

January–June 2007



Posten Interim Report



- Growth and earnings improvement in all core operations
- Net sales increased by 15% to total SEK 15,062m (13,126)
- Operating earnings improved by 30% to total SEK 1,388m (1,070)
- Net earnings increased 21% totaling SEK 1,045m (864)

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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

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MyPack is the brand for the approximately 700 drop-off locations that Posten is establishing in Norway.

Message from the CEO

Posten is reporting growth and an increase in earnings for all core operations. Net sales increased by 15%, totaling just over SEK 15 billion. At the same time, our operating earnings improved by a full 30 percent. This is evidence of our strength, and shows that we have suc-

ceeded in the transition to our new operational structure without losing momentum. Posten has been able to combine an increased level of specialization with its reliable delivery quality and unique ability to reach all of Sweden's households and companies each workday. Not only has this enabled us to increase sales for our existing customers, but we have also competed and won valuable contracts with new customers.

We are especially pleased that our logistics operations have defied increasingly tough international competition to grow a full 12 percent during the year's first six months. With operating earnings of SEK 196m (–76), we can clearly see that our rationalization and specialization activities have had the necessary effects. With continued growth maintaining profitability we continue to develop into the most self-evident strategic partner for companies looking for Nordic logistics solutions.

The parallel development within Stralfors is going according to plan, as the company is experiencing both strong growth in information logistics and keeping the integration of the printing operations on schedule.

The projects and ongoing rationalization activities that Posten is conducting allows us to present a broader and more competitive portfolio of communication and logistics services. Proof of our ability to streamline operations lies in the fact that every quarter has shown a measurable increase in productivity since the beginning of 2003.

Competition is increasing for all our operations. The Swedish postal market has been completely deregulated since 1993. Now it will be very interesting to follow the upcoming decision-making process for a fully deregulated EU postal market. This will bring interesting development opportunities for Posten, thanks in part to Stralfors' platform in Europe.

The Swedish Parliament's decision on June 14th has been an important milestone. The decision means that Posten's obligation to provide essential financial transaction services through the Cashier Service will cease as of January 1, 2009. This welcome decision eliminates the uncertainty that has surrounded the future of the Cashier Service within Posten.

Erik Olsson

President and CEO



Strong mid-year results for Posten

- Growth and earnings improvement in all core operations
- Net sales increased by 15% to total SEK 15,062m (13,126)
- Operating earnings improved by 30% to total SEK 1,388m (1,070)
- Net earnings increased 21% totaling SEK 1,045m (864)
- The government made a decision on June 14 concerning the future of the Cashier Service

SEKm, unless otherwise specified	Jan-Jun		Change	%	Apr-Jun		Change	%	Full year 2006
	2007	2006 ²⁾			2007	2006 ²⁾			
The Group									
Net Sales	15,062	13,126	1,936	15	7,358	6,567	791	12	27,823
Operating earnings	1,388	1,070	318	30	545	424	121	29	1,442
Operating margin, % ⁴⁾	9	8	1		7	6	1		5
Earnings after financial items	1,481	1,133	348	31	588	449	139	31	1,578
Net earnings	1,045	864	181	21	431	323	108	33	1,013
Cash flows from operating activities	1,446	1,143	303		673	690	-17		2,602
ROE, % rolling 12 months	19	40	-21		19	40	-21		19
Equity-assets ratio, % at end of period	36	33	3		36	33	3		33
Average number of employees, from the beginning of the year to end of period	32,489	32,018	471	1	32,489	32,018	471	1	33,395
ViP, Employee Satisfaction Index	65	63	2		65	63	2		64
Sickness Absenteeism as a percentage of work hours, rolling 12 months	7.3	8.1	-0.8		7.3	8.1	-0.8		7.8
CSI, Customer Satisfaction Index	63	62	1		63	62	1		62
Posten Messaging		¹⁾				¹⁾			¹⁾
Net Sales ³⁾	8,572	8,492	80	1	4,165	4,154	11	0	16,925
Operating earnings ³⁾	1,170	1,002	168	17	526	436	90	21	1,801
Operating margin, % ⁴⁾	13	11	2		12	10	2		10
Stralfors		⁵⁾				⁵⁾			^{1) 5)}
Net Sales ³⁾	1,995	296			976	296			2,124
Operating earnings ³⁾	16	-9			-4	-9			-43
Operating margin, % ⁴⁾	1	-3			0	-3			-2
Posten Logistics		¹⁾				¹⁾			¹⁾
Net Sales ³⁾	4,090	3,647	443	12	1,993	1,790	203	11	7,586
Operating earnings ³⁾	196	-76	272		79	-60	139		-4
Operating margin, % ⁴⁾	4	-2	6		3	-3	6		0

¹⁾ The previous year's values have been recalculated to correspond to the new organization.

²⁾ Stralfors was acquired on May 22, 2006

³⁾ Including intra-group transactions

⁴⁾ Operating earnings/operating income (net sales and other operating income)

⁵⁾ Stralfors was acquired on May 22, 2006. To compare year-on-year, see page 6.

The Group

Net sales and earnings

January–June

Net sales increased by 15% to SEK 15,062m (13,126).

Excluding the acquisition of Stralfors on May 22, 2006 and the Cashier Service, sales increased by 4% to total SEK 12,581m (12,081). Intensive sales efforts and a continued high level of economic activity are behind the positive results.

The increase in sales for Posten Messaging is primarily attributable to direct mail distribution. In addition to added sales with existing customers, Posten has signed valuable contracts with new customers, resulting in increased volumes for direct mail. The increase in Stralfors, excluding structural changes, is relatively evenly divided between Stralfors' divisions, and is mainly due to increased sales to existing customers.

12% growth in Posten Logistics can mainly be seen as a result of increased sales to retailers and wholesalers, comprising together close to 60% of Posten Logistics' sales. The net sales of both Posten Logistics and Posten Messaging have been positively affected by the growth in distance trading.

