ANNUAL AND SUSTAIN-ABILITY REPORT 2010

At Norway Post we make both minor and major improvements every day. Together these make a difference.

2010 KEY FIGURES

GROUP	2010		2009	2008	2007	2006	2005
Operating revenues (MNOK)	22 451	▲	22 613	23 940	22 662	20 953	18 675
EBIT (MNOK)	**1 630**	▲	**248**	**–14**	**813**	**1 078**	**1 070**
Government procurements (MNOK)	497	▲	211				326
Share of revenue from licenced area	**15,00%**	▲	**15,3 %**	**14,8 %**	**15,8 %**	**16,9 %**	**18,3 %**
Revenues from foreign subsidaries (MNOK)	5 959	▲	5 855	5 871	4 886	3 967	1 678
Total parcel volume Posten Norge AS (in millions)	**36,6**	▲	**34,9**	**35**	**32,1**	**30,7**	**31,3**
Total letter volume Posten Norge AS (in millions)	2 289	▲	2 284	2 598	2 687	2 752	2 654
Development A and B mail	**–7,2 %**	▼	**–10,1 %**	**0,7 %**	**–0,3 %**	**–0,8 %**	**–5,8 %**
Delivery quality for A mail (% delivered overnight)	83,5 %	▲	88,3 %	87,1 %	85,1 %	82,4 %	86,7 %
Machine-sorted, all letters	**75 %**	▲	**72 %**	**70 %**	**66 %**	**64 %**	**61 %**
Employees (full-time equivalents) as at 31 December	19 884	▼	20 555	22 221	21 389	20 202	18 953
Number of sales outlets (post office/Post in Shops)	**1 434**	▼	**1 443**	**1 479**	**1 487**	**1 501**	**1 523**
Norway Post's reputation, % with a "Good Impression" (Synovate)	63 %	▲	61 %	55 %	54 %	59 %	56 %

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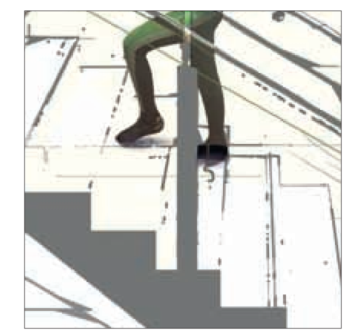
01 THE GROUP



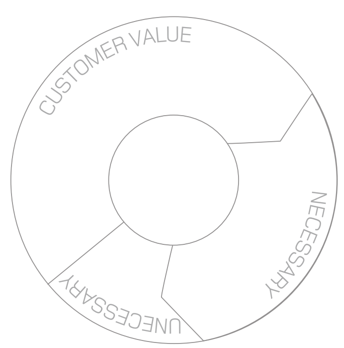
02 SEGMENTS

03 SUSTAINABILITY

"In Norway Post we mak e both minor and major improvement s every day*. Together these make a difference."

Dag Mejdell, Norway Post Group CEO

*In this report you will learn about the minor and major improvements carried out in the Group in 2010.



Tool:
IMPROVEMENT WHEEL

The improvement wheel helps Norway Post employees to identify, prioritise and reduce inefficiency in a process.

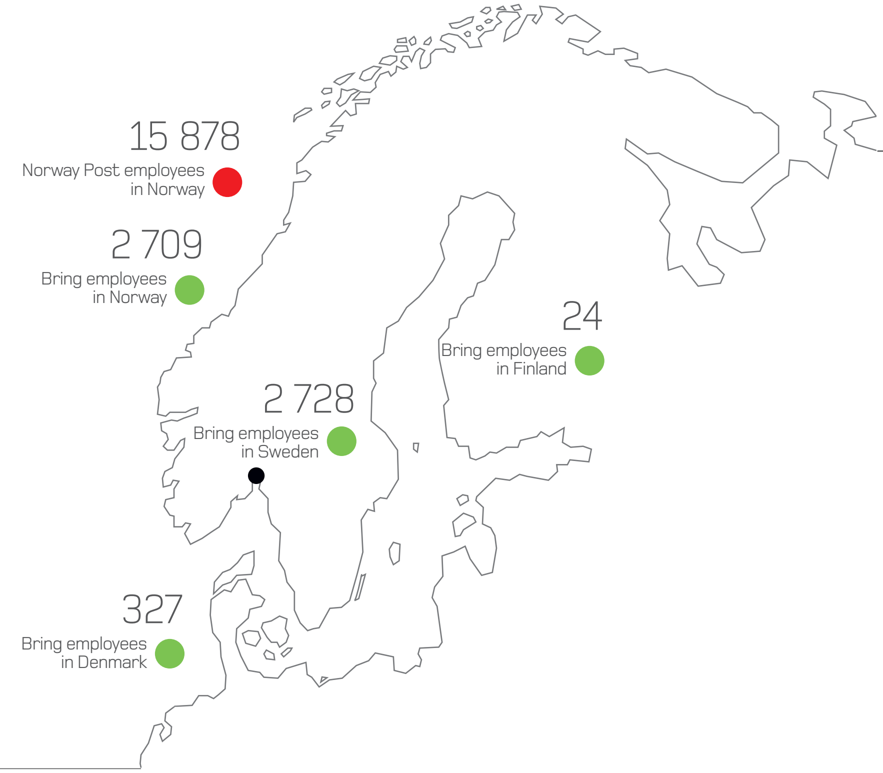
The improvement wheel is used as a tool to identify where activities belong under:

CUSTOMER VALUE

NECESSARY

UNNECESSARY

The report you are reading was also produced in the spirit of improvement. We have made savings through reusing images in a creative manner as well as producing all content internally.



THE GROUP HAS 22 177 EMPLOYEES AROUND THE WORLD

Number of employees outside the Nordic region:

505 in Europe: Greece, Italy, Slovakia, the Netherlands, the United Kingdom, France.

5 in the USA and 1 in China.

HEAD OFFICE

● Posthuset, Oslo

NORWAY POST

Norway Post is a Nordic mail and logistics group that develops and delivers complete solutions within postal services, communications and logistics, with the Nordic area as its local market.

VISION

Norway Post will be: The world's most future-oriented mail and logistics group.

BUSINESS CONCEPT

Norway Post develops and delivers complete postal, communications and logistics solutions - with the Nordic region as its local market.

OUR VALUES

Through our values, we reflect a Group that can be relied upon in all respects, and one we can be proud to work for. These values help build our common culture and guide us in all our decisions. Established forms of cooperation between managers, employees, management organs, owners and the authorities will reflect our basic values.

INTEGRITY
RESPECT
COOPERATION
OPENNESS
COURAGE

MAIN GOALS

The main goals are based on the requirements and goals of our operations and are:

1. Satisfied customers
2. Leading market positions
3. Profitable growth and a competitive increase in value
4. Attractive workplaces and a good working environment

We meet the market with two brands: Norway Post for the private market and Bring for the business market.

posten

- WE LIVE TO DELIVER

Norway Post covers services to private customers, the post office network and daily postal distribution to the entire Norwegian population.

- 364 years of experience in the distribution of letters and parcels in Norway.
- Almost 20 000 employees who work each day to deliver to people and businesses all over Norway.
- Now offers a wide range of services which provide the sender and recipient with secure delivery and a wide choice of delivery methods.
- Develops in line with changes in customer requirements, technology and society.
- Norway Post's postmen and women deliver parcels and letters to 99.98% of all households in Norway, 6 days a week.
- Norway Post has 1 434 delivery and collection sites through the post office network and Post in Shops.
- In 2010 72% of all letters produced were sorted by machine.

bring

- FINDING NEW WAYS

Bring is aimed at business customers within mail and logistics in the Nordic area. Bring consists of nine specialists, each with key skills within their areas.

- The Nordic region is Bring's home market.
- It is the fourth largest logistics company and the second largest mail distribution company in the Nordic area.
- Transports large volumes of goods, parcels and foodstuffs within the Nordic area and to and from the international market.
- Provides solutions that enable companies to communicate efficiently with their customers.
- The international postal companies in the Nordic region actively compete for customers in the areas open to competition.
- 26.5% of the Group's earnings come from operations outside Norway.
- Demand for Nordic and complete solutions is growing. Being a national operator is not enough to maintain its position in Norway.

BRING IS MADE UP OF NINE SPECIALISTS:

Bring Express: Bring Express provides same-day courier and express deliveries.

Bring Frigo: Provides shipping and storage of food and goods to be handled at specific temperatures.

Bring Mail: Provides solutions for the distribution of letters, advertising and products to the mailbox.

Bring Citymail: Provides efficient mail distribution from business to business and private individuals in Sweden.

Bring Dialog: Provides advice, data tools, analysis and implementation of activities in customer dialogue and CRM.

Bring Parcels: Delivers parcels to and from companies and to private customers in the Nordic region and 193 countries.

Bring Cargo: Provides national and international goods transport by road, sea, air or rail.

Bring Warehousing: Provides optimum warehousing solutions for large volumes, bulk storage or individual pallets.

Bring Supply Services: Develops and operates complete supply chains for companies. Has global experience with advanced fourth party logistics solutions.

IMPORTANT EVENTS IN 2010

HISTORIC MILESTONES

1647 The Danish governor in Norway, Hannibal Sehested, establishes the postal service.

1719 The state assumes responsibility for Postverket.

1854 Norway Post is involved in establishing the first railway line from Christiania to Eidsvoll. The Railways Act of 1848 stipulated that post was to be sent by railway and that sub-post offices were to be located at the railway stations.

1855 The first Norwegian stamp is issued.

1871 A new Postal Services Act introduces a simplified price system with a domestic postage rate, post boxes at post offices and mailboxes at the addressees' doors.

1903 The first franking machine is put into use. It was a Norwegian invention.

1920 First official air route commences with Norway Post on board.

1952 New Mailbox Act stipulates that everyone is to have a mailbox.

1968 Postcodes introduced for handling large volumes of post.

1995 Statens Datasentral (SDS) is bought by Norway Post, merged with Norway Post's Datasentral and renamed Posten SDS (now EDB ErgoGroup).

2000 Norway Post's plan for the conversion of post offices to Post in Shops is approved by the Norwegian Parliament.

2002 The Norwegian parliament converts Norway Post into a limited company on 1 July: The Norway Post Group.

2002 Norway Post buys CityMail and starts to compete in the Swedish postal market.

2006 Norway Post starts its own air network.

2008 On 5 September the new brand Bring and Norway Post's new logo are launched.

January:
Norway Post published its plan for CO2 cuts. By 2015, CO2 emissions will be reduced by 30%.

88.3 percent of A mail was delivered to the recipient within 24 hours in 2009. This was the best result ever. The licence requirement is 85 percent for A mail. Norway Post also met the other licence requirements by a good margin in 2009.

On 29 January His Majesty the King officially opened the South-East Norway terminal. 1500 employees and special guests attended the opening of Norway Post's new terminal in Lørenskog.

February:
Oslo Municipality adopted the development plan for the terminal area in Alnabru. The Group can thus now begin planning for the co-localisation of logistics operations for Norway Post and Bring.

The operating result (EBIT) before non-recurring items and write-downs for 2009 was presented. EBIT totalled MNOK 1021. This was 50 percent higher than in 2008.

Rail traffic was halted on the Bergensbanen which delayed almost 10 000 parcels to Vestlandet on 24 February. Because of rail problems Norway Post moved large volumes of mail from rail to road this winter.

March:
Pan Nordic Logistics (PNL) changed name to Bring Parcels. Norway Post had some delays in the distribution of mail in connection with the transfer from Oslo centre to the new post terminal in Lørenskog.

April:
The closure of Norwegian and European airspace led to delays in mail distribution in Norway and the rest of the world. This was caused by the volcanic eruption in Iceland. The Around the World campaign began, aimed at motivating.

May:
Excessive volumes of melted snow affected postal deliveries in several parts of Northern Norway, with rail traffic being halted and destruction to roads. A strike in the transport sector affected deliveries from Bring Logistics and Bring Frigoscandia.

June:
The former Mail division and parts of the Distribution Network division were merged to form a new Mail division At the same time the logistics segment was split into two divisions: the Logistics division and the Logistics Solutions division.

Following organisational changes the names of the Bring specialists are as follows: Cargo, Frigo, Parcels, Express, Citymail, Warehousing, Supply Services, Mail and Dialog.

Norway Post climbed to 22nd place in the reputation survey carried out by Reptrak. This was six places higher than in 2009.

The Board of Directors of EDB Business Partner ASA and ErgoGroup AS agreed to recommend the merger of EDB and ErgoGroup to their shareholders to create a leading Nordic IT company.

The airports in Bergen, Trondheim and Tromsø were closed for maintenance for parts of the summer. This affected the delivery quality for A mail.

July:
EFTA's surveillance authority ESA imposed a fine of MNOK 102 on Norway Post for breaching EEA competition rules.

August:
Norway Post recorded an EBIT before non-recurring items and write-downs of MNOK 511 for the first half of 2010.

September:
Norway Post brought ESA's decision before the EFTA courts. Norway Post disputed the assertion that Norway Post had forced Schenker out of the Norwegian market.

Norway Post launched a free tracking application for iPhone and Android telephones.

The long-haul postal routes service won the Group's improvement prize for 2010.

October:
After a compulsory competitive tender process Norway Post allocated Post in Shops agreements to around 1200 stores for the next three-year period. NorgesGruppen and Coop won the most Post in Shops.

November:
Norway Post's licence was extended until the end of 2011. As part of the merger agreement between EDB and ErgoGroup, Norway Post reduced its ownership stake to 40 percent of the new company.

December:
Norway Post Group CEO Dag Mejdell took over as Chairman of the Board of the International Post Corporation (IPC).

There have never been so many Christmas parcels sent as there were in 2010.

FUTURE EVENTS

2011
Liberalisation of the letter market in the EU with effect from 01.01.2011 (with some exceptions with a delayed deadline of 01.01.2013).

Climate-neutral parcels will be launched in Norway in the spring of 2011

Norway Post South-East Norway terminal will be certified with the Eco-lighthouse in the spring of 2011.

The Government will present its proposal for new postal regulations.

Norway Post will launch Digipost – a national digital postal system.

The Government will present its Owner's Report to Parliament

The modernisation and efficiency-improvement work on post offices will continue, covering around 90 post offices in 2011.

Norway Post has plans for a CO2 free Drammen city centre.

The innovative traffic planning tool TDLP will be put into use. IT tools and skilled traffic planners will set up all freight stages in the smartest way possible.

Goods in Norway will be monitored 24 hours a day in order to be able to follow up problems in linetraffic for parcels and goods both on road and rail.

2012
New licence for Norway Post

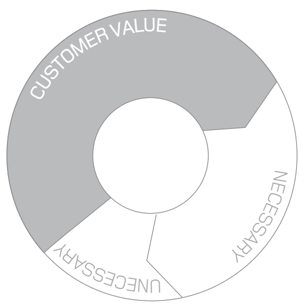
At the forefront of health promotion LEADERSHIP

With health promotion leadership CEO Dag Mejdell wants to meet both his own and others' requirements for continuous improvement.

For the CEO the aim is clear: Profitable growth and the most efficient operations possible. Two of his most important instruments to achieve this are continuous improvement and health promotion leadership. The term "continuous improvement" encompasses a number of measures to ensure that Norway Post remains a robust and competitive company. It's about continuously wondering how we can do things better and more efficiently – being ahead of the game and laying the foundation for customers to view Norway Post as their preferred choice in the future.

"Improvements strengthen profitability, which again allows us the opportunity to realise our strategic goals," says Mejdell.

He emphasises that continuous improvement is about minor and major improvements that together make a difference.



Improvement:

INCREASED EFFICIENCY

The South-East Norway terminal improved production efficiency with a new internal transport system. The system has contributed to an increase in production of up to 15 000 mail cassettes per 24-hour period. It is estimated that the system will provide annual cost savings of NOK 12.9 million and has been shown to have significantly improved operation reliability.

Action: Invested in a new internal transport system that processes more cassettes per hour, has lower operational risk and a higher degree of automation.

Unqualified success. The Spinnaker programme is the biggest and most important improvement programme the Group has undertaken in recent years.

"We said at the beginning of the programme that we would be able to save NOK 2.3 billion, and the ambition was three billion. I believe we will end up somewhere in between. This is an unqualified success. Without Spinnaker we would have been unable to produce the financial results we have achieved," says Mejdell.

Continuous improvement also includes a toolbox used with great success in other industries: Lean methodology. It's about standardising working methods and creating procedures for how tasks should be carried out.

"It helps us think more systematically about improvements on a daily basis," says Mejdell, who acknowledges that the methodology has caused some friction in the Group.

"Involving employees requires their views to be heard, but also that they understand that not all input can be accepted," says Mejdell.

Health promotion leadership. In 2011 the CEO is raising the flag for "health promotion leadership". This is a natural continuation of his major focus on HSE in his years as CEO. The results of this focus have included significantly lower sick leave rates and a constantly falling LTI-ratio.

"If you believe in health promotion leadership, you believe that employees should be in good health - both mentally and physically. We shall make use of their competencies and at the same time be concerned about their welfare. Our employees shall know that as an employer we are genuinely concerned about ensuring that they are happy at work, while also laying down specific requirements.

"As employers and managers we must understand the untapped power in our employees. If we make use of this , we can succeed in many ways," believes Mejdell.

A good year. In order to succeed in the future it is also important to look back. In the CEO´s view 2010 as a whole was a good year for Norway Post. The Group managed to face the effects of the financial crisis. This was achieved through actions including cutting costs using measures that were structural and long-term.

"It was particularly gratifying that the market turned around half-way through the year. In five of the last six months of the year we had higher revenue than during the same period in the previous year," says Mejdell.

The opening of the South-East Norway terminal in Lørenskog marked the near-completion of the new terminal structure which began in 2004. The closure of terminals in Drammen and Hamar in the spring of 2011 will complete the restructuring of the terminals and give Norway Post a good basis to meet future customer requirements and increased competition.

Reorganisation. Important organisational changes were also carried out in 2010. At the same time as the Logistics segment grew to become the biggest area of operations and demanded increased attention, there was a need to strengthen synergies across the organisation. This included coordinating transport and terminal operations for parcels and goods.

"These changes make it much easier to achieve a joint terminal structure and more coordination in collecting and delivering parcels and goods. This will produce major synergies in the next few years," says Mejdell.

Another important move was to divide the Logistics segment into two divisions: Logistics and Logistics solutions.

"The logistics area became so large that it was necessary to make the area more visible by dividing it into two divisions and increasing focus on our major growth areas," says Mejdell.

A demanding year. There were also some aspects of last year that Mejdell would have preferred to have been different. Despite the fact that five of the six licence requirements were met by a good margin, Norway Post was unable to fulfil the licence requirement for A mail.

"We are not satisfied with the delivery quality for A mail. We have to take responsibility ourselves, but it was a demanding year for postal delivery. The harsh winter caused challenges and we were also hit by the ash cloud from Iceland and airports which were closed at night," says Mejdell.

Online shopping – an important area. Yet despite the challenges of last year Mejdell is not afraid of challenges regarding volume or quality in the coming year, because he has several cards up his sleeve. Online shopping is one of these.

"The consequences of increased online shopping present us with big opportunities. For example, in November last year a record for parcels for Norway Post was set with an increase in volume of 13 percent," he explains.

The potential is huge. He sees growth in the home delivery of goods - everything from small parcels to kitchens from IKEA.

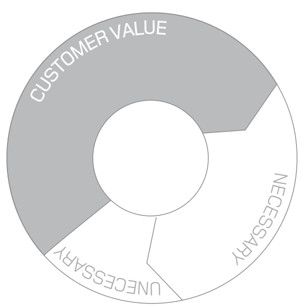
"I believe that with our rising living standards we will find that more and more people are willing to pay for these types of services. Norway Post is ready to catch this traffic. We are a clear leader in this area," says Mejdell.

Studies of the growing online shopping market have also led to the Group expanding its range of services. The products are, and will increasingly be, adapted to the demands of the recipient. For example customers require flexibility, and notification services need to be continually developed.

New ways. For it's about continuously finding new ways - such as Norway Post's launching of a new digital mail system in 2011. The digital post box, Digipost, will provide added value for customers and is based on a person's personal identification number and street address. It will

"Our employees shall know that as an employer we are genuinely concerned about ensuring that they are happy at work at, while also laying down specific requirements."

CEO Dag Mejdell



Improvement:
REDUCED
ENVIRONMENTAL IMPACT

The long-haul postal routes service put together a more environmentally-friendly mix of its transport methods which contributed to a positive effect on the environment. This also increased the quality of its transport services and reduced costs by almost MNOK 100. It also improved load levels in its vehicles.

Action: Three air routes were withdrawn and a new air solution was set up in Northern Norway; in addition continuous work was undertaken on prioritising rail transport where possible, as well as maximising the use of volume capacity for air, rail and truck transport.

make it easier to send, receive, process and archive important mail. The system will be created with the same level of security as for online banks. Mejdell believes the time is right for such a solution and that the potential for success is better than it was just a few years ago.

"We see that this is something people need which someone should provide. Norway Post is best qualified to take this position," says the CEO.

The Nordic region as a home market. Norway Post has an overall Nordic strategy and an ambition to develop a leading position as a Nordic logistics operator. Acquisitions have always been one of the ways in which to achieve this goal. After a period in which mergers and acquisitions almost came to a complete halt because of the financial crisis Mejdell now sees a change taking place. He believes that exciting opportunities will emerge for Norway Post in the future.

"Now the market is beginning to open again. We have the ability to carry out the acquisitions that are right for Norway Post," says Mejdell.

He emphasises that the Group has carried out significant investments in recent years in order to be able to grow and gain market share in the Nordic region.

"We wish to support and strengthen this growth through new, focused acquisitions," says Mejdell.

Focus on the environment. Norway Post has a clear ambition to play a leading role in environmental issues for the mail and logistics industry. The biggest environmental goal the Group has set itself is to reduce CO2 emissions by 30 percent by 2015.

"Due to the nature of our activities we emit a lot of greenhouse gases. We are responsible for almost 0.8 percent of Norway's total emissions. So it will take a lot of work but I am certain that it's possible to reach our goal," says Mejdell.

He points to developments in vehicle and fuel technology which will give Norway Post a boost.

"But we won't be able to achieve more than we create ourselves. When the goverment talks of investment in for example the rail system, such changes will in reality not begin to have an effect for 10-20 years. Most important of all is that the entire organisation knows that this is a goal we want to reach and that we work in that direction the whole time," says Mejdell.

Sustainability report. An awareness of the importance of corporate social responsibility, with regard to both the environment and to social issues, has led Norway Post to adopt the UN Global Compact initiative. Here large-scale, leading enterprises from all over the world have promised each other to fight for human rights, workers' rights, anti-corruption and the environment. In the light of its adoption of this initiative Norway Post is presenting an integrated annual and sustainability report for the first time.

"Being part of a global initiative is a natural extension of the focus we ourselves stand for," says Mejdell.

In the international arena. As president of the International Post Corporation Mejdell occupies another leader's chair with considerable influence on the future of mail companies.

"Where can the postal industry find a new financial foothold in an era of declining mail volumes?

"While the liberalisation of the postal market and positioning beyond our own home markets were important issues a few years ago, there is now a focus on the major, long–term decline in physical mail volumes. We have to inform politicians and make them aware of the fact that the demands made of the industry must continuously be adapted to the rapidly changing usage of postal services," says Mejdell.

He is ready for 2011, with its challenges and opportunities the - both nationally and internationally.

GROUP STRUCTURE

Norway Post consists of three divisions and three corporate staff units. Group management consists of the Group CEO and six Group Directors.

Overall. Group management deals with issues and decisions relating to the Group's strategy, budgets, financial developments, significant investments, pricing strategies, and issues of significance to Norway Post's reputation, market and customers, as well as issues of a fundamental and strategic nature.

Line responsibility. Group Directors lead the divisions or corporate staff units and report to the CEO. The divisions are central to the management of the Group and devise strategies for their respective business areas that support the corporate strategy. The divisions are responsible for developing and delivering products and services with the associated service and quality.

Professional responsibility. Corporate staff units have been established in the areas where there is a need to provide professional support to the CEO, Group management and the divisions. Corporate staff members are professional driving forces who help support business strategies and help develop a professional environment in the Group. The corporate staffs have the special task of contributing to interaction and co-operation across Group boundaries in the development of policies and best practices. Certain professional functions are centralised at the Group level and provide services to the divisions and business areas.

Two segments. For financial reporting the Group has chosen to split the business into two segments; mail and logistics, in accordance with international financial reporting standards (IFRS) and best practice.

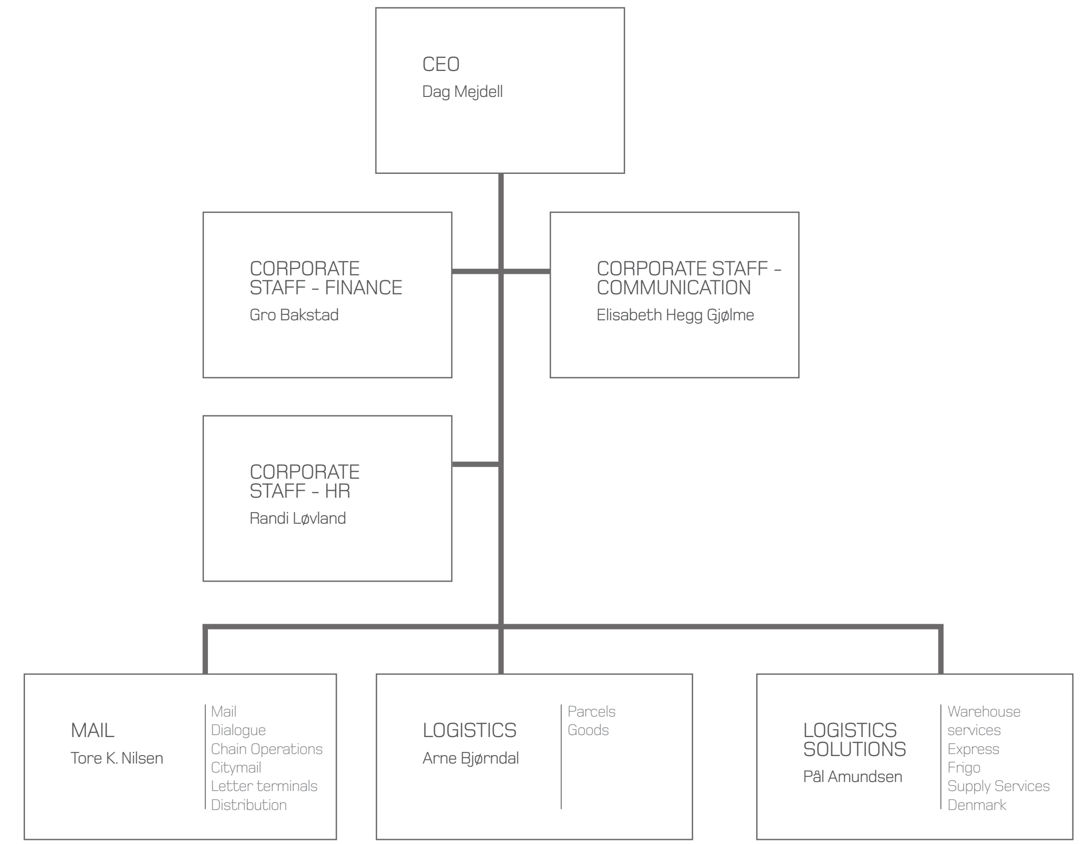
Mail Division. The division consists of letter products and banking services, Norway Post's distribution apparatus and customer service through the sales and service network as well as the new digital postal system initiative. The parent company's postal activities are carried out under the Norway Post and Bring Mail brands. The Bring Citymail Sweden and Bring Dialog companies are also included in the division.

The division's goal is to provide high quality postal services in accordance with customer requirements and expectations, and in accordance with licence requirements. At the same time postal operations are to be industrialised and made more efficient.

Logistics Division. The division consists of the specialist areas parcels and goods in the Norwegian and Nordic markets – which constitute the biggest growth areas within logistics operations. The Logistics Division is responsible for customers and earnings for parcels and goods in addition to being responsible for the production apparatus, including the long-haul postal routes service. This means a closer proximity to customers and ensuring that employees look for greater interaction between the parcels and goods areas.

Logistics Solutions Division. The division consists of the specialist areas express, thermo, supply services and warehousing, along with Bring's activities in Denmark. The aim is to contribute to greater interaction towards the market and benefit from synergies in production between the specialists. The Logistics Solutions Division has a distinct range of services to the market and shall be the best in the Nordic region within its specialist areas.

The Board of Directors in Norway Post AS. From bottom left: Gro Bakstad, Dag Mejdell, Elisabeth Gjølme. Rear from left: Arne Bjørndahl, Randi Løvland, Pål Amundsen and Tore K. Nilsen.



ORGANISATIONAL CHART AND CVS

DAG MEJDELL

CEO since January 2006

Born: 1957

Previous positions: CEO of Dyno Nobel ASA, different positions (including CEO and Chief Financial Officer) in Dyno ASA from 1981

Education: Master of Business and Economics

GRO BAKSTAD

Group Director Accounting and Finance (CFO) from August 2006

Born: 1966

Previous positions: Director of Finance in Norway Post, Financial Advisor in Procorp, Director of Finance in Ocean Rig

Education: Master of Business Economics and CPA

RANDI LØVLAND

Group Director HR since September 2008

Born: 1957

Previous positions: Transport Director and Communications Manager at Norway Post, Division Director and Strategy Manager at Bravida Oslo and Akershus AS, Union Manager in Den norske Postorganisasjon.

Education: Norway Post

ELISABETH HEGG GJØLME

Group Director Communications since April 2000

Born: 1960

Previous positions: Director of Communication at Telenor Mobil, Marketing and Communication Manager at Oslobanken AS, Secretary General of Young Conservatives.

Education: Bachelor of Buisness Administration

TORE K. NILSEN

Group Director, Mail Division since 1 May 2008

Born: 1957

Previous positions: Group Director at Securitas and Divisional Manager at Security Service Europe

Education: Norwegian Police Service

ARNE BJØRNDAHL

Group Director, Logistics Division since January 2002

Born: 1952

Previous positions: Executive Vice President, Logistics Manager and Chief Financial Officer at Ringnes, Managing Director at Emo AS

Education: Bachelor of Buisness Administration

PÅL AMUNDSEN

Group Director Logistics Solutions since June 2010

Born: 1968

Previous positions: Marketing Director of Logistics Division, Norway Post Group, Brewery Director and Logistics Manager, Ringnes AS and Transport Officer, Norwegian Armed Forces

Education: Master of Social Science

THE BOARD OF DIRECTORS OF NORWAY POST 01

BOARD OF DIRECTORS' CVS

PAUL MAGNUS GAMLEMSHAUG

Employee representative

Born: 1953

Mail Division employee representative, Member of the executive committee of the Norwegian Postal and Communications Workers' Union (Postkom)

Employee of Norway Post since 1974

ANNEMARIE ELSTNER

Employee representative

Born: 1965

Logistics Division employee representative. Deputy General Secretary of the Norwegian Postal and Communications Workers' Union (Postkom).

Employee of Norway Post since 1976

TERJE WOLD

Board member since 2010

Born: 1963

CEO, Invenia AS

Education: Master of management, BI

Offices: Chairman of the Board Abelia i NHO, Board member in Invenia and Tromsø Internasjonale Filmfestival.

ARVID MOSS

Chairman of the Board since 2002

Born: 1958

Director Norsk Hydro, Energy and Corporate Business Development

Education: Master of Business and Economics, NHH

Offices: Board member, NHO

GØRIL HANNÅS

Board member since 2010

Born: 1968

Associate Professor, University of Agder

Education: PhD Logistics, Høgskolen i Molde

Offices: Board member of "Miljø og samfunnsansvar i offentlige anskaffelser" Agder, Sigtor AS

SIGBJØRN MOLVIK

Board member

Born: 1950

Teacher, member of Telemark's county council

Offices: Director of Telemark University College

ELI ARNSTAD

Board member since 2006

Vice-Chairman since 2010

Born: 1962

Consultant, self-employed

Education: BA

Offices: Board member of Vattenfall AB, AF-gruppen, Sparebank 1 SMN, Centre for Economic Research NTNU.

RANDI B. SÆTERSHAGEN

Board member since 2010

Born: 1958

Consultant, self-employed

Education: Master of Business and Economics, MBA

Offices: Chairman of the Board Stereo Skis AS, Board member in Gjensidige Forsikring ASA, Gjensidigestiftelsen, Elsikkerhet Norge, Briskeby Eiendom 1 and Briskeby Gressbane

JUDITH OLAFSEN

Employee representative

Born: 1958

Regional employee representative for North Region, Mail.

Member of the executive committee of the Norwegian Postal and Communications Workers' Union (Postkom)

Employee of Norway Post since 1976

Odd Christian Øverland

Employee representative

Born: 1957

Group employee representative and General Secretary of the Norwegian Postal and Communications Workers' Union (Postkom)

Employee of Norway Post since 1979

REPORT OF THE BOARD OF DIRECTORS 2010

2010 was a year characterised by low demand in the mail and logistics market. Even though Norway Post's operating revenues declined somewhat, the Group delivered a better result for 2010 than for the year before. The Spinnaker efficiency programme helped Norway Post to emerge stronger from the economic downturn and we now see signs of increased activity in the market.

Introduction. EBIT before non-recurring items and write-downs came to MNOK 944 in 2010 which was an increase of MNOK 172 or 22% compared with the previous year. Continuous improvements which increase customer value and reduce the use of resources is a common denominator for the development of the Group's processes, products and services.

The Group achieved significant improvements in profitability in all divisions. The Spinnaker efficiency programme alone has helped to reduce costs by BNOK 1.9 since the program we started in 2008.

Operating revenues were MNOK 22 451, a reduction of MNOK 162, or 0.7 percent, from 2009. The development in revenues was affected by falling mail volumes, the economic downturn and low activity in the logistics market in the first half of the year, while the second half of the year showed signs of growth.

The Group's focused growth and development strategy remains the same, but the rate of expansion has been adapted to the economic downturn and this is why no new acquisitions were made in 2010. With the Spinnaker efficiency programme the Group has emerged stronger from the financial crisis and laid the foundations for further growth and new acquisitions in the future.

The postal market in Europe will be liberalised with effect from 01.01.2011 in accordance with the EU´s third Postal Directive. The Government has still not decided whether the directive will be implemented in Norwegian law which is usually a prerequisite of the EEA agreement. Just 13 percent of Norway Post's activities are covered by the remaining monopoly. Norway Post's licence was extended by one year until 31.12.2011.

Norway Post's former wholly-owned subsidiary ErgoGroup AS merged with EDB Business Partner ASA and through this fusion created a leading Nordic IT company. The merger became effective 30 September 2010 and Norway Post owns 40 percent of the new company. As a result of the merger, IT is no longer a separate segment in the Group, and for accounting purposes EDB ErgoGroup ASA is treated as an associated company. Pre-merger, profits after tax for ErgoGroup AS, together with losses resulting from the merger, are treated as discontinued operations, and the corresponding figures in the income statement have been restated accordingly.

The Group structure of Norway Post was changed in 2010 in order to reflect the Group's development. The Logistics segment, which is the largest business area, was split into two divisions, while the Mail segment was combined into one division with overall responsibility for the market and operations.

The opening of Norway Post's new South-East Norway terminal in January 2010 will contribute to quicker and more efficient mail production throughout Norway. The South-East Norway terminal represents the best advances within the modern postal industry and after a relocation and introductory period operation is underway as planned.

Norway Post emphasises the importance of corporate social responsibility in how its operations affect people, the environment and society The main focus is to reduce the impact of its activities on the external environment as well as to develop the Group as an attractive workplace with a diverse and inclusive working environment.

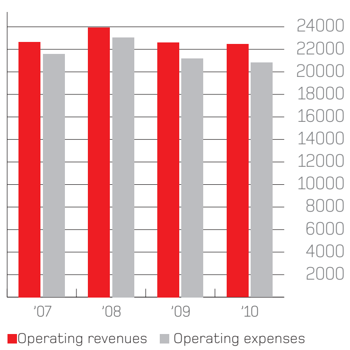
Norway Post aims to be an environmental leader in its industry and has created action plans to contribute to reducing CO2 emissions by 30 percent between 2008 and 2015.

Norway Post has adopted the UN initiative for côoperation with trade and industry on sustainable development (Global Compact) and will integrate the

OPERATING REVENUES AND OPERATING EXPENSES

in MNOK

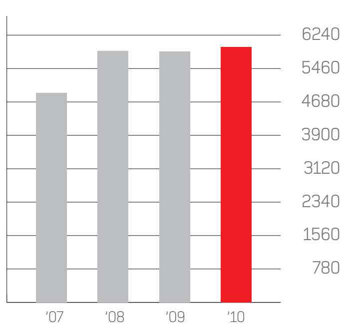
22 451



OPERATING REVENUES IN FOREIGN COMPANIES

in MNOK

5 959



ten fundamental principles for sustainability into the Group. This will be followed up in the Group's reporting, which with effect from 2010 will be expanded to include a combined annual and sustainability report based on the framework of the Global Reporting Initiative (GRI).

Income and portfolio development

Norway Post consists of two segments: mail and logistics. Operating revenues were MNOK 22 451 which was a reduction of MNOK 162, or 0.7 percent, from 2009.

The Group's operations outside of Norway had operating revenues of MNOK 5 959 in 2010, an increase of 1.8 percent from the previous year. The proportion of revenues from foreign operations represented 26.5 percent of revenues for the Group. From 2003 to 2010 Norway Post's foreign operations have had an average growth in revenues of 24.2 percent.

The logistics segment was the Group's biggest segment and accounted for 57 percent of external revenues in 2010. Total revenues from the logistics segment were MNOK 13 459, an increase of MNOK 131, or 1.0 percent, from 2009. Reductions in volumes and price pressures in groupage/part load and thermo services, as well as the transport industry strike in May/June, contributed to the fall in revenues in the first half of the year. During the second half of the year this trend reversed as a result of increased activity and a more positive market development.

The parcels area had the biggest growth with long distance/online shopping driving development. Total parcel volume grew by 5.2 percent in 2010 compared with the previous year. The development in volume was positive for both cross-border parcel distribution and B2C and B2B parcels in Norway. Growth in online Christmas shopping contributed to record parcel volumes in November and December. The Group has an offensive focus on growth in the parcels area for the Nordic region from its leading position in Norway and as a challenger in the Nordic market. Solutions have been established for parcel distribution in Sweden and Denmark. The express area achieved increased revenues within Home Delivery in Norway and Sweden. Supply service and thermo experienced positive developments in activities in the second half of the year.

In 2010 a new, modern logistics centre was opened in Berger outside Oslo which replaced five smaller warehouses in the Østland area. The logistics centre offers a complete service to customers and shows the way within a specialist area in which Bring Warehousing is the leading player in Norway.

In 2011 Bring Frigo acquired the cold storage operations of Coldsped in Sweden in order to supplement its range of logistics services for the food industry. The acquisition expands its geographical presence so that Bring Frigo gets closer to its customers' production facilities and can effectively join together warehousing and transport, with a single point of contact for customers.

The mail segment accounted for 43 percent of external revenues in 2010. Total revenues were MNOK 10 344, a decline of MNOK 316, or 3.0 percent, from the previous year.

Letter volumes fell in 2010 as a result of the transition to electronic alternatives and the decline was strengthened by the economic downturn. A and B mail declined by 7.2% from 2009. This was partly compensated for by a growth in volume of unaddressed mail advertising of 5.7%. Unaddressed mail advertising accounted for 52.3 percent of letter volumes for Norway Post, compared with 49.6 percent in 2009. In Sweden, Bring Citymail recorded a growth in volume of 6 percent from 2009. Bring Citymail Denmark was wound up on 31.12.2009.

In 2011 Norway Post will launch a digital post box, Digipost, which will be offered alongside the traditional post box. Digipost will make it easier to send, receive, process and archive mail in one digital post box.

Social mission and position in Norway

Through its business activities Norway Post is a prominent member of Norwegian society. Through its licence the company has an important social responsibility - that of ensuring the nationwide operation of postal services in a proper and cost-effective manner.

Five of the six licence requirements for delivery quality were met in 2010. A harsh winter, ash clouds, airports that were closed at night for some parts of the year and the relocation to the South-East Norway terminal affected delivery times for A mail overnight which ended at 83.5 percent compared with the licence requirement of 85 percent.

The conversion of 124 post offices to Post in Shops which began in 2008 was completed in 2010. The remaining 179 post offices have also been modernised and adapted to new customer requirements and less traffic.

After a compulsory competitive tender process Norway Post has allocated the Post in Shops service to 1164 stores for the next three-year period with effect from 01.07.2011. The new agreements entail that just under 10 percent of the current Post in Shops will be moved to new stores by 01.07.2011.

Norway Post's reputation continued to enjoy its positive trend in 2010 and the Group ended in 11th place in Synovate's annual reputation survey. Customer satisfaction also showed good progress, particularly for Bring's business customers.

Norway Post is the general sponsor for Norges Håndballforbund (NHF). This collaboration represents an important activity in the profiling of Norway Post and Bring throughout Norway, while handball-related activities also contribute to build internal pride and unity within the Group. In 2010 Norway Post extended its collaboration with NHF until 2014 to the tune of approximately MNOK 10 per year. The Group also collaborates with the Swedish handball association in order to increase awareness of Bring in the Swedish market. This collaboration runs until the end of 2010 and is worth MNOK 1.5 per year.

Norway Post's historic collections and exhibitions at the Postmuseet are run by Maihaugen at Lillehammer in accordance with an operating agreement worth approximately MNOK 6 each year.

Profitability

The Group's operating result (EBIT) before non-recurring items and write-downs for continued operations came to MNOK 944 in 2010 which was MNOK 172 more than in 2009, mainly due to the effects of cost-reducing measures.

The Logistics segment's operating result was MNOK 400, compared with MNOK 496 last year. Profits were negatively affected by the decline in volumes in the first half of the year, price pressures, the commencement of operations at the new logistics centre in Berger, delays in rail delivery and the transport strike. However the effects were partly offset by volume growth for parcels and express as well as cost-reducing measures. Further efficiency measures have been implemented to exploit economies of scale and ensure improved profitability in the future. The improvement programme includes increased synergies between the production of parcels and goods.

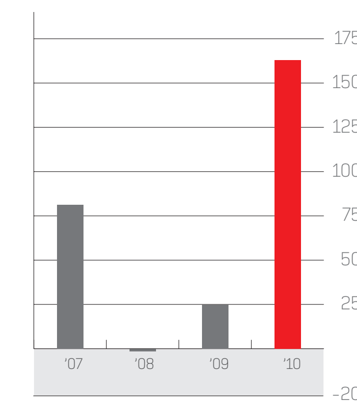
The mail segment's operating result was MNOK 786, an improvement of MNOK 188 from the previous year. Profit developments were positively affected by the comprehensive efficiency measures in the Spinnaker programme.

A positive effect of the fact that Norway Post has improved efficiency more than anticipated is that the need for government procurements of commercially unprofitable services has been found to be less than previously estimated. In accordance with recalculations for 2009 Norway Post repaid MNOK 307 to the Norwegian government in 2010. In the fiscal budget for 2010 MNOK 497 has been allocated for government procurements. The need for government procurements will be recalculated

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

in MNOK

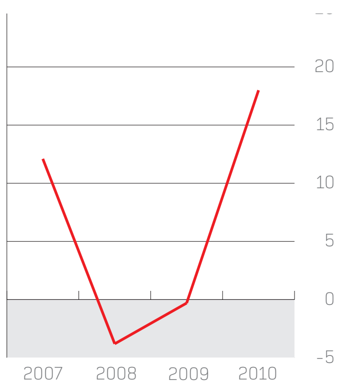
1630



RETURN ON INVESTED CAPITAL

in %

18%



in 2011 to ensure that compensation is in line with actual costs and monopoly area profits.

The new South-East Norway terminal represents an important efficiency measure. In 2010 the South-East Norway terminal took over letter production from the Letter Terminal in Oslo and in 2011 letter production from Drammen and Hamar will be transferred to the South-East Norway terminal. In this way the terminal restructuring process which began in 2004 will be complete and the number of letter terminals in Norway reduced from 32 to 9 with an estimated annual cost saving of almost half a billion kroner.

For Bring Citymail Sweden the financial crisis and geographical expansion in recent years have had negative results. The company has carried out comprehensive profitability measures which have had a positive effect. The Swedish parliament's approval of new postal regulations in 2010 will help to ensure equal competition in the Swedish market.

The Group's EBIT margin before non-recurring items and write-downs for 2010 was 4.2% compared with 3.4% in 2009.

