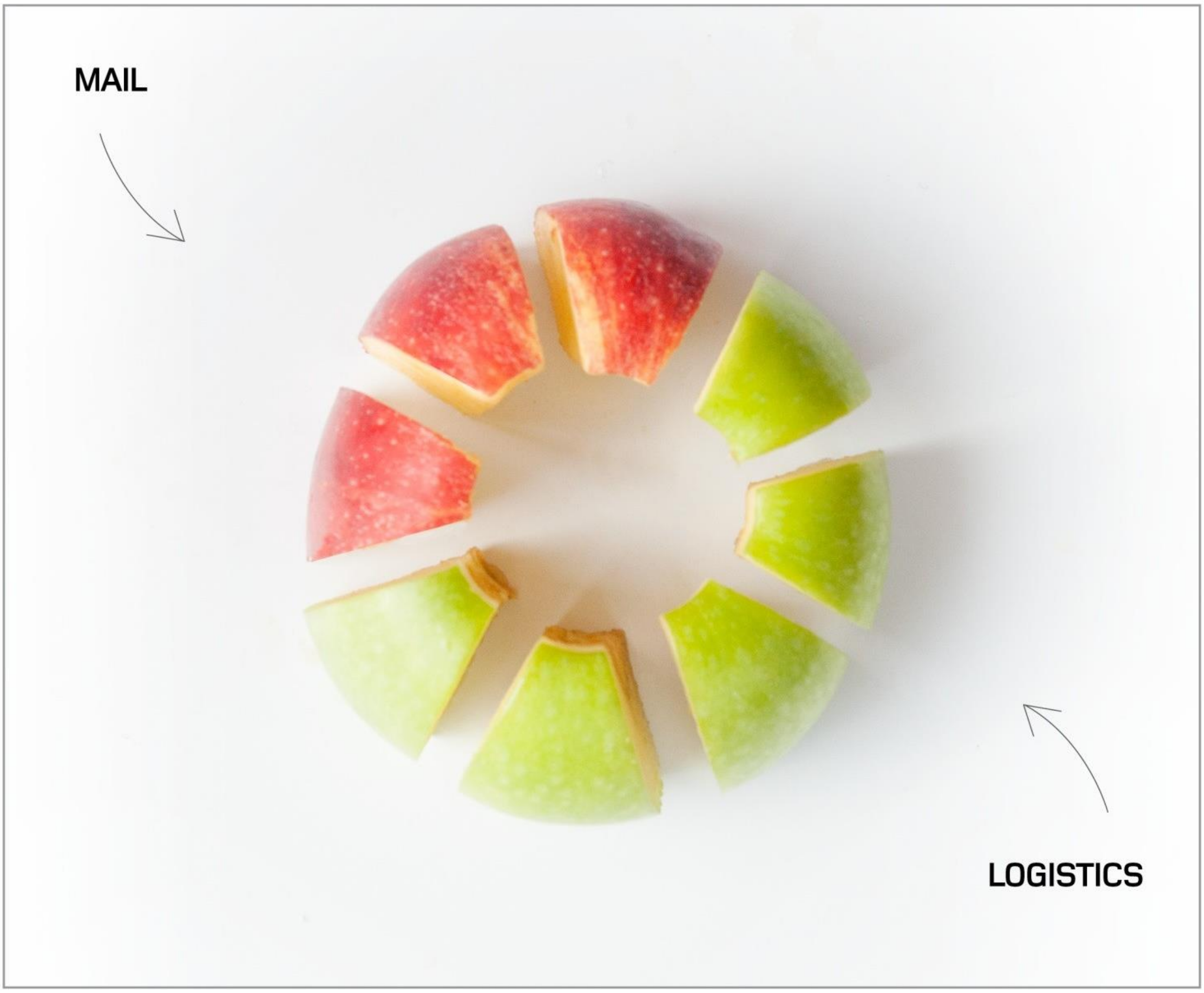
QUARTERLY REPORT

4TH QUARTER 2017



Message from the CEO

We have had a year of profitability improvements in both of the Group's segments. We have developed a new strategy, adjusted the portfolio and carried out significant reorganisations in the mail business. The group structure has become simpler with a distinct Nordic service organisation and a clearer responsibility for profitability. This is a good foundation for the future and basis for profitable growth.

Our new vision has a clear direction for the work to come: We make everyday life simpler and the world smaller. This implies that the customer shall experience that it is easy to do business with us and that we deliver as agreed – every time. Simplification is a critical success factor, and we will continue our efforts to simplify our range of services and of the customers' experiences when they are in contact with us.

In 2017, adjusted profit (EBITE) amounted to MNOK 703, an improvement of MNOK 58 from 2016.

The logistics business outside Norway had a solid profit increase in 2017 due to a strong and profitable growth within parcels and home deliveries, in addition to international transport. Unprofitable businesses have also been discontinued. This contributed positively, and adjusted profit (EBITE) in the Logistics segment in 2017 amounted to MNOK 129, an improvement of MNOK 80 compared with 2016. The profitability development in the Norwegian part of the Logistics segment is not satisfactory, and several efforts are made to achieve cost-effectiveness. Investments in the logistics network in Norway will give important efficiency improvements and also prepare for an increased capacity to enable us to take our share of the e-commerce growth. The hub in this network is the Logistics centre Oslo that opened in the fourth quarter and is one of Europe's most modern and environmental-friendly logistics centre.

In the mail business, it is of vital importance to adjust to the market development and make the required changes in time. As we entered into 2018, we carried out one of the most significant shifts in Posten's history by changing from two to one addressed mail flow. The mail volumes will continue to fall, and the next required readjustment is fewer distribution days. A proposal for a legislative amendment opening for a transition to mail distribution every other day from 2020 was sent out for comments by the Ministry of Transport and Communication in January.

Digitalisation is a megatrend – everything that can be digitalised, will be digital. In 2017, the Group prepared a new digital strategy and established a competence environment for digital innovation. We shall engage in innovation in several time horizons and find solutions for today's challenges as well as future opportunities within areas like vehicle technology, robotisation, big data, artificial intelligence, environmental technology and the use of "augmented reality".

2018 will be a new exciting year for Posten Norge!

Main features from the fourth quarter of 2017

The Group's revenues in the fourth quarter were MNOK 6 718, an improvement of 4.4 % compared with the fourth quarter in 2016. Revenues in 2017 amounted to MNOK 24 678, a decline of 0.4 % compared with 2016. The organic growth*) in 2017 was positive by 0.7 %.

Adjusted profit (EBITE) was MNOK 326 in the fourth quarter. The improvement of MNOK 59 compared with the same quarter in 2016 was mainly due to the profitability improvement in the Logistics segment. In addition, government procurements of commercially non-viable postal services amounting to MNOK 180 were recognised as a result of approved changes to the national budget in december 2017. This concerned the additional costs by maintaining two addressed mail flows. As expected, the fourth quarter in the Mail segment showed lower profit excluding government procurements as a consequence of the reduced mail volume. The Group's adjusted profit (EBITE) for 2017 was MNOK 703, an improvement of MNOK 58 from 2016.

Operating profit (EBIT) in the fourth quarter was MNOK 275, an improvement of MNOK 482 compared with the same quarter in 2016. In 2017, operating profit (EBIT) amounted to MNOK 692, an improvement of MNOK 514 compared with 2016. This was due to profit improvements in both the Mail and Logistics segments, gain on the sale of properties in 2017 and lower depreciation costs than in 2016. In 2017, a provision for losses due to structural changes in the Mail segment was expensed.

