



## January—September

- Net sales totaled SEK 22,783m (21,883)
- Operating earnings totaled SEK 1,579m (1,948)
- A strong financial position put the equity-assets ratio at 41% (39%)
- Posten Logistics is setting up 1,200 collection points in Finland under the MyPack brand

## Contents

Message from the CEO .....	2
Group .....	4
Posten Messaging .....	5
Stralfors .....	6
Posten Logistics .....	7
Cashier Service .....	8
Parent Company .....	8
Risks and uncertainties for the group and the parent company .....	8
Merger of Posten and Post Danmark .....	9
Auditors' review report .....	10
Consolidated financial statements .....	11
– Income statement .....	11
– Balance sheets .....	12
– Statements of cash flows .....	13
– Changes in equity .....	15
– Notes .....	16
Parent company financial statements .....	20
Quarterly data .....	22
Definitions .....	22
Operational structure .....	23

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### Upcoming reports:

Year-End Report 2008 February 2009

### Annual General Meeting

The Annual General Meeting of shareholders will be held on March 31, 2009, at Posten's Headquarters at Terminalvägen 24, Solna, Sweden. The notice and invitation will be available at [www.posten.se](http://www.posten.se).

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.



To make the most of opportunities in the burgeoning distance trade sector, Posten Logistics has entered into a partnership to enable private individuals in Finland to collect parcels at 1,200 postal service points under the MyPack brand.

## Message from the CEO

Posten's net sales increased 4%, to SEK 22,783m, during the first nine months of the year. Posten Logistics grew 26% as a result of the acquisition of Tollpost Globe and organic growth. Stralfors' operations in information logistics and graphics also expanded during the period. Posten Messaging's slide in revenues slowed in the third quarter, such that sales declined only 2% during the period. Operating earnings decreased 19%, to SEK 1,579m.

Turbulence in financial markets and increasing uncertainty about the economic slowdown makes it difficult to assess the eventual impact on demand for Posten's services. However, we anticipate that the slowing economy will spur the transition to electronic communication. This also means that we must be prepared for our customers to make even tougher demands on our ability to deliver more cost-effective communications and logistics solutions.

Thus it is an asset that we have continued to reinforce our competitiveness in several areas. As part of Posten Logistics' expansion focused on making it a Nordic start-to-finish supplier, in September it was announced that the successful MyPack concept will now also be established in Finland. This will enable our logistics operations to offer a nationwide distribution network in Norway and Finland. Together with Posten's postal service locations network in Sweden, this start-to-finish offer provides unique competitive advantage in the battle for the growing distance trade. Additionally, we took yet another step towards the concentration of Stralfors by selling its payment transaction operations to PBS A/S.

Our major challenge in the short term is how to adjust our costs to weaker demand with greater rapidity and a higher degree of flexibility. For this reason, we have begun to identify additional savings in all parts of the operations. This means that we will test the possibility of moving forward measures already planned at the same time as we identify new measures to enhance earnings. The goal is for Posten to remain a competitive partner for all its customers and thereby safeguard its universal service obligation while achieving profitability in all operations in the short and long run.

Now we are waiting for our owners to sign a final agreement to merge Posten and Post Danmark. Both companies are well prepared to quickly form a common organization capable of realizing the synergy effects that have been identified and making the most of the business advantages generated by the merger, as soon as the owners have finalized the agreement.

*Lars G Nordström*  
VD och koncernchef



## Sharper focus on costs to counter the economic downturn

- Net sales totaled SEK **22,783m** (21,883)
- Operating earnings totaled SEK **1,579m** (1,948)
- A strong financial position put the equity-assets ratio at **41%** (39%)
- Posten Logistics is setting up **1,200** collection points in Finland under the MyPack brand

	Jan–Sep				Jul–Sep				Full year
SEKm, unless otherwise specified	2008	2007	Change		2008	2007	Change		2007
<b>Consolidated</b>									
Net sales	22,783	21,883	900	4%	7,188	6,821	367	5%	29,902
Operating earnings	1,579	1,948	–369	–19%	414	560	–146	–26%	1,995
Operating margin, %	6.8	8.8	–2.0		5.6	8.1	–2.5		6.6
Earnings after financial items	1,770	2,103	–333	–16%	460	622	–162	–26%	2,184
Net earnings	1,258	1,498	–240	–16%	321	453	–132	–29%	1,564
Cash flows from operating activities	392	1,234	–842	–68%	–556	–212	–344		2,288
Return on equity, % rolling 12-month period	18	18			18	18			24
Equity-assets ratio, % at end of period	41	39	2		41	39	2		37
Average number of employees	32,511	32,488	23	0%	33,825	33,610	215	1%	32,442
Employee satisfaction index (ViP)	67	66	1		67	66	1		66
Sickness absenteeism/work hours, % rolling 12-month period	5.7	7.0	–1.3		5.7	7.0	–1.3		6.5
Customer satisfaction index (CSI)	63	63			63	63			63
<b>Posten Messaging</b>									
Net sales	12,137	12,364	–227	–2%	3,757	3,792	–35	–1%	16,908
Operating earnings	1,056	1,630	–574	–35%	272	460	–188	–41%	1,900
Operating margin, %	8.3	12.6	–4.3		6.9	11.5	–4.6		10.7
<b>Stralfors <sup>1)</sup></b>									
Net sales	2,910	2,865	45	2%	886	870	16	2%	3,847
Operating earnings	113	30	83		70	14	56		2
Operating margin, %	3.8	1.0	2.8		7.3	1.6	5.7		0.1
<b>Posten Logistics</b>									
Net sales	7,619	6,057	1,562	26%	2,539	1,967	572	29%	8,381
Operating earnings	339	214	125	58%	115	18	97		210
Operating margin, %	3.9	3.0	0.9		4.0	0.8	3.2		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–September

Net sales totaled SEK 22,783m (21,883), up 4%. Excluding the effects of acquisitions and divestments of companies and the absence of the Swedish Government's compensation for the Cashier Service for the period, net sales increased 1%. Posten Logistics, representing more than one-third of the group's net sales, continued to grow organically at 9%, while Stralfors continued to grow organically at 4%. Posten Messaging's weaker sales were attributable to the economic slow-down and consequent accelerating substitution and tougher competition. The positive trend in distance trade continued.

