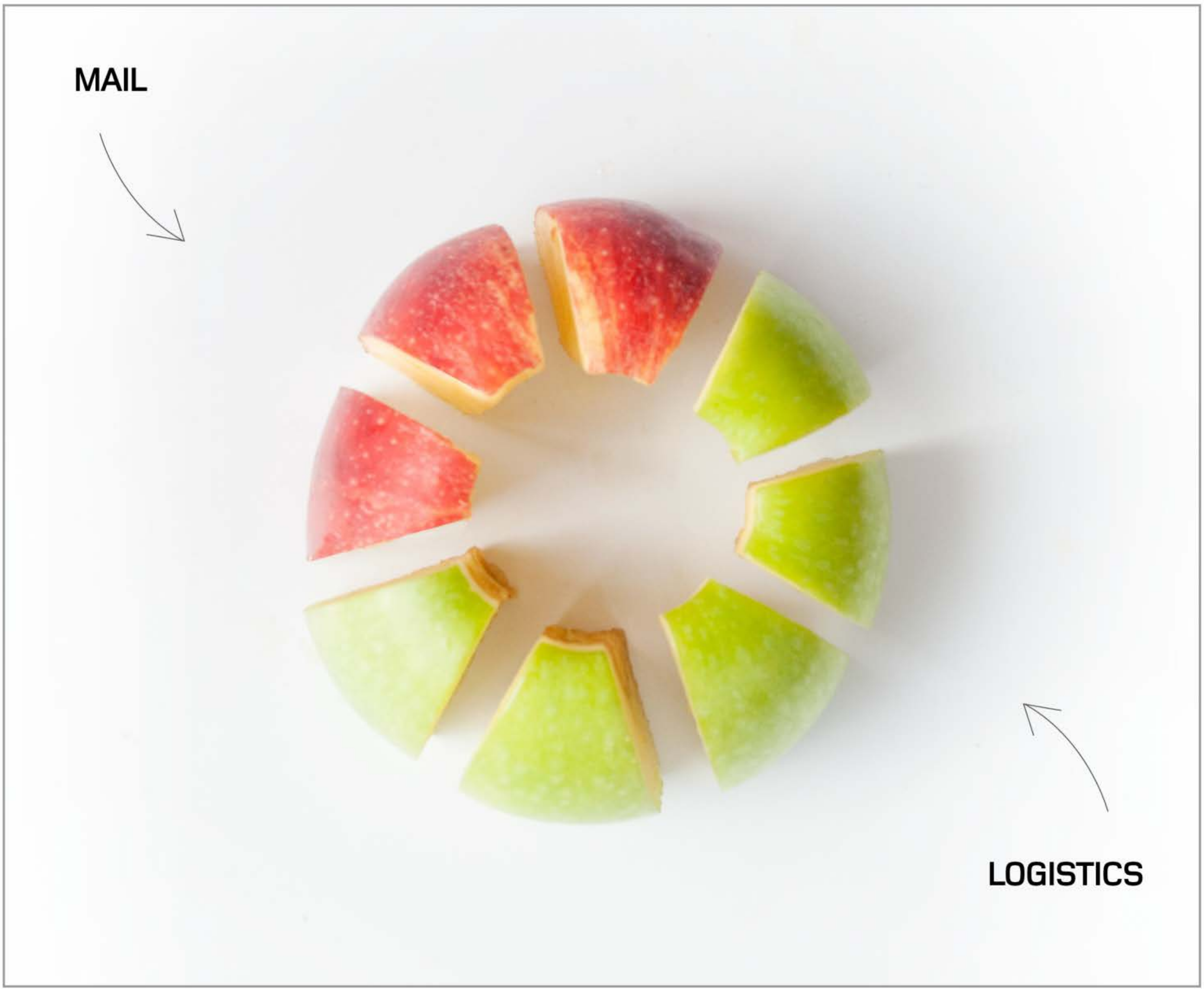
QUARTERLY REPORT

1ST QUARTER 2017



Message from the CEO

«It is a pleasure to present a considerable improvement in results for the first quarter of 2017. We have strengthened the profitability in both the mail and logistics segments, partly due to more working days than in the first quarter last year, but we also see effects from operational efforts in both segments.

