

Norway Post

Second quarter and half year report

2nd Quarter 2008





HALF-YEAR REPORT

SUMMARY

Operating revenues continued to increase in the first half-year 2008 compared with the same period in 2007. The increase of NOK 982 million is mainly due to acquisitions and a higher volume of logistics products.

The Group's earnings before interest and taxes (EBIT) for the first half-year 2008 came to NOK 330 million, NOK 556 million less than for the same period last year. In 2007, the EBIT was positively affected by a gain of NOK 626 million on the sale of Norway Post's Letter Centre in Oslo in March. Earnings before non-recurring items and write-downs (EBITE) for the first half of 2008 came to NOK 311 million, an increase of NOK 422 million compared with last year.

The EBIT for the second quarter 2008 was NOK 252 million, an increase of NOK 207 million compared with the second quarter 2007, mainly due to Easter falling in April in 2007 and in March in 2008.

The 12-month return on invested capital before non-recurring items and write-downs (ROIC) was 9.4%, compared with 13.4% as at 30 June 2007. The development in earnings over the last 12 months was the main reason for this reduction.

The volume of A-priority mail delivered overnight by Posten Norge AS was 86.8% in the first half-year 2008. This was higher than the licence requirement of 85% and an improvement of 3.2 percentage points compared with the first half-year 2007.

In the second quarter 2008, Norway Post entered into an agreement to buy all the shares of the Swedish logistics company CombiTrans AB and Norway's Emdal Transport & Spedisjon AS. Norway Post has thus strengthened its position as the leading regional challenger to global logistics companies in the Nordic market.

In the second quarter 2008, Posten Norge AS entered into a NOK 1 billion contract with CargoNet AS to transport goods by rail over the next three years. This is Norway's largest ever contract for goods transported by rail and involves all group companies. The contract covers goods transport equal to lorries driving almost 30 million kilometres annually and provides both financial and environmental gains for the Group.

RESULTS (UNAUDITED)

Q2 2008	Q2 2007	MNOK	YTD 2008	YTD 2007	Year 2007
7 372	6 668	Operating revenues	14 370	13 388	27 400
472	249	EBITDA	759	666	1 649
238	50	EBITE*	311	269	815
252	45	EBIT	330	886	1 080
-56	30	Net financial items	-107	-7	-125
195	75	Earnings before taxes	223	879	955

* EBIT before non-recurring items and write-downs

EARNINGS DEVELOPMENTS

Operating revenues

The Group's operating revenues came to NOK 7 372 million in the second quarter, an increase of 10.5% compared with the corresponding period in 2007. Acquisitions helped to increase the operating revenues by NOK 376 million compared with the second quarter 2007. The operating revenues from continued operations rose by 4.6%.

The Group's companies in Sweden, Denmark and Finland achieved total operating revenues of NOK 3 463 million in the first half-year 2008, an increase of 14.6% compared with the equivalent period last year. This increase was due to the acquisition of Transflex in March 2007, the expansion of CityMail in Sweden and Denmark, and organic growth. Operating revenues outside Norway comprised 24.1% of the Group's total operating revenues in the first half-year 2008, compared with 22.6% in the first half-year 2007.

Earnings

The first half-year EBIT before non-recurring items and write-downs came to NOK 311 million in 2008, an increase of NOK 42 million compared with 2007. This increase came from improved earnings in the Logistics and IT segments. The Post segment's margin fell as a result of a lower volume of B-mail and addressed mail advertising, a changed in product mix for letter products and higher personnel and transport costs.

The EBIT amounted to NOK 330 million, a reduction of NOK 556 million compared with the corresponding period in 2007. The sales gain of NOK 626 million in 2007 from the sale of Norway Post's Letter Centre in Oslo was the main reason for this reduction.



The EBIT margin before non-recurring items for the first half-year was 2.2% in 2008, compared with 2.0% in 2007.

The net income before taxes for the first half-year fell by NOK 656 million compared with 2007, mainly due to the sales gain of NOK 626 million in 2007.

KEY FIGURES (UNAUDITED)

		30.06 2008	30.06 2007*	31.12 2007
Equity ratio	%	28,7	33,1	33,2
EBIT margin before non-recurring items and write-downs	%	2,2	2,0	3,0
Net operating (EBIT) margin	%	2,3	6,6	3,9
Profit margin (before tax)	%	1,6	6,6	3,5
Return on invested capital before non-rec. items and write-downs ¹⁾	%	9,4	13,4	9,8
Return on invested capital ¹⁾	%	5,8	21,9	13,0
Return on equity ¹⁾	%	5,9	19,8	14,0
Debt ratio (net)		0,4	0,2	0,3
Long-term liquidity reserve	MNOK	3 605	5 693	2 981
Investments, incl. acquisitions	MNOK	1 044	1 899	3 074
Workforce – Parent company	Full-time equivalents	15 744	15 911	15 828
Workforce – Group	Full-time equivalents	25 274	24 367	24 870