The return on equity (ROE) was 6.3 % for 2017, an improvement of 5.6 percentage points from 2016. The return on invested capital (ROIC) was 9.8 % for 2017, an improvement of 0.8 percentage points from 2016.

In the fourth quarter of 2017, the deliveries of priority mail delivered overnight was 82.8 %. The main reason for the weak result was the extreme weather in the end of November, causing significant delays in the mail distribution. With the increased activity following the Christmas traffic, a lower quality than normal in December is not unusual. This is a contributing factor to the weak result in the fourth quarter. For 2017, the result was 85.4, 0.4 percentage points over the licence requirement.

The absence due to sickness in the fourth quarter was 5.9 %, a reduction of 0.5 percentage points from the same quarter in 2016. The absence due to sickness in 2017 was 5.8 %, a reduction of 0.3 percentage points compared with 2016.

The increase in private e-commerce continued in the fourth quarter, and the Group's e-trade volume had a growth of 12 % in 2017.

*) Organic growth = growth in turnover adjusted for purchases and sales of businesses, foreign currency effects and government procurements of commercially non-viable postal services

Profit development (unaudited)

Amounts in MNOK

Q4 2017	Q4 2016		Year 2017	Year 2016
6 718	6 432	Revenue	24 678	24 772
501	432	EBITDA	1 386	1 339
326	267	Adjusted profit (EBITE)	703	645
275	(207)	Operating profit (EBIT)	692	178
(27)	40	Net financial items	(71)	52
248	(167)	Profit before taxes	621	230
110	**(243)**	**Profit for the period/year**	**388**	**39**

Alternative performance measures applied in the quarterly report are described in appendix to the report
See condensed finacial statement page 12

Operating profit

Adjusted profit (EBITE) for the Mail segment in the fourth quarter was MNOK 403, an improvement of MNOK 60 compared with the same period in 2016. The main reason was government procurements of commercially, non-viable postal services of MNOK 180 granted as a result of changes to the national budget of 2017. This concerned the additional costs by maintaining two addressed mail flows. In the fourth quarter, the volumes for both addressed and unaddressed mail fell and contributed to reduced profit excluding government procurements. The Mail segment had an adjusted profit (EBITE) of MNOK 843 in 2017, an improvement of MNOK 43 compared with 2016. Considerable cost adjustments in operations and a high productivity partly compensated for the fall in volumes and contributed to the improvement.

Adjusted profit (EBITE) in the fourth quarter in the Logistics segment was MNOK 64, an improvement of MNOK 46 from the same period last year. Logistics operations outside Norway showed considerable profit improvement, mainly as a consequence of strong growth within parcels and home deliveries, increased demand for international transport and the discontinuance of unprofitable business in Sweden. Profitability challenges in the Norwegian logistics operations continued, partly due to weak volume growth and increased competition for parcels, together with margin challenges for national transport. The express and warehouse businesses had good margins and contributed positively to the profit development. Adjusted profit (EBITE) in the Logistics segment in 2017 was MNOK 129, an improvement of MNOK 80 compared with 2016.

The Group's profit before taxes was MNOK 621 in 2017, an increase of MNOK 391 compared with 2016. Profit for the year 2017 amounted to MNOK 388, an improvement of MNOK 349 compared with 2016.

Revenue outside Norway

The Group's operations outside Norway had total revenues of MNOK 9 495 in 2017, MNOK 467 lower than last year. The decline was mainly a consequence of discontinued unprofitable operations in Sweden and Denmark and the sale of Bring SCM in the second quarter of 2017.

Revenues outside Norway constituted 38 % of the Group's total external revenues, compared with 40 % in 2016.

Key financial figures (unaudited)

Amounts in MNOK

		Year 2017	Year 2016
Adjusted profit (EBITE)-margin	%	2.8	2.6
Operating profit (EBIT)-margin	%	2.8	0.7
Equity ratio	%	37.6	38.6
Return on invested capital*	%	9.8	9.0
Return on equity (after tax)*	%	6.3	0.7
Net interest-bearing debt	MNOK	(176)	518
Investments, excluding acquisitions	MNOK	959	1 243

Alternative performance measures applied in the quarterly report are described in appendix to the report
*Last twelve months

Balance sheet (unaudited)

Amounts in MNOK

	31.12 2017	31.12 2016
ASSETS		
Non-current assets	8 850	9 063
Current assets	8 112	6 236
Assets	**16 962**	**15 299**
EQUITY AND LIABILITIES		
Equity and liabilities	6 375	5 912
Provisions for liabilities	1 505	1 588
Non-current liabilities	3 096	2 007
Current liabilities	5 986	5 793
Equity and liabilities	**16 962**	**15 299**

Balance sheet

Total investments in intangible and tangible assets (excluding acquisitions) were MNOK 959. The majority of the investments concerned new logistics centres and IT systems. Disposals of fixed assets (excluding the sale of companies) constituted MNOK 156, mainly due to sale of property and disposals of other operating equipment.

The increase in current assets is mainly due to increased liquid assets amounting to approximately 2 billion kroner, a consequence of the sale of a company (Bring SCM) and property, together with new loans placed in market based funds.

The increase in non-current liabilities mainly related to a new bond loan of 1 billion kroner and a new bank loan of MNOK 500.

The Group’s long-term liquidity reserve amounted to MNOK 7 129 (MNOK 5 264 in 2016).

Statement of cash flows (unaudited)

Amounts in MNOK

Q4 2017	Q4 2016		Year 2017	Year 2016
628	696	Cash flows from/(used in) operating activities	592	945
73	(217)	Cash flows from/(used in) investing activities	88	(1 210)
356	(459)	Cash flows from/(used in) financing activities	1 382	(633)
1 057	**20**	**Total change in liquid assets**	**2 062**	**(898)**
2 880	1 855	Cash and cash equivalents at the beginning of the period	1 875	2 773
3 937	**1 875**	**Cash and cash equivalents at the end of the period**	**3 937**	**1 875**

Cash flows

Cash flows from operating activities in 2017 amounted to MNOK 592. The reduction from 2016 was mainly due to increases in paid taxed and working capital. The increase in working capital mainly comprised increases in trade receivables and earned income from foreign postal businesses and a reduction in other current liabilities.

Net cash flows from investing activities in 2017 were MNOK 88. This primarily related to proceeds from the sale of fixed assets and companies compensating for payments for operating investments and acquisition of businesses. The majority of the investments concerned the building of new logistics centres and IT systems.

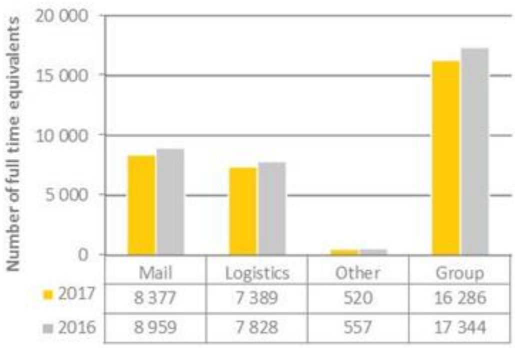
Net cash flows from financing activities in 2017 amounted to MNOK 1 382, principally due to a new bond loan of MNOK 1 000 and a new bank loan of MNOK 500.