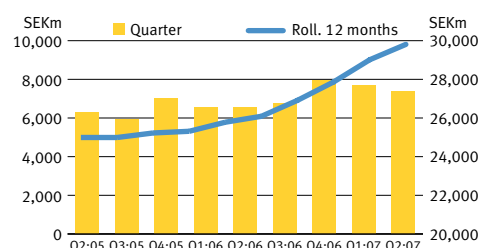
Operating earnings improved by 30%, or SEK 318m, with the Logistics and Messaging segments driving the improvement. The good earnings growth for the period is a result of increased sales combined with rationalizations in production. Posten's new operational structure, implemented in January 2007, has resulted in cost reductions of approximately SEK 150m, mainly within administration. Productivity improved by 3%.

Net earnings totaled SEK 1,045m (864), an increase of SEK 181m. Tax amounted to SEK -436m (-269). The higher tax costs, at the rate of 29%, can be explained by the improvement in earnings after net financial items, in addition to the last year's reversals of previously deferred tax credits.

April–June

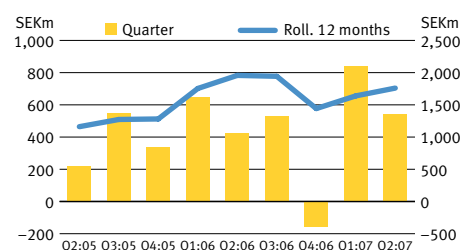
Net sales increased by 12% to SEK 7,358m (6,567). Excluding the acquisition of Stralfors on May 22, 2006 and the Cashier Service, sales increased by 4% to total SEK 6,145m (5,916). Operating earnings totaled SEK 545m (424), an improvement of SEK 121m.

NET SALES



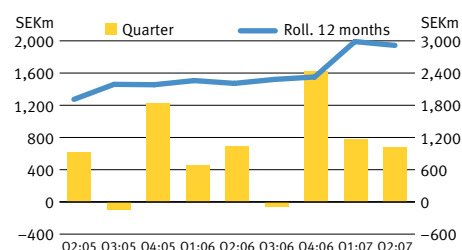
Net sales rolling 12 months increased by 14%. 6 percentage points of this are due to the acquisition of Stralfors in May 2006.

OPERATING EARNINGS



Operating earnings rolling 12 months continued to steadily improve. The decrease in Q4 2006 was due to the restructuring costs of SEK 617m for Posten's new operational structure. Excluding these costs, the earnings level is now at approximately SEK 2.4 billion.

CASH FLOWS FROM OPERATING ACTIVITIES



The cash flow has seasonal fluctuations. The 28% increase over the past twelve month period is in part due to the positive earnings trend.

Posten Messaging

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

SEKm, unless otherwise specified	Jan–Jun				Apr–Jun				Full year
	2007	2006 ¹⁾	Change	%	2007	2006 ¹⁾	Change	%	2006 ¹⁾
Net Sales	8,572	8,492	80	1	4,165	4,154	11	0	16,925
<i>Mail</i>	5,095	5,077	18	0	2,446	2,447	–1	0	10,038
<i>Direct mail</i>	1,519	1,479	40	3	752	748	4	1	3,057
<i>Other</i>	1,958	1,936	22	1	967	959	8	1	3,830
Other operating income	391	445	–54	–12	199	214	–15	–7	885
Operating earnings	1,170	1,002	168	17	526	436	90	21	1,801
Operating margin, %	13	11	2		12	10	2		10
Investments	144	185	–41	–22	75	82	–7	–9	353
Number of workdays	123	123	0		59	59	0		251
CSI, Customer Satisfaction Index	62	61	1		62	61	1		62
Average number of employees	22,256	23,531	–1,275	–5	22,519	23,704	–1,185	–5	24,061
VIP, Employee Satisfaction Index	64	²⁾			64	²⁾			²⁾
Sickness absenteeism, %, rolling 12 months	7.7	²⁾			7.7	²⁾			²⁾
Priority mail volume, millions of units	676	692	–16	–2	325	336	–11	–3	1,367
Non-priority mail volume, millions of units	636	640	–4	–1	281	285	–4	–1	1,262
UDM volume, millions of units	1,268	1,222	46	4	664	640	24	4	2,527

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–June

Net sales increased by 1% to SEK 8,572m (8,492). The healthy economy in combination with Posten's intensive sales efforts has been behind the increase in sales. Posten Messaging has won several valuable contracts during the period.

Messaging is showing stable income development despite underlying decreases in mail volumes. During the first half of the year, both addressed and unaddressed direct mail also continued to show positive development. Posten has signed contracts with new customers who use direct mail as a main medium, while existing customers have increased their volumes for both addressed and unaddressed direct mail. As for the category "other", international mail has shown positive development, with existing customers increasing their international shipments.

The number of parcels and addressed letters collected from Posten's 1,600 service locations increased by 13% during the

first half of the year. The growing distance trade increases traffic at the service locations. Posten's measurements now clearly show that more and more service locations see business advantages and development opportunities in their cooperation with Posten.

Operating earnings increased by 17%, totaling SEK 1,170m (1,002). The improvement in earnings can be attributed to a combination of higher income for the majority of product categories within the business segments, and the ongoing cost rationalization activities within production and administration.

April–June

Net sales totaled SEK 4,165m (4,154). Operating earnings totaled SEK 526m (436), an improvement of SEK 90m.

Stralfors

A specialist in information logistics and graphic production to business customers. 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 1 and Note 3. The difference in operating earnings between the result of SEK 86m reported for 2007 and Note 3 is due to amortization of SEK 36m of acquired surplus value from fixed assets, as well as intra-group capital gains of SEK 34m.