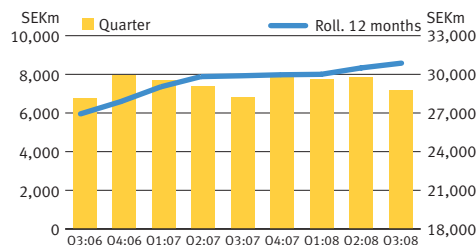
Operating earnings were SEK 1,579m (1,948). Weaker earnings resulted primarily from Posten Messaging's weaker sales but also from higher costs for transportation and personnel in the business segment, which reported an operating margin of about 8%. Both Posten Logistics and Stralfors reported improved operating earnings. Sickness absenteeism decreased, to 5.7% (7.0%), representing cost savings of approximately SEK 100m on a full-year basis. Productivity was unchanged from the same period one year previous.

Net financial items totaled SEK 191m (155). The SEK 36m rise in net financial items resulted mainly from more interest income and from SEK 19m in gains on currency hedge upon the acquisition of the outstanding 50% in Tollpost Globe AS. Net earnings totaled SEK 1,258m (1,498). Tax amounted to SEK –512m (–605). The return on equity was 18%, compared to the target of 15%.

#### July–September

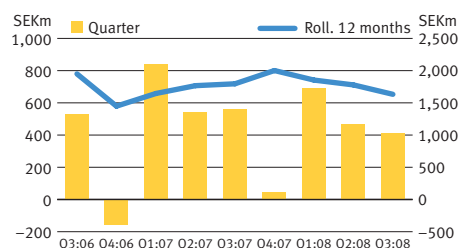
Net sales totaled SEK 7,188m (6,821), up 5%. Excluding the effects of acquisitions and divestments of companies and the absence of the Swedish Government's compensation for the Cashier Service for the period, net sales increased 1%. Operating earnings totaled SEK 414m (560), down SEK 146m. Net financial items totaled SEK 46m (62). Net financial items declined chiefly because of a decline in interest income. Net earnings amounted to SEK 321m (453). Tax amounted to SEK –139m (–169).

#### NET SALES



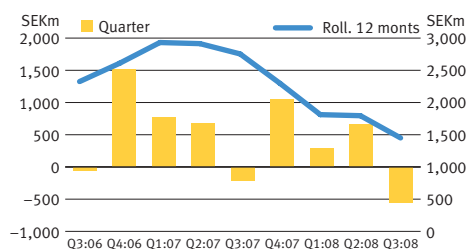
Net sales for the rolling 12-month period grew 3%. The acquisition of the remaining 50% of Tollpost Globe AS had a positive effect on sales, while reductions in the Cashier Service had a negative effect.

#### OPERATING EARNINGS



Operating earnings for the rolling 12-month period weakened slightly in 2008. Excluding restructuring costs of SEK 445m in Q4 2007, earnings for the rolling 12-month period ended September 30, 2008, were approximately SEK 2.1 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 flows have seasonal fluctuations, and the vacation payments negatively affect the third quarter. Cash flows from operating activities in Q3 2008 totaled SEK –556m (–212). Less cash flows were attributable to weaker earnings in operations and the closure of the Cashier Service.

## 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.

	Jan–Sep				Jul–Sep				Full year
SEKm, unless otherwise specified	2008	2007	Change		2008	2007	Change		2007
Net sales	12,137	12,364	–227	–2%	3,757	3,792	–35	–1%	16,908
<i>mail</i>	7,166	7,315	–149	–2%	2,144	2,220	–76	–3%	9,968
<i>direct mail</i>	2,129	2,202	–73	–3%	686	683	3	0%	3,011
<i>other</i>	2,842	2,847	–5	0%	927	889	38	4%	3,929
Other operating income	606	592	14	2%	198	201	–3	–1%	839
Operating earnings	1,056	1,630	–574	–35%	272	460	–188	–41%	1,900
Operating margin, %	8.3	12.6	–4.3		6.9	11.5	–4.6		10.7
Investments	147	182	–35	–19%	51	38	13	34%	225
Number of workdays	190	188	2		66	65	1		250
Customer satisfaction index (CSI)	62	61	1		62	61	1		61
Average number of employees	22,017	22,783	–766	–3%	23,033	23,837	–804	–3%	22,724
Employee satisfaction index (ViP)	67	65	2		67	65	2		65
Sickness absenteeism, % rolling 12-month period	6.0	7.4	–1.4		6.0	7.4	–1.4		6.9
Priority mail volume, millions of units	922	970	–48	–5%	280	294	–14	–5%	1,312
Non-priority mail volume, millions of units	910	914	–4	0%	271	278	–7	–3%	1,256
UDM volume, millions of units	1,825	1,840	–15	–1%	574	572	2	0%	2,540

### Net sales and operating earnings

#### January–September

Net sales totaled SEK 12,137m (12,364), down 2%. Weaker net sales were attributable to lower volumes caused by the economic slowdown and consequent accelerating substitution and tougher competition. Direct mail is encountering stiffer competition also from other media. The change in Other was partly attributable to stronger revenue in Tidnings-tjänst AB and to currency fluctuations that affected some sales related to international mail. The number of mailpieces collected at Posten's 1,600 postal service points increased 3%, partly because of expanding distance trade.

Operating earnings totaled SEK 1,056m (1,630). Weaker earnings were primarily attributable to weaker sales but also to cost increases of SEK 193m for personnel and SEK 155m for transportation.

#### July–September

Net sales amounted to SEK 3,757m (3,792). The effects of the economic slump were intensified during the quarter and, combined with substitution and stiffer competition, reduced volumes. Despite this, direct mail improved slightly as a result of stronger demand for unaddressed direct mail. Q3 2008 contained one workday more than Q3 2007, somewhat diminishing the other negative effects on volume. During the quarter, higher exchange rates had a positive impact on revenue from international mail and, added to healthier revenue at Tidningstjänst AB, contributed to growth in Other sales. Operating earnings ended at SEK 272m (460), down SEK 188m.