Workforce

The Group’s workforce constituted 16 286 full-time equivalents at the end of 2017, a reduction of 1 058 full-time equivalents compared with the corresponding period in 2016. In the Mail segment, the workforce decreased by 582 full-time equivalents. The reduction was mainly within mail distribution and production. In the Logistics segment, the workforce decreased by 440 full-time equivalents, primarily concerning discontinued operations and disposals of entities in operations outside Norway.

FULL TIME EQUIVALENTS

16 286



Market and development per segment (unaudited)

MAIL

This segment comprises letter products, banking services and dialogue services. The segment includes the Mail division and the subsidiaries in the areas of Bring Citymail, Bring Mail and Netlife Gruppen.

Amounts in MNOK

Q4 2017	Q4 2016		Year 2017	Year 2016
2 729	2 667	Revenue	9 694	9 839
479	415	Segment profit (EBITDA)	1 152	1 105
403	343	Adjusted profit (EBITE)	843	800

In the fourth quarter, the volume of addressed mail in Norway was reduced by 11.7 % compared with the same period in 2016. For the year 2017 the decline was 10.1 %. Banking and financing had a decrease in volumes of 27 %, and public senders 25 %.

Unaddressed mail declined by 2.6 % in the fourth quarter, compared with the same period in 2016. The growth for 2017 was 6.2 %. Increased volumes from large individual customers were the main reason for the growth.

Turnover in 2017 declined by MNOK 145 compared with 2016. The main reason was reduced addressed mail. The price increase on addressed mail and larger volumes of unaddressed mail partly compensated for the decline in addressed mail volumes.

In 2017, adjusted profit (EBITE) improved by MNOK 43 compared with 2016. The profit improvement was realised in spite of considerable fall in volume for addressed mail. Comprehensive operational adjustments to lower volumes, increased prices and larger unaddressed volumes compensated for the decline caused by the fall in volumes. The income from government procurements of commercially, non-viable postal services was on approximately the same level in 2017 as in 2016.

In the fourth quarter of 2017, priority mail delivered overnight was 82.8 %. The main reason for the weak result was the extreme weather in the end of November and increased activity in December as a consequence of the Christmas traffic. For 2017, the result was 85.4, 0.4 percentage points over the licence requirement.

LOGISTICS

This segment comprises groupage and part-load services, parcel delivery, warehousing services, temperature-controlled transport and express services.
The segment includes the divisions Logistics Norway, Logistics Nordic and E-Commerce, which include operations in Bring Cargo, Bring Linehaul, Bring Warehousing, Bring Frigo, Bring Express, Bring Parcels and Bring Transport Solutions..

Amounts in MNOK

Q4 2017	Q4 2016		Year 2017	Year 2016
4 380	4 174	Revenue	16 533	16 525
163	109	Segment profit (EBITDA)	497	430
64	18	Adjusted profit (EBITE)	129	49

Revenue in the Logistics segment in 2017 reached about the same level as last year. Organic growth* showed a positive 2.1 %. In the Norwegian logistics business, turnover in 2017 increased by 4 %. The growth was mainly a consequence of increases of freight and home deliveries, but there was a decline for parcels. Offshore and international traffic was still influenced by weak business conditions, but the fourth quarter showed some increased activity. Logistics operations outside Norway had considerable growth within parcels and home deliveries and increased demand for international transport, but in total reduced turnover in 2017 due to discontinued and sold businesses.

Adjusted profit (EBITE) in the Logistics segment in 2017 was MNOK 80 better than in 2016. Logistics operations outside Norway showed considerable profitability improvement due to strong growth within parcels, increased home deliveries, growth in international transport and discontinued freight business in Sweden. The logistics business in Norway had reduced profit, partly due to weak volume growth and price pressure for parcels, together with margin challenges for national transport. The express and warehouse businesses achieved solid margins in 2017.

*) Organic growth=growth in turnover adjusted for purchases and sales of businesses and foreign currency effect.

Other matters

HSE

The Group's ambition is to create and maintain a working environment focusing on health where nobody gets injured or sick as a consequence of their work. The Group's focus on systematic HSE initiatives has had positive results. Both the number of personal injuries and absences due to sickness have declined significantly in recent years.

In the fourth quarter of 2017, absence due to sickness in the Group was 5.9 %, a reduction of 0.5 percentage points compared with the fourth quarter of 2016. Absence due to sickness in 2017 was 5.8 %, a reduction of 0.3 percentage points compared with the year 2016.

The total number of personal injuries per million worked hours (H2) was 12.3 in the fourth quarter of 2017, an increase of 1.8 from the same period last year. The injury frequency in 2017 was reduced from 9.2 to 8.4 compared with 2016.

The external environment

The Group has set an ambitious goal in using only renewable energy in all their vehicles and buildings before 2025, provided that new technology is competitive with "fossil" solutions when implemented on a large scale.

In the fourth quarter, the Group opened a new logistics centre at Alnabru, a co-localisation of Posten and Bring's former terminals at Karihaugen, Skårer and Alnabru. The co-localisation at Alnabru is calculated to result in 10.000 fewer driven kilometers every day, contributing to reduce the CO_2 emissions in the Oslo region by 0.5 %. It also provides proximity to the customers and to the railway's freight terminal.

The Group continues its efforts to influence general conditions that contribute to implement renewable solutions faster. The Group is working with several tests and pilots of non-emission vehicles- As an example, Posten is the first business in the Nordics to test the electric van Maxus in the center of Oslo. Next year, the car fleet is extended to include an electric semi-trailer from Tesla.

Other matters

The payment of government procurements of commercially, non-viable postal services* to Posten for 2017 amounted to MNOK 357. Based on Posten's preliminary recalculation, MNOK 343 were recognised as income for government procurements of commercially, non-viable postal services in 2017.

For 2016, Posten Norge received MNOK 403 for government procurements of commercially, non-viable postal services*). The recalculation for 2016 showed a net cost of MNOK 459, and Posten asked the Ministry of Transport and Communication for a supplementary payment of MNOK 56. However, the Norwegian Parliament granted government procurements of commercially, non-viable postal services amounting to MNOK 327 for 2016. This did not include compensation for maintaining to mail flows. On the basis of this decision, Posten has paid back MNOK 77 (including interest). The recalculation had no significant result effect in 2017, as the estimate had already been recognised in the Group's result for 2016.

*) The 2016 Annual Report has a detailed description.

Future prospects

The logistics market is highly influenced by the level of activity in the economy. The economic forecasts in both Norway and Sweden are positive and suggest growth in the Group's logistics business. Economic forecasts in Norway are better than in many years, and a moderate economic growth is expected as a consequence of on-shore business investments and growth in private consumption. Towards the end of 2018, increased investments in the oil sector are also expected to contribute positively. In Sweden, the growth is expected to be on the same level as in 2017, a little less than 3 %. This is a consequence of expected increased investments in the industry and increased export.

The Group is carrying out a number of initiatives to improve profitability in the logistics business, such as establishing a new logistics network where the number of terminals in Norway is reduced from more than 40 to 18. Joint terminals for parcels and freight simplify operations and contribute to a larger degree of coproduction and coordination. The Group is also in a process of implementing a common system portfolio which will standardise and simplify our working processes to make them more efficient.

For 2018, the Norwegian Parliament has granted MNOK 165 to government procurements of commercially, non-viable postal services. This is MNOK 540 lower than the net costs Posten has calculated. The under compensation mainly concerns additional costs resulting from the requirement for mail distribution 5 days a week and carry-over costs in 2018 from two mail flows after the transition to one mail flow from 1 January 2018.

