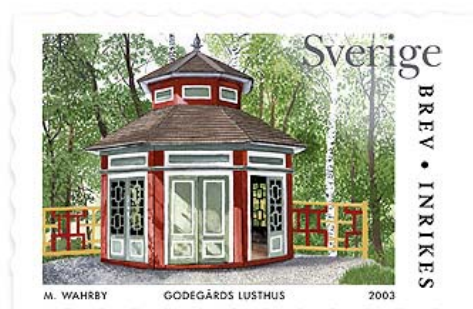


Posten

Interim Report

January - June 2003



- Net sales totaled SEK12,127m (11,689).
- Adjusted operating earnings totaled SEK-298m (-346), including a provision of SEK-168m for the closure of two terminals.
- After-tax earnings totaled SEK-483m (407), including a further provision of SEK-215m for administrative cutbacks. After-tax earnings for the same period last year include reversed provisions of SEK916m.
- Measures targeted by the provisions will generate annual savings of SEK265m.
- Cash flow before financing activities was SEK-389m for the period. Second-quarter cash flow before financing activities was SEK126m.



### *Message from the CEO*

This is my first official communication as chief executive officer of Posten AB. During the first four months of my tenure I've gained a clearer picture of this fascinating organization. Though a number of challenges admittedly loom on the horizon, these are far outstripped by the opportunities.

Posten touches the lives of every man, woman and child in Sweden. Changing the way we do our job always arouses lively debate in the court of public opinion. Our collection of newspaper clippings is no doubt unrivalled both in terms of its size and the intensity of the tone and content.

The better part of my professional life has been spent in retail, an industry characterized by rough-and-tumble competition. In the retail world, customers must be satisfied with their suppliers. The chain or individual store that falls out of touch with customer preferences will inevitably lose the battle for their hearts and minds. I intend to cultivate and nurture a mindset that places customer needs and satisfaction at the heart of everything we do. You cannot run a business if you don't have satisfied customers. Ditto for employees.

Efforts are underway to control costs, which in turn will boost profitability. The central administrative function has been downsized during the spring. In addition, a restructuring program will facilitate additional efficiency enhancements. For instance, we recently devised a plan to revamp the terminal network by 2006. A major portion of those affected by downsizing will enter the Futurum outplacement program. I am pleased to report that most participants find new jobs.

I have acquainted myself with Posten's collective pool of skills and abilities. Through a joint effort, I am confident that we can capitalize on opportunities and improve profitability.

This fall, a new business strategy will take form. It will encompass Posten's vision, business idea, goals and strategies as well as an action plan for the future. Further, the board has unveiled a set of principles for a new customer-oriented organization. The effort to shape and detail this new organization will begin immediately.

As cited above, adjusted operating earnings for the six-month reporting period totaled SEK-298m, an improvement compared to the previous year of SEK48m – despite a provision of SEK168m relating to the closure of two terminals.

Though we admittedly face financial challenges, I perceive opportunities going forward. Our core business is healthy. And more important, it can be grown. We are on the right track but there is a long road ahead.

***Erik Olsson***

## Posten Group

Posten operates in the market for letter mail and messaging as well as for parcel and logistics services. Posten's markets span the spectrum of regular letter-mail and parcel products, hybrid services that blend conventional and electronic mail flows, and pure e-services. Though Sweden serves as Posten's core geographic market, subsidiaries and strategic alliances provide it a solid position in the Nordic region and extend its service footprint to all of Europe and beyond. The terms and conditions of Posten's operating permit in Sweden contain a universal-service clause. Under the Essential Financial Transactions Act, Posten must provide nationwide essential financial transaction services.

Part of Posten's strategy review addresses the financial impact of various regulations. Posten has subsequently petitioned the government to form a committee tasked with reviewing the formulation of the nationwide Essential Financial Transactions Act, as well as with assessing the expediency of the current price-ceiling structure. Posten hopes a committee will be convened already in fall 2003.