In 2010 the Group had net financial expenses of MNOK 139 compared with MNOK 226 in 2009. This decline was primarily due to lower interest expenses as a result of a lower interest rate level. Earnings before taxes from continued operations were MNOK 1 491 in 2010 compared with MNOK 22 in 2009. The improvement in profits was due to an improved operating result, significant positive non-recurring items in 2010 compared with significant negative non-recurring items in 2009 as well as an improved net financial situation. The most important non-recurring item in 2010 was the MNOK 759 taken to income due to the transition to a new AFP scheme with effect from 2011.

In connection with the merger between ErgoGroup AS and EDB Business Partner ASA, Norway Post's ownership share was valued at stock market rates for the shares received as compensation for the merger. This led to an accounting loss for the Group of MNOK 817 which is included in the entry for discontinued operations. Profits for ErgoGroup are included in the entry for discontinued operations for the period 1 January to 30 September 2010, and are reclassified in the same way in the corresponding figures (see note 26).

The Group has a total of BNOK 2.3 in the balance sheet related to goodwill from previous acquisitions. An evaluation of the current value of cash flows related to the acquired units in relation to the values recognised in the balance sheet as at 31.12.2010 resulted in a total of MNOK 105 being written down in 2010. MNOK 71 applied to the Logistics segment and MNOK 34 to the Mail segment.

Total investments in continued operations in 2010 came to MNOK 651, a reduction of MNOK 417 compared with 2009 as a result of the completion of the South-East Norway terminal.

The return on invested capital before non-recurring items and write-downs (ROIC) was 15.8% in 2010 compared with 12.4% in 2009.

The cash flow from operations and investment activities came to MNOK 499 in 2010, compared with MNOK 814 in 2009. This change is mainly due to variations in accruals.

Net interest-bearing liabilities as at 31.12.10 came to MNOK 1 623 compared with MNOK 2 112 as at 31.12.2009. As at 31.12.2010 Norway Post had a liquidity reserve that consisted of invested funds and available credit facilities of MNOK 5 621 compared with MNOK 4 796 in the previous year.

The Board of Directors confirms that the annual financial statements are presented on the basis of continued operations and that the prerequisites for continued operations exist.

Risk

Risk analysis and risk management are key aspects of Norway Posts' corporate governance. In developing strategies, business plans and goals the aim is to create value by balancing growth against profitability targets and other risks to Norway Post's activities.

As part of corporate governance the Board of Directors carries out a risk analysis to evaluate the Group's total risk. The risk analysis is carried out as a comprehensive process in which all divisions and major companies in the Group are involved. Assessments are followed up with actions and recommendations in order to manage and control the individual risk factors and avoid events that can be negative for the Group's operations and reputation in the market. In addition, a less comprehensive half-yearly follow-up process is carried out to see the effects of the actions taken and whether these have resulted in a reduction in Norway Post's risks. Norway Post actively follows up the company's risk exposure with a focus on areas such as strategic acquisitions or the sale of businesses, regulatory conditions, competitive conditions, operational conditions, the implementation of major projects, available competence and resources as well as developments in sick leave and incapacity for work.

Risk management and internal control processes are described in more detail in the statement concerning the company's principles for corporate governance, pages 38-45.

In 2010 Norway Post has continued the measures started in 2009 to reduce financial risk and increase financial freedom. Discipline in the use of capital, a halt to acquisitions and a focus on cost-reducing measures have more than compensated for reduced income in 2010. This has resulted in an increase in equity and created the basis for increased headroom to implement strategic investment. In 2010 the balance sheet was further strengthened due to strong cash flow, limited investments and a further reduction in the Group's receivables. No new long-term loans were taken up during the period and surplus profits were invested on favourable terms. Credit and counterparty risk is deemed to be limited as Norway Post's counterparties generally have high ratings.

Some of Norway Post's loan agreements contain debt covenants that limit the net interest-bearing liabilities/EBITDA ratio to 3.5 and require a minimum equity ratio of 25 percent. As at 31.12.10 net interest-bearing liabilities/EBITDA was 1.0 (down from 1.1 in 2009) and the equity ratio was 34.9 percent (up from 28.3 percent in 2009). Norway Post has also followed up these debt covenants in 2010 in light of the economic downturn and the actions implemented have resulted in a significant increase in solidity and financial headroom.

Norway Post uses financial instruments to manage the risk associated with interest rate changes, exchange rate changes and changes in diesel and aviation fuel.

The European Supervisory Authority (ESA) has imposed a fine of 12.89 million Euros (approximately MNOK 101) on Norway Post. In addition the claimant has lodged a compensation claim in connection with previous exclusivity clauses in Post in Shops agreements from 2000 - 2006. Norway Post disputes the ESA decision and has brought the case before the EFTA court to have the fine ruled invalid. A bank guarantee has been given for the fine.

Allocations

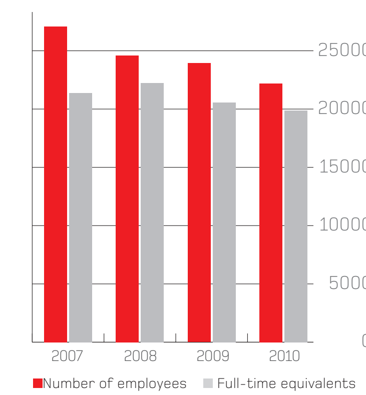
In 2010 Norway Post recorded a post-tax profit of MNOK 799. It is proposed that the profits be transferred to other equity. In addition it is proposed that a total of MNOK 54.4 be paid as a group contribution to subsidiaries.

Norway Post had MNOK 847 in distributable reserves as at 31.12.2010. It is proposed that no dividend be paid this year.

The Norwegian government has determined a new dividend policy for Norway Post based on 50 percent of Group post-tax profits. Before the annual dividend is determined an independent assessment of the Group's financial situation and future prospects shall be carried out. Norway Post's general meeting is not bound by the Board's proposal for the distribution of a dividend.

WORKFORCE DEVELOPMENT

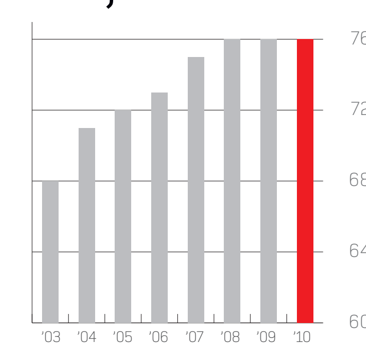
22 177



EMPLOYEE SATISFACTION

Last 7 years. Group
(scale from 1 to 100, where 100 is best)

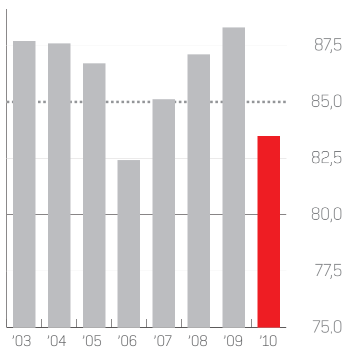
76,0



QUALITY OF A MAIL IN NORWAY

proportion delivered overnight in %

83,5%



Quality requirement in accordance with licence

Corporate Social Responsibility

Norway Post focuses on how the Group's activities can contribute to sustainable development in line with the demands of customers and the Government's ownership policy. The company's corporate culture is characterised by an active attitude to taking social responsibility. A good reputation will help to attract and motivate employees, strengthen competitiveness and provide increased freedom to develop further the Group's business. Norway Post became a member of the UN's Global Compact in March 2011. As a participant in the UN initiative for sustainable development Norway Post has undertaken to integrate ten fundamental sustainability principles in its strategy and operations, as well as report activities and improvements related to all areas with a social impact, i.e.: the economy, environment and social conditions/HSE.

Social issues/HSE

Norway Post's operations are labour intensive. Health, Safety and the Environment (HSE) is therefore a high priority and the Group's aim is for nobody to be injured or become sick as a result of their employment. Continuous and focused work is thus underway to reduce sick leave, the number of employees who are incapacitated for work and lost-time injuries

At the end of 2010 the Group had 19 884 full-time equivalent positions which was a reduction of 671 full-time equivalent positions compared with 2009, of which 450 full-time equivalent positions were due to closed-down operations. Norway Post reflects the diversity of today's society and 11% of the Group's employees have immigrant backgrounds. The goal is to increase the proportion of employees with immigrant backgrounds on all levels. Norway Post has been a racism-free zone since 2000 and over the course of this decade has worked actively against racism in collaboration with Norsk Folkehjelp and Postkom. Initiatives include the marking of Norway Post's premises with "Racism-free zone" to emphasise that everyone is welcome in the Group regardless of skin colour, religion or cultural background.

The annual organisation survey again showed high levels of satisfaction amongst employees in 2010. For the last three years the employee satisfaction index has been stable at 75-76 points.

The Group's sick leave was 7.8 percent in 2010, a decline of 0.3 percentage points compared with 2009. Sick leave was higher in the parent company than in other Group companies. The proportion of employees who were incapacitated for work was 1.5 percent in 2010 compared with 1.1 percent in 2009. To a large extent the Group has directed efforts towards following up sick leave and has introduced a good system and structure for follow-up on an individual basis.

Norway Post's vision is that nobody shall be injured at work. Efforts to reduce lost-time injuries have been concentrated on building a safety culture. The increased reporting of near-accidents has raised awareness of risk areas and contributed to preventive work. 26 747 near-accidents were reported in 2010 which was an increase of 32.5 percent from 2009. Efforts in this area have had a positive effect on the LTI-ratio for the Group. As a result of 80 fewer injuries in 2010 the LTI-ratio was 10 compared with 11.6 for the previous year. The most common cause of injury in 2010 was "falling over" which represented nearly half of all injuries and these mainly occurred during the winter on slippery surfaces.

Salaries, other remuneration and accrued pensions for executive management totalled MNOK 27.7 in 2010, compared with MNOK 26.4 the year before.

Norway Post's recruitment policy and tariff agreement require moderate gender quota allocations to increase the number of female managers and employees in male-dominated job categories. Norway Post is concerned about equality on all levels. This is why the company has examined differences in pay between women and men in the

Norwegian part of the organisation. No significant differences in pay that could be attributed to gender were discovered in the Group's operating positions. Norway Post's Group management is 43 percent female. The proportion of women among employees in the Group is 44 percent, and 37 percent among managers.

Competence

Norway Post is working on the continuous improvement of leadership through team development and individual development measures. 120 managers completed individual programmes in 2010. These management programmes have had a documented effect in the form of greater employee satisfaction and lower sick leave in the units where the manager has completed a management development programme.

Talent and employee development are central aspects of the talent programme and online training. A new e-learning portal has been developed and includes an introduction programme for new employees.

A common ethical standard applies to all Group employees and a continuous effort is underway to make this standard known. The Group requires its suppliers and business partners to comply with the same standard.

In order to follow up the implementation of ethical guidelines in the Group, work began in 2010 on an integrity programme which will continue in 2011. The programme shall help to ensure a high ethical standard (integrity standard) within anti-corruption, competitive practices, social dumping and processing of information.

Security

In 2010 Norway Post was the victim of three robberies in its own operations and three robberies in Post in Shops. The extent of other crime in and against Norway Post was moderate and there were no serious episodes in 2010. Norway Post has good security systems and routines and is far ahead in its use of modern security equipment. These security systems are maintained and developed in line with developing trends and the overall threat picture.

Although crime against Norway Post is moderate, the development in crime in society in general represents a growing risk for violence and threats against the company's employees and installations. ID theft and post box theft are a growing challenge. Norway Post stays continuously up-to-date regarding terrorist threats and constantly assesses the need for action.

Norway Post's contingency plans and security work in the organisation are continuously improving - particularly in training, internal inspections and following up internal fraud.

The environment

The Group's activities involve challenges with regard to the external environment. The Board of Directors of Norway Post therefore emphasises the importance of reducing the impact on the external environment and has decided that the Group is to be an environmental leader. The aim is to reduce CO2 emissions by 30 percent between 2008 and 2015. (see pages 74-81)

Some of the most important measures to reduce the impact on the climate include transport optimisation, the transfer of freight from air to the ground and from road to rail, the use of alternative vehicles and fuel, the use of renewable energy and other energy efficiency measures as well as the raising of competence among managers and employees.

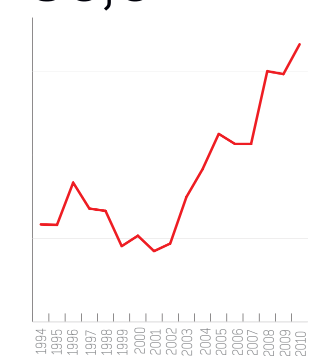
In 2010 Norway Post reduced its CO2 emissions by 6 percent and energy consumption was reduced by 7 percent compared with the zero-point in 2008.

An increasing volume of mail, parcels and goods is transported by rail and in 2010 Norway Post entered into new agreements for the purchase of goods transport by rail for approximately 2 billion Kroner over the next three years.

PARCEL POST VOLUME

million units

36,6

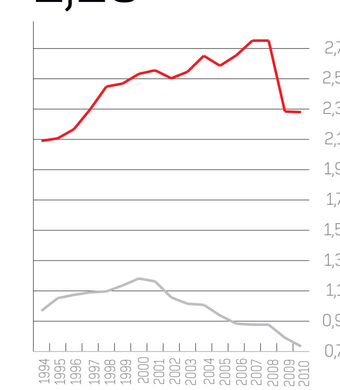


Total parcel volume

LETTER POST VOLUME

billion units

2,28

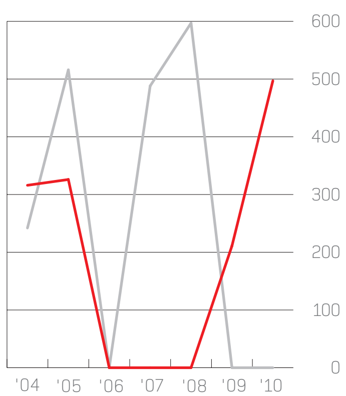


Total letter volume Total A and B mail

GOVERNMENT PROCUREMENTS AND DIVIDEND

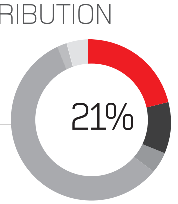
in MNOK

497



INCOME DISTRIBUTION

in %



Newspapers, magazines, advertising etc.	(10%)
CityMail	(4%)
Logistics	(58%)
Bank	(2%)
Government procurements	(0%)
Sale of goods	(0%)
Other income	(4%)

In Trondheim, Norway Post has switched from delivery vans to alternative vehicles, trolleys and walking routes so that mail can be delivered without CO2 emissions in the city centre. This initiative is unique in a European perspective and equivalent measures will be carried out in additional Norwegian cities.

Corporate governance

The composition of the Board was changed in 2010. New owner-appointed Board members are Gøril Hannås, Randi B. Sætershagen and Terje Wold, while Liv Stette, Terje Christoffersen and Gry Mølleskog left the Board. Among employee-appointed Board members Annemarie Elstner joined as a new Board member while Ingeborg Anne Sætre left the Board. In 2010 Norway Post established a Group-wide scheme for the nomination of employee representatives to the Board of Directors. Norway Post's Board is 50 percent female.

The Board carries out an annual evaluation of its work, competence and its working methods and also evaluates the content of the instructions for the Board of Directors together with the company's principles for corporate governance. In addition to being a decision-making and control body, the Board wishes to be a valuable discussion partner for the company's management and owner, based on good insight into Norway Post's strategies, value chain and processes, combined with relevant external competence.

The Board of Directors emphasises the importance of establishing and further developing a high standard for corporate governance, equivalent to Norwegian standards of best practice. As a limited company wholly owned by the Government, the Group's corporate governance is based on Norwegian law and the Norwegian Government's ownership policy in force at any given time.

The goal of this declaration is to give those with interests in Norway Post confidence in the company's leadership systems. In 2011 the Board has presented a statement on the company's corporate governance which is available on the internet: www.postennorge.no (see pages 38-39)

Norway Post has established Group-wide core values, governing principles for the Group and central disciplines, leadership principles and ethical guidelines. The Warning Institute was established in 2008 and reports to the Board's audit committee. No serious cases were received in 2010.

The Board's audit committee supports the Board in carrying out its responsibility for financial reporting, risk management, internal control and external auditing. The Committee held 6 meetings in 2010.

The Board's remuneration committee holds regular meetings throughout the year and prepares and recommends proposals to the Board related to remuneration for the CEO, and otherwise contributes to the thorough and independent handling of remuneration issues for leading employees.

Future prospects

Both the Norwegian and Swedish economies are growing. In 2011 the Group will continue with its Nordic growth strategy and further develop and strengthen its market positions within the Mail and Logistics segments.

Norway Post will continue to have a major focus on improving profitability and the implementation of the Spinnaker efficiency programme throughout the entire Group. The development of a joint improvement and performance culture is a vital part of this work.

Even though the market now seems to be developing in a positive manner, the Logistics segment is still expected to be affected by available capacity and increased competition which will continue to put pressure on margins in 2011. A specific improvement programme is underway for the parcels and freight areas in order to increase synergies between the production of parcels and freight.

A continued drop in letter volumes is expected in the Mail segment, with increased substitution for industrial mail and the digitalisation of advertising.

Norway Post is focused on offering services which are adapted to new customer and user requirements. In this regard a new digital postal system, Digipost, is to be launched. Everyone over 15 years old will be given access to a new digital mailbox in addition to the traditional, physical mailbox.

In the Section 10 plan, Norway Post has presented the Minister of Transport and Communication with its proposal that a political assessment must be carried out as to whether the concession requirements governing Norway Post's services are in line with the actual requirements of Norwegian society, and if the benefits to society are in proportion to the costs. The Board of Directors expects these issues to be considered before the presentation of the next parliamentary report on Norway Post, or before any new postal regulations on new licence for Norway Post take effect from 2012. Independent reviews confirm that there are grounds to carry out changes to the postal service and remove Norway Post's banking service obligation fully or in part.

With its new 40 percent ownership stake in EDB ErgoGroup, Norway Post will help the company to succeed in its ambition to become a leading IT service provider in the Nordic region.

Oslo Municipality's development plan for the Alnabru area allows Norway Post to plan a future-oriented, efficient and environmentally-friendly centre for Norway Posts' and Brings' logistics operations in the Oslo area.

The Group shall undertake continuous, long-term and systematic work within sustainability with a particular focus on health, safety and the environment (HSE) and climate.

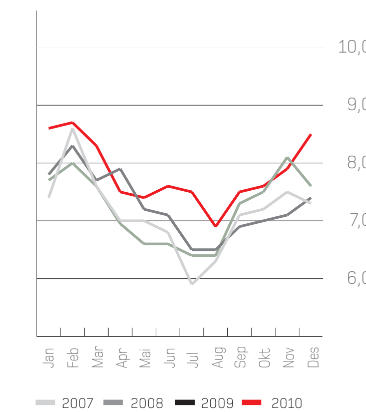
Future HSE work will turn to preventive work for employees who are at work, whether they are healthy or exposed to health problems. In order to increase the number of employees at work and reduce absence the Group will focus on groups and employees' contributions to a workplace that promotes good health.

The Board would like to thank the employees for their cooperation and joint responsibility for Norway Post's development.

SICK LEAVE LAST 4 YEARS

Group in %

7,8%



Oslo, 24 March 2011

Arvid Moss (chairman) Eli Arnstad (vice-chairman) Gøril Hannås

Randi Sætershagen Terje Wold Sigbjørn Molvik Odd Christian Øverland

Paul Magnus Gamlemshaug Judith Olafsen Annemarie Elstner Dag Mejdell (CEO)

KEY FIGURES

GROUP

		2010	2009	2008
RESULTS				
Operating revenues	MNOK	22 451	22 613	23 940
Earnings before interest and taxes (EBIT)	MNOK	1 630	248	(14)
Income before taxes from continued operations	MNOK	1 491	22	(139)
PROFITABILITY AND RETURN ON EQUITY				
Calculated key figures incl. non-recurring items*, write-downs and share of profit from associated companies:				
EBIT margin 1)	%	7,3	1,1	(0,1)
Profit margin 2)	%	6,6	0,1	(0,6)
Return on invested capital 3)	%	27,3	4,0	(0,2)
Calculated key figures excl. non-recurring items*, write-downs and share of profit from associated companies:				
EBIT before non-recurring items, write-downs and share of profit from associated companies 4)	MNOK	944	772	275
EBIT margin	%	4,2	3,4	1,1
Profit margin	%	3,5	2,5	0,6
Return on invested capital	%	15,8	12,4	4,8
CAPITAL AND LIQUIDITY				
Cash flow from operations	MNOK	1 123	1 988	1 342
Investments excl. acquisitions	MNOK	651	1 385	1 966
Equity ratio 5)	%	34,9	28,3	26,4
Net debt ratio 6)		0,3	0,6	0,8

* Non-recurring items consist of restructuring costs and the loss on sale of fixed assets/subsidiaries etc.

DEFINITIONS
1) EBIT margin: EBIT/operating revenues
2) Profit margin: Income before taxes/operating revenues
3) Return on invested capital: EBIT/average invested capital
   Invested capital: intangible assets + tangible fixed assets + net working capital
4) EBIT before non-recurring items and write-downs: earnings before gain/loss on sale of fixed assets etc., restructuring expenses, income from transferring to the new pension scheme, write-downs and income/expenses from associated companies
5) Equity ratio: equity/total assets
6) Net debt ratio: (interest-bearing liabilities - liquid assets)/total equity

INCOME STATEMENT

Amounts in MNOK

POSTEN NORGE AS					GROUP		
2008	2009	2010		Note	2010	2009	2008
12 922	12 376	12 177	**Operating revenues**	1	22 451	22 613	23 940
			Operating expenses				
1 971	1 820	1 688	Cost of goods and services		7 908	7 755	8 453
6 982	6 559	6 265	Payroll expenses	2	8 741	9 207	9 669
353	393	406	Depreciation and amortisation	9,10	686	643	610
137	60	44	Write-downs	9,10	149	372	120
3 351	3 286	2 911	Other operating expenses	4	4 172	4 236	4 933
(35)	(20)	(46)	(Gain) on sale of fixed assets etc.	6	(84)	(26)	(42)
21	1		Loss on sale of fixed assets etc.	6	4	7	21
159	156	(30)	Restructuring expenses	5	(25)	176	184
		(718)	(Income)/expenses due to the transition to a new pension scheme	3	(759)		
			(Earnings)/expenses from associated companies	12	29	(5)	6
(17)	122	1 657	**Earnings before interest and taxes**		1 630	248	(14)
744	744	599	Financial income	7	580	554	757
1 044	902	1 008	Financial expenses	7	719	780	882
(317)	(36)	1 248	**Income before taxes from continued operations**		1 491	22	(139)
(36)	121	450	Taxes	8	529	36	67
(281)	(157)	799	**Income after taxes from continued operations**		963	(14)	(206)
			Income after taxes from discontinued operations	26	(686)	132	178
(281)	(157)	799	**Net income (loss) for the year**		276	118	(28)
			Net income (loss) attributable to majority interests		276	111	(35)
			Net income (loss) attributable to minority interests			7	7
			Proposed transfers and allocations				
	(181)	(54)	Group contributions				

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

Amounts in MNOK

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
(281)	(157)	799	**Net income for the year**	276	118	(28)
			Translation differences:			
	(75)		Result of hedging of investments in foreign entities	(115)	225	(148)
	21		Tax	32	(63)	42
			Translation differences from the hedging of investments in foreign entities	104	(276)	208
			Cash-flow hedging:			
(122)	69	(12)	Changes in value	(12)	69	(122)
(25)	26		Transferred to income		26	(25)
41	(27)	3	Tax	3	(27)	41
(2)			Tax effect of demerger receivables			
(108)	14	(8)	**Other income/(costs) directly included in equity**	13	(46)	(4)
(389)	(143)	790	**Comprehensive income**	289	72	(32)
			Comprehensive income is split as follows:			
			Majority interests	289	65	(39)
			Minority interests		7	7
				289	72	(32)

BALANCE SHEET

Amounts in MNOK

POSTEN NORGE AS					GROUP		
2008	2009	2010		Note	2010	2009	2008
			Assets				
980	1 008	1 002	Intangible assets	9	3 368	6 224	6 795
693	621	335	Deferred tax asset	8	415	795	818
982	1 185	1 016	Tangible fixed assets	10	4 137	4 841	4 406
73	73		Investment properties	11		73	108
5 235	5 139	3 739	Investments in shares	12,23	5	5	6
11	11	1 462	Investments in associated companies	12	1 465	51	56
2 502	1 784	2 135	Interest-bearing non-current receivables	13	29	67	43
30	72	25	Other non-current receivables	14	38	141	85
10 506	9 894	9 715	Fixed assets		9 458	12 198	12 317
55	34	25	Inventories	15	27	52	65
1 559	1 338	1 273	Interest-free current receivables	16	3 288	4 145	4 775
2 394	2 105	1 152	Interest-bearing current receivables	13	635	76	84
993	1 334	2 047	Liquid assets	17	2 232	1 934	1 837
5 001	4 811	4 496	Current assets		6 182	6 207	6 761
388	37	33	Assets held for sale	18	128	37	438
15 895	14 742	14 244	Assets		15 767	18 441	19 516
			Equity and liabilities				
3 120	3 120	3 120	Share capital		3 120	3 120	3 120
992	992	992	Share premium reserves		992	992	992
595	384	1 182	Other equity		1 405	1 109	1 116
(75)	(7)	(14)	Other reserves		(14)	(7)	(75)
			Minority interests		(2)		7
4 632	4 489	5 279	Equity	19	5 501	5 214	5 160
1 895	1 883	921	Provisions for liabilities	20	1 103	2 274	2 268
4 527	3 889	1 678	Interest-bearing non-current liabilities	21	1 736	4 014	4 701
258	101	5	Interest-free non-current liabilities	22	5	102	393
4 785	3 990	1 683	Non-current liabilities		1 741	4 115	5 094
928	796	2 945	Interest-bearing current liabilities	21	2 119	32	62
3 597	3 526	3 285	Interest-free current liabilities	22	5 172	6 660	6 794
58	57	130	Taxes payable	8	131	145	138
4 583	4 379	6 360	Current liabilities		7 422	6 837	6 994
15 895	14 742	14 244	Equity and liabilities		15 767	18 441	19 516
			Guarantees/mortgages	27			

CASH FLOW STATEMENT

Amounts in MNOK

POSTEN NORGE AS				GROUP		
2008	**2009**	**2010**		**2010**	**2009**	**2008**
			Cash flow from operating activities			
210	602	1 903	Provided by the year's operations *)	2 070	1 541	692
(672)	376	852	Change in working capital	222	563	530
109	(111)	(1 010)	Change in other receivables and provisions	(1 169)	(116)	120
(353)	**867**	**1 745**	**Net cash flow from operating activities**	**1 123**	**1 988**	**1 342**
			Cash flow from investing activities			
(468)	(81)	(302)	Investments in subsidiaries, excl. cash holdings on acquisition date	(1)	(20)	(176)
(613)	(542)	(399)	Investments in tangible fixed assets/IT development, etc	(651)	(1 385)	(1 966)
(5)		(177)	Investments in associated companies	(178)		(13)
2		61	Sales of subsidiaries, excl. cash holdings on sale date	(142)	6	(7)
40	228	197	Sales of tangible fixed assets	216	303	61
308	489	(282)	Changes in other fixed assets	132	(78)	6
(736)	**94**	**(902)**	**Net cash flow from investing activities**	**(624)**	**(1 174)**	**(2 095)**
			Cash flow from financing activities			
2 648	24		New long-term and short-term debt raised			2 698
(1 054)	(642)	(190)	Repayment of non-current and current debt	(200)	(709)	(1 150)
	3	240	Group contributions/dividends received			
(597)	(4)	(181)	Group contributions/dividends paid	(1)	(8)	(605)
997	**(619)**	**(131)**	**Net cash flow from financing activities**	**(201)**	**(717)**	**943**
(92)	**342**	**712**	**Total change in cash and cash equivalents**	**298**	**97**	**190**
1 084	992	1 334	Cash and cash equivalents at start of period	1 934	1 837	1 647
992	**1 334**	**2 047**	**Cash and cash equivalents at end of period**	**2 232**	**1 934**	**1 837**
			*) This figure is made up of:			
(317)	(36)	1 248	Earnings before tax	1 491	198	108
702	720	477	+ Depreciation and write-downs 1)	836	1 312	1 052
			+/- Share of profits(losses) of associated companies	29	(5)	5
	(5)	241	+/- Unrealised financial items	(125)	285	(147)
8	32	12	+/- Net interest expenses/income	94	156	222
(156)	(56)	(36)	- Tax paid	(126)	(152)	(327)
269	174	167	+ Interest received	87	43	116
(282)	(208)	(174)	- Interest paid	(175)	(251)	(325)
		14	-/+ Other unrealised operating expenses/(income)	39	8	8
(14)	(19)	(46)	- Loss/(gain) on sale of fixed assets	(80)	(53)	(20)
210	**602**	**1 903**	**= Provided by the year's operations**	**2 070**	**1 541**	**692**

1) In the cash flow statement, depreciation and write-downs of operating equipment also include shares etc.

STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK

	Majority interests				
POSTEN NORGE AS	Share capital	Share premium reserves	Other reserves	Other equity	Total equity
Equity as at 01.01.2008	3 120	992	31	1 475	5 618
Net income for the year for Posten Norge AS				(281)	(281)
Other comprehensive income			(106)	(2)	(108)
Total comprehensive income			**(106)**	**(283)**	**(389)**
Dividend distributed				(597)	(597)
Equity as at 31.12.2008	3 120	992	(75)	595	4 632
Equity as at 01.01.2009	3 120	992	(75)	595	4 632
Net income for the year for Posten Norge AS				(157)	(157)
Other comprehensive income			68	(54)	14
Total comprehensive income			**68**	**(211)**	**(143)**
Equity as at 31.12.2009	3 120	992	(7)	384	4 489
Equity as at 01.01.2010	3 120	992	(7)	384	4 489
Net income for the year for Posten Norge AS				799	799
Other comprehensive income			(8)		(8)
Total comprehensive income			**(8)**	**799**	**790**
Equity as at 31.12.2010	3 120	992	(14)	1 182	5 279

STATEMENT OF CHANGES IN EQUITY (continued)

Amounts in MNOK

GROUP	Majority interests						
	Share capital	Share premium reserves	Other reserves	Other equity	Total	Minority interests	Total equity
Equity as at 01.01.2008	3 120	992	32	1 634	5 778	8	5 786
Net income for the year for the Group				(35)	(35)	7	(28)
Other comprehensive income			(106)	102	(4)		(4)
Total comprehensive income			(106)	67	(39)	7	(32)
Dividend distributed				(597)	(597)	(5)	(602)
Other changes in equity				11	11	(3)	8
Equity as at 31.12.2008	3 120	992	(75)	1 116	5 153	7	5 160
Equity as at 01.01.2009	3 120	992	(75)	1 116	5 153	7	5 160
Net income for the year for the Group				111	111	7	118
Other comprehensive income			68	(114)	(46)		(46)
Total comprehensive income			68	(3)	65	7	72
Dividend distributed				(2)	(2)	(6)	(8)
Other changes in equity				(2)	(2)	(8)	(10)
Equity as at 31.12.2009	3 120	992	(7)	1 109	5 214		5 214
Equity as at 01.01.2010	3 120	992	(7)	1 109	5 214		5 214
Net income for the year for the Group				276	276		276
Other comprehensive income			(8)	21	13		13
Total comprehensive income			(8)	296	289		289
Dividend distributed						(1)	(1)
Other changes in equity						(1)	(1)
Equity as at 31.12.2010	3 120	992	(14)	1 405	5 503	(2)	5 501

See note 19 for further details.

Oslo, 24 March 2011

Arvid Moss (chairman) | Eli Arnstad (vice-chairman) | Gøril Hannås

Randi Sætershagen | Terje Wold | Sigbjørn Molvik | Odd Christian Øverland

Paul Magnus Gamlemshaug | Judith Olafsen | Annemarie Elstner | Dag Mejdell (CEO)

Corporate governance STATEMENT

Each year the Board of Directors of Norway Post Group submit a statement concerning the company's principles for corporate governance, including whether the Norwegian Code of Practice for Corporate Governance (NUES recommendation) has been followed.

Below is a statement of how the points in the NUES recommendation have been followed in Norway Post. This includes both details of how the principles have been met and, if applicable, the reason for any non-compliance and/or why the principle is not relevant for Norway Post.

Non-compliance is primarily related to the fact that the Norwegian government is the company's sole owner. As a result of this, Norway Post's corporate governance deviates from the following points of the NUES recommendation: point 4 on the equal treatment of shareholders, point 5 on the free sale of shares, point 6 on general assemblies, point 7 on nomination committees and point 14 on company takeovers.

The Board of Directors of Norway Post supports the recommendation and believes that the recommendation has been followed by the Company in 2010 with the exeption of those points mentioned above.

1. CORPORATE GOVERNANCE The Board of Directors sees the importance of establishing and further developing a high standard for corporate governance, equivalent to Norwegian standards of best practice including the NUES recommendation.

As a limited company wholly owned by the Government, the Group's corporate governance is based on Norwegian law and the Norwegian Government's ownership policy in force at a given time.

Good corporate governance is a prerequisite for a commercial and powerful company, while at the same time the requirements and expectations of the company's owner must be fulfilled. The Board of Directors of Norway Post believes that there is a clear connection between good corporate governance and creating value for the company's owners.

Through its business activities Norway Post is a prominent member of society and has also been given an important social responsibility with its licence from the Ministry of Transport and Communication - that of ensuring the nationwide operation of delivery services in a proper and cost-effective

manner. Being given such a social task also entails a particular responsibility with regard to how this task is carried out

The Group's common core values thus create an important premise for the Group's activities - with regard to employees and with regard to the Group's operating environment: customers, our suppliers and business partners. The Group's values are Honesty, Respect, Côoperation, Openness and Courage. In addition to this shared value platform, Ethical Guidelines and Leadership Principles have been established. Awareness and knowledge about these ethical guidelines is measured on an annual basis in order to be able to discover the extent to which these ethical guidelines are familiar to all Group employees. Work on ensuring a good level of understanding about ethical problems is a continuous process.

The majority of relevant ethical challenges are addressed in the stated documents, but as part of an increasing focus on avoiding and minimising the consequences of ethical dilemmas, work began in 2010 to focus on how Group companies shall make even clearer demands both internally and externally. This will also form an important contribution to the group's responsibility for people, society and the environment. See also the "Sustainability Report", in which Norway Post details its work on human rights, anti-corruption, working conditions, HSE, discrimination and environmental conditions.

2. BUSINESS

Norway Post's social responsibility is to ensure the nationwide operation of delivery services in a proper and cost-effective manner. The Company's social responsibility is described in Norway Post's licence.

Furthermore the Group shall run postal and logistic operations on a commercial basis, as well as other activities directly related to this.

All of these conditions are now clearly stated in section 3 of Norway Post's articles of association. The complete articles of association are found on www.postennorge.com.

Norway Post's social responsibility is further defined through specified licence requirements given by the Ministry of Transport and Communications. The current licence applies until 31 December 2011.

The Board of Directors determines goals and strategies, both on a Group-wide level and for each business area, which support the Group's aims related to mail and logistics operations. These documents are based on regular assessments and decision processes which shall ensure that the Group has a well-founded and operational strategy at all times.

A central premise for Norway Post's strategies and activities is that Norway Post shall be a country-wide service provider focusing on competitive pricing, high quality and good accessibility. This is also a driving force for motivated employees and management in day-to-day business and is fundamental in maintaining Norway Post's reputation as a trusted third party.

As well as meeting its socially-defined service requirements, the Group shall also be run profitably on commercial terms, meet its owner's required rate of return and adapt its activities to the structural changes that take place in the market.

Over the last decade and within this framework Norway Post has developed into an industrial group operating within the postal services and logistics business areas with the Nordic area as its local market. The markets in which the Group operates are characterised by fierce competition and major technological and structural changes. These changes present Norway Post with significant challenges with regard to the economics of the statutory services under its licence, competiveness, adapting to new customer requirements and market position.

The following main strategies form the basis for the development of the company:

- Norway Post shall undertake its social duties in accordance with the adopted licence requirements.
- Norway Post shall service customers' requirements and be available where the customer is located.
- Norway Post shall develop independent competitiveness in its focus areas in the Nordic area.
- Norway Post shall increase returns from investments made in its traditional core business and at the same time continue to invest in Nordic growth areas in order to ensure future profitability and strength.
- Norway Post shall develop strong, profitable and sustainable positions within the areas in which it is involved.
- Norway Post shall work to extract cost benefits through efficiency measures, côordination of the value chain and the implementation of a Group-wide productivity system.
- Norway Post shall have a well balanced portfolio of business operations that strengthens its ability to service customers' requirements. This portfolio shall have clearly defined common characteristics for the Group's role as a trusted third party, the way in which it appears to its customers, its operating principles as well as a shared culture and values.
- Norway Post shall provide a competitive rate of return for the owner through profitability and a value creation in line with the best in the industry.
- Norway Post shall develop good and attractive workplaces.

Continuous improvement is an important common denominator in the development of the Group. Improvements in processes, products and services to increase customer value and reduce unnecessary use of resources are to be implemented throughout the Group. Furthermore Norway Post takes social responsibility for how its operations affect people, the environment and society by focusing on reducing the impact of its activities on the external environment and developing the Group as an attractive workplace with a diverse and inclusive working environment. It is the opinion of the Board that by taking social responsibility Norway Post contributes to a good reputation, a reduction in risk, and long-term expansion for the Group.

Norway Post's operations are labour intensive. In total the Group's workforce consists of approximately 20 000 full-time equivalents. Health, Safety and the Environment (HSE) is therefore a high priority and the Group's aim is for nobody to be injured or become sick as a result of their work. Continuous and focused work is underway to reduce the sick leave rate, number of employees who are incapacitated for work and lost-time injuries

The Group's activities entail challenges with regard to the external environment. The Board of Directors of Norway Post therefore emphasises the importance of reducing the impact on the external environment and it has been decided that the Group is to be an environmental leader.

Through the establishment of a common ethical standard (integrity standard) the Group will work to prevent corruption and contribute to respect for human and workers' rights. This work will intensify in 2011, and will entail the Group's operative units subjecting the parts of the value chain that the units can actually influence to the same requirements as they use internally. In this way Norway Post's Board wishes to focus on how the Group's operations can contribute to sustainable development. See also the "Sustainability Report".

3. COMPANY'S CAPITAL AND DIVIDEND

Equity

As of 31.12.010 the group's equity was MNOK 5 501 which gives an equity ratio of 35 % of the Group's total assets. This level is deemed adequate with regard to the Group having sufficient solidity to implement the company's goals and strategies within an acceptable risk profile.

Dividend

Norway Post's General Assembly is not bound by the Board's proposal for the distribution of dividend, cf. § 20-4 (4) of the Companies Act and the company is thus subject to the Government profit policy in force at any given time. In Government Resolution no. 1 (2009-2010) it is stated that "the profit policy for Norway Post Group shall entail an expected dividend of 50% of Group post-tax profits. Before the annual dividend is determined an independent assessment of the Group's financial situation and future prospects shall be carried out."

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Norway Post has only one share class. The Norwegian government is the sole shareholder. All shares are owned by the Norwegian state and managed by the Ministry of Transport and Communications.

Contact between the Norwegian state as owner and Norway Post is undertaken via regular ownership meetings. The articles of association also state that Norway Post is obliged to present all cases deemed to be of major social or fundamental significance.

Due to government ownership the NUES recommendation on share issues is not deemed to be relevant for Norway Post.

Information regarding transactions with related parties is provided for in the annual report. See note 30.

5. FREE SALE OF SHARES

All shares are owned by the Norwegian state and managed by the Ministry of Transport and Communications. In accordance with § 3 of the articles of association Norway Post is to operate as a limited company wholly-owned by the Government. Due to government ownership the NUES recommendation on free sale of shares is not deemed to be relevant for Norway Post.

6. GENERAL MEETING

The Norwegian Government, through the Minister of Transport and Communications, is the company's general meeting.

In accordance with the company's articles of association, the ordinary general meeting is to be held by the end of June each year.

The Companies Act § 20-5 (1) states that the Ministry of Transport and Communications is responsible for sending notification of both ordinary and extraordinary general meetings and for deciding the method of notification.

The Board of Directors, CEO, company auditor and the Office of the Auditor General are invited to the general meeting.

The minutes from the ordinary general meeting are available on the company's website.

7. ELECTION COMMITTEE

As the Norwegian Government, through the Minister of Transport and Communications, is the only shareholder, the company does not have an election committee. The Board of Directors is appointed by the general meeting in accordance with the Companies Act § 20-4 (1). This represents non-compliance with regard to point 7 of the NUES recommendation.

Four members of the Board of Directors are chosen by and from the employees in Norway.

In 2010 a Group-wide scheme was established for the nomination of employee representatives to the Board of Directors of Norway Post. This entails that all employees in the Norwegian part of the Group can be nominated and have voting rights.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS

Corporate assembly

In principle Norway Post is subject to the main rule of the Companies Act that a corporate assembly must be appointed if a company has more than 200 employees. However the company does not have a corporate assembly as an agreement has been entered into between the employees and the company that there is to be no corporate assembly in Norway Post in accordance with § 6-35 of the Companies Act. The same agreement gives the right to an increase in employee representation on the Board of Directors from three to four representatives.

The composition of the Board of Directors

In accordance with the articles of association the Board of Directors shall consist of between seven to ten members. Up to six of these are appointed by the general meeting and as the sole shareholder the Norwegian state represented by the Minister of Transport and Communications designates and selects all the shareholder-appointed Board members. There are currently six shareholder-appointed Board members.

By virtue of the agreement mentioned above, the employees have the right to nominate up to four members of the Board of Directors.

There are no deputies for the shareholders representatives on the Board of Directors.

In 2010 five of the members of the Board were women, of whom three were shareholder-appointed representatives and two were employee representatives.

The election period for board members is limited to two years at a time. Continuity within the Board of Directors is ensured as only half of the directors stand for election at the same time.

The Board members' backgrounds are described in the annual report 18-19 and on the Group's website.

The independence of the Board of Directors

The Board of Directors assesses the independence of its members on a continuous basis. As at 31 December 2010 all of the shareholder-appointed representatives were deemed to be "independent" Board members, since they were not considered to have commercial, family or other relationships that could be deemed to affect the respective members' evaluations or decisions as Board members of Norway Post.

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors of Norway Post Group is responsible for the overall management of the Norway Post Group and supervises the Group's activities in general.

This overall responsibility is described in detail in the adopted instructions for the Board of Directors and in the Board's plan for its own work. Both these documents are revised on an annual basis.

The guidelines for the CEO's work form part of the instructions of the Board of Directors of Norway Post.

Together these documents clarify the tasks and responsibilities of the Board of Directors and the CEO, including which cases shall, can and should be handled by the Board. This also includes the CEO's authorisation limits. Cases that typically appear on the agenda of the Board of Directors are those connected with the preparation and implementation of the Group's strategies, the processing and approval of quarterly and annual reports, monthly result reports, HSE issues, investments and follow-up work on these, evaluation of the Group's risks and internal control as well as HR and organisational issues.

The Board of Directors shall also ensure that the company fulfils its corporate social responsibility commitments. The Board's responsibility for reviewing and reporting risk management and internal control is described in more detail under point 10. The Board's work and its meetings are led by the Chairman of the Board and based on cases presented by the CEO. The Company expects such case presentation to constitute a good and satisfactory basis for considering the case. The Board has appointed a vice-chairman who functions as chairman if the Chairman of the Board cannot or ought not to lead the work of the Board.

The Board held 10 meetings in 2010

The Board carries out an annual evaluation of its work and its competence. The Board is also evaluated by the owner.

The Board of Directors' audit committee

The Board has established an audit committee consisting of two Board members. The audit committee meets at least five times per year. The audit committee shall operate as a case preparation body for the Board and support the Board in carrying out its responsibility for financial reporting, risk management, internal control and external auditing. The committee's main duties are: preparation of the Board's follow-up work on accounts reporting processes (including ongoing contact with the company's external auditor regarding the audit of the annual financial statements), supervision of the systems for internal control and risk management and supervision of the work and independence of the external auditor.

The external auditor is present for all relevant points on the agenda in meetings of the audit committees.

The Board of Directors' remuneration committee

A remuneration committee has been established which consists of four Board members and is led by the Chairman of the Board. The remuneration committee holds regular meetings throughout the year. The committee prepares and recommends proposals to the Board related to remuneration for the CEO and otherwise contributes to the thorough and independent handling of remuneration issues for leading employees.

