	177	60
<b>Changes in working capital</b>	<b>287</b>	<b>454</b>	<b>425</b>	<b>182</b>	<b>1</b>
<b>Cash flows from operating activities</b>	<b>948</b>	<b>1,446</b>	<b>657</b>	<b>673</b>	<b>2,288</b>
<b>INVESTING ACTIVITIES</b>					
Investments in intangible fixed assets	–23	–5	–15	–2	–38
Investments in tangible fixed assets	–559	–493	–344	–274	–951
Investments in financial assets	–3		–3		
Acquisition of subsidiaries	–1,262	–124	–39	–124	–209
Divestment of subsidiaries				0	124
Divestment of other fixed assets	23	154	11	154	165
Increase (–)/Decrease (+) in current financial liabilities		84	1	86	100
<b>Cash flows from investing activities</b>	<b>–1,824</b>	<b>–384</b>	<b>–389</b>	<b>–160</b>	<b>–809</b>
<b>FINANCING ACTIVITIES</b>					
Loans raised		2		0	1
Loans amortized	–20	–9	–18	–6	–90
Changes in leasing liabilities	–60	–66	–30	–35	–114
Dividend paid	–625	–400	–625	–400	–403
Increase (+)/Decrease (–) in other financial liabilities	–2	4	–7	–1	–7
<b>Cash flows from financing activities</b>	<b>–707</b>	<b>–469</b>	<b>–680</b>	<b>–442</b>	<b>–613</b>
<b>CASH FLOWS FOR THE PERIOD</b>	<b>–1,583</b>	<b>593</b>	<b>–412</b>	<b>71</b>	<b>866</b>
Cash and cash equivalents, beginning of the period	4,788	3,919	3,612	4,446	3,919
Differences in exchange rates in cash and cash equivalents	–1	11	4	6	3
Cash and cash equivalents, end of the period	3,204	4,523	3,204	4,523	4,788

**January–June**

Cash flows from operating activities amounted to SEK 948m (1,446). Less cash flow was primarily attributable to changes in working capital and weaker earnings after financial items.

Cash flows from investing activities totaled SEK –1,824m (–384). Acquisitions of subsidiaries had an impact of SEK –1,262 (–124) on cash flow (see also Note 10, Acquisitions and divestments of operations). Investments in tangible fixed assets totaled SEK 559m (493); SEK 278m went to new technology and capacity in the mail and parcel network, and SEK 254m to replacement investments in premises, vehicles, and IT.

Cash flows from financing activities totaled SEK –707m (–469). In 2008, a dividend of SEK 625m (400) was paid to the owners.

At the end of the period, cash and cash equivalents equaled SEK 3,204m (4,523). Cash and cash equivalents decreased SEK 1,584m from year-end 2007, including SEK –1m in foreign exchange differences.

**April–June**

Cash flows from operating activities amounted to SEK 657m (673).

Cash flows from investing activities amounted to SEK –389m (–160). Acquisitions of subsidiaries had an impact of SEK –39 (–124) on cash flow. Investments in tangible fixed assets totaled SEK 344m (274); SEK 198m went to new technology and capacity in the mail and parcel network, and SEK 120m to replacement investments in premises, vehicles and IT.

Cash flows from financing activities totaled SEK –680m (–442). During the quarter, a dividend of SEK 625m (400) was paid to the owners.

**Net financial position**

SEKm	2008 Jun 30	2007 Jun 30	2007 Dec 31
Financial investments	86	71	92
Long-term receivables	2,377	2,028	2,136
Short-term investments	2	0	4
Cash and cash equivalents	3,204	4,523	4,788
<b>Total financial assets</b>	<b>5,669</b>	<b>6,622</b>	<b>7,020</b>
Long-term interest-bearing liabilities	611	831	685
Pension provisions	1,074	1,015	1 033
Current interest-bearing liabilities	213	269	344
<b>Total financial liabilities</b>	<b>1,898</b>	<b>2,115</b>	<b>2,062</b>
<b>Net financial position</b>	<b>3,771</b>	<b>4,507</b>	<b>4,958</b>

The net financial position was SEK 3,771m, down SEK 1,187m from December 31, 2007. The change resulted primarily from the acquisition of the remaining 50% of the shares in Tollpost Globe AS, for which cash was paid (see also Note 10, Acquisitions and divestments of operations).