## 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–Sep			Jul–Sep			Full year	
	2008	2007	Change	2008	2007	Change	2007	
Net sales	2,910	2,865	45 2%	886	870	16 2%		3,847
<i>Information Logistics</i>	1,437	1,289	148 11%	448	394	54 14%		1,756
<i>Graphic Solutions</i>	1,141	1,059	82 8%	350	345	5 1%		1,424
<i>System- and Product-related Information Transfer (SPI)</i>	332	517	–185 –36%	88	131	–43 –33%		667
Other operating income	85	77	8 10%	74	26	48		82
Operating earnings <sup>1)</sup>	167	118	49 42%	88	32	56		108
Operating margin, % <sup>1)</sup>	5.6	4.0	1.6	9.2	3.6	5.6		2.7
Investments	229	160	69 43%	48	41	7 17%		223
Number of workdays	190	188	2	66	65	1		250
Average number of employees	2,220	2,129	91 4%	2,302	2,125	177 8%		2,091
Sickness absenteeism, % rolling 12-month period	3.5	3.3	0.2	3.5	3.3	0.2		3.8

<sup>1)</sup> The difference in operating earnings in the table above and the table on page 3 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 Jan–Sep 2007 and full year 2007, the difference also includes a group capital gain of SEK 34m.

### Net sales and operating earnings

#### January–September

Net sales totaled SEK 2,910m (2,865), up 2%. Excluding acquisitions and divestments of operations, sales advanced 4%. Information Logistics increased net sales 11%, as a result of Stralfors winning several major, strategically important contracts as a Nordic start-to-finish supplier in 2007 and 2008. Growth in Graphic Solutions was attributable to acquisitions of graphic companies. The decrease at SPI was attributable, to a significant extent, to the divestment of Lasermix Roll Systems but also to weaker sales in Supplies, which shifted its focus to more profitable segments.

Operating earnings totaled SEK 167m (118). Improved operating earnings resulted mainly from sales growth in the Information Logistics area while growth in expenditure related to revenue expansion was kept in control. Operating earnings also benefited from capital gains of SEK 70m (63).

#### July–September

Net sales for Q3 totaled SEK 886m (870), an increase of 2%. Excluding acquisitions and divestments of companies, sales advanced 3%. Operating earnings totaled SEK 88m (32). Operating earnings benefited from capital gains of SEK 67m (22). The rest of the earnings growth came from Information Logistics.

## Posten Logistics

Logistics specialist for corporate customers. Offers palletized logistics, parcels and express delivery, in-night freight forwarding, and third-party logistics. Responsible for Posten's parcel collection service network, MyPack, in Norway and Finland.

SEKm, unless otherwise specified	Jan–Sep			Jul–Sep			Full year	
	2008	2007	Change	2008	2007	Change	2007	
Net sales	7,619	6,057	1,562	26%	2,539	1,967	572	29%
<i>parcels</i>	5,122	3,921	1,201	31%	1,724	1,260	464	37%
<i>other</i>	2,497	2,136	361	17%	815	707	108	15%
Other operating income	1,050	961	89	9%	362	320	42	13%
Operating earnings	339	214	125	58%	115	18	97	
Operating margin, %	3.9	3.0	0.9		4.0	0.8	3.2	
Investments	271	161	110	68%	87	54	33	61%
Number of workdays	190	188	2		66	65	1	
Customer satisfaction index (CSI)	67	66	1		67	66	1	
Average number of employees	6,585	5,515	1,070	19%	6,995	5,644	1,351	24%
Employee satisfaction index (ViP)	68	66	2		68	66	2	
Sickness absenteeism, % rolling 12-month period	5.0	6.0	–1.0		5.0	6.0	–1.0	
Parcel volume, millions of units	48.5	48.0	0.5	1%	15.5	15.0	0.5	3%

### Net sales and operating earnings

#### January–September

Net sales totaled SEK 7,619m (6,057), up SEK 1,562m, of which SEK 880m of the increase was attributable to the acquisition of the remaining 50% of Tollpost Globe AS and SEK 124m to the acquisition of Suomen Logistiikkatalo Oy. The organic growth of 9% was attributable in part to ongoing strong orders from existing customers, in part to expanding sales to new customers. Growth is being driven by increased sales to retailers and wholesalers, who account for 57% of Posten Logistics' net sales.

Healthy volume growth in parcels plateaued. 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, thereby boosting sales. Parcels from companies in Sweden to companies abroad also reported growth. In the Other category, palletized logistics and in-night freight forwarding advanced robustly, while third party logistics declined.

Operating earnings totaled SEK 339m (214), up SEK 125m, of which the acquisition of the remaining 50% of

Tollpost accounted for SEK 35m including a charge of SEK 25m in amortization on intangible assets linked to the acquisition.

#### July–September

Net sales totaled SEK 2,539m (1,967), up SEK 572m. Of the increase, SEK 365m was attributable to the acquisition of the remaining 50% of Tollpost and SEK 37m to Suomen Logistiikkatalo. During the period, volume growth slowed, mainly for parcels in Sweden, though it was counteracted by the extra workday in the quarter. Operating earnings totaled SEK 115m (18), an improvement of SEK 97m. The improvement was attributable to greater cost-efficiencies and organic growth. The acquisition of Tollpost had a net impact on earnings of SEK 10m. To exploit opportunities in the burgeoning distance trade sector, Posten Logistics entered into a partnership with the Finnish travel and forwarding services company Matka-huolto. This makes it possible to distribute parcels for collection by private individuals in Finland via 1,200 collection points under the MyPack brand.

## Cashier Service

The Cashier Service fulfills Posten's commission to provide nationwide financial transaction services. The commission expires at December 31, 2008, according to a parliamentary vote in 2007.

### January–September

The Cashier Service is being wound down according to the closure plan submitted to the Swedish National Post and Telecom Agency on October 1, 2007. Through the end of September, 327 Cashier Service offices had been wound down, and 201 offices remained.

Net sales totaled SEK 303m (750), a decrease of SEK 447m or 60%. Weaker sales were a result partly of state reimbursements of SEK 300m for essential financial transaction services not being paid in 2008, partly of the closure of offices under way.

Operating earnings amounted to SEK –7m (146). In addition to weaker sales, the difference resulted chiefly from a positive nonrecurring effect of SEK 100m in the form of a payment from Nordea for taking over office operations.

## Parent Company

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

Net sales for the period totaled SEK 1,492m (1,539), and earnings after financial items SEK 1,038m (144). 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 34m (37), and cash and cash equivalents totaled SEK 2,057m (3,389). In March, the remaining 50% of the shares in the Norwegian logistics company Tollpost Globe AS were acquired (see Note 10 to the consolidated financial statements).