Addressed mail will continue to decline in the years to come as a consequence of the technological development. The financial consequences of the fall in volumes will be considerable for Posten. Accordingly, the need for regulatory freedom is of vital importance to enable faster adjustments of the services offered to market developments and to change operations in time.

In January, the Ministry of Transport and Communication submitted a consultation paper for comments about changing the legislative requirement for mail distribution from 5 days a week to every other day. The documents included a research report from Copenhagen Economics about the future need for government procurements of commercially, non-viable postal services by carrying forward the requirement to distribute 5 days a week and by three alternative distribution frequencies. The report confirms Posten's own assessments and shows that by carrying out the proposed change, it is possible to achieve annual cost savings over the government budget of appr. MNOK 500 in 2020. Without changes in the distribution frequency, the government procurements of commercially, non-viable postal services could constitute 1 billion kroner in 2025.

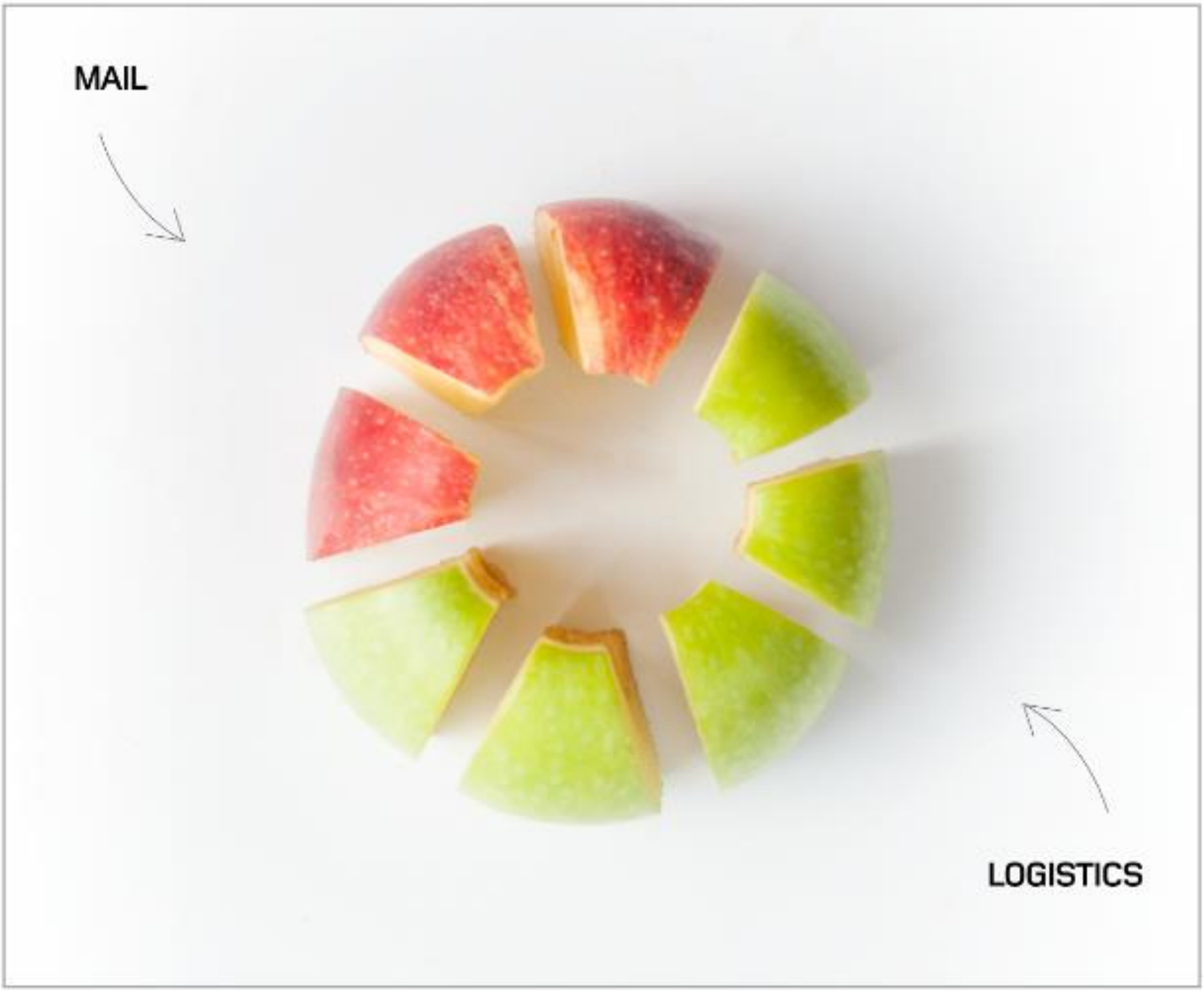
Oslo, 15 February 2018

The Board of Directors in Posten Norge AS

Posten Norge

FINANCIAL REPORT

4TH QUARTER 2017



Condensed income statement

Q4 2017	Q4 2016		Note	Year 2017	Year 2016
6 718	**6 432**	**Revenue**	1	**24 678**	**24 772**
2 754	2 548	Cost of goods and services		10 317	10 086
2 501	2 507	Payroll expenses		9 451	9 749
176	165	Depreciation and amortisation	2	683	694
57	263	Write-downs	2	59	313
961	945	Other operating expenses		3 524	3 599
6 450	**6 428**	**Operating expenses**		**24 034**	**24 440**
(4)	(220)	Other income and (expenses)	5	57	(169)
10	9	Share of profit from associates and joint ventures		(9)	15
275	**(207)**	**Operating profit**	1	**692**	**178**
(27)	40	Net financial items		(71)	52
248	**(167)**	**Profit before tax**		**621**	**230**
138	76	Tax expense		233	191
110	**(243)**	**Profit for the period/year**		**388**	**39**
107	(245)	Controlling interests	1	382	36
3	1	Non-controlling interests		6	4

(The information in this document has not been audited. All amounts are in MNOK.) 13

Condensed statement of comprehensive income

Q4 2017	Q4 2016		Year 2017	Year 2016
110	**(243)**	**Profit / (loss) for the period/year**	**388**	**39**
		Items that will not be reclassified to income statement		
		Pension		
(35)	(74)	Changes in estimates	(35)	(74)
8	17	Tax	8	17
(26)	**(58)**	**Total items that will not be reclassified to income statement**	**(26)**	**(58)**
		Items that later will be reclassified to income statement		
		Translation differences		
(33)	(18)	Result of hedging of foreign entities	(32)	173
34		Hedging effects reclassified to income	34	
	5	Tax	(1)	(43)
133	9	Translation differences from hedging of investments of foreign entities	146	(142)
(16)		Reclassified translation differences - sale of companies	(16)	
117	**(4)**	**Total translation differences**	**131**	**(13)**
		Cash flow hedging		
(2)	3	Changes in value	(6)	10
		Transferred to income	2	13
	(1)	Tax	1	(6)
(1)	**2**	**Total cash flow hedging**	**(3)**	**17**
115	**(2)**	**Total items that later will be reclassified to income statement**	**128**	**5**
(6)	3	Changes in tax rate	(6)	3
83	**(57)**	**Other income/(costs) directly included in equity**	**96**	**(50)**
193	**(301)**	**Comprehensive income**	**483**	**(11)**
		Total comprehensive income is distributed as follows:		
190	(302)	Controlling interests	477	(15)
3	1	Non-controlling interests	6	4