1) Rolling 12 months (before tax)

BALANCE SHEET (UNAUDITED)

MNOK	30.06 2008	30.06 2007*	31.12 2007
Assets			
Fixed assets	10 947	10 521	11 099
Current assets	6 832	6 521	6 279
Assets held for sale	819	0	37
Total assets	18 598	17 042	17 415
Equity and liabilities			
Equity	5 336	5 647	5 786
Provisions for liabilities	2 290	2 031	2 233
Interest-bearing liabilities	4 317	2 988	3 194
Interest-free liabilities	6 584	6 375	6 203
Liabilities held for sale	71	0	0
Total equity and liabilities	18 598	17 042	17 415

* The figures for the first half-year 2007 have been restated compared with the half-year report last year as a result of changes in the comparison figures due to pension corrections in the 2007 annual report.

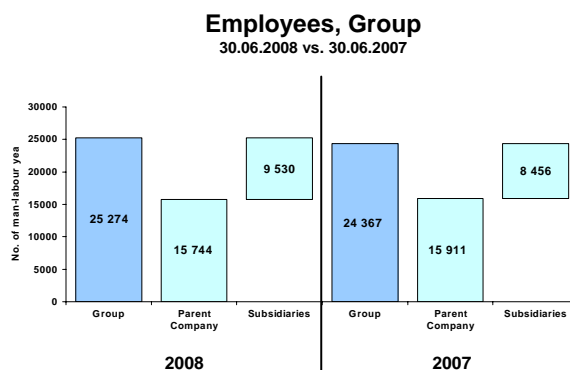
The NOK 426 million net increase in fixed assets compared with the first half-year 2007 was mainly due to investments related to acquisitions and the new South East Norway sorting terminal at Robsrud, less the reclassification to held for sale of properties worth NOK 769 million. A total of NOK 1 044 million was invested in the first half-year 2008, a reduction of NOK 855 million compared with the corresponding period last year due to fewer acquisitions in 2008.

The increase in interest-bearing liabilities was due to two listed bond loans for a total of NOK 1 500 million being raised in March 2008. The net interest-bearing liabilities as at 30 June 2008 were NOK 2 303 million.

The Group's long-term liquidity reserves, which consist of invested funds and available credit facilities, equalled NOK 3 605 million as at 30 June 2008, compared with NOK 5 693 million on 30 June 2007.

The cash flow from operations and investments came to NOK -739 million in the first half-year 2008, an improvement of NOK 20 million compared with the corresponding period in 2007.

WORKFORCE



The Group's workforce as at 30 June 2008 was 907 full-time equivalents higher than at the same date in 2007.

The number of employees in the Logistics and IT segments increased by 443 and 356 full-time equivalents respectively, mainly due to acquisitions. The Post segment's workforce increased only marginally.

Tore K. Nilsen took over as new senior vice president of the Distribution Network Division on 1 May 2008.

The 12-month operating revenues per full-time equivalent were NOK 1 104 000, compared with NOK 1 054 000 for the corresponding period last year.

The Group's sick leave rate was 7.6% in the first half-year 2008, up 0.1 percentage point compared with the first half-year 2007.



MARKET AND DEVELOPMENT BY SEGMENT

Post

This segment comprises letter products, banking services, information logistics, document handling and the sale of goods.

The segment is made up of the Post Division (including its subsidiaries the CityMail Group, talk2me AS, Customer: View AB and CDG Sandberg AS) and the Distribution Network Division.

MNOK (unaudited)	YTD 2008	YTD 2007	Year 2007
Volume, Group (million physical shipments)	1 532	1 479	2 998
Volume, bank transactions (million transactions) *	8,2	11,6	18,6
Operating revenues **	6 575	6 323	12 841
Segment earnings (EBITDA) ***	276	352	737
Segment earnings (EBIT) ***	95	153	90

* The figures for the first half-year 2007 have been restated as a result of a new principle for calculating the volume of bank transactions

** The operating revenues for the first half-year 2007 have been restated as a result of adjustments in connection with the booking of internal revenues

*** The figures for 2007 have been restated as a result of a change to the principle for the distribution of common Group expenses.

The segment's operating revenues and letter volumes improved compared with the corresponding period in 2007. The total volume of letters handled in Norway in the first half-year 2008 was 1.7% higher than in the first half-year 2007.

The volume of unaddressed mail advertising increased by 3.3% in the first half-year 2008. Of the total letter volume, unaddressed mail advertising comprised 52%, compared with 51% in the first half-year 2007.

The EBIT for the first half-year 2008 was NOK 58 million less than for the corresponding period last year. This negative development was mainly due to lower volumes for B-mail and addressed mail advertising, a change in the product mix for letter products, increased personnel and transport costs and the expansion in CityMail Sweden. The results in Denmark were also affected by a unfavourable change in the product mix, in addition to the company still being in a start-up phase.

