January–December 2007

Posten Year-end report

- Net sales increased by 7% to total SEK 29,902m (27,823)
- Operating earnings improved by 38% to total SEK 1,995m (1,442)
- Net earnings increased 54% totaling SEK 1,564m (1,013)
- The Board proposes that SEK 625m (400) be paid out in dividends

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Contacts:
Senior Vice President Corporate Communication
Per Mossberg tel +46 (0)8–781 11 94
CFO
Bo Friberg tel +46 (0)8–781 15 29
Head of Investor Relations
Elisabet Johansson tel +46 (0)8–781 10 16

Annual General Meeting and upcoming reports in 2008:

Annual General Meeting	April 3
January-March Interim Report	April 29
January-June Interim Report	August 22
January-September Interim Report	October 24

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Message from the CEO

Posten has continued to deliver strong financial results throughout 2007. Operating earnings improved by 38% to total almost SEK 2 billion. These are the best earnings from the core business in Posten's 371-year history. At the same time, sales increased by 7%, totaling approximately SEK 30 billion. This shows that we have succeeded, already during the first year of our new operational structure, in carrying out our focused efforts to reduce costs and increase income by clearer specialization and increased customer focus.

The strong 10% growth of Posten Logistics is solid proof that we have been successful in standing up to increasingly tough competition to strengthen our position on the market. With additional acquisitions in Finland and the establishment of the distribution network MyPack in Norway, Posten Logistics has created the conditions for a more unified logistics concept on the Finnish market and broadened its offer for distance trading, and has increased its total capacity on the growing Nordic logistics market.

By successfully integrating Posten's printing operations and winning important deals, Stralfors has grown by a full 31% within information logistics. At the same time, Stralfors has both streamlined the business with divestments of non-core businesses, and has created new growth opportunities, especially for Graphic Solutions aimed toward the pharmaceutical industry.

It is great news that Posten Messaging is able to encounter challenges from increased competition and substitution, which results in stagnating letter volumes. Continued development of services and ongoing rationalizations create the conditions for us to continue strengthening our competitiveness while living up to our universal service obligation. A growth area for both Posten Messaging and Posten Logistics is the growing distance trade. During the year, our cooperation with distance trade companies has grown stronger, and several important agreements have been made.

We are happy to report even more good news. Posten's employees are becoming increasingly healthy. In 2007, sickness absenteeism fell from 7.8 to 6.5%. This development is mainly positive for our employees, but it also means lower costs for Posten of approximately SEK 100m annually.

Since breaking the negative trend in 2003 concerning the public's attitude to Posten, the curve has been steadily climbing. During 2007, this became even clearer, something not only apparent in our own measurements, but also in the newly presented study from the Swedish Quality Index (SKI). I am convinced that the fantastic accessibility that exists in our service network is partly behind the improvement. The decision about the Cashier Service has also reduced the uncertainty and further clearified Posten's mission. Furthermore, I am convinced that, amongst the ever-more visible competition, Posten is perceived as the most trustworthy player with good service and world-class quality.

To summarize, Posten has developed very positively in 2007. This means that we are prepared for the projected slowdown in general economic growth, and also to responsibly manage the closure of the Cashier Service. At the same time, we will be in an excellent position to create future growth and strong results in our core operations.

Erik Olsson
President and CEO

Strengthened Posten grows with improved profitability

- Net sales increased by 7% to total SEK 29,902m (27,823)
- Operating earnings improved by 38% to total SEK 1,995m (1,442)
- Net earnings increased 54% totaling SEK 1,564m (1,013)
- The Board proposes that SEK 625m (400) be paid out in dividends
- On February 4, 2008, Posten entered into an agreement to acquire DSV's 50% share in Tollpost Globe

	Jan–Dec		Change		Oct–Dec		Change	
SEKm, unless otherwise specified	**2007**	**2006[2)]**	**SEKm**	**%**	**2007**	**2006**	**SEKm**	**%**
Posten Group								
Net Sales	29,902	27,823	2,079	7	8,019	7,940	79	1
Operating earnings	1,995	1,442	553	38	47	–159	206	
Operating margin, % [4)]	6.6	5.1	1.5		0.6	–2.0	2.6	
Earnings after financial items	2,184	1,578	606	38	81	–119	200	
Net earnings	1,564	1,013	551	54	66	–300	366	
Cash flows from operating activities	2,288	2,602	–314		1,054	1,512	–458	
ROE, % rolling 12 months	24	19	5		24	19	5	
Equity-assets ratio, % at end of period	37	33	4		37	33	4	
Average number of employees [5)]	32,442	32,887	–445	–1	32,304	33,571	–1,267	–4
ViP, Employee Satisfaction Index	66	64	2		66	64	2	
Sickness Absenteeism as a percentage of work hours, rolling 12 months	6.5	7.8	–1.3		6.5	7.8	–1.3	
CSI, Customer Satisfaction Index	63	62	1		63	62	1	
Posten Messaging		1)				1)		
Net Sales [3)]	16,908	16,925	–17	0	4,544	4,567	–23	–1
Operating earnings [3)]	1,900	1,801	99	5	270	455	–185	–41
Operating margin, % [4)]	10.7	10.1	0.6		5.6	9.5	–3.9	
Stralfors		1) 2)				1)		
Net Sales [3)]	3,847	2,124			982	989	–7	–1
Operating earnings [3)]	2	–43			–28	–26	–2	
Operating margin, % [4)]	0.1	–2.0			–2.9	–2.7	–0.2	
Posten Logistics		1)				1)		
Net Sales [3)]	8,381	7,586	795	10	2,324	2,142	182	8
Operating earnings [3)]	210	–4	214		–4	59	–63	
Operating margin, % [4)]	2.2	0.0	2.2		–0.1	2.3	–2.4	

1) The previous year's values have been recalculated to correspond to the new organization.
2) Stralfors was acquired on May 22, 2006. To compare year-on-year, see page 6.
3) Including sales to other business segments
4) Operating earnings/net sales (net sales and other operating earnings)
5) Average number of employees calculated according to BFNAR 2006.11

The Group

Net sales and earnings

January – December

Net sales increased by 7% to SEK 29,902m (27,823). Excluding the acquisition of Stralfors on May 22, 2006 and the Cashier Service, net sales increased by 2% to total SEK 25,137m (24,538), which can mainly be attributed to growth in Posten Logistics. Sales within both Posten Messaging and Posten Logistics were positively impacted by the growing distance trading. Intensive sales efforts combined with the year's high level of economic activity both in Sweden and abroad, lie behind the stable income level.

Growth of 10% in Posten Logistics may be explained by increased sales to retailers and wholesalers. As of September, the acquisition of the Finnish third party logistics company Suomen Logistiikkatalo Oy has been included. Net sales for Posten Messaging was largely unchanged compared to last year, despite stagnating mail volumes. The sales increase for Stralfors, excluding structural changes, is relatively evenly divided between Stralfors' divisions, and can mainly be explained by an increase in sales to existing customers. Posten divested its formerly joint-venture business Lasermax Roll Systems on August 2, 2007.

Consolidated operating earnings totaled SEK 1,995m (1,442), an improvement of SEK 553m. The improvement in earnings is a result of sales increases, as well as rationalizations and lower restructuring costs. The year's restructuring costs of SEK 453m (617) pertain mainly to the closure of the Cashier Service and the rationalization within administration and production, which is expected to result in annual savings of approximately SEK 120m as of 2009. Excluding the year's restructuring costs, operating earnings totaled SEK 2,448m (2,059).

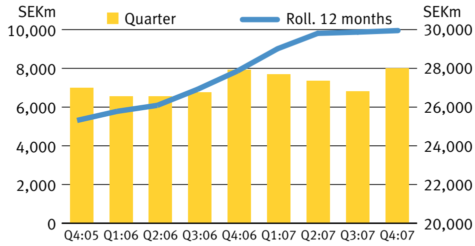
Posten's new operational structure, implemented on January 1, 2007, will result in annual cost reductions of approximately SEK 300m as of 2008, mainly within administration, and the main part has already shown results in 2007. Sickness absenteeism fell to 6.5% (7.8%), which is equivalent to cost reductions of approximately SEK 100m on a full-year basis. Productivity improved by approximately 2%.