(The information in this document has not been audited. All amounts are in MNOK.) 14

Condensed balance sheet

	Note	31.12 2017	31.12 2016
Assets			
Intangible assets	2	2 118	2 194
Deferred tax asset		281	396
Tangible fixed assets	2	5 794	5 866
Other financial assets		657	608
Total non-current assets		**8 850**	**9 063**
Inventories		14	21
Interest-free current receivables		4 054	4 255
Interest-bearing current receivables		107	85
Liquid assets		3 937	1 875
Current assets		**8 112**	**6 236**
Total assets		**16 962**	**15 299**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		3 233	2 777
Non-controlling interests		22	14
Equity	3	**6 375**	**5 912**
Provisions for liabilities		**1 505**	**1 588**
Interest-bearing non-current liabilities	4	3 072	1 978
Interest-free non-current liabilities		24	29
Non-current liabilities		**3 096**	**2 007**
Interest-bearing current liabilities	4	689	415
Interest-free current liabilities		5 158	5 117
Tax payable		138	260
Short-term liabilities		**5 986**	**5 793**
Total equity and liabilities		**16 962**	**15 299**

(The information in this document has not been audited. All amounts are in MNOK.) 15

Condensed statement of changes in equity

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserves	Transl. differ-ences	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2016	**3 120**	**992**	**(17)**	**195**	**1 637**	**2 808**	**(2)**	**5 926**
Profit for the period					36	**36**	4	**39**
Other comprehensive income/(loss) for the period			17	(13)	(55)	**(50)**		**(50)**
Total comprehensive income			**17**	**(13)**	**(19)**	**(15)**	**4**	**(11)**
Addition non controlling interest					(13)	**(13)**	13	
Other equity transactions					(3)	**(3)**		**(3)**
Equity 31.12.2016	**3 120**	**992**		**183**	**1 602**	**2 777**	**14**	**5 912**
Equity 31.12.2016	**3 120**	**992**		**183**	**1 602**	**2 777**	**14**	**5 912**
Profit for the period					382	**382**	6	388
Other comprehensive income/(loss) for the period			(3)	131	(32)	**96**		96
Total comprehensive income			**(3)**	**131**	**350**	**477**	**6**	**483**
Dividend					**(19)**	(19)	(2)	(21)
Addition non controlling interest							15	15
Other equity transactions					(3)	**(3)**	(11)	**(14)**
Equity 31.12.2017	**3 120**	**992**	**(3)**	**314**	**1 930**	**3 233**	**22**	**6 375**

(The information in this document has not been audited. All amounts are in MNOK.) 16

Condensed statement of cash flows

Q4 2017	Q4 2016		Year 2017	Year 2016
248	(167)	Income before tax	621	230
8	(16)	Tax paid in period	(251)	(156)
(240)	1	(Gain)/loss from sales of non-current assets, subsidiaries and associated company	(270)	(6)
234	428	Depreciation and write-downs	743	1 007
(10)	(9)	Share of net income from associated companies and joint venture	9	(15)
16	82	Financial items without cash flow effect	54	25
(162)	141	Changes in receivables, inventory and payables	(267)	(25)
358	22	Changes in other working capital	(114)	(182)
174	223	Changes in other accruals	73	70
15	9	Interests received	56	65
(13)	(19)	Interests paid	(62)	(69)
628	**696**	**Cash flow from/(used in) operating activities**	**592**	**945**
(315)	(252)	Investments in tangible non-current assets and intangible assets	(959)	(1 243)
(10)		Investments in businesses	(40)	(112)
		Investments in associated companies and joint venture	(7)	
154	18	Proceeds from sales of tangible non-current assets and intangible assets	232	95
228		Proceed from sale of subsidiaries	824	22
21	5	Proceed from sale of associated companies	21	5
	17	Dividend received from associated companies	2	17
(5)	(4)	Changes in other financial non-current assets	16	6
73	**(217)**	**Cash flow from/(used in) investing activities**	**88**	**(1 210)**
500		Proceeds from non-current and current debt raised	1 500	100
	(32)	Repayment of non-current and current debt	(100)	(733)
(144)	(427)	Decrease/increase bank overdraft	1	
356	**(459)**	**Cash flow from/(used in) financing activities**	**1 382**	**(633)**
1 057	**20**	**Total change in cash and cash equivalents during the year**	**2 062**	**(898)**
2 880	1 855	Cash and cash equivalents at the start of the period	1 875	2 773
3 937	**1 875**	**Cash and cash equivalents at end of period**	**3 937**	**1 875**

(The information in this document has not been audited. All amounts are in MNOK.) 17

SELECTED ADDITIONAL INFORMATION

General

Posten Norge AS was established as a company on 1 December 1996 and is today a Norwegian-registered limited liability company with the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries, as its sole shareholder. Posten Norge AS' address is Biskop Gunnerus gate 14, 0001 Oslo, Norway.

This condensed interim report has been prepared in accordance with the IFRSs (International Financial Reporting Standards) approved by the EU and complies with the prevailing accounting standard IAS 34 for interim financial reporting. The condensed interim financial accounts do not provide complete note disclosures as required for annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements.

Accounting principles

The interim financial statements have been prepared in accordance with the same accounting principles as stated in the 2016 annual report, with the following exceptions:

New or amended standards that have been applied from 1 January 2017:

None of the approved standards or interpretations effective from 1 January 2017 has any significant impact on the consolidated accounts.

Standards issued, but not yet effective:

IFRS 9 *Financial Instruments* concerns the classification, measurement and recognition of financial assets and liabilities, as well as hedge accounting. The standard will be effective for the 2018 financial year. The Group does not expect any significant effect on the consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers* concerns revenue recognition. The standard will be effective for the 2018 financial year. The new standard also has new and amended requirements for accompanying disclosures. The Group does not expect any significant effect on the consolidated financial statements.

IASB issued the new standard IFRS 16 *Leases* in January 2016. The new standard changes the requirements for recognising lease agreements for the lessee significantly. All lease agreements (with some minor exceptions) shall be recognised in the balance sheet, showing the value of the right to use as assets and the corresponding lease obligations in the balance sheet. Lease payments shall be recorded as amortisations/repayments and interest expense. The "right to use" asset will be depreciated over its expected economic lifetime. The accounting requirements for lessors are basically unchanged. The new standard also has new and amended requirements for accompanying disclosures. IFRS 16 will be effective for the accounting year 2019.

The Group is in the process of evaluating the effects of IFRS 16, but has not yet fully assessed the impact of the new standard. The Group’s initial assessment is that the new standard will change the accounting of lease contracts in the Group significantly, especially regarding lease agreements related to buildings and terminals and to the Group’s car fleet.

No other issued standards or interpretations not yet effective are expected to have any significant impact on the Group's financial statements.

Estimates and assessments

In the preparation of the interim financial statements, management has used estimates and assumptions affecting revenues, expenses, assets and liabilities. Areas in which such estimates and assessments can have an impact include goodwill, other intangible assets, tangible fixed assets, pensions, provisions and tax.

The sources of uncertainty concerning estimates are the same as for the 2016 financial statements. Future events may result in changes in the estimates, and these changes will be recognised in the accounts once any new estimate has been determined.

The annual report for 2016 is available at www.postennorge.no

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Norge's operations are divided into two segments, Mail and Logistics. Group administration and shared functions, together with eliminations, are allocated to Other.