Increased profitability is the first step on our journey of change. Even though the first quarter showed better results, we still have a way to go to deliver satisfying margins in the logistics segment. The mail segment performed well in the first quarter in spite of a considerable fall in volumes. In a digital time where the customer needs change rapidly, we have to adapt more frequently and quicker. The supply of postal services must be adjusted to a dramatically changed market situation. This requires political decisions, and Posten must also be given predictability concerning government procurements of commercially non-viable postal services.

We will increase the speed and force in our efforts in digital innovation with the basis in new customer needs. Important keywords are digitalisation of work processes, tools and customer service. On a group level, we will also simplify our operations and reduce the complexity of the structure.

In 2017, we will open three new logistics centres constituting important parts of a national logistics network that will strengthen our competitiveness and improve profitability. I recently opened our new logistics centre in Narvik, and this autumn the new logistics centres at Alnabru in Oslo and in Trondheim, in addition to a new joint terminal in Göteborg, will be opened.

We have already achieved the objective of reducing our own climate gas emissions by 40 percent from 2008 to 2020, and have now set a new and ambitious goal: “Posten and Bring – renewable before 2025”. This implies that the Group shall work for using only renewable energy in its own vehicles and in buildings, provided that new technology can compete with “fossil” solutions when put to use in a large scale. This makes me proud. To be the world’s most future-oriented postal and logistics group, you have to be committed.”

Main features from the first quarter of 2017

The Group's revenues in the first quarter were MNOK 6 094, a reduction of 1.7 % compared with the first quarter in 2016. The organic growth*) was positive by 1.5 %. The adjusted result (EBITE) was MNOK 191 in the first quarter, an improvement of MNOK 173 compared with the same period in 2016. Both the Mail and Logistics segments showed better results, mainly due to more working days than in the first quarter last year, but there were also operational improvements within both segments.

- Operating profit (EBIT) was MNOK 203, an improvement of MNOK 178 from the first quarter of 2016.
- Cash flows from operating activities amounted to MNOK 127, an improvement of MNOK 50 from the first quarter of 2016.
- Return on invested capital (ROIC) was 11.2 %, an increase of 4.4 percentage points compared with the corresponding period in 2016.
- The increase in private e-commerce continued in the first quarter of 2017, and the Group's e-trade volume had a growth of 15 %.
- In the first quarter of 2017, the deliveries of Priority mail delivered overnight was 86.0 %, 1.0 percentage points over the licence requirement.
- The absence due to sickness was 6.6 %, in line with the same quarter in 2016. For the last 12 months the absence due to sickness was 6.1 %, an increase of 0.2 percentage points compared with the corresponding period in 2016.

*) Organic growth= growth in turnover adjusted for acquisitions and disposals of business, foreign currency effect and government procurements of commercially non-viable postal services necessary for society.

Profit development (unaudited)

MNOK

Q1 2017	Q1 2016		Year 2016
6 094	6 199	Revenue	24 772
353	195	EBITDA	1 339
191	18	EBITE	645
203	25	EBIT	178
1	3	Net financial items	52
204	28	Profit before tax	230
156	**20**	**Profit for the period**	**39**

Alternative performance measures applied in the quarterly report are described in the Financial Report 2016

Operating profit

The Group's results in the first quarter of the year were favourably influenced by more working days, as Easter in 2017 was in the second quarter, while in the first in 2016.