Net earnings totaled SEK 1,564m (1,013), an increase of SEK 551m. Tax amounted to SEK –620m (–565).

October - December

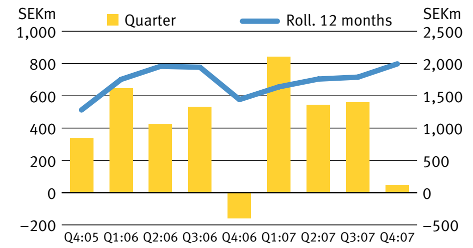
Net sales increased by 1% to SEK 8,019m (7,940). Excluding the Cashier Service, the increase was 2%, with net sales totaling SEK 7,782m (7,658). During the quarter there was a noticeable slow-down in the economy, which impacted growth in income for both Posten Messaging and Posten Logistics. Operating earnings totaled SEK 47m (–159), of which restructuring costs accounted for SEK 445m (617). Excluding these costs, operating earnings totaled SEK 492m (458).

NET SALES



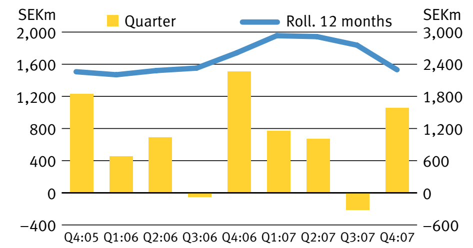
Net sales rolling 12 months increased by 7%. Excluding Stralfors, acquired in May 2006, and the Cashier Service, the increase was 2%.

OPERATING EARNINGS



Operating earnings rolling 12 months continue to steadily improve. The decrease in Q4 2006 was due to the restructuring costs of SEK 617m related to Posten's new operational structure. The weak results in Q4, 2007 can also be explained by restructuring costs of SEK 445m. Excluding these costs, the earnings level, rolling 12 months, was approximately SEK 2.4 billion.

CASH FLOWS FROM OPERATING ACTIVITIES



The cash flow has seasonal fluctuations. Inflow was SEK 2.3 billion (2.6). The lower cash flow is due primarily to payments resulting from Posten's restructuring, as well as the fact that large customer payments and refunds from Posten's Pension Fund for the fourth quarter 2007 were not received until after the year-end, in contrast to the previous year.

In addition to the effect from Posten's Pension Fund and incoming customer payments, the difference between the fourth quarters of 2006 and 2007 can also be explained by the fact that compensation for nationwide cashier service was received in full during the fourth quarter of 2006. During 2007, the compensation was disbursed in regular payments over the course of the year.

Posten Messaging

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

	Jan–Dec		Change		Okt–Dec		Change	
SEKm, unless otherwise specified	**2007**	**2006[1]**	**SEKm**	**%**	**2007**	**2006[1]**	**SEKm**	**%**
Net Sales	16,908	16,925	−17	0	4,544	4,567	−23	−1
Mail	*9,968*	*10,038*	*−70*	*−1*	*2,653*	*2,745*	*−92*	*−3*
Direct mail	*3,011*	*3,057*	*−46*	*−2*	*809*	*845*	*−36*	*−4*
Other	*3,929*	*3,830*	*99*	*3*	*1,082*	*977*	*105*	*11*
Other operating income	839	885	−46	−5	247	241	6	2
Operating earnings	1,900	1,801	99	5	270	455	−185	−41
Operating margin, %	10.7	10.1	0.6		5.6	9.5	−3.9	
Investments	225	353	−128	−36	43	126	−83	−66
Number of workdays	250	251	−1		62	63	−1	
CSI, Customer Satisfaction Index	61	62	−1		61	62	−1	
Average number of employees	22,724	24,061	−1,337	−6	22,467	23,939	−1,472	−6
ViP, Employee Satisfaction Index	65	[2]			65	[2]		
Sickness absenteeism %, rolling 12 months	6.9	[2]			6.9	[2]		
Priority mail volume, millions of units	1,312	1,367	−55	−4	342	364	−22	−6
Priority mail volume, millions of units	1,256	1,262	−6	0	342	339	3	1
Unaddressed direct mail, millions of units	2,540	2,527	13	1	700	701	−1	0

[1] The previous year's values have been recalculated to correspond to the new organization.
[2] Comparative values for the new business segments Posten Messaging and Posten Logistics are unavailable.

Net sales and operating earnings

January – December

Net sales totaled SEK 16,908m (16,925) and has remained largely unchanged despite stagnating mail volumes mainly due to substitution. Intensive sales efforts against the backdrop of a robust economy have attributed to the stable income level.

Net sales for mail fell by almost 1%. Net sales for direct mail, excluding income in connection with the election 2006, is only marginally lower than the previous year. Otherwise there is evidence of an increase in international mail sent from Sweden, and increased income for imported mail, which is partly a result of changes in currency valuations. The development within Posten Messaging benefits from increased distance trading in both the business-to-business and business-to-consumer segments. The number of parcels and addressed letters collected from Posten's 1,600 service locations increased by 10%.

Operating earnings increased by 5%, totaling SEK 1,900m (1,801). The improvement in earnings can mainly be explained by continued successful rationalization efforts.

October – December

Net sales totaled SEK 4,544m (4,567), a decrease of 1%. Net sales for mail was 3% lower than the previous year, which is explained by the slow-down in the economy during that period, as well as by substitution. Net sales for direct mail decreased by 4%, due to the increasingly intensive competition. In the category other, income for import mail increased. Operating earnings amounted to SEK 270m (455). Excluding restructuring costs of SEK 114m (0) in production, operating earnings totaled SEK 384m.

Stralfors

A specialist in information logistics and graphic production for the corporate market. Offers total solutions for the effective communication of critical business information.

Stralfors was acquired on May 22, 2006. The below figure for 2006 reflects Stralfors without taking into consideration Posten's acquisition of the company, and therefore differs from the table on page 3 and Note 3. The difference in operating earnings between the result of SEK 108m reported for 2007 and Note 3 of SEK 2m is due to amortization of SEK 72m of acquired surplus value from fixed assets, as well as group capital gains of SEK 34m.

	Jan–Dec		Change		Okt–Dec		Change	
SEKm, unless otherwise specified	**2007**	**2006**	**SEKm**	**%**	**2007**	**2006**	**SEKm**	**%**
Net Sales	3,847	3,393	454	13	982	911	71	8
Information Logistics	*1,756*	*1,342*	*414*	*31*	*467*	*379*	*88*	*23*
Graphic Solutions	*1,424*	*1,287*	*137*	*11*	*365*	*316*	*49*	*16*
System- and Product-related Information Transfer, SPI	*667*	*764*	*–97*	*–13*	*150*	*216*	*–66*	*–31*
Other operating income	82	31	51		5	4	1	
Operating earnings	108	29	79		–10	–4	–6	
Operating margin, %	2.7	0.8	1.9		–1.0	–0.4	–0.6	
Investments	223	173	50	29	63	57	6	11
Average number of employees	2,091	1,991	100	5	2,104	1,980	124	6
Sickness absenteeism %, rolling 12 months	3.8	4.2	–0.4		3.8	4.2	–0.4	

Net sales and operating earnings

January – December

Net sales totaled SEK 3,847m (3,393), an increase of 13%. SEK 337m of the increase can be attributed to structural changes, including the takeover of operations from other parts of Posten, acquisitions of graphic operations in Sweden and Denmark, and divestment of the joint-venture operations Lasermax Roll Systems. The remainder of the increase, about SEK 117m or 3%, is relatively evenly divided among the divisions and is mainly attributable to increased sales to existing customers. During the year Stralfors has also won several large strategically important contracts as a Nordic start-to-finish supplier.

