

Norway Post

Third quarter report – Q3 2007

29 October 2007



Main items

- Growth in operating revenues of 16,4% to NOK 19,8 billion
- Earnings negatively affected by increased personnel and transport costs as well as the startup of CityMail Denmark
- 10,7% return on invested capital excluding the gain of MNOK 625 from the sale of Norway Post's Letter Terminal in Oslo
- New Nordic acquisitions in the third quarter
 - Bekk Consulting AS
 - Operations in Stenkilssons Åkeri AB
- Quality A-priority mail delivered over night was 88.1 % in the third quarter

BEKK

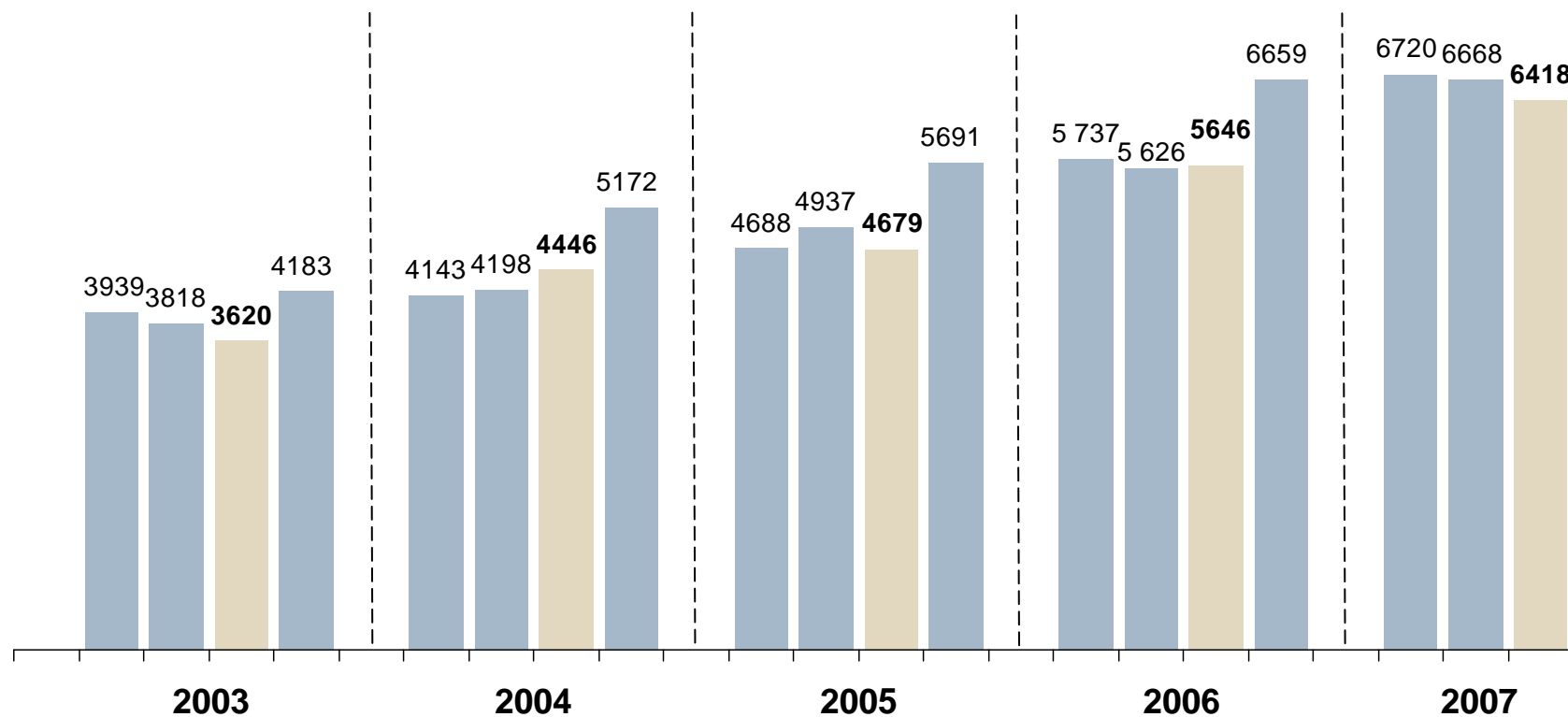
BROR STENKILSSONS ÅKERI AB
TRANSPORT
LAGRING



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Operating revenues per quarter

Average annual revenue growth of 14,9% (2003-2007)



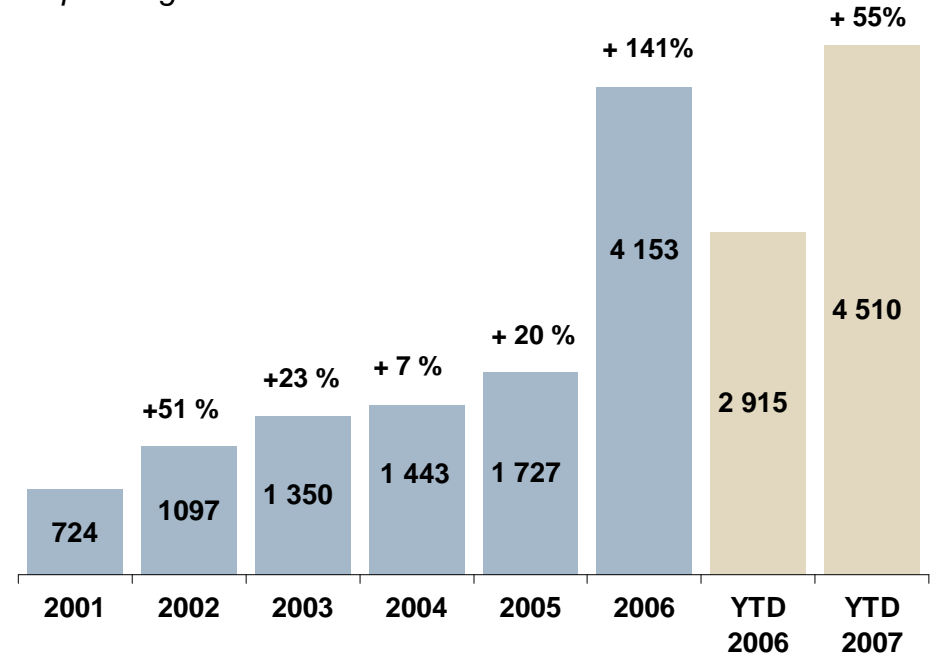
Operating revenues per quarter in MNOK

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Operating revenues from foreign subsidiaries