### Key financial data

	2003			FY	2002			
	Jan-June	April-June	Jan-March		Oct-Dec	July-Sept	April-June	Jan-March
Net sales, SEKm	12,127	6,022	6,105	23,632	6,318	5,625	5,815	5,874
Adjusted operating earnings <sup>1)</sup> , SEKm	-298	-282	-16	-703	-278	-79	-413	67
Adjusted operating margin <sup>2)</sup> , %	neg	neg	neg	neg	neg	neg	neg	1.1
Unallocated provisions/reversals <sup>3)</sup> SEKm	-215	-215	0	732	-184		916	
Operating earnings, SEKm	-513	-497	-16	29	-462	-79	503	67
After-tax earnings, SEKm	-483	-496	13	-796	-1,152	-51	329	78
Total assets, SEKm, closing balance	13,672	13,672	13,130	13,863	13,863	14,509	15,142	15,954
Equity, SEKm, closing balance	2,066	2,066	2,585	2,587	2,587	3,671	3,710	3,377
Return on equity, %	neg	neg	0.5	neg	neg	neg	10.6	2.3
Return on capital employed, %	neg	neg	0.6	3.7	neg	neg	8.6	1.5
Equity-assets ratio, %, closing balance	15	15	20	19	19	25	25	21
Cash flow before financing activities, SEKm	-389	126	-515	-1,746	-1,141	-649	66	-22
Investments in tangible and intangible fixed assets, SEKm	550	262	288	1,740	654	356	432	298
Customer Satisfaction Index, CSI, rolling 12-month	61	61	60	61	61	62	62	62
Average number of employees, beginning of the year to end of the period.	37,761	37,761	37,504	39,554	39,554	39,630	38,776	38,132

1) Adjusted operating earnings: Operating earnings excluding unallocated provisions.

2) Adjusted operating margin: Adjusted operating earnings divided by net sales.

3) Provisions not directly attributable to a specific business segment. (See page 8, Net sales and earnings by business segment.)

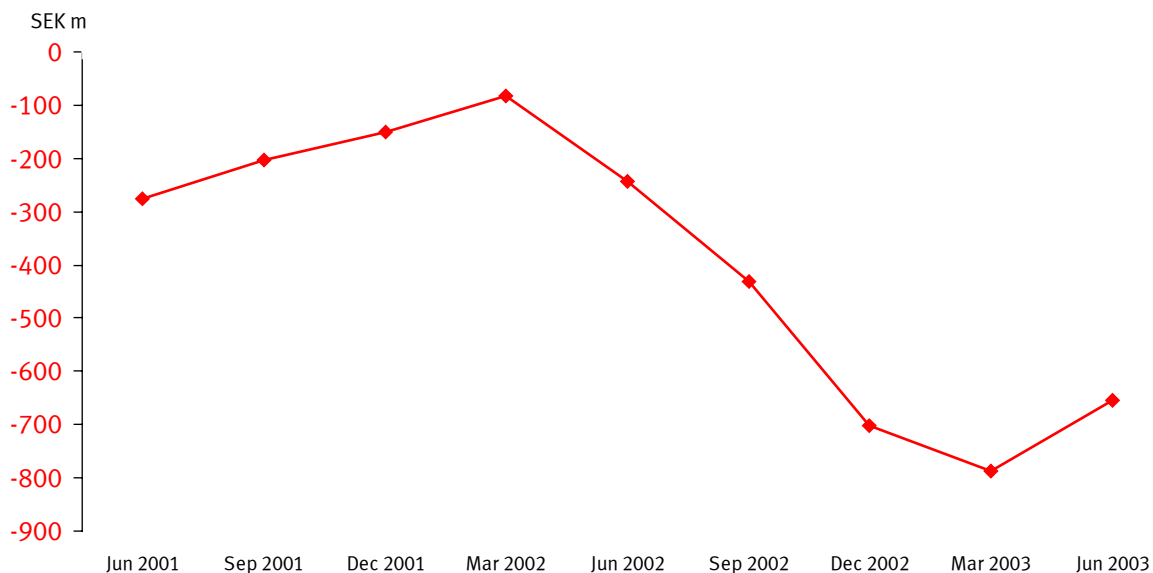
## Adjusted operating earnings

Group adjusted operating earnings – i.e., operating earnings excluding unallocated provisions – for the six-month period (January-June) totaled SEK-298m (-346). Earnings figures include a provision of SEK-168m for the closure of two terminals in the Messaging and logistics business segment. Despite the provisions, this segment saw an improvement in results. Group costs have grown in line with expectations and previously made provisions offset the loss reported by the Swedish Cashier Service business segment.

Second-quarter (April-June) adjusted operating earnings fell SEK266m compared to the previous quarter. Though primarily attributable to provisions, the decline is also due to a normal seasonal variation – mainly in June – in the Messaging and logistics business segment.