Net sales for Information Logistics increased by 31%. Excluding acquired operations, the increase was 4%. The increase in net sales for Graphic Solutions is mainly explained by acquisitions; excluding acquisitions the increase was 3%. SPI's lower net sales are due to the divestment of Lasermax Roll Systems in August 2007. Other operating income that increased by SEK 51m include capital gains profits of SEK 62m from the sale of properties as well as the divestment of Lasermax Roll Systems.

Operating earnings totaled SEK 108m (29), an increase of SEK 79m. The increase could mainly be attributed to capital gains profits and that SPI's business area Supplies has turned a loss into a profit. The operations in Denmark have weighed down results, which have brought about an action program with the requisite restructuring costs.

October – December

Net sales totaled SEK 982m (911), an increase of SEK 71m, of which structural changes were SEK 61m. Operating earnings amounted to SEK –10m (–4). The lower results can be explained by unacceptable profitability in Denmark, which also brought about structural costs for an action package, as well as a drop in earnings after the divestment of Lasermax Roll Systems.

Posten Logistics

Logistics specialist for business customers with services that include palletized logistics, parcels and express delivery, in-night freight forwarding and third party logistics.

	Jan–Dec		Change		Okt–Dec		Change	
SEKm, unless otherwise specified	2007	2006[1)]	SEKm	%	2007	2006[1)]	SEKm	%
Net Sales	8,381	7,586	795	10	2,324	2,142	182	8
Parcels	*5,392*	*5,094*	*298*	*6*	*1,471*	*1,438*	*33*	*2*
Other	*2,989*	*2,492*	*497*	*20*	*853*	*704*	*149*	*21*
Other operating income	1,340	1,276	64	5	379	371	8	2
Operating earnings	210	–4	214		–4	59	–63	
Operating margin, %	2.2	0.0	2.2		–0.1	2.3	–2.4	
Investments	261	267	–6	–2	100	61	39	64
Number of workdays	250	251	–1		62	63	–1	
CSI, Customer Satisfaction Index	67	65	2		67	65	2	
Average number of employees	5,579	5,502	77	1	5,755	5,600	155	3
ViP, Employee Satisfaction Index	66	[2)]			66	[2)]		
Sickness absenteeism %, rolling 12 months	5.6	[2)]			5.6	[2)]		
Parcels, millions of units	66	62	4	6	18	18	0	0

[1)] The previous year's values have been recalculated to correspond to the new organization.
[2)] Comparative values for the new business segments Posten Messaging and Posten Logistics are unavailable.

Net sales and operating earnings

January-December

Net sales increased by 10% to total SEK 8,381m (7,586) The increase is primarily attributable to the strong orders from existing customers, but also to the fact that Posten Logistics has entered into agreements with new customers. Growth during the year stems mainly from increased sales to retailers and wholesalers, who comprise just over half of sales for Posten Logistics. The third party logistics company, Suomen Logistiikkatalo, acquired in September, has contributed with net sales of SEK 45m.

Growth for parcels in Sweden is strongest in the business-to-business segment. There is also an obvious growth in the business-to-consumer segment in Sweden, which is mainly due to increased distance trading for both for large and small companies. The establishment of the MyPack concept in Norway, with distribution points for parcels from companies to private individuals, is proceeding according to plan. Sales have increased in all product areas in the category "other" – palletized logistics, in-night freight forwarding, express and third party logistics.

Operating earnings amounted to SEK 210m (–4). The improvement in earnings may be explained by a combination of stronger sales and increased capacity utilization as well as better cost efficiency as a result of implemented rationalizations.

October - December

Net sales increased by 8% to SEK 2,324m (2,142). Growth has slowed somewhat during the period, mainly for parcels. Operating earnings amounted to SEK –4m (59). The period has been weighed down by costs of SEK 68m, mainly attributable to restructuring costs, IT projects and marketing.

Cashier Service

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

January-December

Net sales totaled SEK 989m (1,183), a decrease of SEK 194m or 16%. Demand for essential financial transaction services from the Cashier Service has continued to decline. The payment transactions decreased by 23%, banking transactions by 31%, and the daily cash services by 33%. One explanation for the decreasing banking transactions is that Swedbank ceased using the Cashier Serivice network as of January 1, 2007.

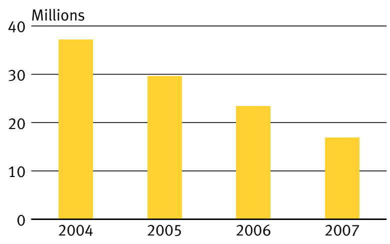
Operating earnings, including state reimbursements of SEK 400m (400), totaled SEK 60m (216). Operating earnings, including closure costs and state reimbursements, fell by SEK 102m to total SEK –74m (28). The decrease can largely be explained by the year's provision of SEK 130m. This has been done because the state subsidies will not be disbursed in 2008. The decline in earnings has been counteracted to some degree by lower closure costs brought about by the clarification of any uncertainty surrounding the timing for the closure.

On June 14, 2007, the parliament came to a conclusion that concurred with the government's proposition, the "State's responsibility for certain essential financial transaction services." The decision means that, as of 2009, society's need for essential financial transaction services may be procured by the Swedish National Post and Telecoms Agency in those rural areas where the market is not financially viable. It also means that the payment services now provided by the Cashier Service will be carried out in other forms. In light of the Parliament's decision, Posten has eliminated its contingent liability of SEK 850m. For further details, see note 7 of the consolidated financial statements, Assets pledged and contingent liabilities.

The Cashier Service and Nordea have entered into an agreement stating that Nordea will assume responsibility for operations at approximately 70 Cashier Service offices. In the spring of 2008, approximately 350 employees at the offices concerned will be offered employment and training at Nordea under the condition that the terms of the contract are fulfilled. The purchase price is expected to be SEK 100m, and Nordea will assume control of the offices in July 1, 2008.

Posten submitted a closure plan for the Cashier Service to the Swedish Post and Telecoms Agency on October 1, 2007, according to which, the remaining parts of the business would be closed by December 31, 2008. Provisions of SEK 1,089m is estimated to cover for all closure costs regardless of the outcome of the agreement with Nordea.

TRANSACTION VOLUMES FOR CASHIER SERVICE



The number of cashier transactions is steadily declining. The decrease in 2007 compared to the previous year was 28%.

Market trends

Posten has a strong position on the Swedish messaging market, the Nordic logistics market, and the market for information logistics services. The markets are characterized by a pressure for rapid change, but the market development and competition look different.

According to the prognosis made by the National Institute of Economic Research on January 23, 2008, Swedish GDP grew by 2.7% in 2007, which is a decrease compared to the prognosis presented in August 2007. The activity in the Swedish economy affects volumes in Posten's businesses to a very large degree.

The messaging market is facing changes brought about by substitution to e-services and an increased competition from a greater number of market players. Posten Norway is quickly expanding its market presence in Sweden via its subsidiary CityMail, primarily in large cities and towns, and in some metropolitan regions is dominating the market for presorted non-priority mail. Within the area of information logistics, large companies are increasingly seeing the Nordic region as one market and are requesting solutions for the entire region. In order to achieve a high level of total efficiency, all or parts of customer communication are often being outsourced. The trend is to solve business and marketing communication with central agreements and a few strategic partners with a presence in all Nordic countries. The logistics market is distinctive due to its extensive consolidation where development is led by a few global logistics companies that have established services adapted to the Nordic market.

In the interface between the traditional markets, new services are emerging as a combination of technological developments and changing customer needs. The Internet-based distance trading is expected to show a continued strong growth. Swedes' extensive use of the Internet makes it possible for both private and public organizations with large customer mailings to introduce complementary channels to the paper-based mailings. The challenge is to develop communication solutions that are quick, secure and efficient for meeting the customers' future preferences.