The volume of mail handled by CityMail Sweden grew by 15% in the first half-year compared with the corresponding period in 2007. The volume of mail handled by CityMail Denmark also increased in the first half-year. CityMail Sweden and Denmark contributed 11.9% of the division's total volume in the first half-year 2008, including 28% of the volume of addressed mail.

The volume of banking transactions continued to decline due to the transition to electronic solutions. Taking into consideration the change in principle for calculating volumes, the volume was 15% lower than in the first half-year 2007. The number of customers using the post office network fell by 6.5% compared with the same period in 2007.

The level of customer satisfaction with the total sales and service network increased to 86%, up 2 percentage points compared with the previous survey in the spring of 2007.

In the second quarter 2008, 87.2% of A-mail was delivered overnight, compared with 86.3% in the second quarter 2007. The licence requirement is 85%.

Itella Information AS was established in collaboration with Finland's Itella in the first half-year 2008. The company's goal is to become a major operator in the information logistics field.

In January 2008, Posten Norge AS also bought all of the shares in CDG Sandberg AS and Selektiv AS. Following the integration of the address activities into Norway Post, it has been decided to sell the remaining operations. The shares in both companies were therefore classified as held for sale as at 30 June 2008.

Logistics

This segment comprises groupage and part-load services, temperature-controlled transport, express services, parcel delivery and warehousing.

The segment consists of the Logistics Division and covers the parent company's operations in this division as well as the operations of the Norway Post subsidiaries Nor-Cargo, Frigoscandia, Box Group, Transflex, Nettlast AS, BoxSolutions and PNL AB.

MNOK (unaudited)	YTD 2008	YTD 2007	Year 2007
Volume (million shipments)*	16,4	15,7	32,1
Operating revenues	6 402	6 027	12 330
Segment earnings (EBITDA)**	411	317	711
Segment earnings (EBIT)**	317	256	466

* Shows the volume of parcels, excluding courier services

** The figures for first half-year 2007 have been restated due to a change in the principle for allocating the common Group expenses and to adjustments in connection with the booking of internal costs

The segment's total revenues were 6.2% higher in the first half-year 2008 than in the corresponding period last year. The increase in operating revenues and earnings was due to acquisitions, an increase in volumes and operational improvements. The volume of international parcels increased by 20.5% compared with the first half-year 2007.



The Norwegian thermo operations have faced profitability challenges and were to a greater extent coordinated with the thermo operations in Sweden in the first half-year 2008.

A survey conducted by Norstat for Posten Norge AS in the second quarter 2008 showed that 87% of all private individuals over 15 years of age had bought goods on the Internet during the past 12 months, compared with 52% on the same date in 2007. 41% had bought goods more than five times during the previous 12 months, compared with 27% on the same date in 2007. These figures indicate a clear increase in online shopping compared with previous surveys. Norway Post Logistics has installed 27 parcel machines in Norway and Sweden and a further 13 are under installation. These parcel machines will strengthen Norway Post's position in the online shopping segment as goods can be delivered to a parcel machine at express speed.

Posten Norge AS entered into an agreement in the second quarter 2008 to buy all of the shares in CombiTrans AB, a Swedish logistics company. The company has 105 employees and had revenues of SEK 540 million in 2007.

Nor-Cargo AS has entered into an agreement to buy all of the shares in Emdal Transport & Spedisjon AS, a Norwegian logistics company. The company owns 50 vehicles and had revenues of NOK 87 million in 2007. These acquisitions will strengthen Norway Post's position as one of the four leading logistics companies in the Nordic market.

Norway Post sold Grenland Transport & Industriservice (GTI) in March 2008.

IT

This segment consists of operations, infrastructure, solutions and consulting services. The segment comprises ErgoGroup, including the SYSteam Group (Sweden) and Bekk Consulting AS.

MNOK (unaudited)	YTD 2008	YTD 2007	Year 2007
Operating revenues	3 155	2 688	5 621
Segment earnings (EBITDA)	328	246	559
Segment earnings (EBIT)	183	114	267

The revenue in the first half-year 2008 increased by 17.4% compared with the first half-year 2007. This increase was mainly due to a large number of orders from both new and existing customers and to the acquisition of Bekk Consulting AS and DTS Solutions AB. The organic growth in the first half-year 2008 was 12%. ErgoGroup's sales to Posten Norge

AS comprised 14% of ErgoGroup's total revenue in the first half-year 2008, a reduction of 1 percentage point compared with the corresponding period in 2007.

The earnings before and after depreciation (EBITDA and EBIT) improved compared with the first half-year 2007. This increase was mainly due to a high level of activity in the consulting operations, improved margins in the operational activities and acquisitions.

ErgoGroup entered into contracts worth NOK 1 400 million in the first half-year 2008.