The adjusted result (EBITE) for the Mail segment in the first quarter was MNOK 250, MNOK 74 better than in the same quarter in 2016. The result was positively influenced by the fact that the quarter had more working days than the same period last year, in addition to a number of significant operating cost adjustments that were carried out. These matters more than compensated for the negative result effect of the declined volumes in addressed mail. The government procurements of commercially non-viable postal services necessary for society were lower than the estimated requirement

The adjusted result (EBITE) in the Logistics segment in the first quarter was a loss of MNOK 11. Compared with the loss of MNOK 84 in the same period last year, this was an improvement of MNOK 73. The improvement is due to more working days, increased profitability in the parcels and freight business, the winding up of unprofitable freight operations outside Norway and a large demand from privat e-commerce. There are still profit challenges in Norway as a consequence of weak economic growth in mainland Norway and low project activities in the oil sector. The Group's Nordic logistics business showed a solid improvement in results.

The Group's profit before taxes amounted to MNOK 204 in the first quarter, an improvement of MNOK 176 compared with 2016. Profit for the period was MNOK 156 compared with MNOK 20 in 2016.

Revenue outside Norway

The Group's operations outside Norway had total revenues of MNOK 2 324 in the first quarter of 2017, a decline of MNOK 138 (5.9 %). This constituted 35.9 % of the Group's total external revenues, compared with 37.7 % in 2016.

Key financial figures (unaudited)

Q1 2017	Q1 2016			Year 2016
5.8	3.2	EBITDA margin	%	5.4
3.1	0.3	EBITE margin	%	2.6
3.3	0.4	EBIT margin	%	0.7
39.6	37.0	Equity ratio	%	38.6
11.2	6.8	Return on invested capital*	%	9.0
2.9	-7.0	Return on equity (after tax)*	%	0.7
530	500	Net interest-bearing debt	MNOK	518
237	327	Investments, excluding acquisitions	MNOK	1 243

Alternative performance measures applied in the quarterly report are described in the Financial Report 2016
*Last twelve months

Balance sheet (unaudited)

MNOK

	31.03 2017	31.12 2016
ASSETS		
Non-current assets	9 088	9 063
Current assets	6 259	6 236
Assets	**15 347**	**15 299**
EQUITY AND LIABILITIES		
Equity and liabilities	6 071	5 912
Provisions for liabilities	1 585	1 588
Non-current liabilities	1 973	2 007
Current liabilities	5 718	5 793
Equity and liabilities	**15 347**	**15 299**

Balance sheet

Total investments in non-current assets (excluding acquisitions) in the first quarter of 2017 were MNOK 237, a reduction of MNOK 90 compared with the same period in 2016. The majority of the investments concerned new logistics centres in Bergen, Stavanger and Trondheim. Disposals of fixed assets in the period constituted MNOK 99, and ordinary depreciation amounted to MNOK 161, a total of MNOK 260. The disposals mainly concerned the sale of a real estate company in Sweden of MNOK 60.

The change in non-current liabilities was mainly a consequence of repayments of loans of MNOK 50, set off by an increase in liabilities due to changes in the Group's financial instruments.

As of 31 March 2017, the Group had current liabilities amounting to MNOK 5 718, a reduction of MNOK 75 compared with 31 December 2016. The reduction is mainly due to paid taxes and lower public duties.

Statement of cash flows (unaudited)

MNOK

Q1 2017	Q1 2016		Year 2016
127	77	Cash flows from operating activities	945
-120	-333	Cash flows used in investing activities	-1 210
-47	185	Cash flows used in financing activities	-633
-40	**-72**	**Total change in liquid assets**	**-898**
1 875	2 773	Cash and cash equivalents at the beginning of the period	2 773
1 836	**2 702**	**Cash and cash equivalents at the end of the period**	**1 875**

Cash flows

Cash flows from operating activities in the first quarter amounted to MNOK 127. The increase from last year is mainly due to a higher operating profit than the same period in 2016. In addition, a reduction in the Group's trade receivables contributed positively.

Cash flows of MNOK 120 were used in investing activities so far this year. This mainly related to ongoing investments in operations, set off by proceeds from the sale of a real estate company in Sweden. The majority of the investments concerned the building of logistics centres and IT related investments.