SEKm, unless otherwise specified	Jan-Jun				Apr-Jun				Full year 2006
	2007	2006	Change	%	2007	2006	Change	%	
Net Sales	1,995	1,719	276	16	976	814	162	20	3,393
Information Logistics	895	659	236	36	456	311	145	47	1,342
Graphic Solutions	715	677	38	6	349	331	18	5	1,287
System- and Productrelated Information Transfer, SPI	385	383	2	1	171	172	-1	-1	764
Other operating income	51	7	44		45	5	40		31
Operating earnings	86	16	70		48	-11	59		29
Operating margin, %	4	1	3		4	-1	5		1
Investments	119	78	41	53	56	43	13	30	173
Average number of employees	2,131	1,984	147	7	2,123	1,969	154	8	1,991
Sickness absenteeism, %, rolling 12 months	3.8	4.3	-0.5		3.8	4.3			4.2

Net sales and operating earnings

January-June

Net sales totaled SEK 1,995m, an increase of SEK 276m. Approximately SEK 161m of the increase can be attributed to structural changes, including the takeover of operations from other parts of Posten as well as the acquisition of graphic operations in Sweden and Denmark. The remainder of the increase, SEK 115m, is relatively evenly divided among the divisions and is mainly attributable to increased sales to existing customers. Growth for the division Information Logistics was 36% including the acquired operations from Posten and 8% excluding these acquired operations.

Operating earnings totaled SEK 86m, an increase of SEK 70m. The increase is due primarily to capital gains realized on

the sale of properties, lower costs for structural changes, and that the business area Supplies in the SPI division has turned what was once a loss into a profit.

April-June

Net sales totaled SEK 976m, an increase of SEK 162m. Of this increase, SEK 79m is due to structural changes and SEK 83m is due to an increase within comparable units. Operating earnings in the second quarter totaled SEK 48m, an increase of SEK 59m. The increase is primarily due to the above-named capital gains as well as lower costs for structural changes.

Posten Logistics

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

SEKm, unless otherwise specified	Jan–Jun				Apr–Jun				Full year 2006 ¹⁾
	2007	2006 ¹⁾	Change	%	2007	2006 ¹⁾	Change	%	
Net Sales	4,090	3,647	443	12	1,993	1,790	203	11	7,586
<i>Parcels</i>	2,670	2,465	205	8	1,297	1,176	121	10	5,094
<i>Other</i>	1,420	1,182	238	20	696	614	82	13	2,492
Other operating income	641	592	49	8	320	313	7	2	1,276
Operating earnings	196	–76	272		79	–60	139		–4
Operating margin, %	4	–2	6		3	–3	6		0
Investments	107	207	–100	–48	67	146	–79	–54	267
Number of workdays	123	123	0		59	59	0		251
CSI, Customer Satisfaction Index	66	64	2		66	64	2		65
Average number of employees	5,846	5,836	10	0	5,806	5,940	–134	–2	5,952
ViP, Employee Satisfaction Index	66	²⁾			66	²⁾			²⁾
Sickness absenteeism, %, rolling 12 months	6.4	²⁾			6.4	²⁾			²⁾
Parcel volume, millions of units	33	30	3	10	16	15	1	7	62

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–June

Net sales increased by 12% to total SEK 4,090m. The positive growth is being sustained largely by a good level of orders from existing customers, as well as from Posten Logistic's new customers. Growth for the first half of the year is for all relevant purposes due to increased sales within the retail and wholesale industries, which represents nearly 60% of the Logistics sales.

Growth for parcels in Sweden is strongest in the business-to-business sector. There is also an obvious growth in the business-to-consumer sector in Sweden, which is mainly due to the increased distance trading for both for large and small

companies. All product areas in the category "other" are increasing, including palletized logistics, in-night freight forwarding, express and third party logistics.

Operating earnings totaled SEK 196m (–76), an improvement of SEK 272m. The improvement in earnings is explained by a combination of higher income and increased capacity utilization as well as better cost efficiency as a result of implemented rationalizations.

April–June

Net sales increased by 11% to SEK 1,993m (1,790). Operating earnings totaled SEK 79m (–60), an improvement of SEK 139m.

Cashier Service

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

Net sales and operating earnings

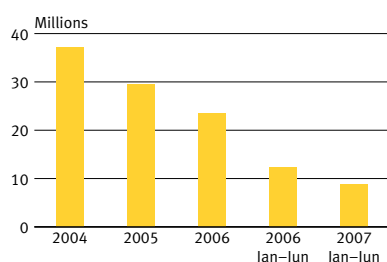
January–June

Net sales totaled SEK 511m (612), a decrease of SEK 101m or 16%. Operating earnings, including state reimbursements of SEK 200m (200), totaled SEK 92m (92). Operating earnings, including closure costs and state reimbursements, totaled SEK –12m (–12).

Demand for essential financial transaction services at the Cashier Service has steadily declined during the first half of 2007. The payment transactions fell by 23%, banking transactions by 31%, and the daily cash services by 29%. An explanation for the decreasing banking transactions is that Swedbank ceased to use the Cashier Service network as of January 1, 2007.

On June 14, 2007, the parliament came to a conclusion that concurred with the government's proposition regarding 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 available in other forms. In light of the Parliament's decision, Posten has eliminated its contingent liability of SEK 850m.

TRANSACTION VOLUMES FOR CASHIER SERVICE



The number of cashier transactions is steadily declining. The year-on-year decrease during the period January–June was 28%.

Parent Company

As of January 1, 2007, Posten has operated through a new operational structure, and the operation in Posten AB (publ) includes the group's management functions. Since the majority of the Posten group'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 1,047m (9,956) and earnings after financial items were SEK 89m (847). Investments in tangible fixed assets totaled SEK 32m (259), and cash and cash equivalents totaled SEK 3,710m (2,559). There have been no acquisitions or disposals of companies during the period.

Risks and uncertainties for the group and the parent company

Posten's business operations require an effective risk management process. The overarching goal for Posten's risk management efforts is to ensure the group's long-term competitiveness. Therefore, risk management is an integrated part of the group's business planning. In accordance with new Swedish reporting requirements effective as of July 1, 2007, this report contains a description of the most significant risks and uncertainties for the remaining six months of the fiscal year. The parent company and group's risk management and the factors that may affect the operations are described in more detail in Posten's 2006 annual report (page 49 and 83, respectively.) Aside from the risks described below, Posten does not believe that the risk assessment has changed in any significant way compared to the description in the annual report.

As a result of the parliament's decision on June 14, 2007 that the Swedish National Post and Telecom Agency (PTS) may procure services to meet the society's need for essential financial transaction services as of 2009, the previous uncertainties concerning this point are no longer relevant. Posten will submit a closure plan for the Cashier Service to PTS on October 1, 2007.