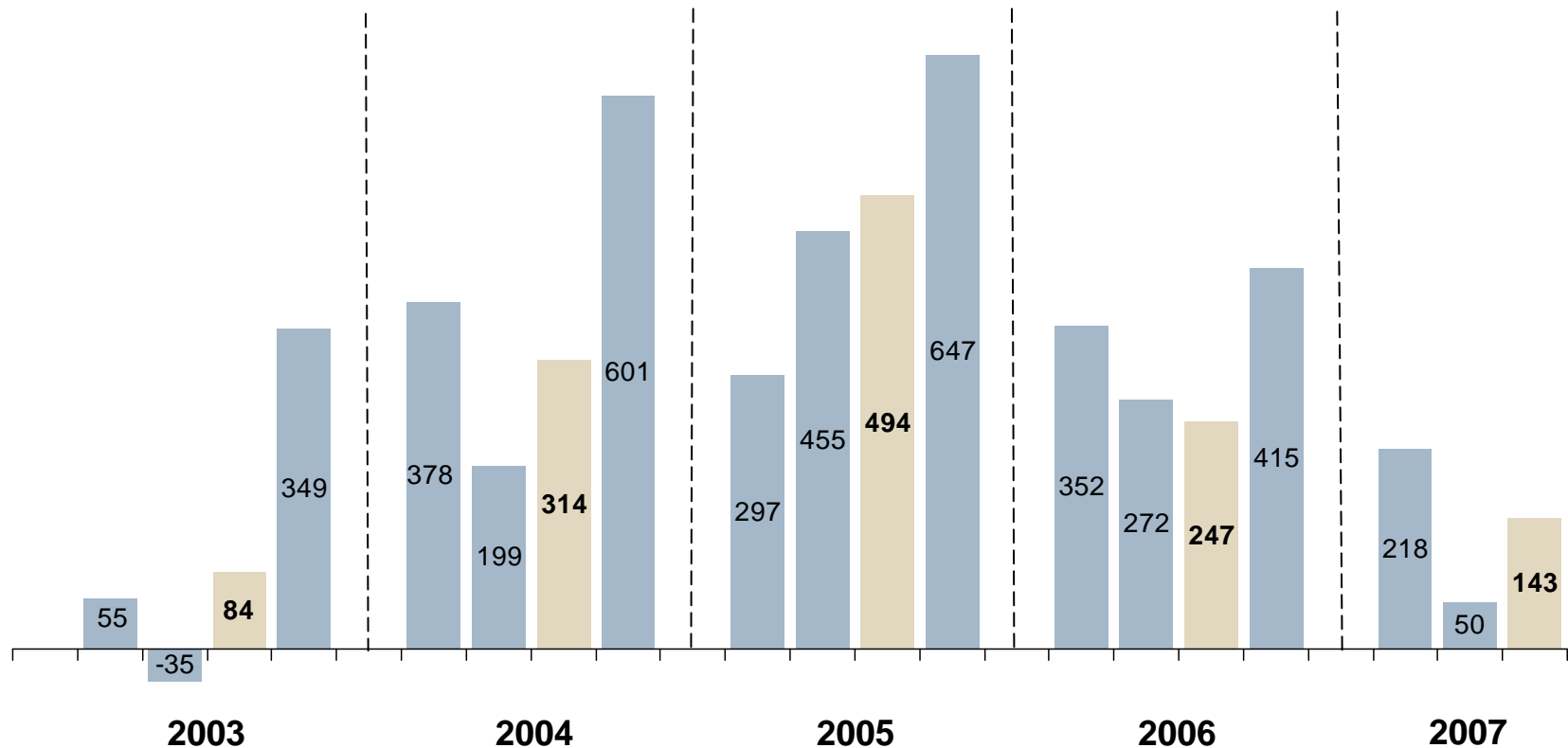
- *Operating revenues in MNOK*



- As at September 2007 operating revenues from foreign subsidiaries have increased by MNOK 1 595 (54.7 %) from the same period in 2006, and account for 22.8 % of the Group's revenues

- From 2001 to 2007 Norway Post's income from foreign subsidiaries has grown by an average annual rate of 44.6%