FUTURE PROSPECTS

The Group's vision is to develop into a world-class postal and logistics group. The Nordic region is Norway Post's domestic market and the goal is to achieve a competitive increase in value through profitable growth and continued efficiency enhancement and industrialisation of Norway Post's production processes.

The customers in Norway Post's markets are becoming increasingly international, and large, global players are making the competition fiercer. The liberalisation of the postal markets and increased internationalisation and privatisation are leading to the restructuring and consolidation of the postal and logistics sectors in the Nordic region and rest of Europe.

On 1 April 2008, it was announced that Sweden Post and Post Denmark are planning to merge. This confirms the trend towards increased competition and consolidation in the Nordic postal and logistics sector. Norway Post is itself focusing on Nordic growth through acquisitions. In order to meet the increased competition from, among others, the new Swedish-Danish postal company, Norway Post will continue to invest in Nordic solutions and strengthen its Nordic positions.

Norway Post's goal is to be a local specialist in the Nordic region with solutions adapted to suit the individual customer. Revenues are expected to grow in most of the business areas in the future.

Norway Post is planning to launch a new brand in the second half-year 2008 in order to make its market profile clearer and the Group appear as a more integrated entity in the Nordic market.

The earnings level will continue to be negatively affected by the ongoing growth in prices and wages, the decline in the volumes of addressed mail products, mail advertising and banking transactions, the change in the product mix towards products with lower margins and increasing competition. Norway Post, therefore, has a major focus on integrated value chains, technology development and cost effectiveness.

One important measure for ensuring cost effectiveness and a high level of delivery quality in the longer term is the new, high-



tech South East Norway sorting terminal at Robsrud in Lørenskog, outside Oslo, which will be completed in 2009. In addition, a number of measures are being planned and implemented in a Group programme called Spinnaker in order to industrialise and enhance the efficiency of processes and improve the range of services.

As a labour-intensive company, Norway Post also has a major focus on health, safety and the environment (HSE) and is continuously making efforts to reduce its sick leave rate, number of employees incapacitated for work and lost-time injuries.

The environment and climate are also major focus areas for the Group, and Norway Post has implemented and is working on additional specific measures in many areas.

Regulatory factors

In February 2008, the EU countries agreed on a new EU directive for postal services. The directive that has been adopted means that the monopoly will be removed from 1 January 2011, with an extended deadline of 1 January 2013 for some countries. The directive includes a reciprocity clause which means that postal companies with a monopoly in their own countries after 1 January 2011 may be refused access to other countries' markets for letters weighing less than 50 grams.

The Norwegian Ministry of Transport and Communications presented its owner's report on Norway Post's activities on 1 February 2008 and this was debated by the Norwegian parliament (Storting) on 6 May. In the report, the owner focuses on the company's duty to fulfil its community-service and district-political obligations in a cost-effective way over the entire country.

The owner expressed its support for Norway Post's Nordic growth strategy and developments which meet large customers' needs for postal and logistics solutions that cover the entire Nordic region.

The report also stated that up to 124 post offices may be converted into Post in Shops from 2008-2010, and that Norway Post will continue to have a mandatory duty to provide basic banking services in the post office network (including in Post in Shops). The financial risk linked to future unprofitability in the network has been reduced, however, by the report stipulating that government procurements must also include the unprofitability linked to obligation to provide banking services.

The Ministry of Children and Equality submitted a proposal regarding a new Marketing Act on 9 May. This proposal means that the prevailing scheme according to which people can refuse to have unaddressed mail delivered to their mailboxes will not be changed from today's "no thank you" principle to it only being allowed to distribute unaddressed mail to recipients who have actively consented to this.

Half-year declaration

We confirm that, to the best of our knowledge, the summary of the half-year financial statements for the period 1 January to 30 June 2008 has been prepared in accordance with IAS 34 Interim Reporting, that the information provides a true picture of the Group's and parent company's assets, liabilities, financial position and results as a whole and that the half-year report provides a correct overview of the information stated in section 5-6 (4) of the Norwegian Securities Trading Act.

The key risk and uncertainty factors that Norway Post is facing in 2008 are described in greater detail in the 2007 annual report. The half-year report for 2008 describes the changes that have taken place since the 2007 financial statements were presented.

Oslo, 28 August 2008

Signed

Arvid Moss – Chairman

Liv Stette – Vice-Chairman

Eli Arnstad

Terje
Christoffersen

Sigbjørn Molvik

Gry Mølleskog

Paul Magnus
Gamlemshaug

Odd Christian
Øverland

Ingeborg Anne
Sætre

Judith Olafsen

Dag Mejdell
(CEO)



Appendix 1 – Financial information for the first half-year 2008

(The information in this document has not been audited. All figures are in NOK million)