The EU Commission has formally encouraged Great Britain, Germany and Sweden to change their legislation for VAT-free postal services, as 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.

The Swedish Competition Authority has stayed the proceedings for the case involving Posten's expansion of the definition of metropolitan areas in fall 2006 until the Swedish National Post and Telecom Agency completes its analysis.

Key events after the close of the period

Böwe Systec International GmbH announced on July 3, 2007 that the company would like to exercise its right to purchase Stralfors' 50 percent shareholdings in the jointly owned company Lasermix Roll Systems AB, with net sales of SEK 440m and approximately 200 employees. The transaction was completed on August 2, making Lasermix Roll Systems AB a wholly-owned subsidiary of Böwe Systec International GmbH.

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

Stockholm, August 22, 2007

Marianne Nivert
Chairman

Mats Abrahamsson
Member of the board

Ingrid Bonde
Member of the board

Gunnel Duveblad
Member of the board

Katarina Mohlin
Member of the board

Bertil Persson
Member of the board

Richard Reinius
Member of the board

Alf Mellström
Employee representative

Ann-Marie Ross
Employee representative

Kjell Strömbäck
Employee representative

Erik Olsson
President and CEO

This report has not been audited.

Group financial statements

Income statement – Group

SEKm	Note	2007		2006		
		Jan–Jun	Apr–Jun	Jan–Jun	Apr–Jun	Full year
Net Sales	1, 2	15,062	7,358	13,126	6,567	27,823
Other operating income		77	56	122	43	213
Total income	3	15,139	7,414	13,248	6,610	28,036
Personnel costs		–6,682	–3,365	–6,254	–3,138	–12,917
Transportation costs		–2,519	–1,227	–2,314 ¹⁾	–1,138 ¹⁾	–4,871 ¹⁾
Other costs	4	–4,025	–2,013	–3,157 ¹⁾	–1,673 ¹⁾	–7,787 ¹⁾
Depreciations and impairments		–525	–264	–453	–237	–1,019
Total operating costs		–13,751	–6,869	–12,178	–6,186	–26,594
OPERATING EARNINGS		1,388	545	1,070	424	1,442
Financial income		157	76	106	48	258
Financial costs		–64	–33	–43	–23	–122
Net financial items		93	43	63	25	136
Earnings after financial items		1,481	588	1,133	449	1,578
Tax		–436	–157	–269	–126	–565
NET EARNINGS		1,045	431	864	323	1,013
Attributable to						
Parent company shareholders		1,042	429	861	322	1,009
Minority interest		3	2	3	1	4

¹⁾ Reclassifications have been made from Transportation costs to Other costs, terminal fees of SEK 62m for Jan–Jun 2006, SEK 33m for Apr–Jun 2006, and SEK 127m for the full year 2006.

Comments on the income statement

January–June

The higher net sales can mainly be attributed to the addition of net sales from Stralfors as of June 2006, as well as higher sales for the business segments Messaging and Logistics.

The improvement in operating earnings is due to intensified sales efforts combined with rationalizations in production and administration.

Personnel costs amounted to SEK 6,682m (6,254), an increase of SEK 428m. However, with the exception of Stralfors, the personnel costs fell by SEK 90m, mainly due to rationalizations in connection with the restructuring of Posten's operational structure.

Transportation costs totaled SEK 2,519m (2,314), an increase of SEK 205m. Excluding Stralfors, transportation costs increased by SEK 168m. The increase is mainly due to the increased sale of logistics services together with higher prices for transportation services.

Other costs totaled SEK 4,025m (3,157), an increase of SEK 868m. Excluding Stralfors, costs decreased by SEK 108m.

Depreciation and amortizations amounted to SEK 525m (453), an increase of SEK 72m. Excluding Stralfors, depreciations decreased by SEK 28m.

Net financial items totaled SEK 93m (63). The year-on-year improvement can be explained by increased interest income as a result of higher interest rates.

April–June

Personnel costs amounted to SEK 3,365m (3,138), an increase of SEK 227m. However, excluding Stralfors, personnel costs decreased by SEK 8m.

Transportation costs totaled SEK 1,227m (1,138), an increase of SEK 89m. Excluding Stralfors, transportation costs increased by SEK 71m.

Other costs totaled SEK 2,013m (1,673), an increase of SEK 340m. Excluding Stralfors, costs decreased by SEK 44m.

Depreciation and amortizations amounted to SEK 264m (237), an increase of SEK 27m. Excluding Stralfors, depreciations decreased by SEK 13m.

Net financial items totaled SEK 43m (25).

Balance sheet – Group

SEKm	Note	2007	2006
		Jun 30	Dec 31
	1, 2		
ASSETS			
Goodwill		1,778	1,690
Other intangible fixed assets		840	860
Tangible fixed assets		4,096	4,137
Financial investments		71	68
Long-term receivables	5	2,028	1,844
Deferred tax assets		86	315
Total fixed assets		8,899	8,914
Inventory		344	317
Tax credit		51	21
Accounts receivable		3,251	3,147
Prepaid expenses and accrued income		791	710
Other receivables		344	460
Short-term investments		0	101
Cash and cash equivalents		4,523	3,919
Total current assets		9,304	8,675
TOTAL ASSETS		18,203	17,589
EQUITY AND LIABILITIES			
Equity			
Capital stock		600	600
Contributed equity		42	42
Reserves		–1	–55
Retained earnings		5,872	5,230
Total equity attributable to parent company shareholders		6,513	5,817
Minority interest		13	14
TOTAL EQUITY		6,526	5,831
LIABILITIES			
Long-term interest-bearing liabilities		831	912
Other long-term liabilities		121	130
Pension provisions	5	1,015	943
Other provisions	6	2,799	3,095
Deferred tax liabilities		3	3
Total non-current liabilities		4,769	5,083
Current interest-bearing liabilities		269	413
Accounts payable		1,425	1,387
Tax liabilities		60	307
Other current liabilities		1,885	1,605
Accrued expenses and deferred income		2,798	2,389
Other provisions	6	471	574
Total current liabilities		6,908	6,675
TOTAL LIABILITIES		11,677	11,758
TOTAL EQUITY AND LIABILITIES		18,203	17,589

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

Comments on the balance sheet

Total assets as of June 30 totaled SEK 18,203m, which is an increase of SEK 614m from December 31, 2006. The change is mainly attributable to the period's positive result of SEK 1,045m as well as reversed and utilized provisions.