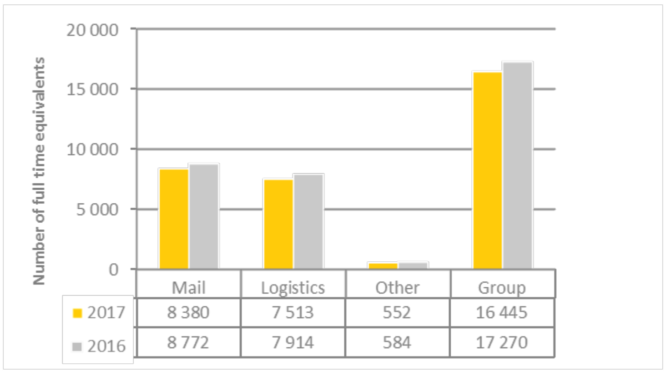
Cash flows of MNOK 47 used in financing activities in the first quarter basically concerned repayments of loans.

Workforce

The Group's workforce constituted 16 445 full-time equivalents in the first quarter of 2017, a reduction of 825 full-time equivalents compared with the first quarter of 2016. In the Mail segment, the workforce decreased by 392 full-time equivalents, primarily within mail distribution and production, offset by the acquisition of Netlife Gruppen and increased staffing in Bring Citymail. In the Logistics segment, the workforce decreased by 401 full-time equivalents, of which approximately 300 concerned the winding-up and disposals of entities in the Nordic operations in 2016.

FULL TIME EQUIVALENTS

16 445



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.

MNOK

Q1 2017	Q1 2016		Året 2016
2 494	2 512	Revenue	9 839
326	257	Segment profit (EBITDA)	1 105
250	176	Segment profit (EBITE)	800

The volume of addressed mail decreased by 7.6 % in Norway in the first quarter. Adjusted for working days, the decline was 12 %. The volume from the largest customers within banking and finance was reduced by 21.6 %, and public senders had a decline of 33.1 %.

In the first quarter of 2017, the volume of unaddressed mail increased by 14.2 %. More working days and increased volumes from large customers were the main reasons for the growth.

Revenues in the first quarter of 2017 were MNOK 18 lower compared with 2016. Increased prices on addressed mail, larger volumes of unaddressed advertising material and more working days contributed to a marginal decline in turnover. EBITE in the first quarter of 2017 increased by MNOK 74 compared with 2016. The result was positively influenced by the efficiency achieved by winding up the Saturday distribution (from 5 March 2016) and operational adjustments to lower volumes. Compared with the first quarter of 2016, the income from government procurements of commercially, non-viable postal services were MNOK 48 lower than the corresponding period in 2016.

In the first quarter of 2017, the result for Priority mail delivered overnight was 86.0 %, 1.0 percentage points over the licence requirement of 85.0 %.

Bring Citymail's volumes increased by 15.6 % in the first quarter of 2017.

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, Bring Transport Solutions and Bring Supply Services.

MNOK

Q1 2017	Q1 2016		Året 2016
3 985	4 094	Revenues	16 525
73	10	Segment profit (EBITDA)	430
-11	-84	Segment profit (EBITE)	49

Revenue in the Logistics segment in the first quarter of 2017 was MNOK 109 lower than last year. Organic growth showed a positive 1.1 %. The growth in the logistics market is still weak, and one of the reasons is the low economic growth in mainland Norway. Little activity in the oil sector with factors like deferred offshore projects together with the winding up of operations impacted turnover negatively.

EBITE in the Logistics segment in the first quarter of 2017 was MNOK 73 better than in 2016. This is primarily due to more working days, new sales, cost adjustments and winding up unprofitable freight operations in Sweden.

While the improved logistics results in Norway basically were a consequence of more working days, the logistics businesses in Sweden and Denmark showed considerable increased profitability due to a high volume growth in private e-commerce and a larger extent of home deliveries.

The increase in private e-commerce continued in the first quarter of 2017 and contributed to a growth of 15 % of the Group’s total e-commerce trade.

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 has declined in recent years, even though the extent of absences increased at the end of last year.

In the first quarter of 2017, absence due to sickness in the Group was 6.6 %, an increase of 0.1 percentage point compared with the first quarter of 2016. Absence due to sickness in the last 12 months was 6.1 %, an increase of 0.2 percentage point compared with the corresponding period in 2016.