10 RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors' responsibility for risk management and internal control is a direct consequence of the company's articles of association and internal management governing documentation, in addition to general legal provisions and clear recommendations based on best practice.

The Board emphasises the importance of a good and efficient control environment in addition to good control processes. The company's governing documentation represents a good basis for this type of environment and processes. The Group's governing documentation stipulates directions for the management and control of the Group. The documentation sets out Group-wide requirements with regard to conduct in important areas and processes, including ethical behaviour and how corporate social responsibility is to be practiced in the Group.

Risk management and internal control depend on people. Internal control cannot only focus on guidelines, manuals and forms, but must also focus on the individual's efforts at all levels in the organisation. The Board of Directors is therefore determined that risk management and internal control be integrated in the company's core and support processes. Managers on all levels are responsible for ensuring that risk management and good internal control systems are established within their own area, that these have the necessary effect and that they are put into operation in an expedient manner.

The Board ensures that an overall assessment of the Group's risk is conducted each year. The process is based on a specific policy and the risk analysis is based on all Group units' strategies, business plans and goals and is carried out as a comprehensive process based on COSO's framework for risk management. The aim is to evaluate risks affecting strategy, finance, operations and reputation. The results of this process are consolidated to form an assessment of the main risks to which the Group is exposed, and are followed up with specific measures for managing and controlling the individual risk factors in order to avoid incidents that may negatively impact the Group's operations and reputation in the market.

In addition, a central monitoring process for internal control has been established which will help to ensure that there is adequate and effective internal control for specified risk areas. The central monitoring process for internal control makes a continuous evaluation of internal control within specified areas and proposes specific measures to improve this for these areas. The implementation of the proposed measure is the responsibility of line management. As part of the central monitoring process for internal control the compliance of the Group's governing documentation including ethical guidelines is also assessed. During the last year the Board has worked on implementing systems to ensure that the Group also carries out the systematic reporting of corporate social responsibility.

The Group has established an advisory investment committee which handles all cases that entail investment and sales in accordance with specified authorisation limits.

A common ethical standard applies to all Group employees. A continuous effort is underway to make this standard known. Work began on an integrity programme in 2010. This shall help to ensure a high and precise ethical standard within anti-corruption, competitive practices, social dumping and processing of information. It is a requirement that the Group's suppliers and business partners comply with the same standard.

Openness is one of the Group's core values and is a significant element in the company's general risk management and internal control. With regard to breaches of the ethical standard in general and the integrity standard in particular openness is especially important in order to prevent and rectify non-compliance. All employees and business partners are therefore encouraged to notify any censurable and/or illegal conditions as soon as possible. This is a part of the individual's responsibility.

A warning institute has been established to ensure good and safe receipt and follow-up of warnings given, and to ensure that such warnings are not met with negative reactions or sanctions. The Board of Directors' audit committee reviews the report from the Group's warning institute every six months.

11. BOARD REMUNERATION

The Board members' fees are set at the general meeting each year. Remuneration is not dependent on results and none of the shareholder-appointed Board members has a pension scheme or agreement on salary after leaving his/her position from the company. The remuneration for the directors in 2010 is stated in note 2.

12. REMUNERATION OF LEADING EMPLOYEES

The Board has established guidelines for remuneration for leading employees. The guidelines are based on the principles in the Government's guidelines for State Ownership on this subject.

The guidelines are presented to the general meeting.

Norway Post considers incentive systems as an important tool to focus management on increasing company profitability, in line with the owner's interests. It is against this background that a bonus scheme for individuals in key positions has been established.

Payment under these schemes presupposes that they can be covered by the company's business.

Routines have been established which ensure that more than just the immidiate leader is involved in the decision making process concerning employment, pay and bonuses. In such cases the relevant decision maker/ manager will obtain approval from their immidiate superior.

Remuneration to group management in 2010 is stated in note 2.

13. INFORMATION AND COMMUNICATION

The Group follows an open and aggressive communications strategy to support the Group's business strategies and goals and contribute to a good reputation, strong brands, satisfied customers and proud employees. Guidelines for a code of conduct have been established to ensure that Norway Post acts professionally and uniformly in its communications.

Financial information is reported quarterly at stipulated times which are available on the company's website in accordance with the Oslo Stock Exchange's information requirements.

These reports are made available via the Internet in both Norwegian and English.

A communications policy has been drawn up which states who is entitled to speak on behalf of the company, including subsidiaries, in various circumstances. The contingency plan for information in cases of a special nature or media interest is also included in this policy.

The Board also emphasises the importance of good communication with the company's owner outside the general meeting and reference is made to point 4 for a more detailed description of this communication.

14. COMPANY TAKEOVERS

Norway Post's articles of association state that the company shall operate as a limited company wholly-owned by the Government. The Board of Directors of Norway Post does not deem the NUES recommendation to be relevant and this point therefore represents non-compliance with the recommendation.

15. AUDITOR

Norway Post has an independent external auditor selected by the general meeting on the recommendation of the Board of Directors.

The auditor takes part in Board meetings that handle the annual financial statements in order to improve the Board's basis for making decisions. In the same or a separate meeting the auditor presents the audit, gives his view of the Group's accounting principles, risk areas, internal control routines and the Group's bookkeeping. The conclusions are presented in an annual, numbered letter to the board.

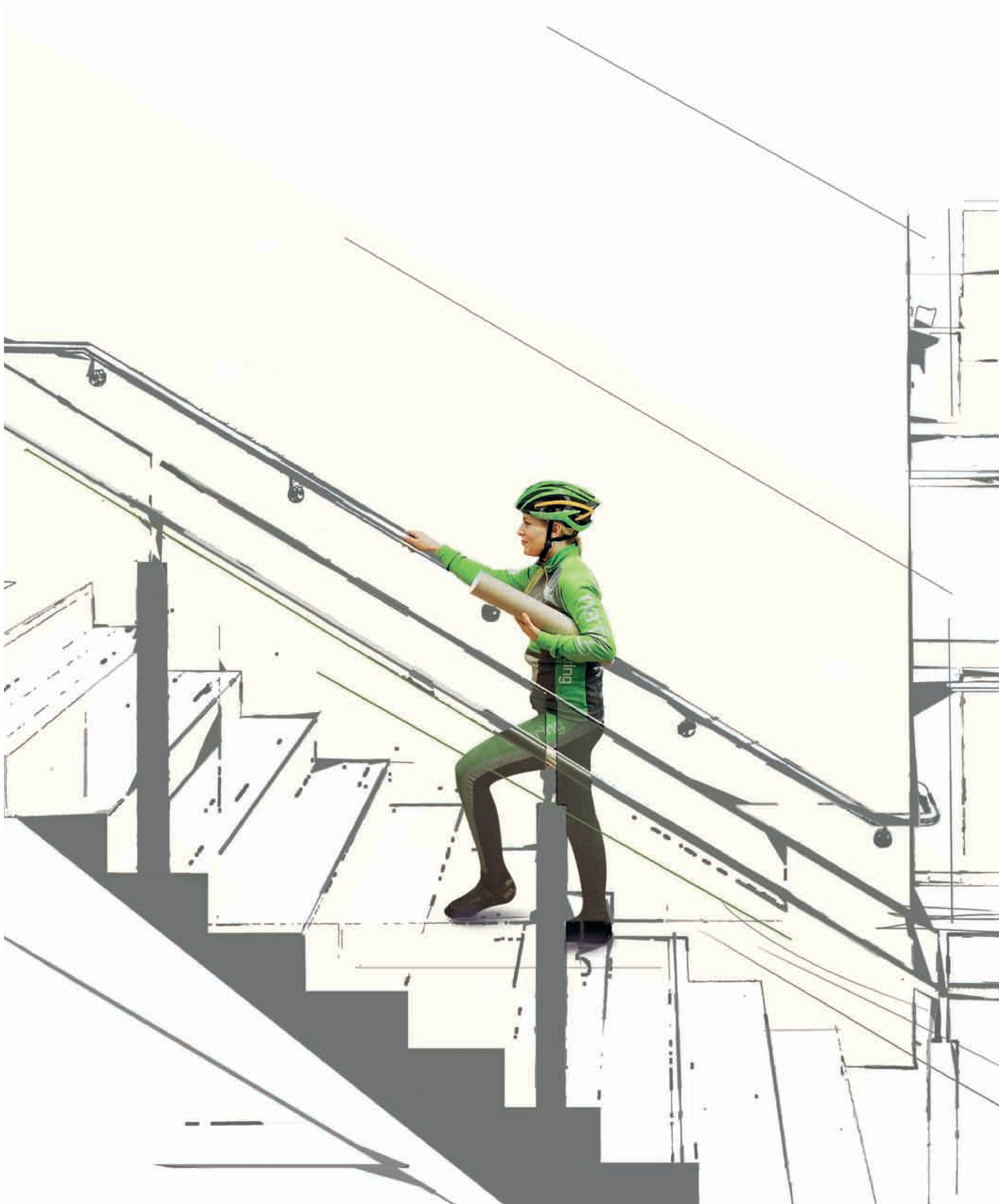
The Group's policy allows the use of the auditor in naturally audit-related tasks in addition to the statutory audit. The Board of Directors informs the general meeting of the remuneration to the auditor.

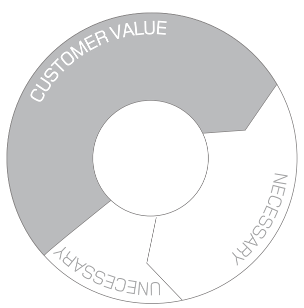
Cautious optimism ABOUT GROWTH

The aftermath of the financial crisis made 2010 a year of uncertainty. Nevertheless the year as a whole took a positive direction and presented new opportunities.

Many of the trends from 2009 continued throughout 2010. Many operators also experienced a decline in revenue within their core businesses in 2010. Yet as a consequence of an intense focus on costs throughout the year, earnings still improved for most of them. In particular the Swedish market showed positive signs in 2010 which intensified during the course of the year. The decline in volume in the traditional mail area continues as expected, leading to major changes being put in place by postal companies. Many European operators have initiated necessary structural changes, reduced the number of days mail is distributed or sold parts of their operations. Consolidation is a natural consequence of changes in the demands of our customers. International service requirements, combined with customers' wishes to form relationships with total suppliers, result in acquisitions and alliances across both industries and geographical areas. After the almost complete standstill in this type of activity in 2009, the number of mergers and acquisitions began to grow once more towards the end of 2010. There are many signs that both buyers and sellers will be more willing to carry out transactions in 2011.

Liberalisation. From January 2011 the majority of countries within the EU have liberalised their postal markets. The European postal companies have taken important steps on the way to meeting a market in which their traditional core operations are now fully open to competition. Nevertheless there are several barriers to entry that give the traditional postal companies competitive advantages on which they can build. The deep economic decline has helped accelerate the transition to digital postal services with volumes also falling as a result of a lower level of activity in the commercial sector. The combination of barriers to entry and falling mail volumes has reduced the appeal of establishing competing enterprises in the majority of countries. Investing in markets with negative growth is not considered attractive. These conditions have led to may of the largest and most offensive postal operators in Europe winding down or disposing





Improvement:

REORGANISATION OF THE POST OFFICE NETWORK

The post office network converted 29 post offices to Post in Shops (PiB) in 11 months, thus concluding a three-year plan for the conversion of 124 post offices to PiB. Customer satisfaction (KTI) has gradually increased and was found to be 85 at the start of 2010. At the same time earnings grew by MNOK 170.

Action: The post office network focused on the thorough practical and theoretical training of its staff and introduced a simpler user interface for PiB cash register systems.The interior of PiB stores was changed and new interior furnishing modules were developed which benefitted both customers and employees.

of their postal operations in other countries. The Dutch company TNT has dropped its operations in Germany and Belgium and indeed spun off its mail and logistics operations into two different companies with the postal company solely focusing on its home market. In a similar manner Deutsche Post has sold its letter operations in the Netherlands. In the Nordic area Sweden is the only country with two competing mail operators.

The changing logistics sector. Logistics is experiencing growth within most product areas. As the economy improves demand for logistics services increases and this trend is closely related to the development of GNP. The volume of goods transported out of and into Norway by road in 2010 grew by approximately 10% compared with the previous year. Growth in the logistics industry is also driven by new technology and new patterns of côoperation between companies and consumers. Competition has intensified and the trend towards consolidation strengthened throughout 2010. The major global players grew at the expense of smaller local companies. In a transitional period the smaller operators are becoming subcontractors to the global logistics systems. Several of the central logistics operators in the Nordic region have demonstrated an increased focus through the construction of new terminals as well as the establishment of new transport routes. This development is particularly noticeable in Sweden with the establishment of new large-scale terminal facilities in Skåne and in the Stockholm area. There is also renewed activity and an increased willingness to invest in port facilities in the Nordic region and the Baltic States which will have a major influence on the development of logistics flows in coming years. There is significant growth in goods volumes transported into the Nordic region via the Baltic States. Foreign trucks carried 56 percent of the goods passing the Norwegian border by road in 2010. The proportion of cross-border transport undertaken by Norwegian trucks has fallen from 51% to 44% in 10 years, whilst the Baltic States and other Eastern European countries are increasing most. At the same time new infrastructure is being built to integrate transport services to be able to offer market-adapted and cost-effective solutions that also allow further synergies to be exploited in operational terms. Many of these changes mean that logistics partners are moving further into customers' value chains – as a result of both the breadth and depth of the products and services offered.

The dominant operators in the Nordic market have international networks and combine this with local strength established through their own infrastructure or partnerships. Alliances, networks and côoperative constellations are also being formed which help to erase the boundaries between former competitors and bring customers and suppliers closer together. The financial crisis and its aftermath have created major financial pressures for many of the logistics operators in the Nordic region. Many of the large operators are restructuring their activities and concentrating on their core businesses. DHL is an example of this in 2010. The profitability levels of a number of small and medium-sized operators will lead to bankruptcy and structural changes. Internal unrest may also result in central employees breaking out to try to create new enterprises. The dynamics of the market will create challenges and opportunities in the coming year.

Postal requirements are changing. Traditional postal deliveries are being replaced by digital information and communication over the internet and mobile networks. Economic decline and an increased focus on environmental concerns have only served to accelerate a trend that has been underway over the last 10 years. Several conditions suggest that this accelerated development will continue. If so it is not unrealistic to expect mail volumes to be almost halved over the next decade. But it is not only in connection with information and messaging that customers' requirements are changing. The transition to online banking, ATMs and cash withdrawals in stores reduces the demand for manual basic banking services in a physical branch network. This gives a continuous reduction in the customer base for the post office network. The banks are now developing alternative and cost-effective distribution solutions which include the establishment of Banking in shops to take over from the post office network. On the other hand parcel volumes are growing rapidly but customer requirements for their delivery require different services than the traditional post offices can provide. Post office stores all over Europe are undergoing changes to adapt to modern customer requirements. These are some examples of the major changes affecting the post and communications market and the pace of change will remain fast in coming years. In order to meet this development the post companies have to adapt their range of products, production and networks to the demands of the market. New ways of thinking and active innovation in the product and market areas provide the basis for new business models that create new growth and profitability.

Changing consumption patterns. While letter volumes are falling, parcel volumes continue to increase. Internet shopping now represents over 50% of long-distance trade in Europe, and important markets such as Germany and

"Changing markets create room for innovation - the trend is towards more products dictated by consumers and users. "

IMPORTANT EVENTS:

1 **Changes to the rate of acquisitions.** After the almost complete standstill in this type of activity in 2009, the number of mergers and acquisitions began to grow once more towards the end of 2010. There are many signs that both buyers and sellers will be more willing to carry out transactions in 2011.

2 **Online shopping on the rise.** Parcel volumes continue to increase. Internet shopping now represents over 50% of long-distance trade in Europe, and important markets such as Germany and France are experiencing huge growth.

3 **Increased focus on logistics.** Several of the central logistics operators in the Nordic region have demonstrated an increased focus through the construction of new terminals as well as the establishment of new transport routes. This development is particularly visible in Sweden.

France are experiencing huge growth. Major operators are therefore attempting to position themselves as one-stop-shops for online business. Self-service solutions are gaining ground and the market is increasingly expecting these to be a part of the overall value proposal. That which until recently were paid-for added value services have now become integrated parts of the standard service. The digital platform, which is increasingly part of the service portfolio, also provides access to new markets. This represents an opportunity, but also allows competition from new operators in our core markets. New operators, as well as established operators who are expanding, will aim for the most profitable segments and create demanding competitive situations for the existing operators.

Adaptation through new products. In a world of changing patterns of consumption and technical advances one of the core questions for the postal companies is how to remain relevant and attractive to its customers. 2010 was the year in which digital postal solutions moved from the drawing board to the market for several European postal operators – including Norway Post. This is a new product category and a new way of thinking. Postal companies in countries including Finland, Denmark, Germany, France, the UK, Italy and Switzerland have all launched digital products. However, uncertainties about the extent of demand and the business models affect the various new services. A new market will be created with solutions that make day-to-day life simpler for mail customers. The postal operators' role as a trusted third party also in a digital world is built upon a 100 year-old foundation of trust and competence. Major expectations ride on this new development. A further focus on technology as a basis for development and innovation will be important in order to create a competitive advantage. Available solutions now give the postal companies the opportunity to create new added-value services. More optimised value chains will provide the foundation for increased profitability.

Changing markets create room for innovation - the trend is towards more products dictated by consumers and users. Within both mail and logistics it will be vital to create solutions that inspire customers and create increased and more visible customer value.

The environment remains as important as ever. Awareness and requirements regarding climate and environmental development have not weakened as a result of the financial crisis. Despite a strong focus on costs and improving profitability the operators within mail and logistics continued to work systematically on reducing their environmental impact. In the mail and logistics industry, with its comprehensive transport requirements, major parts of the vehicle fleets have been replaced with environmentally-friendly alternatives running on biofuel and electricity. Perhaps the most important and valuable measure taken in 2010 was the simplification of the route system and distribution solutions for the "last mile" along with the introduction of electric vehicles and mopeds in densely-populated areas. At the same time new rail solutions were introduced that made it possible to move large volumes of goods off the road onto a more environmentally friendly track. Even a financial crisis with its related focus on costs was unable to divert attention from the importance of reducing environmental impact. Several operators have now launched "green" products including the purchase of quotas, without these yet having been a major market success. While customers, suppliers and partners now set stricter environmental requirements to each other and develop more environmentally-friendly solutions together, it is also important to make clear demands of the authorities to ensure that the framework conditions exist for the sustainable development of the business sector.

Faith in the future. Signals about how markets and general demand will develop point in different directions. There remains a great deal of uncertainty, but a cautious optimism prevails about growth in 2011, while many expect new uncertainty to characterise developments in 2012. In the Nordic region Sweden has demonstrated very quick economic rejuvenation and strong market growth in the logistics industry. Hopefully this development will continue and over time bring the other Nordic countries with it. Development is expected to be somewhat varied between business areas, also driven by other changes in demand. The record-high parcel volumes recorded for Christmas 2010 show that the underlying development in online business and other home shopping will continue and drive growth within parcel distribution both locally and across national borders. Growth is also expected within goods transport, and not least within warehousing services where the trend for outsourcing this type of activity continues. We also see changes to business models for traditional business whereby home delivery direct to the end user from central warehouses will replace stocks being held by the local store. Traditional postal services will experience a further reduction in demand. New digital services will partly replace the physical sending of letters, but also create new opportunities and provide new growth. The sum total of all this will be rising optimism and increased willingness to invest in development.

"New digital services will partly replace the physical sending of letters, but also create new opportunities and provide new growth."

Faith in THE FUTURE

Norway Post's new South Eastern Norway terminal is now fully operational. Now work is underway on adaptations to meet the challenge of ever smaller letter volumes.

January 2010 saw the culmination of the structural projects that were started in the early 2000s: the South Eastern Norway terminal at Robsrud outside Oslo was opened. At the beginning of 2011 letter production in Drammen and Hamar was moved to the South Eastern Norway terminal.

"The closure is connected to the decline in mail volumes and how to make processes as efficient as possible. I can't see that there will now be any further major changes to the structure unless the government changes the licence requirements. The terminals in Norway are located where they are in order to ensure that mail is delivered overnight. In order to achieve this we need the current network," says Tore K. Nilsen.

Good results. The South Eastern Norway terminal has modernised the industrial process. The design of the premises is more efficient and allows the opportunity for even more improvements, believes Nilsen. Results exceeded all expectations when the Christmas traffic was processed.

"I was at South Eastern Norway terminal on December 23. I met employees there who were almost disappointed over the fact that things weren't more chaotic. They missed the Christmas feeling! Therefore I'm pretty sure we have got the hub to tackle our challenges. Now it's all about getting the humans and the machines to get along and for us to make adjustments to really get distribution to flow," says Nilsen.

New organisation. Another milestone in 2010 has also helped with the flow. The former Mail Division and parts of the Distribution Network Division were merged to form a new Mail Division in order to achieve greater efficiency and increased profitability. Nilsen believes the merger has brought customers and production closer together. Increased and changed demands in the market can be met faster and more precisely.

"The methods that must be put into use in order to tackle the decline in mail volumes have become clearer for all who work with post. We now have a leaner and more focused staff and organisation that support the sales and operational units to an even greater extent," says Nilsen.

More Post in Shops. The post offices have also undergone changes. An increasing number of post offices have changed from being run by Norway Post to being Post in Shops and a part of the retail trade. This concept will be ten years old in 2011.

"Post in Shops had a lukewarm reception and met with protests in the beginning, but over time the market has reacted positively. The key words have been better accessibility and long opening hours where Post in Shops are located. The fact that the stores provide us with postal services also represents a significant saving for us," says Nilsen.

New post office concept. Savings have been made when traditional post offices have become part of the new concept. The premises have become more efficient and rationally fitted.

MAIL DIVISION

SALES AND CUSTOMER SERVICE is responsible for all customer activities, i.e. sales, marketing and customer service for the Mail division in Norway and the Nordic area. Services for corporate customers are sold under the Bring brand name and private customers are served under the Norway Post brand name.

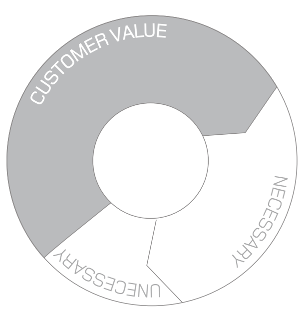
RETAIL OPERATIONS develops and operates a multi-channel sales and service network for the sale of post, parcel and financial services to the private and SMB markets in Norway.

SIX REGIONS develop and run Norway Post's physical network. This comprises the production and distribution of letters and admail. The regions operate 12 terminals for letter production.

DIGITAL develops and provides solutions for digital post in a new digital postal system.

BRING CITYMAIL provides distribution of letters and advertising to corporate customers in Sweden and distributes post to approximately 2.3 million households in Sweden. This means addressed deliveries from companies to other companies or private persons.

BRING DIALOG helps companies develop and cultivate their customer relations through customer dialogue.



Improvement:

CORRECT PAYMENT

Weekly invoicing of underfranked mail has increased from approximately NOK 100 000 to approximately NOK 500 000. Mail Division has ensured that underfranked mail has been documented and registered so that customers can be invoiced for the amounts owing and thus receive correct payment.

Action: Mail Division has had a focus on picking out and photographing underfranked mail at the terminals, so that customer service has been able to invoice for insufficient payment. The ongoing aim is to get customers to pay properly the first time.

"Post offices should be located where there is a lot of traffic. This also means that they are in popular areas with high rental charges. We have significantly reduced our office areas which has resulted in significant savings," says the Group Director.

The modernisation of the post office network has not affected the decline in the number of visitors and the use of postal services. The forecasts still point to letter volumes being halved in ten years' time.

Digipost. Postal companies all over Europe want to take part in digital conversion that can reduce letter volumes even further: digital post. The same applies to the Mail Division in Norway with its Digipost project which will be offered to everyone (all those 15 years old and above) in Norway in 2011.

"A change in the usage pattern for postal services has been forced upon us in any case. We want to be a part of this, given Norway Post's history, competence and position in the market. The brand name and organisation are strong. This gives us faith in our ability to succeed," says Nilsen.

Nilsen does not believe that Digipost will do much to compensate for the disappearance of physical post in the short term. In particular it is addressed mail that is the problem; so it is positive that unaddressed mail increased in 2010.

"We are not back to the volumes we once had, but the market is recovering and the financial crisis is over. Nevertheless it is a constant source of frustration that newspapers can use advertising as inserts while we have to deal with customers who say 'No thanks' to unaddressed mail. This creates an unfair competitive situation," says Nilsen.

Clear environmental ambitions. The Group Director does not like the fact that unaddressed mail is seen as environmentally damaging either. The Mail Division has big environmental ambitions.

"We shall distribute large volumes to all Norwegian households. The settlement pattern in this country makes saving the environment a challenge. But there is no doubt that we see many possibilities even while maintaining efficiency," says Nilsen.

One of the possibilities is alternative vehicles in the form of trailers, bicycles, mopeds and cars with no or minimal CO2 emissions. However the absolute biggest effect on the environment would be reduced air traffic. "A condition of Norway Post's licence is that A mail is delivered overnight. As long as today's licence requirement regarding delivery times continues to apply we cannot do so much about the emissions for which the current air network is responsible. Changes could mean the use of rail transport instead of air on many postal routes."

Exciting times ahead. Nilsen does not believe that mail distribution will be based on the same basic structure in 2015. If today's framework conditions remain unchanged they will trigger a significant need for government procurements. This means the compensation paid by the government to Norway Post for commercially unprofitable services. There is reason to believe that the number of distribution days could be reduced. Nor is he worried by the EU's third Postal Directive which means free competition for all postal services. Norway has yet to decide whether the directive will be implemented.

"We have a solid foundation for the operation of postal services in Norway. Those who wish to compete with us will need a great deal of vitality, major self-belief and a lot of money. We view the possibility of competition as less likely now than when I came here three years ago. But unless we continuously think about reducing costs, the possibility increases that someone can take over parts of our enterprise and see the potential for profitable operation.

This is why continuous improvement is so vital. We must be willing to take decitions which are painful in the short-term, but which are important to achieving long-term competitiveness and to being the preferred and dominant postal distributor in Norway. In any case there will be a need for a distribution network as far into the future as I am able to see," concludes Tore K. Nilsen.

IMPORTANT EVENTS:

1 **The South Eastern Norway terminal began operations.** A project that represents some of the biggest advances within the modern postal industry. The land, buildings and high-tech equipment cost a total of BNOK 2.5.

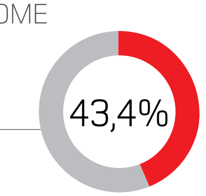
2 **Reorganisation.** The former Mail Division and parts of the Distribution Network Division were merged to form a new Mail Division, bringing the letter area into a single mail division means that the Group intergrates customer and production responsibility.

3 **Post in Shops completed.** Norway Post began converting its post offices to Post in Shops ten years ago. Basic postal and banking services can be carried out in grocery stores, kiosks and at service stations.

"Now it's all about getting the humans and the machines to get along and for us to make adjustments to really get distribution to flow."

Group Director Tore K. Nilsen

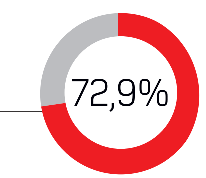
PROPORTION OF THE GROUP'S EXTERNAL INCOME



Mail

Other 56.6%

PROPORTION OF THE GROUP'S EMPLOYEES



Mail

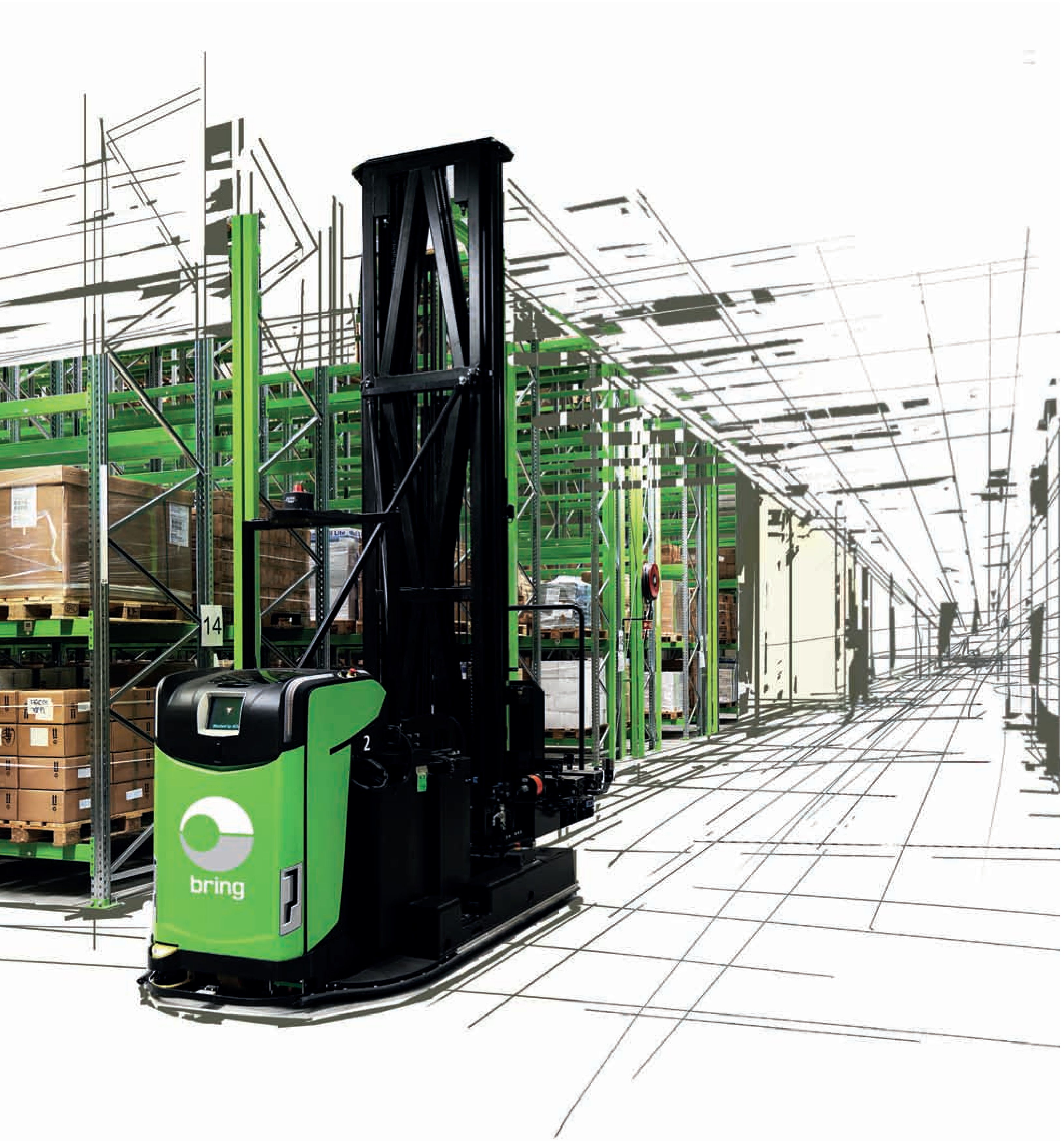
Other 27.1%

EMPLOYEES	MAIL
2010	16 173
2009	16 696
2008	19 992

EXTERNAL REVENUES IN MNOK	
2010	9 736
2009	10 050
2008	10 620

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2010	838
2009	117
2008	133

NUMBER OF LETTERS IN MILLION UNITS	
2010	2 289
2009	2 284
2008	2 598



A boost to an improved FLOW OF GOODS

Logistics steps up a gear for environmentally friendly transport. A Nordic agreement with five rail companies ensures that more mail, parcels and goods will be transported by train in the future.

In November the Norway Post Group signed framework agreements with five railway operators for goods-train solutions. The agreements cover requirements for goods transport by rail in the Nordic region. For the first time the Norway Post Group had the opportunity to choose between several good suppliers and competitive bids.

"The plan is to purchase goods transport by rail for some two billion Kroner over the next three years and become even more environmentally friendly," explains Group Director Arne Bjørndahl.

As well as parcels and goods the Division is responsible for the Group's rail freight unit, Bring Linehaul. The two biggest suppliers are CargoNet AS and Cargolink AS.

Green freight. During the last three years the Norway Post Group has purchased rail transport from CargoNet AS for more than BNOK 1.1. The new agreements run until the end of 2013 and can be extended for two more years.

"We want to send more mail, parcels and goods by train. This is in keeping with our environmental ambition to reduce CO2 emissions from our activities by 30 percent by the end of 2015," notes Bjørndahl.

Among other routes CargoNet AS runs a daily Bring train on the Älmhult–Jönköping–Oslo route. On the 3rd of September Bring train number two was in place between Oslo and Amsterdam. Now there are two direct services between the two cities. Each train service replaces 32 semitrailers on the road.

"Bring Nederland was declared logistics company of the year by a leading Dutch industry body. They won because they dared to focus on growth and new services during a downturn," explains Bjørndahl.

He thinks it is worth noting that environmental customers such as Norsk Resirk and Grønt Punkt choose Bring precisely because of its good international rail solutions.

Irregularities. He admits that 2010 was more demanding than expected. Heavy snowfalls during the first months of the year caused serious disruption to delivery quality and contributed to extra costs. During the spring there were landslides, floods and many roads were closed in Norway. The transport strike in Bring Cargo in the early summer also had a negative impact on operations.

"We had no growth in the first half of the year. After the summer we managed both to win new customers and renegotiate agreements, even though price competition was fierce. Things improved in the autumn. We experienced a welcome increase in Norwegian parcel volumes toward the

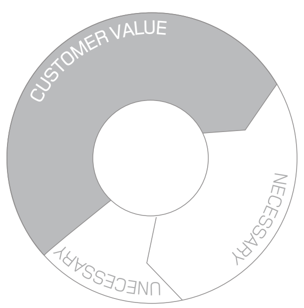
LOGISTICS DIVISION:

BRING PARCELS distributes parcels in Norway and the Nordic area, and also has good coverage for the rest of the world. Has customs clearance services and complete logistics solutions for online stores.

BRING CARGO provides logistics services within groupage and part loads, special goods, furniture transport, air and sea freight and offshore logistics.

PRODUCTION, TRANSPORT and TECHNICAL operates Norway Post's parcel terminals and transports domestic mail in Norway and locally using vehicles, rail and air.

SUPPLY CHAIN develops and optimises line-haul traffic and provides full load services.



Improvement:

FEWER FORK-LIFT TRUCK ACCIDENTS

With the help of a fork-lift truck campaign Bring Frigo's operations in the Nordic region saw a reduction in the number of accidents and near-accidents involving fork-lift trucks; from 55 percent in 2008 to 43 percent in 2010.

Action: Bring Frigo Helsingborg, in collaboration with fork-lift truck suppliers, drew up a comprehensive and clear set of regulations concerning fork-lift truck operation at Bring Frigo's terminals. The regulations consist of 18 routine rules which apply before, during and after driving a fork-lift truck.

end of the year and had the highest volume ever in November. The development of the Swedish economy was also extremely positive," adds Bjørndahl.

Large-scale operations. Logistics' significance in the Group was decisive in the creation of two logistics divisions with effect from 2010. Production and the transport of parcels and goods in Norway have combined into the Logistics Division. This also entails more integration, standardisation and economies of scale within transport and terminal operations. The names of the Bring specialists were amended to reflect the new business areas.

"It has became easier and more logical for customers to find what they need from Bring's services. At the same time the names of the business areas correspond with those of the Bring specialists," says Bjørndahl.

Bring Logistics was split into three: Bring Cargo, Bring Parcels and Bring Warehousing. When warehouse services and parcels were separated from Logistics it was natural to change the name of the goods operation from Logistics to Cargo.

A new website with the name mybring with details of the complete customer relationship will be in place during 2011 and is one of several measures to put the Group ahead.

Continuous improvement. Modelled on the Group-wide Spinnaker programme, Logistics Division has brought together all current and new projects under a common umbrella. These are important projects concerning intergration, the environment, cross-sales and growth.

"Spinnaker Logistics was launched as an overall programme office for the division," explains Bjørndahl.

Heavy goods vehicle traffic on Norwegian roads grew by 1.9 percent in 2010. Over the last 10 years such traffic has grown by 18.6 percent. Norway Post and Bring Cargo work closely together on the terminal and transport side in Norway to utilise employees, resources, competence and vehicles efficiently and in an environmentally conscious manner.

Shared facility. On 26 October the first ever shared production facility for Norway Post and Bring opened in Kristiansand.

IMPORTANT EVENTS:

1 **New organisation.** Greater responsibility for own value chain and the benefits of seeing value chains under one umbrella. Co-localisation and more combined routes.

2 **Spinnaker and interaction.** The Spinnaker Logistics improvement programme covers the entire division. Several intergration projects have also been established in Spinnaker. Bring Cargo's efficiency programme Decennium is also included here.

3 **Nordic rail agreement.** The Norway Post Group's new rail agreement with 5 rail companies from 2011 allows even larger volumes to be moved from road to rail. This is important for the Group's environmental target of a 30 percent reduction in emissions by the end of 2015.

The Norway Post and Bring terminal in Kristiansand forms the blueprint for the planning of shared terminals in Norway," adds Bjørndahl.

A combined value chain will be important in achieving the goal of being "the world's best in the Nordic region".

"Norway Post and Bring strengthen one another. We have to work together seamlessly. The customer does not care which of us does the job. If we are in front and develop good solutions we will be difficult to beat," maintains Bjørndahl.

Norway Post and Bring will move in together in several locations this year. A completely new shared terminal is planned in Ålesund in 2012. Bring's new goods hub at Alnabru is on the drawing board and still some years away. Here too parcels and goods will be side by side when the building is finished.

The first version of the epoch-making traffic and load planning tool TDLP is round the corner. This is a newly developed and powerful IT tool for the planning of distribution and line haul traffic of parcels and goods.

"This is pioneering work. We can plan all logistics stages in advance from A to Z. Fully-loaded vehicles will be allocated the smartest routes. This is profitable and creates less emissions. The tool enables more advanced logistics," claims Bjørndahl.

A 24-hour-a-day monitoring centre for goods in Norway is to be established.

New services. The logistics area is subject to intense competition. The trend is for fewer and larger operators.

"We had record parcel volumes at the end of last year and internet shopping contributed to parcel growth. Bring arranges the Load online business seminar in September each year and awards prizes to the best Norwegian online stores. In 2010 Stormberg.no was crowned Internet Store of the Year," explains Bjørndahl.

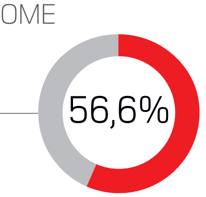
From the beginning of the year Bring has had an office in Hong Kong. Bring's representatives there shall work with Nordic customers who require logistics help and facilitation of for the import of goods by ship or air from Asia.

"Bring follows customers out in the world and takes care of logistics for goods produced in the East to be transported to the markets in Europe, the Nordic region and Norway," says Bjørndahl.

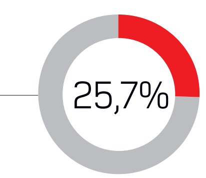
"Norway Post and Bring strengthen one another. The customer does not care which of us does the job. If we are in front and develop good solutions we will be difficult to beat."

Group Director Arne Bjørndahl

PROPORTION OF THE GROUP'S EXTERNAL INCOME



PROPORTION OF THE GROUP'S EMPLOYEES



EMPLOYEES	LOGISTICS
2010	5 698
2009	6 941
2008	4 301

EXTERNAL REVENUES IN MNOK	
2010	12 702
2009	12 539
2008	13 303

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2010	298
2009	465
2008	548

NUMBER OF PARCELS IN MILLION UNITS	
2010	36,6
2009	34,9
2008	35,0

Strong Nordic PRESENCE

Logistics Solutions recorded growth within all its areas in 2010. But the peak has not yet been reached. Now the organisation is well equipped for the coming increase in volumes.

LOGISTICS SOLUTIONS DIVISION:

BRING FRIGO is the largest supplier of temperature-controlled logistics in the Nordic area and offers logistics solutions for food and foodstuffs throughout the world.

BRING EXPRESS provides all types of express services where speed and punctuality are important – on a local, national or Nordic level.

BRING WAREHOUSING provides optimum warehousing solutions for most types of products throughout the Nordic area and can handle everything from single pallets to major volumes.

BRING SUPPLY SERVICES can take over the entire logistics function for major Nordic and international companies with complex requirements.

BRING IN DENMARK has the collective responsibility for Bring's logistics services in Denmark.Comprises the Bring specialists Frigo, Cargo, Parcels and Express.

The new division, Logistics Solutions, brought together the Group's operations within courier and express, thermo warehousing and transport, third party logistics and fourth party logistics. The division has a strong Nordic presence and is well represented in all Nordic countries. Almost 70 percent of the Division's revenues are earned outside Norway.

"The new divisional structure helps the Bring specialists cultivate their expertise within different logistics areas to an even greater extent," emphasizes Group Director Pål R. Amundsen.

He points out that the Group still meets the market with a combined mail and logistics service.

"With different specialists we are able to offer complete logistics solutions adapted to the individual customer's requirements," says Amundsen.

Intergration. Internal intergration is an important area for the Group Director, particularly now that the Bring specialists have been split into two divisions. Co-localisation, the côordination of line-haul traffic and marketing and sales work are examples of areas where the divisions work closely together.

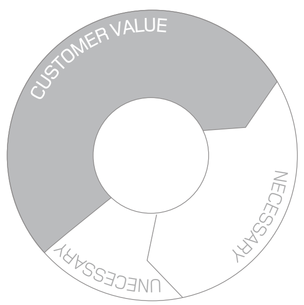
"We have concepts that cross the divisions, for example within online shopping. There are also a number of examples where we provide solutions to the customers of specialists in both divisions. I can also mention that we are working on specific plans for co-localisation in Norway, Sweden and Denmark," explains Amundsen.

Bring Warehousing. Logistics Solutions has also clarified two new specialist areas in 2010. One of these is Bring Warehousing (previously a part of Bring Logistics) which provides warehouse services/third party logistics. In June Bring Warehousing opened one of Northern Europe's most modern logistics centres within warehouse services at Berger. The specialist is focusing on more automated operation through high-technology solutions.

"Bring Warehousing has been separated into an individual specialist because warehouse services are one of our areas of focus. This means that we can further cultivate our expertise within third party logistics," says Amundsen.

Bring Supply Services. The other newly created specialist is Bring Supply Services (previously a part of Bring Frigo) which has fourth party logistics as its specialist field. Bring Supply Services has been separated into an individual specialist in order to increase the Group's focus on fourth party logistics. Activity in this market segment is increasing.

"The competence we have built up within



Improvement:

MORE ENVIRONMENTALLY-FRIENDLY

Each week Bring Frigo sends 35 semitrailers with mail by rail for Norway Post.The increased load levels contribute to savings worth several million Kroner each year for both Bring Frigo and Norway Post. This also results in a clearer environmental profile with a reduction in CO_2 emissions of 400 tons.

Action: Bring Frigo allowed Norway Post in Oslo to use its thermo trailers to load mail for rail transport to Trondheim, Fauske and Tromsø. On an annual basis this entails that over 1000 semitrailers with mail will be moved from road to rail and solved the problem of unused capacity on these routes.

fourth party logistics for foodstuffs can also be used in other industries," says Amundsen.

Last year the specialist in fourth party logistics established local offices in several countries in order to secure optimum fourth party logistics for customers including IKEA Food Service, and is now in place in Japan, Australia, the USA, Canada, the UK, Switzerland, Germany and Russia.

"A part of our strategy is to follow the Nordic-based customers out in the world," notes Amundsen.

Bring Frigo. The specialist in temperature-controlled logistics within foodstuffs, Bring Frigo, is the market leader in its area in the Nordic region. In 2010 Bring Frigo took over operation of the meat giant Scan's national logistics centre in Sweden.

The foodstuffs specialist has also recorded an increase in volume in the delivery of foodstuffs by train to Europe and has gone from one to two weekly departures on the route between Denmark and Italy.

Bring Express. The specialist in delivery and express services, Bring Express, is the market leader within its areas in the Nordic region. Last year the specialist entered into collaboration with Blocket.se to offer courier deliveries for sales and purchases between private individuals. The specialist has strengthened its focus on Home delivery by putting this in a separate business area on a Nordic basis.

"We see a huge potential for Home delivery in the market, not least because of the growth in internet shopping, and we can offer a unique concept to the market," says Amundsen.

Profitable growth. In 2010 all specialist areas in Logistics Solutions recorded increased revenues but fierce competition affected profitability. Systematic improvement work to secure increased profitability and strengthen customer value are therefore the main areas of focus in the division in the future.