The average number of employees in the Parent Company's corporate management functions and shared service units was 577 (714). The decrease was attributable essentially to the outsourcing of the group's accounting tasks to Mirror Accounting AB in November 2007. Posten AB's handling of the group's outplacement program involved an average of 294 (429) employees. The decrease was a result of those previously covered by the group's downsizing measures now having ended their employment with Posten. Altogether, the average number of employees in Posten AB was 871 (1,143).

## 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. The following comments refer to exceptions identified.

Posten has a positive net financial position and takes a careful approach to financial risks, which is expressed in the group's Treasury Policy. As a result of recent turbulence in financial markets, Posten reviewed the group's exposure to financial risks. Certain reallocations have been made with respect to investment limits and the investment of liquid assets. Thus the risk exposure remains at a satisfactory level.



## 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 letter 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.

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.

Stockholm, October 28, 2008

Posten AB (publ)

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

## Auditors' Review Report

To the Board of Directors of Posten AB (publ)  
Org no 556128-6559

### Introduction

We have reviewed the interim report for Posten AB (publ) for the period from January 1, 2008-September 30, 2008. It is the Board of Directors and the Managing Director who are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, *Review of the Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is less in scope compared to an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, October 28, 2008

Ernst & Young AB  
Lars Träff  
Authorized Public Accountant

Per Redemo  
Authorized Public Accountant  
Appointed by the Swedish National Audit Office

## Consolidated financial statements

### Consolidated income statement

SEKm	Note	Jan–Sep			Jul–Sep			2007
		2008	2007	Change	2008	2007	Change	Full year
Net sales	1, 2	22,783	21,883	4%	7,188	6,821	5%	29,902
Other operating income		339	130	161%	131	53	147%	230
<b>Total income</b>	3	<b>23,122</b>	<b>22,013</b>	<b>5%</b>	<b>7,319</b>	<b>6,874</b>	<b>6%</b>	<b>30,132</b>
Personnel costs		–9,885	–9,567	3%	–2,987	–2,885	4%	–13,169
Transportation costs		–4,847	–3,843	26%	–1,696	–1,324	28%	–5,313
Other costs	4	–6,047	–5,868	3%	–1,963	–1,843	7%	–8,597
Depreciation and impairment of tangible and intangible assets		–764	–787	–3%	–259	–262	–1%	–1,058
<b>Total operating costs</b>		<b>–21,543</b>	<b>–20,065</b>	<b>7%</b>	<b>–6,905</b>	<b>–6,314</b>	<b>9%</b>	<b>–28,137</b>
<b>OPERATING EARNINGS</b>		<b>1,579</b>	<b>1,948</b>	<b>–19%</b>	<b>414</b>	<b>560</b>	<b>–26%</b>	<b>1,995</b>
Financial income		283	248	14%	75	91	–18%	321
Financial costs		–92	–93	–1%	–29	–29	0%	–132
<b>Net financial items</b>		<b>191</b>	<b>155</b>	<b>23%</b>	<b>46</b>	<b>62</b>	<b>–26%</b>	<b>189</b>
<b>Earnings after financial items</b>		<b>1,770</b>	<b>2,103</b>	<b>–16%</b>	<b>460</b>	<b>622</b>	<b>–26%</b>	<b>2,184</b>
Tax		–512	–605	–15%	–139	–169	–18%	–620
<b>NET EARNINGS</b>		<b>1,258</b>	<b>1,498</b>	<b>–16%</b>	<b>321</b>	<b>453</b>	<b>–29%</b>	<b>1,564</b>
<b>Attributable to</b>								
Parent company shareholders		1,254	1,493		319	451		1,560
Minority interests		4	5		2	2		4
Earnings per share, SEK		2,090	2,488		532	752		2,600

## Consolidated balance sheets

SEKm	Note	2008	2007
		Sep 30	Dec 31
	1, 2		
<b>ASSETS</b>			
Goodwill		2,482	1,850
Other intangible fixed assets		1,107	841
Tangible fixed assets		4,573	4,041
Financial investments		88	92
Long-term receivables	5	2,463	2,136
Deferred tax assets		66	233
<b>Total fixed assets</b>		<b>10,779</b>	<b>9,193</b>
Inventory		297	275
Tax credit		362	3
Accounts receivable		3,431	3,299
Prepaid expenses and accrued income		844	845
Other receivables		434	565
Short-term investments		2	4
Cash and cash equivalents		2,500	4,788
<b>Total current assets</b>		<b>7,870</b>	<b>9,779</b>
<b>TOTAL ASSETS</b>		<b>18,649</b>	<b>18,972</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Capital stock		600	600
Contributed equity		42	42
Reserves		33	15
Retained earnings		7,019	6,390
<b>Total equity attributable to parent company shareholder</b>		<b>7,694</b>	<b>7,047</b>
<b>Minority interest</b>		<b>–1</b>	<b>10</b>
<b>TOTAL EQUITY</b>		<b>7,693</b>	<b>7,057</b>
<b>LIABILITIES</b>			
Long-term interest-bearing liabilities		590	685
Other long-term liabilities		137	134
Pension provisions	5	1,200	1,033
Other provisions	6	1,897	1,969
Deferred tax liabilities		334	45
<b>Total non-current liabilities</b>		<b>4,158</b>	<b>3,866</b>
Current interest-bearing liabilities		180	344
Accounts payable		1,466	1,516
Tax liabilities		75	352
Other current liabilities		1,765	1,823
Accrued expenses and prepaid income		2,397	2,536
Other provisions	6	915	1,478
<b>Total current liabilities</b>		<b>6,798</b>	<b>8,049</b>
<b>TOTAL LIABILITIES</b>		<b>10,956</b>	<b>11,915</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,649</b>	<b>18,972</b>

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

Total assets were SEK 18,649m at September 30, SEK 323m less than at December 31, 2007.

Goodwill increased SEK 632m. SEK 622m referred to acquisitions made during the period, and the remainder were translation differences.

The equity-assets ratio was 41%, compared to 37% at December 31, 2007.