For private companies, the environment has become a business-critical issue of decisive importance for future activity and competitiveness. There is increasing focus on commercial solutions that combine reduced climate affect with increased competitiveness as the customers place increasingly rigorous demands on their business partners and suppliers. It is important for Posten that service development is based on reducing the customers' impact on the climate stemming from flows of messages and goods.

Parent Company

As of January 1, 2007 Posten has operated through a new operational structure, and the operations in Posten AB (publ), the parent company, are comprised of the group's management functions and shared service units. Since the majority of Posten's Swedish operations in 2006 were run under the parent company, the comparative values below for last year may deviate considerably from this year's results.

Net sales for the period totaled SEK 2,123m (20,033) and earnings after financial items were SEK –164m (909). Investments in tangible fixed assets totaled SEK 50m (464), and cash and cash equivalents totaled SEK 4,038m (3,190). Average number of employees was 1,105 (25,316). In September the company acquired the Finnish third party logistics company Suomen Logisiikkatalo Oy. For further details see Note 10 of the consolidated financial statements.

Risks and uncertainties for the group and the parent company

The overarching goal for Posten's risk management efforts is to ensure the group's long-term competitiveness. Risk management is an integrated part of the group's business planning, and it stems upwards from managers in the local organizations, through to the business segments and finally to the executive management and board. The parent company and group risks, risk management and other factors that may impact operations are described in more detail in Posten's annual report. Summarized below are those risks Posten considers to be most important for its operations, earnings, and position in the upcoming year.

The EU Commission has formally encouraged Great Britain, Germany and Sweden to change their legislation for VAT-free postal services, since the commission considers such services to conflict with the VAT Directive. If these national legislations are not changed, the commission may eventually bring the case before the European Court of Justice. However, the countries in question assert that their legislation is in line with the directive.

During the year, the Swedish Competition Authority has made a decision concerning Posten's expansion of metropolitan areas regarding pricing for distribution of large mailings. The change was made in the fall of 2006. The Swedish Competition Authority dismissed the case on October 31, 2007, after consultation with the Swedish Post and Telecoms Agency (PTS), when no new information arose that Posten was misusing its dominant position. PTS has notified that it intends to conduct a general review of Posten's zone pricing system with the support of the Postal Act. These activities are currently underway.

A new law regulating the procurement of services will come into effect in Sweden at the beginning of 2008, and is the implementation of the directive 2004/17/EG coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sector ratified by the European Parliament and the Council in March 2004. The new directive now includes postal services, which means that Posten may be considered to be a procuring unit, and may be included in public procurement. However, member states have the option to wait until the close of 2009 with postal services once the rules have begun to apply. Sweden has chosen this option. On markets with open and free competition, exceptions may be made, something that is authorized through an application to the EU Commission. Posten plans to apply for an exception.

Outlook

Posten continues to have a strong financial position. As of January 1, 2007, Posten has operated in a new operational structure. This has created the right conditions for the core operations to meet the challenges and take advantage of the opportunities that exist in each market, even during the projected slowdown of economic growth.

The messaging market will be characterized by intensifying competition, increased internationalization of corporate customers, and substitution by electronic communication with stagnating mail volumes as a result. Within the framework of Posten's action program, rationalizations are continuously being made in mail management in order to ensure that Posten Messaging can offer excellent postal service nationwide.

Stralfors will continue to develop its position as a Nordic leader in a growing market for information logistics. In light of the EU Commission's proposed deregulation of the European postal market, Stralfors' presence in Europe will bring new business opportunities.

The logistics operations will continue to strengthen its competitiveness and develop its international network to position Posten Logistics as the most natural partner in the Nordic region. Accessibility and the broad local presence in Posten's Swedish service network, together with Posten Logistic's distribution points in Norway and Nordic capacity are an important part of Posten's service offer for the growing distance trade.

Annual General Meeting

The Annual General Meeting will be held on April 3, 2008 at Posten's Headquarters at Terminalvägen 24, Solna, Sweden. The notice and invitation will be available at www.posten.se.

Proposal for dividends
The Board of Directors and the CEO propose dividends of SEK 625m (400) in accordance with the dividends policy.

Key events after the close of the period

On February 4, 2008 Posten entered an agreement with DSV Road Holding (DSV) to acquire DSV's 50% ownership in Tollpost Globe AS. The acquisition will mean that Posten will own 100% of Tollpost Globe AS. As sole owner of Tollpost Globe AS, Posten will increase its presence in Norway and thus take one more step towards realizing its Nordic strategy. Tollpost Globe is a strong brand on the Norwegian logistics market. The company has 935 employees, sales of approximately NOK 2,400m, and a nationwide distribution in Norway based on its own infrastructure. Tollpost Globe cooperates extensively with both Posten and DSV for cross-border parcel and pallet services to and from Norway. The purchase price totaled approximately NOK 1,070m. The transaction requires approval from the relevant competition authorities.

On January 28, 2008, The Swedish Competition Authority approved the agreement made between Nordea and the Cashier Service. This means that the parties have now made an important step forward in fulfilling the agreement for Nordea to assume responsibility for the operations of approximately 70 Cashier Service offices.

Stockholm, February 14, 2008

Posten AB (Publ)

Erik Olsson
President and CEO

This report has not been audited.

Consolidated financial statements

Consolidated income statement

SEKm	Note	2007 Jan–Dec	2007 Okt–Dec	2006 Jan–Dec	2006 Okt–Dec
	1, 2				
Net Sales		29,902	8,019	27,823	7,940
Other operating income		230	100	213	37
Total income	3	**30,132**	**8,119**	**28,036**	**7,977**
Personnel costs		–13,169	–3,602	–12,917	–3,698
Transportation costs		–5,313	–1,470	–4,871[1]	–1,333[1]
Other costs	4	–8,597	–2,729	–7,787[1]	–2,810[1]
Depreciation and impairments of tangible and intangible fixed assets		–1,058	–271	–1,019	–295
Total operating costs		**–28,137**	**–8,072**	**–26,594**	**–8,136**
Operating earnings		**1,995**	**47**	**1,442**	**–159**
Financial income		321	71	258	73
Financial costs		–132	–37	–122	–33
Net financial items		**189**	**34**	**136**	**40**
Earnings after financial items		**2,184**	**81**	**1,578**	**–119**
Tax		–620	–15	–565	–181
NET EARNINGS		**1,564**	**66**	**1,013**	**–300**
Attributable to					
Parent company shareholders		1,560	67	1,009	–300
Minority interest		4	–1	4	0
Earnings per share, SEK		2,600.00		1,681.67	

[1] Reclassification has been made from Transportation costs to Other costs, terminal fees of SEK 127m Jan-Dec 2006, and SEK 32m Oct-Dec 2005

January – December

The increase in net sales may be explained by the fact that Stralfors' earnings have been included as of May 22, 2006, as well as by the growth within Posten Logistics. Excluding Stralfors, the increase was SEK 404m, or 2%. The diminished development for Posten Messaging as well as lower sales for the Cashier Service have counteracted the positive development within Posten Logistics.

The improvement of operating earnings by SEK 553m to SEK 1,995 may be attributed to sales increases in combination with rationalizations within production and administration as well as lower restructuring costs.

Personnel costs amounted to SEK 13,169m (12,917), an increase of SEK 252m. However, with the exception of Stralfors, the personnel costs fell by SEK 281m, mainly as a result of rationalizations in connection with Posten's new operational structure.

Transportation costs totaled SEK 5,313m (4,871), an increase of SEK 442m. Excluding Stralfors, transportation costs increased by SEK 414m. The increase is primarily due to growth within Posten Logistics as well as higher prices for transportation services.

Other costs totaled SEK 8,597m (7,787), an increase of SEK 810m. Excluding Stralfors, costs decreased by SEK 154m.

Depreciation and impairments amounted to SEK 1,058m (1,019), an increase of SEK 39m. Excluding Stralfors, depreciations decreased by SEK 66m.

Net financial items totaled SEK 189m (136). The year-on-year improvement can be attributed to higher returns on investments and increased cash and cash equivalents.