EBIT before non-recurring items per quarter

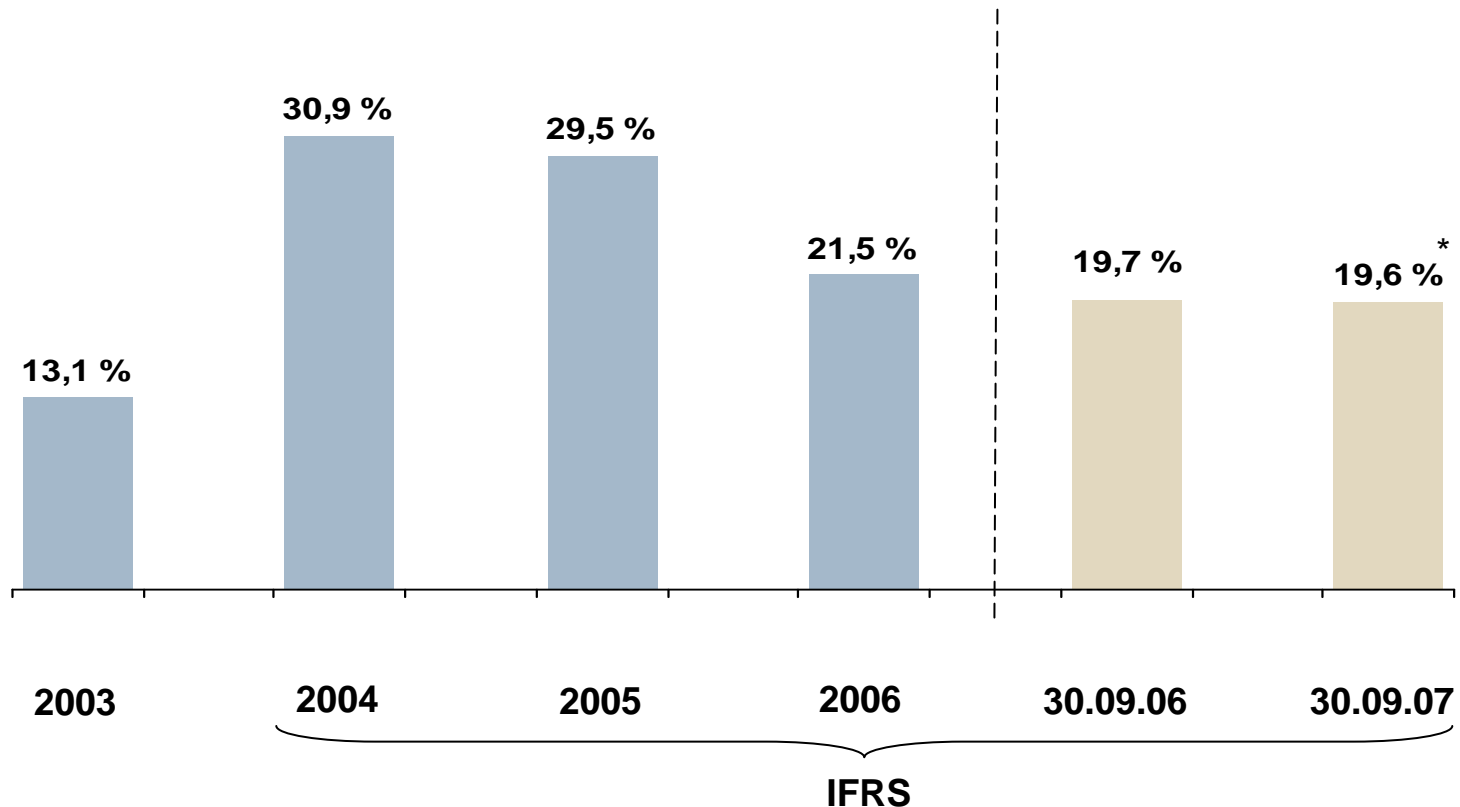


EBIT before non-recurring items per quarter in MNOK

IFRS

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Return on invested capital (ROIC)

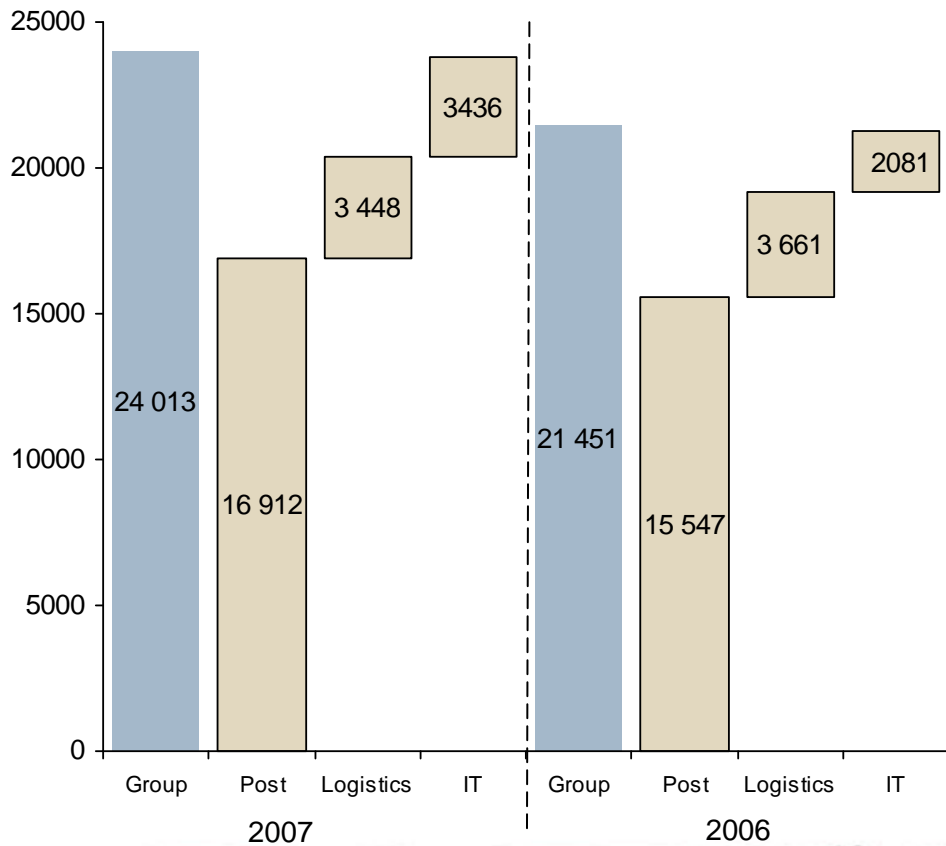


Return on invested capital after non-recurring items in %

*) The return on invested capital before the gain on the sale of Norway Post's Letter Terminal was 10.7 %