INCOME STATEMENT

Q2 2008	Q2 2007	Norway Post Group	YTD 2008	YTD 2007	Year 2007
7 372	6 668	Operating revenues	14 370	13 388	27 400
2 668	2 589	Cost of goods and services	5 186	5 062	10 259
3 156	2 822	Payroll expenses	6 192	5 535	11 094
1 076	1 008	Other operating expenses	2 233	2 125	4 398
6 901	6 420	Operating expenses	13 611	12 722	25 751
472	249	EBITDA	759	666	1 649
234	199	Depreciation and amortization	447	397	834
238	50	EBIT - Earnings before non-recurring items and write downs	311	269	815
-2	0	Write-downs	-1	1	130
-4	-10	(Gains) loss from sale of fixed assets/subsidiaries	-10	-634	-647
-8	13	Restructuring costs	-7	15	268
0	1	Costs (income) related to transfer to new pension scheme	0	1	-16
252	45	EBIT - Earnings before interest and taxes	330	886	1 080
0	0	Share of profit from associated companies	0	1	1
38	160	Financial income	89	206	282
94	131	Financial expenses	196	213	408
-56	30	Net financial items	-107	-7	-125
195	75	Earnings before taxes	223	879	955
53	21	Taxes	62	247	159
142	54	Net earnings	161	633	796

Q2 2008	Q2 2007	Posten Norge AS	YTD 2008	YTD 2007	Year 2007
3 274	3 014	Operating revenues	6 450	6 230	12 700
465	469	Cost of goods and services	939	966	1 957
1 835	1 727	Payroll expenses	3 605	3 365	6 763
758	738	Other operating expenses	1 531	1 527	3 117
3 058	2 934	Operating expenses	6 076	5 858	11 838
216	81	EBITDA	374	372	862
100	97	Depreciation and amortization	196	190	382
116	-16	EBIT - Earnings before non-recurring items and write downs	178	182	480
0	0	Write-downs	0	2	11
-1	-2	(Gains) loss from sale of fixed assets/subsidiaries	-3	-4	-10
-8	14	Restructuring costs	-7	15	256
0	0	Costs (income) related to transfer to new pension scheme	0	0	-2
125	-27	EBIT - Earnings before interest and taxes	189	170	225
0	0	Share of profit from associated companies	0	0	0
145	251	Financial income	194	1 055	1 223
108	187	Financial expenses	202	256	504
37	64	Net financial items	-7	800	719
163	37	Earnings before taxes	182	969	944
46	271	Taxes	51	271	122
117	-235	Net earnings	131	698	822

BALANCE SHEET

Norway Post Group	30.06.08	30.06.07	31.12.07
Assets			
Intangible assets	6 242	5 798	6 088
Deferred tax assets	715	655	667
Tangible assets	3 766	3 832	4 145
Financial assets	224	237	199
Total fixed assets	10 947	10 521	11 099
Current assets	6 832	6 521	6 279
Assets held for sale	819	0	37
Total assets	18 598	17 042	17 415
Equity and liabilities			
Equity	5 336	5 647	5 786
Provisions for liabilities	2 290	2 031	2 233
Interest-bearing long-term liabilities	4 266	2 723	3 118
Interest-free long-term liabilities	208	56	166
Long-term liabilities	4 474	2 779	3 284
Interest-bearing short-term liabilities	51	265	76
Interest-free short-term liabilities	6 376	6 319	6 036
Short-term liabilities	6 427	6 584	6 112
Liabilities held for sale	71	0	0
Total equity and liabilities	18 598	17 042	17 415

Posten Norge AS	30.06.08	30.06.07	31.12.07
Assets			
Intangible assets	821	572	679
Deferred tax assets	563	496	519
Tangible assets	1 437	2 301	2 235
Financial assets	7 724	7 315	7 399
Total fixed assets	10 546	10 684	10 831
Current assets	4 433	3 838	3 213
Assets held for sale	692	0	29
Total assets	15 670	14 522	14 073
Equity and liabilities			
Equity	5 152	5 486	5 618
Provisions for liabilities	1 962	1 725	1 949
Interest-bearing long-term liabilities	4 136	2 539	2 935
Interest-free long-term liabilities	126	28	85
Long-term liabilities	4 262	2 568	3 020
Interest-bearing short-term liabilities	452	973	331
Interest-free short-term liabilities	3 842	3 771	3 155
Short-term liabilities	4 294	4 743	3 486
Total equity and liabilities	15 670	14 522	14 073

The figures for the first half-year 2007 have been changed compared with the half-year report last year as a result of the restatement in the comparative figures due to pension corrections in the 2007 annual report.