Tax amounted to SEK –620m (–565). The higher tax costs, an applicable tax rate of 28%, can mainly be explained by an improvement in earnings after financial items.

October – December

Operating earnings increased by SEK 142m, or 2%, which can primarily be explained by the growth in Posten Logistics.

The improvement in operating earnings of SEK 206m to SEK 47m is mainly due to lower restructuring costs. Personnel costs amounted to SEK 3,602m (3,698), a decrease of SEK 96m. Transportation costs totaled SEK 1,470m (133), an increase of SEK 137m. Other costs amounted to SEK 2,729m (2,810), a reduction of SEK 81m, which can mainly be explained by lower restructuring costs. Depreciation and impairments amounted to SEK 271m (295), a decrease of SEK 24m. Net financial items totaled SEK 34m (40). Tax amounted to SEK –15m (–181), reversals of impairments have been adjusted in the last quarter of 2006.

Consolidated balance sheets

SEKm	Note	2007 Dec 31	2006 Dec 31
	1, 2		
ASSETS			
Goodwill		1,850	1,690
Other intangible fixed assets		841	860
Tangible fixed assets		4,041	4,137
Financial investments		92	68
Long-term receivables	5	2,136	1,844
Deferred tax assets		233	315
Total fixed assets		**9,193**	**8,914**
Inventory		275	317
Tax credit		3	21
Accounts receivable		3,299	3,147
Prepaid expenses and accrued income		845	710
Other receivables		565	460
Short-term investments		4	101
Cash and cash equivalents		4,788	3,919
Total current assets		**9,779**	**8,675**
TOTAL ASSETS		**18,972**	**17,589**
EQUITY AND LIABILITIES			
Equity			
Capital stock		600	600
Contributed equity		42	42
Reserves		15	– 55
Retained earnings		6,390	5,230
Total equity attributable to parent company shareholders		**7,047**	**5,817**
Minority interest		**10**	**14**
Total equity		**7,057**	**5,831**
LIABILITIES			
Long-term interest-bearing liabilities		685	912
Other long-term liabilities		134	130
Pension provisions	5	1,033	943
Other provisions	6	1,969	3,095
Deferred tax liabilities		45	3
Total non-current liabilities		**3,866**	**5,083**
Current interest-bearing liabilities		344	413
Accounts payable		1,516	1,387
Tax liabilities		352	307
Other current liabilities		1,823	1,605
Accrued expenses and prepaid income		2,536	2,389
Other provisions	6	1,478	574
Total current liabilities		**8,049**	**6,675**
TOTAL LIABILITIES		**11,915**	**11,758**
TOTAL EQUITY AND LIABILITIES		**18,972**	**17,589**

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

Total assets as of December 31 totaled SEK 18,972m, which was a year-on-year increase of SEK 1,383m. The change can primarily be explained by the year's net earnings of SEK 1,564.

Goodwill increased by SEK 160m, SEK 109m of which pertains to completed acquisitions during the year, and the remaining portion to translation differences.

The equity-assets ration was 37% compared to 33% on December 31, 2006.

Net financial assets totaled SEK 4,958m, an increase of SEK 1,073m compared to year-end 2006.

Consolidated statements of cash flows

SEKm	2007	2006
OPERATING ACTIVITIES		
Earnings after financial items	2,184	1,578
Adjustments for non-cash items:		
Reconciliation of depreciation according to plan	1,059	1,019
Capital gain/loss on sale of fixed assets	–11	38
Pension provisions	–260	–159
Other provisions	–222	284
Other items not affecting liquidity	–20	–19
Tax paid	–443	–31
Cash flows from operating activities before changes in working capital	**2,287**	**2,710**
Cash flows from changes in working capital		
Increase (–)/decrease (+), accounts receivable	–176	–261
Increase (+)/decrease (–), accounts payable	117	131
Other changes in working capital	60	22
Changes in working capital	**1**	**–108**
Cash flows from operating activities	**2,288**	**2,602**
INVESTING ACTIVITIES		
Investments in intangible fixed assets	–38	–10
Investments in tangible fixed assets	–951	–999
Acquisition of subsidiary	–209	–1,877
Divestment of subsidiary	124	17
Divestment of other fixed assets	165	24
Increase (–)/decrease (+), current financial liabilities	100	456
Cash flows from investing activities	**–809**	**–2,389**
FINANCING ACTIVITIES		
Loans raised	12	40
Loans amortized	–93	–564
Changes in leasing liabilities	–114	–107
Dividend paid	–403	–177
Increase (+)/decrease (–), other financial liabilities	–15	–74
Cash flows from financing activities	**–613**	**–882**
CASH FLOWS FOR THE YEAR	**866**	**–669**
Cash and cash equivalents, beginning of the period	3,919	4,588
Differences in exchange rates in cash and cash equivalents	3	
Cash and cash equivalents, end of the period	4,788	3,919

January – December

Cash flows from operating activities amounted to SEK 2,288m (2,602). The lower cash flow from operating activities is due primarily to payments resulting from Posten's restructuring, as well as the fact that refunds from Posten's Pension Fund for the fourth quarter 2007 were not received until after the new year, in contrast to the previous year.

Cash flows from investing activities totaled SEK –809m (–2,389). Investments in tangible fixed assets totaled SEK 951m (999), SEK 239m of which went to new technology and capacity within the mail and parcel network, and SEK 701m of which went to replacement investments in premises, vehicles and IT. Acquisitions and divestments of group companies have affected investment activities by SEK –85m (–1,860). See Note 10 Acquisitions and divestments of operations.

Cash flows from financing activities amounted to SEK –613m (–882), explained primarily by dividends of SEK 403m (177) and amortizations of leasing liabilities.

Cash and cash equivalents at the end of the period totaled SEK 4,788m (3,919). Compared to the end of 2006, cash and cash equivalents have increased by SEK 869m, including SEK 3m in currency exchange rates.

Consolidated changes in equity

SEKm	Equity attributable to parent company shareholders						Minority interest	Total equity
	Capital stock [1]	Contributed equity	Hedging reserve	Accum. translation difference	Retained earnings	Total		
Equity, 2006–01–01	**600**	**42**	**–6**	**28**	**4,396**	**5,060**	**8**	**5,068**
Translation differences for the year				–83		–83	–1	–84
Change in hedging reserve			6			6		6
Due from acquisitions							5	5
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner			6	–83		–77	4	–73
Net earnings					1,009	1,009	4	1,013
Total changes in capital wealth, excl. transactions with the Company's owner					1,009	1,009	4	1,013
Dividends					–175	–175	–2	–177
Equity, 2006–12–31	**600**	**42**	**0**	**–55**	**5,230**	**5,817**	**14**	**5,831**
Equity, 2007-01-01	**600**	**42**	**0**	**–55**	**5,230**	**5,817**	**14**	**5,831**
Translation differences for the year				70		70	0	70
Due from acquisitions							–5	–5
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				70		70	–5	65
Net earnings					1,560	1,560	4	1,564
Total changes in capital wealth, excl. transactions with the Company's owner					1,560	1,560	4	1,564
Dividends					–400	–400	–3	–403
Equity, 2007-12-31	**600**	**42**		**15**	**6,390**	**7,047**	**10**	**7,057**

[1] Total number of shares 600,000

Equity amounted to SEK 7,057m, which is SEK 1,226m more than December 31, 2006. Return on equity amounted to 24% (19%). The higher year-on-year returns are mainly a result of lower costs for restructuring and taxes. The target for return on equity is 15% as of 2007. Of total equity, SEK 7,047m is attributable to parent company shareholders and SEK 10m to minority interests.

Consolidated notes

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 EC Commission for application within the EU.

Consolidated financial statements

The Group's year-end report was made in accordance with IAS 34, Interim Financial Reporting, and therefore also with the Swedish Financial Reporting Standards Council's recommendation RR 31, Interim Reporting for Groups. The same accounting principles and evaluation methods have been used in this year-end report as in the 2006 Annual Report, with the exception of what is stated below regarding changes in the reporting of business segments and the expanded information requirements regarding capital, financial instruments and financial risks.