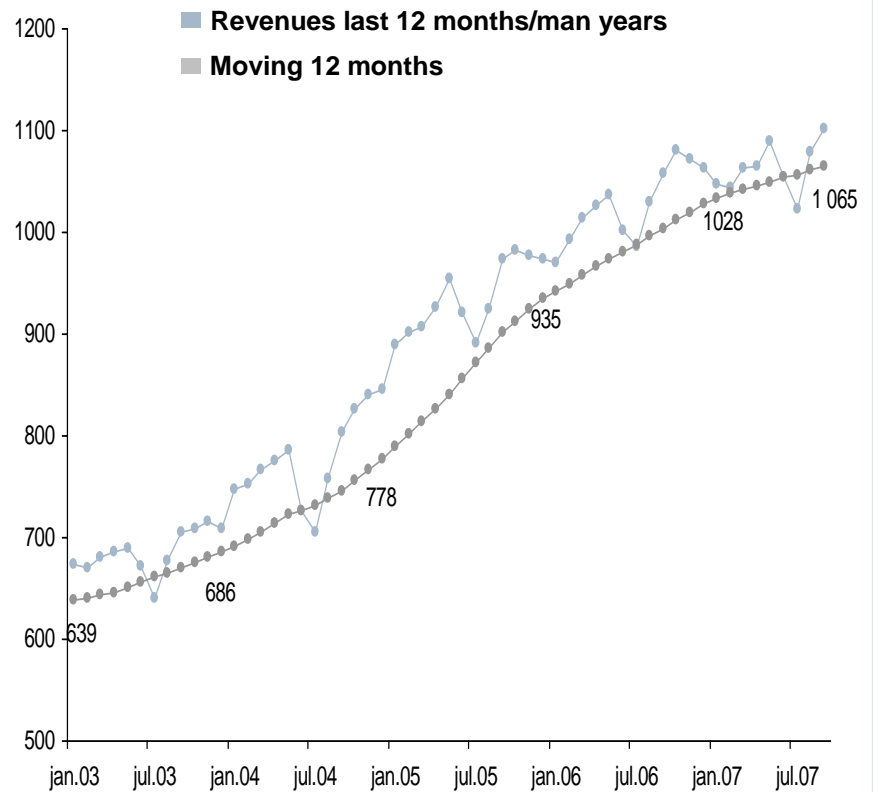
Staff

Man years, Segment
(Full-time equivalents)



Revenues/man years

TNOK

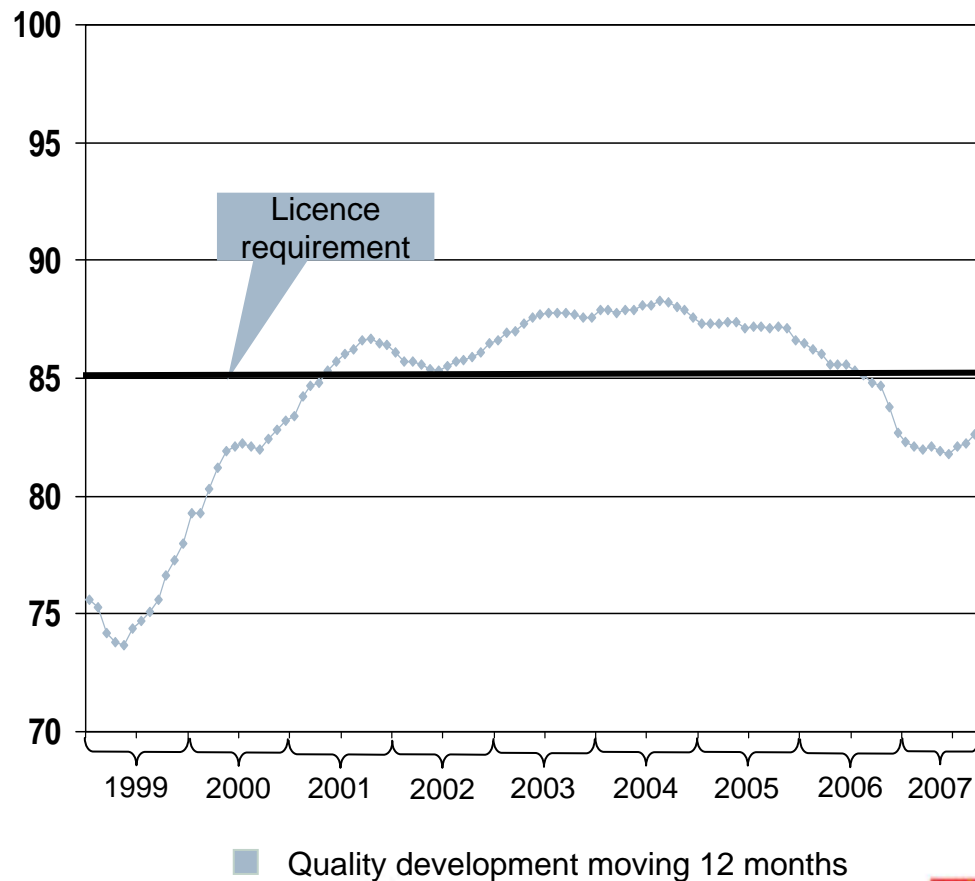


postnordiska



Quality development A (priority) mail (moving 12 months)

- Delivery quality for overnight A (priority) mail is 85% as of September 2007, compared with 85.5% for the same period in 2006
- From Q2 to Q3 the quality has improved by 1.8 %-points (from 86.3 % to 88.1 %)
- Since March 2007 Norway Post's delivered quality for overnight A (priority) mail has again been over the licence requirement. Norway Post continues its efforts to stabilise quality at a high level



Licence requirement fulfilment Q3 2007

A (priority), delivered within 1 day	88,1%. (85 %)
A (priority), delivered within 3 days:	99,3%. (97 %)
B (economy), delivered within 4 days:	97,1%. (85 %)
B (economy), delivered within 6 days:	99,9%. (97 %)
Lettgoods, delivered within 4 days:	97,7%. (85 %)
Lettgoods, delivered within 6 days:	99,8%. (97 %)