The equity-assets ratio was 36% compared to 33% on December 31, 2006.

Interest bearing net claims totaled SEK 4,507m, an increase of SEK 622m compared to year-end.

Statement of cash flows – Group

Statement of cash flows		2007		2006	
		Jan–Jun	Jan–Jun	Full year	Full year
SEKm	Note				
OPERATING ACTIVITIES					
Earnings after financial items		1,481	1,133	1,578	
Adjustments for non-cash-flow items:					
Reconciliation of depreciation according to plan		526	453	1,019	
Reconciliation of impairments of fixed assets, etc.					
Capital gain/loss on sale of fixed assets		3	5	38	
Pension provisions		–111	–162	–159	
Other provisions		–400	–165	284	
Other items not affecting liquidity		–10	3	–19	
Tax paid		–497	–19	–31	
Cash flows from operating activities before changes in working capital		992	1,248	2,710	
Cash flows from changes in working capital					
Increase (–)/decrease (+), accounts receivable		–104	85	–261	
Increase (+)/decrease (–), accounts payable		18	–6	131	
Other changes in working capital		540	–184	22	
Changes in working capital		454	–105	–108	
Cash flows from operating activities		1,446	1,143	2,602	
INVESTING ACTIVITIES					
Investments in intangible fixed assets		–5	–3	–10	
Investments in tangible fixed assets	9	–493	–488	–999	
Acquisition of subsidiary		–124	–1,867	–1,877	
Disposal of subsidiary			17	17	
Divestment of financial fixed assets		29			
Divestment of other fixed assets, etc.		125	12	24	
Increase (–)/decrease (+), current financial liabilities		84	251	456	
Cash flows from investing activities		–384	–2,078	–2,389	
FINANCING ACTIVITIES					
Loans raised		2	18	40	
Loans amortized		–9	–218	–564	
Amortization of leasing liability		–66	–61	–107	
Dividend paid		–400	–177	–177	
Increase (+)/decrease (–), other financial liabilities		4	–25	–74	
Cash flows from financing activities		–469	–463	–882	
CASH FLOWS FOR THE PERIOD		593	–1,398	–669	
Cash and cash equivalents, beginning of the period		3,919	4,588	4,588	
Differences in exchange rates in cash and cash equivalents		11			
Cash and cash equivalents, end of the period		4,523	3,190	3,919	

Comments on the statement of cash flows

January–June

Cash flows from operating activities amounted to SEK 1,446m (1,143). Cash flows from operating activities for the period are mainly due to the strong earnings after financial items.

Cash flows from investing activities totaled SEK –384m (–2,078). Investments in tangible non-current assets totaled SEK 493m (488). Investments in new technologies and capacity in the letter and parcel network amounted to SEK 125m. Replacement investments in premises, vehicles and IT

amounted to SEK 368m. Acquisitions and divestments of group companies have affected investment activities by SEK –124m (–1,850).

Cash flows from financing activities amounted to SEK –469m (–463), explained primarily by dividends of SEK 400m (177) and amortizations of leasing liabilities.

Cash and cash equivalents at the end of the period totaled SEK 4,523m (3,190). Compared to the end of 2006, cash and cash equivalents have increased by SEK 593m, excluding SEK 11m in currency exchange rates. The increase is mainly a result of strong earnings.

Changes in equity – Group

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 1/1/2006	600	42	-6	28	4,396	5,060	8	5,068
Translation differences for the period				-26		-26		-26
Change in hedging reserve			6			6		6
Due from acquisitions							6	6
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner			6	-26		-20	6	-14
Earnings for the period					861	861	3	864
Total changes in capital wealth, excl. transactions with the Company's owner					861	861	3	864
Dividends					-175	-175	-2	-177
Equity 6/30/2006	600	42	0	2	5,082	5,726	15	5,741
Equity 7/1/2006	600	42	0	2	5,082	5,726	15	5,741
Translation differences for the period				-57		-57	-1	-58
Change in hedging reserve								
Due from acquisitions							-1	-1
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				-57		-57	-2	-59
Earnings for the period					148	148	1	149
Total changes in capital wealth, excl. transactions with the Company's owner					148	148	1	149
Dividends					0	0		0
Equity 12/31/2006	600	42	0	-55	5,230	5,817	14	5,831
Equity 01/01/2007	600	42	0	-55	5,230	5,817	14	5,831
Translation differences for the period				54		54	1	55
Due from acquisitions						0	-5	-5
Total changes in capital wealth recognized directly in equity, excl. transactions with the Company's owner				54		54	-4	50
Earnings for the period					1,042	1,042	3	1,045
Total changes in capital wealth, excl. transactions with the Company's owner					1,042	1,042	3	1,045
Dividends					-400	-400		-400
Equity 6/30/2007	600	42	0	-1	5,872	6,513	13	6,526

¹⁾ Number of shares 600,000

Comments on changes in equity

Equity totaled SEK 6,526m, which is an increase of SEK 695m from December 31, 2006.

Return on equity, rolling 12 months, was 19% (40%) compared to 19% for the full-year 2006. The lower year-on-year returns are mainly attributable to restructuring costs in the fourth quarter of 2006 and to higher tax costs during the first half of 2007. The target for return on equity is 15% as of 2007. Of total equity, SEK 6,513m is attributable to parent company shareholders and SEK 13m 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 EC Commission for application within the EU.

Consolidated financial statements

The Group interim 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 interim report as in the 2006 Annual Report, with the exception of what is stated below regarding changes in the reporting of business segments.

Changed accounting principles

As of January 1, 2007, the Posten Group operates in a new organizational structure with the business segments Messaging, Stralfors, 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.