## Consolidated changes in equity

SEKm	Equity attributable to parent company shareholders						Minority interest	Total equity
	Capital stock <sup>1)</sup>	Contributed equity	Hedging reserve	Accum. translation difference	Retained earnings	Total		
<b>Equity 1/1/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-55</b>	<b>5,230</b>	<b>5,817</b>	<b>14</b>	<b>5,831</b>
Translation differences for the period			0	54		54	1	55
Due from acquisitions							-5	-5
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner			0	54	0	54	-4	50
Net earnings for the period					1,042	1,042	3	1,045
Total changes in capital wealth, excl. transactions with the Company's owner					1,042	1,042	3	1,045
Dividends					-400	-400		-400
<b>Equity 6/30/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-1</b>	<b>5,872</b>	<b>6,513</b>	<b>13</b>	<b>6,526</b>
<b>Equity 7/1/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-1</b>	<b>5,872</b>	<b>6,513</b>	<b>13</b>	<b>6,526</b>
Translation differences for the period				16		16	-1	15
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				16		16	-1	15
Net earnings for the period					518	518	1	519
Total changes in capital wealth, excl. transactions with the Company's owner					518	518	1	519
Dividends						0	-3	-3
<b>Equity 12/31/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>15</b>	<b>6,390</b>	<b>7,047</b>	<b>10</b>	<b>7,057</b>
<b>Equity 1/1/2008</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>15</b>	<b>6,390</b>	<b>7,047</b>	<b>10</b>	<b>7,057</b>
Translation differences for the period				-24		-24		-24
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				-24		-24	0	-24
Net earnings for the period					935	935	2	937
Total changes in capital wealth, excl. transactions with the Company's owner					935	935	2	937
Dividends					-625	-625		-625
<b>Equity 6/30/2008</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-9</b>	<b>6,700</b>	<b>7,333</b>	<b>12</b>	<b>7,345</b>

<sup>1)</sup> Number of shares 600,000

Equity totaled SEK 7,345m, which was SEK 288m more than at December 31, 2007. The return on equity was 20% (19%). As of 2007, the target for return on equity is 15%. Of total equity, SEK 7,333m is attributable to parent company shareholders, and SEK 12m to minority interests.



## Notes – Group

### Note 1 Accounting principles

#### Compliance with legislation and regulations

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.

#### Consolidated financial statements

The consolidated interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The same accounting principles and evaluation methods have been used in this interim report as in the 2007 Annual Report.

### Note 2 Estimates and assessments

In making these financial reports, the executive management has made assessments, estimates, and assumptions that affect the group's reported accounts. These estimates and assumptions are based on what is known at the time the financial reports are presented, as well as historical experience and assumptions that the executive management considers reasonable under the current circumstances. The conclusions drawn by executive management form the basis for the reported values in the accounts. Actual future values, estimates, and assessments in future financial reports may differ from those in this report, due to changing environmental factors and new knowledge and experience.

The most significant estimates and assessments for Posten have been made in the areas described below.

#### Intangible assets

Assumptions are made about future conditions in order to calculate future cash flows that determine the recoverable value of goodwill, brand, and customer relations. The recoverable value is compared with the reported value for these assets and forms the basis for possible impairment or reversals. The assumptions that affect the recoverable value most are future volume development, profit margin development, the discount rate, and estimated useful life of the asset. If future environmental factors and circumstances change, these assumptions may be affected so that the reported values of intangible assets are changed.

#### Pension commitments

In the actuarial calculations (as of December 31) of Posten's pension commitments, a number of estimates are made in order to set reasonable assumptions. The most significant is the assumption of the discount rate and future expected returns on assets under management. Modifications

of the assumptions due to changing environmental factors may influence Posten's financial statements if the effects of the revised assumptions should exceed 10%, thereby falling outside the "corridor." Modified assumptions also affect the cost forecasts for the upcoming year.

#### Provisions

Provisions are made for future closure costs and the negative financial results of Posten's legal obligation to provide cashier services in Sweden. These contain estimates for forecasts of financial transaction volumes, which depend on successively changing consumer behavior, for the geographic reach of the cashier service, and for the length of the legally mandated period for fulfilling the obligations. These factors have a material effect on the size of the provisions. Actual changes in customer behavior may deviate from what has been assumed, leading to a sharper decline in volumes and thus additional needs for provisions. The Swedish Post and Telecom Agency (PTS), through its monitoring role, will determine whether Posten fulfills the obligations outlined in legislation: the Act (2001:1276) on basic cashier service and the Ordinance (2005:882) on basic cashier service. If PTS changes its interpretation of how Posten fulfills its obligation or if political forces influence the law or the application of the law, provision needs may differ from those reported in the financial statements. See also Note 6, Other provisions.

In the process of becoming a corporate entity in 1994, Posten assumed a contingent liability (special temporary provisions) such that certain categories of the workforce may choose to retire early, at the age of 60 and 63. The contingent liability is reported as a liability in the balance sheet and is calculated based on previous experience of the proportion of persons who have chosen to exercise their right to early retirement in accordance with these provisions. If the number of those who choose this option should change, the liability will change accordingly.