Regional figures for A (priority) overnight

- Eastern region (Oslo and Hamar) 90,2 %
- Southern region (Drammen and Stokke) 86,1 %
- Western region (Stavanger and Bergen) 87,9 %
- Central region (Molde, Ålesund and Tr.heim) 88,5 %
- Northern region (Bodø, Evenes and Tromsø) 82,5 %

Profit and loss

Q3 2007	Q3 2006	Change	MNOK	YTD 2007	YTD 2006	Change	2006
6 418	5 646	772	Operating revenues	19 806	17 009	2 797	23 668
353	444	-91	EBITDA	1 019	1 380	-360	2 037
143	247	-104	EBIT before non-recurring items	411	872	-461	1 287
-6	17	-23	Non-recurring items	-624	33	-658	-26
149	231	-81	EBIT	1 035	839	197	1 313
-58	-20	-37	Net financial items	-64	-63	-1	-113
91	210	-119	Net income before tax	971	776	195	1 200

Key figures

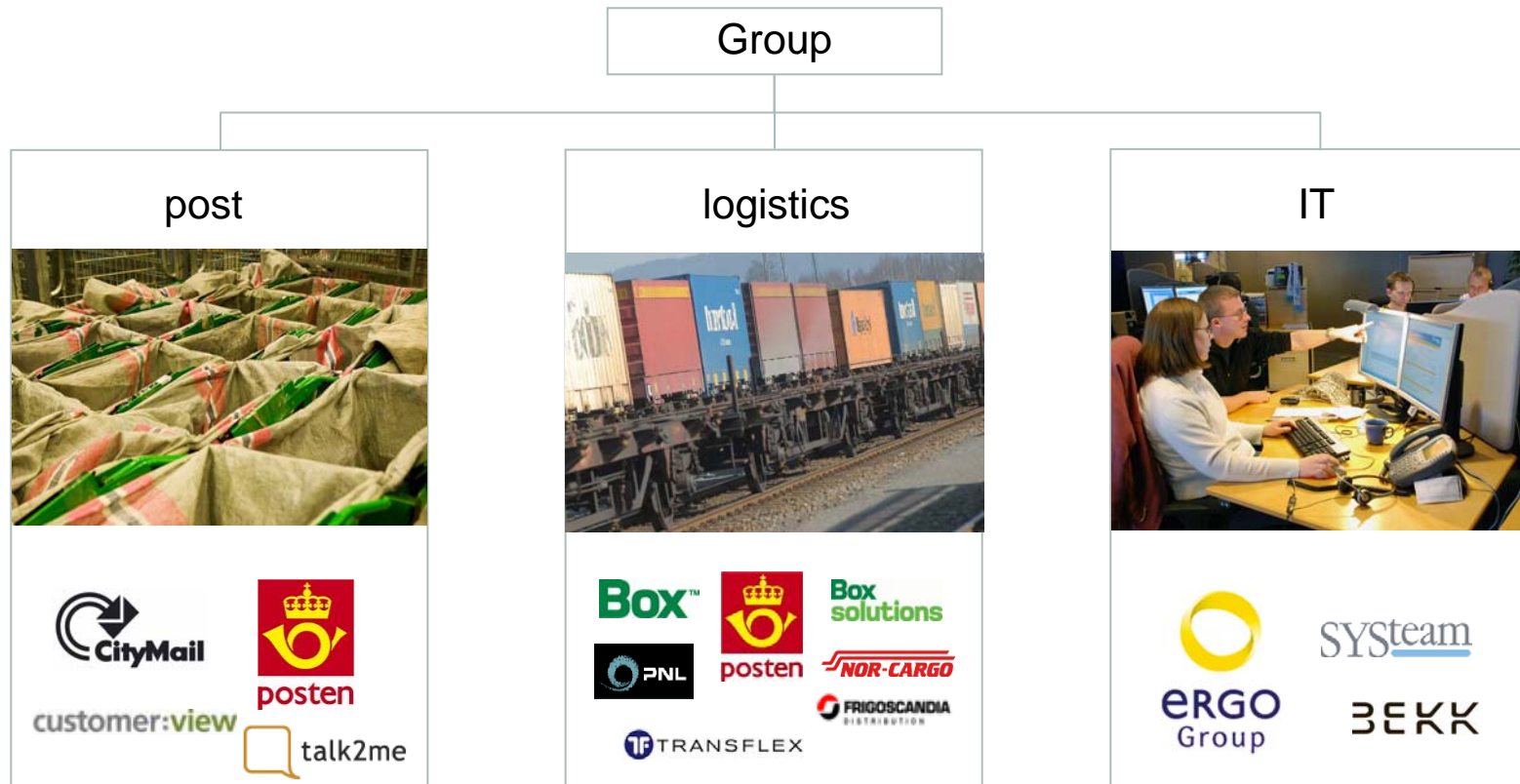
- Investments in the first half of 2007 amounted to MNOK 2 484, an increase of MNOK 56 compared with the same period in 2006
- Debt/EBITDA-factor is 1.9** (2006: 1.2)
- As at 30.09.2007 Norway Post had a liquidity reserve of MNOK 5 705 (including unused drawing rights)
- The decrease in ROIC compared with the corresponding period 2006 is mainly due to reduced profits (last 12 months) and increased in invested capital (acquisitions/goodwill)

MNOK	30.09.2007	30.09.2006	2006
Total capital	17 401	15 483	15 769
Equity	5 922	5 441	5 604
Interest-bearing liabilities	3 170	2 705	2 693
Equity ratio (%)	34,0	35,1	35,5
Return on equity (%)*	20,6	15,7	16,5
Debt ratio (net)	0,3	0,3	0,1
ROIC (%) before non-recurring items*	10,7	27,4	21,1
ROIC (%)*	19,6	19,7	21,5
EBIT-margin (%)	5,2	4,9	5,5