## Consolidated statements of cash flows

SEKm	Jan–Sep		Jul–Sep		2007
	2008	2007	2008	2007	Full year
<b>OPERATING ACTIVITIES</b>					
Earnings after financial items	1,770	2,103	460	622	2,184
Adjustments for non-cash-flow items:					
Reconciliation of depreciation according to plan	764	787	259	261	1,058
Capital gain/loss on sale of fixed assets	5	–19	5	–22	–11
Capital gain on sale of operations	–67		–67		
Pension provisions	–160	–251	42	–140	–260
Other provisions	–635	–467	–228	–67	–222
Other items not affecting liquidity	–14	–14	–6	–4	–19
Tax paid	–880	–584	–343	–87	–443
<b>Cash flows from operating activities before changes in working capital</b>	<b>783</b>	<b>1,555</b>	<b>122</b>	<b>563</b>	<b>2,287</b>
Cash flows from changes in working capital					
Increase (–)/Decrease (+) in accounts receivable	27	–269	–113	–165	–176
Increase (+)/Decrease (–) in accounts payable	–189	–115	–201	–133	117
Other changes in working capital	–229	63	–364	–477	60
<b>Changes in working capital</b>	<b>–391</b>	<b>–321</b>	<b>–678</b>	<b>–775</b>	<b>1</b>
<b>Cash flows from operating activities</b>	<b>392</b>	<b>1,234</b>	<b>–556</b>	<b>–212</b>	<b>2,288</b>
<b>INVESTING ACTIVITIES</b>					
Investments in intangible fixed assets	–24	–11	–1	–6	–38
Investments in tangible fixed assets	–788	–699	–229	–206	–951
Investments in financial assets	–3				
Acquisition of subsidiaries	–1,267	–209	–5	–85	–209
Divestment of subsidiaries		124		124	124
Divestment of operations	103		103		
Divestment of other fixed assets	35	145	12	–9	165
Increase (–)/Decrease (+) in current financial liabilities		5		–79	100
<b>Cash flows from investing activities</b>	<b>–1,944</b>	<b>–645</b>	<b>–120</b>	<b>–261</b>	<b>–809</b>
<b>FINANCING ACTIVITIES</b>					
Loans raised		5		3	1
Loans amortized	–32	–37	–12	–28	–90
Changes in leasing liabilities	–90	–82	–30	–16	–114
Dividend paid	–639	–400	–14		–403
Increase (+)/Decrease (–) in other financial liabilities	18	–18	20	–22	–7
<b>Cash flows from financing activities</b>	<b>–743</b>	<b>–532</b>	<b>–36</b>	<b>–63</b>	<b>–613</b>
<b>CASH FLOWS FOR THE PERIOD</b>	<b>–2,295</b>	<b>57</b>	<b>–712</b>	<b>–536</b>	<b>866</b>
Cash and cash equivalents, beginning of the period	4,788	3,919	3,204	4,523	3,919
Differences in exchange rates in cash and cash equivalents	7	5	8	–6	3
Cash and cash equivalents, end of the period	2,500	3,981	2,500	3,981	4,788



**January–September**

Cash flows from operating activities amounted to SEK 392m (1,234). Less cash flow was primarily attributable to weaker earnings and the closure of the Cashier Service.

Cash flows from investing activities totaled SEK –1,944m (–645). Acquisitions of subsidiaries had an impact of SEK –1,267 (–209) on cash flows (see also Note 10, Acquisitions and divestments of operations). Divestments of operations had an impact of SEK 103m on cash flows. Investments in tangible fixed assets totaled SEK 788m (699), of which SEK 458m (158) went to new technology and capacity in the mail and parcel network, and SEK 308m (528) to replacement investments in premises, vehicles and IT.

Cash flows from financing activities totaled SEK –743m (–532). In 2008, a dividend of SEK 625m (400) was paid to the Parent Company shareholder, SEK 14m (0) to minority shareholders.

Cash and cash equivalents totaled SEK 2,500m (3,981) at the end of the period. Cash and cash equivalents decreased SEK 2,288m from year-end 2007, including SEK 7m in foreign exchange differences.

**July–September**

Cash flows have seasonal fluctuations, and the vacation payments negatively affect the third quarter. Cash flows from operating activities amounted to SEK –556m (–212). The decline mainly resulted from weaker earnings in operations and the closure of the Cashier Service.

Cash flows from investing activities totaled SEK –120m (–261). Investments in tangible fixed assets totaled SEK 229m (206), of which SEK 132m (33) went to new technology and capacity in the mail and parcel network, and SEK 102m (160) to replacement investments in premises, vehicles and IT.

Cash flows from financing activities totaled SEK –36m (–63). During the quarter, dividends of SEK 14m (0) were paid to minority interests.

**Net financial position**

SEKm	2008 Sep 30	2007 Sep 30	2007 Dec 31
Financial investments	88	71	92
Long-term receivables	2,463	2,177	2,136
Short-term investments	2	99	4
Cash and cash equivalents	2,500	3,981	4,788
<b>Total financial assets</b>	<b>5,053</b>	<b>6,328</b>	<b>7,020</b>
Long-term interest-bearing liabilities	590	761	685
Pension provisions	1,200	1,025	1,033
Current interest-bearing liabilities	180	205	344
<b>Total financial liabilities</b>	<b>1,970</b>	<b>1,991</b>	<b>2,062</b>
<b>Net financial position</b>	<b>3,083</b>	<b>4,337</b>	<b>4,958</b>

The net financial position was SEK 3,083m, down SEK 1,875m 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					Total	Minority interest	Total equity
	Capital stock <sup>1)</sup>	Contributed equity	Hedging reserve	Accumulated translation difference	Retained earnings			
<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	53		53		53
Due from acquisitions							-5	-5
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner			0	53	0	53	-5	48
Net earnings for the period					1,493	1,493	5	1,498
Total changes in capital wealth, excl. transactions with the Company's owner					1,493	1,493	5	1,498
Dividends					-400	-400		-400
<b>Equity 9/30/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-2</b>	<b>6,323</b>	<b>6,963</b>	<b>14</b>	<b>6,977</b>
<b>Equity 10/1/2007</b>	<b>600</b>	<b>42</b>	<b>0</b>	<b>-2</b>	<b>6,323</b>	<b>6,963</b>	<b>14</b>	<b>6,977</b>
Translation differences for the period				17		17	-1	16
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				17		17		17
Net earnings for the period					67	67	-1	66
Total changes in capital wealth, excl. transactions with the Company's owner					67	67	-1	66
Dividends							-3	-3
<b>Equity 12/31/2007</b>	<b>600</b>	<b>42</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>15</b>	<b>6,390</b>	<b>7,047</b>	<b>10</b>	<b>7,057</b>
Translation differences for the period				18		18	-1	17
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				18		18	-1	17
Net earnings for the period					1,254	1,254	4	1,258
Total changes in capital wealth, excl. transactions with the Company's owner					1,254	1,254	4	1,258
Dividends					-625	-625	-14	-639
<b>Equity 9/30/2008</b>	<b>600</b>	<b>42</b>		<b>33</b>	<b>7,019</b>	<b>7,694</b>	<b>-1</b>	<b>7,693</b>