"We see that the market is on the way up again and have equipped the organisation to be able to take part in this growth. We will earn money at the same time. This is vital in order to realise our ambition to invest in further growth," notes the Group Director.

The goal for the period up to 2013 is increased profitability within all areas. The most important initiative in order to ensure this growth is an internal improvement programme that will begin in the spring of 2011. This will be achieved by focusing on both minor and major improvements throughout the whole organisation. The market and customer perspective will be at the centre of all improvement work.

"In order to achieve profitable growth we are dependent on both satisfied and profitable customers," he says.

Environmental initiative. The improvement programme will also include the division's contribution to the environment. A number of environmental initiatives are founded on the Group's environmental strategy that runs until 2015. Initiatives underway in the division include training drivers in environmentally efficient driving, an e-training programme leading to an Environmental Diploma, energy saving methods used at terminals and inter-modal rail solutions.

"The Alnabru project in Norway and the co-localisation of production units are also extremely important to us. Together with the Logistics Division we want to establish ourselves in a logistics centre like Alnabru. This is important for the environment with regard both to being close to the railway and energy-saving economies of scale," says Amundsen.

Forward-looking. Amundsen emphasizes that the Logistics Solutions Division is to be characterised by a high degree of flexibility, achievement and accomplishment. The key to this is a large degree of responsibility and authority throughout the organisation which allows the specialists to be able to adapt quickly to changes in the market.

"We will be sprightly and forward-looking, with a great willingness to make changes within the organisation. This is reflected in our services to the market which are solution-oriented and flexible, and always based upon the customer's requirements," notes Amundsen.

IMPORTANT EVENTS:

1 **New organisation.** The reorganisation in which the logistics area was split into two divisions has helped the Bring specialists cultivate their expertise within different logistics areas to an even greater extent. New specialist areas promote the focus within third and fourth party logistics.

2 **New logistics centre.** Bring Warehousing opened one of Northern Europe's most modern logistics centres within warehousing services at Berger.The specialist is focusing on more automated operations through high-technology solutions. The new logistics centre is part of the focus on third party logistics.

3 **Strong growth.** Throughout 2010 the division recorded growth in all its specialist areas. This growth was due to new customer agreements and increased revenues, but fierce competition affected profitability. Increased profitability and strengthened customer value are thus designated as the most important areas of focus in 2011.

"We see that the market is on the way up again and have equipped the organisation to be able to take part in this growth. We will earn money at the same time."

Group Director Pål Amundsen

Norway Post and SUSTAINABILITY

As a new member of the UN's Global Compact Norway Post is presenting an integrated annual and sustainability report for the first time.

STANDARD FOR 2010: GRI G3
LEVEL: C

Through its business activities Norway Post is a prominent member of society and has also been given an important social responsibility with its licence from the Ministry of Transport and Communication - that of ensuring the nationwide operation of delivery services in a proper and cost-effective manner. In recent years Norway Post has developed its business to become a Nordic mail and logistics group in order to meet new customer demands in a market characterised by internationalisation and increased competition.

Corporate Social Responsibility. Norway Post emphasises the importance of corporate social responsibility in how its operations affect people, the environment and society. For the Group, corporate social responsibility means implementing voluntary measures that are not mandatory legal or licence requirements, which may not necessarily improve short-term profitability, but which have the potential to benefit both the company and society. The main focus is to reduce the impact of the Group´s activities on the external environment as well as to develop the Group as an attractive workplace with a diverse and inclusive working environment.

Goal-oriented work. Norway Post has a good tradition of reporting the measures taken and results we have achieved through our work on and enthusiasm for corporate social responsibility. We have done this with reports on the environment and working environment in previous annual reports. With a separate section on sustainability in this year's report, we are able to document our corporate social responsibility initiatives to a greater extent than before while also focusing on areas in which there is room for improvement. In addition there are two new areas which were not previously the subject of reports; human rights and anti-corruption. Goal-oriented work on sustainability also reduces the risk of corruption and integrity-related risks, and for the damage to reputation connected

THE GLOBAL COMPACT
WE SUPPORT

* THESE TEN PRINCIPLES ARE:

Human rights
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discriminition in respect of employment and occupation.

Environment
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

with breaches of ethical standards in the supplier chain.

Requirements from interested parties. Parties with an interest in Norway Post make increasing demands for systematic work on sustainability and expect Norway Post to work methodically on this in its position as a prominent Norwegian operator. For Norway Post this work concerns how the Group's activities can contribute to sustainable development in line with the demands of customers and the Government's ownership policy. At the same time it is important that the company has an active attitude to corporate social responsibility in its management and its corporate culture. These efforts will secure Norway Post's strong position in society and strengthen its reputation. This will then help to attract and motivate employees, strengthen competitiveness and provide increased freedom to develop the Group's business. Adopting a global initiative such as the Global Compact is therefore a natural extension of our focus on more socially responsible operations.

GLOBAL COMPACT

Norway Post became a member of the UN Global Compact in March 2011. Global Compact is a UN initiative for côoperation with business on sustainable development. As a participant in Global Compact, Norway Post promises to integrate ten basic principles* into its strategy and daily operations. The Group is also committed to report activities and improvements in this regard. The principles are divided into four areas.

REPORTING REQUIREMENTS

As a member of Global Compact, Norway Post is committed to providing social responsibility reports once a year. We provide such reports through our annual and sustainability report.

REPORTING GUIDELINES:

Norway Post uses the globally recognised guidelines, the Sustainability Reporting Guidelines, from the Global Reporting Initiative (GRI) as the basis for its reporting. These guidelines are recommended by Global Compact.

The GRI framework consists of principles and measurement indicators for the reporting of sustainability and describe why, how and what an organisation should report. The measurement indicators (hereafter called performance indicators) are continuously being developed and improved.

There are currently 80 performance indicators divided into three categories: Economic, environmental and social.

The economic indicators address the direct economic impacts of the organisation's activities on society and the economic value added by these activities. These cover the reporting of salaries, pensions and other benefits to the company's management and employees, payments received from customers and payments made to subcontractors.

Environmental performance indicators concern an organisation's impacts on living and non-living natural systems, including ecosystems, land, air and water. The indicators include environmental impacts of the company's products and services, resource consumption, consumption of hazardous substances and raw materials, emissions of greenhouse gases and other pollutants, waste, the costs of environmental investments and fines and penalties for violations of environmental legislation.

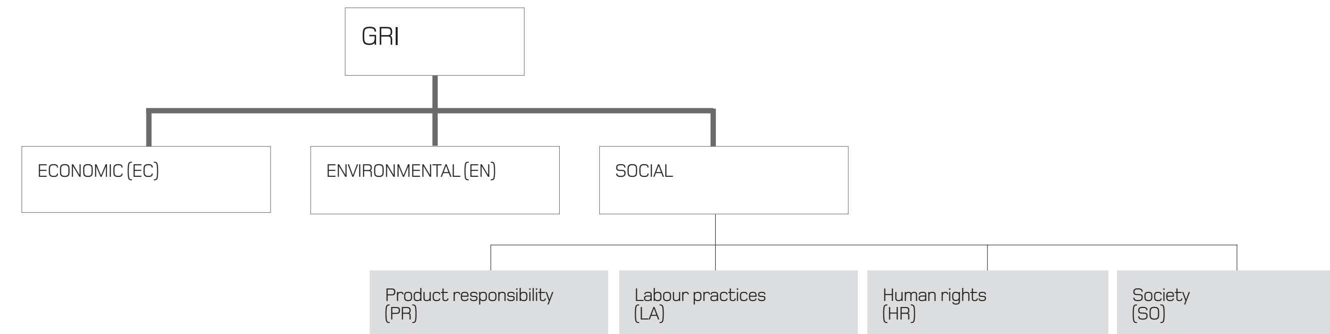
The social indicators are grouped into four categories; issues related to labour, products, human rights and to more general social issues related to consumers, communities and other stakeholders. Such information can be difficult to quantify. This is why it is also possible to provide qualitative descriptions.

WHAT DO WE REPORT?

In accordance with the requirements for application level C, we report within the following GRI indicator categories: economic, environmental and social. We report for the most relevant indicators for our business, which we believe provide the best picture of our continuous work towards more socially responsible operations. We report for the entire Group together, including subsidiaries.

This year we are providing full reports for 11 indicators and partial reports for 2 indicators. We thus qualify for level C in 2010 but eventually aim to report at the highest level.

OVERVIEW OF THE 3 GRI INDICATOR CATEGORIES:



STANDARD INFORMATION Application level for reporting in accordance with GRI G3	C	C+	B	B+	A	A+
G3 Profile disclosures (OUTPUT)	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	EXTERNALLY AUDITED REPORT	Report on all criteria required for level C, and in addition: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	EXTERNALLY AUDITED REPORT	Same requirements as for level B.	EXTERNALLY AUDITED REPORT
G3 Information and management approach disclosures (OUTPUT)	Not required.		Management approach disclosures for each indicator category.		Management approach disclosures for each indicator category.	
G3 Performance indicators and sector supplement* performance indicators (OUTPUT)	Report on a minimum of 10 performance indicators, including at least one from each of the following categories: economic, environmental and social.		Report on a minimum of 20 performance indicators, including at least one from each of the following categories: economic, environmental, human rights, labour, society and product responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either a) reporting on the indicator or b) explaining the reason for its omision.	

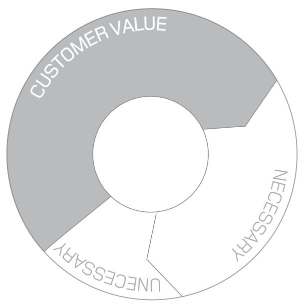
REPORTING LEVEL: GRI operates with three application levels: A, B and C, where A is the highest and C the lowest reporting level. In addition there are three self-declaration levels: A +, B + and C +.

* The sector supplement is a separate set of indicators adapted for different sectors. For example there is a sector supplement for Logistics and Transportation which will be relevant to Norway Post. We have not included indicators for this supplement in this year's report.

Improved conditions at work result in

LESS ABSENCE FROM WORK

If seven percent of employees are sick then 93 percent are healthy. In 2010 Norway Post has therefore carried out a number of preventive measures for those who are at work.



Improvement:

REDUCED SICK LEAVE

Team 2 in Drammen distribution reduced sick leave of 27 percent to seven percent over seven months – a relative reduction of 74 percent. Sick leave costs were thus cut and employee satisfaction surveys show a great improvement in satisfaction among the team. Productivity increased by two percent.

Action: Team 2 followed sick employees using the Post model and the "It Helps" programme. A new employee joined the team, who together with the company health service Synergi Helse worked on attitudes and carried out individual health checks. Employees with a historically high rate of sick leave were moved among other teams.

The Group has also established good systems for following up sick leave. This is reflected both in the sick leave statistics and the H-value for 2010. This provides a further incentive to work on health and well-being in the workplace.

Around the world. The continuous improvement of HSE work has been a common goal throughout the entire Group. Last year Norway Post arranged a get-in-shape campaign for all employees in the Nordic region for the first time. "Around the world" is an internet-based activity where the units in the Group compete against each other as teams. Employees register exercise activities such as running, cycling, weight-training or climbing stairs and are awarded points. Altogether over 6200 employees have taken part.

On icy ground. Each winter employees are injured by in falls due to snow and ice. An important action to prevent such injuries is for couriers and drivers to use shoe crampons. A comprehensive campaign was implemented to provide employees working outdoors with spiked shoes and shoe crampons. During the campaign the number of injuries through falls fell by 31 percent compared with the same period last year.

Sick leave. A method has been put into use for following up employees with repeated high levels of sick leave. The 'It Helps' method has brought significant improvements to the units in which it has been used. This systematic work on sick leave has helped to produce a record-low level of sick leave of 7.9 percent. This is 0.2 percent lower than in 2009.

Fewer accidents. It is an important goal for the Group to reduce the number of injuries at work that lead to sick leave. The H-value (number of injuries per million working hours) is rapidly falling from an unsatisfactory level. The LTI-ratio was 10 compared with 11.6 for the previous year. The Group CEO rates managers on the reporting of near-accidents. Last year the number of registered near-accidents and undesirable incidents passed 26 750. Such reporting provides valuable information for the implementation of measures to prevent more serious accidents. The proportion of employees incapacitated for work in Norway Post is the same as in society in general.

Health promotion leadership. The Group CEO has put HSE at the top of the agenda for many years. All management and staff meetings begin with the subject of HSE and managers are rated on their HSE results. In this year's organisational survey employees also scored high for factors such as attractive workplaces, motivation and working environments that promote good health. The philosophy is health promotion leadership, and the goal is a working environment which promotes good health in which nobody is injured or sick as a result of their work.

Improving managers. The Group works on the continuous improvement of leadership through the development of both management groups and individuals. 120 managers completed individual programmes in 2010. Of these 74 took part in the Group's Middle Management Programme while 46 took part in the Group's programme for first line managers "The Confident Manager." In addition a pilot programme called "Aspiring Managers" was implemented to mobilise more first line managers from among the Group's own workforce (8 participants in 2010). Two MBA dissertations that discuss the connection between following up managers and employee satisfaction show that those who have taken part in the Group's Middle Management Programme score higher in management evaluations after completing the programme.

Continuous change. A methodology has been established for improvement work in Norway Post that is based on the Lean philosophy. The involvement of employee representatives in this regard was further strengthened throughout last year. Norway Post changed the Group structure in the first half of 2010. The aim is to secure market positions in line with the strategy of growth in the logistics area and the expected further decline in volumes in the mail segment. The reorganisation was carried out with good dialogue with the unions and without layoffs. During the process managers were

MOST IMPORTANT EVENTS:

1 **LTI-ratio.** The LTI-ratio (number of injuries per million working hours) is rapidly falling from an unsatisfactory level. The LTI-ratio was 10 compared with 11.6 for the previous year.

2 **Record-low sick leave.** A method has been put into use for following up employees with repeated high levels of sick leave. This systematic work on sick leave has helped to produce a record-low level of sick leave of 7.9 percent. This is 0.2 percent lower than in 2009.

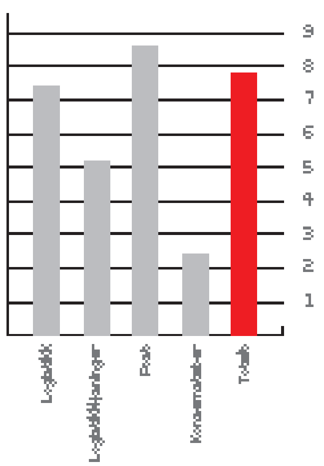
3 **Get-in-shape campaign.** For the first time Norway Post arranged a get in shape campaign for all employees in the Nordic region. "Around the world" is an internet-based activity where the units in the Group compete against each other as teams. Altogether over 6200 employees have taken part.

"As a workplace the Group reflects the situation in Norway. 11 percent of employees are immigrants or have two immigrant parents."

SICK LEAVE

(group) in %

7,9%



given training and support so that they were better equipped to handle the changes in an appropriate manner. During the course of 2010 the Group's workforce was reduced by 370 full time equivalents.

Security and predictability. Comprehensive agreements and administrative guidelines create security, predictability and structure during Norway Post's restructuring processes. Norway Post has contractual internal framework conditions at the highest level for the implementation of restructuring processes as well as specific agreements for solving all issues through the internal job market and voluntary solutions. These agreements specify the rules for periods of notice and minimum periods for the provision of information before reorganisations that result in a reduction in the workforce of the parent company. (GRI LA 5)

Attractive workplace. One of Norway Post's main aims is to be an attractive workplace. The annual employee satisfaction survey shows that the Group has a stable and good working environment. In 2010 the Group achieved a total score of 76 which is the same as in 2009. If we include the new companies which were not included in the survey in 2009 the total score for 2010 was 75. Participation in the employee satisfaction survey was extremely high in 2010. In all some 94 percent of employees completed the survey.

Better training. Through collaboration with the Norwegian Ministry of Education and Research and VOX, around 100 employees of the Group completed a course in basis competence during 2010 (Norwegian, reading and writing, maths and basic IT). Language tuition is one of the most important ways to integrate employees with a different cultural background into the Group. In 2010, 40 percent of the course participants had immigrant backgrounds.

Pensions and employee insurance. Employees of Norway Post have favourable pension and employee insurance schemes. In 2010 important work was carried out which ensured that Norway Post's employees had their earned pensions safeguarded in accordance with new pension legislation introduced in 2010 in Norway.

Talent and employee development. The further development of the Group's talent programme underscores the continued focus on talent and employee development. The methods of finding and evaluating managers in the Group have been improved. An annual process of management evaluation has been established for the respective management groups (LeaderReview). Despite the financial crisis the programmes for trainees and summer internships were also carried out in 2010 with the recruitment of seven trainees and four candidates for summer internships.

Online training. The Group has a website for courses and training – the Academy. This has been developed further into a new e-learning portal. As one of the first training courses in the new e-learning portal, a Group-wide introduction programme for new employees will be initiated in 2011. The Group continues its focus on certificates of apprenticeship by making arrangements for placement candidates and bringing in apprentices. In addition, 42 grants were given to employees in 2010 to raise their formal competence.

Improvement award. As part of the Group's focus on promoting a culture of continuous improvement, a specific improvement award was established in 2010 - in total four prizes have been awarded internally for initiatives that have made an excellent contribution to documentable improvement.

Colourful community. In 2010 Norway Post marked the tenth anniversary of "Racism-free Zone", a collaboration between Norwegian Peoples Aid, Postkom and Norway Post. By being a declared racism-free zone the Group is obliged to work actively against racism and treat all incidences of discrimination seriously. No incidences of discrimination were recorded in 2010. The Group's employee satisfaction survey which measures employees' contentment at work has contained the statement "Discrimination does mot take place in my unit" since 2005. The response values have risen from 5.9 to 6.1 on a scale of 1-7. This increase suggests that several more employees must have systematically responded in a more positive manner for this statement over the five year period. Nevertheless Norway Post also sees room for improvement in this result which demands continued focus. There is to be zero tolerance for discrimination in the Norway Post Group. (GRI HR 4)

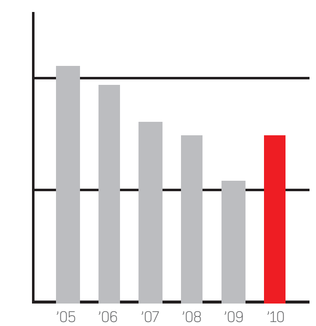
Mirroring society. As a workplace the Group reflects the situation in Norway. 11 percent of employees are immigrants or born to two immigrant parents. (GRI LA13) It is a goal of the Group to continue to reflect society in the future. The Group has an ambitious target for the diversity of employees in the corporate staff units and management in order to ensure that the Group works to reflect society at all levels. The proportion of immigrants and those born to two immigrant parents working in the staff units and management is currently 3.7 percent. The Group aims for this to be 7.5 percent by the end of 2015. As part of this work to increase the proportion of employees with immigrant backgrounds in the staff units and management positions, an internal development programme "You make the difference" will be initiated in 2011 for a handful of employees with immigrant backgrounds who want to develop their careers.

"The continuous improvement of HSE work has been a common goal throughout the entire Group."

DEVELOPMENT IN INCAPACITY FOR WORK

(Parent company) in %

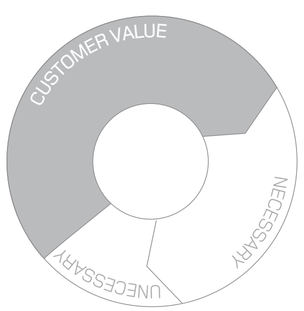
1,47%



A future-oriented

ENVIRONMENTAL PUSH

Norway Post has ambitious environmental goals and wants to take a leading environmental position in its market. 2010 prepared the way for new efforts and even more environmentally efficient and sustainable operation.



Improvement:

INCREASED ENVIRONMENTAL COMPETENCE

The environmental competence of the employees at Norway Post's Goods Centre was greatly improved after an increased focus on pre-sorting waste at source and the environmental impact of the centre was reduced significantly.

Action: All managers took the Environmental Diploma, and a '5-S system' was introduced which entailed standardising, structuring, scrubbing, systemising and sorting. A waste sorting poster consisting of 12 sorting fractions was created and the centre followed up with monthly audits of the 5-S system.

The environment is one of the Group's focus areas within corporate social responsibility. As one of the Nordic region's biggest transport operators the impact of CO_2 emissions in particular is significant. We are therefore actively working to reduce the extent to which we affect the environment throughout the Group's value chains. (GRI EN 26) Norway Post's environmental vision is to "work in a goal oriented manner to achieve environmentally efficient operations and sustainable development - leading to our becoming the world's most future-oriented mail and logistics group." 2010 was characterised of the continuing good progress made by Norway Post in its environmental work.

Strategy and action plans. In the autumn of 2009 the Group adopted a new strategy for environmental work with the ambitious goal of reducing CO_2 emissions by 30 percent by the end of 2015 compared with the 2008 figures. In line with this strategy the Group prepared detailed action plans in 2010 for the environmental area for each business area - Mail, Logistics and Logistics Solutions.. The plans apply for the period 2010-2015 and detail the environmental work to be carried out and the effects this work has on CO_2 emissions.

Organisation. A Group-wide network works together to ensure focused environmental practices. In addition, there is a corporate environmental team that ensures a systematic and intergrated approach to this work.

Collaboration. To solve the major environmental challenges the Group faces, interaction between companies, organisations, and research institutes is key. Norway Post takes part in the secretariat of the Business Climate Panel and has adopted a Climate Promise. We safeguard industry collaboration through our representatives in the International Post Corporation and Post Europ. Both fora include the reporting of climate impact for sector benchmarking and sharing of best practice amongst members.

In 2010 Norway Post also became a member of the Swan Purchasers' Club, which will help the Group make the most environmentally conscious choices when purchasing products and services.

Better city climate. As one of many actors the Group wishes to contribute to a better city climate. In August 2010 Norway Post's Group CEO launched CO_2-free postal delivery in Trondheim - the first of its kind. In December Norway Post, together with several other companies, signed a Business for a Better Environment agreement under the auspices of Oslo Municipality. This collaboration shall contribute to Oslo Municipality achieving its environmental goals. Norway Post also takes part in Cities of the Future which is a collaboration between the authorities and the 13 biggest town in Norway to reduce greenhouse gas emissions. Bring is represented in Clean Truck. This is an EU initiated côoperation between transport companies, vehicle manufacturers, fuel suppliers and Stockholm Municipality.

In addition the Group is represented in the Network for Transport and Environment (NTM) that works on the development of standardised emission calculation methods for the transport industry.

Environmental certification and ISO 14001

Environmental certification provides clear documentation of the environmental work carried out by the individual unit and is an important contribution to building the culture of continuous improvement in Norway Post. Norway Post has a total of 11 units that have Eco-Lighthouse certification, 8 of these were certified in 2010 including four large terminals. The Group plans to have more certifications in 2011. During 2010 the Group experienced a large number of enquiries from units in Norway Post wanting to be certified and trained 4 Eco-lighthouse consultants to meet this demand. 7 units have been certified in accordance with the ISO 14001 standard. Bring Express certified its operations in Stockholm in 2010 and plans to certify the rest of the Swedish operations of Bring Express in 2011.

Improving land-use efficiency. Norway Post's South-East Norway terminal opened in February 2010 and processes more than 60% of mail volumes in Norway. The South-East Norway terminal has enabled Oslo Akershus Region to achieve a net improvement in land-use efficiency approximately 10 000 m^2 in 2010. The terminal also has a geo-energy plant (thermal energy) that provides a significant reduction in environmental emissions. This is the first time that this type of technology has been used in an industrial project of this size in Norway. District heating from a nearby bioenergy plant can also be used as peak heating.

Rail initiative. To help reduce the impact on the environment the Group has long focused on moving freight from air to road and from road to rail. Norway Post achieved an 80 percent share for rail in 2010 on those Norwegian routes where it is possible to replace trucks with trains. We are continuously working with customers to identify rail transport solutions instead of road.

"As one of many actors the Group wishes to contribute to a better city climate."

ENERGY CONSUMPTION (GRI EN 3 AND 4)

(GigaJoules)

Source	Energy carrier	2010 Direct	2010 Indirect
Vehicles[1]	Diesel	1 660 574	
	Petrol	15 667	
	Biodiesel (B100)	4 061	
	Biodiesel (B30)	4 061	
Buildings	Electricity		63 256
	District heating		8 631
	Fuel oil	17 900	
	Gas	2 444	
Total		**1 704 707**	**71 887**

[1] Only includes vehicles owned by the Group

EMISSIONS TO AIR (GRI EN 20)

in tonnes

Source	SO2	NO	NMVOC	CO	PM
Own vehicles	2,3	741,6	221,2	852,5	37,3
Buildings	0.4	1.4	0.2	0.9	0.1
Subcontractors[1]	45.2	4 704	508.2	1 310.5	161.5
Total	**47.9**	**5 446.9**	**729.6**	**2 163.9**	**199**

[1] Includes leased vehicles and air, sea and rail freight.

OWN VEHICLES

Parent company

	2008	2 009	2 010
Vans > 7.5 t	4755	4 601	4 876
Euro 2	55	14	3
Euro 3	263	272	124
Euro 4	249	141	249
Euro 5	51	105	83
Mopeds	120	123	234
Electric mopeds	3	47	100
Electric jeeps			10
Electric trolleys			80
Biogas cars			1
Other (Electric cars)	2	2	
Total	**5576**	**5 351**	**5 760**

MOST IMPORTANT EVENTS:

1 **Action plans.** The Group has drawn up detailed plans for environmental action each business area: Mail, Logistics and Logistics Solutions.The plans apply for the period 2010-2015 and detail the environmental work to be carried out and the effects this work has on CO_2 emissions.

2 **CO_2-free postal delivery.** As one of many actors the Group wishes to contribute to a better city climate. In August 2010 Norway Post's Group CEO launched CO_2-free postal delivery in Trondheim - the first of its kind.

3 **Environmental training.** In 2010 the number of people who completed the Environmental Diploma grew by 2000, and 3500 employees are currently taking part in the programme. The Environmental Diploma is an e-learning program that provides a fundamental introduction to different environmental issues.

Alternative vehicle strategy. The Group is actively working to make use of vehicles and fuel that emit less greenhouse gases. Norway Post is focused on the continuous upgrading of its vehicle fleet, a measure that helps to reduce emissions. With regard to the age of the total vehicle fleet, in the Group 18 percent of our own vehicles are from 2009 and 2010 while 24 percent of leased vehicles are from 2009 and 2010.

The Group collaborates with suppliers on the development and testing of new and more environmentally efficient vehicles. The plan is for Norway Post to replace the car with alternative means of transport on 1300 routes by the end of 2015. This work has progressed well in 2010 with the introduction of 80 electric trolleys and 100 electric mopeds. In addition 10 electric jeeps, an electric van and a biogas distribution vehicle are being tested to evaluate expanded use in other areas.

Bring Express in the Nordic area uses bicycles for express deliveries in cities and has a total of 63 bicycle couriers; 30 in Denmark, 15 in Sweden, 13 in Norway and 5 in Finland. In Sweden Bring also has 35 biogas-fuelled cars. In addition Bring Frigo is taking part in the testing of a Volvo biogas/diesel hybrid in Skåne.

CO_2. In 2010 the Group has worked to improve data capture and reporting methods. This primarily applies to foreign companies, subcontractors and more precise vehicle distribution. This means that the carbon footprint now includes emissions from all* operations and that we report higher CO_2 emissions than in previous years. Nevertheless there is an underlying reduction in CO_2 emissions within the areas we have previously reported. Using the same reporting scope and methods as in 2008, emissions were reduced by 6% up to the end of 2010. As a result of the increased reporting scope and improved methods, the Group has established a new baseline based on a total of 723 649 tonnes of CO_2 in 2010*. This forms the basis for further work on goals and initiatives. The majority of emissions from the Group come from transport subcontractors. The Group has therefore worked to improve côoperation with subcontractors which entails environmental requirements for purchasing and follow-up work during contract periods.

"The Group collaborates on a continuous basis with suppliers on the development and testing of new and more environmentally efficient vehicles".

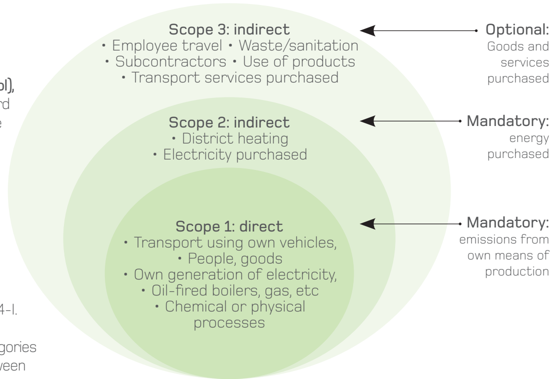
Energy. The Group recorded a 7 percent reduction in electricity consumption from 2008. The proportion of district heating is rising and is now 12 percent of total energy consumption. This is based on the same reporting scope as in 2008. Large parts of the Group record their energy consumption through the EOS log which provides a detailed picture of electricity consumption even as far as on an hourly basis. This makes it possible to compare consumption for terminals and in the coming year will help to put a greater focus on energy efficiency measures including the use of competitions in connection with saving electricity. Norway Post has signed a contract with LOS AS to guarantee that 100 per cent of the electricity supplied to all Group companies in Norway, Sweden and Denmark is renewable energy.

Bring Frigo is testing LED lighting in its cold store in Helsingborg – this has a double positive effect as LED technology uses less electricity and generates less heat in the cold store. LED lighting will also be tested in the Mail Division.

*Does not include newly-acquired companies and Bring Cargo Sweden

EMISSION REPORTING IN ACCORDANCE WITH THE GREENHOUSE GAS PROTOCOL

The accounts are based upon the international standard **Greenhouse Gas Protocol Initiative (GHG protocol),** which is the most important standard for the measurement of greenhouse gas under the auspices of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG protocol consists of two accounting standards which explain how to quantify and report greenhouse gas emissions and in 2006 was used as the basis for the ISO standard 14064-I. The GHG protocol bases its climate reporting on three "scopes" or categories of emissions and differentiates between direct and indirect emissions.



CARBON FOOTPRINT (GRI EN 16 AND 17)

Emissions, tonnes CO_2

	GROUP				NORWAY POST			
	2008[1]	2009[1]	2010[5]	2010[3]	2008[2]	2009[2]	2010	2010[3]
Scope 1								
Road	79,645	97,783	96,592	123 372	49 226	47 857	49 626	49 626
Buildings	1 927	2 342	1 625	1638	285,375	814	814	
Subtotal scope 1	**81 571**	**100 124**	**98 217**	**125 010**	**49 511**	**48 232**	**50 439**	**50 439**
Scope 2								
Electricity[4]	17 345	16 915	21 127	22 762	8 997	8 567	8 277	10 925
District heating	1 306	1 394	2 006	3 076	703	730	1 351	1 783
Sum scope 2	**18 651**	**18 309**	**23 133**	**25 838**	**9 700**	**9 297**	**9 627**	**12 708**
Scope 3								
Road	239 472	207 109	205 503	482 573	3 937	2 066	804	804
Rail	3 580	4 869	4 154	5 525	1 028	1 235	938	938
Air	48 214	40 337	52 131	55 380	31 497	29 180	31 812	31 953
Sea	34 507	37 398	15 519	25 543	9 132	9 293	7 776	7 776
Business travel	2 420	1 423	3 487	3 780	638	935	2 094	2 094
Sum scope 3	**328 193**	**291 137**	**280 794**	**572 800**	**46 232**	**42 709**	**43 425**	**43 566**
Sum total:	**428 415**	**409 571**	**402 144**	**723 649**	**105 442**	**100 238**	**103 491**	**106 713**

[1] Data for 2008 and 2009 does not include ErgoGroup and are not therefore directly comparable with previous annual reports.
[2] Data for 2008 and 2009 are updated and are not therefore directly comparable with previous annual reports.
[3] Total figures adjusted for new companies/units, distribution formulae and factors.
[4] Norway Post purchases Grønn El, but lists the emissions in the accounts.
[5] El-factors updated to be country-specific for Sweden, Denmark, Finland and France. Boat categories/factors updated.

WASTE (GRI EN 22)

in tonnes	2 008	2 009	2 010
Total waste volume	11 138	10 605	10 879
Strategy and action plans.	3 747	4 110	4 914
Wood	2 932	2 627	2 127
Plastic	334	295	409
Glass		2	6
Metal		281	284
Food waste		879	515
Other (recovered)	1 657	435	564
Residual waste (energy recovered)			701
Residual waste (not recovered)	2 468	1 976	1 358

*Waste data not available for parts of the Group

WASTE (GRI EN 22)

in percent	2 008	2 009	2 010
Total waste volume	100%	100%	100%
Strategy and action plans.	34%	39%	45%
Wood	26%	25%	20%
Plastic	3%	3%	4%
Glass			
Metal		3%	3%
Food waste		8%	5%
Other (recovered)	15%	4%	5%
Residual waste (energy recovered)			6%
Residual waste (not recovered)	22%	19%	12%

*Waste data not available for parts of the Group

Waste. In 2010 the Group produced around 11 000 tonnes of waste. 88% of waste is recycled, either through material recycling or energy recovery. Pre-sorting waste both saves and earns the Group money and helps to reduce environmental impact. The goal is to increase the proportion of pre-sorted waste to 91 percent by 2015. The Group is affiliated with Green Dot which shall contribute to increased recycling of packaging.

Raising competence. Norway Post's employees are the most important factor in reducing our environmental impact. In 2010 the Group continued its systematic work to give all employees training in the environment, including through the Environmental Diploma. The Environmental Diploma is an e-learning programme that provides a fundamental introduction to different environmental issues. In 2010 the number of people who completed the Environmental Diploma grew by 2000, and 3500 employees are currently taking part in the programme. Plans have been established to complete the programme throughout the entire organisation.

The Group emphasises the importance of training drivers in environmentally efficient driving and this is undertaken on a continuous basis. This has resulted in an average reduction of fuel consumption of 5 percent. Other training measures have also been created to make it easier for managers to focus on the environment in day-to-day work.

The Group has continuously drawn attention to local environmental measures carried out throughout the entire organisation through our intranet and Group staff newspaper. We have also entered into collaboration with Cicero through which the informational magazine Klima is available to all employees. Environmental issues also created great enthusiasm when this was a topic at one of the Group Director's online meetings for all employees.

"Norway Post's employees are the most important factor in reducing our environmental impact."

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CLIMATE ACCOUNT AUDIT 2010
POSTEN NORGE AS

We have audited the climate accounts for Posten Norge AS for 2010. The HS&E director and Environment senior management have the overall responsibility for the ongoing work with the climate accounts, and for creating system boundaries, reporting platforms and consolidating figures in accordance with current standards. We have carried out an overall review of the methods used and procedures for gathering figures, the use of factors, sources and core rules, and have based our statement on these.

The climate accounts have been prepared in accordance with the principles of the Greenhouse Gas (GHG) Protocol, and consist of Scopes 1, 2 and 3. The calculations take into account the most important greenhouse gases, in addition to other significant emissions to the air. The accounts include figures for the Norway Post group in total, figures for the individual divisions, business areas and companies, as well as other environmental statistics such as waste, and a list of the vehicle fleet.

Norway Post has carried out emission calculations for the divisions **Post** (including the business areas Distribution, Chain Operations, Dialog, Bring Citymail Sweden and Administration), **Logistics** (including the business areas Cargo, Parcels (formerly PNL), **PTT,** Supply Chain and Administration), **Logistic Solutions** (including the business areas Express, Frigo, Warehousing, Denmark, Supply Services and Administration) and **Posten Norge AS** with the Group Administration.

We have carried out the audit in such a way as to ensure to a reasonable level of confidence that the accounts do not containing any significant misinformation. Our examination includeed checks of selected parts of the internal and external documentation that support the information given in the accounts, and an assessment of compliance with the methods and sources used.

Our assessment:

The climate accounts have been prepared in accordance with the GHG protocol's principles and, in our opinion, provide a realistic description of the companies' activities and emission sources.

Calculation model: Norway Post has developed a customised solution for data collection from each unit, summarising and linking to sources and factors. The calculation model and solution in its entirety appears clear, efficient and transparent. There is space to include more items and companies in the accounts in the future.

Quality: Norway Post has given a subjective quality assessment of all of the collected figures, and each unit has been given the task of assessing data quality on a tripartite scale. A clear division of responsibility has been developed for overall quality assurance in the process. In our opinion, this result is in agreement with our assessment of the source material.

Sources: Selection of sources and factors has been made on a conservative basis. To the extent that they are available, national emission factors have been used. In cases where emissions are not country-specific, acknowledged international factors, with references to sources, have been used. The system permits factors to be updated as required.

In our opinion, our audit provides an adequate basis for our statement.

Oslo, 25 February 2011

Per Otto Larsen
Head of Carbon Management Services
CO2focus AS

The Group's standard for INTEGRITY

In 2010 Norway Post began work on an 'Integrity Programme' to increase awareness of the Group's standard for integrity.

The integrity programme and the integrity standard that now applies to the Norway Post Group is based on the Group's common ethical guidelines. One of the aims in creating the integrity programme was to be able to communicate clearer to all employees the demands for integrity and responsible behaviour made of each individual employee. Specific examples are also given in the programme of typical ethical dilemmas related to integrity as well as how these can be handled. An important part of the programme is also to formalise the demands Norway Post makes of its suppliers and business partners with regard to ethical standards/integrity.

1. COMPETENCE

E-learning course. The integrity programme will include an interactive e-learning programme for employees in the Group that will help to ensure the employees' competence in important areas. The programme builds on and takes as its basis the issues covered by Norway Post's integrity handbook (see below), including corruption and conflicts of interest. The e-learning course will, together with the handbook, make a further contribution to making the individual aware of specific and relevant dilemmas. The course shall be interactive and interesting, and invite reflection and discussion on typical dilemmas related to the specific integrity issues. The e-learning course will be available in Norwegian, Swedish and English, and its implementation is planned for the second half of 2011 (GRI SO 3 and HR 3 – partial reporting). In addition to the e-learning programme other forms of relevant training will be given on an ongoing basis in the individual units within the Group, and this will be more aimed at the specific requirements of the individual unit.

Handbook. An important part of integrity work is the creation of a handbook with which the Group's employees will be obliged to become familiar. The integrity handbook shall be a tool and basis for managers and employees in the continuous work to ensure a high level of integrity in all parts of the Group. The handbook will also provide guidance on the demands made of the Group's suppliers and business partners. The handbook contains a number of topics related to integrity, such as for example corruption (including facilitation payments, gifts and representational costs), conflicts of interest, fair competition and social dumping. The handbook will be available in Norwegian, Swedish and English, and its completion and implementation is expected in the second quarter of 2011 (GRI SO 3 and HR 3 – partial reporting)

2. SUPPLIER MANAGEMENT

Ethical standard for suppliers. Ensuring a standard for integrity in the Group also entails demands being made of the Group's suppliers and business partners. As a part of the integrity programme Norway Post has therefore formalised an ethical standard for the Group's suppliers and business partners. The standard builds upon Norway Post's integrity standard and is conditional upon compliance with fundamental ethical standards regarding corruption, human rights, workers' rights, fair competition and the environment. The aim is to contribute to Norway Post's suppliers and business partners meeting Norway Post's own ethical standard.

Suppliers must submit a declaration that gives Norway Post the right to check that they comply with the ethical standard, including the right to request the necessary documentation and the right to carry out announced or unannounced checks. The declaration will be used for all supplier and cooperation agreements entered into in the future (GRI HR 2).

Posten Norge

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Date:
21. February 2011

Corp. ident. no.: NO-NO-984 661 185 VAT

Dear Mr. Secretary-General,

I am pleased to confirm that Posten Norge AS supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Posten Norge will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Sincerely yours,
Posten Norge AS
Dag Mejdell
Dag Mejdell
President & CEO

Norway Post became a member of Global Compact in March 2010. The application letter sent to Ban Ki-moon underlines Norway Post's support of Global Compact.

GRI G3 INDEX

Norway Post's annual and sustainability report for 2010 has been created in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting (the Sustainability Reporting Guidelines). Norway Post provides full reports for 11 indicators and partial reports for two. According to the GRI Norway Post's annual and sustainability report is classified as level C.

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3.7	Any specific limitations on the scope or boundary of the report.	66
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3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	**01–04**
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*This is Norway Post's first sustainability report. **For questions regarding our sustainability report contact us at: rapport@posten.no.

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02 Segment
03 Sustainability
04 Notes

● Fully reported

◐ Partly reported

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EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		
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PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.		
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PR 6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		
PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		
PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		
Compliance:			
PR 9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		
CATEGORY: HUMAN RIGHTS			
Investment and procurement practices:			
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	82
HR 3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◐	82
Non-discrimination:			
HR 4	Total number of incidents of discrimination and actions taken.	●	73
Freedom of association and collective bargaining:			
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		

Child labour:			
HR 6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.		
Forced and compulsory labour:			
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.		
Security Practices:			
HR 8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.		
Indigenous rights:			
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken.		
CATEGORY: LABOR PRACTICES AND DECENT WORK			
Employment:			
LA 1	Total workforce by employment type, employment contract, and region.		
LA 2	Total number and rate of employee turnover by age group, gender, and region.		
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		
Labour/management relations:			
LA 4	Percentage of employees covered by collective bargaining agreements.		
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	●	72
Occupational health and safety:			
LA 6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programmes.		
LA 7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.		
LA 8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.		
LA 9	Health and safety topics covered in formal agreements with trade unions.		
Training and education:			
LA 10	Average hours of training per year per employee by employee category.		
LA 11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		
LA 12	Percentage of employees receiving regular performance and career development reviews.		
Diversity and equal opportunity:			
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	73
LA 14	Ratio of basic salary of men to woman by employee category.		
CATEGORY: SOCIETY			
Society:			
SO 1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		
Corruption:			
SO 2	Percentage and total number of business units analyzed for risks related to corruption.		
SO 3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	◐	82
SO 4	Actions taken in response to incidents of corruption.		
Public policy:			
SO 5	Public policy positions and participation in public policy development and lobbying.		
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		
Anti-competitive behaviour:			
SO 7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.		
Compliance:			
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		

04 NOTES

GENERAL
Norway Post was established as a company on 1 December 1996 and is today a limited liability company that is 100 percent owned by the State through the Norwegian Ministry of Transport.

DEVELOPMENT OF THE GROUP
Since it was formed the Group has strengthened its position by making acquisitions in all segments. From 2008 to 2010 the following changes have been made to the Group's structure:

Separation of operations from Norway Post from 2008 – 2010

In 2008 Posten Norge AS further established two new subsidiary companies, Posten Eiendom Alnabru AS and Posten Eiendom Storbyer AS with the purpose of developing and investing in property. During September these companies took over the properties Postens Godssenter, Postens Transportsenter and Postens Verksteder in Oslo and the properties Post terminal in Stavanger and Post terminal in Trondheim respectively in a group demerger-merger from Posten Eiendom Reorganisering II AS, which had previously been demerged from Posten Norge AS.

From 2008 – until the present day in 2011 the following companies were established, merged, bought or sold in the group's various segments

Mail Segment:
2008: During the second quarter Posten Norge AS and the Finnish company Itella established a new company within the information logistics market. The Itella Information AS company is 51% owned by Itella and 49% by Posten Norge AS.
2009: During the fourth quarter of 2009 it was decided that the operations of Bring Citymail Denmark A/S would be wound up. As part of efforts to reorganise the ownership structure Posten Norge AS in November 2009 acquired all the shares of Bring City Mail Sweden AB and Bring Mail Nordic AB from Bring Citymail AB.
2010: In February 2010, the company Posten Eiendom Espehaugen AS was sold to Tine BA. The 49% stake in Itella Information AS was sold in September 2010.