Rolling 12-month adjusted operating earnings remain deep in negative territory at SEK-654m. The monumental 2002 rollout of the new retail service network burdened rolling 12-month operating earnings with development costs of SEK-351m. Earnings were further impacted by the above-cited SEK-168m provision.

### Rolling 12-month adjusted operating earnings



## Operating income

### Net sales

Net sales for the period totaled SEK12,127m (11,689), a four percent improvement compared to the same period last year. Five basis points of the increase are attributable to higher rates and one basis point to corporate acquisitions. Currency fluctuations, though, had only a marginal effect on net sales. Decreasing volumes lowered net sales by two basis points.

Second-quarter net sales totaled SEK6,022m, a marginal decline compared to the previous quarter.

## Operating costs

### Operating costs

Operating costs for the period totaled SEK-12,307m (-12,115), a two-percent increase compared to the same period last year.

### Personnel costs

Personnel costs for the period totaled SEK-6,613m (-6,414), a three-percent increase compared to the same period last year. The increase is primarily attributable to pay increases and higher insurance premiums for disability benefits. The average number of employees was 37,761 (38,776), a decline of 1,015.

Illness absenteeism (excluding employees on disability, who collect disability benefits), measured as a rolling 12-month figure, averaged 28.2 days for employees with monthly salaries at the group's biggest companies. Absenteeism therefore has declined one day since the beginning of the year. Including employees that collect disability benefits, illness absenteeism averaged 34.2 days, a decline of 0.8 days since the beginning of the year. Absenteeism is calculated based on a seven-day workweek. Measures aimed at reducing illness-related absenteeism are proceeding on schedule.

Second-quarter personnel costs totaled SEK-3,248m, a decrease of three percent compared to the previous quarter.

### Other external costs

Other external costs for the period totaled SEK-5,155m (-5,220).

In the second quarter, other external costs totaled SEK-2,623m, an increase of four percent compared to the previous quarter. Figures for the period were burdened by increasing costs relating to the implementation of the SAP ERP system.

### Depreciation

Depreciation for the period amounted to SEK-537m (-462). The increase is primarily attributable to major expenditures relating to the new retail service network.

### Provisions

Provisions of SEK-383m (916, reversal) impacted operating earnings for the period. The reversal of provisions in the same period last year reflect increased government compensation to provide essential financial transaction services in commercially unviable rural/remote areas.

The 2003 provisions were made for administrative cutbacks SEK-215m and the closure of two terminals SEK-168m. These measures will generate annual savings of SEK265m, of which SEK165m will be realized by 2004.

Second-quarter provisions correspond to those made during the reporting period, which is also the case for the reversal in 2002.

### After-tax earnings

After-tax earnings for the period totaled SEK-483m (407). The item was burdened with the above-cited provisions. After-tax earnings for the same period last year included reversed provisions totaling SEK916m.

Second-quarter after-tax-earnings totaled SEK-496m. The decrease of SEK509m compared to the previous quarter was primarily due to provisions.

## Financial position

During the reporting period the parent company, Posten AB (publ), issued SEK400m in MTN bonds, which explains the change in long-term liabilities.

### Equity

At June 30, equity totaled SEK2,066m. (See Financial Review, Changes in equity.) Return on equity (ROE) was negative for both the reporting period and the second quarter.

### Equity-assets ratio

At June 30, the equity-assets ratio was 15 percent, a decline of four basis points compared to the beginning of the year. The decline is primarily attributable to lower equity caused by negative results posted for the reporting period.

The equity-assets ratio has declined five basis points compared to the first quarter of this year, also primarily the result of lower equity caused by negative results posted for the second quarter.

### Provisions

At June 30, pension provisions totaled SEK696m, an increase of SEK353m since the beginning of the year. The change is attributable to earned pension rights during the reporting period. Most of the liability is transferred at yearend to Posten Pension Fund.

Other provisions totaled SEK3,725m, a decrease of SEK27m since the beginning of the year. (The changes are explained in the below table.)