#### Taxes

The capitalization of tax loss carryforwards has been assessed based on business plans and estimates of future taxable profits that can utilize tax loss carryforwards. Estimates have been made of non-deductible costs and non-taxable income in accordance with current tax regulations. Furthermore, consideration has been taken of the next six years' financial results in order to evaluate the reported tax claim at the currently applicable tax rate. Changes to tax legislation in Sweden and other countries where Posten operates and changes in interpretations and applications of applicable legislation may influence the size of the reported tax assets and liabilities. Changed circumstances that impact the assumptions will also influence financial results for the year.

### Note 3 Reporting of business segments

Posten's organization into business segments is based on the services offered in the market.

Posten Messaging mainly consists of distribution services for mail, periodicals, and direct mail. This business segment also runs Posten's postal service locations network and business centers.

Stralfors offers start-to-finish solutions for information transfer. Posten Logistics provides services for palletized logistics, parcel and express delivery, in-night freight forwarding, and third-party logistics services. The Cashier Service fulfills Posten's obligation to provide essential financial transaction services nationwide.

Aside from the business segments, certain parent company functions comprise corporate management and shared service operations.

In addition to intra-group eliminations, adjustments and eliminations are reported as the effects of recalculating pensions according to IAS 19, Employee Benefits, financial leasing according to IAS 17, and valuation of financial instruments according to IAS 39.

Market prices apply to intra-group purchases and sales.

2008 Jan–Jun, SEKm	Posten Messaging	Stralfors	Posten Logistics	Cashier Service	Parent company functions	Adjustments and eliminations	Posten Group
<b>INCOME AND EARNINGS</b>							
Net sales, external	8,339	1,976	5,039	241			15,595
Net sales, intra-group	41	48	41	1		–131	0
Total net sales	8,380	2,024	5,080	242	0	–131	15,595
Other operating income, external	21	11	10	114	52		208
Other operating income, intra-group	387		678	7	1,218	–2,290	0
<b>Total income</b>	<b>8,788</b>	<b>2,035</b>	<b>5,768</b>	<b>363</b>	<b>1,270</b>	<b>–2,421</b>	<b>15,803</b>
<b>Operating earnings</b>	<b>784</b>	<b>43</b>	<b>224</b>	<b>13</b>	<b>101</b>		<b>1,165</b>
Net financial items							145
<b>Earnings after financial items</b>							<b>1,310</b>
Tax							–373
<b>Net earnings for the period</b>							<b>937</b>
<b>ASSETS</b>	<b>8,336</b>	<b>3,574</b>	<b>6,239</b>	<b>692</b>	<b>13,734</b>	<b>–13,672</b>	<b>18,903</b>
2007 Jan–Jun, SEKm	Posten Messaging	Stralfors	Logistics	Cashier Service	Parent company functions	Adjustments and eliminations	Posten Group
<b>INCOME AND EARNINGS</b>							
Net sales, external	8,535	1,971	4,046	310			14,862
State reimbursement				200			200
Net sales, intra-group	37	24	44	1		–106	0
Total net sales	8,572	1,995	4,090	511		–106	15,062
Other operating income, external	15	17	8	1	26	10	77
Other operating income, intra-group	376	0	633	13	1,232	–2,254	0
<b>Total income</b>	<b>8,963</b>	<b>2,012</b>	<b>4,731</b>	<b>525</b>	<b>1,258</b>	<b>–2,350</b>	<b>15,139</b>
<b>Operating earnings</b>	<b>1,170</b>	<b>16</b>	<b>196</b>	<b>92</b>	<b>–88</b>	<b>2</b>	<b>1,388</b>
Net financial items							93
<b>Earnings after financial items</b>							<b>1,481</b>
Tax							–436
<b>Net earnings for the period</b>							<b>1,045</b>
<b>ASSETS</b>	<b>7,539</b>	<b>3,700</b>	<b>4,637</b>	<b>905</b>	<b>12,582</b>	<b>–11,160</b>	<b>18,203</b>

**Note 4 Other costs**

SEKm	2008	2007	
	Jan–Jun	Jan–Jun	Full year
Cost of premises	752	728	1,462
Provisions <sup>1)</sup>	–57	–33	431
Terminal fees	510	485	965
Cost of goods and materials	1,075	1,115	2,153
Other	1,804	1,730	3,586
<b>Total</b>	<b>4,084</b>	<b>4,025</b>	<b>8,597</b>

<sup>1)</sup> See Note 6 Other provisions.**Note 5 Pension provisions**

Provisions for pensions in Posten's balance sheet totaled SEK 1,074m, an increase of SEK 41m from December 31, 2007.