Note 2 Estimates and assumptions

In making these financial reports, the executive management has made estimates and assumptions which 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 the executive management form the basis for the values reported 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 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 amortizations 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 yearly (end of the year) actuarial calculations 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 fall 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 forecasts for financial transaction volumes, which depend on successively changing consumer behavior and the geographic reach of the cashier service for fulfilling the obligations. These factors have a considerable effect on the size of the provisions. An assumption has also been made that the present state subsidy level of SEK 400m will still apply after 2007. Changes in actual consumer behavior may deviate from the assumptions and lead to more dramatically different volumes, thus impacting the needs for provisions. The Swedish National Post and Telecom Agency (PTS) will use their 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. A different view of the state subsidies within the state budget process and the EU Commission may influence the necessary amount of provisions.

In the process of becoming a corporate entity in 1994, 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 estimated 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 carryforward has been made based on business plans and estimations of future taxable profits that can utilize tax loss carryforwards. 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 claim 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 location network and business centers.

Stralfors offers start-to-finish solutions for information transfer. Posten Logistics provides services for palletized logistics, parcels and express delivery, and in-night freight forwarding. 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 allocated assets include those incorporated into the calculations of operative capital in the internal management reporting.

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.

January–June 2007, SEKm	Posten Messaging	Stralfors	Posten Logistics	Cashier Service	Parent company functions	Adjust- ments and eliminations	The Posten Group
INCOME AND EARNINGS							
Net sales, external	8,535	1,971	4,046	310			14,862
State Reimbursement				200			200
Intra-group net sales	37	24	44	1		–106	0
Total net sales	8,572	1,995	4,090	511		–106	15,062
Other income, external	15	17	8	1	26	10	77
Other income, intra-group	376		633	13	1,232	–2,254	0
Total income	8,963	2,012	4,731	525	1,258	–2,350	15,139
Operating earnings	1,170	16	196	92	–88	2	1,388
Net financial items							93
Earnings after financial items							1,481
Tax							–436
Earnings for the period							1,045
ASSETS							
Allocated assets	3,111	3,334	3,430	65	909	405	11,254
Unallocated assets							6,949
Total assets							18,203
<hr/>							
January–June 2006, SEKm	Posten Messaging	Stralfors	Posten Logistics	Cashier Service	Parent company functions	Adjust- ments and eliminations	The Posten Group
INCOME AND EARNINGS							
Net sales, external	8,459	293	3,622	411	141		12,926
State Reimbursement				200			200
Intra-group net sales	33	3	25	1	–4	–58	0
Total net sales	8,492	296	3,647	612	137	–58	13,126
Other income, external	21	2	5	1	61	32	122
Other income, intra-group	424		587	15	1,175	–2,201	0
Total income	8,937	298	4,239	628	1,373	–2,227	13,248
Operating earnings	1,002	–9	–76	92	–35	96	1,070
Net financial items							63
Earnings after financial items							1,133
Tax							–269
Earnings for the period							864
ASSETS							
Allocated assets	2,981	3,024	3,177	338	918	488	10,926
Unallocated assets							6,415
Total assets							17,341

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	
	Jan–Jun	Jan–Jun	Full year
Cost of premises	728	727	1,492
Provisions	–33	2	622
Mail processing facility fees	485	463	952
Cost of goods and material	1,115	359	1,388
Other	1,730	1,606	3,333
Total	4,025	3,157	7,787

Note 5 Pension provisions

Pension provisions totaled SEK 1,015m, an increase of SEK 72m, compared to December 31, 2006.

Pension provisions, SEKm	2007	2006
	Jan–Jun	Jan–Dec
OB	943	681
Pension liability	215	234
Additional pension liabilities from acquisitions	1	138 ¹⁾
Early retirements	241	422
Funds for group companies that have been transferred to Posten's Pension Fund	–385	–532
CB	1,015	943

¹⁾ Pertains to Stralfors 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 2,016m, an increase of SEK 184m compared to December 31, 2006.

Actuarial assumptions (in accordance with IAS) %	2007	2006	2005
Discount rate	4.00	4.00	4.00
Expected return on assets under management	5.00	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 and realized funds from these companies totaled SEK 385m (267), and refunds issued from the Fund have totaled SEK 342m (318). After transfers of funds and disbursed refunds, the market value of the net assets totaled SEK 14,036m compared to SEK 13,712m on December 31, 2006. The market value exceeded outstanding commitments by SEK 2,582m compared to SEK 2,573m on December 31, 2006.

The fund's degree of consolidation as of June 30 totaled 123 (123)%. The net return for the period, less all costs and taxes, was 2.0 (0.1)%.

Asset class, SEKm	2007		2006	
	Jun 30	%	Dec 31	%
Index-linked bonds	4,797	34	4,979	36
Other interest-bearing assets	1,506	11	2,288	17
Total interest-bearing assets	6,303	45	7,267	53
Property	815	6	605	4
Stocks	3,906	27	3,434	25
Private Equity	378	3	218	2
Hedge funds	2,634	19	2,188	16
Total other assets	7,733	55	6,445	47
Total	14,036	100	13,712	100

Note 6 Other provisions

Statement of changes to other provisions, SEKm	2007 Jan 1 OB	Provisions and reversals	Utiliza- tions	2007 Jun 30 CB
Allocated provisions				
Closure provision, Cashier Service ¹⁾	1,109		–111	998
Closure provision, terminal network, Logistics	1		–1	0
Provision for downsizing, central administration, year 2004	4		–1	3
Provision for reorganization, Production & Logistics	1		0	1
Provision for downsizing and reorganization 2006	480		–222	258
Provision for disability benefits	102		–5	97
Provisions, future conditional pension benefits	1,496	34		1,530
Provision for payroll tax health insurance	155			155
Other provisions	321	–33	–60	228
Total other provisions	3,669	1	–400	3,270
Of which current provisions	574			471

Statement of changes to other provisions, SEKm	2006 Jan 1 OB	Provisions and reversals	Utiliza- tions	2007 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
Provision for downsizing, central administration, year 2004	16	–2	–10	4
Provision for reorganization, Production & Logistics	20	–1	–18	1
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
Additional in connection with acquisition of Stralfors		25		25 ³⁾
Total other provisions	3 405	693	–429	3 669
Of which current provisions	459			574

¹⁾ The Parliament decided on June 14, 2007 that 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 from the category "Other provisions."