The Group's segments are reported by areas whose operating results are regularly reviewed by the Board of Posten Norge AS. The objectives are to enable the Board to decide which resources should be allocated to the segment and to assess its earnings.

Internal revenues are turnover between segments in the Group. The pricing of transactions with other segments is based on normal commercial terms and conditions as if the segments were independent parties. Deferred tax assets are not included in allocated assets, and deferred tax and interest-bearing liabilities are not included in allocated liabilities.

The segments are described in more detail in the 2016 annual report.

Revenue per segment

Q4 2017	Q4 2016	Total revenue	Year 2017	Year 2016
2 532	2 465	External revenue	8 952	9 092
197	202	Internal revenue	742	747
2 729	**2 667**	**Mail**	**9 694**	**9 839**
4 186	3 965	External revenue	15 726	15 676
194	209	Internal revenue	807	849
4 380	**4 174**	**Logistics**	**16 533**	**16 525**
	2	External revenue	(1)	4
288	318	Internal revenue	1 296	1 367
289	**321**	**Other**	**1 295**	**1 371**
(679)	(729)	Eliminations	(2 844)	(2 962)
6 718	**6 432**	**Posten Norge**	**24 678**	**24 772**

EBIT per segment

Q4 2017	Q4 2016	EBITDA	Year 2017	Year 2016
479	415	Mail	1 152	1 105
163	109	Logistics	497	430
(140)	(92)	Other	(263)	(196)
501	**432**	**Posten Norge**	**1 386**	**1 339**

Q4 2017	Q4 2016	Adjusted profit (EBITE)	Year 2017	Year 2016
403	343	Mail	843	800
64	18	Logistics	129	49
(141)	(94)	Other	(269)	(204)
326	**267**	**Posten Norge**	**703**	**645**

(The information in this document has not been audited. All amounts are in MNOK.) 20

Q4 2017	Q4 2016	Operating profit (EBIT)	Year 2017	Year 2016
342	204	Mail	819	724
76	(318)	Logistics	162	(334)
(143)	(93)	Other	(290)	(212)
275	**(207)**	**Posten Norge**	**692**	**178**

Assets and liabilities per segment

31.12.2017	Mail	Logistics	Other	Elim.	Group
Associates and joint ventures	35	429			464
Other non-current assets	2 234	5 670	182		8 085
Current assets	1 145	2 928	17	(22)	4 068
Total allocated assets	**3 413**	**9 027**	**198**	**(22)**	**12 617**
Deferred tax asset					281
Interest-bearing receivables					127
Liquid assets					3 937
Total non-allocated assets					**4 345**
Total assets					**16 962**
Provisions and liabilities	603	902			1 505
Total intest free liabilities	2 328	2 809	207	(22)	5 321
Total allocated liabilities	**2 931**	**3 711**	**207**	**(22)**	**6 825**
Deferred tax					
Total interest-bearing liabilities					3 761
Total non allocated liabilities					**3 761**
Total liabilities					**10 587**

(The information in this document has not been audited. All amounts are in MNOK.) 21

31.12.2016	Mail	Logistics	Other	Elim.	Group
Associates and joint ventures	23	358			381
Other non-current assets	2 296	5 767	215		8 278
Current assets	1 111	3 131	226	(193)	4 275
Total allocated assets	**3 431**	**9 256**	**441**	**(193)**	**12 935**
Deferred tax asset					396
Interest-bearing receivables					93
Liquid assets					1 875
Total non-allocated assets					**2 364**
Total assets					**15 299**
Provisions and liabilities	718	872			1 588
Total intest free liabilities	2 097	3 100	402	(193)	5 406
Total allocated liabilities	**2 815**	**3 972**	**402**	**(193)**	**6 994**
Deferred tax					
Total interest-bearing liabilities					2 394
Total non allocated liabilities					**2 394**
Total liabilities					**9 388**

(The information in this document has not been audited. All amounts are in MNOK.) 22

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Total at 1 January 2017	**2 194**	**5 866**
Additions	248	711
Additions from acquisitions	23	
Disposals		(156)
Disposals from sales of subsidiaries	(175)	(125)
Depreciation	(149)	(535)
Write-downs	(52)	(7)
Translation differences	29	40
Total at 31 December 2017	**2 118**	**5 794**

Investments exclusive of acquisitions in 2017 amounted to MNOK 959, of which investments in IT related solutions constituted MNOK 239. MNOK 267 of the MNOK 711 invested in tangible fixed assets concerned buildings and property, of which the new logistics centres in Vestfold, Alnabru in Oslo, Trondheim and Narvik were the largest projects. Investments in other fixed assets included terminal furnishings, vehicles and other operating equipment. The purchase price allocation (PPA) for the sub-group Netlife Gruppen resulted in an increase of goodwill of MNOK 15 and added value in brand names of MNOK 4.

Disposals of non-current assets primarily relate to the sale of a terminal in Bergen. Other disposals concern sales of other operating equipment. Disposals from sales of companies mainly concern the sale of Posten Eiendom Kanalvegen AS, Bring SCM and Bring Cargo Inrikes Fastighets AB.

Write-downs of intangible assets mainly concern goodwill in the Logistics segment.

Note 7 has details on acquisitions and disposals of companies.

Note 3 Equity

As at 31 December 2017, the share capital consisted of 3 120 000 shares at a nominal value of NOK 1 000. All the company's shares are owned by the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries.

At the Annual General Meeting in June 2017, it was decided that dividends of MNOK 19 would be distributed, corresponding to the Board's proposals in the 2016 financial statements. Dividends were paid in August 2017.

Note 4 Interest-bearing non-current and current liabilities

The Group's non-current interest-bearing liabilities increased by approximately MNOK 1 100 from 31 December 2016 to 31 December 2017, mainly due to a new bond loan of MNOK 1 000, a new bilateral loan of MNOK 500 together with repayments and a reclassification of the first year's instalment of totally MNOK 375.

Current interest-bearing liabilities increased by MNOK 274 from 2016, primarily caused by a reclassification of the first year's instalment from long-term debt.

As at 31 December 2017, none of the Group's other credit facilities had been used. The average interest rate on Posten's outstanding interest-bearing liabilities was 2.0 % as at 31 December 2017.

Note 5 Other income and expenses

Other income and expenses include restructuring costs together with gain and loss on sales of tangible assets. The purpose of this line in the accounts is to show significant irregular items separately, thereby making the development in the operating items presented in the adjusted profit (EBITE) comparable.

Q4 2017	Q4 2016		Year 2016	Year 2016
240	(1)	Gain/(loss) from sale of fixed assets etc.	270	6
(15)	(210)	Restructuring costs	15	(220)
(229)	(9)	Other income and (expenses)	(229)	45
(4)	**(220)**	**Total other income and (expenses)**	**57**	**(169)**

Gain and loss from the sale of fixed assets in 2017 primarily concerned the sale of Posten Eiendom Kanalveien AS with a gain of MNOK 180, and the terminal in Bergen with a gain of MNOK 60.

Due to voluntary retirement and alternative restructuring solutions, provisions for adjustments to one addressed mail flow in the Mail segment amounting to MNOK 50 were reversed. Other restructuring costs provided for in 2017 mostly concerned the reorganisation of the terminal structure in the Logistics segment, together with restructurings in the Group's staff and support functions. For 2016, restructuring costs mainly concerned adjustments to one addressed mail flow in the Mail segment

Other income and expenses in 2017 primarily comprised provisions for losses related to structural changes in the Mail segment. Other income and expenses in 2016 concerned income from the settlement of a dispute in the Mail segment.