Pension provisions, SEKm	2008	2007	
	Jan–Jun	Jan–Jun	Jan–Dec
Opening balance	1,033	943	943
Pension benefits earned	133	216	256
Early retirements	241	241	516
Funds for group companies that have been transferred to Posten's Pension Fund	–333	–385	–682
<b>Closing balance</b>	<b>1,074</b>	<b>1,015</b>	<b>1,033</b>

**Long-term receivables**

Long-term receivables include SEK 1,903m in assets under management in excess of commitments for funded pension plans, an increase of SEK 196m from December 31, 2007, as well as SEK 462m in associated payroll tax receivables, an increase of SEK 48m from December 31, 2007.

Actuarial assumptions (in accordance with IFRS) %	2008	2007	2006
Discount rate	4.50	4.50	4.00
Expected return on assets under management	5.50	5.50	5.00

**Additional information****Posten Pension Fund, according to the Act on Safeguarding of Pension Undertakings**

Posten's Pension Fund guarantees the pension commitments for Posten AB, Posten Meddelande AB, and Posten Logistik AB. Transferred funds from these companies totaled SEK 333m (385), and refunds from the Fund totaled SEK 365m (318). After transfers of refunds, the market value of the net assets totaled SEK 13,601m, compared to SEK 14,157m at December 31, 2007. The market value exceeded outstanding commitments by SEK 1,480m, compared to SEK 2,567m at December 31, 2007. Of the total decrease, about one-half resulted from lower yields, and about one-half from an increase in the pension liability, including the nonrecurring effect of new actuarial principles and the annual indexation.

The fund's degree of consolidation as of June 30 was 112% (122). The net return for the period January–June, less all costs and taxes, was –3.7% (2.0%).

**Asset class at market value, SEKm**

Asset class, SEKm	2008		2007	
	Jun 30	%	Dec 31	%
Index-linked bonds	4,712	35	4,532	32
Other interest-bearing assets	2,113	15	2,200	16
<b>Total interest-bearing assets</b>	<b>6,825</b>	<b>50</b>	<b>6,732</b>	<b>48</b>
Property	1,236	9	1,064	7
Infrastructure	263	2	176	1
Private equity	231	2	225	2
Stocks	2,556	19	3,357	24
Hedge funds	2,490	18	2,603	18
<b>Total other assets</b>	<b>6,776</b>	<b>50</b>	<b>7,425</b>	<b>52</b>
<b>Total</b>	<b>13,601</b>	<b>100</b>	<b>14,157</b>	<b>100</b>

**Note 6 Other provisions**

2008 Jan–Jun, SEKm	Opening balance	Provisions	Reversals	Utilizations	Closing balance
<b>Closure, Cashier Service</b>	<b>1,089</b>		<b>–100<sup>3)</sup></b>	<b>–116</b>	<b>873</b>
<b>Restructuring activities</b>	<b>333</b>	<b>42<sup>3)</sup></b>	<b>–8<sup>3)</sup></b>	<b>–195</b>	<b>172</b>
<i>Of which:</i>					
– personnel reductions	307	42	–8	–169	172
– other closure costs	26			–26	0
<b>Future conditional pension commitments</b>	<b>1,500</b>	<b>21</b>			<b>1,521</b>
<i>Of which:</i>					
– payroll tax	299	11			310
– future conditional pension commitments under IAS 19	1,201	10			1,211
<b>Payroll tax, health insurance</b>	<b>149</b>			<b>–16</b>	<b>133</b>
<b>Other provisions</b>	<b>376</b>	<b>10</b>	<b>–1</b>	<b>–44</b>	<b>341</b>
<i>Of which:</i>					
– job-related injuries	77				77
– other group reserves	250	9 <sup>3)</sup> 4)		–15	244
– other provisions	49	1 <sup>3)</sup>	–1 <sup>3)</sup>	–29	20
<b>Total other provisions</b>	<b>3,447</b>	<b>73</b>	<b>–109</b>	<b>–371</b>	<b>3,040</b>
<i>Of which, current provisions</i>	<i>1,478</i>				<i>1,116</i>

2007 Jan–Jun, SEKm	Opening balance	Provisions	Reversals	Utilizations	Closing balance
<b>Closure, Cashier Service<sup>1)</sup></b>	<b>1,109</b>	<b>130<sup>2)</sup></b>		<b>–150</b>	<b>1,089</b>
<b>Restructuring activities</b>	<b>532</b>	<b>261<sup>2)</sup></b>	<b>–33<sup>2)</sup></b>	<b>–427</b>	<b>333</b>
<i>Of which:</i>					
– personnel reductions	450	261	–33	–371	307
– other closure costs	82			–56	26
<b>Future conditional pension commitments</b>	<b>1,496</b>	<b>67</b>		<b>–63</b>	<b>1,500</b>
<i>Of which:</i>					
– payroll tax	298	13		–12	299
– future conditional pension commitments under IAS 19	1,198	54		–51	1,201
<b>Payroll tax, health insurance</b>	<b>155</b>			<b>–6</b>	<b>149</b>
<b>Other provisions</b>	<b>377</b>	<b>161</b>	<b>–82<sup>2)</sup></b>	<b>–80</b>	<b>376</b>
<i>Of which:</i>					
– job-related injuries	102	4		–29	77
– other group reserves	236	125 <sup>2)</sup>	–82	–29	250
– other provisions	39	32 <sup>2)</sup>		–22	49
<b>Total other provisions</b>	<b>3,669</b>	<b>619</b>	<b>–115</b>	<b>–726</b>	<b>3,447</b>
<i>Of which, current provisions</i>	<i>574</i>				<i>1,478</i>