Note 7 Assets pledged and contingent liabilities

	2007	2006
SEKm	Jun 30	Dec 31
Assets pledged		
Endowment insurance policy for current and previous employees	96	96
Assets pledged as securities	19	22
Total	115	118
	2007	2006
SEKm	Jun 30	Dec 31
Contingent liabilities		
Warranty costs, FPG	78	78
Cashier Service ¹⁾		850
Residual value guarantee of leased property ²⁾	171	171
Other guaranties	16	24
Total	265	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 have been eliminated.

²⁾ 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. In early 2000, the property market value rose significantly higher than SEK 190m, after which the market development has been positive. This means that the contingent liability is not likely to be realized in the current situation.

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 200m (200) to support the provision of services in commercially unviable areas lacking suitable alternatives.

Posten has paid PTS SEK 8m (7) for permits to run postal operations, and 4m (3) for handling dead letters. Posten has received disability compensation of SEK 19m (21) 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. During the period, Posten paid premiums of SEK 121m (143) to the insurance association, and received compensation totaling SEK 6m (7). 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 June 30, 2007, Posten had entered into agreements for acquiring tangible fixed assets for a value of SEK 268m (409), primarily for sorting equipment and vehicles.

Note 10 Acquisitions of operations

In May 2007 Posten acquired through Stralfors 100 percent of the shares in Medigrafik A/S in Copenhagen, and in AB Cerbo Göteborg, now called Stralfors Göteborg AB. Cash and cash equivalents paid for these shares total SEK 120m. The acquisition has increased intangible assets by SEK 81m, although the acquisition analysis is still preliminary. The companies are leading manufacturers of printed packaging material to the pharmaceutical industry, and together have sales of SEK 146m, with approximately 100 employees.

Parent company's financial statements

Income statement – parent company

SEKm	Note	2007		2006		
		Jan–Jun	Apr–Jun	Jan–Jun	Apr–Jun	Full year
Net Sales ¹⁾	1	1,047	540	9,956	4,889	20,033
Other operating income		89	49	202	83	401
Total income		1,136	589	10,158	4,972	20,434
Personnel costs		–338	–174	–4,887	–2,438	–9,800
Transportation costs				–1,764 ²⁾	–881 ²⁾	–3,683 ²⁾
Other costs	2	–864	–469	–2,539 ²⁾	–1,274 ²⁾	–5,810 ²⁾
Depreciation and impairments of tangible and intangible fixed assets		–31	–15	–230	–113	–457
Total operating costs		–1,233	–658	–9,420	–4,706	–19,750
OPERATING EARNINGS		–97	–69	738	266	684
Earnings from participations in group companies		133	47	84	66	163
Earnings from other securities and receivables which are fixed assets		0	0	0	0	0
Interest income and similar income items		104	53	61	26	126
Interest expense and similar cost items		–51	–36	–36	–17	–64
Total financial items		186	64	109	75	225
EARNINGS AFTER FINANCIAL ITEMS		89	–5	847	341	909
Depreciation in excess of plan						–146
Tax		–36	–6	–276	–119	–183
NET EARNINGS		53	–11	571	222	580

¹⁾ In the scope of Posten's new operational structure, the parent company operations include shared corporate 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⁾ Reclassifications have been made from Transportation costs to Other costs, terminal fees of SEK 99m for Jan–Jun 2006, SEK 56m for Apr–Jun 2006, and SEK 215m for the full year 2006.

Balance sheet – parent company

SEKm	Note	2007	2006
		Jun 30	Dec 31
ASSETS			
Intangible fixed assets		43	195
Tangible fixed assets		181	1,554
Financial fixed assets	3	6,022	4,239
Total fixed assets		6,246	5,988
Inventory		19	31
Current receivables		2,388	4,150
Short-term investments		3,300	2,913
Cash and bank balances		410	277
Total current assets		6,117	7,371
TOTAL ASSETS		12,363	13,359
EQUITY, PROVISIONS AND LIABILITIES			
Equity		4,505	4,851
Untaxed reserves		146	146
Provisions		1,593	3,041
Long-term liabilities		416	429
Current liabilities		5,703	4,892
EQUITY, PROVISIONS AND LIABILITIES		12,363	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	
	Jan–Jun	Jan–Jun	Full year
Cost of premises	271	625	1 296
Provisions/reversals	–33	6	592
Terminal fees		501	1,040
Costs of goods and material	69	105	233
Other	557	1,302	2,649
Total	864	2,539	5,810

Not 3 Finansiella anläggningstillgångar

SEKm	2007	2006
	Jun 30	Dec 31
Accumulated acquisition value, beginning of the year	4 239	2 179
Acquisition/establishment of subsidiaries		2,049
Capital infusion	2,205	5
Other changes	–422	6
Total	6,022	4,239

Note 4 Transactions with associated parties

Swedish State

Posten AB has paid PTS SEK 8m (7) for permits to run postal operations.

Other organizations

Posten's insurance association insures Posten's commitments for employee disability and family pensions in accordance with ITP-P. During the period, Posten AB paid premiums of SEK 8m (123) to the insurance association, and received compensation totaling SEK 5m (6). Received compensation also includes payments for Posten Messaging AB and Posten Logistik AB.

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

SEKm	2007	2006
	Jun 30	Dec 31
Assets pledged		
Endowment insurance policy for current and previous employees	92	95
Assets pledged as securities	0	7
Total	92	102
Contingent liabilities		
Warranty costs, FPG	730	730
Guaranties for subsidiaries' benefit ¹⁾	202	148
Guaranties for joint ventures' benefit	90	85
Residual value of leased properties ²⁾	171	171
Other guaranties	3	3
Total	1,196	1,137

¹⁾ As of June 30, 2007, Posten AB has pledged a total of SEK 77 (70)m in capital adequacy guarantees for the benefit of its subsidiaries.