The total number of personal injuries per million worked hours (H2) was 7.8 in the first quarter of 2017, a reduction of 4.3 (35.4 %) compared with the same quarter last year. The injury frequency in the last 12 months was reduced from 10.4 to 8.1.

The external environment

The carbon footprint for 2016 showed that the Group reduced CO_2 emissions by 10 % (49.051 tons of CO_2) from 2015. In total, the Group has achieved 43 % CO_2 reduction from 2008, implying that the Group already in 2016 has reached the goal of 40 % reduction of its own CO_2 emissions before 2020.

The positive development in 2016 is mainly due to the transition to renewable diesel, transport optimisation, the discontinuance of Saturday distribution and the purchase of guarantees of origin for all electricity in the Group. The Group reduced its own emissions from its own vehicles and buildings by 14 %, electricity consumption from buildings by 3 %, while emissions from sub suppliers were reduced by 6 %.

As the Group already has reached the goal to reduce emissions by 40 % from 2008 to 2020, a new and ambitions objective has been set: "Posten and Bring – renewable before 2025". This implies efforts to make it possible for Posten and Bring to use only renewable energy in their own vehicles and in buildings before 2025. New technologies shall be tested in the time to come, but an important condition is that the low emission solutions shall be financially sustainable compared with "fossil" solutions when implemented on a large scale.

Other matters

Based on the 2016 financial statements, a dividend to the state of MNOK 19 has been proposed for the accounting year 2016.

Effective from 1 January 2017, the Ministry of Trade, Industry and Fisheries took over the administration of the national ownership in Posten Norge. Regulatory matters are still attended to by the Ministry of Transport.

Future prospects

Weak market development has characterised the profitability development in the Logistics segment negatively in recent years. Poor trade cycles in Norway, falling demand from the petroleum industry and many years of weak international economy have put pressure on profitability. The growth in GNP in mainland Norway has improved in 2016. In 2017, the fall in petroleum investments is expected to slow down, and there are expectations of growth in exports and increase in private demand. The Norwegian economy is on its way to a cautious recovery. Improved growth prospects in the Norwegian economy are gradually expected to contribute to increased activities in the logistics market.

The strong economic expansion in Sweden is expected to continue also in 2017. It is mainly the export businesses that contribute to the growth.

New co-localised logistics centres are key to strengthen the competitiveness and improve profitability. A new logistics centre in Narvik opened in May 2017, and a new logistics centre at Alnabru in Oslo, a new mail and logistics centre in Trondheim and a new joint terminal in Göteborg will open during 2017.

The decline in addressed volumes in the Mail segment will continue as a consequence of digitalisation at our customers. Significant restructurings and efficiency measures have been carried out, but it is difficult to make the necessary adjustments at the extent necessary without significant changes in the supply of services. A more extensive regulatory flexibility will be required to adjust the service supply to the market development more rapidly. The Government granted MNOK 177 to s government procurements of commercially non-viable postal services for the accounting year 2017. This was MNOK 316 lower than the requirement estimated for 2017.

From 2018, one mail stream with two days forwarding time will be introduced. As a consequence, the mail transported by plane will be reduced, with a transfer to a more environmentally friendly transport by train.

The Group is strengthening the efforts within digital innovation to develop innovative business models and services, improve the dialogue with customers and make operations more effective. These efforts shall secure that the innovation and implementation force is strong enough to position Group at the front with regards to new technology within logistics and mail activities.