Logistics Segment:
2008: During the first quarter Bring Logistics Solutions sold the company Grenland Transport & Industriservice AS. During the second quarter Posten Norge AS bought all the shares in the Swedish logistics group CombiTrans and Bring Cargo AS (formerly Bring Logistics AS) bought all the shares in the Norwegian logistics company Bring Logistics Sunnmøre AS (formerly Emdal Transport & Spedisjon AS). During the third quarter Bring Express Suomi Oy bought the Finnish logistics company Lähettiryhmä. Posten Norge AS also bought the remaining 50% of shares in Bring Parcels AS (formerly Pan Nordic Logistics AB) which thus became a wholly-owned subsidiary. In the fourth quarter Bring Cargo AS (formerly Bring Logistics AS) bought all the shares in the British logistics company Bring Logistics UK Ltd.
2009: In December 2009 Posten Norge AS Group acquired the remaining shares in the four companies Bring Cargo Stockholm AB, Bring Cargo Gøteborg AB, Bring Cargo Linkøping AB and Bring Cargo Jønkøping AB (formerly Bring Logistics Stockholm AB, Bring Logistics Gøteborg AB, Bring Logistics Linkøping AB and Bring Logistics Jønkøping AB) from Bring Cargo Halmstad AB and Bring Cargo Jønkøping ABI (formerly Bring Logistics Halmstad AB and Bring Logistics Jønkøping AB). As a further simplification of the group structure Posten Norge AS´ subsidiary Cetei AB was, during the year, merged into its wholly-owned subsidiary CombiTrans AB which is now directly owned by Posten Norge AS. Bring Cargo Sweden AB (formerly Bring Logistics Sverige AB) was sold by Bring Logistics Denmark A/S to CombiTrans AB in December 2009. In addition FSD HoldCo AB and FSD NewCo AB became part of Bring Frigoscandia AB through a downstream merger, and the company is now directly owned by Posten Norge AS. Bring Logistics Linehaul AS was established in 2009 to develop competitive solutions for line haul for the business areas of Bring and external customers.
2010: In March Bring Logistics Linehaul AS established two new subsidiaries in Sweden and Germany,

Bring Logistics Linehaul AB and Bring Logistics Linehaul GMBH. Bring Cargo AS (formerly Bring Logistics AS) sold the wholly-owned subsidiary Breivika Industriveg 33A AS in July 2010. The Group established the company Bring Denmark A/S in November 2010. As part of the simplification of the Group's structure Bring Express Helsinki OY was merged into Bring Express Suomi OY and Bring Express Jønkøping AB and Bring Express Ørebro AB were both merged into Bring Express Sweden AB.
2011: Bring Frigo (formerly Bring Frigoscandia) will take over Coldsped's cold storage business in Sweden with effect from 01.04.2011. The acquisition covers the facilities in Ørebro, Jordbro, Kalmar, Kristanstad, Esløv and Malmø.

ACCOUNTING PRINCIPLES
The consolidated financial statements and financial statements of Norway Post AS have been prepared in accordance with prevailing International Financial Reporting Standards (IFRS), which have been determined by the International Accounting Standards Board and approved by the EU.

The financial statements have been prepared on the basis of historical costs. Financial instruments that are classified as "fair value through profit or loss" or "available for sale" are assessed at their fair value.

1. Changes in accounting principles and note disclosures
The accounting policies applied are consistent with previous years, with the exception of changes resulting from implementing the following revised standards from the IASB which has taken effect and been adopted by the EU:

- IAS 27 (revised) - Consolidated and Separate Financial Statements: The standard provides clarifications and further guidelines relating to accounting for the disposal of an investment in a subsidiary. If the group loses control over a subsidiary, any remaining ownership share in the former subsidiary shall be measured at fair value, and the profit or loss must be recognised in the income statement. The standard also requires any losses to be distributed between the controlling and the non-controlling party so that a deficit be charged to the non-controlling party (minority shareholder) even if this results in the non-controlling interest having a deficit balance.

In addition, the adoption of the following standards in 2010 did not impact the accounts in the period of initial implementation but will affect the Group's financial statements in the future:
- IFRS 3 (revised) - Business Combinations: The changes in this standard will affect the calculation of goodwill and contingent compensation for acquisitions, the recognition of expenses related to acquisitions and changes in ownership shares in a subsidiary. The standard has not been applied retrospectively to previous acquisitions.

The following new standards and clarifications have been applied by the Group with effect from 2010 without significant impact on the financial statements:

- Changes to IAS 39 Financial instruments – recognition and measurement – eligible hedged Items
- IFRIC 16 - Hedging of net investment in foreign operations
- IFRIC 17 - Distribution of Non-cash assets to owners
- Annual improvement project (April 2009) - IAS 7 regarding Financial instruments - clarification that only expenses that are capitalised shall be included in the cash flow from investment activities.

2. Adopted standards that are not yet effective or lacked approval by EU
The following standards and statements that are relevant to Norway Post have been issued but have yet to take effect or lack approval by the EU for the 2010 financial year:

- IAS 24 - Related party disclosures
- IFRS 9 - Financial instruments (new)
- Annual improvement project (May 2010) - IAS 1 – Presentation of Financial Statements

These standards are not used by Norway Post in this year's financial statements.

3. Estimates
The financial statements have been prepared in accordance with IFRS. This means that management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. Areas in which such estimates are significant include pensions, goodwill, trademarks, other intangible assets, tangible fixed assets, restructuring provisions and other provisions.

There is uncertainty linked to the assessment of the recorded values for goodwill and other intangible assets. This applies in particular to assumptions and parameters in connection with the estimation of future cash flows when evaluating write-down amounts and the choice of discount rate when calculating the present value of the cash flows. Other intangible assets mainly comprise IT development and IT projects under development.

There is also uncertainty related to the estimation of pension obligations, and uncertainty especially related to a defined benefit scheme including the AFP schemes for Norway Post and Norwegian subsidiaries. This uncertainty is related to any discrepancy between actuary estimates, including demographic assumptions used as the basis in calculating pensions and final outcomes. Future events may lead to the estimates changing. The changes will be recognised when a new estimate is determined. The same applies to write-down assessments for tangible fixed assets.

Restructuring provisions and other provisions are inherently uncertain with regard to the liability's settlement date and settlement value.

4. Presentation currency
The group's presentation currency is NOK, which is also the parent company's functional currency. For consolidation purposes, balance sheet figures for subsidiaries that use a different currency have been translated at the rate applicable on

the balance-sheet date and subsidiaries' income statements have been translated at the average exchange rate for each month. Translation differences are included as other income or costs directly included in equity. Translation differences are included in the translation differences fund (see note 19). If a foreign subsidiary is sold, the accumulated translation differences linked to the subsidiary are recognised in the income statement.

5. Consolidation principles
The consolidated financial statements show the total financial results and financial position of the parent company, Norway Post, and the companies in which Norway Post has a controlling influence. A controlling influence is normally achieved when the group owns, either directly or indirectly, more than 50 per cent of the shares in the company or is able to exercise actual control over the company.

The consolidated financial statements have been prepared using uniform accounting principles for similar transactions and other events provided the circumstances are otherwise the same. Items in the income statement and balance sheet have been classified according to uniform definitions. All significant intercompany transactions and balances, including internal profits and unrealised gains and losses, have been eliminated.

5.1 Consolidation principles Subsidiaries
Companies in which the Group has control (subsidiaries) are fully consolidated line by line in the consolidated financial statements. The acquisition method has been used for recognising acquired enterprises. Companies bought during the year are incorporated in the financial statements from their acquisition date, while companies that are sold are included in the financial statements until the date when they are sold. In the event of the sale of a stake in a subsidiary leading to a loss of control and thus the disposal of the subsidiary the remaining investment is measured at fair value at the time of the transaction. Any change in the value of the part not realised is also recognised in the income statement. The fair value of the remaining stake is considered to be the new acquisition cost for this investment.

Added value on the purchase of enterprises is allocated to identifiable asset and liability items on the acquisition date. Added value that is not allocated to asset and liability items is classified as goodwill in the balance sheet. Should negative goodwill arise from the transfer of operations, the identification and measurement of identifiable assets and liability items is reassessed. Any negative goodwill that arises following this reassessment is taken to income immediately.

When agreements for additional compensation are entered into when companies are acquired the amount of additional compensation is measured at fair value and included in the acquisition costs at the time of acquisition. The change in value of the additional compensation is only recognised as goodwill if the change is within a "12 month window" and is a result of new or changed facts and circumstances that did not exist at the time of acquisition. Other changes in value of the additional compensation are recognised in the income statement. Adjustments are assessed at the exchange rate on the balance sheet date or alternatively at the rate when determined if this differs from the balance sheet date.

The minority interests' share of the equity is shown in a separate line in the group's equity. The minority interests include the minority interests' share of the balance sheet value of subsidiaries, including their share of the identified added values on the date when a subsidiary is acquired. The Group did not acquire any subsidiaries in 2010 and the use of alternative valuation methods for minority interests in accordance with IFRS 3R has therefore not yet been appropriate. The minority interests' share of the net income is shown in the income statement after tax costs and total profit.

The principle changes in IAS 27 and IFRS 3 are of little significance with regard to understanding the Group's corresponding figures as there were only minor transactions in the Group in 2008 and 2009.

5.2 Consolidation principles Associated companies
An associated company is defined as a company in which the group has a considerable influence. A considerable influence normally exists when the group owns 20-50 per cent of the voting capital. Shares in associated companies are recognised according to the equity method. The principle for classifying the Group's share of the associated company's net income has changed. This share was previously classified as a financial entry, but with effect from 2010 is classified as an operational entry. The corresponding figures have been adapted accordingly.

5.3 Consolidation principles Discontinued operations
The post-tax profits for a discontinued operation that represent a separate and significant operation are presented on a separate line in the income statement together with the gains or loss after taxes from the sale of the operation. The corresponding figures for earnings have been restated in the same way, while the corresponding figures for the balance sheet and cash flow statment have not been restated.

5.4 Consolidation principles Held for sale
Assets are classified as held for sale when they have been designated for sale, are expected to be sold within a period of one year and an active sales process has begun.
If the Group has committed to a plan for sale which entails the loss of control over a subsidiary, all assets and obligations of the subsidiary are classified as held for sale regardless of whether or not the company will maintain a non-controlling interest in its former subsidiary following the sale.

Assets which meet the criteria to be classified as held for sale are valued at whichever is the lower of their balance sheet value and their fair value after deducting sales costs. Such assets are no longer amortised.

Assets which meet the criteria to be classified as held for sale are presented separately in the balance sheet and the results of discontinued operations are presented separately in the statement of comprehensive income.

6. Segment reporting
Reporting segments are aggregated from underlying operating segments on the basis of an assessment of the risks and yields relating to the types of products, services, production processes, customer groups, distribution channels and statutory or other requirements, as well as management reporting. The division of reporting segments has been prepared in accordance with areas whose operating results are reviewed regularly by Norway Post's board so that the board can decide which resources will be allocated to the segment and assess its earnings.

The segments' accounting principles are the same as those used to prepare and present the consolidated financial statements.

7. Revenues
Revenues are recognised once they have been earned. This means that there are transactions or other factors which will generate financial benefits that can be measured reliably. Sales revenues are presented net of value added tax and discounts. In all segments revenues from the sale of goods and services are recognised on the date when the products or services are delivered to the customer, and when the risk has been transferred and an account receivable has been established in relation to the customer.

7.1. Revenues Mail Segment
The segment's revenues are generated from the sale of letter products, small packages, postage stamps, banking services, product sales and dialogue services:

- The sale of stamps is considered advance pay ment for the sale of postal services, and recog nised when the service delivery occurs.
- Franking machines (pre-paid franking) are taken to income on the basis of the customer's postage consumption
- Other sales of postage are billed and taken to income when letter products are delivered
- Fees for banking services are recognised on the basis of performed banking services
- International mail within ordinary terminal charge agreements are taken to income based on the calculation of volumes and current prices, and adjusted the following year when the final prices are received from the International Post Cooperation.
- Dialogue services, including precise target groups, addresses, outsourcing services within sales, customer service and customer-oriented marketing, are taken to income at the time the service is delivered and the risk is transferred to the customer.
- Revenue for parcels is recognised when the package is delivered
- Sales of goods are taken to income when the goods are delivered and the risk transferred to the customer
- According to Norway Post's license, additional costs incurred as a result of the licensing requirements are covered by exclusive rights and/ or profits and/or government purchases of commercially unprofitable services. Government payment for unprofitable operations are recognised when the allocated funds are received, limited to an amount equal to this year's estimated additional costs regarding licensing requirements reduced by income from exclusive profit.

7.2. Revenues Logistics Segment
The segment's revenues are generated by transportation and warehouse services:
- Transport services cover courier and express services and the transportation of letters, packages, goods and temperature-controlled deliveries and are taken to income at the time the service is delivered and the risk is transferred to the customer.
- Warehouse services cover storage, handling and picking-up services in addition to the unloading of vehicles, sealing of pallets, installation/repair of equipment and construction of sales pallets, and are taken to income at the time the service is delivered and the risk is transferred to the customer.

8. Pensions
The group has both defined contribution and defined benefit pension schemes. The net pension expenses for the defined benefit pension schemes comprise the pension contributions during the period, including future salary increases and the interest expense on the estimated pension liability, less the contributions from employees and estimated yield on the pension assets. The premium for the defined contribution pension schemes is charged to expenses as incurred.
Prepaid pensions correspond to the difference between the estimated pension fund and the present value of estimated pension liabilities, minus changes in estimates and pension schemes not recognised in the income statement. Prepaid pensions are classified as a long-term asset in the balance sheet if it is likely that the excess value can be utilised or repaid. Similarly, when pension liabilities exceed pension assets, the difference is classified as a long-term liability. The recognition of pension funds is limited to its present value of all financial benefits that materialise in terms of refunds from the scheme or reductions in future contributions to the scheme.

The net pension expenses are classified as payroll expenses in the income statement except from the interest element, which is classified as financial income/financial expenses. Changes in the pension liabilities that are due to pension plan changes are amortised in a straight line over the estimated average remaining accrual period apart from rights accrued on the change date, which are immediately charged to expenses. Changes in pension liabilities and pension assets, which are due to changes in, and deviations from, the calculation assumptions (deviations from estimates), and which exceed 10 per cent of whichever is the greater of the pension liabilities and pension assets at the beginning of the year, are amortised in a straight line over the average expected remaining service lives of the current employees ("corridor solution"). Non-amortised deviations in estimates and pension scheme changes are stated in note 3.

For the transition to new pension schemes the effect of the settlement of former schemes is presented on a separate line in the income statement. If the transitions is due to an amendment to the law the effect is measured at the time of the adoption of the amended law.

9. Taxes
Taxes include taxes payable for the period and changes in deferred taxes/tax assets. Taxes payable are calculated on the basis of the earnings before tax. The net deferred tax/tax asset is calculated on the basis of temporary differences between accounting and tax values and tax losses carried forward at the end of the financial year, with the exception of:
- deferred tax which arises as a result of goodwill impairments that are not tax deductible
- temporary differences relating to investments in subsidiaries or associates because the group management itself decides when the temporary differences will be reversed, and it is assumed that this will not take place in the foreseeable future

Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed are offset against each other. Taxes are not offset across national borders. A deferred tax asset is recognised when it is probable that the company will have sufficient earnings before tax to utilise the tax asset. Deferred tax and deferred tax assets that can be capitalised are recognised at their nominal value and netted in the balance sheet. Taxes payable and deferred tax are directly included in comprehensive income or recognised directly in equity to the extent that they relate to factors that have been included or recognised in this way.

10. Tangible fixed assets
Tangible fixed assets are recognised in the balance sheet at their acquisition cost after deducting accumulated depreciation and write-downs. The cost price of fixed assets is their purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use. For larger investments involving a long manufacturing period, interest is capitalised as a part of the acquisition cost. The cost price of fixed assets is broken down when the fixed asset consists of components that have different economic lives. Costs relating to normal maintenance and repairs are charged to expenses when incurred. Costs relating to replacements and renewals which significantly increase the economic life of the fixed assets are recognised in the balance sheet.

Facilities under construction are classified as fixed assets and recognised at the accrued costs relating to the fixed asset.

Tangible fixed assets are depreciated in a straight line over their estimated economic life. Depreciation starts from the date when the tangible fixed asset is put into ordinary operations. Depreciation takes the fixed asset's scrap value into account. Both the remaining economic life and the scrap value are assessed annually. Facilities under construction are not depreciated.

11. Investment property
Investment property is defined as land and buildings that are rented out, investment objects only, or whose future use has not yet been determined. These assets are not used in the company's operations. In accordance with IAS 40 Investment Property, investment assets are assessed according to the cost model and valued in accordance with the requirements stated in IAS 16 Property, Plant and Equipment.

12. Intangible assets
Intangible assets are recognised in the balance sheet if probable future economic benefits can be

proven and attributed to the asset and the asset's cost price can be reliably estimated. Intangible assets with a specific economic life are recognised in the balance sheet at their acquisition cost after deducting accumulated amortisation and impairments. Acquisition costs also include salary expenses if the recognition criteria are fulfilled. Goodwill and other intangible assets with an indefinite lifetime are not amortised but are assessed for impairment each year. Refer to the more detailed description under "impairments" Intangible assets that have not been taken into use are also tested for impairment.

12.1. Intangible assets Development costs

The group's development costs mainly relate to the development of IT systems intended for use in the group's services and, to some extent, for sales and licensing. Development costs are recognised in the balance sheet if all of the following criteria are met:

- the product or process is clearly defined and cost elements can be identified and measured reliably
- the product's technical solution has been demonstrated
- the product or process will be sold or used in the operations
- the asset will generate future economic benefits
- sufficient technical, financial and other resources are available for completing the project

If all the criteria are met, the expenses relating to development work will be recognised in the balance sheet. Otherwise, the costs will be expensed as they arise.

12.2 Intangible assets Trademarks

Costs relating to proprietary intangible assets in the form of trademarks are expensed as they are incurred because they cannot be identified and separated from the total cost relating to the development of the company as a whole. Identified trademarks at the time of acquisition of a company are recognised in the balance sheet. Trademarks with a specific economic life are amortised over this economic life, while trademarks with an indefinite economic life are tested for impairment annually but are not amortised.

12.3. Intangible assets Goodwill

Added value on the acquisition of an enterprise that cannot be allocated to asset or liability items on the acquisition date is classified as goodwill in the balance sheet. With investments in associated companies, goodwill is included in the cost price of the investment.

13. Shares in subsidiaries

Norway Post's annual financial statements apply the cost method to shares in subsidiaries. Transaction costs relating to acquisitions made before 01.01.2010 are also included in the cost price.

Following the introduction of IFRS 3R on 1.1.2010, transaction costs relating to future acquisitions will be expenses and this not be included in the share value for such acquisitions.

14. Financial instruments

The initial valuation of financial instruments is based on their fair value on the settlement date, normally the transaction price. Financial assets are categorised as fair value through profit or loss, available for sale, or loans/receivables. Financial obligations are categorized as fair value through profit or loss or other obligations.

- Financial assets and liabilities that are held with the intention of making money on short-term fluctuations in price (held for trading purposes) or which are recognised according to the fair value option are classified as fair value through profit or loss.
- All other financial assets apart from loans and receivables originally issued by the company are classified as available for sale.
- All other financial liabilities are classified as other liabilities and recognised at their amortised cost.

Gains or losses resulting from changes in the fair value of financial investments classified as available for sale are recognised directly in equity until the investment has actually been sold. The accumulated gain or loss on the financial instrument that was previously recognised in equity will then be reversed and the gain or loss will be recognised in the income statement.

Changes in the fair value of financial instruments classified as fair value through profit or loss (held for trading purposes or a fair value option) are recognised and presented in the financial income/expenses.

Financial instruments are recognised in the balance sheet when the group has become a party to the instrument's contractual terms. Financial instruments are removed from the balance sheet when the contractual rights or obligations have been fulfilled, cancelled, expired or transferred. Financial instruments are classified as long-term when their expected realisation date is more than 12 months after the balance sheet date. Other financial instruments are classified as short-term.

14.1. Financial instruments Hedging

Before a hedging transaction is carried out, it is assessed whether a derivative is to be used to a) hedge the fair value of an asset or liability, b) hedge a future cash flow from an investment, debt payment or future identified transaction, or c) hedge a net investment in a foreign entity.

The group's criteria for classifying a derivative as a hedging instrument are as follows: (1) the hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows from an identified asset or liability, and a hedging effect that is within a range of 80-125% is expected, (2) the effectiveness of the hedge can be measured reliably, (3) there is adequate documentation at the time when the hedge is entered into showing that the hedge is very effective, (4) for cash flow hedges, the forthcoming transaction must be very likely, (5) the hedge is evaluated regularly and has proven to be effective during the reporting periods when the hedge has been intended to exist.

14.1.1. Hedging Fair value

Derivatives that form part of fair value assessments are assessed at their fair value and changes in the fair value are recognised in the income statement. Changes in the fair value of the hedged object are similarly recognised in the income statement.

The hedge is no longer recognised when:
(a) the hedging instrument falls due or is sold, terminated or exercised, or
(b) the hedge does not meet the above-mentioned requirements for hedges

14.1.2.Hedging Cash flows

Changes in the fair value of a hedging instrument in a qualifying cash flow hedges are recognised as other income or expense directly in equity. The ineffective part of the hedge instrument is recognised directly in the income statement.

If the hedged cash flow results in an asset or liability being recognised, all relevant gains and losses in equity are transferred from the equity and included in the initial measurement of the asset or liability. In the case of other cash flow hedges, gains and losses that were directly recognised in equity are transferred to the income statement in the same period as the cash flow that comprises the hedged object is recognised. When a hedging instrument ceases to be very effective, the hedge ceases to be recognised in the accounts. In such a case, the accumulated gain or loss on a hedging instrument in equity will not be reversed until the hedged transaction actually takes place. If the hedged transaction is no longer expected to take place, formerly accumulated gains or losses on the hedging instrument in equity will be reversed and recognised in the income statement.

14.1.3. Hedging
Hedging of a net investment in a foreign entity

The company takes positions in various currencies in order to hedge its net investment in foreign entities. Changes in the currency derivatives that are decided on for hedging purposes are reported together with translation differences in the group's equity until any sale of the investment, following which the accumulated translation differences relating to the investment are recognised in the income statement.
That part of the hedge which is not effective is expensed directly.

14.2. Financial instruments
Derivatives that are not hedging instruments

Derivatives that are not classified as hedging instruments are classified as held for trading purposes and assessed at their fair value. Changes in the fair value of such derivatives are recognised in the income statement.

A derivative that is embedded into other contracts will be separated from the original contract and recognised as a derivative if the following conditions are met:

- The underlying financial reality and risk relating to the built-in derivative are not closely related to the financial reality and risk relating to the original contract
- There is a separate instrument with the same conditions as the built-in derivative that meets the criteria for a derivative
- The combined instrument (main contract and built-in derivative) is not measured at its fair value with changes in value recognised in the income statement.

15. Impairments

A need to write-down exists if the carrying amount of an assessment entity exceeds the unit's recoverable amount. The recoverable amount is the higher of the fair value less sales costs and the value in use, where the value in use is the present value of estimated cash flows relating to future use. If the cash flows relating to the individual asset are independent of cash flows relating to other assets, the individual asset comprises the assessment entity. If not, an assessment entity is created at a higher level and called a cash-generating unit. A cash-generating unit can also include goodwill and a share of common assets, and is to be consistently applied over time.

The group calculates future cash flows based on estimated results (budgets and forecasts) over a five-year forecast period adjusted for depreciation, amortisation, investments and changes in working capital. The extrapolation period contains an extrapolation of the cash flows after the forecast period, using a constant growth rate. The present value of the cash flow is calculated using a weighted required rate of return on the total assets and is a pre-tax rate.
With the exception of goodwill, impairment losses recognised in income statements for previous periods are reversed if there is information that the need to write-down no longer exists or is no longer as great. However, reversal will not take place if the reversal leads to the recognised value exceeding what the recognised value would have been if normal depreciation/amortisation periods had been used.

15.1. Impairments Goodwill and other assets with an indefinite life

For goodwill, intangible fixed assets with an indefinite economic life and intangible assets that are currently being developed are subject to an annual impairment test, irrespective of whether or not there are any indications of a fall in value.

15.2. Impairments Financial instruments

Financial assets which are assessed at their amortised cost are written down when it is probable that the company will not collect all the amounts due to contractual factors relating to loans and receivables. The impairment is recognised in the income statement. Any reversal of previous impairment is recognised if a decline in the need to recognise an impairment can be related to an event which took place after the impairment took place. Such a reversal is presented as an income. However, an increase in the balance sheet value is only recognised to the extent that it does not exceed what the amortised cost would have been if no impairment had taken place.

In the case of financial assets classified as available for sale, the accumulated gain or loss that has previously been recognised directly in equity is recognised in the income statement for the period when there is objective information on the fall in value. A reversal of a former write-down is recognised when there is new objective information on an event related to the previous write-down. The reversal of a previous write-down is recognised in comprehensive income and directly in equity if it relates to shares classified as available for sale, but is recognised in the income statement if it relates other financial assets.

15.3. Impairments
Other assets with a specific economic life

The write-down of other assets with a specific economic life will be considered when there are indications of a fall in value.

16. Inventories

Inventories are recognised at the lower of cost and net sales price. The net sales price is assessed as being the market price in the case of normal operations less the costs of completion/sale, marketing and distribution. Cost price is determined using the FIFO method. Obsolescent inventories are written down to their estimated sales value.

17. Accounts receivable

Accounts receivable are recognised at their nominal value, which equals their amortised cost due to their short economic life, taking bad debts into account. Should there be any objective evidence of a fall in value, the difference between the recognised value and the present value of future cash flows is charged to expenses.

18. Cash and cash equivalents

Cash includes cash in hand and at the bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and at a known amount and which contain insignificant risk elements.

19. Other equity

In accordance with IAS 1(R) Norway Post has chosen to present this year's total profit as a separate statement.

19.1. Equity Translation differences

Translation differences arise in connection with exchange-rate differences when foreign entities' accounts are being consolidated. Exchange-rate differences relating to monetary items (debts or receivables if settlements are neither planned nor likely to occur within a short period of time) which in reality are part of a company's net investment in a foreign entity are treated as translation differences. Should a foreign entity be sold, the accumulated translation difference linked to the entity is reversed and recognised in the income statement in the same period as the gain or loss on the sale is recognised.

19.2. Equity Hedging reserves

The hedging reserve includes the total net change in the fair value of the cash-flow hedges until the hedged cash flow arises or is no longer expected to arise. The hedging reserve is restricted equity.

19.3. Equity Fair value reserve

The fair value reserve includes the total net changes in the fair value of financial instruments classified as available for sale until the investment is sold or it is ascertained that the investment is of no value. The fair value reserve is restricted equity.

19.4. Equity
Costs relating to equity transactions

Transaction costs linked to an equity transaction are recognised directly in equity after making deductions for tax. Other transaction costs are recognised in the income statement.

20. Provisions

Provisions are recognised when the company has a prevailing liability (legal or assumed) as a result of an event that has taken place and it can be proven probable (more probable than not) that there will be a financial settlement as a result of the liability and when the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. In the case of a considerable time delay, the liability is recognised at the present value of future cash flows. Uncertain liabilities assumed through the acquisition of a company are recorded at their fair value even if it is less than 50% likely that the liability materialises. Probability and fair value is assessed on an ongoing basis. Changes in fair value are recognised in the income statement.

20.1. Provisions Restructuring
Restructuring is defined as a planned programme that considerably changes the scope of the operations or the way in which the operations are carried out, as well as severance pay in connection with reorganisation. Provisions set aside for restructuring are expensed when the programme is decided on and announced and the costs are identifiable, quantifiable and not covered by corresponding revenues. The restructuring costs include costs relating to both personnel measures and vacated premises.

21. Leasing
Leases are dealt with as either operational leases or financial leases, based on a review of the actual content of each individual lease. A financial lease is an agreement which transfers substantially all the risks and rewards incident to ownership of the underlying asset to the Group

The group presents financial leases in the financial statements as assets and liabilities, equal to the cost price of the asset or, if lower, the present value of the cash flow due in the lease. When calculating the present value of the lease, the implicit interest rate in the lease is used when this can be determined. Alternatively, the company's marginal borrowing rate is used. The asset is depreciated in the same way as the corresponding working capital. The monthly rent is divided into an interest rate element and a repayment element.

In the case of operational leases, rents are classified as an operating expense and recognised in the income statement over the term of the lease.

22. Loans
Loans are recognised as the net funds received after deducting transaction costs. The loans are then recognised at their amortised cost using the effective interest method. Amortised cost means the amount the financial obligation is valued at when purchased, less repayments (for example principal payment, interest and service charges), plus effective interest and less any impairments.

23. Public subsidies
Subsidies from public authorities are not recognised until it is reasonably certain that the company will meet the conditions set for receiving the subsidies, and that the subsidies will be received. Accounting for grants are subjected and amortized over the same period as the cost of the subsidy is intended to cover. Subsidies are recognised as a reduction in cost when they cover a specific cost.

24. Currency
Transactions in foreign currencies are translated at the exchange rate on the transaction date. On the balance sheet date, financial assets and liabilities in foreign currencies are translated at the exchange rate applicable on the balance sheet date. The income statement effects of changes in exchange rates are presented as financial income or expense.

25. Contingent liabilities and assets
Contingent liabilities include:
- possible liabilities resulting from previous events where the liability's existence depends on future events
- liabilities that have not been recognised because it is not probable that they will lead to payment
- liabilities that cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the annual financial statements unless they have been acquired in a business acquisition. Such obligations are allocated for. Significant contingent liabilities are stated, apart from contingent liabilities where the likelihood of the liability arising is slight.

A contingent asset is not recognised in the annual financial statements, but information on this is provided if it is probable that a benefit will accrue to the group.

26. Events occurring after the balance sheet date
New information on the company's positions on the balance sheet date is taken into account in the annual financial statements. Events taking place after the balance sheet date that do not affect the company's position on the balance sheet date but which will affect the company's position in the future are disclosed if significant.

27. Cash flow statement
The cash flow statement has been prepared on the basis of the indirect model. Cash and cash equivalents consist of liquid assets, including liquid assets linked to the sales network.

(All figures described in the notes are presented in NOK millions if not otherwise stated).

NOTE 1 SEGMENTS

The division of reporting segments has been prepared in accordance with areas whose operating results are reviewed regularly by Posten Norge AS board so that the board can decide which resources will be allocated to the segment and assess its earnings. Revenues, assets and investments are also reported on a geographical basis, split between Norway and Abroad depending on where the revenue is generated/localised.

The Group had three segments in 2008 and 2009; Mail, Logistics and IT. As a result of the merger between ErgoGroup AS and EDB Business Partner ASA that became effective on 30 September 2010 the Group no longer has an IT segment with effect from 2010. Earnings figures are presented for continued segments and corresponding figures for 2009 and 2008 have been restated accordingly. Corresponding figures for the balance sheet and investments have not been restated but area specified as discontinued operations.

The various segments contain the following::
Mail; letter products, banking services and dialogue services. The segment is made up of the Mail Division including its subsidiaries Bring Citymail, Bring Mail and Bring Dialog.

Logistics; bulk and part load, parcels, warehousing, thermo and express. The segment corresponds to the parent company's Logistics and Logistics Solutions Divisions as the subsidiaries operating in these areas - Bring Cargo, Bring Warehousing, Bring Frigo, Bring Express, Bring Parcels, CombiTrans and Bring Supply Services.

Group administration and common costs that are not defined as owner-related costs are allocated to the segments. Owner-related costs include costs relating to the CEO/Board, accounting and finance, organisational development, contact with the authorities, strategy and group information.

BREAKDOWN BY ACTIVITY

2010	Mail	Logistics	Other/ eliminations	Group
External revenues	9 736	12 702	(5)	22 433
Internal revenues	607	756	(1 346)	18
Total operating revenues	**10 344**	**13 459**	**(1 352)**	**22 451**
External expenses including depreciation	8 354	12 051	652	21 056
Internal expenses	1 204	1 009	(1 761)	452
Operating expenses	**9 558**	**13 059**	**(1 110)**	**21 508**
Impairments including recognised negative goodwill	51	98		149
Reorganisation expenses	(33)	15	(6)	(25)
Gains/losses on the sale of fixed assets and subsidiaries	(69)	(11)	(1)	(80)
Other non-recurring items			(759)	(759)
Income from investments in associates	1	1	(30)	(29)
Earnings before interest and taxes	**838**	**298**	**494**	**1 630**
Net financial items	(101)	(39)	2	(138)
Taxes				529
Earnings after taxes from continued operations				**963**
Earnings after taxes from continued operations				(686)
Net income for the year				**276**

2009	Mail	Logistics	Other/ eliminations	Group
External revenues	10 050	12 539	(6)	22 583
Internal revenues	610	789	(1 369)	30
Total operating revenues	**10 660**	**13 328**	**(1 375)**	**22 613**
External expenses including depreciation	8 760	11 809	659	21 228
Internal expenses	1 302	1 023	(1 711)	614
Operating expenses	**10 062**	**12 832**	**(1 052)**	**21 842**
Impairments including recognised negative goodwill	329	43		372
Reorganisation expenses	166	(1)	11	176
Gains/losses on the sale of fixed assets and subsidiaries	(9)	(10)	1	(19)
Other non-recurring items				
Income from investments in associates	5			5
Earnings before interest and taxes	**117**	**465**	**(335)**	**248**
Net financial items	(5)	1	(221)	(226)
Taxes				36
Earnings after taxes from continued operations				**(14)**
Earnings after taxes from continued operations				132
Net income for the year				**118**

NOTE 1 SEGMENTS (continued)

BREAKDOWN BY ACTIVITY

2008	Mail	Logistics	Other/ eliminations	Group
External revenues	10 620	13 303	5	23 928
Internal revenues	623	739	(1 349)	12
Total operating revenues	**11 242**	**14 042**	**(1 344)**	**23 940**
External expenses including depreciation	9 758	12 456	645	22 859
Internal expenses	1 238	1 053	(1 485)	806
Operating expenses	**10 996**	**13 509**	**(841)**	**23 665**
Impairments including recognised negative goodwill	142	(23)		120
Reorganisation expenses	(21)	15	190	184
Gains/losses on the sale of fixed assets and subsidiaries	(15)	(7)	1	(21)
Other non-recurring items				
Income from investments in associates	(6)			(6)
Earnings before interest and taxes	**133**	**548**	**(695)**	**(14)**
Net financial items	(5)	(11)	(109)	(125)
Taxes				67
Earnings after taxes from continued operations				**(206)**
Earnings after taxes from continued operations				178
Net income for the year				**(28)**

Internal revenues are from transactions between Posten Norge AS´ segments. Internal transactions are priced on the basis of normal commercial factors and as if the segments were independent parties.

The segment 'Other' includes group administration costs and shared costs that are not defined as owner-related costs, as well as eliminations. The segment 'Other' also includes costs connected with the launch of new trademarks.

BREAKDOWN BY ACTIVITY

2010	Mail	Logistics	Other/ eliminations	Group
Segment assets	10 395	7 350	(2 393)	15 352
Non-allocated assets				415
Total assets				**15 767**
Segment liabilities	3 383	2 761	266	6 410
Non-allocated assets				3 855
Total liabilities				**10 266**

NOTE 1 SEGMENTS (continued)

BREAKDOWN BY ACTIVITY

2009	Mail	Logistics	Non-continued operations	Other/ eliminations	Group
Segment assets	10 875	6 341	3 645	(3 214)	17 646
Non-allocated assets					795
Total assets					**18 441**
Segment liabilities	6 270	2 484	1 599	(1 172)	9 181
Non-allocated assets					4 046
Total liabilities					**13 227**

2008	Mail	Logistics	Non-continued operations	Other/ eliminations	Group
Segment assets	10 105	6 847	3 803	(2 058)	18 697
Non-allocated assets					818
Total assets					**19 516**
Segment liabilities	6 757	3 516	1 618	(2 299)	9 593
Non-allocated assets					4 763
Total liabilities					**14 356**

Deferred tax assets are included in unallocated assets, and deferred tax and interest-bearing liabilities are included in unallocated liabilities.

INVESTMENTS

2010	Mail	Logistics	Non-continued operations	Other	Group
Investments in fixed assets [1]	210	393		48	651
Depreciation	428	264		(7)	686
Write-downs	51	98			149
2009					
Investments in fixed assets [1]	833	235	201	179	1 448
Depreciation	439	218	295	(13)	938
Write-downs	329	43			372
2008					
Investments in fixed assets [1]	1 155	360	250	286	2 051
Depreciation	371	212	296	27	906
Write-downs	142	6	20		169

[1] Investments in fixed assets include neither the purchase of enterprises nor goodwill.

NOTE 1 SEGMENTS (continued)

GEOGRAPHIC INFORMATION	GROUP		
	2 010	2 009	2 008
External revenues			
Norway	16 168	16 547	17 748
Abroad 1)	6 283	6 066	6 192
Total revenues	**22 451**	**22 613**	**23 940**
Assets			
Norway	13 753	17 104	16 973
Abroad 1)	2 013	1 337	2 544
Total assets	**15 767**	**18 441**	**19 516**
Investments during the period			
Norway	556	1 322	1 812
Abroad 1)	96	126	239
Total investments	**651**	**1 448**	**2 051**

1) Abroad mainly comprises other Nordic countries.

NOTE 2 PAYROLL EXPENSES AND OTHER REMUNERATION

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
5 616	5 275	5 230	Salaries	7 126	7 325	7 668
746	699	684	National insurance contributions	1 034	1 047	1 124
427	448	222	Pension expenses	360	604	563
193	137	129	Other contributions	221	231	314
6 982	**6 559**	**6 265**	**Payroll expenses**	**8 741**	**9 207**	**9 669**
1 850	2 048	2 010	Board remuneration	2 131	2 118	2 574
1 759	1 941	1 309	Fee for extended financial audit	7 011	9 472	9 314
97	354	95	Fee for other attestation services	290	632	546
686	652	567	Fee for tax advisory services	567	720	696
1 257	452	490	Fee for tax advisory services	930	898	1 459
2 733	277	123	Fee for other non-audit services	662	4 480	5 115
15 446	14 105	13 779	Numb. of full-time/full-time equivalent positions	19 884	20 555	22 221
18 304	17 203	15 878	Average no. of employees	22 177	23 926	24 588
21 360	19 453	18 880	No. covered by the pension plan as at 31.12.	24 671	25 671	26 405

Employers' national insurance contributions on pensions are classified as pension costs, for more details see note 3.

Remuneration and fees

(all amounts in NOK excluding payroll tax)
External Board members do not have pension schemes or other benefits other than board remuneration. Employee representatives only have pensions schemes related to their employment by Posten Norge AS. The General Meeting determines the remuneration to the Board of Directors of Posten Norge AS. Fees paid to the Board of Directors for 2010 were approved by the General Meeting on 25.06.2010 and the members of the Board received the following remuneration in 2010

NOTE 2 PAYROLL EXPENSES AND OTHER REMUNERATION (continued)

BOARD OF DIRECTORS	Remuneration		Remuneration		Remuneration
Arvid Moss	338 250	Odd Christian Øverland	169 002	Terje Wold (from 01.07.2010)	86 502
Liv Stette (until 30.06.2010)	100 000	Ingeborg Anne Sætre (until 30.06.2010)	82 500	Annemarie Elstner (from 01.07.2010)	94 502
Eli Arnstad	187 500	Paul Magnus Gamlemshaug	169 002	Thore Strøm (deputy)	16 000
Terje Christoffersen (until 30.06.2010)	107 500	Judith Olafsen	169 002	Siv Ryan Anderesen	
Sigbjørn Molvik	169 002	Randi Sætershagen (from 01.07.2010)	112 752	(deputy from 01.07.2010)	8 400
Gry Mølleskog (until 30.06.2010)	97 500	Gøril Hannås (from 01.07.2010)	102 252		
Total					2 009 666

An audit committee was established in December 2008 for Norway Post. Board members Terje Christoffersen and Gry Mølleskog were appointed by the Group Board of Directors to take part in the audit committee until 30.06.2010 and received NOK 25 000 and NOK 15 000 respectively in fees for their participation.

From 01.07.2010 Board members Randi Sæterhagen and Gøril Hannås were appointed by the Group Board of Directors to take part in the audit committee and received NOK 26 250 and NOK 15 750 respectively in fees for their participation in 2010. Fees for 2010 are included in the remuneration specified above.

Group management

Group management are defined as persons that are authorised and responsible for planning, executing and monitoring the enterprise's operations. Unless otherwise stated the amounts below cover the entire year.

All amounts in NOK excluding employers' national insurance contributions

GROUP MANAGEMENT	Basic pay 1)	Paid bonus	Other benefits 2)	Pension cost	Period of notice	Severance
Dag Mejdell	3 196 983	661 025	7 604	2 060 972	6 months	9 months
Gro Bakstad	2 044 338	400 400	5 360	776 467	6 months	No.
Elisabeth H. Gjølme	1 710 462	327 900	12 331	403 227	6 months	9 months
Randi Løvland	1 653 318	310 500	6 962	132 472	6 months	9 months
Tore K. Nilsen	2 603 285	453 300	9 070	347 460	6 months	9 months
Lars H. Tendal (until 30.11.2010)	1 964 768	428 300	163 486	549 455	6 months	No.
Arne Bjørndahl	2 237 053	413 300	7 616	935 357	6 months	No.
Terje Mjøs	1 528 090	439 500	142 971	624 008	6 months	No.
Pål Amundsen (from 01.06.2010)	1 029 678	0	4 293	102 196		9 months
Total	17 967 975	3 434 225	359 693	5 931 614		

1) Basic pay includes wages, car expenses, holiday money and pension compensation 2) Includes car expenses and electronic communication.

Guidelines have been established for executive pay in Norway Post and these have been presented to the General Meeting. Norway Post aims to have a competitive salary level without leading the field for the equivalent types of positions.

Posten Norge AS has a bonus programme for the CEO and Group management. The scheme has two parts, one element based on the consolidated results and the individual results. Achieved bonuses can be up to 25 % of the salary. The final decision regarding a bonus is determined by the board (the CEO for Group management). Bonuses are only paid to persons who are in their positions as of 31 December.

With regard to severance pay, reduction after 3 months has been agreed in the event of alternative salary for the CEO. For other members of Group management, a reduction of severance pay in the event of an alternative salary has been agreed. No key personnel have received share-based pay or other long-term benefits.
According to the CEO's pension contract his retirement age is 65 years, and the total pension is to be 66 per cent of his salary. Other members of Group management before 1 January 2007 have a defined benefit pension scheme financed through normal operations with a retirement age of 64 years. The scheme was closed on 31 December 2006. Members of Group management after 1 January 2007 have a defined contribution plan financed by normal operations covering early retirement from 65 years. The other pension schemes are described in more detail in note 3.

In addition, Posten Norge AS has a bonus programme for divisional management, regional management, other key personnel and sales staff. Bonus payments are based on defined Group and individual targets. Specific upper limits for bonus payments are defined in the different schemes.

The majority of the Group's subsidiaries have bonus programmes for executives connected to achieving results and/or individual criteria. In certain companies, sales personnel, consultants and key personnel also have bonus-based pay, while other pay a productivity bonus to all employees.

Fees to the auditors, Ernst & Young, were NOK 8,5 million, and fees paid to other auditing firms were NOK 1,0 million.

NOTE 3 PENSIONS

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Defined contribution pension schemes			
21 360	19 453	18 880	No. of members	24 519	27 861	29 257
4,9% - 8%	4,9%-8%	5%-8%	Percentage of salary	2-30%	2,5-30 %	1-17 %
			Financial assumptions			
3,8 %	4,4 %	4 %	Discount rate	4 %	4,4 %	3,8 %
4 %	4,25 %	4 %	Expected wage regulation	4 %	4,25 %	4 %
4 %	4 %	3,75%	Expected G regulation	3,75%	4 %	4 %
3,75 %	4 %	3,75%	Expected pension regulation	1,3-4%	1,3-4%	3,75 %
5,8 %	5,6 %	5,4%	Expected yield	5-6,2%	5,8-6,2%	5,8 %
8 %	8 %	8 %	Expected voluntary retirement (under 50 years of age)	2-8%	2,5-8%	2,5-8%
2,5 %	2,5 %	2,5 %	Expected voluntary retirement (over 50 years of age)	0-2,5%	0-2,5%	0-2,5%
50 %	50 %	60 %	Expected use of AFP	50-60%	30-50%	30-50%
K2005	K2005	K2005	Demographic assumptions on mortality rate	K2005	K2005	K2005
			Defined benefit pension plans			
			Net pension costs:			
112	120	76	Present value of the pensions earned for the year	107	149	131
			Administration costs	1	1	
92	81	22	Interest expense on the liabilities	41	98	107
(1)	(1)	(1)	Estimated return on the assets	(11)	(11)	(9)
21	42	3	Recognised actuarial gains (losses)	8	48	25
			Recognised pension scheme changes	1	1	2
			Costs in prior periods' pension savings			4
224	**242**	**101**	**Gross pension expenses**	**146**	**285**	**261**
(4)	(3)	(3)	Employees' 2% contribution	(11)	(11)	(4)
(80)	(71)	(19)	Interest element reclassified as a financial item	(27)	(77)	(86)
139	**168**	**79**	**Net pension costs**	**108**	**197**	**171**
288	280	142	Defined contribution pension scheems	251	406	392
427	**448**	**222**	**Total pension costs included in earnings for the year**	**360**	**603**	**563**
		718	(Income) expenses of transition to a new pension scheme	759		

Until February 2010, the parent company and most subsidiaries had a defined benefit early retirement pension scheme (AFP) linked to the LO/NHO or Spekter schemes. During wage negotiations in 2008 a new AFP scheme was agreed from 2011. The scheme will be funded by the employers by the payment of a charge per employee to be determined by the Board of Directors for the new pension scheme. The Norwegian Accounting Standards Board has produced a statement regarding the handling of the transition to the new AFP scheme for accounting purposes. The main effect of the recommendation was that AFP obligations should be measured again at the time the amendment to the law is adopted. The new pension scheme was passed by the Norwegian parliament on 19 February 2010. On the basis of the recommendation of the Norwegian Accounting Standards Board settlement of the old AFP scheme was carried out. The settlement resulted in a significant reduction in pension obligations, lower pension costs due to only 2 months of pension earnings in 2010 and a non-recurring income of MNOK 759. Employees who remain members of the Norwegian Public Service Fund have kept their rights in accordance with the AFP scheme in the public sector. This obligation together with the shortfall in the LO/NHO scheme constitutes the remaining obligations related to the old AFP scheme as at 31.12.2010.