STATEMENT OF CHANGES IN EQUITY

Norway Post Group	Share capital	Share premium account	Other equity	Other reserves	Minority interests	Total equity
Equity at 01.01.2007	3 120	992	1 438	1	15	5 566
Translation differences			-15			-15
Cash flow hedges						
Recorded in equity/transferred to income				30		30
Tax on equity changes				-8		-8
Net earnings for the period			631		2	633
Dividends			-488		-5	-493
Payments to owner			-80			-80
Other equity transactions			14			14
Equity at 30.06.2007	3 120	992	1 500	23	12	5 647
Equity at 01.01.2008	3 120	992	1 634	32	8	5 786
Translation differences			-4			-4
Cash flow hedges						
Recorded in equity/transferred to income						0
Tax on equity changes						0
Net earnings for the period			160		1	161
Dividends			-597		-5	-602
Other equity transactions			-7		2	-5
Equity at 30.06.2008	3 120	992	1 186	32	6	5 336

The figures for the first half-year 2007 have been changed compared with the half-year report last year as a result of restatements in the comparative figures due to pension corrections in the 2007 annual report.

Posten Norge AS	Share capital	Share premium account	Other equity	Other reserves	Total equity
Equity at 01.01.2007	3 120	992	1 220	3	5 335
Cash flow hedges					
Recorded in equity/transferred to income				28	28
Tax on equity changes				-8	-8
Net earnings for the period			698		698
Dividends			-488		-488
Payments to owner			-80		-80
Other equity transactions			1		1
Equity at 30.06.2007	3 120	992	1 351	23	5 486
Equity at 01.01.2008	3 120	992	1 475	31	5 618
Cash flow hedges					
Recorded in equity/transferred to income					0
Tax on equity changes					0
Net earnings for the period			131		131
Dividends			-597		-597
Other equity transactions					0
Equity at 30.06.2008	3 120	992	1 009	31	5 152

CASH FLOW STATEMENT

Norway Post Group	30.06.2008	30.06.2007	Year 2007
Cash flows from operational activities			
Provided by operations	659	644	1 176
Changes in working capital and other accruals	-381	-191	538
Net cash flow from operational activities	278	453	1 714
Cash flows from investing activities			
Investments in tangible assets/IT development/subsidiaries	-1 044	-1 899	-3 074
Sales of tangible assets	49	770	797
Changes in other fixed assets	-22	-82	-17
Net cash flow from investing activities	-1 017	-1 212	-2 294
Cash flows from financing activities			
Changes in loans and other financial items	1 102	231	415
Group contribution/dividends paid	4	0	-494
Net cash flow from financing activities	1 107	231	-79
Total change in liquid assets	368	-527	-659
Cash and cash equivalents at start of period	1 647	2 306	2 306
Cash and cash equivalents at end of period	2 014	1 779	1 647

Posten Norge AS	30.06.2008	30.06.2007	Year 2007
Cash flows from operational activities			
Provided by operations	374	1 157	639
Changes in working capital and other accruals	-957	-513	251
Net cash flow from operational activities	-583	644	890
Cash flows from investing activities			
Investments in tangible assets/IT development/subsidiaries	-266	-67	-1 400
Sales of tangible assets	35	5	773
Changes in other fixed assets	-294	-1 340	-904
Net cash flow from investing activities	-525	-1 401	-1 531
Cash flows from financing activities			
Changes in loans and other financial items	1 318	170	396
Group contribution/dividends paid	0	0	-509
Net cash flow from financing activities	1 318	170	-113
Total change in liquid assets	209	-587	-754
Cash and cash equivalents at start of period	1 084	1 838	1 838
Cash and cash equivalents at end of period	1 293	1 251	1 084



SELECTED ADDITIONAL INFORMATION

In general

Posten Norge was established as a statutory company, BA, on 1 December 1996 and was converted into a private limited company on 1 July 2002, with the Norwegian state, represented by the Ministry of Transport and Communications, as its sole shareholder.

The condensed interim report for the first half-year 2008 is presented by the company's board and chief executive officer on 28 August 2008. The condensed interim report has been prepared in accordance with IFRS (International Financial Reporting Standards) as approved by the EU. The condensed interim report is in accordance with the prevailing IAS 34 accounting standard for interim financial statements and provides a true picture of the Group's and parent company's assets, liabilities, financial position and overall results. These condensed interim financial statements do not provide the complete information in the notes that is required for the annual financial statements, so this report must be read in conjunction with the annual financial statements.

Accounting principles

The interim financial statements have been prepared according to the same accounting principles as those stated in the 2007 annual report with the following exceptions.

Pensions

The pension costs and liabilities are calculated once a year by an actuary. In the interim financial statements, the pension costs and liabilities are based, among other things, on the forecasts provided in these calculations.

Tax

The tax cost in the interim financial statements is based on the estimated tax rate for the year.

Estimates and assessments

When preparing the interim financial statements, management has used estimates and assumptions that have affected assets, liabilities, revenues and costs. The areas in which such estimates are significant are pensions, goodwill, trademarks, other intangible assets, fixed assets and provisions for liabilities and charges.

The sources of uncertainties linked to estimates are the same as for the annual report for 2007. Future events may lead to the estimates changing and the changes will be recognised when any new estimate is determined.