Changed accounting principles

Of the new and changed standards and statements, IFRS 7 is the only one to have an effect on the consolidated accounts. For reports for 2007, Posten has been affected to a limited degree by the application of IFRS 7, "Financial instruments: Disclosures". Modifications to the regulations have more rigorous requirements for disclosure of capital, financial instruments, and financial risks.

As of January 1, 2007, the Posten Group operates in a new organizational structure with the business segments Posten Messaging, Stralfors, Posten Logistics, and Cashier Service. Parent company functions exist in addition to the business segments. As of January 1, 2007,the reporting of business segments (Note 3) has been changed to reflect Posten's new operational structure, which is comprised of the four business segments and the parent company functions. Comparative information from 2006 is reported according to the same principles that apply for 2007. Where there are recalculations of comparative figures in the income statements and balance sheets for Posten Messaging, Posten Logistics and Stralfors, estimates have been used. These comparative figures are therefore used for reasons of form.

Coming changes to the IFRS regulations will not require application until 2009. IFRS Rule 8 "Operating segments" has now been set, and will not affect current reporting on business segments to any significant degree. Additional disclosure for net sales for products and services, in each country and for each large customer may lead to small changes in the annual report. Advance application of IFRS 8 has not yet been determined.

Note 2 Estimates and assessments

In making these financial reports, the executive management has made estimates and assumptions which affect the consolidated 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 the executive management form the basis for the reported values. 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 of those 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 impairments or reversals. The assumptions affecting recoverable value the 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, it may affect these assumptions, causing reported values of immaterial assets to change.

Pension commitments

In the actuarial calculations (as of December 31) for 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 forecast 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 (equal to a loss contract). These contain estimates and forecast for financial transaction volumes, which depend on successively changing consumer behavior, the geographic reach of the cashier service, and the length of the legally mandated period for fulfilling the obligations. These factors have a considerable effect on the size of the provisions. The current state subsidies of SEK 400m will not be made in 2008. Changes in actual consumer behavior may deviate from the assumptions and lead to more dramatically different volumes, thus impacting the needs for provisions. Fulfillment of the agreement between the Cashier Service and Nordea may affect the need for provisions. The Swedish National Post and Telecom Agency (PTS) will use its investigation to determine whether Posten fulfils its obligation as outlined in the law (Law 2001:1276 on basic cashier service and Ordinance 2005:882 on basic cashier service). If PTS should change its interpretation of how Posten fulfils its obligation or if political forces influence the law or the application of the law, it may lead to different provision needs than those reported in the financial statements. See also Note 6, Other provisions

In the process of becoming a corporate entity, Posten has assumed a contingent liability (special temporary provisions) which means that certain categories of the workforce may choose to enter early retirement at the ages of 60 and 63. The guarantee commitment is recorded as a liability in the balance sheet and is calculated based on previous experience of the number of persons who choose 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 degree of activation of the tax loss carry forward has been made based on business plans and estimations of future taxable profits that can utilize tax loss carry forwards. Estimations have been made of non-deductible costs and non-taxable income in accordance with the tax rules that apply today. Furthermore, consideration has been taken of the next six years' future financial results in order to evaluate the reported tax asset at the currently applicable tax rate. Changes to the tax laws in Sweden and other countries where Posten operates, and changed 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 the financial results for the year.

Note 3 Reporting of business segments

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

Posten Messaging is mainly comprised of distribution services for mail, periodicals, and direct mail. This business segment also runs Posten's postal service network and business centers. Stralfors offers start-to-finish solutions for information transfer. Posten Logistics provides services for palletized logistics, parcels and express delivery, in-night freight forwarding, and third-party logistics services. The Cashier Service fulfils Posten's obligation to provide nationwide essential financial transaction services.

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

In addition to internal eliminations, adjustments and eliminations are reported as the effects of recalculating pensions according to IAS 19 Employee Compensation, financial leasing in accordance with IAS 17, and valuation of financial instruments in accordance with IAS 39.

The previous year's values have been recalculated to correspond to the new operational structure.

For intra-group purchases and sales, market prices are applied.

2007 Jan–Dec, SEKm	Posten Messaging	Stralfors	Posten Logistics	Cashier Service	Parent company functions	Adjustments and eliminations	The Posten Group
INCOME AND EARNINGS							
Net sales, external	16,824	3,778	8,311	587		2	29,502
State reimbursement				400			400
Net sales, intra-group	84	69	70	2		–225	0
Total net sales	16,908	3,847	8,381	989	0	–223	29,902
Other income, external	47	48	17	5	93	20	230
Other income, intra-group	792		1,323	27	2,538	–4,680	0
Total income	**17,747**	**3,895**	**9,721**	**1,021**	**2,631**	**–4,883**	**30,132**
Operating earnings	**1,900**	**2**	**210**	**60**	**–214**	**37**	**1,995**
Net financial items							189
Earnings after financial items							**2,184**
Tax							–620
Net earnings							**1,564**
ASSETS	**9,466**	**3,656**	**5,032**	**853**	**16,453**	**–16,488**	**18,972**

2006 Jan–Dec, SEKm	Posten Messaging 2)	Stralfors 1)2)	Posten Logistics	Cashier Service	Parent company functions 2)	Adjustments and eliminations	The Posten Group
INCOME AND EARNINGS							
Net sales, external	16,860	2,104	7,535	781	142	1	27,423
State reimbursement				400			400
Net sales, intra-group	65	20	51	2	12	–150	0
Total net sales	16,925	2,124	7,586	1,183	154	–149	27,823
Other income, external	32	21	13	5	95	47	213
Other income, intra-group	853	0	1,263	35	2,310	–4,461	0
Total income	**17,810**	**2,145**	**8,862**	**1,223**	**2,559**	**–4,563**	**28,036**
Operating earnings	**1,801**	**–43**	**–4**	**216**	**–563**	**35**	**1,442**
Net financial items							136
Earnings after financial items							**1,578**
Tax							–565
Net earnings							**1,013**
ASSETS	**5,506**	**3,572**	**3,580**	**1,070**	**11,415**	**–7,554**	**17,589**

1) Stralfors was acquired on May 22, 2006

2) Comparative figures for 2006 are adjusted for the operations that Stralfors has taken over, and are reported under "Parent Company functions" up until the time Stralfors was acquired.

Note 4 Other costs

SEKm	2007	2006
Cost of premises	1,462	1,492
Provisions	431	622
Terminal fees	965	952
Costs of goods and material	2,153	1,388
Other	3,586	3,333
Total	**8,597**	**7,787**

Note 5 Pension provisions

Pension provisions totaled SEK 1,033m, an increase of SEK 90m, compared to December 31, 2006.

Pension provisions, SEKm	2007	2006
OB	**943**	**681**
Pension benefits earned	256	234
Additional pension liabilities from acquisitions		138 [1]
Early retirements	516	422
Funds for group companies that have been transferred to Posten's Pension Fund	–682	–532
CB	**1,033**	**943**

[1] Pertains to Strålfors AB.

Long-term receivables

Long-term receivables include assets under management in excess of commitments for funded pension plans, as well as payroll tax receivables of SEK 2,121m, an increase of SEK 289m compared to December 31, 2006.

Actuarial assumptions (In accordance with IFRS)%	2007	2006	2005
Discount rate, %	4.50	4.00	4.00
Expected return on assets under management	5.50	5.00	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 682m (532), and refunds from the Fund have totaled SEK 692m (637). After transfers and disbursed refunds, the market value of the net assets totaled SEK 14,157m compared to SEK 13,712m on December 31, 2006. The market value exceeded outstanding commitments by SEK 2,567m compared to SEK 2,573m on December 31, 2006.

The fund's degree of consolidation as of December 31 totaled 122% (123)%. The net return for the period, less all costs and taxes, was 3.2% (5.9%).