* Moving 12 months

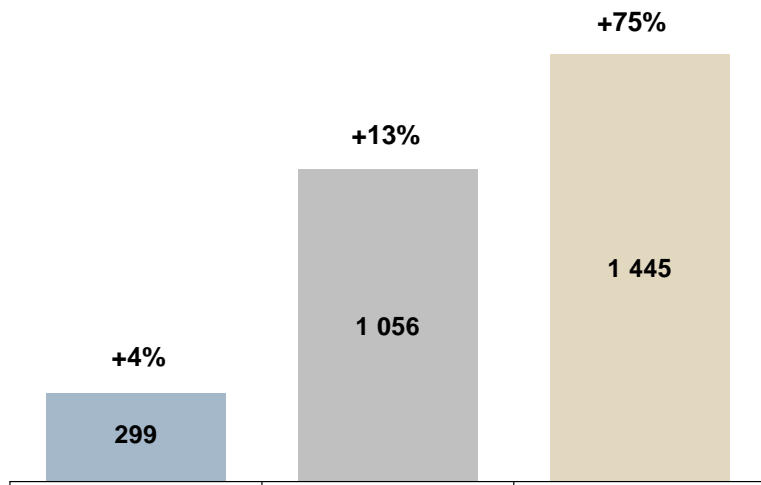
** Interest-bearing liabilities MNOK 3 170 and 12 month moving EBITDA MNOK 1 676