<sup>1)</sup> Following the June 14, 2007, decision by the parliament, the Cashier Service will be wound down. Thus, all provisions for the Cashier Service are considered closure provisions.<sup>2)</sup> "Other costs" in the 2007 income statement includes provisions of SEK 431m. Remaining provisions and reversals are included under personnel costs in the income statement.<sup>3)</sup> Other costs in the 2008 income statement includes provisions of SEK –57m. See Note 4, Other costs. Remaining provisions and reversals are included under personnel costs in the income statement.<sup>4)</sup> Provision for the resignation of former President and CEO Erik Olsson.

Other restructuring activities refer mainly to early retirements. New provisions are charged to the business segment that decided on closure. Provisions for job-related injuries, other group reserves, and miscellaneous other reserves reported by Posten Group companies are accounted for under Other provisions. For example, during 2007 provisions were made for early termination of agreements.

**Note 7 Assets pledged and contingent liabilities**

	2008	2007
SEKm	Jun 30	Dec 31
<b>Assets pledged</b>		
Endowment insurance policy for current and previous employees	109	109
Assets pledged as securities	32	27
<b>Total</b>	<b>141</b>	<b>136</b>
	2008	2007
SEKm	Jun 30	Dec 31
<b>Contingent liabilities</b>		
Warranty costs, FPG	80	80
Residual value of leased properties <sup>1)</sup>	18	18
Other guarantees	8	16
<b>Total</b>	<b>106</b>	<b>114</b>

<sup>1)</sup> Attributable to the Malmö mail processing facility. The contingent liability arises from Posten's obligation to cover 90% of the property's resale value that is less than SEK 190m, upon expiry of the contract. The current market value is estimated at SEK 170m, so Posten's current obligation is SEK 18m.

**Note 8 Transactions with associated parties****Swedish state**

In accordance with the Act (2001:1276) on basic cashier service, Posten provides such services through its wholly owned subsidiary Svensk Kassaservice AB. The Swedish Government will not provide any compensation for 2008 to support the provision of services in commercially unviable areas lacking suitable alternatives; for January–June 2007, Posten received SEK 200m.

Posten has paid the Swedish Post and Telecom Agency SEK 7m (8) for permits to run postal operations, and SEK 3m (4) for handling dead letters. Posten has received disability compensation of SEK 1.5m (19) from the Swedish Post and Telecom Agency for Braille services and services for senior citizens living in sparsely populated areas.

**Other organizations**

Posten's insurance association insures Posten's commitments for employee disability and family pensions based on ITP-P. During the period, Posten paid premiums of SEK 106m (121) to the association and received compensation totaling SEK 6m (6). Other compensation from the association was paid directly to beneficiaries.

For Posten's interaction with Posten's Pension Fund, see Note 5.

**Note 9 Investment commitments**

As of June 30, 2008, Posten had entered into agreements for acquiring tangible fixed assets for a value of SEK 85m (268), primarily for sorting equipment and vehicles.

**Note 10 Acquisitions and divestments of operations****Tollpost Globe AS**

At March 11, 2008, Posten AB acquired the remaining 50% of the shares in Tollpost Globe AS. Cash and cash equivalents paid for these shares totaled SEK 1,273m, with a net effect of SEK 1,241m on cash and cash equivalents.

Tollpost Globe is a strong brand in the Norwegian logistics market. The company has 935 employees, sales of approximately NOK 2,400m, and nationwide distribution in Norway based on its own infrastructure. Tollpost Globe cooperates extensively with Posten and DSV on cross-border parcel and pallet services to and from Norway.

For the brand and customer relations, an amortization period of 10 years is applied; for buildings, 33 years. Additional annual amortization of surplus value on assets acquired, excluding goodwill, is estimated at SEK 43m.

The acquisition of 50% of Tollpost Globe AS has the following effects on Posten's assets and liabilities. The acquisition analysis is still preliminary.