	2007		2006	
Asset class at market value, SEKm	Dec 31	%	Dec 31	%
Index-linked bonds	4,532	32	4,979	36
Other interest-bearing assets	2,200	16	2,288	17
Total interest-bearing assets	**6,732**	**48**	**7,267**	**53**
Property	1,064	7	605	4
Infrastructure	176	1	122	1
Private Equity	225	2	96	1
Stocks	3,357	24	3,434	25
Hedge funds	2,603	18	2,188	16
Total other assets	**7,425**	**52**	**6,445**	**47**
Total	**14,157**	**100**	**13,712**	**100**

Note 6 Other provisions

Statement of changes to Other provisions, SEKm	2007 Jan 1 OB	Provisions and reversals	Utilizations	2007 Dec 31 CB
Allocated provisions				
Closure provision, Cashier Service [1]	1,109	130	–150	1,089
Provision for downsizing and reorganization 2006	480	–29	–363	88
Other restructuring activities	52	258	–64	246
Provision for disability benefits	102	4	–29	77
Provisions, future conditional pension benefits	1,496	67	–63	1,500
Provision for payroll tax health insurance	155		–6	149
Cost of unleased premises	45		–9	36
Early terminations of contracts	37	–29	–8	0
Other provisions	193	103	–34	262
Total other provisions	**3,669**	**504**	**–726**	**3,447**
Thereof: current provisions	**574**			**1,478**

Statement of changes to Other provisions, SEKm	2006 Jan 1 OB	Provisions and reversals, and acquisitions	Utilizations	2006 Dec 31 CB
Allocated provisions				
Provision for future loss contract, Cashier Service [2]	604			604
Closure provision, Cashier Service	705		–200	505
Closure provision, terminal network, Logistics	12	–2	–9	1 [3]
Provision for downsizing, central administration, year 2004	16	–2	–10	4 [3]
Provision for reorganization, Production & Logistics	20	–1	–18	1 [3]
Provision for downsizing and reorganization 2006		480		480
Provision for disability benefits	100	9	–7	102
Provisions, future conditional pension benefits	1,478	58	–40	1,496
Provision for payroll tax health insurance	164	12	–21	155
Other provisions	306	114	–124	296 [5]
Additional in connection with acquisition of Stralfors		25		25 [4]
Total other provisions	**3,405**	**693**	**–429**	**3,669**
Thereof: current provisions	**459**			**574**

[1] In line with the Parliament's decision on June 14, 2007, the Cashier Service may be closed, see page 6 for more details. Thus, all provisions for the Cashier Service are to be considered closure provisions.
[2] The commitment regarding the Cashier Service is equivalent to a loss contract
[3] The opening balance for 2007 includes the sum in the category "Other restructuring activities."
[4] The opening balance for 2007 includes the sum in the category "Other provisions."
[5] The opening balance for 2007 separately reports costs of un-leased premises of SEK 45m, and early terminations of agreements of SEK 37m, and other restructuring activities of SEK 45m.

Note 7 Assets pledged and contingent liabilities

SEKm	2007 Dec 31	2006 Dec 31
Assets pledged		
Endowment insurance policy for current and previous employees	109	96
Assets pledged as securities	27	22
Total	**136**	**118**

SEKm	2007 Dec 31	2006 Dec 31
Contingent liabilities		
Warranty costs, FPG	80	78
Cashier Service [1]		850
Residual value of leased properties [2]	18	171
Other guarantees	16	24
Total	**114**	**1,123**

[1] On June 14, the Parliament decided to accept the Government's proposition concerning the state's responsibility to provide essential financial transaction services. Pending the Parliament's decision regarding Posten's involvement in the Cashier Service, Posten reported a contingent liability of SEK 850m for future losses due to the legal demand to provide a nationwide cashier service. Considering the Parliament's decision, these contingent liabilities will be eliminated.

[2] Attributable to the Malmö mail processing facility. The contingent liability implies that upon expiry of the contract, Posten must cover 90 percent of the part of the property's resale value which is below SEK 190m. Current market value is estimated to total SEK 170m, which means that Posten's current obligation totals SEK 18m.

Note 8 Transactions with associated parties

Swedish State

In accordance with the law for essential financial transaction services, Posten provides this via its fully-owned subsidiary Svensk Kassaservice AB. The Swedish Government appropriated SEK 400m (400) to support the provision of services in commercially unviable areas lacking suitable alternatives. This compensation will not be disbursed in 2008.

Posten has paid PTS SEK 15m (13) for permits to run postal operations, and SEK 7m (6) for handling dead letters. Posten has received disability compensation of SEK 35m (40) from PTS for Braille services and services for senior citizens living in sparsely populated areas.

Other organizations

Posten's insurance association insures Posten's commitments regarding employee disability and family pensions in accordance with ITP-P. In 2007, Posten paid premiums of SEK 241m (285) to the insurance association, and received compensation totaling SEK 13m (16). Other compensation from the association is paid directly to the beneficiaries.

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

Note 9 Investment commitments

As of December 31, 2007, Posten had entered into agreements for acquiring tangible fixed assets. These totaled SEK 199m (286), and pertained mainly to sorting equipment and vehicles.

Note 10 Acquisitions and divestments of operations

In May 2007, Posten acquired through Strålfors AB 100% of the shares in AB Cerbo Göteborg, now called Strålfors Göteborg AB and Medigrafik A/S in Copenhagen, now named Strålfors Medigrafik A/S. Cash and cash equivalents paid for these shares totaled SEK 124m. The acquisition has increased intangible assets by SEK 84m, The companies are leading manufacturers of printed packaging material for the pharmaceutical industry, and together have net sales of SEK 146m, and approximately 100 employees.

In September Posten AB acquired 100% of the shares in Suomen Logistiikkatalo Oy. Cash and cash equivalents paid for these shares totaled SEK 88m, with a net effect of SEK 84m on cash and cash equivalents. The acquisition has increased intangible assets by SEK 89m, The company's business is within third party logistics, and its customers are in the rapidly moving consumer goods and spare parts sectors.

Through Strålfors AB, Posten has divested its 50-percent holdings in Lasermax Roll Systems AB, with net sales of SEK 440m and approximately 200 employees. The sale resulted in capital gains of SEK 22m for the business segment Stralfors. Cash and cash equivalents paid for these shares totaled SEK 129m, with a net effect of SEK 124m on cash and cash equivalents.

Parent company financial statements

Income statement – Parent company

SEKm	Note	2007 Jan–Dec	2007 Okt–Dec	2006 Jan–Dec	2006 Okt–Dec
	1				
Net Sales [1]		2,123	584	20,033	5,539
Other operating income		240	102	401	91
Total operating income		**2,363**	**686**	**20,434**	**5,630**
Personnel costs		–673	–212	–9,800	–2,757
Transportation costs				–3,683,2)	–1,032,2)
Other costs	2	–2,105	–839	–5,810,2)	–2,118,2)
Depreciation and impairments of tangible and intangible fixed assets		–76	–30	–457	–121
Total operating costs		**–2,854**	**–1,081**	**–19,750**	**–6,028**
OPERATING EARNINGS		**–491**	**–395**	**684**	**–398**
Earnings from participations in group companies		262	84	163	15
Earnings from other securities and receivables which are fixed assets		3		0	0
Interest income and similar income items		220	59	126	38
Interest expense and similar cost items		–158	–56	–64	–18
Total financial items		**327**	**87**	**225**	**35**
Earnings after financial items		**–164**	**–308**	**909**	**–363**
Depreciation in excess of plan		106	106	–146	–146
Tax		11	62	–183	185
NET EARNINGS		**–47**	**–140**	**580**	**–324**

[1] In the scope of Posten's new operational structure, the parent company operations include shared services for the business segments as of January 1, 2007. Thus, net sales in 2007 refer to sales of these services. Net sales for 2006 however, are comprised of messaging and logistics services, which started being sold via the business segments Posten Messaging and Posten Logistics in January 1, 2007.