<b>Changes in Other provisions (at a glance) during interim report period, SEKm</b>	OB	Provisions and reversals	Utilizations	CB
Provision for workers' compensation	139		-4 <sup>1)</sup>	135
Provisions for future conditional pension benefits	1 157		-8 <sup>1)</sup>	1 149
Closure provisions, Cashier service (including old post office network)	1 256		-133 <sup>1)</sup>	1 123
Loss provisions, Cashier service (operating costs -131 and fin. costs -19)	803		-150 <sup>1), 2)</sup>	653
Provisions for downsizing, central administration		215 <sup>3)</sup>		215
Closure provisions, terminal network		168 <sup>3)</sup>		168
Other provisions	397	32 <sup>4)</sup>	-147 <sup>1)</sup>	282
<b>Total other provisions</b>	<b>3 752</b>	<b>415</b>	<b>-442</b>	<b>3 725</b>

1) Impact on operating earnings, "Operating costs" line

423

3) Impact on operating earnings, "Provisions" line

-383

2) Impact on financial results

19

4) Impact on Tax

-6

4)Provisions not impacting earnings

-26

## Cash flow

At June 30, cash flow before financing activities, the key corporate-level operating internal benchmark, was SEK-389m. In the second quarter, cash flow before financing activities was SEK126m.

### Operating activities

At June 30, cash flow from operating activities totaled SEK114m. SEK360m accounts for operating earnings after adjustments for non-cash items. SEK-246m concerns changes on working capital.

### Investing activities

At June 30, cash flow from investing activities totaled SEK-503m. Investing activities primarily concern expenditures relating to a new ERP system, transportation and commercial real estate.

### Financing activities

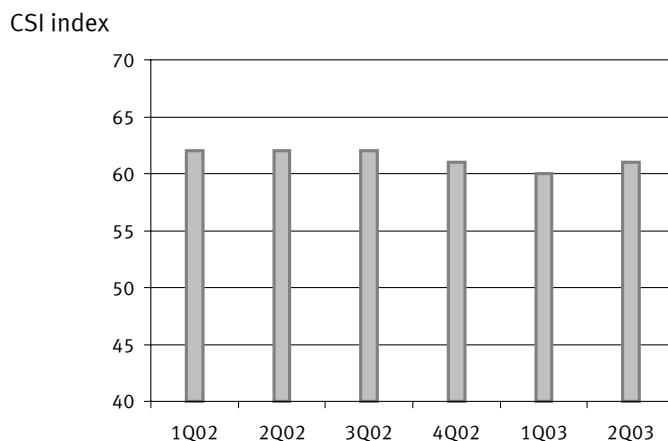
At June 30, cash flow from financing activities totaled SEK315m, relating primarily to the issuance of MTN bonds.

### Cash flow for the period

Liquid funds therefore have decreased SEK74m since the beginning of the year, and increased SEK513m since the previous quarter. At the end of June 2003, liquid funds totaled SEK3,250m.

## Customer Satisfaction Index, CSI

Improving customer satisfaction is an integral part of Posten's strategy. CSI has climbed one point to 61 since the previous report.



## Net sales and earnings by business segment

### Business segment review

SEK m	Messaging and logistics		Cashier Service		Group-wide		Elimination		Posten Group	
	2003 Jan-June	2002 Jan-June	2003 Jan-June	2002 Jan-June	2003 Jan-June	2002 Jan-June	2003 Jan-June	2002 Jan-June	2003 Jan-June	2002 Jan-June
<b>Net sales</b>	11,588	11,072	611	605	25	16				
Compensation (government)			200	200						
Elimination of internal sales							-297	-204		
<b>Total net sales</b>	<b>11,588</b>	<b>11,072</b>	<b>811</b>	<b>805</b>	<b>25</b>	<b>16</b>	<b>-297</b>	<b>-204</b>	<b>12,127</b>	<b>11,689</b>
Earnings by business segment before changes in provisions	300	-3	-131	-60	-430	-343				
Utilization of provisions corresponding to results			131	60						
Provisions/reversals	-168	-								
<b>Earnings by business segment</b>	<b>132</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>-430</b>	<b>-343</b>			<b>-298</b>	<b>-346</b>
Unallocated provisions/reversals									-215	916
<b>Operating earnings</b>									<b>-513</b>	<b>570</b>

#### Note:

From this report going forward, net sales and earnings by business segment will be reported in accordance with changes to Recommendation RR 20, Interim Reporting, of the Swedish Financial Accounting Standards Council (published June 5, 2003). The changes to RR 20 concern the application of RR 25, Reporting of segments – business segments and geographic areas, in interim reports. This change has not had any impact on the reporting of business segments other than the manner in which they are presented.