SEKm	Book value of Tollpost before the acquisition	Fair value adjustment	Fair value reported in the Posten group
Brands		167	167
Customer relations		186	186
Tangible fixed assets	208	250	458
Financial assets	1		1
<b>Total fixed assets</b>	<b>209</b>	<b>603</b>	<b>812</b>
Current assets	224		224
<b>TOTAL ASSETS</b>	<b>433</b>	<b>603</b>	<b>1,036</b>
Provisions	1		1
Deferred tax liabilities		169	169
Current liabilities	210		210
<b>TOTAL LIABILITIES</b>	<b>211</b>	<b>169</b>	<b>380</b>
<b>NET ASSETS</b>	<b>222</b>	<b>434</b>	<b>656</b>
Goodwill on acquisition			617
Purchase price paid			1,273
Cash (acquired)			32
Net cash flow			1,241

Goodwill is included in the acquisition of Tollpost Globe AS in addition to the acquired customer relations and brand. Goodwill consists of synergy effects, potential for improved earnings, and additional competence and knowledge.

**Stralfors Gzella Sp. Zo.o.**

At May 30, 2008, a printing business in Laskowice, Poland, was acquired. The printing operations employ about 100 persons and have annual sales of roughly SEK 50m. The purchase price was SEK 24m, SEK 16m of which has been paid.

## Parent company financial statements

### Income statement – Parent company

SEKm	Note	2008	2007	2008	2007	2007
		Jan–Jun	Jan–Jun	Apr–Jun	Apr–Jun	Full year
Net sales <sup>1)</sup>	1	1,029	1,047	486	540	2,123
Other operating income		105	89	88	49	240
<b>Total income</b>		<b>1,134</b>	<b>1,136</b>	<b>574</b>	<b>589</b>	<b>2,363</b>
Personnel costs		–316	–338	–151	–174	–673
Transportation costs						
Other costs	2	–886	–864	–419	–469	–2,105
Depreciation and impairment of tangible and intangible assets		–30	–31,	–15	–15,	–76
<b>Total operating costs</b>		<b>–1,232</b>	<b>–1,233</b>	<b>–585</b>	<b>–658</b>	<b>–2,854</b>
<b>OPERATING EARNINGS</b>		<b>–98</b>	<b>–97</b>	<b>–11</b>	<b>–69</b>	<b>–491</b>
Earnings from participations in group companies		877	133	809	47	262
Earnings from other securities and receivables that are fixed assets			0		0	3
Interest income and similar income items		145	104	59	53	220
Interest expense and similar cost items		–131	–51	–60	–36	–158
<b>Total financial items</b>		<b>891</b>	<b>186</b>	<b>808</b>	<b>64</b>	<b>327</b>
<b>EARNINGS AFTER FINANCIAL ITEMS</b>		<b>793</b>	<b>89</b>	<b>797</b>	<b>–5</b>	<b>–164</b>
Depreciation in excess of plan						106
Tax		–15	–36	–17	–6	11
<b>NET EARNINGS</b>		<b>778</b>	<b>53</b>	<b>780</b>	<b>–11</b>	<b>–47</b>

<sup>1)</sup> Net sales in Posten AB refers to sales of corporate shared services to the business segments.

### Balance sheets – Parent company

SEKm	Note	2008	2007
		Jun 30	Dec 31
<b>ASSETS</b>			
Intangible fixed assets		45	37
Tangible fixed assets		157	156
Financial fixed assets	3	8,388	7,350
<b>Total fixed assets</b>		<b>8,590</b>	<b>7,543</b>
Inventory		16	17
Current receivables		2,579	3,218
Short-term investments		0	2,750
Cash and bank balances		2,497	1,288
<b>Total current assets</b>		<b>5,092</b>	<b>7,273</b>
<b>TOTAL ASSETS</b>		<b>13,682</b>	<b>14,816</b>
<b>EQUITY AND LIABILITIES</b>			
Equity		6,027	5,875
Untaxed reserves		40	40
Provisions		1,317	1,653
Long-term liabilities		372	378
Current liabilities		5,926	6,870
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,682</b>	<b>14,816</b>

For the parent company's pledged assets and contingent liabilities, see Note 5.

## Notes – Parent company

### Note 1 Accounting principles

The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.1, Accounting for Legal Entities. The same accounting principles and evaluation methods have been used in this interim report as in the 2007 Annual Report.

### Note 2 Other costs

SEKm	2008	2007	
	Jan–Jun	Jan–Jun	Full year
Cost of premises	254	271	527
Provisions/Reversals	–57	–33	286
Other	689	626	1,292
<b>Total</b>	<b>886</b>	<b>864</b>	<b>2,105</b>

### Note 3 Financial fixed assets

SEKm	2008	2007
	Jun 30	Dec 31
<b>Opening balance</b>	<b>7,350</b>	<b>4,239</b>
Acquisitions	1,273	93
Capital infusion	110	3,411
Other changes	–345	–393
<b>Closing balance</b>	<b>8,388</b>	<b>7,350</b>

### Note 4 Transactions with associated parties

#### Swedish state

Posten AB has paid the Swedish Post and Telecom Agency (PTS) SEK 7m (8) for permits to run postal operations.