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

Equity totaled SEK 7,693m, an increase of SEK 636m from December 31, 2007. The return on equity amounted to 18%, unchanged from the same period the preceding year. As of 2007, the target for return on equity is 15%. Of total equity, SEK 7,694m is attributable to Parent Company shareholders and SEK -1m 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 service 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–Sep, SEKm	Posten Messaging	Stralfors	Posten Logistics	Cashier Service	Parent Company functions	Adjustments and elimina- tions	Posten Group
<b>INCOME AND EARNINGS</b>							
Net sales, external	12,077	2,846	7,558	302			22,783
Net sales, intra-group	60	64	61	1		–186	0
<b>Total net sales</b>	<b>12,137</b>	<b>2,910</b>	<b>7,619</b>	<b>303</b>		<b>–186</b>	<b>22,783</b>
Other operating income, external	36	85	19	122	77		339
Other operating income, intra-group	570		1,031	9	1,781	–3,391	0
<b>Total income</b>	<b>12,743</b>	<b>2,995</b>	<b>8,669</b>	<b>434</b>	<b>1,858</b>	<b>–3,577</b>	<b>23,122</b>
<b>Operating earnings</b>	<b>1,056</b>	<b>113</b>	<b>339</b>	<b>–7</b>	<b>–135</b>	<b>213<sup>1)</sup></b>	<b>1,579</b>
Net financial items							191
<b>Earnings after financial items</b>							<b>1,770</b>
Tax							–512
<b>Net earnings for the period</b>							<b>1,258</b>
<b>ASSETS</b>	<b>8,274</b>	<b>3,826</b>	<b>6,328</b>	<b>523</b>	<b>13,590</b>	<b>–13,892</b>	<b>18,649</b>

<sup>1)</sup> Refers primarily to a SEK 202m (0) adjustment of pension costs calculated based on IAS 19

2007 Jan–Sep, SEKm	Posten Messaging	Stralfors	Logistics	Cashier Service	Parent Company functions	Adjustments and elimina- tions	Posten Group
<b>INCOME AND EARNINGS</b>							
Net sales, external	12,304	2,822	6,006	449		2	21,583
State reimbursement				300			300
Net sales, intra-group	60	43	51	1		–155	0
<b>Total net sales</b>	<b>12,364</b>	<b>2,865</b>	<b>6,057</b>	<b>750</b>		<b>–153</b>	<b>21,883</b>
Other operating income, external	34	43	11	2	27	13	130
Other operating income, intra-group	558		950	20	1,809	–3,337	0
<b>Total income</b>	<b>12,956</b>	<b>2,908</b>	<b>7,018</b>	<b>772</b>	<b>1,836</b>	<b>–3,477</b>	<b>22,013</b>
<b>Operating earnings</b>	<b>1,630</b>	<b>30</b>	<b>214</b>	<b>146</b>	<b>–92</b>	<b>20</b>	<b>1,948</b>
Net financial items							155
<b>Earnings after financial items</b>							<b>2,103</b>
Tax							–605
<b>Net earnings for the period</b>							<b>1,498</b>
<b>ASSETS</b>	<b>7,705</b>	<b>3,553</b>	<b>4,792</b>	<b>921</b>	<b>12,325</b>	<b>–11,320</b>	<b>17,976</b>

**Note 4 Other costs**

SEKm	2008	2007	
	Jan–Sep	Jan–Sep	Full year
Cost of premises	1,144	1,079	1,462
Provisions <sup>1)</sup>	–22	–25	431
Terminal fees	772	700	965
Cost of goods and materials	1,518	1,590	2,153
Other	2,635	2,524	3,586
<b>Total</b>	<b>6,047</b>	<b>5,868</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 1,200m, an increase of SEK 167m from December 31, 2007.

Pension provisions, SEKm	2008	2007	
	Jan–Sep	Jan–Sep	Jan–Dec
Opening balance	1 033	943	943
Pension benefits earned	172	241	256
Early retirements	448	418	516
Funds for group companies that have been transferred to Posten's Pension Fund	–453	–577	–682
<b>Closing balance</b>	<b>1,200</b>	<b>1,025</b>	<b>1,033</b>

**Long-term receivables**

Long-term receivables include SEK 1,969m in assets under management in excess of commitments for funded pension plans, an increase of SEK 262m from December 31, 2007, as well as SEK 478m in associated payroll tax receivables, an increase of SEK 64m 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's 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 453m (577), and refunds issued from the Fund totaled SEK 553m (516). After transfers of funds and disbursed refunds, the market value of the net assets amounted to SEK 13,103m, compared to SEK 14,157m at December 31, 2007. The market value exceeded outstanding commitments by SEK 932m, compared to SEK 2,567m at December 31, 2007. Of the total decrease, SEK 954m resulted from a negative net yield, and SEK 681m from an increase in pension liabilities in the form of ongoing revaluations including annual indexation and the nonrecurring effect of new actuarial principles.

The fund's degree of consolidation as of September 30 was 108% (122). The net return for the January–September period, less all costs and taxes, was –6.7 (2.6)%.