1) See page 9, Cashier Service business segment.

2) Provisions not directly attributable to a specific business segment are reported under Unallocated provisions/reversals. The reversal in 2002 of SEK916m concerns an unallocable provision from 2000, at which time the cashier service operation was being operated by several of the group's business segments.

Further changes to the business segments exist compared to the interim reporting period of January-June 2002. The changes were instituted in conjunction with the yearend results and annual report in 2002. The comparative period, January-June 2002, has been restated.

The differences compared to the interim reporting period of January-June 2002 are as follows:

- Earnings by business segment for Cashier Service include utilized provisions corresponding to results of SEK60m.

These were previously reported in Earnings by business segment (i.e., the adjusted operating earnings) for Messaging and logistics.

- Group-wide is now reported in a separate column. Group-wide was previously reported in Earnings by business segment (i.e., the adjusted operating earnings) for Messaging and logistics. Consequently, internal eliminations have also changed.

### Messaging and logistics business segment

The key operating benchmark for the Messaging and logistics business segment is adjusted operating earnings, i.e., the business segment's net earnings.

Net earnings for the period totaled SEK132m (-3). This marks a substantial improvement compared to the same period last year, in spite of a SEK-168m provision for the closure of two terminals: one in Norrköping and one in Växjö. The improvement was due largely to rate increases introduced at the beginning of the year and last year's costs relating to the new retail service network. Net sales totaled SEK11,588m (11,072), a five-percent increase compared to the same period last year. Rate increases introduced at the beginning of the year and growing parcel volumes have offset the broader decline in letter-mail volume. Compared to same period last year, the number of mail items, excluding parcels, fell 1.3 percent while parcel volumes climbed eight percent.

Second-quarter adjusted operating earnings totaled SEK-66m, compared to SEK198m in the previous quarter of this year. The decline is primarily attributable to provisions as well as seasonally low income in June, when companies begin to close for summer vacation. Posten's costs, however, remain largely flat during this period.

In the second quarter a contract was signed with Klingel, one of Europe's biggest mail order companies. Under the terms of the contract, Posten handles the Klingel's catalog mailings and parcel flows.

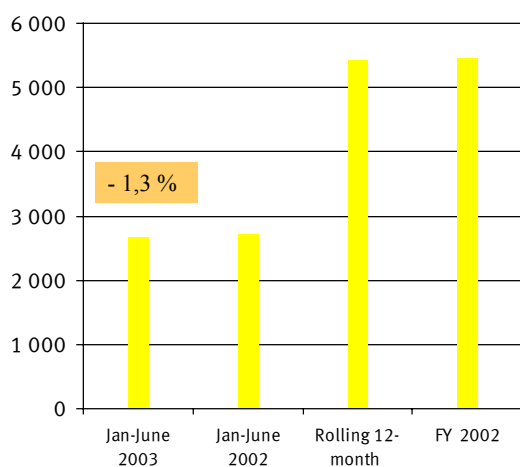
Posten has also signed strategic e-billing agreements with Nordea and Föreningssparbanken. Under the agreements, Posten's business customers who subscribe to the eSkicka service can present bills to Nordea's and Föreningssparbanken's online banking customers.

Mail volume has been declining since the late 1990s, and Posten today has excess capacity at its mail terminals. Against the backdrop of Posten's current financial situation, coupled with the view that mail volume will continue to decline, structural changes must be made to control and avoid costs. In May the decision was therefore taken to adapt the terminal network to these circumstances. Consequently, the letter-mail terminal in Norrköping and the parcel terminal in Växjö will be closed, and the mail operation in Stockholm will be restructured between Tomtebodavägen and Årsta. A series of capital expenditures and replacement investments will be made.

On a rolling 12-month basis, Posten's on-time delivery performance score for domestic First-Class letters was 96.4 percent; for DPD-företagspaket 16.00 Posten's score was 97.4 percent.