The new AFP scheme is a multiple company scheme which is considered a defined benefit scheme. However, there is currently insufficient information to measure the pension obligation in a reliable way so the scheme must be treated as a defined contribution scheme for accounting purposes until further notice. Pension costs for this scheme are expected to be higher in the future.

The merger between Posten Norge AS wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA (EDB) was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010. In the same way as the settlement of the AFP scheme the loss of ErgoGroup as a subsidiary resulted in a reduction in the Group's pension obligations of MNOK 200 as well as reduced pension costs. Pension costs for 2010 have been reclassified in the Post-tax profit entry from discontinued operations and corresponding figures for 2008 and 2009 have been restated in the same way.

Posten Norge AS has a defined contribution pension scheme for the majority of employees in Norway, Sweden and Denmark under which the premiums are charged as an expense when they occur

NOTE 3 PENSIONS (continued)

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Net pension liabilities:			
(26)	(25)	(25)	Estimated accrued secured liabilities	(401)	(986)	(1 090)
20	21	21	Estimated value of the pension assets	222	704	663
(6)	**(4)**	**(4)**	**Net estimated secured pension liabilities (-)/-assets (+)**	**(179)**	**(282)**	**(427)**
(2 214)	(2 171)	(800)	Estimated accrued unsecured pension liabilities	(836)	(2 303)	(2 395)
(2 220)	**(2 175)**	**(804)**	**Net estimated (pension liabilities)/-assets**	**(1 015)**	**(2 585)**	**(2 822)**
			Pension plan changes		6	23
624	540	44	Unrecognised actuarial gains (losses) and deviations	115	582	880
(1 596)	**(1 635)**	**(760)**	**Net pension assets/(-liabilities)**	**(900)**	**(1 997)**	**(1 919)**
			Pension assets recognised in the balance sheet		1	1
(1 596)	(1 635)	(760)	Pension liabilities recognised in the balance sheet	900	(1 998)	(1 920)
(1 596)	**(1 635)**	**(760)**	**Net pension assets/(liabilities) recognises in the balance sheet**	**900**	**(1 997)**	**(1 919)**
			Changes in liabilities:			
(1 567)	(1 596)	(1 635)	Net assets (liabilities) 01.01	(1 997)	(1 919)	(1 820)
(224)	(242)	(101)	Gross pension expenses for continued operations	(146)	(285)	(261)
			Gross pension expenses for discontinued operations		(105)	(98)
191	229	255	Premium payments and benefits paid	284	330	297
4	3	3	Contributions from members of the pension scheme	4	3	4
		718	Income (expenses) due to the transition to a new pension scheme	759		
			Estimated repayment of previously paid pension premiums		3	
	(29)		Restructuring liabilities / other liabilities transferred to pension		(34)	
			Adjustment of previous period's pension liabilities			(6)
			Liabilities relating to new/sold companies during the year	200		(31)
			Exchange rate changes	-4	10	(3)
(1 596)	**(1 635)**	**-760**	**Net pension assets (liabilities) 31.12.**	**(900)**	**(1 997)**	**(1 919)**
			The main categories of pension assets at fair value:			
1	8	8	Equity instruments (shares, bonds)	158	211	412
14	2	3	Debt instruments	25	316	42
3	9	9	Property	35	116	104
2	2	1	Other assets	5	61	105
20	**21**	**21**	**Total pension assets**	**222**	**704**	**663**

In the parent company Posten Norge AS contribution rates for 2010 were 5.0% for salaries of between 1 and 6 times the National Insurance basic amount (G) and 8% for salaries of between 6 and 12 times G. A private disability pension has been introduced which provides benefits equal to 66% of the employee's pay without paid-up policy accrual. Posten Norge AS also has obligations connected to salaried employees above 12 G. Pension obligations connected to salaried employees above 12 G and agreements on early retirement pensions are financed by the company's operations.

The defined contribution pension schemes in Sweden and Denmark had variable contribution rates based on different calculation bases and rate ranges. For example in Sweden the calculation basis for some employees was a so-called "income basis amount" (IBB) which was SEK 52 100 in 2010. Contributions were calculated with a high and low rate of 4.5% and 30% respectively for earnings below and above 7.5 times IBB.

The parent company and some subsidiaries have different defined pension schemes rather than the early retirement pension scheme For the parent company these pension benefits were agreed with the employee organisations in connection with the transition to a new pension scheme to replace Norwegian Public Service Fund scheme. The subsidiaries have mainly used the same long-term financial premises as the parent company, but with an adjustment for country-specific macroeconomic conditions. The Group's pension liabilities relate mainly to Bring Cargo's defined pension schemes.

Some companies in the Group's Swedish operations have pension schemes which, according to IAS 19, do not qualify for recognition in the balance sheet. In accordance with Swedish rules the pension liabilities are covered through a capital insurance policy. In the company accounts the amount was registered as a liability with the equivalent amount as a receivable against the capital insurance company. In the consolidated financial statements, these amounts are netted, so that the criteria stipulated in IAS 19 are met. A secured occupational pension programme in a Norwegian company is set off pension assets in accordance with IAS 19.

Provisions for restructuring obligations as at 31.12.08 for coverage of an expected increase in AFP payments due to restructuring of MNOK 29 were transferred to pension obligations as at 31.12.2009. Premium payments due to restructuring totalled approximately MNOLK 25 in 2010 and the remaining obligations total MNOK 4.

NOTE 4 OTHER OPERATING EXPENSES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
888	920	988	Costs of premises	1 369	1 436	1 380
255	232	226	Other rental expenses	344	349	362
96	84	91	Tools, fixtures, operating materials	128	128	137
70	61	68	Repair and maintenance of equipment	113	105	117
113	110	94	Accounting and payroll services	99	117	117
956	728	704	IT services	838	857	1 100
354	210	229	Other external services	415	363	588
42	37	41	Telephone expenses	97	100	119
92	75	74	Travel expenses	159	156	177
135	100	94	Marketing	129	154	196
42	40	47	Insurance, guarantee and service costs	86	82	84
175	44	37	Trademark costs	42	62	221
132	645	218	Other expenses	353	327	335
3 351	3 286	2 911	Totalt operating expenses	4 172	4 236	4 933

Other expenses in 2010 include MNOK 101 (12.89 million Euros) related to a fine imposed on Posten Norge AS by the ESA in connection with previous exclusivity clauses in Post in Shops (PiB) agreements from 2000-2006. Posten Norge AS has lodged an appeal against the decision with the EFTA court. Refer also to note 31.

The reduction in other costs in the parent company compared with 2009 is due to the inclusion of MNOK 503 is losses on receivables concerning loans to Bring Citymail AB related to the financing of Bring Citymail Denmark A/S.

In 2009 and 2010 the costs of other external services were significantly lower than in 2008, partly as a result of the effects of the Group´s profitability programme Spinnaker.

In 2008, Norway Post Group launched a new, joint trademark called Bring, for the Scandinavian mail and logistics operations. At the same time Posten Norge AS logo was changed to show that Posten Norge AS and Bring are part of the same group. The total cost for the trademark for the Group in 2010 was MNOK 42 (MNOK 62 in 2009 and MNOK 221 in 2008).

NOTE 5 RESTRUCTURING EXPENSES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
155	161	(35)	Restructuring	(30)	181	181
4	(5)	5	Severance pay	5	(5)	3
159	156	(30)	Total restructuring expenses	(25)	176	184

Restructuring and severance pay
In 2010 an amount of NOK 23 million has been provided for restructuring costs for Posten Norge AS and provisions from previous years of MNOK 58 have been reclassified. Of the total costs of MNOK 23, MNOK 12 million was for personnel-related measures, MNOK 1 for premises and MNOK 10 for other measures.

The new provisions are primarily related to the new Division structure and improving efficiency within distribution.
Provisions for severance pay have been raised by MNOK 5 on the basis of a new assessment of the estimate made 31.12.2010.

In addition to Posten Norge AS, in Bring Cargo (formerly Bring Logistics), Bring Express and CombiTrans provisions totalling MNOK 13 were made, of which MNOK 8 was for personnel-related measures, MNOK 2 for rent and empty premises and MNOK 3 for other measures. Transaction fees for the merger between ErgoGroup AS and EDB ErgoGroup ASA of MNOK 8 that were recorded as restructuring expenses in the parent company were recorded under profits from discontinued operations in the consolidated financial statements. The total provisions for restructuring are shown in note 20

NOTE 6 GAIN/LOSS ON THE SALE OF FIXED ASSETS

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Gain on sale of operations, etc	35		
35	20	46	Gain on sale of fixed assets	49	26	42
35	20	46	Total gain on sale of fixed assets, etc	84	26	42
21	1		Loss on sale of fixed assets	4	7	21
21	1		Total loss on sale of fixed assets, etc	4	7	21

Sale of fixed assets/property
Posten Norge AS sold the mail terminals in Drammen and Hamar in 2010 Ålesund, Mosjøen, Haugesund and Finnsnes in 2008, with a net gain of MNOK 45. In addition Posten Norge AS sold vehicles with a net gain of MNOK 1.

Sale of subsidiaries, etc.
In 2010 Posten Norge AS sold its Espehaugen land by selling its wholly-owned subsidiary Posten Eiendom Espehaugen AS, with a gain in the consolidated financial statements of MNOK 25.

Bring Cargo (formerly Bring Logistics) co-localized its terminal operations with Posten Norge AS in Ålesund, and therefore some its Ålesund division property owned through he subsidiary Breivika Indistrivei 33 AS. The sale resulted in a gain for the Group of MNOK 10.

NOTE 7 FINANCIAL INCOME AND FINANCIAL EXPENSES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
262	142	129	Interest income from group companies			
36	17	35	Other interest income	86	95	201
		34	Gain on the sale of shares in subsidiaries, etc	8		
139	50	138	Foreign exchange profit	246	203	300
63	3	21	Group contributions and dividends received			
2	288	20	Gains on derivatives	20	7	230
228	241	208	Gains on "fair value through profit or loss" objects	208	241	
14	3	14	Other financial income	12	7	26
744	744	599	Financial income	580	554	757
39	15	11	Intercompany interest expenses			
1	1	1	Interest expenses on financial leases	7	9	17
354	247	185	Other interest expenses	200	263	312
4		296	Loss on the sale of shares in subsidiaries, etc	12		
4	92	112	Foreign exchange loss	237	223	254
161	4	140	Loss on derivatives	23	4	245
228	241	208	Losses on "fair value through profit or loss" objects	208	241	
253	302	55	Other financial expenses	32	40	54
1 044	902	1 008	Financial expenses	719	780	882

Other interest income in 2010 included NOK 14 million (MNOK 0.5 in 2009 and MNOK 12 in 2008) in gains on short-term investments for both Posten Norge AS and the Group.

Posten Norge AS sold all shares in its wholly-owned subsidiary Posten Eiendom Espehaugen AS for MNOK 86. This resulted in a profit to the parent company of MNOK 24 and to the Group of MNOK 25. In September 2010, Posten Norge AS sold its 49% stake in Itella Information AS for MNOK 21. This resulted in a profit to the parent company of MNOK 10 and to the Group of MNOK 8.

Other interest expenses for 2010 included interest expenses on net pension liabilities. Interest expenses for 2010 totalled MNOK 19 for Posten Norge AS (MNOK 71 in 2009 and MNOK 80 in 2008) and MNOK 27 million for the Group (MNOK 77 in 2009 and MNOK 59 in 2008). The remaining other interest expenses are primarily interest expenses linked to long-term financing. The merger between Posten Norge AS wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010 and resulted in a loss to the parent company of MNOK 284. In November 2010 Posten Norge AS sold 7% of its stake in the combined company EDB ErgoGroup ASA for MNOK 181, which resulted in a loss of MNOK 12.

In 2010 Posten Norge AS included other financial expenses of MNOK 27 related to the write-down of shares in Bring Dialog Sweden AB (formerly Bring Dialogue Sweden AB) (MNOK 266 in 2009 and MNOK 197 in 2008 related to the write-down of shares in CityMail Group).
Refer also to note 12.

Where the group has significant income and expenses in foreign currency exchange rate fluctuations will mostly be compensated for by positive and negative cash flows in the relevant units being nominated in the same underlying currency. Refer also to note 24 for a more detailed description of the Group's financial risk management.

NOTE 8 TAXES

POSTEN NORGE AS 2008	2009	2010		GROUP 2010	2009	2008
			INCOME TAXES			
60	54	109	Taxes payable	133	93	137
(96)	67	341	Changes in deferred taxes (deferred tax assets)	396	(57)	(69)
(36)	121	450	Taxes	529	36	67
59	56	107	Taxes payable for the year	129	95	136
1	(2)	2	Overpaid/underpaid in previous years	2	(2)	
			Other	1		1
60	54	109	Taxes payable	133	93	137
(96)	67	375	Deferred tax due to changes in temporary differences	428	(55)	(68)
		(34)	Losses carried forward not previously recognised	(32)	(1)	(1)
(96)	67	341	Deferred tax cost	396	(57)	(69)
11 %	-	36 %	Effective tax rate			
			Reconciliation of the effective tax rate with the Norwegian tax rate:			
(317)	(36)	1 248	Earnings before tax	1 491	22	(139)
(88)	(10)	350	28% tax	418	6	(37)
			Write-downs of goodwill	21	59	
65	100	146	Other non-deductible costs 28%	89	137	20
(16)	(1)	(15)	Non-taxable income 28%	(16)	(5)	(6)
3	31	(31)	Other	17	(161)	91
(36)	121	450	Taxes	529	36	67
			DEFERRED TAXES/TAX ASSETS IN THE BALANCE SHEET			
(104)	(82)	(63)	Tangible fixed assets	(19)	(26)	(109)
(6)			Receivables	(6)	(8)	(16)
			Foreign exchange	(1)	(1)	
(1)	(4)	(1)	Inventories	(1)	(4)	(2)
(447)	(458)	(213)	Pensions	(234)	(449)	(523)
(99)	(139)	(158)	Provisions	(167)	(256)	(106)
(88)	(38)	(52)	Other	(37)	(11)	(61)
			Loss carried forward	(258)	(264)	(214)
(745)	(720)	(487)	Deferred tax assets - gross	(724)	(1 019)	(1 031)
23	14	7	Gains and losses account	9	26	39
		135	Deposit fund	135		
29			Foreign exchange			17
	51	10	Group contributions			
52	65	152	Deferred tax liability - gross	144	26	55
(693)	(655)	(335)	Net deferred tax asset	(580)	(993)	(976)
	34		Deferred tax asset not recognised in the balance sheet	166	198	158
(693)	(621)	(335)	Net recognised deferred tax	(414)	(795)	(818)

Gross temporary differences that are not recognised in the balance sheet relate to losses carried forward. The Group had a total of MNOK 1 008 in losses carried forward as at 31.12.10. There is no time limit on these losses. The losses carried forward that have been recognised are expected to be utilised on expected future profits.

POSTEN NORGE AS 2008	2009	2010		GROUP 2010	2009	2008
			Changes in deferred taxes recorded directly in equity			
	(21)		Translation differences from hedging of investments in foreign entities	(33)	19	(41)
(41)	27	(3)	Cash flow hedging	(3)	27	(41)
(41)	6	(3)	Total	(36)	46	(82)

NOTE 8 TAXES (continued)

Changes in temporary differences

POSTEN NORGE AS	01.01.10	Disposals - subsidiaries	Recognised in income statement	Recognised in equity	Other [1]	Translation differences	31.12.10
Tangible fixed assets	(291)		68				(224)
Gains and losses account	51		(26)				26
Receivables	1		(1)				
Foreign exchange							
Inventories	(13)		7				(5)
Pensions	(1 636)		875				(761)
Deposit fund	341		140				481
Provisions	(836)		151		121		(564)
Group contributions	181		34		(181)		35
Other	(137)		(36)	(11)			(184)
Total	**(2 338)**		**1 212**	**(11)**	**(59)**		**(1 196)**
GROUP							
Tangible fixed assets	(92)	(85)	119		9	5	(45)
Gains and losses account	93	(31)	(29)				32
Receivables	(25)	12	(7)		(1)		(21)
Foreign exchange	(3)						(3)
Inventories	(8)		7		(4)		(5)
Pensions	(1 948)	204	908			(1)	(838)
Deposit fund	341		140				481
Provisions	(916)	59	137		124	1	(596)
Other	(23)	(22)	116	(128)	(90)	3	(144)
Loss carried forward	(1 033)	28	18		(36)	13	(1 009)
Total	**(3 614)**	**165**	**1 408**	**(128)**	**2**	**20**	**(2 147)**

[1] Applies to negative temporary differences that arose during the year and where the deferred tax asset is not recognised in the balance sheet, as well as changes in temporary differences where the related deferred tax asset is or is not recognised in the balance sheet, and where the difference has changed during the 2010 financial year.

NOTE 9 INTANGIBLE ASSETS

POSTEN NORGE AS	Purchased intangible assets					
	IT - development trademarks etc.	Projects in progress	Goodwill	Total 2010	Total 2009	Total 2008
Acquisition cost:						
Balance 01.01	1 234	264	6	1 504	1 249	848
Additions	96	106		202	255	406
Reclassification/Adjustment of cost price 1)	(29)			(29)		(5)
Intercompany transfers		(1)		(1)		
Transfers from assets under construction	126	(126)				
Balance 31.12.	**1 427**	**243**	**6**	**1 676**	**1 504**	**1 249**
Accumulated amortisation and write-downs:						
Amortisation method	Straight-line					
Useful life	3-7 years					
Balance 01.01	(490)		(6)	(496)	(270)	(170)
Amortistation for the year	(186)			(186)	(173)	(99)
Write-downs for the year	(21)			(21)	(53)	(6)
Reclassification/Adjustment of cost price 1)	29			29		5
Balance 31.12.	**(668)**		**(6)**	**(674)**	**(496)**	**(270)**
Book value	**759**	**243**		**1 002**	**1 008**	**980**

NOTE 9 INTANGIBLE ASSETS (continued)

GROUP	In-house developed intangible assets			Purchased intangible assets						
	IT – development	Projects under development	Total	IT – development trademarks etc.	Projects under development	Goodwill	Total	Total 2010	Total 2009	Total 2008
Acquisition cost:										
Balance 01.01.	519	14	533	1 706	280	5 610	7 595	8 128	8 303	7 450
Additions	2	3	5	117	113		230	235	328	495
Disposals	(14)		(14)	(18)	(1)		(19)	(33)	(41)	(39)
Additions through company acquisitions									23	336
(note 29)	(453)	(12)	(465)	(140)		(2 754)	(2 894)	(3 359)	(2)	(14)
Disposals through sales of companies (note 29)	(8)		(8)	(21)			(21)	(29)	(154)	(131)
Adjustment of cost price/reclassification [1]				1	(1)					
Intercompany transfers	5		5	5		75	80	85	(330)	206
Translation differences	1	(1)		130	(130)					
Transfers from assets under construction	**52**	**4**	**56**	**1 780**	**261**	**2 931**	**4 971**	**5 027**	**8 128**	**8 303**
Balance 31.12.										
Accumulated amortisation and write-downs:										
Amortisation method	Straight-line			Straight-line						
Useful life	3-10 years			3-10 years						
Balance 01.01	(410)		(410)	(830)	(6)	(658)	(1 494)	(1 904)	(1 508)	(1 363)
Amortisation for the year [2]	(3)		(3)	(199)			(199)	(202)	(288)	(250)
Write-downs for the year [3]				(21)		(105)	(126)	(126)	(321)	(31)
Disposals	14		14	17			17	31	16	8
Additions through company acquisitions (note 29)										(34)
Disposals through sales of companies (note 29)	359		359	36		126	162	521		12
Adjustment of cost price/reclassification 1)	(1)		(1)	30			30	29	153	163
Translation differences	(4)		(4)	(4)			(4)	(8)	45	(15)
Balance 31.12.	**(45)**	**4**	**(45)**	**(971)**	**(6)**	**(637)**	**(1 614)**	**(1 659)**	**(1 904)**	**(1 508)**
Book value	**7**		**11**	**809**	**255**	**2 294**	**3 357**	**3 368**	**6 224**	**6 795**

[1] The entry adjustment of cost price/reclassification includes the scrapping of IT systems in ErgoGroup that were already written off.
[2] Of the amortisation in 2009 and 2008, MNOK 86 and MNOK 94 respectively applied to discontinued operations.
Continued operations had amortisation of MNOK 202 in 2009 and MNOK 156 in 2008.
[3] Of the amortisation in 2008, MNOK 20 applied to discontinued operations. Continued operations had amortisation of MNOK 11 in 2008.

IT – development, trademarks, etc
For intangible assets that have a definite economic life, the amortisation period for the Group is 3-10 years (3-10 years in 2009 and 2008), depending on the economic life of each individual component based on an individual assessment.

Of the total intangible assets of MNOK 816 recognised in the balance sheet as at 31.12.2010, approximately MNOK 412 related to solutions developed as part of the Group's IT 2010 programme, which involved reorganising the Group's IT portfolio with a reduction in the number of systems and interfaces, as well as the greater use of standard solutions. The programmes included solutions for a common address register, response sending system, payroll system, data warehouse, HR and order system. The programme also included a new route register which, together with the common address register, will provide more automated and detailed route planning. Together the solutions give the Group an improved basis for managing and planning staffing levels and the distribution of mail and advertising in an efficient manner, and replace many previously manual routines. Furthermore MNOK 47 related to the IT system for Posten Norge AS sales network, while MNOK 32 was recognised in the balance sheet for the system used to sort letters at the South-East Norway terminal to handle letters without legible address fields and thus provide a greater degree of mechanical sorting. A Group-wide platform with online terminals for use in several of the logistics operations to ensure the co-ordination and utilisation of resources across the Group and to meet customer requirements for real-time information was recognised in the balance sheet at MNOK 25.
The reduction through the sale of companies of MNOK 104 related to the merger between Posten Norge AS wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA (EDB) that was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010. Refer to note 26. In the table above, intangible assets purchased the opening balance as of 01.01.2010 has been deducted. Note 29 shows the closing balance as at 30.09.2010.

The amortisation for the year is presented in the income statement in the line for amortisation.
In 2010 there were no charges to expenses related to development projects that are not expected to

NOTE 9 INTANGIBLE ASSETS (continues)

generate any future financial benefits. (MNOK 0 in 2009 and MNOK 11 in 2008).

Projects in progress
Of a total of MNOK 259 for facilities under construction as at 31.12.2010, MNOK 113 was for a solution for planning and managing transport activities in the Group on the most appropriate manner possible. The solution shall enable the planning of an order across the different types of transport, right from the sender to the recipient, and thereby result in the most cost-effective goods transportation. The development of the system is somewhat delayed in relation to the original plan as a result of requirements identified during later phases of development, The system will be gradually put into operation in certain logistics companies in the Group until the end of 2012.
Furthermore MNOK 68 was for a new data warehouse and reporting solution for the production and distribution apparatus to replace the current non-standardised systems. A common management portal will enable the efficient management and planning of staffing levels, transport and distribution and is a prerequisite for the continuous improvement of operations and to meet the expected decline in volumes in the future.

The write-down of projects under development with a definite useful life
Write-down costs are presented in the income statement in the line for write-downs.
In 2010 a total of MNOK 21 was written down for intangible assets other than goodwill (MNOK 75 in 2009 and MNOK 4 in 2008) of which MNOK 19 was for the Logistics segment and MNOK 2 for the Other segment. Write downs in 2010 included the IT system in the automated package collection points which was written down by MNOK 8 as a result of the project being cancelled. Furthermore a total of MNOK 13 was written down for various IT systems for which the book value exceeded the utility value.

Goodwill

GROUP	Book value 01.01	Disposals	Write-downs	Translation differences	Book value 31.12
Mail Segment					
Bring Mail Nordic	22			2	23
Bring Dialogue Norway	45				45
Bring Dialogue Sweden	33		(34)	3	1
Logistics Segment					
Bring Cargo	773		(21)	(1)	751
Bring Frigoscandia Sweden	493			37	530
Bring Cargo Sweden	239			18	257
Bring Express	232			2	234
CombiTrans	196			15	210
Bring Frigoscandia Norge	208		(50)		158
Bring Logistics Solutions	85				85
Discontinued operations					
ErgoGroup	2 628	(2 628)			
Total goodwill for the Group	**4 951**	**(2 628)**	**(105)**	**75**	**2 294**

Additions and disposals – goodwill
The acquisition and sale of companies is described in more detail in note 29.

The disposal of MNOK 2 698 relates to the merger between Posten Norge AS wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA (EDB) that was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010. Refer to Note 26.

Write-downs of intangible assets with an indefinite useful life
Write-downs are presented on a separate line in the income statement.

A continuous assessment is made for indications of a fall in the value of intangible assets and if such indications exist the asset's recoverable value is estimated. Intangible assets with an indeterminate life, intangible assets under development and goodwill are tested annually, or more often if there are indications of a decline in value during the year.

Goodwill is allocated to cash-generating units in order to assess the need to write it down. Allocation is based on an assessment of the cash flows linked to the business group (operating segment) to which the goodwill pertains. If the cash flows are independent of cash flows linked to other entities, the individual operations comprise the assessment entity, and if not, goodwill is allocated to an assessment entity at a higher level.

A need to write-down exists if the capitalised value of an assessment entity including goodwill exceeds the unit's recoverable amount. The recoverable amount is whichever is the higher of the fair value minus sales costs and the utility value, where the utility value is the present value of estimated cash flows relating to future use.

Posten Norge AS has calculated the future cash flows based on the estimated results (budgets and forecasts) that reflect the financial business plans approved by management and which cover a five-year period. The estimated results have been adjusted to take into account depreciation, amortisation, investments and changes in the working capital. The extrapolation period contains a mechanical extrapolation of the cash flows after the forecast period, using a constant growth rate.

NOTE 9 INTANGIBLE ASSETS (continued)

The growth rate per segment is stated in the table below. The present value of the cash flows is calculated using a weighted required rate of return on the total assets and is calculated before tax. The Group's required rate of return per segment is assessed each year for significant changes in factors that affect the requirement. The required rate of return employed per segment is stated in the table below.

Based on these criteria, in 2010 a total of MNOK 105 of write-downs were made related to goodwill of which MNOK 71 was for the Logistics segment and MNOK 34 was for the Mail segment (a total of MNOK 246 in 2009 and MNOK 26 in 2008). In the Logistics segment, MNOK 50 was for Bring Frigo Norway (formerly Bring Frigoscandia Norway) which operates in the market for thermally-regulated transport. The total value of goodwill of MNOK 208 assumed a development in profits that cannot be deemed probable in the current market and with existing customer contracts. Furthermore, the entire goodwill of MNOK 20 related to Bring Cargo's (formerly Bring Logistics) subsidiary in Slovakia, Blomquist Trucking Slovakia, was written down. A number of measures have been taken in the company to improve profitability which have had a positive effect, but not sufficient to justify the margin assumptions that formed the basis for the value of the goodwill. In the Mail segment the entire goodwill of MNOK 34 in Bring Dialog Sverige (formerly Bring Dialog Sweden) was written down due to the financial development of the company and future prospects in the market.

Goodwill related to Bring Frigo Norway (formerly Bring Frigoscandia Norway) (MNOK 158), Bring Logistics Sunnmøre (formerly Emdal Transport & Spedisjon AS) (MNOK 40) and Bring Express Denmark (MNOK 34) is sensitive to adjustments to the margins and required rate of return, which are the key assumptions. The estimates of the value of goodwill assume a significant improvement in future profitability. The cash-flows and required rate of return used when making the estimates are all based on the management's best estimates and various measures to improve profitability have been implemented in the companies.

Goodwill related to Bring Dialog Norway (MNOK 45) and Bring Logistics Solutions (MNOK 85) is considered uncertain as the performance of the cash-generating units has not reached the budgeted levels, but the development in the most recent period has been positive and supports the assumptions for future margins used as the basis for evaluating write-downs.

Where the acquired units have not achieved budgeted margins, an assessment has been carried out of the background for the deviation from the budget and measures implemented in the earnings and cost sides are deemed sufficient to maintain the quality of future cash flow estimates. The assumptions concerning margins have also been assessed with regard to the industry and future prospects. Further sensitivity calculations have been carried out for the units particularly affected by the economic decline and market developments.

Goodwill related to Bring Logistics Sweden (MNOK 234) and Bring Mail Nordic (MNOK 23) are also sensitive to adjustments to the margins and required rate of return, but the units currently produce margins in accordance with the budget.

The table below shows general information about sensitivity in the assumptions used as the basis for impairment tests for the respective cash-generating units per segment.

Sensitivity in assumptions

	Mail Segment	Logistics Segment
Profit margins are based on historical developments and future expectations	Characterised by increased price pressure in production and distribution. Significant cost elements are wages and external service and operating costs that are affected by price negotiations and inflation.	Characterised by price pressure and globalisation. Significant cost elements are external service costs that are affected by price negotiations and inflation.
Economic cycles	Partly exposed to economic cycles. Growth forecasts are based on historical developments.	Business is sensitive to economic cycles. Future growth forecasts are in line with historical growth rates adjusted for international economic decline in 2008 and 2009.
Conditions affecting the discount rate	Operates mainly in the Norwegian and Swedish markets with cash flows in Norwegian and Swedish Kroner.	
Terminal value	Growth rate equal to or lower than inflation in the country in which operations take place.	

NOTE 9 INTANGIBLE ASSETS (continued)

Overview of goodwill and key assumptions per segment

		Discount rate before tax (WACC):			Long-term growth rate:		
Segment	Goodwill	2010	2009	2008	2010	2009	2008
Mail	69	10 %	10 %	11 %	2,0 %	2,0-2,5 %	2,0 %
Logistics	2 225	10 %	10 %	11 %	2,0-2,5 %	2,0-2,5 %	2,0 %
Discontinued operations			11 %	12 %		2,2-3,2 %	2,7 %
Total Group	2 294						

Negative goodwill taken to income

No negative goodwill was taken to income in 2010 (MNOK 0 in 2009 and MNOK 29 in 2008 that related to discontinued operations).

NOTE 10 TANGIBLE FIXED ASSETS

POSTEN NORGE AS

Acquisition cost:	Machinery	Vehicles, fixtures and fittings	Buildings, property	Machinery under constr and facilities 1)	Buildings under construction 1)	2010 Total	2009 Total	2008 Total
Balance 01.01	1 223	1 700	541	281		3 745	3 386	5 158
Additions	45	90		48		183	288	213
Disposals		(11)	(284)			(295)	(619)	(360)
Intercompany transfers, additions/ disposals								(925)
Reclassification/Adjustment of cost price 1)	(17)	(261)				(278)	(10)	
Transfers to/from held for sale			(72)			(72)	700	(700)
Transfers to/from investment property			73			73		
Transfers from assets under construction	262	43		(305)				
Balance 31.12.	**1 513**	**1 561**	**258**	**24**		**3 356**	**3 745**	**3 386**
Accumulated depreciation and write-downs:								
Depreciation method	Straight-line	Straight-line	Straight-line					
Useful life	5 - 10 years	2-12 years	15 - 40 years					
Balance 01.01	(920)	(1 369)	(271)			(2 560)	(2 404)	(2 997)
Depreciation for the year	(88)	(123)	(8)			(220)	(220)	(254)
Write-downs for the year	(19)	(4)				(23)	(7)	(131)
Disposals		11	133			144	383	278
Reclassification/Adjustment of cost price 1)	17	261				278		
Intercompany transfers, additions/ disposals								386
Transfers to/from held for sale			39			39	(312)	312
Balance 31.12.	**(1 009)**	**(1 225)**	**(107)**			**(2 341)**	**(2 560)**	**(2 404)**
Book value	**504**	**336**	**151**	**24**		**1 016**	**1 185**	**982**

NOTE 10 TANGIBLE FIXED ASSETS (continued)

GROUP

Acquisition cost:	Machinery	Vehicles, fixtures and fittings	Buildings, property	Machinery under constr and facilities	Buildings under constr	2010 Total	2009 Total	2008 Total
Balance 01.01	1 874	3 220	4 005	286	59	9 444	8 603	8 441
Additions	110	184	45	50	27	416	1 121	1 562
Disposals	(4)	(78)	(300)			(382)	(761)	(443)
Additions through company acquisitions (Note 29)							1	97
Disposals through sales of companies (note 29) [1]	(543)	(592)	(165)			(1 300)	(1)	(26)
Reclassification/Adjustment of cost price [2]	(19)	(269)				(288)	(107)	(332)
Translation differences	2	3	4			9	(112)	54
Transfers to/from held for sale			(168)			(168)	700	(749)
Transfers to/from investment property			73			73		
Transfers from assets under construction	264	59	44	(311)	(57)			
Balance 31.12.	**1 684**	**2 527**	**3 538**	**25**	**29**	**7 803**	**9 444**	**8 603**
Accumulated amortisation and write-downs:								
Amortisation method	Straight-line	Straight-line	Straight-line					
Useful life	3-15 years	2-12 years	5 - 40 years					
Balance 01.01	(1 372)	(2 304)	(928)			(4 603)	(4 198)	(4 404)
Depreciation for the year [3]	(102)	(254)	(128)			(484)	(650)	(656)
Write-downs for the year	(18)	(5)				(23)	(51)	(138)
Disposals	4	70	140			214	501	357
Additions through company acquisitions (Note 29)								(10)
Disposals through sales of companies (note 29) 1)	401	418	80			899	1	7
Reclassification/Adjustment of cost price [2]	19	269				288	65	331
Translation differences		3				3	41	1
Transfers to/from held for sale			40			40	(312)	312
Balance 31.12.	**(1 068)**	**(1 803)**	**(796)**			**(3 666)**	**(4 603)**	**(4 198)**
Book value	**616**	**724**	**2 742**	**25**	**29**	**4 137**	**4 841**	**4 406**

[1] The entry "disposals" through sales of companies' includes the balances for ErgoGroup as at 1.1. 2010.

[2] The entry "Reclassification/Adjustment of cost price" for 2010 contains the scrapping of machinery and fixtures and fittings that were already written off. In previous years this entry also contained the adjustment of capitalised interest for assets in progress.

[3] Of the depreciation in 2009 and 2008, MNOK 209 and MNOK 202 respectively applied to discontinued operations. Continued operations had depreciation of MNOK 441 in 2009 and MNOK 454 in 2008.

Construction loan interest

Tangible fixed assets include construction loan interest. The capitalised construction loan interest totalled MNOK 77 as at 31.12.2010, MNOK 76 as at 31.12.2009 and MNOK 85 as at 31.12.2008, of which the largest part was related to the sorting terminal at Robsrud.

Write-downs

The write-downs of machinery, vehicles/fixtures and fittings of MNOK 23 in Norway Post applies to machinery that was no longer required for the new South-East Norway terminal as well as the interior refurbishment of post offices.

Other conditions

Posten Norge AS terminals in Hamar and Drammen were sold in 2010. Molde post terminal was reclassified as held for sale in 2010. Refer also to note 18.

In 2010 it was decided that the NRF plot of land at Alnabru will be used for logistics operations. The plot of land has therefore been reclassified as owner-utilized land. Refer also to note 11.

Information on assets held for sale and financial leases is provided in notes 18 and 28 respectively. Refer also to note 6 for losses and gains on sales.

NOTE 11 INVESTMENT PROPERTIES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
73	73	73	As at 01.01	73	108	108
		(73)	Transferring from (to) tangible fixed assets	(73)		
			Transfers from (to) held for sale		(35)	
73	**73**		**As at 31.12.**		**73**	**108**

Posten Norge AS owns an empty plot of land, the NRF plot, at Alnabru.This was purchased in 1999 as the location for a new letter centre. It was later decided to locate the new letter centre at Robsrud. In 2010 it was decided that the plot of land will be developed for logistics purposes and it was reclassified as owner-utilised land.

In 2009 the land in the subsidiary Posten Eiendom Espehaugen AS was reclassified as held for sale. The sale was completed in February 2010. Refer also to note 18.

NOTE 12 INVESTMENTS IN SHARES

POSTEN NORGE AS

Subsidiaries	Acquired/ established	Address	Primary activity	Ownership share 31.12.2010	Voting share 31.12.2010	Recogn in the balance sheet 31.12.2010
Bring Cargo AS	10.06.2004	Oslo	Transport	100 %	100 %	998
Bring Frigoscandia AB	20.01.2006	Sweden	Transport	100 %	100 %	596
CombiTrans AB	08.06.2008	Sweden	Transport	100 %	100 %	241
Bring Express AS	01.01.1999	Oslo	Express	100 %	100 %	198
Bring Cargo Halmstad AB	09.03.2007	Sweden	Transport	100 %	100 %	176
Bring Cargo Jønkøping AB	10.03.2007	Sweden	Transport	100 %	100 %	56
Bring Cargo Stockholm AB	12.03.2007	Sweden	Transport	100 %	100 %	50
Bring Cargo Linkøping AB	12.03.2007	Sweden	Transport	100 %	100 %	47
Bring Cargo Gøteborg AB	10.03.2007	Sweden	Transport	100 %	100 %	29
Bring Logistics Solutions AS	12.04.2000	Oslo	3P logistics	100 %	100 %	141
Bring Frigoscandia Holding AS	10.06.2004	Lørenskog	Transport	100 %	100 %	136
Bring Parcels AB	1999/2008	Sweden	Transport	100 %	100 %	57
Bring Logistics Nettlast AS	15.11.2000	Jaren	Transport	100 %	100 %	54
Bring Logistics Linehaul AS	03.04.2009	Oslo	Transport	100 %	100 %	1
Bring Danmark A/S	18.11.2010	Denmark	Transport	100 %	100 %	1
Bring CityMail AB	01.05.2002	Sweden	Holding	100 %	100 %	
Bring CityMail Sweden AB	01.05.2002	Sweden	Mail	100 %	100 %	88
Bring Mail Nordic AB	01.09.2005	Sweden	Mail	100 %	100 %	86
Bring Dialog Norge AS	01.11.2006	Oslo	Customer Relations	100 %	100 %	58
Bring Dialogue Sverige AB	01.02.2007	Sweden	Customer Relations	100 %	100 %	8
Posten Eiendom Storbyer AS	01.01.2008	Oslo	Property	100 %	100 %	56
Posten Eiendom Kanalveien AS	21.03.2006	Oslo	Property	100 %	100 %	121
Posten Eiendom Robsrud AS	08.06.2006	Oslo	Property	100 %	100 %	480
Posten Eiendom Alnabru AS	01.01.2008	Oslo	Property	100 %	100 %	57
Posten Eiendom AS	08.06.2006	Oslo	Property	100 %	100 %	
Posten Forbrukerkontakt AS	01.10.1997	Oslo	None	100 %	100 %	
Bring AS	08.03.2005	Oslo	None	100 %	100 %	
Other						3
TOTAL investments in shares						**3 739**
Investments in associated companies						
EDB ErgoGroup AS	14.10.2010	Oslo	IT	40%	40%	1 462
TOTAL Posten Norge AS						**5 202**

NOTE 12 INVESTMENTS IN SHARES (continued)

GROUP	Acquired/ established	Address	Primary activity	Ownership share 31.12.2010	Voting share 31.12.2010	Recogn in balance sheet 31.12.2010
Investments in Associated Companies						
Refer to overview below						1 465
Group investments in shares						
Fagernes Skysstasjon	1996	Fagernes			25 %	3
Minor shareholdings						2
TOTAL Investments in shares						**5**
TOTAL Group						**1 470**

The merger between Norway Post´s wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA was completed on 14.10. 2010 and recognised in the accounts as of 30.09.2010. Posten Norge AS received 47% of the combined company. Upon completion of the merger ErgoGroup AS was wound up and assets, rights and liabilities were transferred to EDB Business Partner ASA which changed its name to EDB ErgoGroup ASA.. For accounting purposes, Posten Norge AS ownership interest in the combined company is treated as an associated company as at 31.12.2010. Refer also to notes 26 and 29.

In order to ensure sufficient equity in the subsidiary Bring Citymail Sweden AB, Posten Norge AS invested MSEK 70 in June which resulted in an increase in the cost price of the shares of MSEK 58.

The cost price of the shares in Posten Eiendom Storbyer AS, Posten Eiendom Alnabru AS, Posten Eiendom Robsrud AS and Bring Dialogue Norway AS was regulated as a result of the group contributions recognised in 2010. Posten Eiendom Robsrud AS and Bring Dialogue AS have received group contributions from Posten Norge AS which increased the costs price by MNOK 129 and MNOK 1 respectively. At the same time part of the group contributions from Posten Eiendom Storbyer AS and Posten Eiendom Alnabru AS to Posten Norge AS was classified as repayment of previous paid-in equity, and Posten Norge AS's cost price for the shares in these companies was reduced accordingly. This totalled MNOK 199 for Posten Eiendom Storbyer AS and MNOK 21 for Posten Eiendom Alnabru AS. Posten Eiendom Robsrud AS also received additional capital of MNOK 240 from Posten Norge AS in December.

As a result of the book value of the shares in Bring Dialogue Sverige AB (formerly Bring Dialogue Sweden AB) exceeding the recoverable value of the company the shares were written down by MNOK 27 in 2010.
Posten Norge AS established the company Bring Denmark A/S with a share capital of MDKK 0.5 in November 2010.

The associated company Itella Information AS in which Posten Norge AS had a 49% stake was sold in September 2010. The stake had a book value of MNOK 11 in Posten Norge AS and MNOK 13 in the Group. Refer also to note 7.

Joint ventures
The Group's 50% stake in the joint venture BuyPass AS was owned through the former subsidiary ErgoGroup AS. After the merger between ErgoGroup AS and EDB Business Partner ASA to form EDB ErgoGroup ASA this is treated as an associated company as at 31.12.2010. BuyPass AS is thus no longer a joint venture in the Group.

NOTE 12 INVESTMENTS IN SHARES (continued)

Investments in associated companies

Entity	Country/City	Ownership share	Book value 01.01.2010	Additions in 2010	Disposals 2010	2010 Share of earnings (expenses)	Other adjustmentss	Book value 31.12.2010
EDB ErgoGroup ASA	Oslo	40 %		1 656	(193)	(30)		1 432
Itella Information AS	Oslo	49 %	13		(14)	1		
Svensk Adressändring AB	Sweden	15 %	20				(3)	17
AdressPoint AB	Sweden	15 %	3					3
Materiallageret AS	Svalbard	34 %	7					7
Euroterminal A/S	Denmark	50 %	4					4
Other			4		(3)		(1)	1
Total			51	1 656	(210)	(29)	(4)	1 465

The merger between Posten Norge AS´ wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010. Posten Norge AS received 47% of the combined company EDB ErgoGroup ASA. For accounting purposes, Posten Norge AS ownership interest in the combined company is treated as an associated company, and the initial value in the balance sheet of MNOK 1 297 is based on the market value at the time the implementation of the merger was recognized as being completed under company law. In accordance with the shareholder agreement between Posten Norge AS and Telenor, as the other major owner of the combined company, Posten Norge AS´ ownership stake was reduced to 40% through the sale of 7% of its stake in November. This resulted in an adjustment in the value of the ownership stake of MNOK 193. In connection with a share issue in December 2010 Norway Post purchased the number of shares required in order to maintain the agreed ownership stake of 40% which was equivalent to an investment of MNOK 359. The market value of Posten Norge AS stake in EDB ErgoGroup ASA as at 31.12.2010 was MNOK 1 604. Refer also to note 26.

The 49% ownership stake in Itella Information AS which had a book value of MNOK 13 in the Group was sold in September 2010.