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. In early 2000, the property market value rose significantly higher than SEK 190m, after which the market development has been positive. This means that the contingent liability is not likely to be realized in the current situation.

Quarterly data

SEKm, unless otherwise specified	2007		2006				2005			
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net Sales	7,358	7,704	7,940	6,757	6,567	6,559	6,992	5,933	6,261	6,091
Operating earnings	545	843	-159	531	424	646	339	548	221	173
Operating margin, %	7	11	-2	8	6	10	5	9	4	3
Earnings after financial items	588	893	-119	564	449	684	341	566	219	176
Net earnings	431	614	-300	449	323	541	539	558	204	177
Cash flows from operating activities	673	773	1,512	-53	690	453	1,228	-98	612	509
ROE, %, rolling 12 months	19	18	19	35	40	39	34	35	35	33
Equity-assets ratio, %, at end of period	36	36	33	36	33	35	33	30	27	26
Average number of employees, from the beginning of the year to end of period	32,489	32,279	33,395	33,146	32,018	31,496	33,520	33,771	33,192	33,117
ViP, Employee Satisfaction Index	65	65	64	64	63	63	63	63	62	63
CSI, Customer Satisfaction Index	63	63	62	62	62	61	61	61	62	63

Definitions

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

Changes in productivity: Result trend which is wholly dependent on volume-related revenue 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 result trend as regards the calculation of productivity.

Customer Satisfaction Index (CSI): CSI is a performance metric that reflects achievement relating to the customer satisfaction target. A total of 15,000 customer interviews are conducted among Swedish businesses and consumers regularly throughout the year and reported on a quarterly basis. Fourth-quarter results are counted as full-year results and measured against stated targets. Units responsible for providing customer services set and follow up goals using the CSI. The method yields information about key improvements that will enhance customer satisfaction. The results also provide an issue-specific scorecard and a holistic assessment of service quality. As of the first quarter of 2007 the principles for weighting of the total index have been changed but will have only a marginal impact.

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.

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

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

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

Operating margin: Operating earnings as a percentage of operating income (net sales and other operating income). This definition has been revised from the quarterly report for January-March 2007.

The effect on comparative values has been less than 1 percentage point.

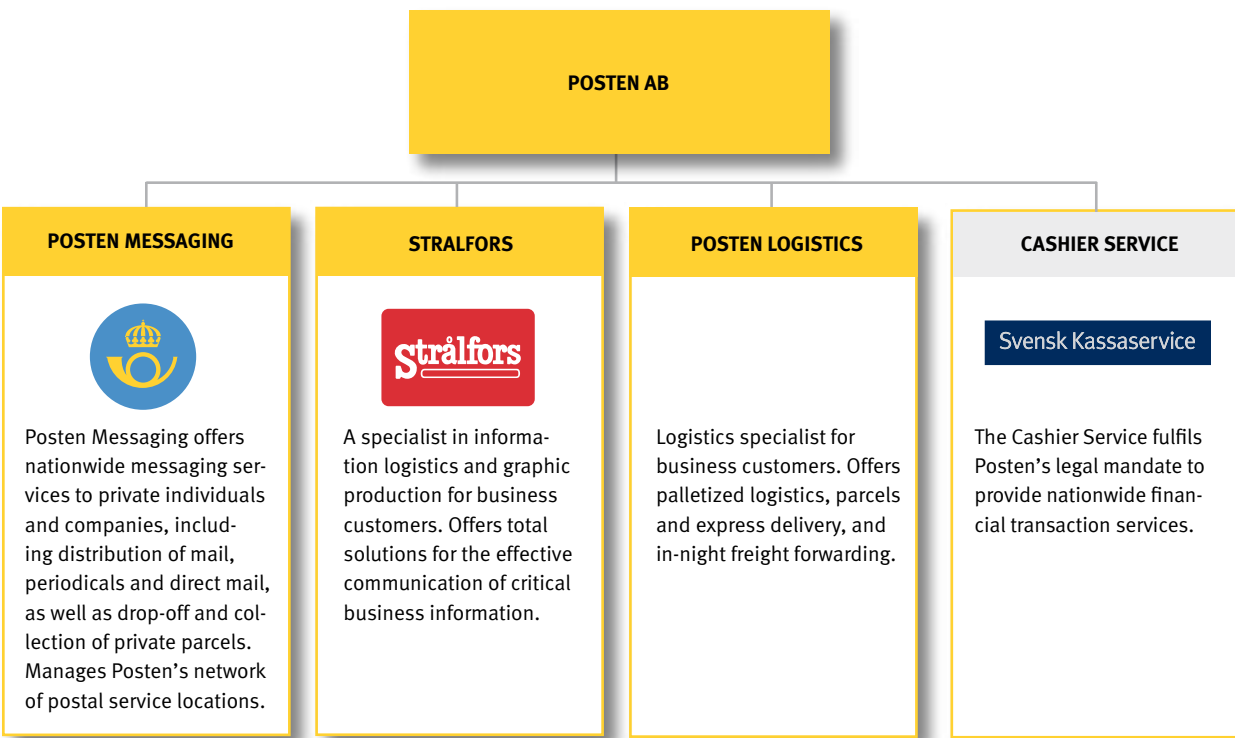
Priority Mail: Mail that enters the production flow for distribution the day after acceptance.

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

Sickness absenteeism: The rate of sickness absenteeism is calculated by placing the number of sickness absenteeism hours in relation to contracted work time. Contracted work time refers to collective agreements and employment agreements. Sickness absenteeism information refers only to employees in Sweden.

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 ViP index includes all employees in Sweden with the exception of Cashier Service and Stralfors.

Operational structure



A corporation for increased effectiveness and competitiveness

In order to increase competitiveness for Posten as a whole and for the main business segments Messaging, Stralfors and Logistics, Posten has begun working in a new operational structure as of January 1, 2007. Between 2004–2006, Posten has worked with goal-oriented change processes 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, Messaging, Stralfors and 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

Posten's Contact Center

SE-105 00 Stockholm, Sweden
Consumer: 020-23 22 21
Business: 020-23 22 20
Email: kundtjanst.foretag@posten.se
kundtjanst.privat@posten.se