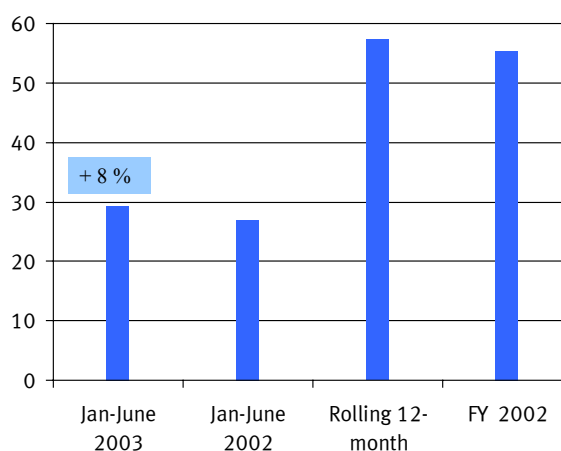
#### Mail volume, excluding parcels

Millions of pcs



#### Parcel volume

Millions of pcs



#### Cashier service business segment

The key operating benchmark for the Cashier service business segment is adjusted operating earnings excluding utilized provisions corresponding to results. The provisions were made prior to the formation of this business segment and were unallocable since they encompassed costs relating to personnel and items across several business segments. The provisions intended to cover future losses – relating to the essential financial-transaction services mandate – burdening the group until yearend 2004. Accordingly, the reversal of SEK916m in 2002 – relating to increased governmental compensation – is unallocated as well. The business segment aims to achieve a break-even position, before the utilization of provisions corresponding to results, by 2005.

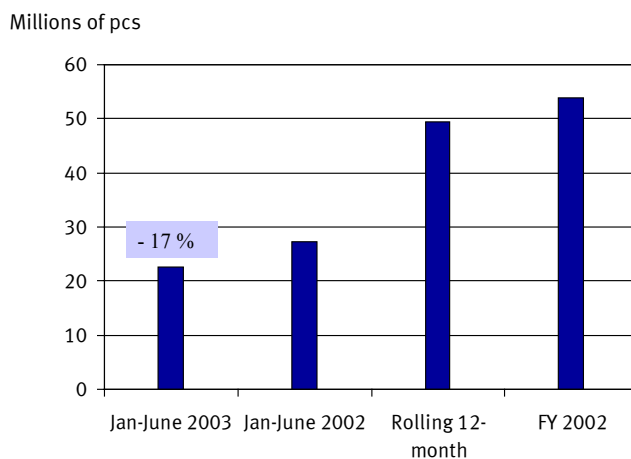
Adjusted operating earnings for the period totaled SEK-131m (-60), a considerable decline compared to the same period last year. Net sales totaled SEK811m (805). The decrease is explained by higher rents as well as a 17-percent decline in transaction volume compared to the same six-month period in 2002. Rate increases introduced at the beginning of the year have not offset the decline in volume.

Second-quarter adjusted operating earnings totaled SEK-59m, compared to SEK-72m in the previous quarter of this year.

The Cashier service business segment will take measures to achieve a break-even position in the non-subsidized portion of the operation – i.e., in densely populated areas – by 2005 at the latest. The closure of Swedish Cashier Service branches in densely populated areas is proceeding on schedule. Further, Swedish Cashier Service will continually align its service across the country with declining demand, e.g., by replacing branch offices in some areas with service via rural letter carriers.

An agreement with Cashier service enabled 250,000 GE Capital Bank account holders to begin making withdrawals at Swedish Cashier Service branches on June 16.

#### Transaction volume, Cashier service



#### Group-wide

The key group-wide operating benchmark is adjusted operating earnings, i.e., the business segment's earnings.

In addition to costs relating to the corporate functions, group-wide includes costs associated with corporate projects such as the E25 efficiency improvement program, which necessitated the introduction of a new ERP system: SAP. E25 aims to simplify, improve and enhance the efficiency of Posten's administration and sales functions, and will lead to new, less staff-intensive working methods.

Group-wide costs for the period totaled SEK-430m (-343). The higher costs relate to foreseen costs associated with implementing the E25 program.

Second-quarter group-wide costs totaled SEK-216m. The costs were scheduled.

## Parent company

### Operations

The business conducted by the parent company, Posten AB (publ), is limited in scope. Posten AB (publ) owned 50 percent of Belgium-based Direct Link NV until April 16, when it acquired the remaining interest from Denmark Post. Posten AB (publ) also owned a 50-percent interest in HIT Finland Oy until June 1, when it acquired shares that elevated its total shareholding interest to 68.75 percent. Posten AB divested a subsidiary, Netpay Oy, during the year.