**Asset classes at market value, SEKm**

Asset class, SEKm	2008		2007	
	Sep 30	%	Dec 31	%
Index-linked bonds	4,896	37	4,532	32
Other interest-bearing assets	1,466	11	2,200	16
<b>Total interest-bearing assets</b>	<b>6,362</b>	<b>49</b>	<b>6,732</b>	<b>48</b>
Property	1,425	11	1,064	7
Infrastructure	329	3	176	1
Private equity	300	2	225	2
Stocks	2,289	17	3,357	24
Hedge funds	2,398	18	2,603	18
<b>Total other assets</b>	<b>6,741</b>	<b>51</b>	<b>7,425</b>	<b>52</b>
<b>Total</b>	<b>13,103</b>	<b>100</b>	<b>14,157</b>	<b>100</b>

**Note 6 Other provisions**

2008 Jan–Sep, SEKm	Opening balance	Provisions	Reversals	Utilizations	Closing balance
<b>Closure, Cashier Service</b>	<b>1,089</b>		<b>–100<sup>1) 3)</sup></b>	<b>–336</b>	<b>653</b>
<b>Restructuring activities</b>	<b>333</b>	<b>77<sup>1)</sup></b>	<b>–8<sup>1)</sup></b>	<b>–245</b>	<b>157</b>
<i>Of which:</i>					
– personnel reductions	307	77	–8	–219	157
– other closure costs	26			–26	0
<b>Future conditional pension commitments</b>	<b>1,500</b>	<b>33</b>			<b>1,533</b>
<i>Of which:</i>					
– payroll tax	299	19			318
– future conditional pension commitments under IAS 19	1,201	14			1,215
<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>–49</b>	<b>336</b>
<i>Of which:</i>					
– job-related injuries	77				77
– other group reserves	250	9 <sup>1) 2)</sup>		–18	241
– other provisions	49	1 <sup>1)</sup>	–1 <sup>1)</sup>	–31	18
<b>Total other provisions</b>	<b>3,447</b>	<b>120</b>	<b>–109</b>	<b>–646</b>	<b>2,812</b>
<i>Of which, current provisions</i>	<i>1,478</i>				<i>915</i>

2007 Jan–Sep, SEKm	Opening balance	Provisions	Reversals	Utilizations	Closing balance
<b>Closure, Cashier Service<sup>3)</sup></b>	<b>1,109</b>	<b>130<sup>4)</sup></b>		<b>–150</b>	<b>1,089</b>
<b>Restructuring activities</b>	<b>532</b>	<b>261<sup>4)</sup></b>	<b>–33<sup>4)</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>4)</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>4)</sup>	–82	–29	250
– other provisions	39	32 <sup>4)</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> "Other costs" in the 2008 income statement includes provisions of SEK –22m. See Note 4, Other costs. Remaining provisions and reversals are included under Personnel costs in the income statement.

<sup>2)</sup> Provision for the resignation of former President and CEO Erik Olsson.

<sup>3)</sup> According to 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>4)</sup> SEK 431 constitute "Other costs" (see Note 4), while the remaining items are reported in Personnel costs in the income statement.

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	Sep 30	Dec 31
<b>Assets pledged</b>		
Endowment insurance policy for current and previous employees	109	109
Assets pledged as securities	31	27
<b>Total</b>	<b>140</b>	<b>136</b>
	2008	2007
SEKm	Sep 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 essential financial transaction 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; SEK 300m was received for January–September 2007.

Posten has paid the Swedish Post and Telecom Agency SEK 11m (8) for permits to run postal operations, and SEK 5m (5) for handling dead letters. Posten has received disability compensation of SEK 21m (27) 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 159m (181) to the association and received compensation totaling SEK 9m (10). 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 September 30, 2008, Posten had entered into agreements for acquiring tangible fixed assets for a value of SEK 64m (166), 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 paid for these shares totaled SEK 1,278m, with a net effect of SEK 1,246m 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 and 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			622
Purchase price paid			1,278
Cash (acquired)			32
Net cash flow			1,246

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.

**Tidningstorget AB**

Posten AB has founded the company Tidningstorget AB together with the Swedish Magazine Publishers Association, a trade association. Posten's holding is 90%.

**Payment transaction services**

Stralfors has sold its payment transaction operations to PaymentBusiness Service PBS A/S. The agreement specified that the portion of Stralfors' business operations in Information Logistics, which refers to transaction services, would be taken over by PBS at September 30, 2008. The sale resulted in a capital gain of SEK 67m for the Stralfors business segment. Consideration received totaled SEK 103m.

## Parent company financial statements

### Income statement – Parent company

SEKm	Note	Jan–Sep		Jul–Sep		2007
		2008	2007	2008	2007	Full year
Net sales <sup>1)</sup>	1	1,492	1,539	463	492	2,123
Other operating income		162	138	57	49	240
<b>Total income</b>		<b>1,654</b>	<b>1,677</b>	<b>520</b>	<b>541</b>	<b>2,363</b>
Personnel costs		–444	–461	–128	–123	–673
Other costs	2	–1,342	–1,266	–456	–402	–2,105
Depreciation and impairment of tangible and intangible assets		–45	–46	–15	–15	–76
<b>Total operating costs</b>		<b>–1,831</b>	<b>–1,773</b>	<b>–599</b>	<b>–540</b>	<b>–2,854</b>
<b>OPERATING EARNINGS</b>		<b>–177</b>	<b>–96</b>	<b>–79</b>	<b>1</b>	<b>–491</b>
Earnings from participations in group companies		1,220	178	343	45	262
Earnings from other securities and receivables that are fixed assets			3		3	3
Interest income and similar income items		194	161	49	57	220
Interest expense and similar cost items		–199	–102	–68	–51	–158
<b>Total financial items</b>		<b>1,215</b>	<b>240</b>	<b>324</b>	<b>54</b>	<b>327</b>
<b>EARNINGS AFTER FINANCIAL ITEMS</b>		<b>1,038</b>	<b>144</b>	<b>245</b>	<b>55</b>	<b>–164</b>
Depreciation in excess of plan						106
Tax		–61	–51	–46	–15	11
<b>NET EARNINGS</b>		<b>977</b>	<b>93</b>	<b>199</b>	<b>40</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	2007
		Sep 30	Sep 30	Dec 31
<b>ASSETS</b>				
Intangible fixed assets		41	40	37
Tangible fixed assets		154	174	156
Financial fixed assets	3	8,806	6,081	7,350
<b>Total fixed assets</b>		<b>9,001</b>	<b>6,295</b>	<b>7,543</b>
Inventory		17	20	17
Current receivables		2,613	2,491	3,218
Short-term investments		499	2,550	2,750
Cash and bank balances		1,558	839	1,288
<b>Total current assets</b>		<b>4,687</b>	<b>5,900</b>	<b>7,273</b>
<b>TOTAL ASSETS</b>		<b>13,688</b>	<b>12,195</b>	<b>14,816</b>
<b>EQUITY AND LIABILITIES</b>				
Equity		6,226	4,544	5,875
Untaxed reserves		40	146	40
Provisions		1,095	1,451	1,653
Long-term liabilities		383	411	378
Current liabilities		5,944	5,643	6,870
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,688</b>	<b>12,195</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–Sep	Jan–Sep	Full year
Cost of premises	382	397	527
Provisions	–22	–25	286
Other	982	894	1,292
<b>Total</b>	<b>1,342</b>	<b>1,266</b>	<b>2,105</b>