In 2017, Posten received a claim for compensation from a supplier concerning changes in purchase volumes. The claim amounts to MNOK 110. Posten is contesting the claim in total and has not provided for it in the accounts.

Note 6 Fair value measurement

The fair value of financial assets and liabilities is calculated in line with the methods and assumptions, as well as the fair value hierarchy, used in previous years. This is described in more detail in the 2016 annual report.

The Group had the following financial assets and liabilities measured at fair value at the end of the fourth quarter of 2017:

	At fair value (FV)				At amortised cost		
	Valua-tion level	**FVO – FV Profit or loss**	**Deriva-tives at FV Profit or loss**	**Deriva-tives at FV OCI/ equity**	**Receiv-ables**	**Other financial liabilities**	**31.12 2017**
Assets							
Interest-bearing current receivables					20		20
Other financial non-current assets	2		163		25		188
Interest-free current receivables	2				4 053		4 054
Interest-bearing current receivables					107		107
Liquid assets							3 937
Total financial assets							**8 306**
Liabilities							
Interest-bearing non-current liabilities	2	607				2 465	3 072
Interest-free non-current liabilities	2		19	3		2	24
Interest-bearing current liabilities	2					689	689
Interest-free current liabilities, incl. tax payable	2		3	13		5 280	5 296
Total financial liabilities							**9 082**
Total value hierarchy level 1							
Total value hierarchy level 2		(607)	142	(16)			(481)
Total value hierarchy level 3							

	At fair value (FV)				At amortised cost		
	Valua-tion level	**FVO – FV Profit or loss**	**Deriva-tives at FV Profit or loss**	**Deriva-tives at FV OCI/ equity**	**Receiv-ables**	**Other financial liabilities**	**31.12 2016**
Assets							
Interest-bearing current receivables					8		8
Other financial non-current assets	2		194		28		223
Interest-free current receivables	2		12	39	4 203		4 255
Interest-bearing current receivables					85		85
Liquid assets							1 875
Total financial assets							**6 446**
Liabilities							
Interest-bearing non-current liabilities	2	635				1 344	1 978
Interest-free non-current liabilities	2		24	2		2	29
Interest-bearing current liabilities	2					415	415
Interest-free current liabilities, incl. tax payable	2		8	8		5 362	5 378
Total financial liabilities							**7 800**
Total value hierarchy level 1							
Total value hierarchy level 2		(635)	175	29			(431)
Total value hierarchy level 3							

The table above shows the classification in categories pursuant to IAS 39. Details can be found in the 2016 financial report.

Level 1: Listed prices
Level 2: Other observable input, direct or indirect
Level 3: Non-observable input

There have been no transfers between the levels in the fair value hierarchy since last year.

(The information in this document has not been audited. All amounts are in MNOK.) 25

Note 7 Changes to the Group’s structure

Acquisition of company

In December 2017, Netlife Gruppen AS acquired 50.1 % of the shares in the company Data Factory AS. The company is consolidated as a subsidiary in the consolidated financial statements. Data Factory AS was established in 2016 and is engaged in the research, design, development and testing of a platform for collecting, processing and visualising data.

Sale of company

In March 2017, Bring Cargo Inrikes AB sold the subsidiary Bring Cargo Inrikes Fastighets AB, cf. note 5. The sale involved disposals of property.

On 30 June 2017, the Group sold its share in Bring SCM, cf. note 5. The sale involved disposals of goodwill, a receivable on a customer for third-party logistics services and corresponding current liabilities.

Posten Eiendom Kanalvegen AS, the owner of Bergen Postterminal, was sold on 20 December 2017, cf. note 5. The sale involved disposals of property. The properties are still used by Posten.

Other changes

As part of simplifying the company structure, Bring Express AS (target company) merged with Posten Norge AS (acquiring company) with effect from 1 January 2017. The merger was carried out as a parent-subsidiary merger without compensation and with accounting and tax continuity.

A business transfer of customs and international traffic from Bring Transportløsninger AS to Bring Cargo AS was carried out, effective from 1 January 2017.

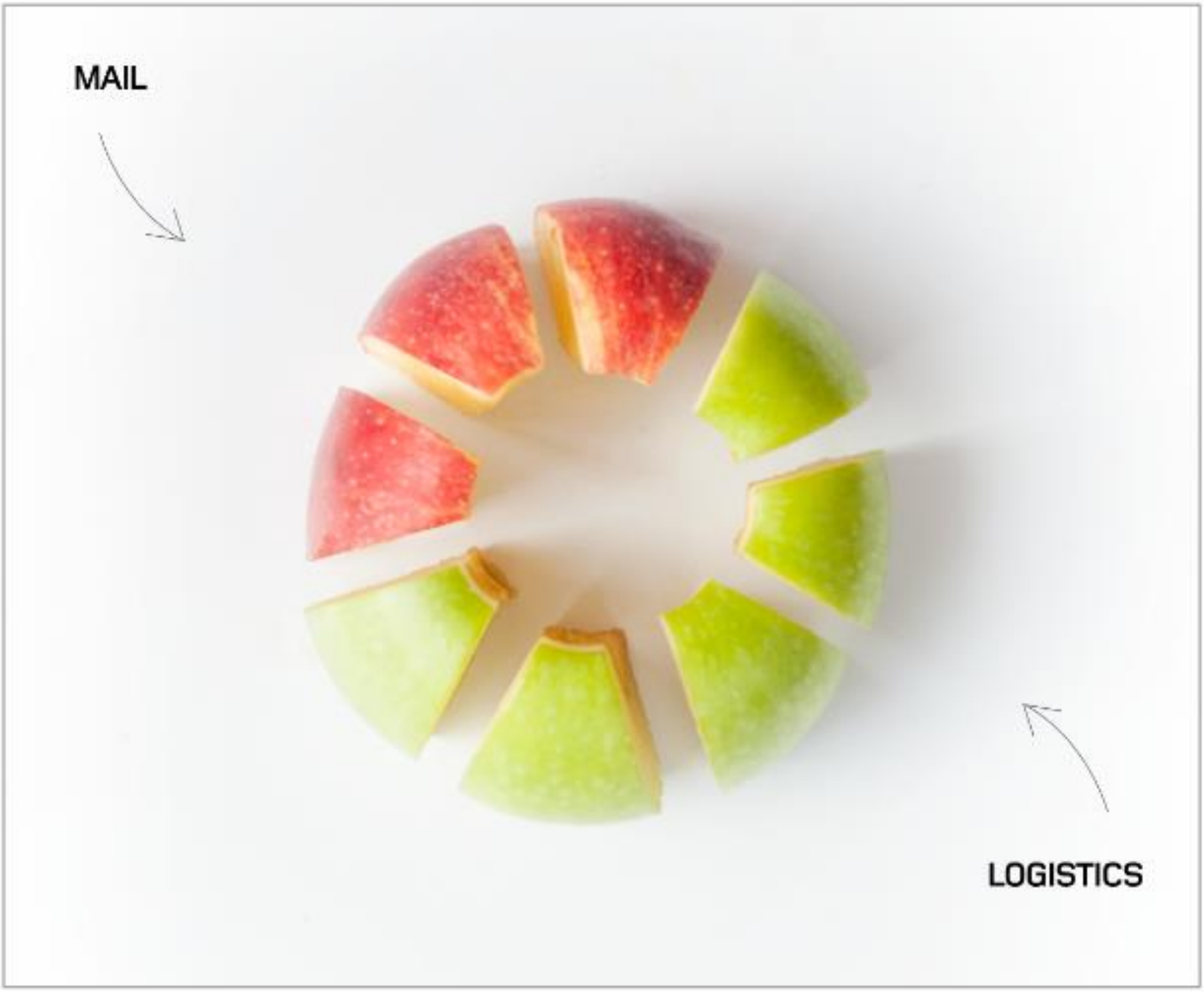
In April 2017, a business transfer from Bring Frigo AS to Bring Transportløsninger AS was carried out as part of consolidating the Group’s operation of vehicles.