Summary of financial information of the individual associated companies (100% basis):

Entity	Assets	Liabilities	Equity	Revenues	Annual result
EDB ErgoGroup ASA	13 325	8 208	5 117	8 676	(209)
Svensk Adressändring AB	67	47	20	230	19
AdressPoint AB	5	2	3	8	2
Materiallageret AS	21	9	12	6	2
Euroterminal A/S	15	7	8	3	
Total other	6	4	2	18	
Total	**13 439**	**8 276**	**5 163**	**8 941**	**(186)**

NOTE 13 INTEREST-BEARING NON-CURRENT AND CURRENT RECEIVABLES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
39	65	27	Other non-current receivables	29	67	43
2 463	1 719	2 108	Loans to group companies			
2 502	**1 784**	**2 135**	**Interest-bearing non-current receivables**	**29**	**67**	**43**
		7	Repayments 2012	1		
		7	Repayments 2013			
		3	Repayments 2014	1		
		2 098	Repayments 2015	11		
		20	Thereafter	16		
		2 135	**Interest-bearing non-current receivables**	**29**		
83	74	627	Other current receivables	635	76	84
2 311	2 031	525	Loans to group companies			
2 394	**2 105**	**1 152**	**Interest-bearing current receivables**	**635**	**76**	**84**

The first year's repayment of interest-bearing non-current receivables have been reclassified as interest-bearing current receivable.

Advanced payment to deposit funds and premium funds in Vital accounted for MNOK 229 of other current receivables (MNOK 71 in 2009 and MNOK 76 in 2008).

In connection with the completion of the merger between EDB Business Partner ASA and Ergo-Group AS on 14.10.2010, a loan from Posten Norge AS to ErgoGroup og MNOK 1 400 was partly settled with the repayment of MNOK 1 000. The conditions for the remaining MNOK 400 of the loan were renegotiated and the loan falls due in 2011. The loan is classified under other current interest-bearing receivables.

Insurance
The Group has secured significant parts of its operations and intangible assets through traditional insurance coverage. The Group insures its vehicles at the minimum allowable level. The Group is a self-insurer for comprehensive coverage.

As a policy holder, the company has the opportunity to manage agreed upon areas of the operation's risk exposure within the insurance companies' insurance licence. This insurance activity is managed independently, both from a financial and risk standpoint, from the other activities performed by the insurance companies.This is accomplished by using a separate account to manage these risks. The account solution applies for selected coverages and is limited to coverage for liability only. The cost associated with this solution has been lower than the premium paid, hence the account is in surplus. Posten Norge AS´ insurance account scheme accounted for MNOK 15 of other non-current receivables (MNOK 30 million in 2009 and MNOK 27 million in 2008).
The Group has directors' and officers' liability insurance coverage. The Group's employees are covered for injuries and death through personnel insurance coverage.

NOTE 14 OTHER NON-CURRENT RECEIVABLES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Pension assets		1	1
5	4	4	Receivables from employees	5	5	6
	47	2	Non-current derivatives	2	46	
25	21	19	Other non-current receivables	31	89	78
30	**72**	**25**	**Other non-current receivables**	**38**	**141**	**85**

Receivables from employees consist entirely of loans to employees with a repayment period of more than 12 months. These loans are interest-free and the employees' interest benefit is reported to the tax authorities. Other non-current receivables in Posten Norge mainly consisted of bonds for various post offices, while in the subsidiaries there were pre-paid costs related to suppliers.

NOTE 15 INVENTORIES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
60	47	30	Acquisition cost	34	69	86
(5)	(13)	(5)	Provisions for obsolescence	(7)	(17)	(21)
55	**34**	**25**	**Inventories**	**27**	**52**	**65**

The inventories mainly consist of postage stamps and other goods sold via the sales network. The cost of goods during the period for Posten Norge amounted to MNOK 85 million (MNOK 119 million in 2009 and MNOK 138 million in 2008). Write-downs for the period equalled NOK 5 million (NOK 13 million in 2009 and NOK 5 million in 2008). The cost of goods for the Group's subsidiaries totalled NOK 4 million (NOK 6 million in 2009 and NOK 16 million in 2008).

NOTE 16 INTEREST-FREE CURRENT RECEIVABLES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
886	735	659	Accounts receivable	2 184	2 887	3 361
8	6	3	Receivables from employees	4	9	12
195	174	123	Receivables from group companies			
72	43	60	Prepaid expenses	181	306	377
26	8	7	Short-term derivatives	7	8	26
372	371	421	Accounts receivable	911	935	999
1 559	**1 338**	**1 273**	**Interest-free current receivables**	**3 288**	**4 145**	**4 775**
			Receivables by age:			
615	696	626	Current	1 806	2 307	2 413
263	38	27	0 - 30 days	290	422	755
19	2	5	30 - 60 days	44	57	107
4	3	4	60 - 90 days	33	28	39
14	9	6	Over 90 days	58	133	127
(29)	(12)	(9)	Provisions for bad debts	(47)	(60)	(80)
886	**735**	**659**	**Total receivables**	**2 184**	**2 887**	**3 361**
			Provisions for bad debts:			
13	29	12	As at 01 January 2009	60	80	45
			Disposal of discontinued operations	(19)		
29	17	9	Provisions allocated during the year	26	38	60
(17)	(42)	(6)	Actual losses taken against provisions	(11)	(28)	(20)
4	8	(6)	Overpaid/underpaid in previous years	(9)	(28)	(4)
			Translation differences		(2)	(1)
29	**12**	**9**	**As at 31 December 2009**	**47**	**60**	**80**
17	545	6	Total actual losses on bad debts	26	28	22
			Provisions for bad debts:			
22			Individual receivables	19	23	52
7	12	9	General provisions	27	38	28
29	**12**	**9**	**Total allocation**	**47**	**60**	**80**

The book value of interest-free short-term receivables is approximately equal to these receivables' fair value due to the short periods left until maturity. The group has no significant credit risk relating to one individual contracting party, or several contracting parties, that can be regarded as one group due to similarities in credit risk. The Group has guidelines to ensure that sales are only made to customers that have not had any significant payment problems earlier on and that outstanding amounts do not exceed stipulated credit limits. There are no indications that customer receivables not yet due, or already provided for on the balance sheet date, cannot be collected.

Total actual losses on bad debts for the parent company in 2009 include MNOK 503 in losses on an inter-Group receivable from Bring Citymail AB related to the financing of Bring Citymail Denmark A/S. This receivable was previously classified as a long-term loan to subsidiaries.

NOTE 17 LIQUID ASSETS

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
993	1 034	833	Cash and cash equivalents	1 017	1 634	1 812
	300	1 214	Short-term investments	1 215	300	25
993	**1 334**	**2 047**	**Liquid assets in the balance sheet**	**2 232**	**1 934**	**1 837**
			Bank overdraft			(2)
993	**1 334**	**2 047**	**Net liquid assets**	**2 232**	**1 934**	**1 835**

Liquid assets are defined as cash and cash equivalents.

A considerable share of the cash and cash equivalents is linked to the need for liquid assets in the sales network. In accordance with the Cash holding agreement with Postbanken, Posten Norge AS is obliged to have sufficient cash holdings at all times to serve Postbanken's customers. The cash holding was MNOK 261 as at 31.12.10 and is calculated from a requirement to meet 95% of historic net withdrawal payments. The remuneration for these services is included in the operating revenues, while interest on the cash holding is recognised as financial revenues.

Posten Norge AS has obtained a bank guarantee with Nordea as security for advance tax payments of NOK 479 million for the employees and most subsidiaries also have their own tax payment guarantees with banks. Posten Eiendom has bank guarantees totalling MNOK 15 mainly with Nordea and Fokus Bank as security for the project related to the development of the South-East Norway terminal. Other bank guarantees in the Group total MNOK 28.

Nordea has also furnished a bank guarantee to Norway Post in connection with the imposition by the European Supervisory Authority (ESA) of a fine of MEUR 12.89 (MNOK 101). Refer also to note 31.

A Group account system in Nordea is used in Norway, Sweden and Denmark with agreements stipulating Posten Norge AS as the group account holder. An equivalent agreement has been established for a small number of subsidiaries in Handelsbanken in Sweden. The banks can offset deductions and balances against each other so that the net position represents the outstanding balance between the bank and the group account holder. As of 31.12.2010, Posten Norge AS had unused credit facilities for the corporate account system in Nordea and Handelsbanken of MNOK 500 million (Norway), MSEK 100 (Sweden) and MDKK 50 (Denmark). The unused credit facility in Handelsbanken was MSEK 300.

NOTE 18 HELD FOR SALE

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
388		33	Buildings held for sale	128	35	438
	37		Shares held for sale			
			Intangible assets held for sale		2	
388	**37**	**33**	**Total assets held for sale**	**128**	**37**	**438**

The following assets were classified as held for sale as of 31.12.10:
In 2010, it was decided that Norway Post's terminal in Molde and Bring Cargo's (formerly Bring Logistics) terminal in Kristiansand would be sold to release capital for other initiatives. The properties were reclassified as held for sale at MNOK 33 and MNOK 95 respectively.
Bring Cargo sold the terminal in January with a gain of MNOK 4.

The following assets were classified as held for sale in 2010 and sold during 2010:
In 2010, it was decided that the terminals in Hamar and Drammen would be sold and the properties were reclassified as held for sale in Posten Norge AS. The properties were sold in June 2010 for MNOK 195, giving a net gain of MNOK 45. Posten Norge AS has entered into lease agreements with the new owners of the terminals that were sold.

The following assets were classified as held for sale as at 31.12.09 and were sold/entered as current assets during 2010:
In 2009, it was decided that the wholly-owned subsidiary Posten Eiendom Espehaugen AS would not be used by Posten Norge AS. The shares in the company were reclassified as held for sale in Posten Norge AS and assets in the company were reclassified as separate held for sale entries in the Group accounts. The company was sold in February 2010 for MNOK 86. This produced a gain of MNOK 24 in the parent company and MNOK 25 in the Group.

NOTE 19 EQUITY

POSTEN NORGE AS	Majority interests: Share capital	Share premium account	Hedging reserve	Fair value reserve	Other equity	Total equity
Equity as at 01.01.2008	3 120	992	28	3	1 475	5 618
Cash-flow hedging:						
- Changes in value/transferred to income			(147)			(147)
- Tax on changes in value			41			41
Tax effect of demerger receivables					(2)	(2)
Other comprehensive income/(expenses)			(106)		(2)	(108)
Net income for the year for Posten Norge AS					(281)	(281)
Total comprehensive income			(106)		(283)	(389)
Dividend paid					(597)	(597)
Equity as at 31.12.08	3 120	992	(78)	3	595	4 632
Equity as at 01.01.09	3 120	992	(78)	3	595	4 632
Cash-flow hedging:						
- Changes in value/transferred to income			95			95
- Tax on changes in value			(27)			(27)
Translation differences					(54)	(54)
Other comprehensive income/(expenses)			68		(54)	14
Net income for the year for Posten Norge AS					(157)	(157)
Total comprehensive income			68		(211)	(143)
Equity as at 31.12.09	3 120	992	(10)	3	384	4 489
Equity as at 01.01.2010	3 120	992	(10)	3	384	4 489
Cash-flow hedging:						
- Changes in value/transferred to income			(12)			(12)
- Tax on changes in value			3			3
Other comprehensive income/(expenses)			(8)			(8)
Net income for the year for Posten Norge AS					799	799
Total comprehensive income			(8)		799	790
Equity as at 31.12.2010	3 120	992	(17)	3	1 182	5 279

Distributable reserves:	2010	2009	2008
Other equity *	1 182	384	595
Deferred tax asset	(335)	(621)	(693)
Distributable reserves before dividends	847	(237)	(98)

* Other equity excluding other reserves

NOTE 19 EQUITY (continued)

GROUP	Majority interests: Share capital	Share premium account	Hedging reserve	Fair value reserve	Translation differences	Other equity	Total	Minority interests	Total equity
Equity as at 01.01.08	3 120	992	29	3	4	1 630	5 778	8	5 786
Translation differences for the year					102		102		102
Cash-flow hedging:									
- Changes in value/transferred to income			(147)				(147)		(147)
- Tax on changes in value			41				41		41
Other comprehensive income/(expenses)			(106)		102		(4)		(4)
Net income for the year for the Group						(35)	(35)	7	(28)
Total comprehensive income			(106)		102	(35)	(39)	7	(32)
Dividend paid						(597)	(597)	(5)	(602)
Other changes in equity						11	11	(3)	8
Equity as at 31.12.08	3 120	992	(77)	3	106	1 009	5 153	7	5 160
Equity as at 01.01.09	3 120	992	(77)	3	106	1 009	5 153	7	5 160
Translation differences for the year					(114)		(114)		(114)
Cash-flow hedging:									
- Changes in value/transferred to income			95				95		95
- Tax on changes in value			(27)				(27)		(27)
Other comprehensive income/(expenses)			68		(114)		(46)		(46)
Net income for the year for the Group						111	111	7	118
Total comprehensive income			68		(114)	111	65	7	72
Dividend paid						(2)	(2)	(6)	(8)
Other changes in equity						(2)	(2)	(8)	(10)
Equity as at 31.12.09	3 120	992	(9)	3	(8)	1 116	5 214		5 214
Equity as at 01.01.10	3 120	992	(9)	3	(8)	1 116	5 214		5 214
Translation differences for the year					71	(51)	21		21
Cash-flow hedging:									
- Changes in value/transferred to income			(12)				(12)		(12)
- Tax on changes in value			3				3		3
Other comprehensive income/(expenses)			(8)		71	(51)	13		13
Net income for the year for the Group						276	276		276
Total comrehensive income			(8)		71	225	289		289
Dividend paid								(1)	(1)
Other changes in equity								(1)	(1)
Equity as at 31.12.2010	3 120	992	(17)	3	63	1 342	5 503	(2)	5 501

As of 31.12.10 the share capital consisted of 3 120 000 shares each with a nominal value of NOK 1 000. The company's shares are owned entirely by the Norwegian state, represented by the Ministry of Transport and Communications.

The Norwegian Private Limited Companies Act requirements that dividends must not lead to an equity ratio of less than 10 per cent and that the company cannot distribute more than that which is compatible with prudent and generally accepted business practices have been complied with. No dividend was paid in 2010 or 2009. In 2008 a total of MNOK 597 was paid in dividend to the Ministry of Transport and Communications, including an extraordinary dividend of MNOK 91. It is proposed that no dividend be paid this year.

The minority interests' share of the equity as at 31.12.10 totalled MNOK -2 (MNOK 0.4 million in 2009 and MNOK 7 in 2009).

For more information about tax and tax effects, refer to note 8.

NOTE 20 PROVISIONS FOR LIABILITIES AND CHARGES

POSTEN NORGE AS	Restructuring	Severance pay	Pensions	Other	Total
Balance 01.01.2008	**295**	**82**	**1 567**	**95**	**2 039**
Provisions recorded during the year	194	4		3	201
Reversal of previous year's provisions	(39)			(19)	(58)
Effect of discounting	10	3			13
Provisions utilised during the year	(55)	(18)			(73)
Change in pension liabilities during the year			29		29
Balance 31.12.2008	**405**	**71**	**1 596**	**79**	**2 151**
Provisions recorded during the year	328			4	332
Reversal of previous year's provisions	(167)	(5)			(172)
Effect of discounting	4	2			6
Provisions utilised during the year	(121)	(15)			(136)
Change in pension liabilities during the year			10		10
Transfer of liabilities	(29)		29		
Balance 31.12.2009	**419**	**53**	**1 635**	**83**	**2 190**
Provisions recorded during the year	23	5		1	29
Reversal of previous year's provisions	(58)				(58)
Effect of discounting		3			3
Provisions utilised during the year	(244)	(14)			(258)
Change in pension liabilities during the year			(875)		(875)
Balance 31.12.2010	**140**	**47**	**760**	**84**	**1 031**
Current part of the provisions	99	11			110
Non-current part of the provisions	**41**	**36**	**760**	**84**	**921**

GROUP	Restructuring	Severance pay	Pensions	Other	Total
Balance 01.01.2008	**316**	**82**	**1 825**	**125**	**2 348**
Provisions recorded during the year	245	4		13	262
Reversal of previous year's provisions	(46)			(1)	(47)
Effect of discounting	10	3			13
Translation differences	2		4		6
Provisions utilised during the year	(65)	(18)		(9)	(92)
Change in pension liabilities during the year			91		91
Balance 31.12.2008	**462**	**71**	**1 920**	**128**	**2 581**
Provisions recorded during the year	393			10	403
Reversal of previous year's provisions	(167)	(5)		(8)	(180)
Effect of discounting	4	2			6
Translation differences	(3)		(8)	(1)	(12)
Provisions utilised during the year	(178)	(15)		(8)	(201)
Change in pension liabilities during the year			51		51
Transfer of liabilities	(29)		34		5
Balance 31.12.2009	**482**	**53**	**1 997**	**121**	**2 653**
Reduction through sales of companies	(42)		(200)	(11)	(253)
Provisions recorded during the year	27	5		30	62
Reversal of previous year's provisions	(58)			(1)	(59)
Effect of discounting		3			3
Translation differences	3		4		7
Provisions utilised during the year	(265)	(14)		(3)	(282)
Change in pension liabilities during the year			(901)		(901)
Balance 31.12.2010	**147**	**47**	**900**	**136**	**1 230**
Current part of the provisions	105	11		11	127
Non-current part of the provisions	**42**	**36**	**900**	**124**	**1 103**

NOTE 20 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Restructuring

The parent-company account provisions of MNOK 23 during the year are related to:

Personell initiatives	12
Rent for empty premises	1
Other initiatives	10

Total provisions in the parent company as of 31.12.2010 were MNOK 140.This liability was split as follows:

Personell initiatives	92
Rent for empty premises	45
Other initiatives	3

It is expected that payments will be split into MNOK 99 in 2011, MNOK 31 in 2012 and MNOK 10 in later years. Restructuring costs are primarily connected to the establishment of the new post office concept and changes to the terminal structure in relation to the establishment of the new South-East Norway terminal at Robsrud.

In addition to Posten Norge AS, Group provisions totalled MNOK 7 million as at 31.12.2010. These provisions were split as follows: MNOK 3 for personnel-related measures, MNOK 3 for empty premises and MNOK 1 for other measures. It is expected that MNOK 6 will be paid in 2011 and MNOK 1 in 2012. The liabilities have been discounted.

Severance pay

Severance pay is payable to employees of the Norwegian state who have been made redundant, and is payable for the period until they obtain new employment. For employees of Posten Norge AS the scheme applies to redundancies made up to 31.12.2004 inclusive. When Posten Norge AS was established on 01.07.2002, the Norwegian state decided that the company itself would have to pay the severance pay costs relating to redundancies made between 01.07.2002 and 31.12.2004 inclusive. In 2010, the amount disbursed was MNOK 14 and provisions totalled MNOK 37 as at 31.12.2010.

The disbursements will take place up to 10 years into the future and depend on such factors as to what extent those receiving severance pay obtain new permanent or temporary jobs. There is therefore some uncertainty linked to the size of the provision, which has been determined on the basis of experience of such payments from 2003-2010. The provision is discounted.

Pensions

Pensions are described in further detail in note 3.

Other

Long-term provisions for liabilities include NOK 13 million for cleaning-up obligations linked to the plot of land at Alnabru.

NOTE 21 INTEREST-BEARING NON-CURRENT AND CURRENT LIABILITIES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Fixed interest rate loans			
1 048	1 298	898	Liabilities to credit institutions	898	1 298	1 048
1 048	**1 298**	**898**	**Total fixed interest rate loans**	**898**	**1 298**	**1 048**
			Floating interest rate loans			
1 697	1 029	599	Liabilities to credit institutions	599	1 029	1 718
1 497	1 498		Bond Loans		1 498	1 497
15	11	7	Financial lease obligations	65	136	162
270	53	174	Other non-current liabilities	174	53	276
3 479	**2 591**	**780**	**Total non-current floating interest rate liabilities**	**838**	**2 716**	**3 653**
4 527	**3 889**	**1 678**	**Interest-bearing non-current liabilities**	**1 736**	**4 014**	**4 701**
		4	Repayments 2012	32		
		403	Repayments 2013	410		
			Repayments 2014	1		
			Repayments 2015	1		
		1 271	Thereafter	1 292		
		1 678	**Non-current liabilities**	**1 736**		
		1 075	Liabilities to credit institutions	1 075		
		196	Other non-current liabilities	217		
		1 271	**Liabilities maturing after 5 years**	**1 292**		
		2 058	First year repayments on non-current liabilities	2 058		2
4	4	4	First year repayments on financial lease obligations	28	32	52
924	792	851	Debts to group companies			
		32	Other current liabilities	33		8
928	**796**	**2 945**	**Interest-bearing short-term liabilities**	**2 119**	**32**	**62**

The effective interest rate on Posten Norge´s floating interest rate loan is 3.53%. The effective interest rate is a calculated, weighted average. As of 31.12.2010, fixed interest rate agreements had been entered into for loans of MNOK 806 at an average interest rate of 4.5%, valid until 2018 - 2020

Debt to credit institutions in 2009 included a certificate loan of MSEK 200 which was within the framework of established overdraft facilities and was thus classified as long-term financing. The loan was repaid in 2010.

Liabilities linked to financial leases are reduced by regular payments of loan instalments. The weighted average effective interest rate on these loans was 4.6% for Posten Norge and 4.5% for the Group. Refer also to note 28.

Posten Norge had four private placement loans totalling MNOK 1063 as at 31.12.2010; the most recent loan was taken out in September 2008. A loan of MNOK 185 is due for repayment in 2011 and has been reclassified as a short-term interest-bearing liability. The value of the long-term private placement loans and associated interest/currency swaps is the estimated market value of the instruments. Posten Norge has an obligation to pay a fixed interest rate in JPY on the loans and, through the swaps, receives a fixed interest rate in JPY and pays a floating interest rate (3 months NIBOR) in NOK. The market values are calculated by the fixed cash flows in JPY being discounted by the current JPY interest-rate level and converted into NOK at the current exchange rate (JPY/NOK). Posten Norge utilises the 'fair value option' when recording these loans - refer also to note 23. Other long-term liabilities included interest/currency swaps linked to a private placement loan.
Posten Norge has not entered into any new loan agreements in 2009 or 2010. In 2008 Posten Norge entered into loan agreements with terms from 3 to 12 years, of which MNOK 1 500 was in the Norwegian bond market (amortised cost as at 31.12.2009 was MNOK 1 498 and as MNOK 1 497 as at 31.12.2008), MNOK 750 in the Nordic Investment Bank (NIB) and MNOK 148 in private placement.

The fair value of long-term debt is estimated using interest terms for debt with corresponding terms and credit risk, and equates to book value. Financial debt is booked at amortised cost, which equates to actual value calculated as the present value of estimated cash flows utilising the interest rate applicable for equivalent debt on the balance-sheet date.

NOTE 22 INTEREST-FREE NON-CURRENT AND CURRENT LIABILITIES

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
1 615	1 507	1 499	Provisions for payroll expenses and public charges	1 839	2 481	2 553
513	442	410	Provisions for accrued expenses	816	1 057	1 226
248	387	367	Prepaid revenues	399	578	415
410	262	296	Other receivables	1 210	1 366	1 806
313	291	78	Debts to group companies			
256	307	110	Restructuring and severance pay, curernt	116	367	306
80			Current derivatives			80
162	330	525	Other liabilities	791	811	408
3 597	**3 526**	**3 285**	**Interest-free current liabilities**	**5 172**	**6 660**	**6 794**
158	32		Non-current derivatives		32	158
100	70	5	Other interest-free non-current liabilities	5	70	235
258	**101**	**5**	**Interest-free non-current liabilities**	**5**	**102**	**393**

Other short-term liabilities in 2010 in Posten Norge included a provision for the ESA fine of MNOK 101 (MEUR 12.89 that was imposed on Posten Norge in 2010. Refer to note 31. Other current liabilities in 2009 included provisions for the mandatory purchase of minority shares in subsidiaries that were formerly classified as other non-current liabilities. Other current liabilities in 2008 included provisions related to earn-out agreements in connection with the acquisition of Cetei AB and Bring Dialog Sverige AB (formerly Bring Dialogue Sweden AB) that were paid in 2009.

NOTE 23 FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities

GROUP	Available for sale	Fair value through profit	Derivatives utilised for hedging	Liabilities and Receivables	Other financial liabilities	Non-financial assets and liabilities	Total
Assets							
Intangible assets						3 368	3 368
Deferred tax asset						415	415
Tangible fixed assets						4 137	4 137
Investments in shares	5						5
Investments in associated companies						1 465	1 465
Interest-bearing long-term receivables				29			29
Other long-term receivables			2	36			38
Inventories						27	27
Interest-free short-term receivables			7	3 281			3 288
Interest-bearing short-term receivables				635			635
Liquid assets				2 232			2 232
Assets held for sale						128	128
Total assets	**5**		**9**	**6 213**		**9 541**	**15 767**
Liabilities							
Provisions for liabilities					1 103		1 103
Interest-bearing long-term liabilities		893	28		815		1 736
Interest-free long-term liabilities					5		5
Interest-bearing short-term liabilities		185	(1)		1 936		2 119
Interest-free short-term liabilities					5 172		5 172
Taxes payable					131		131
Total liabilities		**1 078**	**26**		**9 162**		**10 266**

NOTE 23 FINANCIAL INSTRUMENTS (continued)

1. "Available for sale" financial assets:

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
4	3	3	Investments in shares	5	5	6

Financial assets classified as available for sale are valued at their fair value. Refer also to note 12.

Posten Norge AS owns 25 per cent of the shares in Fagernes Skysstasjon AS, a property company.
The fair value of the shares is assessed at MNOK 3 based on a valuation of the company.
For other shares classified as held for sale in the Group totalling MNOK 2 fair value is estimated to equal cost price.

2. Fair value through profit or loss financial obligations:

Posten Norge has made use of the opportunity to utilise the "fair value option" (FVO) in the revised IAS 39 for loans with associated derivatives that have previously been recognised as a real value hedge.

Posten Norge has three loans which are classified as fair value through profit or loss under the 'fair value option' as at 31.12.10. In 2003 and 2004, Posten Norge took out three long-term loans with three different Japanese annuity companies for JPY 6.4 billion, JPY 5.0 billion and JPY 3.0 billion. In 2008 Posten Norge entered into a new loan agreement for JPY 3.0 billion. These loans have fixed interest rates, so their value in NOK depends on exchange rate developments and changes to the Japanese and Norwegian long-term interest-rate levels. At the same time these loan agreements were entered into, combined currency and interest-rate swap agreements were entered into which, combined with the loans, effectively provided loans in NOK with the interest rates set every third month. One of the loans for JPY 3.0 billion with related currency and interest rate swaps is classified as short-term as at 31.12.2010.

The values of the loans in NOK when the agreements were entered into were MNOK 400, MNOK 330, MNOK 185 and MNOK 148 respectively - a total of MNOK 1 063. As at 31.12.2010, these loans were recognised at a total value of MNOK 806 (MNOK 1 014 million as at 31.12.2009 and MNOK 773 as at 31.12.2008) and the interest-rate and currency swap agreements were recognised at MNOK 257 (MNOK 49 as at 31.12.2009 and MNOK 190 as at 31 December 2008). The change in the swap agreements' fair value in 2010 totalled MNOK 208 (MNOK -241 in 2009 and MNOK 48 in 2009). The total change in the fair value of the swap agreements since the implementation of IFRS on 01.01.2005 is MNOK 168.

Changes in interest rates or exchange rates that lead to changes in the value of the JPY loans measured in NOK are counteracted by changes in the value of the combined currency and interest-rate swaps. The swap counterparty's and loan counterparty's risk are virtually the same.

3. Derivatives
Derivatives capitalised at their fair value as at 31 December

POSTEN NORGE AS 2010			GROUP 2010	
Assets	Liabilities		Assets	Liabilities
		Cash flow hedging		
	31	Interest-rate swaps		31
7		Forward exchange contracts SEK 3)	2	
		Forward exchange contracts EUR	7	
		Fair value hedging		
	(5)	Interest-rate swaps		(5)
		Not hedging		
2		Forward exchange contracts SEK 3)		
	257	Combined interest-rate/currency swaps 1)		257
	15	Interest-rate swaps 2)		15
9	299	Total	9	299

POSTEN NORGE AS 2009			GROUP 2009	
Assets	Liabilities		Assets	Liabilities
		Cash flow hedges		
	21	Interest-rate swaps		21
		Forward exchange contracts SEK 3)	46	
8		Forward exchange contracts EUR	8	
		Fair value hedges		
	(15)	Interest-rate swaps		(15)
		Not hedged		
46		Forward exchange contracts SEK 3)		
	49	Combined interest-rate/currency swaps 1)		49
	11	Interest-rate swaps 2)		11
55	66	Total	55	66

2008			2008	
Assets	Liabilities		Assets	Liabilities
		Cash flow hedges		
	28	Interest-rate swaps		28
		Forward exchange contracts SEK 3)		117
	80	Forward exchange contracts EUR		80
		Fair value hedges		
26		Currency swaps	26	
	(21)	Interest-rate swaps		(21)
		Not hedged		
	117	Forward exchange contracts SEK 3)		
	290	Combined interest-rate/currency swaps 1)		290
		Forward exchange contracts 2)		3
	13	Interest-rate swaps 2)		13
26	507	Total	26	509

The total contractual amount (MNOK) for interest-rate swaps and forward contracts capitalised as at 31.12.2010:

NOTE 23 FINANCIAL INSTRUMENTS (continued)

Total contractual amount (MNOK) for interest-rate swaps and forward contracts capitalised as at 31.12.10:

	Remaining period			Total contractual amount		
GROUP	Less than 1 year	1 – 5 years	More than 5 years	2010	2009	2008
Cash flow hedges						
Interest-rate swaps	400	750		1 150	1 150	900
Forward exchange contracts SEK	1 222			1 222	2 149	2 450
Forward exchange contracts EUR	165			165	239	414
Fair value hedges						
Currency swaps						135
Interest-rate swaps	400			400	400	400
Not hedged						
Interest-rate/currency swaps 1)	185	400	626	1 211	1 211	1 211
Inflation swaps (net) 4)						1 000
Total	2 372	1 150	626	4 148	4 638	6 510

[1] Interest-rate/currency swaps linked to long-term loan agreements in which both the loans and derivatives are classified as 'fair value through profit or loss' – refer to the more detailed description in item 2.

[2] Forward exchange contracts classified as fair 'value through profit or loss' and entered into in order to manage the risk relating to some EUR revenues and interest.

[3] Forward exchange contracts for hedging investments in foreign subsidiaries are only considered hedging for the Group and not for Posten Norge. See point 4 below

[4] Inflation-indexed interest-swap agreements classified as fair value through profit or loss and entered into to protect the group's competitive ability by safeguarding the company against costs that are positively correlated to inflation. The swap was classified as fair value through profit or loss. Under the agreement, Posten Norge receives the percentage change in the Norwegian consumer price index over the coupon period (annually) as well as a fixed spread of the inflation index in return for paying three months' NIBOR each quarter. In 2009 parts of the agreement were cancelled, and the principal amount covered by the agreement was MNOK 700 as at 31.12.2009. In 2009 an agreement was also entered into with Debtor for a real interest rate bond where the cash flows are counteracted by the cash flows from the remaining inflation indexed interest rate exchange agreement. As a consequence the inflation swap is eliminated provided that the consumer price index is greater than or equal to 0.

Cash flow hedges

Interest-rate hedges—non-current loans

Posten Norge has two loans with Nordiska Investeringsbanken (Nordic Investment Bank) for MNOK 400 (taken out in 2005) and MNOK 750 (taken out in 2008) on which the interest is determined every six months. In order to ensure fixed interest-rate conditions, interest-rate swaps for MNOK 1 150 have been entered into so that Posten Norge pays a fixed net interest rate on the hedged loans. The hedged loans and interest-rate swaps have the same main conditions and the cash-flows are expected to continue until 2011 for the loan taken out in 2005 and until 2016 for the loan taken out in 2008. In 2010 MNOK 19 million was taken through the income statement. (MNOK 12 in 2009 and MNOK 10 in 2008) . As at 31.12.2010 the loan of MNOK 400 with related interest-rate swaps was classified as short-term.

Currency hedges – EUR revenues

Posten Norge had revenues of approximately MEUR 29 for distributing post from abroad in 2010 and expects revenues of approximately MEUR 32 in 2011. Some of the exchange-rate risk is hedged by selling forward exchange contracts in EUR. The change in value of forward exchange contracts that are effective hedging instruments is recognised in equity. The cash flows in the form of earned Euro revenues are charged to the income statement each month. I 2010 MNOK 17 was transferred from equity to operating revenues as a reduction in income (MNOK 17 as a reduction in income in 2009 and MNOK 3,8 as an increase in income in 2008) due to realised EUR revenues. In addition MNOK NOK 1.0 was transferred to financial expenses (MNOK 2.6 in 2009 and MNOK 1.5 million in 2008) due to exchange rate differences. As at 31.12.2010 sales forwards have been entered into of MEUR 20 for 2010, and an unrealised loss of approximately MNOK 7 has been capitalised as a result of the weakness of the NOK against the EUR.

Fair value hedges

Land logistics

Posten Norge has agreed to buy machinery worth EUR 15 million for the Land Logistics project during the 2009-2010 period. The exchange-rate risk linked to these investments is hedged by EUR forward exchange contracts for equivalent amounts. The changes in the value of the forward exchange contracts and corresponding unrealised gains/losses on the purchase contracts were recognised in the balance sheet until the investments were recognised in the financial statements. As at 31.12.2009 the final EUR purchase had been completed and the fair value of the forward contracts recognised in the balance-sheet and the unrealised gains/losses on the purchase contract were 0. This was the equivalent of a change in 2009 of MNOK 26 (MNOK 24 in 2008) and MNOK 33.7 (MNOK 34.2). In 2009 the accumulated realised net gain for the instalments of a total of MNOK 9.7 was recognised as a reduction in the acquisition cost of machinery.

Bond Loans

Posten Norge issued bond loans to the equivalent of MNOK 1 500 in 2008 where MNOK 1 100 million was on floating terms and MNOK 400 was on fixed terms. Posten Norge entered into an interest-rate swap from fixed to floating interest so that the entire loan is on floating terms. The change in value for the interest-rate swap will be recognised in the balance sheet until the loan is due for repayment in 2011. As at 31.12.10 the fair value of the interest-rate swap recognised in the balance sheet was MNOK 5. The value of the interest-rate swap is adjusted for gains/losses if rolled over, but no rollover occurred in 2010 (this constituted a gain of MNOK 2.8 in 2009). As at 31.12.2010 the loans with related interest-rate swaps was classified as current.

4. Hedges of investments in foreign entities:

	2010	2009	2008
Forward exchange contracts	1 222	2 149	2 450
Total	**1 222**	**2 149**	**2 450**

Since 2005 Posten Norge has used forward exchange contracts in Swedish kroner (SEK) to hedge investments in foreign subsidiaries. Posten Norge has entered into a total of MSEK 1 399 in revolving forward exchange contracts, of which MSEK 65 relates to Bring Express AB, MSEK 675 relates to Bring Frigoscandia AB, MSEK 60 relates to Bring Mail Nordic AB, MSEK 374 relates to Bring Cargo Sverige (formerly Bring Logistics Sverige) companies and MSEK 225 relates to CombiTrans AB. The decline from 2009 mainly relates to hedging concerning one of ErgoGroup's subsidiaries in Sweden, SYSteam. Refer to note 26. The changes in the value of the instalments are offset in the Group against the translation differences from the investments recognised in equity until the investments are sold. Should the hedges be ineffective, the change in value is recognised in the income statement.

5. 5. Hedging reserve in equity:

Movements in hedging reserves in equity (refer to note 19) split between interest-rate swaps and forward (exchange) contracts:

GROUP	Interest-rate swaps	Forward contracts	Total Hedging reserve
Balance at 01.01.2008	**16**	**12**	**29**
Changes in value	(41)	(81)	(122)
Transfers to income statement	(10)	(15)	(25)
Associated deferred taxes	14	27	41
Balance 31.12.2008	**(20)**	**(57)**	**(77)**
Changes in value	(4)	73	69
Transfers to income statement	12	15	26
Associated deferred taxes	(2)	(25)	(27)
Balance 31.12.2009	**(15)**	**6**	**(9)**
Changes in value	(29)	17	(12)
Transfers to income statement	19	(18)	
Associated deferred taxes	3		3
Balance 31.12.2010	**(22)**	**5**	**(17)**

Of the total movement of MNOK -8 in the hedging reserve in 2010 (MNOK 69 in 2009 and MNOK -106 in 2008), all was related to Posten Norge.

NOTE 24 FINANCIAL RISK

RISK MANAGEMENT IN POSTEN NORGE
The basis of Posten Norge's financial risk management is that the individual manager in the Group must have sufficient knowledge about all substantial financial risk within the manager's area of responsibility.

Through defined processes, the handling of financial risks shall be reported in order to ensure that the responsibilities of the Board of Directors and Management have in accordance with existing legislation and principles for good corporate governance are fulfilled. Every year a risk analysis assessment is completed to evaluate the Group's total risk. The analysis highlights corporate areas of risk and the measures that have been implemented in order to manage and control these risks.

ORGANISATION AND AUTHORISATION STRUCTURE
The Board of Directors: A risk analysis is presented to Posten Norge's Board of Directors on an annual basis. The Board discusses the administration's evaluation of the total corporate risk picture related to the areas of strategic risk, financial risk, operational risk, and corporate reputation risk.

Authorisation: Authorisations are required for appropriations and investments. Overall limits are determined by the Board and can be delegated in the organisation.Follow up is by Management.

FOLLOW UP AND APPLICATION
Accountability: All managers are responsible within their area of responsibility and shall have complete insight and understanding of the risk picture at all times.

Risk reporting: The risk reporting in the Group shall ensure that all managers have necessary information about the level of risk and risk development. The Board receives a yearly risk analysis and a yearly analysis of corrective measures.

Utilisation of risk information: Risk management is incorporated in Divisional management.

USE OF FINANCIAL DERIVATIVES
Financial derivatives are agreements used to determine financial values through interest terms, currency exchange rates, and values of equity instruments for specific Derivatives include swaps and fixed-price agreements (forward contracts). Posten Norge utilises financial derivatives to handle market risks that arise due to the Group's regular operations, and to ensure the value in the balance sheet of foreign enterprises (translation differences). The Group's counterparties and issuers have low credit risk (see the table for credit risk below)

THE FOLLOWING DERIVATIVES ARE UTILISED BY THE GROUP FOR HEDGING PURPOSES:
Futures: An agreement to purchase or sell foreign exchange in the future at a pre-determined price. Posten Norge primarily uses currency futures to secure revenues in EUR and to secure investments in foreign currency.

Swaps: Transactions where two parties exchange cash flows for an agreed amount over an agreed period. The majority of swaps are tailor-made and trades occur outside an official exchange.

The most important forms of swaps utilised by Posten Norge are:
Swaps **Interest-rate swaps**
- exchange of cash flows for an agreed period where one party in the swap pays fixed interest and the other floating interest

Swaps **Currency swaps**
- an agreement between two parties to exchange one currency with another, with an agreement to exchange these back again at a future point in time at an agreed rate. The exchange rate is determined from the current spot rate and the interest rate difference between the two respective currency's countries

Swaps Combined **interest-rate and currency swaps**
- the parties exchange both currency and interest rate terms

CATEGORIES OF RISK
For risk management purposes Posten Norge separates the following forms of risk:

Strategic risk is the risk of loss due to changes in external factors such as the economic situation or government regulations.

Financial risk includes among other factors:
Credit risk: Risk of loss caused by a counterparty/customer who fails to fulfil its payment obligations to the Group.
Credit risk concerns all financial assets from the counterparty/customer, mainly interest-bearing securities, but also responsibilities pursuant to other
issued credits, guaranties, leasing, approved credits not utilised, as well as counterparty risk from derivatives and currency contracts.

Financial market risk: Occurs due to the Group's open positions in currency, interest-rate, and energy instruments and the risk is related to variations in earnings due to changes in market prices or exchange rates.
Liquidity risk: The risk that the Group is unable to meet its financial obligations.

Operational risk: the risk of loss caused by process or system weaknesses or errors, errors committed by employees, or external events.

Corporate reputation risk: Risk of reduction in revenues and access to capital due to falling confidence and reputation in the market, with respect to customers, counterparties, owners or authorities.

Risk management is a specialist area in the Group that is continuously developing, and measurement methods and tools are constantly being improved.

Financial risk **Credit risk**
Credit risk is the risk that a party to a financial instrument will cause a financial loss for the other party by not fulfilling its obligations. Responsibility pursuant to other issued credits, guarantees, interest-bearing securities, approved credits not utilised and counterparty risk occurring through derivatives and currency contracts also carries credit risk. Since the contracting party in a derivative trade is normally a bank, the credit risk relating to derivatives is considered slight. The financial turbulence in 2008 has resulted in the Group more often choosing counterparts with less credit risk. The table below shows the credit risk for the Group's most important business partners where all have an A- rating or better.

	Standard & Poor	Moody's
DnB NOR Bank ASA	A+	Aa3
Nordea Bank Norge ASA	AA-	Aa2
Fokus Bank	A	A1
WestLB AG	A-	A2
BNP Paribas Oslo Branch	AA	Aa2
Svenska Handelsbanken	AA-	Aa2
Intesa Sanpaolo Group	AA-	Aa1
Commerzbank Europe (Ireland)	A+	Aa3
Skandinaviske Enskilda Banken AB	A+	A1
Societe Generale Oslo	A+	Aa2
Fortis International Finance (Dublin)	A	A1
ING Bank N.V., Dublin Branch	A	A1

Credit risk associated with financial assets:
The Group has no significant credit risk relating to one individual contracting party, or several contracting parties, that can be regarded as one group due to similarities in credit risk. The Group has guidelines to ensure that sales are only made to customers that have not had any significant payment problems earlier on and that outstanding amounts do not exceed stipulated credit limits.

Since the Group has no financial assets outside the balance sheet, the maximum risk exposure is represented by the balance sheet value of the financial assets, including derivatives, in the balance sheet. The Group therefore regards its maximum risk exposure to be the balance sheet value of its accounts receivable and other current assets. Refer to note 16 for more detailed specifications of interest-free short-term receivables.

Credit risk linked to the Group's financial investments:

RISK CLASSIFICATION:

	Likelihood of annual default (in percent)		External rating
Risk category	From	To	Moody's
1	0,00	0,26	Aaa - A
2	0,27	0,43	Baa
3	0,44	6,76	Ba
4	6,77	7,56	B

Source: Moody's Investors Service April 2010

PARTICIPATION DISTRIBUTED BY RISK GROUPS:

Total market based placements as at:	1-2	3-4
31. December 2008	25	
31. December 2009	300	
31. December 2010	1215	

THE MARKET BASED PLACEMENTS CONSIST OF:

Loans	31.12.2010	31.12.2009	31.12.2008
DnB Nor	405	100	
Pareto	405	100	
Pareto high interest			
Danske (Hedge fund)			
Nordea	404	100	
Other			
Total Posten Norge AS	**1 214**	**300**	
DnB Nor			
Handelsbanken			15
Danske Bank			9
Nordea	1		1
Total for the Group	**1 215**	**300**	**25**
Level of loss (NOK):			1,58
Normalised losses including loss of interest in percentage of loans:			0,13

Calculation of the level of loss is based on an assessment of the likelihood that losses will occur in the future (frequency of default). The maximum loss on Posten Norge's investments is calculated to be MNOK 1.58 given the counterparty´s credit risks.

NOTE 24 FINANCIAL RISK (continued)

Financial risk **Market risk**
Market risk is due to the Group's open positions in currency, interest rate, and energy instruments.
The risk is linked to variations in earnings due to changes in market prices or exchange rates.
Norway Post's objective is to secure the risk linked to both cash flows and the balance sheet (as a consequence of exchange rates and interest rate changes).

Currency
The market risk is limited by reducing the effects of the exchange rate on revenues and in the balance sheet through the use of forward contracts.