On April 1, the parent company issued SEK400m in MTN bonds divided into two loans of SEK200m apiece. The loans mature in 2.5 and three years, respectively.

### Sales and earnings

The parent company had net sales of SEK0m (1). Net interest income was SEK92m (159); the change is primarily attributable to intra-group exchange-rate effects.

Earnings after financial items totaled SEK61m (133) and after-tax earnings totaled SEK45m (99).

### Financial position

At June 30, the parent company's total assets amounted to SEK7,935m, a decrease of SEK658m compared to the beginning of the year. The decline is explained by the financing of subsidiaries during the first quarter. Total assets grew SEK662m during the reporting period, due mainly to the issuance of MTN bonds.

Short term investments totaled SEK1,807m, an increase of SEK42m since the beginning of the year. This figure has grown SEK134m since March 31.

Cash and cash equivalents totaled SEK566m, a decrease of SEK131m since the beginning of the year. Cash and cash equivalents have increased SEK392m since March 31. The increase is due mainly to the issuance of MTN bonds.

Equity totaled SEK6,204m, an increase of SEK61m since the beginning of the year.

At June 30 the equity-assets ratio was 79 percent, an increase since the beginning of the year of seven basis points and a decrease since the previous financial report of six basis points. This is primarily attributable to changes in total assets.

No investments were made in tangible fixed assets during the period.

At June 30, Posten AB had issued SEK554m in capital adequacy guaranties benefiting wholly owned subsidiaries, an increase of SEK260m since the beginning of the year. Further, an unlimited capital adequacy guaranty has been issued for Posten Sverige AB. Posten AB's total guaranties amount to SEK1,298m, an increase of SEK276m compared to the beginning of the year.

Stockholm, August 28, 2003

Posten AB (publ)

The Board of Directors

The information contained in this report has not been audited.

# Financial review at a glance

## Consolidated balance sheets at a glance

SEKm	2003		2002
	30-jun	31-mar	31-dec
<b>ASSETS</b>			
<b>Fixed assets</b>			
Total intangible fixed assets	1,691	1,687	1,640
Total tangible fixed assets	3,589	3,638	3,742
Total financial fixed assets	555	563	560
<b>Total fixed assets</b>	<b>5,835</b>	<b>5,888</b>	<b>5,942</b>
<b>Current assets</b>			
<b>Inventory</b>	<b>123</b>	<b>123</b>	<b>109</b>
<b>Total current receivables</b>	<b>4,073</b>	<b>3,793</b>	<b>3,643</b>
<b>Short-term investment</b>	<b>1,835</b>	<b>1,549</b>	<b>1,831</b>
<b>Cash and cash equivalents</b>			
Own funds	1,415	1,207	1,493
Funds in transfer	391	570	845
<b>Total cash and cash equivalents</b>	<b>1,806</b>	<b>1,777</b>	<b>2,338</b>
<b>Total current assets</b>	<b>7,837</b>	<b>7,242</b>	<b>7,921</b>
<b>TOTAL ASSETS</b>	<b>13,672</b>	<b>13,130</b>	<b>13,863</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Total restricted equity	2,266	2,084	2,293
Total non-restricted equity	-200	501	294
<b>Total equity</b>	<b>2,066</b>	<b>2,585</b>	<b>2,587</b>
<b>Minority interest</b>	<b>18</b>	<b>14</b>	<b>12</b>
<b>Provisions</b>			
Pension provisions	696	524	343
Other provisions	3,725	3,544	3,752
<b>Total provisions</b>	<b>4,421</b>	<b>4,068</b>	<b>4,095</b>
<b>Long-term liabilities</b>			
Total interest-bearing liabilities	920	551	555
Total non-interest-bearing liabilities	76	62	60
<b>Total long-term liabilities</b>	<b>996</b>	<b>613</b>	<b>615</b>
<b>Current liabilities</b>			
Total interest-bearing liabilities	609	797	1 124
Total non-interest-bearing liabilities	5,562	5,053	5,430
<b>Total current liabilities</b>	<b>6,171</b>	<b>5,850</b>	<b>6,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,672</b>	<b>13,130</b>	<b>13,863</b>

Starting with this report, Short-term investments are reported separately from Cash and cash equivalents.