The Group is planning to use the new standards IFRS 3 (R), IFRS 8 and IAS 1 (R) and the IFRIC 13 statement as from 1 January 2009 and the new standard IAS 27 (R) as from 1 January 2010. These standards are described in further detail in the 2007 annual report. The use of these standards and the statement is not expected to have a significant effect on the Group's or parent company's financial position.

The statements in IFRIC 11, IFRIC 12 and IFRIC 14 have come into force. The application of these statements has no effect on the Group's or parent company's financial position.

The annual report for 2007 is available at www.posten.no



Note 1 Segments

Norway Post's operations are divided into three different segments – Post, Logistics and IT, which are further described in the half-year report and the 2007 annual report. The Group plans to apply the new standard for segment reporting, IFRS 8, as from 1 January 2009. This is not expected to have a significant effect on the Group's financial position.

Group administration and common expenses which are not defined as owner function costs are allocated to the segments. The owner function costs include costs relating to the CEO/board, accounting and finance, organisational development, contact with authorities, strategy and Group corporate communications.

Revenues and EBIT per segment

	Total operating revenues					Earnings before interest and taxes (EBIT)				
	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Year 2007	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Year 2007
External operating revenues	2 706	2 504	5 337	5 161	10 403					
Internal operating revenues	635	565	1 238	1 162	2 438					
Mail	3 341	3 069	6 575	6 323	12 842	31	-70	95	153	90
External operating revenues	3 261	3 027	6 348	5 969	12 209					
Internal operating revenues	26	27	54	58	121					
Logistics	3 287	3 053	6 402	6 027	12 330	202	147	317	256	466
External operating revenues	1 404	1 136	2 682	2 255	4 778					
Internal operating revenues	253	222	473	433	843					
IT	1 657	1 359	3 155	2 688	5 621	121	74	183	114	267
External operating revenues	2	2	3	3	10					
Internal operating revenues	-915	-815	-1 765	-1 652	-3 402					
Other/eliminations	-913	-813	-1 762	-1 649	-3 392	-102	-106	-265	363	257
Norway Post Group	7 372	6 668	14 370	13 388	27 400	252	45	330	886	1 080

The comparable figures for first half-year 2007 have been restated compared with previous quarterly reports as a result of a change to the principle for allocating common Group expenses and to adjustments in connection with the booking of internal revenues.

Balance sheet per segment

	Mail	Logistics	IT	Other/ eliminations	Norway Post Group
30.06.08					
Segment assets	8 959	6 137	3 934	-1 147	17 883
Non allocated assets					715
Total assets					18 598
Segment liabilities	6 190	3 448	1 441	-2 255	8 824
Non allocated liabilities					4 368
Total liabilities					13 192
30.06.07					
Segment assets	7 855	5 411	3 469	-250	16 485
Non allocated assets					655
Total assets					17 091
Segment liabilities	6 177	3 303	1 249	-2 386	8 343
Non allocated liabilities					3 029
Total liabilities					11 372

Note 2 Intangible and tangible fixed assets

	Norway Post Group		Posten Norge AS	
	Intangible assets	Tangible assets	Intangible assets	Tangible assets
Total at 01.01.2008	6 088	4 145	679	2 235
Additions	276	768	186	80
Disposals	0	-39	-5	-32
Depreciation	-122	-325	-44	-152
Write-downs	1	0	0	0
Transfers to held for sale	-3	-773	0	-689
Adjustments to cost prices	2	-10	5	-5
Total at 30.06.08	6 242	3 766	821	1 437

The additions in the first half-year 2008 mainly relate to IT investments, investments related to the new South East Norway sorting terminal at Robsrud and acquisitions.



Note 3 Equity

As at 30 June 2008, the share capital consisted of 3 120 000 shares, each with a nominal value of NOK 1 000. All the company's shares are owned by the Norwegian state, represented by the Ministry of Transport and Communications.

The Norwegian Limited Liability Companies Act's requirements that the distribution of dividend must not result in an equity ratio of less than 10% and that the company cannot distribute more than that which is compatible with good, and prudent business practices have been complied with. In June 2008, it was decided to distribute NOK 597 million as dividend to the Ministry of Transport and Communications. Of this, NOK 506 million is ordinary dividend for 2007 while NOK 91 million is extraordinary dividend in 2008. The dividend was paid in July 2008.

Note 4 Interest-bearing long-term liabilities

The increase of NOK 1 543 million in the Group's interest-bearing long-term liabilities from 30 June 2007 to 30 June 2008 is mainly due to the parent company taking out two listed bond loans in March 2008 for a total of NOK 1 500 million. The new loans were raised in order to finance acquisitions and increase the Group's financial flexibility. Interest-bearing short-term liabilities were lower than at 30 June 2007, mainly due to the repayment of a loan certificate for NOK 200 million.

Note 5 Changes to the Group's structure

In January 2008, the Group bought all the shares in DTS Solutions AB, CDG Sandberg AS and Selektiv AS. The purchase price for DTS Solutions AB was NOK 29 million and the company has contributed revenues of NOK 21 million and an EBIT of NOK 2 million in the first half-year 2008.