[2] Reclassification has been made from Transportation costs to Other costs, terminal fees of SEK 215m Jan-Dec 2006, and SEK 61m Oct-Dec 2005

Balance sheets – Parent company

SEKm	Note	2007 Dec 31	2006 Dec 31
ASSETS			
Intangible fixed assets		37	195
Tangible fixed assets		156	1,554
Financial fixed assets	3	7,350	4,239
Total fixed assets		**7,543**	**5,988**
Inventory		17	31
Current receivables		3,218	4,150
Short-term investments		2,750	2,913
Cash and bank balances		1,288	277
Cash and bank balances		**7,273**	**7,371**
TOTAL ASSETS		**14,816**	**13,359**
EQUITY AND LIABILITIES			
Equity		5,875	4,851
Untaxed reserves		40	146
Provisions		1,653	3,041
Long-term liabilities		378	429
Current liabilities		6,870	4,892
TOTAL EQUITY AND LIABILITIES		**14,816**	**13,359**

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 Financial Accounting Standards Council's Recommendation RR 32, Reporting for Legal Entities. The same accounting principles and evaluation methods have been used in this Interim report as in the 2006 Annual Report

Note 2 Other costs

SEKm	2007	2006
Cost of premises	527	1,296
Provisions/reversals	286	592
Terminal fees		1,040
Costs of goods and material		233
Other	1,292	2,649
Total	**2,105**	**5,810**

Note 3 Non-current financial assets

	2007	2006
SEKm	Dec 31	Dec 31
OB	4,239	2,179
Acquisition/establishment of subsidiaries	92	2,049
Capital infusion	3,411	5
Other changes	−392	6
CB	**7,350**	**4,239**

Note 4 Transactions with associated parties

Swedish State
Posten AB has paid PTS SEK 15m (13) for permits to run postal operations.

Other organizations
Posten's insurance association insures Posten's commitments regarding employee disability and family pensions in accordance with ITP-P. In 2007, Posten AB paid premiums of SEK 15m (226) to the insurance association, and received compensation totaling SEK 8m (11).

For a more detailed description of Posten AB's relationship with Posten's Pension Fund, see note 5 under Group.

Note 5 Assets pledged and contingent liabilities

	2007	2006
SEKm	Dec 31	Dec 31
Assets pledged		
Endowment insurance policy for current and previous employees	101	95
Assets pledged as securities	0	7
Total	**101**	**102**

	2007	2006
SEKm	Dec 31	Dec 31
Contingent liabilities		
Warranty costs, FPG	799	730
Guaranties for subsidiaries' benefit [1]	139	148
Guaranties for joint ventures' benefit	92	85
Residual value of leased properties [2]	18	171
Other guaranties	0	3
Total	**1,048**	**1,137**

[1] As of December 31, 2007, Posten AB had pledged capital adequacy guaranties for the benefit of wholly owned subsidiaries for a sum of SEK 78m (70).
[2] Attributable to the Malmö mail processing facility. The contingent liability implies that upon expiry of the contract, Posten must cover 90 percent of the part of the property's resale value which is below SEK 190m. Current market value is estimated to total SEK 170m, which means that Posten's current obligation totals SEK 18m.

Quarterly data

SEKm, unless otherwise specified	2007				2006				2005			
	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Net Sales	8,019	6,821	7,358	7,704	7,940	6,757	6,567	6,559	6,992	5,933	6,261	6,091
Operating earnings	47	560	545	843	–159	531	424	646	339	548	221	173
Operating margin, %	0.6	8.1	7.4	10.9	–2.0	7.8	6.4	9.7	4.8	9.2	3.5	2.8
Earnings after financial items	81	622	588	893	–119	564	449	684	341	566	219	176
Net earnings	66	453	431	614	–300	449	323	541	539	558	204	177
Cash flows from operating activities	1,054	–212	673	773	1,512	–53	690	453	1,228	–98	612	509
ROE, % rolling 12 months	24	18	19	18	19	35	40	39	34	35	35	33
Equity-assets ratio, % at end of period	37	39	36	36	33	36	33	35	33	30	27	26
Average number of employees [1]	32,304	33,610	32,128	31,726	33,571	34,841	32,075	31,062	32,333	34,489	32,829	32,681
Average number of employees , from the beginning of the year to end of period [1]	32,442	32,488	31,927	31,726	32,887	32,659	31,569	31,062	33,083	33,333	32,755	32,681
ViP, Employee Satisfaction Index	66	66	65	65	64	64	63	63	63	63	62	63
CSI, Customer Satisfaction Index	63	63	63	63	62	62	62	61	61	61	62	63

[1] Average number of employees calculated according to BFNAR 2006.11

Definitions

Priority Mail: Mail that enters the production flow for distribution one day after acceptance.

Return on equity (ROE): The period's earnings rolling 12 months against average equity rolling 12 months.

Non-priority Mail: Mail that enters the production flow for distribution within three days after acceptance.

Distance trading: Purchases of primarily finished products done from a distance when the physical store is replaced by the Internet, telephone, 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.

Net financial assets: Net financial assets including cash and cash equivalents minus interest-bearing provisions and liabilities.

Customer Satisfaction Index (CSI): CSI is a performance metric that reflects achievement relating to the customer satisfaction target. Surveys are conducted regularly and results are presented 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 were conducted last year for the business segments Posten Messaging and Posten Logistics. The surveys comprise only Swedish customers. In total, approximately 10,000 interviews with both companies and private customers have been done. As of the first quarter of 2007 the principles for weighing the group's total index have been changed. The changes have only a marginal impact.

Changes in productivity: Changes in earnings that are wholly dependent on volume-related income and cost changes, such as more parcels or fewer employees. Price-related revenue and cost changes, for example wage increases, have thus been excluded from the changes in productivity as regards the calculation of productivity.

Operating margin: Operating earnings in relation to operating income (net sales and other operating earnings)

Sickness absenteeism: Sickness absenteeism as a percentage is calculated by measuring the total number of sickness absenteeism hours (excluding permanent absenteeism) against the total number of contracted hours. Included in contracted hours are monthly employees, employees under contract, and hourly employees. The target number comprises 95% of employees in the Posten group.

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

ViP Index: ViP is a performance indicator that measures achievement relating to 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 target number for ViP comprises 90% of employees in the Posten group. The Cashier Service and Stralfors use separate employee surveys.

Operational structure

POSTEN AB

POSTEN MESSAGING

Posten Messaging offers nationwide messaging services to private individuals and companies, including distribution of mail, periodical and direct mail, as well as collection and distribution of private parcels. Manages Posten's network of postal service locations.

STRALFORS

A specialist in information logistics and graphic production for the corporate market. Offers total solutions for the effective communication of critical business information.

POSTEN LOGISTICS

Logistics specialist for business customers, With services that include palletized logistics, parcels and express delivery, in-night freight forwarding and third party logistics.

CASHIER SERVICE

Svensk Kassaservice

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

A group for increased efficiency and competitiveness

In order 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 as of January 1, 2007.

From 2004-2006, Posten made a number of goal-oriented changes within the framework of a functional organization. The acquisition of Stralfors and an identified need to further specialize the messaging and logistics segments meant that the organization was no longer optimal.

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

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

Posten connects people and organizations around the world by delivering mail promptly, reliably and cost-effectively. We drive value creation by combining conventional postal services and convenient electronic solutions, and integrating these services into customer businesses. With approximately 4,000 retail service outlets, we provide daily service to 4.5 million homes and 900,000 businesses in Sweden. Every day we handle close to 20 million pieces of mail. With sales of nearly SEK 30 billion and more than 30,000 employees, the group is one of the largest in Sweden. The group's parent, Posten AB (publ), is wholly owned by the Swedish state. For more information, please visit our website at www.posten.se

Posten AB (publ)
SE-105 00 Stockholm, Sweden
Visiting address:
Terminalvägen 24, Solna
Telephone +46-8-781 10 00
Located in Solna
Corporate identity: 556128-6559
www.posten.se