Bring SCM AB sold three wholly owned subsidiaries to the parent company Bring Frigo AB before the sub-group Bring SCM was sold out of the Group.

ALTERNATIVE

PERFORMANCE MEASURES

4TH QUARTER 2017



Alternative Performance Measures (APM)

The Groups financial information has been prepared in accordance with international accounting standards (IFRSs). In addition, information has been given about alternative performance measures that are regularly reviewed by management to improve the understanding of the result. The alternative performance measures presented may be defined differently by other companies.

As a consequence of new guidelines for «Alternative performance measures in financial reporting», the Group has clarified the definition of performance measures and other financial figures applied in the annual report, which are not part of the disclosed financial statements.

The Group's performance measures and other target figures applied in the the annual and quarterly reports are described below:

EBITDA, adjusted profit (EBITE), EBIT

Group management is following up the Group's financial situation by using common target figures (KPIs) and target figures showing income and expenses related to the Group's ordinary operations.

The alternative target figures applied in the reports to Group management comprise earnings excluding items of a non-operating character.

Profit/loss before tax, financial items and depreciation (EBITDA) is an important financial parameter for the Group and the basis for the term adjusted profit (EBITE). Adjusted profit (EBITE) is EBITDA before other income and expenses and includes depreciation. EBIT includes the Group's write-downs, other income and expenses in addition to income from associated companies and joint ventures.

The target figures are valuable for the users of Posten's financial information, also including management, the Board and external parties. They give the users of the financial information the opportunity to assess the operating result on the basis of variable current items, as depreciation and amortisation costs, non-recurring items and other gain and loss related to investment are excluded. It is also assumed that the target figures contribute to a more comparable evaluation of operating results of the Group's competitors.

The EBIT and EBITE margins are presented defined as EBIT and adjusted profit (EBITE), respectively, divided by total income.

		Year 2017	Year 2016
+	Revenue	24 678	24 772
-	Costs of goods and services	10 317	10 086
-	Payroll and social expenses	9 451	9 749
-	Other operating expenses	3 524	3 599
=	**EBITDA**	**1 386**	**1 339**

		Year 2017	Year 2016
+	EBITDA	1 386	1 339
-	Depreciation	683	694
=	**Adjusted profit (EBITE)**	**703**	**645**

		Year 2017	Year 2016
	Adjusted profit (EBITE)/	703	645
	Total revenues	24 678	24 772
=	**Adjusted profit (EBITE) margin**	**2,8 %**	**2,6 %**

		Year 2017	Year 2016
+	Adjusted profit (EBITE)	703	645
-	Write-downs	59	313
+/-	Total other income and expenses	57	(169)
+	Share of profit or loss from associates and joint ventures	(9)	15
=	**Operating profit (EBIT)**	**692**	**178**

		Year 2017	Year 2016
	Operating profit (EBIT)/	692	178
	Total revenues	24 678	24 772
=	**Operating profit (EBIT) margin**	**2,8 %**	**0,7 %**

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective in the Group's guidelines for finance is to secure financial freedom of action for the Group. Such freedom makes it possible to operationalise strategies and reach the business' goals. The Group shall at all times have adequate access to capital to cover normal fluctuations in the Group's liquidity needs, refinancing risk and normal expansion rate without the need for special financing measures set off by individual projects. This implies adequate resources to realise the Group's approved strategies.

Net interest-bearing debt and the liquidity reserve are indicators of the Group's liquid situation and closely followed up by the Group's centralised finance function. It is also an individual target that can be applied to assess the Group's liquidity requirements.

Net interest-bearing debt comprises both short-term and long-term interest-bearing debt, excluding financial instruments like debt instruments and derivatives, financial market placements in addition to cash and cash equivalents.

The Group's liquidity reserve includes all funds available to finance operations and investments. It is allocated to amounts available according to agreements in the short and longer term and as such a useful target figure to consider whether the Group has adequate liquidity to achieve the Group's approved strategy.

		31.12 2017	31.12 2016
+	Interest-bearing non-current liabilities	3 072	1 978
+	Interest-bearing current liabilities	689	415
-	Market-based financial investments	3 235	1 634
-	Cash	69	71
-	Bank deposits - Group account system	578	23
-	Bank deposits - other	56	147
=	**Net interest-bearing debt (NIBD)**	**-176**	**518**

		31.12 2017	31.12 2016
+	Market-based investments	3 235	1 634
+	Syndicate facility	3 444	3 180
+	Bilateral credit facilities	750	750
-	Certificate loans	300	300
=	**Long-term liquidity reserve**	**7 129**	**5 264**

		31.12 2017	31.12 2016
+	Long-term liquidity reserve	7 129	5 264
+/-	Deposits on group account	539	23
+/-	Deposits outside group account	94	147
+	Bank overdraft not utilised	550	550
=	**Short-term liquidity reserve**	**8 312**	**5 985**

Invested capital and return on invested capital (ROIC)

The Group is creating value for the owners by investing cash today that contributes to increased cash flows in the future. Such value is generated as long as the business is growing and achieves a higher return on its invested capital (ROIC) than the capital costs (WACC). It is a useful tool to measure whether the investments generate adequate return.

Items included in the calculation of invested capital are shown below:

		2017	2016
+	Total intangible assets	2 162	2 328
+	Total tangible fixed assets	5 831	5 767
+	Total current assets	6 694	6 740
-	Total liquid assets	2 527	2 203
-	Interest-bearing current assets	96	102
-	Interest-free current liabilities	4 995	5 492
+	Tax payable	111	149
+	Dividend and group contributions	3	1
=	**Invested capital***	**7 183**	**7 187**

*Rolling twelve months

		2017	2016
	Last 12 months' accumulated EBITE/	703	645
	Invested capital	7 183	7 187
=	**Return on invested capital (ROIC)**	**9,8 %**	**9,0 %**

Other alternative performance measures

The Group applies and presents some other individual performance measures, considered to be useful for the market and the users of the Group's financial information. These measures are shown in the table below:

		2017	2016
+	Totalt investments	981	1 464
-	Investment due to acquisitions	22	221
=	**Investment before acquisitions***	**959**	**1 243**

*Equivalent to Investments in tangible non-current assets and intangible assets in the cash flow statement

		2017	2016
	Profit after tax total	388	39
	Average equity on balance sheet date*	6 143	5 919
=	**Return on equity after tax**	**6,3 %**	**0,7 %**

*(Opening + closing balance)/2

		31.12 2017	31.12 2016
	Total equity on balance sheet date/	6 375	5 912
	Total equity and liabilities (total capital)	16 962	15 299
=	**Equity ratio**	**37,6 %**	**38,6 %**

		Year 2017	Year 2016
+	Total revenue	24 678	24 772
-	Total external revenue	15 183	14 810
=	**Revenue**	**9 495**	**9 962**