Segment structure for Norway Post Group

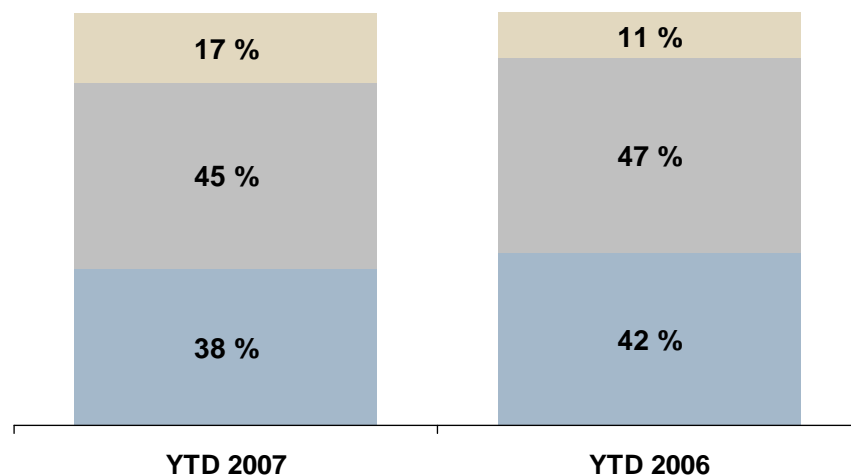


External operating revenues per segment

Change YTD 2006 – 2007 in MNOK and %



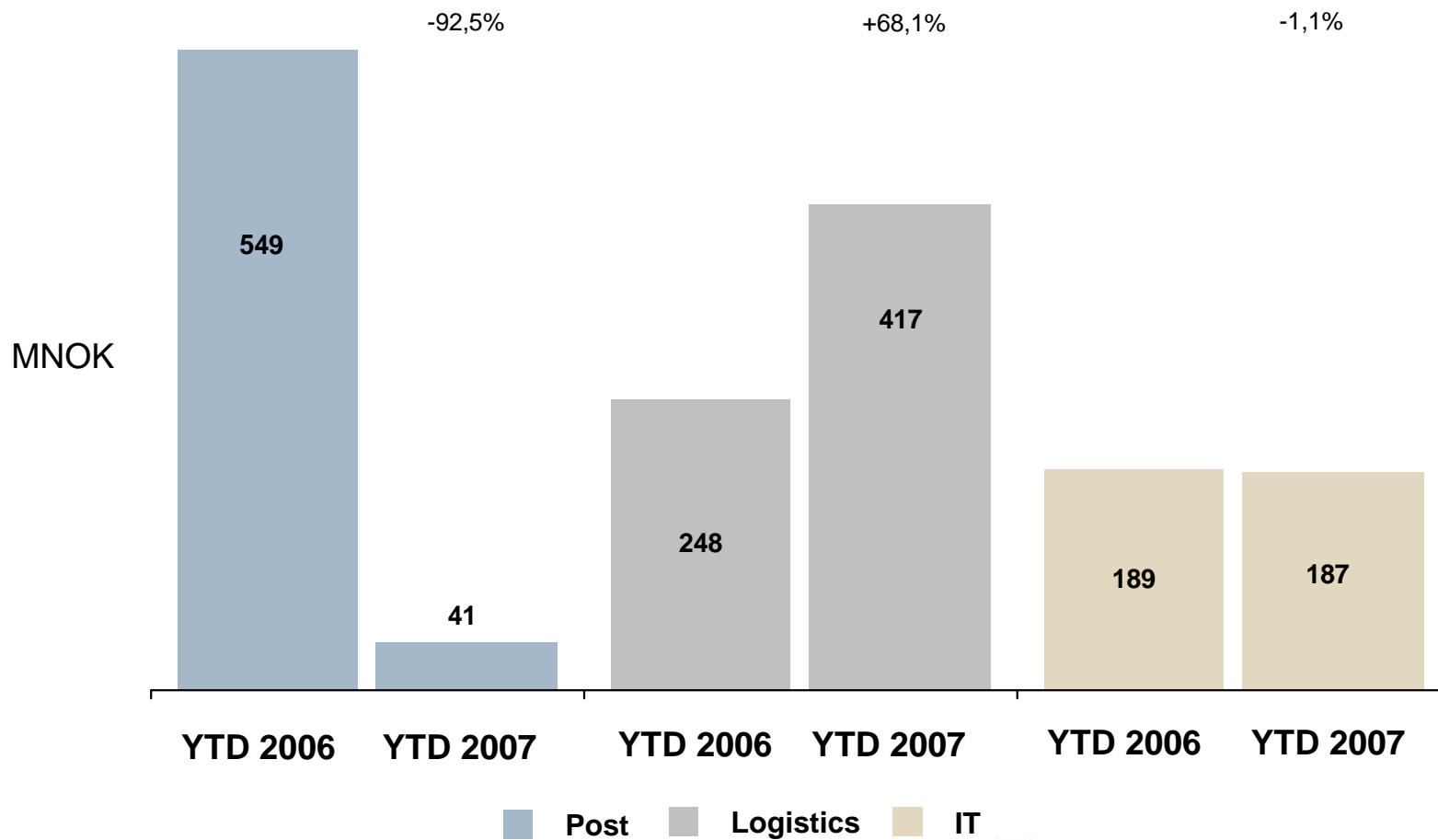
Share of revenues in %



■ Post ■ Logistics ■ IT

postnordiska innetjänster

EBIT per segment



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*) The gain of MNOK 625 from the sale of Norway Post's Letter Centre in Oslo is not included



Segment

post

logistics

IT

post



- letter mail
- communication products
- banking services
- sale of goods
- document management

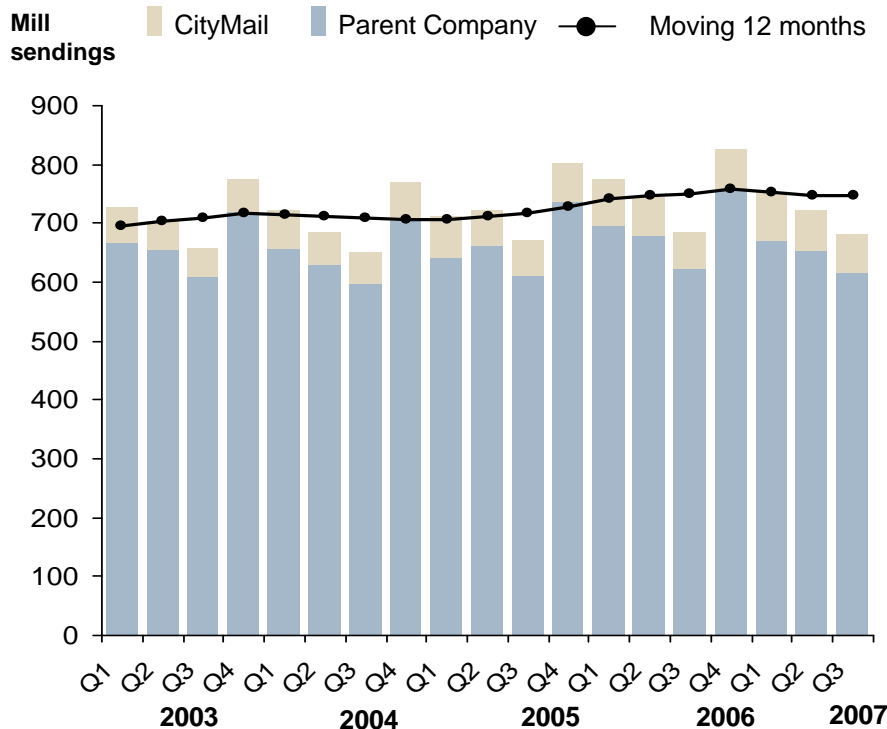
Volume development

post

logistics

IT

Volume mail products



Mail and bank products

% change pa.	2003	2004	2005	2006	YTD 2007
Mail Group	3,7	-1,3	2,9	4,1	-2,0
Mail Parent Company	3,2	-2,6	2,7	3,7	-2,8
A and B mail (Parent company)	-0,7	-6,8	-5,5	-0,9	0,6
Direct mail advertising*	6,9	0,4	10,7	5,5	-5,5
Mail CityMail Group	11,9	12,2	4,9	8,4	5,0
Bank transactions**	-8,3	-6,0	-11,9	-10,0	-11,3

* Addressed and unaddressed direct mail advertising

** Previous year's bank transactions have been adjusted due to the removal of purely electronic purchase transactions (payments for goods/services with bank cards) from the statistics

- Unaddressed direct mail advertising shows a decrease of 6 % from 2006 and accounts for 51 % of parent company mail volumes (53 %)

Key figures

post

logistics

IT

- The segment's total revenues as at 30 September 2007 were 3.8 per cent higher than the corresponding period last year, while mail volumes for the parent company were 2.8 per cent lower than in 2006
- Lower margins in 2007 as a result of increased costs related to personnel and transport as well as the start-up of CityMail Denmark
- Price changes were made to several mail products as of 1 October 2007 as a result of increased costs and because these products have not had price adjustments for two years
- Operating revenues for CityMail Group year to date amount to MNOK 608 (6.6% of segment revenues), compared with MNOK 549 (6.2 %) for the same period in 2006
- CityMail Sweden AB had a volume growth of 1.3 per cent as at 30 September 2007 compared with the corresponding period of 2006. As of the third quarter 2007 43 % of Swedish households were covered