## Consolidated income statements at a glance

SEKm	2003		2002		
	Jan-June	April-June	Jan-June	April-June	FY
Net sales	12,127	6,022	11,689	5,815	23,632
Other operating income	50	0	80	44	130
<b>Total operating income</b>	<b>12,177</b>	<b>6,022</b>	<b>11,769</b>	<b>5,859</b>	<b>23,762</b>
Operating costs	-12,307	-6,136	-12,115	-6,272	-24,465
Provisions	-383	-383	916	916	732
<b>Total operating costs</b>	<b>-12,690</b>	<b>-6,519</b>	<b>-11,199</b>	<b>-5,356</b>	<b>-23,733</b>
<b>Operating earnings</b>	<b>-513</b>	<b>-497</b>	<b>570</b>	<b>503</b>	<b>29</b>
Financial items	42	10	51	10	-29
Provisions	-	-	-	-	69
<b>Earnings after financial items</b>	<b>-471</b>	<b>-487</b>	<b>621</b>	<b>513</b>	<b>69</b>
Tax expense for the year	-12	-9	-214	-184	-865
Minority's share of net earnings for the y	0	-1	1	-1	8
<b>Net earnings</b>	<b>-483</b>	<b>-497</b>	<b>408</b>	<b>328</b>	<b>-788</b>

## Changes in equity

Posten Group, SEKm	Share capital	Restricted reserves	Non-restricted reserves	Net earnings	Total
Opening balance 1/1/2002	600	693	-1,426	3,432	3,299
Appropriated earnings.....			3,432	-3,432	0
Transfers between restricted and non-restricted reserves .....		1,000	-1,000		0
Translation difference .....			76		76
Net earnings for the year.....				-788	-788
<b>Closing balance 12/31/2002</b>	<b>600</b>	<b>1,693</b>	<b>1,082</b>	<b>-788</b>	<b>2,587</b>
Appropriated earnings.....			-788	788	
Transfers between restricted and non-restricted reserves .....		-27	27		
Translation difference .....			-38		-38
Net earnings for the period.....				-483	-483
<b>Closing balance 6/30/2003</b>	<b>600</b>	<b>1,666</b>	<b>283</b>	<b>-483</b>	<b>2,066</b>

## Consolidated statements of cash flows at a glance

SEKm	Jan-June	Jan-June *)	FY
Cash flow from operating activities			
before changes in working capital	360	202	-81
<b>Cash flow from operating activities</b>	<b>114</b>	<b>830</b>	<b>45</b>
Cash flow from investing activities	-503	-786	-1,791
<b>Cash flow before financing activities</b>	<b>-389</b>	<b>44</b>	<b>-1 746</b>
Cash flow from financing activities	315	-1,350	-617
<b>Cash flow for the period</b>	<b>-74</b>	<b>-1,306</b>	<b>-2,363</b>
Liquid funds, beginning of the period	3,324	5,687	5,687
Liquid funds, close of the period	3,250	4,381	3,324

\*) Starting with the yearend results and 2002 annual report, second-party liquid funds are excluded from the period's cash flow since these are funds Posten merely transfers and does not use in its operating activities. The comparative period (January-June 2002) has been restated for comparability purposes.

### Accounting principles, etc.

This financial report was prepared in accordance with Recommendation RR 20, Interim Reporting, of the Swedish Financial Accounting Standards Council (including the change published June 4, 2003). This change has not had any impact on the reporting of business segments other than the manner in which they are presented.

The accounting principles and methods of calculation used in the most recent annual report have also been used in this financial report.

Impairment tests are continually performed on assets in accordance with Recommendation RR 17 of the Swedish Financial Accounting Standards Council. Amortization has not been deemed necessary for the interim reporting period of 2003.

The full costing principle is applied to internal purchases, aside from services included in Posten's range of services, for which market prices apply.

### Geographic markets

	Sales per market Jan-June 2003	Assets 30 June 2003	Investments Jan-June 2003
Sweden	10,673	12,619	531
Other Nordic countries, Baltic Sea region	1,048	659	17
Other countries	456	394	2
Total	12,177	13,672	550

Posten AB (publ)

105 00 Stockholm

Office address: Terminalvägen 14, Solna

Tel: + 46 8 781 10 00

Domicile: Stockholm

Corporate Identity: 556128-6559

Posten's Contact Center

Box 1840

171 29 Solna

Consumer: + 46 8 23 22 21

Business: + 46 8 23 22 20

email: kundtjanst@posten.se



[www.posten.se](http://www.posten.se)