#### Other organizations

Posten's insurance association insures Posten's commitments for employee disability and family pensions based on ITP-P. During the period, Posten AB paid premiums of SEK 1.3m (8) to the association and received compensation of SEK 2m (5).

For a more detailed description of Posten AB's relationship with Posten's Pension Fund, see group Note 5.

### Note 5 Assets pledged and contingent liabilities

SEKm	2008	2007
	Jun 30	Dec 31
<b>Assets pledged</b>		
Endowment insurance policy for current and previous employees	101	101
<b>Total</b>	<b>101</b>	<b>101</b>

SEKm	2008	2007
	Jun 30	Dec 31
<b>Contingent liabilities</b>		
Warranty costs, FPG	799	799
Guarantees on behalf of subsidiaries <sup>1)</sup>	1,045	139
Guarantees on behalf of joint ventures	0	92
Residual value of leased properties <sup>2)</sup>	18	18
Other guarantees	4	0
<b>Total</b>	<b>1,866</b>	<b>1,048</b>

<sup>1)</sup> As of June 30, 2008, Posten AB had pledged a total of SEK 834m (78) in capital adequacy guarantees for the benefit of subsidiaries. Of this total, SEK 710m refers to a new capital adequacy guarantee for Cashier Service.

<sup>2)</sup> Attributable to the Malmö mail processing facility. The contingent liability arises from Posten's obligation to cover 90% of the property's resale value that is less than SEK 190m, upon expiry of the contract. The current market value is estimated at SEK 170m, so Posten's current obligation is SEK 18m.



## Quarterly data

SEKm, unless otherwise specified	2008		2007				2006			
	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Net sales	7,857	7,738	8,019	6,821	7,358	7,704	7,940	6,757	6,567	6,559
Operating earnings	471	694	47	560	545	843	–159	531	424	646
Operating margin, %	5.9	8.8	0.6	8.1	7.4	10.9	–2.0	7.8	6.4	9.7
Earnings after financial items	564	746	81	622	588	893	–119	564	449	684
Net earnings	404	533	66	453	431	614	–300	449	323	541
Cash flows from operating activities	657	291	1,054	–212	673	773	1,512	–53	690	453
Return on equity, % rolling 12-month period	20	21	24	18	19	18	19	35	40	39
Equity-assets ratio, % at end of period	39	40	37	39	36	36	33	36	33	35
Avg. no. of employees	32,395	31,313	32,304	33,610	32,128	31,726	33,571	34,841	32,075	31,062
Avg. no. of employees, from beginning of year to end of period	31,854	31,313	32,442	32,488	31,927	31,726	32,887	32,659	31,569	31,062
Employee satisfaction index (ViP)	67	66	66	66	65	65	64	64	63	63
Customer satisfaction index (CSI)	62	63	63	63	63	63	62	62	62	61

## Definitions

**Priority mail:** Mail processed in the production flow for distribution one day after acceptance.

**Return on equity (ROE):** Earnings for the 12 months to the end of the period divided by average equity for the 12 months to the end of the period.

**Non-priority mail:** Mail processed in the production flow for distribution within three days after acceptance.

**Distance trading:** Purchases of mainly finished goods remotely, as the physical store is replaced by the Internet, telephones, TV, or mail order, mainly to consumers.

**Average number of employees:** The total number of paid employee hours divided by the standard number of hours for a full-time employee.

**Customer satisfaction index (CSI):** How well the “satisfied customer” goal is achieved. Surveys are conducted regularly and reported quarterly. The fourth quarter results are counted as the results for the year. The method yields information about key improvements that will enhance customer satisfaction. CSI surveys will be conducted during the year for the Posten Messaging and Posten Logistics segments. The surveys cover only Swedish customers. A total of approximately 2,000 interviews are done with companies and private customers.

**Changes in productivity:** Earnings trend that depends wholly on volume-related revenue and cost changes, such as more parcels or fewer employees. Price-related revenue and cost changes, such as wage increases, have thus been excluded from the earnings trend in calculating productivity.

**Earnings per share:** Share of net earnings attributable to the parent company’s shareholders divided by the average number of shares outstanding.