Oslo, 30 May 2017

The Board of Directors in Posten Norge AS

Attachment 1 – Financial information for the first quarter 2017

(The information in this document has not been audited)

Condensed income statement

MNOK

Q1 2017	Q1 2016		Note	Year 2016
6 094	**6 199**	**Revenues**	1	**24 772**
2 486	2 506	Cost of goods and services		10 086
2 389	2 563	Payroll expenses		9 749
161	177	Depreciation and amortisation	2	694
	1	Impairment	2	313
865	934	Other operating expenses		3 599
5 901	**6 181**	**Operating expenses**		**24 440**
10	1	Other income and (expenses)	5	(169)
1	7	Share of profit from associated companies and joint ventures		15
203	**25**	**Operating profit**	1	**178**
136	87	Financial income		370
135	84	Financial expenses		318
1	**3**	**Net financial income (expenses)**		**52**
204	**28**	**Profit before tax**		**230**
48	8	Tax expenses		191
156	**20**	**Net income / (loss)**		**39**
155	20	Controlling interests	1	36
1		Non-controlling interests		4

Condensed statement of comprehensive income

MNOK

Q1 2017	Q1 2016		Year 2016
156	**20**	**Profit / (loss) for the period**	**39**
		Items not to be reclassified to income statement	
		Pension	
		Changes in estimates	(74)
		Tax	17
		Total items not to be reclassified to profit or loss	**(58)**
		Items to be reclassified to income statement	
		Translation differences	
(12)	45	Result of hedging of foreign entities	173
3	(11)	Tax	(43)
8	(44)	Translation differences from hedging of investments of foreign entities	(142)
		Cash flow hedging	
3	(2)	Changes in value	10
		Transferred to income	13
(1)		Tax	(6)
1	**(11)**	**Total items to be reclassified to profit or loss**	**5**
		Other income/(costs) using the equity method	
		Changes in tax rate	3
1	**(11)**	**Other income / costs (-) directly included in equity**	**(50)**
157	**9**	**Comprehensive income**	**(11)**
		Total comprehensive income is distributed as follows:	
156	9	Controlling interests	(15)
1		Non-contolling interests	4

Condensed balance sheet

	Note	31.03 2017	31.12 2016
ASSETS			
Intangible assets	2	2 220	2 194
Deferred tax asset		402	396
Tangible fixed assets	2	5 831	5 866
Other financial assets		635	608
Total non-current assets		**9 088**	**9 063**
Inventories		17	21
Interest-free current receivables		4 280	4 255
Interest-bearing current receivables		126	85
Liquid assets		1 836	1 875
Current assets		**6 259**	**6 236**
Assets		**15 347**	**15 299**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 932	2 777
Non-controlling interests		18	14
Equity	4	**6 071**	**5 912**
Provisions for liabilities		**1 585**	**1 588**
Interest-bearing non-current liabilities	5	1 945	1 978
Interest-free non-current liabilities		28	29
Non-current liabilities		**1 973**	**2 007**
Interest-bearing current liabilities	5	421	415
Interest-free current liabilities		5 091	5 117
Tax payable		207	260
Short-term liabilities		5 718	5 793
Total equity and liabilities		**15 347**	**15 299**

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

Condensed statement of changes in equity

MNOK

	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**
Net income for the period					36	**36**	4	**39**
Other comprehensive income/(loss) for the period			(1)	(13)	(55)	**(50)**		**(50)**
Total comprehensive income			**17**	**(13)**	**(19)**	**(15)**	**4**	**(11)**
Dividend					(13)	**(13)**	13	
Other equity transactions					(3)	**(3)**		**(3)**
Equity 31.12.2016	**3 120**	**992**		**183**	**1 602**	**2 777**	**14**	**5 912**

	Share capital	Share premium reserves	Hedging reserves	Transl. differ-ences	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2017	3 120	992		183	1 602	**2 777**	14	**5 912**
Net income for the period					155	**155**	1	**156**
Other comprehensive income/(loss) for the period			2	(1)		**1**		**1**
Total comprehensive income			**2**	**(1)**	**155**	**156**	**1**	**157**
Dividend					**(3)**	**(3)**	**3**	
Other equity transactions					3	**3**		**3**
Equity 31.03.2017	**3 120**	**992**	**2**	**182**	**1 756**	**2 932**	**18**	**6 071**