### Note 3 Financial fixed assets

SEKm	2008	2007	2007
	Sep 30	Sep 30	Dec 31
<b>Opening balance</b>	<b>7,350</b>	<b>4,239</b>	<b>4,239</b>
Acquisitions	1,329	86	93
Capital infusion	271	2,205	3,411
Other	–144	–449	–393
<b>Closing balance</b>	<b>8,806</b>	<b>6,081</b>	<b>7,350</b>

### Note 4 Transactions with associated parties

#### Swedish state

Posten AB has paid the Swedish Post and Telecom Agency SEK 11m (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 20m (12) to the association and received compensation totaling SEK 3m (6).

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	2007
	Sep 30	Sep 30	Dec 31
<b>Assets pledged</b>			
Endowment insurance policy for current and previous employees	101	92	101
<b>Total</b>	<b>101</b>	<b>92</b>	<b>101</b>

SEKm	2008	2007	2007
	Sep 30	Sep 30	Dec 31
<b>Contingent liabilities</b>			
Warranty costs, FPG	799	730	799
Guarantees on behalf of subsidiaries <sup>1)</sup>	1,001	158	139
Guarantees on behalf of joint ventures	0	93	92
Residual value of leased properties <sup>2)</sup>	18	18	18
Other guarantees	4	3	0
<b>Total</b>	<b>1,822</b>	<b>1,002</b>	<b>1,048</b>

<sup>1)</sup> As of September 30, 2008, Posten AB had pledged a total of SEK 889m (76) 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			
	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Net sales	7,188	7,857	7,738	8,019	6,821	7,358	7,704	7,940	6,757	6,567	6,559
Operating earnings	414	471	694	47	560	545	843	–159	531	424	646
Operating margin, %	5.6	5.9	8.8	0.6	8.1	7.4	10.9	–2.0	7.8	6.4	9.7
Earnings after financial items	460	564	746	81	622	588	893	–119	564	449	684
Net earnings	321	404	533	66	453	431	614	–300	449	323	541
Cash flows from operating activities	–556	657	291	1,054	–212	673	773	1,512	–53	690	453
Return on equity, % rolling 12-month period	18	20	21	24	18	19	18	19	35	40	39
Equity-assets ratio, % at end of period	41	39	40	37	39	36	36	33	36	33	35
Average number of employees	33,825	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	32,511	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	67	66	66	66	65	65	64	64	63	63
Customer satisfaction index (CSI)	63	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 business days after acceptance.

**Distance trading:** Purchases of mainly finished goods remotely, the physical store having been 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 earnings for calculating productivity.

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

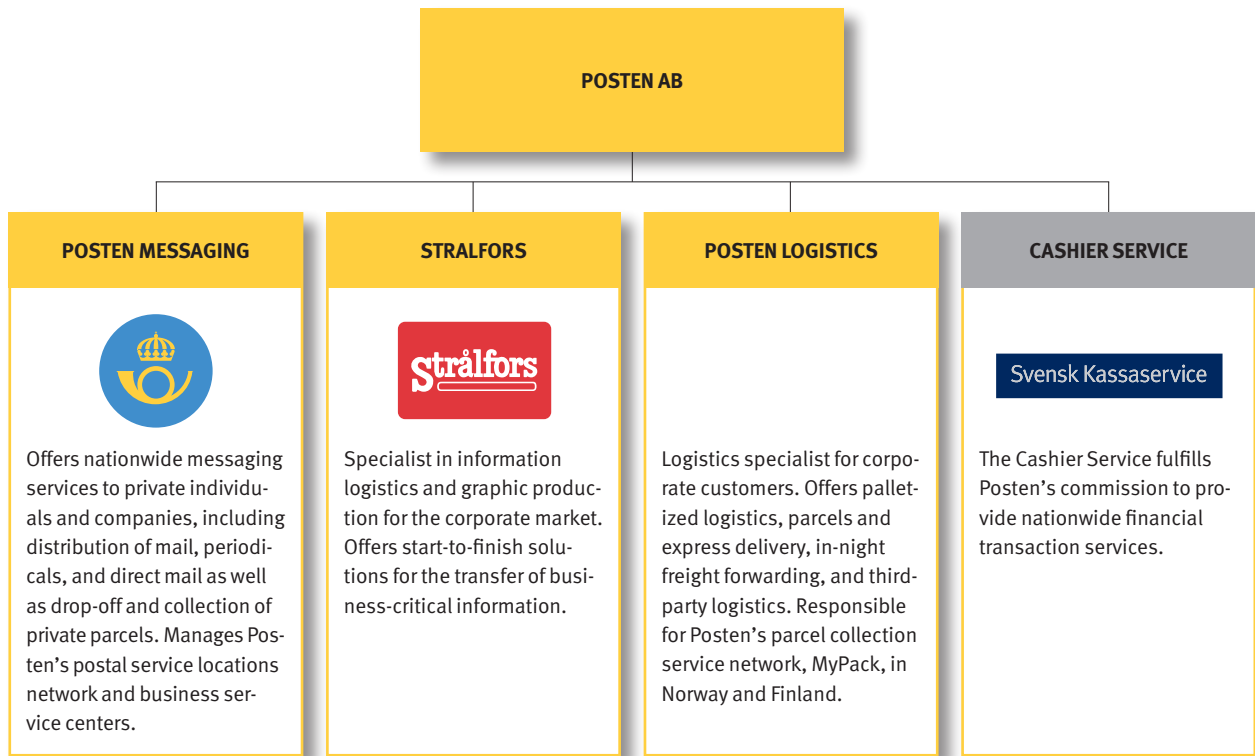
**Operating margin:** Operating earnings as a percentage of operating income (net sales and other operating income). The calculation of operating margin by business segment includes sales to other segments and to Parent Company functions.

**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 the employees in the Posten group. Starting 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 mailpieces 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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