MNOK	YTD 2007	YTD 2006	Change 07 - 06	Change %
Operating revenues	9 219	8 884	335	3,8%
EBITDA	336	853	-517	-60,6%
EBITDA margin	3,6	9,6	-6,0	-



talk2me

customer:view

oss människor inellom



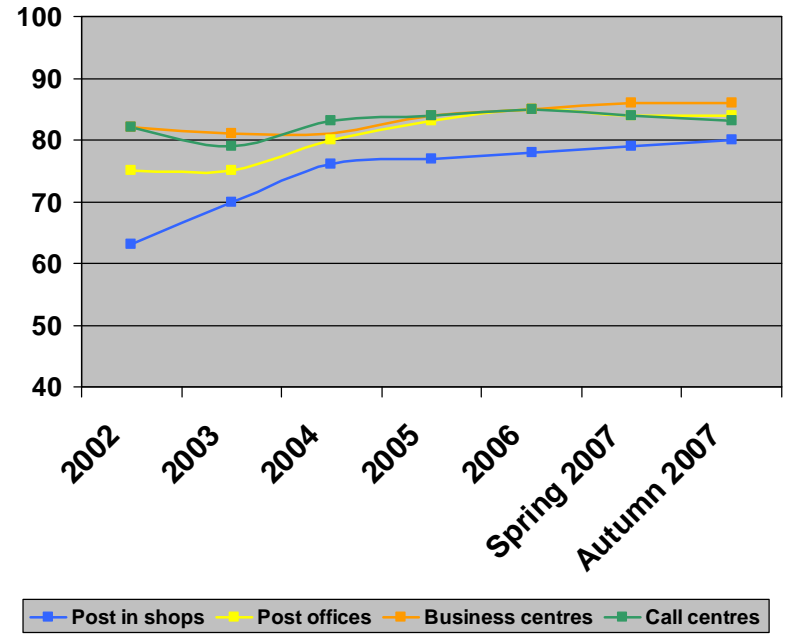
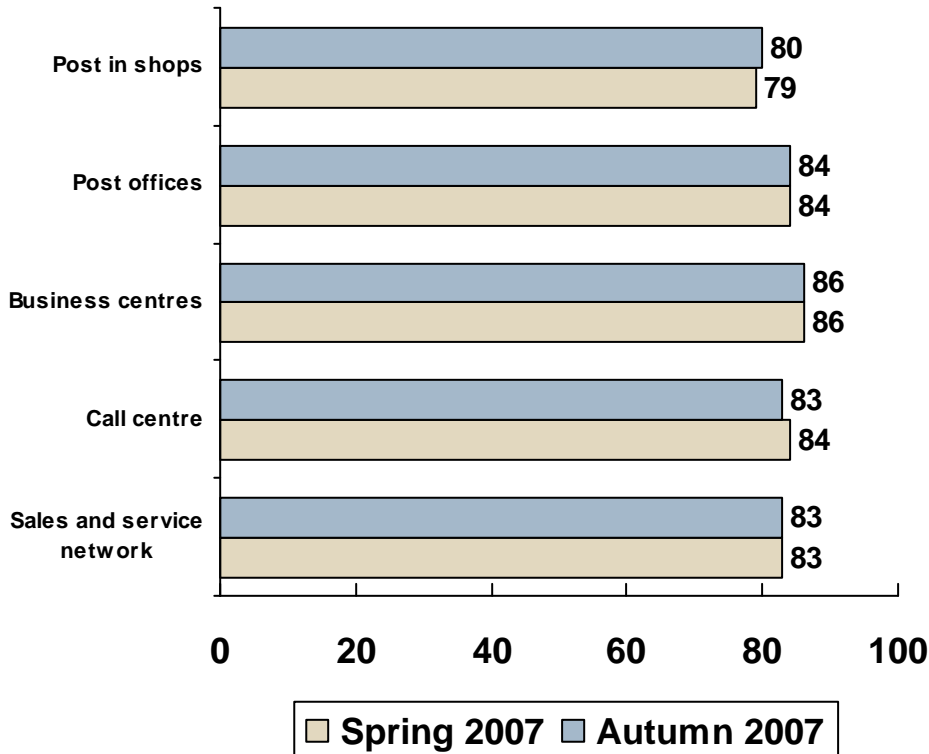
Customer satisfaction with the sales and service network Autumn 2007

post

logistics

IT

Question: How satisfied are you with this "office" all in all?



* All in all; how satisfied were you with the handling of your enquiry?

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Segment

post

logistics

IT

- cargo
- thermo transport
- air and sea
- special and heavy goods transport
- third party logistics
- stevedoring
- national and international parcels
- courier services in the Nordic region
- express-related logistics solutions

logistics



Box solutions

NOR-CARGO

FRIGOSCANDIA DISTRIBUTION

TF TRANSFLEX

Key figures

post

logistics

IT

- Operating revenues from international operations year to date amount to MNOK 2 894 (32 % of segment revenues) compared with MNOK 2 239 (28.1%) for the same period in 2006
- The international package volumes through PNL have developed positively, with an increase of 19,8 % compared with last year
- The logistics industry is still experiencing capacity problems, especially in the form of a shortage of drivers.
- Through its subsidiary Frigoscandia, Norway Post has purchased the operations of the Swedish company Stenkilssons Åkeri. The operations consist of 81 employees and 30 vehicles

MNOK	YTD 2007	YTD 2006	Change 07 - 06	Change %
Operating revenues	9 037	7 973	1 064	13,4%
EBITDA	506	357	149	41,7%
EBITDA margin	5,6	4,5	1,1	-



Segment

post

logistics

IT

- operations
- infrastructure
- solutions
- consulting services



IT



SYSteam

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Key figures

post

logistics

IT

- The increase in operating revenues of 57% is due mainly to the acquisition of SYSteam, as well as many new contracts in 2007
- Organic growth in the third quarter 2007 amounted to 7.9 % compared with 8.0 % in 2006
- Year to date ErgoGroup's Norwegian entities have entered into contracts with a total value of MNOK 1 517
- ErgoGroup acquired 75 % of the shares in Bekk Consulting AS in September, with an agreement to purchase the remaining shares within three years. The company has 180 employees and had revenues of MNOK 110 and earnings of MNOK 29 for the first half year 2007

MNOK	YTD 2007	YTD 2006	Change 07 - 06	Change %
Operating revenues	4 001	2 545	1 456	57,2%
EBITDA	392	293	99	33,8%
EBITDA margin	9,8	11,5	-1,7	-



SYSteam

BEKK

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Future focus areas

- Measures to improve results in the Post segment
- Stable delivery quality
- Continued focus on health, security and environment
- Workforce challenges in a tight labour market
- Nordic growth through strategic acquisitions
- Regulatory conditions



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