Condensed statement of cash flows

MNOK

Q1 2017	Q1 2016		31.12 2016
204	28	Profit/(loss) before tax	230
(97)	**(56)**	Tax paid in period	(156)
(14)	(1)	(Gain)/loss from sales of non-current assets and subsidiaries	(6)
160	178	Ordinary depreciation and write-downs	1 007
(1)	(7)	Share of net income from associated companies and joint venture	(15)
30	(23)	Financial items with no cash effect	25
68	50	Changes in accounts receivable, inventories and accounts payable	(25)
(129)	(72)	Changes in other working capital	(182)
(95)	(17)	Changes in other current balance sheet items*	70
16	21	Interests recieved	65
(16)	(24)	Interests paid	(69)
127	**77**	**Cash flows from operating activities**	**945**
(237)	(327)	Investment in tangible non-current assets	(1 243)
	(10)	Investments in shares	(112)
39	9	Proceeds from sales of tangible non-current assets	95
85		Proceed from sale of shares	22
		Proceed from sale of associated companies	5
		Dividend received from associated companies	17
(6)	(6)	Changes in non-current receivables and financial assets	6
(120)	**(333)**	**Cash flows from / (used in) investing activities**	**(1 210)**
	200	Proceeds from borrowings	100
(50)	(252)	Repayment of borrowings	(733)
3	237	Decrease/increase bank overdraft	
		Group contribution/dividend paid	
(47)	**185**	**Cash flow from / (used in) financing activities**	**(633)**
(40)	**(72)**	**Change in cash and cash equivalents during the year**	**(898)**
1 875	2 773	Cash and cash equivalents at the start of the period	2 773
1 836	**2 702**	**Cash and cash equivalents at end of period**	1 875

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 Group has not fully assessed the effect of IFRS 15, but no significant effect on the consolidated financial statements is expected.

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 (provided approval by the EU).

The Group is in an early phase of evaluating the effects of IFRS 16, and 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/eliminations.

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

Q1 2017	Q1 2016	Total revenue	Year 2016
2 309	2 328	External revenue	9 092
185	184	Internal revenue	747
2 494	**2 512**	**Mail**	**9 839**
3 786	3 871	External revenue	15 676
199	223	Internal revenue	849
3 985	**4 094**	**Logistics**	**16 525**
-2		External revenue	4
-383	-407	Internal revenue	-1 595
-385	**-407**	**Other/eliminations**	**-1 591**
6 094	**6 199**	**Group**	**24 772**

(The information in this document is not audited. All amounts are in MNOK) 18

EBIT per segment

Q1 2017	Q1 2016	EBITDA	Year 2016
326	257	Mail	1 105
73	10	Logistics	430
-46	-72	Other/eliminations	-196
353	**195**	**Group**	**1 339**

Q1 2017	Q1 2016	EBITE	Year 2016
250	176	Mail	800
-11	-84	Logistics	49
-48	-74	Other/eliminations	-204
191	**18**	**Group**	**645**

Q1 2017	Q1 2016	Operating profit (EBIT)	Year 2016
253	180	Mail	724
-2	-81	Logistics	-334
-48	-74	Other/eliminations	-212
203	**25**	**Group**	**178**

Assets and liabilities per segment

31.03.2017	Mail	Logistics	Other/ eliminations	Group
Segment assets	4 060	10 642	-1 985	12 718
Associated companies and joint ventures	35	356		391
Non allocated assets				2 238
Total assets				**15 347**
Segment liabilities	2 952	3 924	31	6 907
Non allocated liabilities				2 369
Total liabilities				**9 276**

31.12.2016	Mail	Logistics	Other/ eliminations	Group
Segment assets	3 864	10 815	-2 033	12 647
Associated companies and joint ventures	23	358		381
Non allocated assets				2 271
Total assets				**15 299**
Segment liabilities	3 152	4 049	-207	6 994
Non allocated liabilities				2 393
Total liabilities				**9 387**

(The information in this document is not audited. All amounts are in MNOK) 19

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Assets 01.01.2017	**2 194**	**5 866**
Additions	54	183
Disposals		-39
Disposals from sales of subsidiaries		-60
Depreciation	-34	-127
Write-downs		1
Translation differences	6	6
Assets 31.03.2017	**2 220**	**5 831**

Investments in the first quarter of 2017 amounted to MNOK 237, of which investments in IT related equipment constituted MNOK 54. MNOK 103 of the MNOK 183 invested in tangible fixed assets concerned buildings and property, of which the new logistic centres in Bergen, Stavanger and Trondheim were the largest projects. Investments in other fixed assets included terminal furnishings, vehicles and other operating equipment

Note 3 Equity

As at 31 March 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.