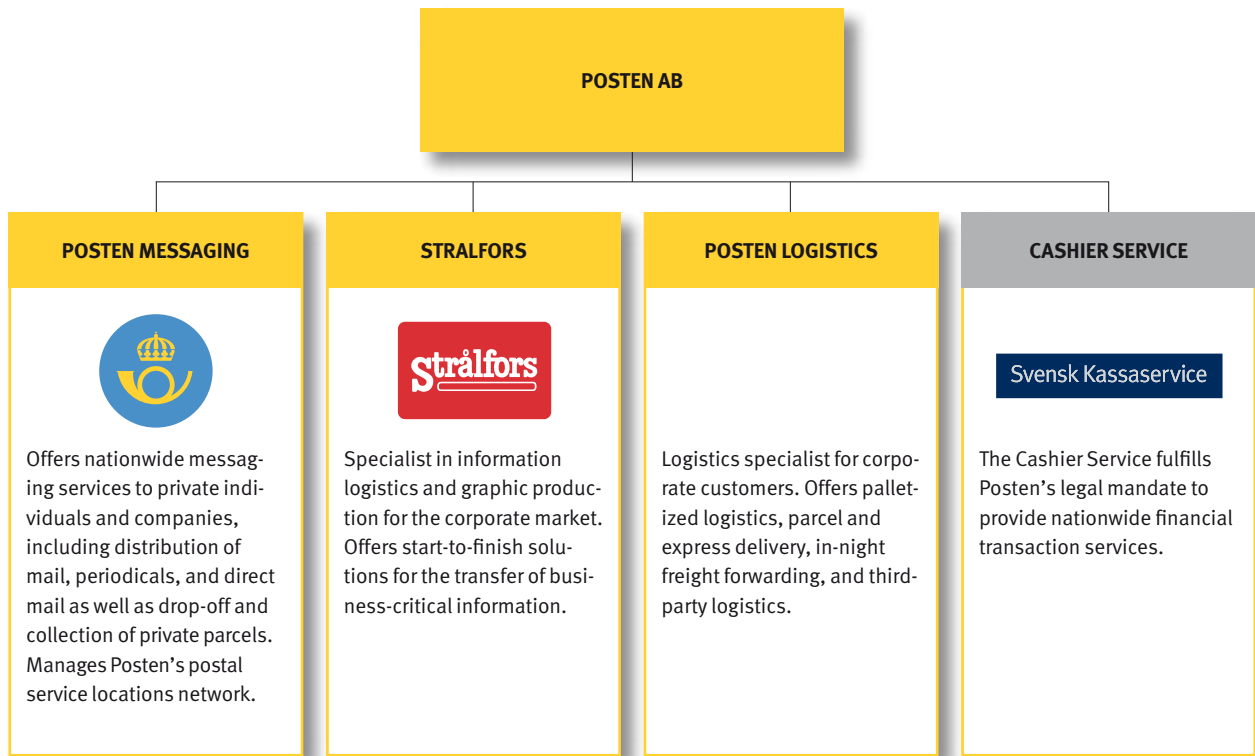
**Operating margin:** Operating earnings as a percentage of operating income (net sales and other operating income). The calculation of operating margin by business segment includes sales to other segments and to parent company functions.

**Sickness absenteeism:** Sickness absenteeism as a percentage is calculated by dividing the total number of hours owing to sickness absenteeism (excluding permanent absenteeism) by the total number of contracted work hours. Contracted hours include monthly employees, employees under contract, and hourly employees. The target ratio covers 90% of employees in the Posten group.

**Equity-assets ratio:** Equity at the end of the period in relation to total assets at the end of the period.

**ViP Index:** ViP measures achievement of the employee dedication target. Measurements are performed regularly throughout the year through surveys. At least once a year, employees are provided the opportunity to evaluate their immediate supervisor and advancement horizons, as well as to rate their overall work situation. The ViP survey covers 87% of employees in the Posten group. Beginning in 2009, the current ViP metric will be replaced by a new employee survey.

## Operational structure



### A group for increased efficiency and competitiveness

To make Posten more competitive as a whole as well as in each business segment – Messaging, Stralfors, and Logistics – Posten has operated in a new organizational structure since January 1, 2007.

During 2004–2006, Posten pursued goal-oriented change within the framework of a functional organization. The acquisition of Stralfors and an identified need to further specialize the messaging and logistics businesses meant that the organization was no longer optimal.

The new structure creates better conditions for the three main business segments to develop in their respective markets. With a more effective organization, a more specialized service offer, and a sharper focus on cultivating customer relations, Messaging, Stralfors, and Logistics can also enhance their customers' competitiveness.

In a long-term perspective, the new and more efficient structure is a condition for Posten to continue to fulfill its universal service commission and maintain world-class quality.

With Posten's help, messages and goods can be delivered quickly, safely, and cost-effectively. We enable our customers to generate added value by combining physical and electronic flows, where Posten's services may also be integrated into our customers' operations. With almost 4,000 retail outlets, Posten serves 4.5 million households and 900,000 businesses in Sweden, every day, year-round. Posten handles more than 20 million pieces of mail each day. With more than 30,000 employees and sales close to SEK 30 billion, Posten is also one of Sweden's largest corporations. The parent company is Posten AB (publ), owned by the Swedish State. Please visit us at [www.posten.se](http://www.posten.se)

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