The total purchase price for CDG Sandberg AS and Selektiv AS was NOK 5 million. The acquisition of these companies gave rise to negative goodwill of NOK 3.6 million which was taken to income in accordance with IFRS requirements. These companies contributed total revenues of NOK 66 million and total EBIT of NOK -7 million in the first half-year 2008.

The work of identifying any added value that can be allocated to intangible or tangible fixed assets in connection with these acquisitions was not finished as at 30 June 2008, so the goodwill values are provisional.

The estimated total fair value of the acquired companies' identified assets, liabilities and contingent liabilities is as follows (MNOK):

Intangible assets	12
Tangible assets	3
Financial assets	1
Current assets	62
Total assets	78
Provisions for liabilities	3
Interest-bearing liabilities	1
Interest-free liabilities	60
Total liabilities	64
Net identifiable assets	13
Goodwill at time of acquisition	24
Negative goodwill at time of acquisition	-4
Total purchase price	34
Cash paid	30
Provisions as at 30 June 2008	4
Total purchase price	34



In addition, the shares in NC Thermo AS were transferred from Nor-Cargo AS to Posten Norge AS at a fair value of NOK 250 million. This transaction was carried out with accounting effect as from 1 January 2008.

Box Solutions AS sold its subsidiary Grenland Transport & Industriservice AS for NOK 0.7 million in March 2008. This sale led to an accounting gain for the Group of NOK 0.6 million.

Note 6 Held for sale

In January 2008 Posten Norge AS acquired all of the shares in CDG Sandberg AS and Selektiv AS. Following the integration of the address activities into Norway Post Group, it has been decided to sell the remaining operations. The shares in both companies are therefore classified as held for sale as at 30 June 2008. In connection with this reclassification, the shares were written down by NOK 2.5 million. A contract has been signed to sell the shares as at 1 September 2008 at a price equivalent to their book value on 30 June 2008. Both the assets and liabilities of these companies have been reclassified to separate held for sale lines in the consolidated financial statements.

Posten Norge and Nor-Cargo have decided to sell a total of 16 post and goods terminals in order to free-up capital for other investments, and have reclassified these as held for sale as at 30 June 2008. The terminals will be sold and leased back on long-term conditions. The estimated sales price is equivalent to the book value of NOK 769 million. Nor-Cargo's terminal in Ålesund is owned by its subsidiary, Siva Eiendom AS, and the shares in this company have been reclassified as held for sale in Nor-Cargo AS's financial statements. In the consolidated financial statements, both the assets and liabilities of Siva Eiendom AS have been reclassified to separate held for sale lines.

As at 31 December 2007, fixed assets worth NOK 29 million relating to the information logistics business area were classified as held for sale. These fixed assets were sold to Itella Information AS, an associate, in June 2008 at a price equivalent to the assets' book value.

Note 7 Events after the balance sheet date

In the second quarter, Posten Norge AS entered into an agreement to buy all the shares in CombiTrans AB, a Swedish logistics company. This acquisition was carried out in July 2008 at a cost price of NOK 191 million. In connection with this investment in a foreign company, a forward exchange contract for a corresponding amount has also been entered into in order to hedge the exchange-rate risk.

In the second quarter, Nor-Cargo AS entered into an agreement to buy all the shares in Ermdal Transport & Spedisjon AS, a Norwegian logistics company. This acquisition was carried out in July 2008 at a cost price of NOK 59 million.

In June 2008, Posten Norge AS established Posten Eiendom Storbyer AS and Posten Eiendom Alnabru AS, with the aim of developing and investing in real estate. In the third quarter 2008, in a Group demerger-merger, Posten Eiendom Storbyer AS will take over the properties in Trondheim and Stavanger while Posten Eiendom Alnabru AS will take over the Posten Godssenter (goods centre), Posten Transportsenter (transport centre) and Posten Verksteder (workshops) properties from Posten Eiendom Reorganisering 2 AS, which was demerged from Posten Norge AS in June 2008.

Note 8 Significant transactions with related parties

The Group's transactions with related parties have been carried out as part of the Group's ordinary operations and at arm's length prices. The most significant transactions were between the parent company and the subsidiaries and came to the following amounts during the period from 1 January to 30 June:

Income Statement	YTD	
	2008	2007
Parent company's purchase of goods and services from subsidiaries	467	420
Parent company's sale of goods and services to subsidiaries	225	168
Parent company's sale of goods and services to other related parties	367	473



	YTD	
	2008	2007
Balance Sheet		
Parent company's accounts receivable from subsidiaries	127	204
Parent company's other receivable from subsidiaries	4 240	3 787
Parent company's receivable from other related parties	24	31
Parent company's accounts payable to subsidiaries	64	54
Parent company's other liabilities to subsidiaries	827	867