	Exchange rate 01.01.2010	Average exchange rate - 2010	Exchange rate 31.12.10
Swedish kroner	0,8099	0,8394	0,8707
Danish kroner	1,1173	1,0751	1,0480
Euro	8,3150	8,0065	7,8125
British Pound Sterling	9,3170	9,3353	9,0680
US Dollar	5,7767	6,0437	5,8564

As the Norwegian krone (NOK) is the Group's presentational currency, Posten Norge is exposed to Translation risks linked to the Group's net investments. Posten Norge enters into forward contracts to eliminate Translation differences in the books on a monthly basis as much as possible. This is done by entering into forward contracts equal to the purchase sum, which revolve until there is a decision either to sell the acquired company, or to follow another strategy related to risk elimination, for example loans in foreign currency. Posten Norge utilises hedge accounting for the majority of hedges of future transactions, either cash flow hedging or value hedging. For example, Posten Norge is a net importer of mail to Norway, which results in receivables against foreign postal operators. Net terminal income from foreign postal operators amounts to approximately MNOK 400 where the revenue flow is principally in EUR but also USD and SDR. Posten Norge has currently hedged only the revenues in EUR, which amount to approximately MNOK 20 per year.

Outstanding currency futures linked to hedging of future cash flows and the sensitivity to fluctuations in foreign exchange rates +/- 20 % NOK:

MNOK	Purchase currency	Currency amount	Sales currency	Currency amount	Maturity	Equity effect change +/- 20% [1]
Hedging of revenues in Euro:	NOK	165	EUR	20	02.08.2011	33
Hedging of investments in foreign units:	NOK	1 222	SEK	1 399	2011	244

[1] Currency exchange rates as at 31.12.2010

Fluctuations in foreign exchange rates will result in an equity effect in the Group financial statements for EUR incomes and an equity effect in the parent company financial statements for hedging of investments in foreign enterprises.

Interest rate:
Posten Norge's interest rate risk is mainly linked to the Group's debt portfolio. This type of risk is managed at the corporate level.

The Group's goal is that the interest costs shall follow the general development in the money market, but fixed interest rate loans and fixed rate agreements can be entered into to a certain degree

when there is risk for abnormally high money market interest rates, and financial advantages can be expected from fixed interest rate terms.

As at 31.12.2010, 23% of the Group's interest-bearing liabilities had an interest term of more than one year. As at 31.12.2010 Posten Norge had MNOK 898 in fixed interest rate loans. A change in the interest rate of +/- 1% on these loans would affect equity by a total of +/- MNOK 9.

The interest rate sensitivity (+/- 1%) linked to the net interest bearing debt (floating interest rate only) as at 31.12.2009 was MNOK 3.3 where net interest bearing debt with a floating

interest rate was MNOK 325. Interest rate risk arises when there is an imbalance between interest bearing debt and interest bearing liquid assets, and where the average weighted time to maturity for assets and debt is unequal.

Intstrument and fixed interest distributed debt portfolio for floating interest rate debt:

MNOK		Next interest rate regulation	
2010	**31.12.2010**	**0-3 months**	**3-6 months**
Private Placement	915	915	
Bond Loans	1 500	1 500	
Bank loans/other loans	142	142	
Gross interest-bearing liabilities (floating interest rate)	**2 557**	**2 557**	
Liquid assets	2 232	2 232	
Net interest-bearing liabilities (floating interest rate)	**325**	**325**	
2009	**31.12.2009**		
Certificate loan	162	81	81
Private Placement	915	915	
Bond Loans	1 498	1 498	
Bank loans/other loans	173	173	
Gross interest-bearing liabilities (floating interest rate)	**2 748**	**2 667**	81
Liquid assets	1 934	1 934	
Net interest-bearing liabilities (floating interest rate)	**814**	**733**	81
2008	**31.12.2008**		
Certificate loan	550	550	
Private Placement	915	915	
Bond Loans	1 497	1 497	
Bank loans/other loans	529	529	
Gross interest-bearing liabilities (floating interest rate)	**3 491**	**3 491**	
Liquid assets	1 837	1 837	
Net interest-bearing liabilities (floating interest rate)	**1 654**	**1 654**	

Inflation indexed interest rate swaps:
In 2006, Posten Norge entered into an inflation indexed interest rate exchange agreement of MNOK 1 000 to protect the Group's competitiveness by hedging against costs that are positively correlated to inflation. Under the agreement, Posten Norge receives the percentage change in the Norwegian consumer price index over the coupon period (annually) as well as a fixed spread of the inflation index in return for paying three months' NIBOR each quarter. The agreement has a duration of 10 years.
In 2009 MNOK 300 of the principal was cancelled through an agreement with the counterparty. In addition, agreements were entered into for the remaining NOK 700 million for the issue of real interest rate bonds providing cash flows approximately equal to the original agreement.

Financial risk Liquidity risk (related to financial instruments):
To ensure the Group's financial freedom, there are a defined goals for both liquidity and loan reserves. The liquidity reserve, consisting of bank deposits and unused credits, shall be a minimum of 15 per cent of the Group's operating revenues. The debt reserves consisting of unused credits less loans that expire within 360 days shall be a minimum of 10 per cent of the Group's operating revenues.

Liquidity risk is the risk that the Group is unable meet its financial obligations when they mature, resulting in a default.

NOTE 24 FINANCIAL RISK (continued)

Maturity structure of the Group's loans/financial liabilities

MNOK

Balance 31.12.2010	Average interest rate	Year 1	Years 2 to 5	Over 5 years	Total
	3,53 %				
Liabilities to credit institutions [1]		558	669	806	2 033
Bond Loans		1 500			1 500
Financial derivatives		32	61	135	228
Financial lease		4	7		11
Total Posten Norge AS		**2 094**	**737**	**941**	**3 772**
Financial lease		24	38	20	82
Other interest-bearing liabilities		1			1
Total Group		**2 119**	**775**	**961**	**3 855**

The Group also has running fixed and floating contractually stipulated interest rate payments, cf. the Group's interest rate management principles which are explained in more detail in the sector on market risk/interest.

Balance 31.12.2009	Average interest rate	Year 1	Years 2 to 5	Over 5 years	Total
	4,12 %				
Liabilities to credit institutions [1]			973	1 191	2 326
Bond Loans		162	1 498		1 498
Financial derivatives			17	37	54
Financial lease		4	11		15
Total Posten Norge AS		**166**	**2 499**	**1 228**	**3 893**
Financial lease		28	74	51	153
Total Group		**194**	**2 573**	**1 279**	**4 046**

Balance 31.12.2008	Average interest rate	Year 1	Years 2 to 5	Over 5 years	Total
	6,50 %				
Liabilities to credit institutions [1]		550	1 101	1 072	2 723
Bond Loans			1 518		1 518
Financial derivatives			113	156	269
Financial lease		4	15		19
Other interest-bearing liabilities				2	2
Total Posten Norge AS		**554**	**2 747**	**1 230**	**4 531**
Financial lease		48	146	1	195
Liabilities to credit institutions		2	7	14	23
Other interest-bearing liabilities		8	5	2	15
Total Group		**612**	**2 905**	**1 247**	**4 763**

[1] Certificate loans that are rolled over annually, and which are within the limits of established draw-down facilities, are classified as long-term financing under debt to credit institutions, even if the maturity date is up to one year. As at 31.12.2010 the Group's EUR 500 million facility had not been used.

Managing capital
The Group has a goal to ensure maximum accessibility, flexibility, and return on the Group's liquid assets at the same time as limiting its credit risk. This is achieved by concentrating all available liquidity in the Group's corporate account system, and by having a conservative administrative profile with significant emphasis on liquid placements. The Group has centralised overall responsibility for liquidity management and measures that promote effective utilisation of the company´s capital.

The Group manages the capital structure where the objective is to have the financial strength to resist commercial changes. The Group has long-term draw-down facilities which constitute a significant capital buffer against unexpected financial needs. The draw-down facilities have been taken up with a bank syndicate where all participants have an A- rating or better (see the table above), which also limits counterparty risk.

The Group measures capital utilisation by using the liability ratio, which is net interest-bearing liabilities divided by equity. Net interest-bearing liabilities consist of interest-bearing short and long-term liabilities less liquid assets in the forms of cash, bank balances, and short-term placements. In addition, net interest-bearing liabilities divided by EBITDA are used to measure whether operating earnings are sufficient to service the Group's external debt. The goal is that net interest-bearing liabilities shall not exceed 3.5 times EBITDA. There were no changes to the Group's goals, principles or processes related to capital management during 2008, 2009 or 2010.

POSTEN NORGE AS				GROUP		
2008	2008	2010		2010	2009	2008
5 455	4 685	4 623	Interest-bearing debt	3 855	4 046	4 763
993	1 334	2 047	Interest-bearing liquid assets	2 232	1 934	1 837
4 462	3 351	2 576	Net liabilities	1 623	2 112	2 926
4 632	4 489	5 279	Total equity	5 501	5 214	5 160
1,0	**0,7**	**0,5**	**Debt ratio**	**0,3**	**0,4**	**0,6**
29,1 %	**30,5 %**	**37,1 %**	**Share of equity**	**34,9 %**	**28,3 %**	**26,4 %**
618	711	1 313	EBITDA*	1 630	1 959	1 589
7,2	**4,7**	**2,0**	**Net debt / EBITDA**	**1,0**	**1,1**	**1,8**

* Net debt and EBITDA for the Group for 2009 and 2008 include both continued and discontinued operations

Debt covenants
Norway Post has debt covenants. The company's biggest loan facility contains a clause stipulating that investments shall not increase the Group's net interest-bearing debt to more than 3.5 x EBITDA, where EBITDA is measured for a period of the last 12 months on the balance sheet day of each quarter. As at 31.12.2010 this was 1.0 x EBITDA (1.1 as at 31.12.2009 and 1.8 x as at 31.12.2008).

Two loan agreements also include a covenant for a minimum of 25% equity. As at 31.12.2010 the equity ratio was 34.7% (28.3% as at 31.12.2009, 26.4% as at 31.12.2008).

In addition the following covenants apply to the majority of loan agreements:
- Change of control covenant: 51% Government ownership
- Ban on pledging assets (negative pledge)
- Cross default, default in one agreement leads to all agreements being deemed to be in default

In the agreements with the Nordic Investment Bank there are also restrictions regarding entering into new financial lease transactions.

Breaching the terms of covenants results in a demand to repay all interest-bearing debt or potentially the renegotiation of loan agreements.

There are no restrictions on the annual regulation of the levels of debt covenants in the loan agreements. The level of the financial key figures in the covenants is followed up closely and reported to management on a regular basis.

In 2010, Posten Norge AS has continued the measures started in 2009 to reduce financial risk and increase financial freedom. Discipline in the use of capital, a halt to acquisitions and a particular focus on cost-reducing measures have more than compensated for reduced income due to the lower sales volume in 2010. This has resulted in an increase in profits and equity and created the basis for increased headroom to implement strategic investment. In 2010 the balance sheet was further strengthened due to strong cash flow, limited investments and a further reduction in the Group's receivables. No new long-term loans were taken up during the period and surplus profits were invested on favourable terms.

NOTE 25 FAIR VALUE MEASUREMENT

Measurements at fair value
The following methods and assumptions are used in calculating fair values of financial assets and liabilities:

- Fair values of financial assets classified as "available for sale" are determined by the stock market price on the balance-sheet day, if they are listed. For unlisted assets the fair value is evaluated as not being significantly different from the historical cost.

- Fair values of forward currency contracts are determined by utilising the forward rate at the balance sheet date. Fair values of currency swaps are determined by calculating the present value of future cash flows. For all derivatives, fair values are confirmed by the financial institution with which the company has made arrangements.
- The following of the company's financial instruments have a fair value approximately equal to book value: Cash and cash equivalents, accounts receivable, other short-term receivables, other long-term interest-bearing liabilities, overdraft financing, parts of long-term liabilities, supplier liabilities and other short-term liabilities.

- Capitalised values of cash, cash equivalents and overdraft financing are approximately equal to fair value as these instruments have short maturity. Capitalised values of accounts receivable and supplier liabilities are approximately equal to fair value since they also have short maturity.

- Fair value of long-term liabilities is calculated using listed market prices, or interest rate terms for liabilities with an approximate maturity period and credit risk

- For financial assets and liabilities booked at amortised cost, fair value is approximately equal to amortised cost when it is calculated as the present value of estimated discounted cash flows using an interest rate from equivalent debt and assets on the balance sheet date.

Fair value of derivatives designated as hedging instruments is booked as other short-term receivables/other short-term debt, or other long-term receivables/other long-term debt depending on the maturity date of the corresponding hedged object.

NOTE 25 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy
As at 31.12.10 the Group had the following financial assets and liabilities measured at fair value:

The Group uses the following hierarchy to define fair value per valuation method:

Level 1: Listed prices (non-adjusted) in active markets for identical assets or liabilities
Level 2: Other input than listed prices included on level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices)
Level 3: Input for the asset or liability that is not based on observable market data (non-observable input)

Description	Fair value measurement per level			Total 2010	Total 2009
	Level 1	Level 2	Level 3		
Assets measured at fair value					
Available for sale assets:					
Other investments in shares			5	5	5
Derivatives designated as hedging instruments:					
Cash flow hedging		9		9	9
Total		9	5	14	14
Liabilities valued at fair value					
Financial obligations valued at fair value through profit or loss:					
Loans		806		806	1 014
Derivatives designated as hedging instruments:					
Cash flow hedging		31		31	21
Fair value hedging		(5)		(5)	(15)
Derivatives not designated as hedging instruments:					
Not hedged		272		272	60
Total		1 104		1 104	1 080

No financial assets have been re-classified in such a way that the valuation method has been changed from amortised cost to actual cost, or vice versa. There were no transfers between level 1 and level 2 fair value measurements in 2009, and no recording of financial assets in or out of level 3.

NOTE 26 DISCONTINUED OPERATIONS

ErgoGroup merger / discontinued operations
The merger between Posten Norge's wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA (EDB) was completed on 14.10.2010 and recognised in the accounts as of 30.09.2010, resulting in a loss to the Group of MNOK 817. The combined company will be a leading Nordic IT company and enable increased organic growth and provide the financial strength to be able to exploit strategic and structural opportunities.

Posten Norge acquired 47% of the combined company on completion of the merger. ErgoGroup AS was wound up and assets, rights and liabilities were transferred to EDB Business Partner. Upon completion of the merger EDB Business Partner ASA changed its name to EDB ErgoGroup ASA and issued 81 064 078 new shares to Posten Norge Group as compensation.

For accounting purposes, Posten Norge's ownership interest in the new combined company is treated as an associated company. The value of the associated company at the time of the merger was MNOK 1 297, based on the market value at the time the implementation of the merger was recognized as being completed under company law. The share of the combined company's profits is classified under operation and for the fourth quarter of 2010 an expense of MNOK 30 equivalent to the Group's share of post-tax profits during its period of ownership in 2010 was included.

In connection with the merger a shareholder agreement was entered into between Posten Norge and Telenor, as the other major owner of the combined company.
In accordance with the agreement Posten Norge's ownership stake
was to be reduced to 40% over a two-year period, which was carried out in November 2010. In addition the agreement contains restrictions with

NOTE 26 DISCONTINUED OPERATIONS (continued)

regard to the transfer of shares to third parties for a two-year period without the approval of the other party. Following the end of the two-year period a party can initiate processes to evaluate alternative ownership models and the industrial development of the company, which after a minimum of five years from the time of the merger can result in the other party having to participate in a transaction that is also supported by the Board of Directors and the majority of the other shareholders. The parties have also agreed that both are to be represented on the Board, in line with market practice and Norwegian law.
In accordance with the shareholder agreement Posten Norge sold 7% of its shares in November for a total of MNOK 181 resulting in a loss of MNOK 12. In connection with a share issue in the company in December 2010 Posten Norge purchased the number of shares required in order to maintain the agreed ownership stake of 40% which was equivalent to an investment of MNOK 359. The value in the balance sheet as at 31.12.2010 after the recognition of Posten Norge's share of the profits for 2010 was MNOK 1 432. See note 12.

In connection with the completion of the merger on 14.10.2010 a long-term loan from Posten Norge group to ErgoGroup of approximately MNOK 1 400 was partly settled with the repayment of MNOK 1000. The conditions for the remaining MNOK 400 of the loan were renegotiated and the loan falls due in 2011 month's time. See note 13.

Profits for discontinued operations / ErgoGroup:

	2010*	2009	2008
Operating revenues	3 772	5 214	5 689
Earnings before interest and taxes (EBIT)**	229	239	369
Earnings before tax ErgoGroup	**192**	**176**	**247**
Taxes	54	43	69
Post-tax profit ErgoGroup	**138**	**132**	**178**
Losses from ErgoGroup merger	(817)		
Transaction costs	(8)		
Income after taxes from discontinued operations	(686)	132	178

* Post-tax profits for ErgoGroup in 2010 apply to the period 01.01.2010 - 30.09.2010
** EBIT for 2010 deviates from ErgoGroup's reported figures as a result of the different methods of recording a provision for restructuring.

Balance for discontinued operations / ErgoGroup:
A summary of ErgoGroup's outgoing balance as at 30.09.2010 is shown in note 29.

Net cash flows related to ErgoGroup:	2010*	2009	2008
Provided by the year's operations	374	415	522
Net cash flow from operational activities	119	474	533
Net cash flow from investing activities	(212)	(200)	(271)
Net cash flow from financing activities	(206)	(152)	(144)
Total changes to liquid assets	**(299)**	**123**	**118**
Cash and cash equivalents at start of period	644	521	403
Cash and cash equivalents at end of period	345	644	521

* Net cash flows for ErgoGroup in 2010 apply to the period 01.01.2010 - 30.09.2010

NOTE 27 GUARANTEES/ MORTGAGES

Posten Norge AS and its subsidiaries have provided various forms of guarantees, including contract guarantees, loan guarantees and other payment guarantees. Guarantees (not recognised in the balance sheet as at 31.12):

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
460	430	261	Guarantees for group companies' liabilities	261	430	509
180	180	180	Commercial guarantees	180	180	180
114	230	313	Other guarantees	369	282	115
754	**840**	**754**	**Total guarantees**	**810**	**892**	**804**

In connection with the merger between EDB Business Partner ASA and ErgoGroup AS an agreement was entered into regarding the treatment of the parent company guarantees from Posten Norge to ErgoGroup AS. These guarantees were moved from the respective entries to other guarantees. The previous year's figures have been restated accordingly. The guarantees expire between 2012 and 2015.

The reduction in the guarantees for the Group's debt was mainly due to the guarantees given for the subsidiary Posten Eiendom Robsrud AS to fulfil its commitments for the completion of the South Eastern Norway terminal being reduced as a result of the project being completed, and the closure of guarantees resulting from the merger in the Bring Frigoscandia Sverige Group.

The Group's subsidiaries provided assets with a total book value of NOK 86 million as security. At the end of the year the Group was well within defined limits See note 24 Financial risk.

No Group subsidiaries have pledges property as collateral.

NOTE 28 LEASES

1. Lessee

1.1. Lessee **Finance lease agreements**

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Book value of continued operations			
68	68	68	Buildings	97	97	68
			Machinery, equipment and vehicles	117	121	117
68	**68**	**68**	**Gross book value**	**214**	**218**	**185**
34	36	37	Accumulated depreciation 1 January	85	78	44
			Depreciation - disposals	(1)	(20)	(1)
2	2	2	Depreciation during the year	22	27	34
32	**31**	**29**	**Net book value**	**108**	**133**	**108**
19	15	11	Commitments, buildings	38	44	19
			Commitments, machinery, equipment and vehicles	51	80	146

Overview of future minimum rents:

		5	Within 1 year	30		
		8	1 to 5 years	49		
			After 5 years	14		
		13	**Future minimum rents**	**93**		
		7,2 %	Interest rate	5,6 %		
		12	**Present value of future minimum rents**	**88**		
			Of which:			
		7	Non-current liabilities	58		
		5	Current liabilities	30		

NOTE 28 LEASES (continued)

Properties are classified as buildings and other property, while associated liabilities are classified as interest-bearing long-term liabilities. The first year's repayments have been reclassified as interest-bearing short-term liabilities. Refer to note 21.

Posten Norge has financial leases for Skien Post Terminal and the Odda Postgård building. The lease agreement for Odda Postgård was entered into on 01.10.1992 and expires in October 2012. Posten Norge has the right to extend the lease agreement on a rolling 12 month basis. In the event of moving out at the end of the contract term or later a mutual notice period of one year applies. The contract is deemed to be renewed unless terminated in this way. The lease for Skien Post Terminal was entered into on 29.01.1990 and expires in June 2013. Posten Norge is entitled to buy the building during the lease period, or to extend the lease period when the lease expires.

Posten Eiendom Robsrud has a financial lease for a thermal energy facility that runs until 30 June 2024.

The Group's other financial leases relate to Bring Cargo (formerly Bring Logistics) and CombiTrans and relate mainly to vehicles. The longest lease for vehicles expires in November 2013.

1.2. Lessee **Operating leases**

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2009
230	223	218	Ordinary lease payment for vehicles	344	340	353
735	749	828	Ordinary lease payment for buildings	1 294	1 166	1 113
			Ordinary lease payment for computer equipment	3	2	2
25	8	6	Ordinary lease payment - other	170	138	88
(17)	(12)	(8)	Subletting income	(60)	(65)	(69)
973	**968**	**1 044**	**Total rents paid**	**1 751**	**1 581**	**1 487**

Future minimum lease payment linked to non-cancellable leases fall due as follows:

		169	Within 1 year	793		
		803	1 to 5 years	2 430		
		3 007	After 5 years	4 689		
		3 979	**Total**	**7 912**		

Posten Norge AS has entered into around 1,300 leases for various types of property, including offices and sorting premises, terminals, Post Offices, parking facilities, etc. These leases expire between 2011-2026. Posten Norge is entitled to extend the lease period when the lease expires on most lease.

The most significant leases for Posten Norge relate to the South-East Norway terminal at Robsrud, and "Posthuset" head office at Biskop Gunnerusgate 14A.

The lease period for "Posthuset" building at Biskop Gunnerusgate 14 A in Oslo is 15 years from 01.03.2003, with specific extension clauses.

The costs relating to common areas and energy costs are variable and are divided according to a formula that is based on the floor space rented. The rent is index-linked on an annual basis.

Posten Norge has an operational lease with Posten Eiendom Robsrud AS for the South-East Norway terminal at Robsrud. The lease term is 17 years with effect from 01.12.2009.

Posten Norge has also entered into operational leases for Stavanger post terminal and Trondheim post terminal with Posten Eiendom Storbyer AS and for Postens godssenter with Posten Eiendom Alnabru AS. The lease term for Stavanger post terminal, Trondheim post terminal and Postens godssenter is 5 years with the option to extend for a further 3 years. Lease agreements cannot be terminated during the lease term. The tenant is responsible for running the building and covering all the costs related to this. The rent is index-linked on an annual basis.

Posten Norge has also had lease agreements with Posten Eiendom Alnabru AS for Postens verksteder and Transportsenter Oslo, and these expired with effect from 01.01.2011.

In June 2007 a lease agreement was entered into with Bergerterminalen AS with takeover by 01.01.2010 at the latest. The agreement applies for 20 years from takeover.

In June 2009, a new agreement was entered into with LeasePlan Norge AS for the lease and operation of all types of vehicles. The agreement runs until 30.09.2012, with the option to extend for a further 1+1 years. Normally, the contract period for each vehicle will be two to five years. Posten Norge is not entitled or obliged to extend the lease period, or to buy the vehicle when the lease expires. A total of 5,082 vehicles and 105 trailers were leased at the end of 2010.

An amount of NOK 3 million has been provided for vacated premises that have been classified under restructuring costs. Refer to note 5.

Bring Logistics Linehaul AS has lease agreements with Cargonet AS and TX Logistik AG for the lease of train space that run until 31.12.2011 and 31.12.2012 respectively.

Of the remaining lease agreements in the Group the most significant agreements relate to premises leased for Bring Frigo Sverige (formerly Bring Frigoscandia Sverige), Bring Frigo Norge (formerly Bring Frigoscandia Norge), Bring Cargo (formerly Bring Logistics) and Bring CityMail Sverige. The longest lease expires on 01.12.2026.

Lessor:

The group has some operational leases linked to parts of buildings which it rents out. The group's rental income from leased buildings totalled MNOK 30 million (MNOK 38 million in 2009 and MNOK 28 in 2008).

NOTE 29 CHANGES TO THE GROUP STRUCTURE

Sale of companies/discontinued operations

The following companies and businesses were sold or discontinued in 2010:

Company/business	Recognised in the accounts	Ownership share	Activity	Income before taxes in 2010
ErgoGroup AS	30.09.10	100 %	IT	192
Posten Eiendom Espehaugen AS	31.01.10	100 %	Property	
Breivika Industriveg 33 AS	15.07.10	100 %	Property	1
Total				**193**

Acquisitions/mergers and new company formations in 2010

The Group did not make any acquisitions in 2010 and thus no goodwill was recorded (MNOK 20 in 2009 and MNOK 291 in 2008). Refer to note 9 regarding determination of goodwill.

The merger between Posten Norge's wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA (EDB) that was completed under company law on 14.10.2010 and recognised in the accounts as of 30.09.2010. Refer to note 26.

In March Bring Logistics Linehaul AS established two new subsidiaries in Sweden and Germany, Bring Logistics Linehaul AB and Bring Logistics Linehaul GMBH. The establishment of these new companies is related to the further development of international line haul traffic. The company's tasks will include building up the Group's investment in rail.

Posten Norge established the company Bring Danmark A/S with a share capital of MDKK 0.5 in November 2010. As part of the simplification of the group structure Bring Express Helsinki OY was merged with Bring Express Suomi OY. Bring Express Jönköping AB and Bring Express Örebro AB were both merged with Bring Express Sverige AB.

Sales in 2010

In 2009 it was decided that the wholly-owned subsidiary Posten Eiendom Espehaugen AS would not be used by Posten Norge. The shares in the company were reclassified as held for sale in Posten Norge and assets in the company were reclassified as separate held for sale entries in the Group accounts. The company was sold in February 2010 for MNOK 87. This produced a gain of MNOK 24 in the parent company and MNOK 25 in the Group.

Bring Cargo AS (formerly Bring Logistics AS) sold the wholly-owned subsidiary Breivika Industriveg 33AS, a property in Ålesund, in July 2010, which resulted in a profit of MNOK 10. The sale was a stage in the planned co-localisation with Posten Norge in a new terminal.

Acquisitions and sales after balance sheet date (unaudited figures):

Bring Frigo (previously Bring Frigoscandia) will take over Coldsped's cold storage business in Sweden with effect from 01.04.2011. The acquisition covers the facilities in Ørebro, Jordbro, Kalmar, Kristanstad, Esløv and Malmø. in 2010 the business had revenues of MSEK 84 and 57 employees. The acquisition strengthens Bring's position as a complete logistics operator for the food industry and increases its geographical presence so that Bring Frigo gets closer to its customers' production facilities. Furthermore storage and transport are efficiently linked together and offer customers a single contact point for all logistics connected with the food industry.

Overview of sales/discontinued operations and profit/loss during the year:

Total balance sheet value per segment at the time of sale

	IT	Logistics	Mail	Group 2010	2009	2008
Goodwill	2 697			2 697		
Intangible assets	172			172		2
Deferred tax asset	57			57		8
Tangible fixed assets	336	35	35	406		19
Financial assets	33			33	1	1
Total fixed assets	**3 295**	**35**	**35**	**3 365**	**1**	**30**
Current receivables, interest-free	1 268			1 268	5	32
Current receivables, interest-bearing	117			117		
Inventories	14			14		1
Liquid assets	228	1	2	231	31	9
Total current assets	**1 627**	**1**	**2**	**1 630**	**36**	**41**
Total assets	**4 922**	**37**	**36**	**4 995**	**37**	**71**
Total provisions for obligations	127			127	5	11
Total current liabilities	1 441	17		1 458		9
Interest-free non-current liabilities	1			1	2	
Interest-free current liabilities	1 146	1		1 147	11	51
Total liabilities	**2 715**	**19**		**2 734**	**18**	**70**
Net identifiable assets	**2 207**	**18**	**36**	**2 261**	**19**	**2**
Goodwill					2	
Other *	(101)		26	(75)	(10)	
Profit / (loss) on sale	(817)	10	25	(782)	30	
Total sales price	**1 289**	**28**	**87**	**1 404**	**42**	**2**
Cash received upon disposal		28	61	89	38	2
Other *	(8)		26	18	4	
Shares received	1 297			1 297		
Total sales price	**1 289**	**28**	**87**	**1 404**	**42**	**2**
Cash received upon disposal		28	61	89	38	2
Cash disbursed at time of sale	(228)	(1)	(2)	(231)	(31)	(9)
Net cash effect at time of sale	**(228)**	**27**	**60**	**(142)**	**6**	**(7)**

* Other in 2010 relates to hedging effects and transaction costs for IT and settlement from sales to external parties fro Mail. In 2009 this relates to the buy-out of minority shareholdings.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

The group has had a number of transactions with related parties. All transactions were carried out as part of the ordinary operations and at arm's length prices. The most significant transactions were as follows:

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
			Purchases of goods and services from			
183	164	56	Subsidiaries			
764	574	727	Associated companies	769	657	850
			Other		54	71
			Sales of goods and services to			
531	655	720	Subsidiaries			
9	27	40	Associated companies	69	56	47
2	2		Other		18	12
			Leases of property from			
84	100	228	Subsidiaries	1	3	4
1	1		Associated companies	1	1	1
1	1	1	Other			
			Leases of property to			
5	3	3	Subsidiaries			

After the merger between EDB Business Partner ASA and ErgoGroup AS the new company EDB ErgoGroup ASA is treated as an associated company All transactions in 2010 between the Group and ErgoGroup AS/EDB ErgoGroup ASA are classified in the entry for associated companies. Corresponding figures have been restated accordingly. Refer also to note 26.

The balance sheet includes the following amounts as a result of transactions with related parties:

POSTEN NORGE AS				GROUP		
2008	2009	2010		2010	2009	2008
96	111	109	Account receivables	7	6	6
4 869	3 812	3 054	Other receivables	400	1	1
150	86	117	Account payables	99	7	8
1 077	995	967	Other payables	58		
3 738	**2 842**	**2 079**	**Net**	**250**		(1)
			Loans to related parties:			
			As at 01.01			3
		400	New loans during the year	400		
			Repayments during the year			(3)
		400	**Balance sheet at 31 December**	**400**		

Loans to related parties:
In connection with the completion of the merger between EDB Business Partner ASA and ErgoGroup AS on 14.10.2010 a long-tem loan from Posten Norge to ErgoGroup og MNOK 1 400 was partly settled with the repayment of MNOK 1 000. The conditions for the remaining MNOK 400 of the loan were renegotiated and the loan falls due in 2011. The loan is classified under other short-term interest-bearing receivables. Refer also to note 13.

Remuneration to the board and management
For remuneration to the board and management, refer to note 2.

Loans to employees
For loans to employees, refer to notes 14 and 16.

NOTE 31 OTHER MATTERS

EVENTS AFTER BALANCE SHEET DATE
Posten Norge has entered into an agreement for the partial refinancing of existing bond loans of MNOK 1500 with a new listed bond loan of MNOK 500 from 11.03.2011, with a 5 year term.

Posten Norge is in the process of completing negotiations on the refinancing of its syndicate loan of MEUR 500. The new transaction will be an agreement with 5 Nordic banks for a total of MEUR 300 and a term of 5 years. The new conditions are in line with the existing agreement.

Bring Frigo (formerly Bring Frigoscandia) takes over Coldsped's cold storage business in Sweden with effect from 01.04.2011. The facilities are localised in 6 towns and had revenues of MSEK 84 and 57 employees in 2010.

SIGNIFICANT TRANSACTIONS
Transfer and sale of properties and companies
In February 2010, the subsidiary Posten Eiendom Espehaugen AS was sold resulting in a gain of MNOK 25 for the Group. In July 2010, Bring Cargo (formerly Bring Logistics) sold the property company Breivika Industriveg 33 AS at a gain of MNOK 10.

Posten Norge 's completed the merger between the wholly-owned subsidiary ErgoGroup AS and EDB Business Partner ASA which was recognised in the accounts as of 30.09.2010. The merger resulted in a loss to the Group of MNOK 817. Posten Norge's ownership stake in the combined company as at 31.12.2010 was 40% which is in line with the shareholder agreement entered into with Telenor as the other major owner. Refer to note 26 for further details.

The mail terminals in Drammen and Hamar were sold in 2010 with a combined net gain of MNOK 10. The terminals in Kristiansand, Stokke, Sarpsborg and Tromsø were sold in January 2009 with a combined gain of NOK 18 million. The terminal in Vestfold owned through Bring Logistics' subsidiary Nor-Cargo Eiendom AS, was sold in February 2009 at book value. Posten Norge has entered into lease agreements with the new owners of the terminals that were sold.

During 2008 the terminals in Fauske, Finnsnes, Haugesund, Mosjøen and Ålesund were sold, giving a total net gain of NOK 7 million.

As of 01 January 2008, the properties Stavanger post terminal and Trondheim post terminal were transferred to the property company Posten Eiendom Storbyer AS with continuity for accounting and tax purposes. In the same way the properties Postens godssenter, Postens verksteder and Transportsenter Oslo were transferred to the property company Posten Eiendom Alnabru AS. All properties have lease contracts of between 3 and 5 years in length and may be extended during the lease term.

Branding project
In September 2008, Posten Norge launched a new, joint trademark called Bring, for its Nordic mail and logistics operations. At the same time Posten Norge 's logo was updated to show that Posten Norge and Bring are part of the same group. The goal is to clearly present the unity of the Group's activities. Posten Norge's launch of the new brand and changing of the logo cost MNOK 221 in 2008, MNOK 62 in 2009 and MNOK 42 in 2010.

Restructuring provisions
In 2010, the Group made a total provision of MNOK 27 for restructuring and reversed provisions for previous years by MNOK 58. Provisions in 2010 were mainly related to efficiency measures and changes to the terminal structure.

New South-East Norway terminal at Robsrud
The South-East Norway terminal was taken over by Posten Norge on 01.12.2009 and was opened by His Royal Highness King Harald on 29.01.2010. Posten Norge has invested a total of BNOK 2.5 in land, buildings and advanced equipment.

Significant payments to/from the owner
In 2010, the Norwegian government made MNOK 497 of government procurements of commercially unprofitable services. and MNOK 518 in 2009; for more details see under regulatory factors. There were no significant payments to/from the owner in 2008.

REGULATORY FACTORS
Posten Norge's licence
In accordance with §4 of the Postal Act the Ministry of Transport and Communication has granted Posten Norge AS a licence to offer mandatory postal services within a monopoly area. The licence gives Posten Norge the exclusive right to manage sealed and addressed letter mail within a specific weight and price range. As of 1 January 2006 the range is from 50 grams and 2.5 times the basic price for domestic priority mail. At the same time the licence also entails that Posten Norge must carry out socially defined duties in the form of requirements to the services offered as well as requirements for cost-based prices and geographical unit postage charges within the monopoly.

The socially defined duties cover:
- Available product requirements (statutory postal services and basic banking services).
- Requirement for the availability of the statutory postal services
- Delivery time requirements
- Requirement for cost-based prices and geographical unit postage charges within the monopoly

In point 4.2 of the licence it is proposed that Posten Norge 's extra costs related to the socially defined duties are covered by the monopoly profits from the monopoly area and government procurement granted through the fiscal budget. In 2008 no funds were granted for government procurement. With effect from 2009 the annual grant of funds in advance for government procurement is adjusted the following year based on a recalculation of requirements in connection with the product accounts for the licence. This arrangement shall prevent overcompensation. After adjustment for recalculation government procurement for 2009 was MNOK 211. In the 2010 fiscal budget MNOK 497 was allocated in advance and MNOK 345 in the 2011 fiscal budget.

The licence stipulates that Posten Norge AS must document that there are no illegal cross subsidies between the monopoly area and the services that are subject to competition. This documentation is to be submitted to the Norwegian Post and Telecommunications Authority in the form of separate product accounts. The auditor conducts annual audits in accordance with the licence. The product accounts for 2010 will be presented at the latest three months after the financial statements for 2010 have been approved.

The Ministry of Transport and Communication has extended Posten Norge 's licence from its original expiry date of 31.12.2010 until 31.12.2011.

EU's Postal Directive
The EU's Postal Directive includes the stipulation of certain minimum requirements for mandatory postal services, principles on cost-based prices and government compensation for extra costs related to mandatory postal services, as well as the limitation on the national postal companies' monopolies to the processing of letter mail by postal companies that carry out mandatory postal services.

In accordance with the EU's Third Postal Directive, the majority of member countries liberalised their postal markets (withdrawn national monopolies on the processing of letter mail) with effect from 01.01.2011, while certain countries have been granted a postponement until 01.01.2013. The extent to which Norway will introduce or resist the EU's Third Postal Directive is a matter for the government to decide. 85% of the Group's revenues currently arises from business that is subject to competition and Posten Norge is also preparing to meet direct competition for letter mail of less than 50 grams. Yet, regardless of any liberalisation the strongest competition for Posten Norge's letter distribution comes from electronic communications solutions.

Government ownership
In the Owner's Statement about Posten Norge (St. meld. nr 12 (2007-2008), presented on 01.02.2008) the Ministry of Transport and Communications concluded that Posten Norge's statutory and licence requirement to offer basic banking services should not be changed or withdrawn.

In a review undertaken on behalf of the Ministry of Transport and Communication in 2011, Copenhagen Economics concluded that Posten Norge's statutory requirement to offer banking services throughout its sales network could be repealed or limited to its rural delivery service area.

Furthermore approval was also given to convert a further 124 post offices to Post in Shops ("PiB") by the end of 2010. Approval was also given to Posten Norge's Scandinavian growth strategy. The government will consider Posten Norge's foreign operations in connection with the next Owner's Statement about Posten Norge's operations.

The Post office network
During 2010 Posten Norge completed the Translation of 124 post offices to Post in Shops (PiB) within the framework stated in St.meld. no. 12 (2007-2008). During 2010 Posten Norge converted 29 post offices to PiB. Furthermore Posten Norge completed an open competitive tender for the future operation of the PiB concept in 2010. Agreements have been signed for the operation of 1 164 PiBs. The agreements will be implemented by 01.07.2011 with a duration of 3 years, and an option to extend for a further 2 years. During the course of 2011 a competitive tender will be carried out for the operation of a further PiBs and the agreed extension of operating agreements with the current operators of 21 PiBs. At the end of 2010 the Post office network consisted of 179 Post offices, 1 255 Post in Shops and 19 Business centres.

Banking and payment services
Posten Norge's statutory and licence requirement to offer basic banking services is fulfilled through a cooperation agreement with DnB NOR. The agreement runs until 31.12.2017.

If changes should occur to Posten Norge's statutory and licence requirement to offer basic banking services during this period, special provisions have been agreed if Posten Norge decides to fully or partly wind up the services covered by the cooperation agreement or carry out a competitive tender for the services.

DISPUTES
EFTA's surveillance authority (ESA) stated in December 2008 that they will levy a fine on Posten Norge. Posten Norge is accused of having breached competition rules with agreements with grocery stores etc. on the establishment of Post in Shops ("PiB"). On 01.07.2010 a fine of MEUR 12.89 (approximately MNOK 101) was imposed on Posten Norge. Posten Norge disputes the decision and has brought the case before the EFTA court with a plea for the fine to be ruled invalid. The claimant, the German logistics company Schencker, lodged a summons in 2010 requiring Posten Norge to pay compensation with an upper limit of MNOK 460. The case has been adjourned until EFTA has handled the appeal from Posten Norge on the ESA fine. Posten Norge maintains that there are no grounds for compensation.

No disputes that involve any significant risk exposure to the Group have been registered in the subsidiaries.

STATEMENT OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL REPORT

We confirm that, to the best of our knowledge, that the financial statements have been prepared in accordance with approved accounting standards and give a true and fair view of the Group and the parent company's consolidated assets, liabilities, financial position and results of operations. We also confirm that that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the parent company together with a description of the key risks and uncertainties that the company is facing.

Oslo, 24 March 2011

Arvid Moss (chairman) | Eli Arnstad (vice-chairman) | Gøril Hannås

Randi Sætershagen | Terje Wold | Sigbjørn Molvik | Odd Christian Øverland

Paul Magnus Gamlemshaug | Judith Olafsen | Annemarie Elstner | Dag Mejdell (CEO)

ERNST & YOUNG

To the General Meeting of Norway Post

AUDITOR'S REPORT

Report on the financial statements
We have audited the accompanying financial statements for Norway Post, comprising the financial statements for the Parent Company and the Group The financial statements of the Parent Company and the Group comprise the balance sheet as at 31 December 2010, the statements of income, changes in equity and cash flows for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Group Chief Executive Officer's responsibility for the financial statements
The Board of Directors and Group Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and for such internal control as the Board of Directors and Group Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements. The aim is to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

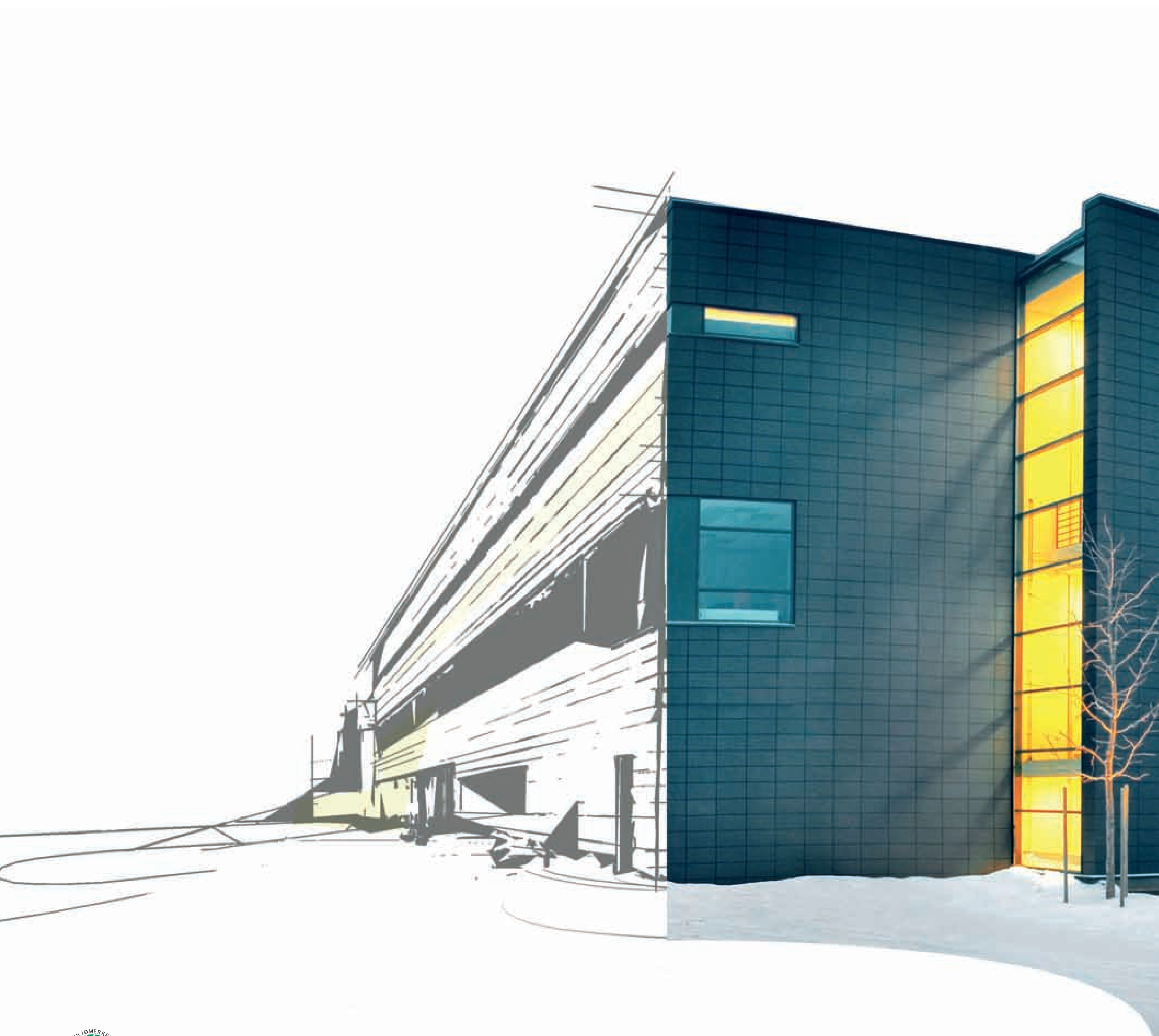
Conclusion
In our opinion, the financial statements of Norway Post have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements
Opinion on the Board of Directors' report Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that the Board of Directors and Group Chief Executive Officer have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway.
(This translation from Norwegian has been made for information purposes only)

Oslo, 24 March 2011
ERNST & YOUNG AS

Jan Wellum Svensen
Certified Public Accountant



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