The Board proposed to distribute a dividend of MNOK 19 of the results for 2016. The final dividend will be approved at the Annual General Meeting on 21 June 2017.

Note 4 Interest-bearing non-current and current liabilities

The Group’s non-current interest-bearing liabilities were reduced by MNOK 33 from 31 December 2016 to 31 March 2017, mainly due to repayment of debt of MNOK 50 and increased debt related to long-term swaps of MNOK 15.

Current interest-bearing debt at 31 March 2017 was on the same level as 31 December 2016.

As at 31 March 2017, none of the Group’s credit facilities had been used. The average interest rate on Posten’s outstanding interest-bearing liabilities was 2.3 % as at 31 March 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 result, EBITE, comparable.

Q1 2017	Q1 2016		Year 2016
14	1	Gain/loss (-) from sale of fixed assets etc.	6
-4		Restructuring costs	-220
		Other income and expenses (-)	45
10	**1**	**Total other income and expenses (-)**	**-169**

Gain and loss from the sale of fixed assets in the first quarter of 2017 primarily concerned the sale of the wholly owned subsidiary Bring Cargo Fastighets AB.

Gain and loss from the sale of fixed assets in 2016 mainly concerned the sale of the wholly owned subsidiary Posten Eiendom Skien AS.

Restructuring costs in 2016 primarily included adjustments to one mail stream in the Mail segment and restructuring operations in the Logistics segment.

Other income and expenses in 2016 mainly comprised income related to the settlement of a dispute in the Mail segment.

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 first quarter of 2017:

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

	At fair value				At amortised cost		
	Valuation level	**FVO – Fair value through profit or**	**Deriva-tives at fair value through**	**Deriva-tives at fair value through**	**Receiv-ables**	**Other financial liabilities**	**31.03 2017**
Assets							
Interest-bearing current receivables					16		16
Other financial non-current assets	2		206		27		233
Interest-free current receivables	2		3	17	4 260		4 280
Interest-bearing current receivables					126		126
Liquid assets							1 836
Total financial assets							**6 490**
Liabilities							
Interest-bearing non-current liabilities	2	649				1 296	1 945
Interest-free non-current liabilities	2		22	3		2	28
Interest-bearing current liabilities	2					421	421
Interest-free current liabilities, incl. tax payable	2		12	13		5 272	5 297
Total financial liabilities							**7 691**
Total value hierarchy level 1							
Total value hierarchy level 2		(649)	174	1			(475)
Total value hierarchy level 3							

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

	Valuation level	FVO – Fair value through profit or	Deriva-tives at fair value through	Deriva-tives at fair value through	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		2	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 is the basis for additional information on financial assets and liabilities. The table also shows the classification in categories pursuant to IAS 39, and on which level in the valuation hierarchy the Group's financial instruments measured at fair value are considered to be.

Information on fair value

The methods applied to determine fair value are defined in three categories, reflecting various degrees of valuation uncertainty, based on how objective the measurement method is:

Level 1: Use of listed prices in active markets.

Level 2: Use of valuation methods with observable market data as input.

Level 3: Use of valuation methods where input is based on a significant degree of non-observable market data.

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

(The information in this document is not audited. All amounts are in MNOK) 23

Note 7 Changes to the Group's structure

Sale of company

In March 2017, Bring Cargo Inrikes AB sold the subsidiary Bring Cargo Inrikes Fastighets AB with a gain of MNOK 13. The sale involved disposals of property.

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.